2025

SESSION LAWS

OF THE

STATE OF WASHINGTON

2025 REGULAR SESSION SIXTY-NINTH LEGISLATURE

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WASHINGTON SESSION LAWS GENERAL INFORMATION

- 1. EDITIONS AVAILABLE.
 - (a) General Information. The session laws are printed in a permanent softbound edition containing the accumulation of all laws adopted in the legislative session. The edition contains a subject index and tables indicating Revised Code of Washington sections affected.
 - (b) Where and how obtained price. The permanent session laws may be ordered from the Statute Law Committee, Legislative Modular Building, P.O. Box 40552, Olympia, Washington 98504-0552. The edition costs \$25.00 per set plus applicable state and local sales taxes and \$7.00 shipping and handling. All orders must be accompanied by payment.
- 2. PRINTING STYLE INDICATION OF NEW OR DELETED MATTER.

The session laws are presented in the form in which they were enacted by the legislature. This style quickly and graphically portrays the current changes to existing law as follows:

- (a) In amendatory sections
 - (i) <u>underlined</u> matter is new matter.
 - (ii) deleted matter is ((lined out and bracketed between double parentheses)).
- (b) Complete new sections are prefaced by the words <u>NEW SECTION.</u>

3. PARTIAL VETOES.

- (a) Vetoed matter is *printed in bold italics*.
- (b) Pertinent excerpts of the governor's explanation of partial vetoes are printed at the end of the chapter concerned.
- 4. EDITORIAL CORRECTIONS. Words and clauses inserted in the session laws under the authority of RCW 44.20.060 are enclosed in [brackets].
- 5. EFFECTIVE DATE OF LAWS.
 - (a) The state Constitution provides that unless otherwise qualified, the laws of any session take effect ninety days after adjournment sine die. The Secretary of State has determined the effective date for the Laws of the 2025 regular session is July 27, 2025.
 - (b) Laws that carry an emergency clause take effect immediately, or as otherwise specified, upon approval by the Governor.
 - (c) Laws that prescribe an effective date take effect upon that date.
- 6. INDEX AND TABLES.

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CHAPTER 201

[Engrossed House Bill 1403]

CONDOMINIUM CONSTRUCTION—CONSTRUCTION DEFECTS AND WARRANTIES

AN ACT Relating to increasing homeownership opportunities by simplifying condominium construction statutes; amending RCW 64.90.670, 64.55.005, 64.55.005, 64.90.675, and 64.55.010; reenacting and amending RCW 64.55.010; providing an effective date; and providing an expiration date.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 64.90.670 and 2019 c 238 s 102 are each amended to read as follows:

(1) A declarant and any dealer warrants to a purchaser of a condominium unit that the unit will be in at least as good condition at the earlier of the time of the conveyance or delivery of possession as it was at the time of contracting, except for reasonable wear and tear and damage by casualty or condemnation.

(2) ((A)) (a) If a condominium unit is part of a common interest community organized under this chapter and created prior to the effective date of this section, a declarant and any dealer impliedly warrants to a purchaser of ((a)) the condominium unit that the unit and the common elements in the condominium are suitable for the ordinary uses of real estate of its type and that any improvements made or contracted for by such declarant or dealer will be:

(((a))) (i) Free from defective materials;

(((b))) (ii) Constructed in accordance with engineering and construction standards, including applicable building codes, generally accepted in the state of Washington at the time of construction; and

((((c)))) (iii) Constructed in a workmanlike manner.

(b) If a condominium unit is part of a common interest community created on or after the effective date of this section, a declarant and any dealer impliedly warrants to a purchaser of the condominium unit that the unit and the common elements in the condominium are suitable for the ordinary uses of real estate of its type and that any improvements made or contracted for by such declarant or dealer will be:

(i) Free from defective materials;

(ii) Constructed in accordance with the plans, specifications approved by the applicable jurisdiction for the construction of the condominium, manufacturer installation guidelines, applicable building codes in effect at the time of permit approval, and any published industry standards specifically incorporated into the applicable building codes in effect at the time of permit approval; and

(iii) Constructed in a workmanlike manner. For purposes of this subsection (2)(b)(iii), "workmanlike manner" means the degree of care that a reasonably prudent contractor licensed in the state of Washington would exercise under the same or similar circumstances.

(3) A declarant and any dealer warrants to a purchaser of a condominium unit that may be used for residential use that an existing use, continuation of which is contemplated by the parties, does not violate applicable law at the earlier of the time of conveyance or delivery of possession.

(4) Warranties imposed under this section may be excluded or modified as specified in RCW 64.90.675.

(5) For purposes of this section, improvements made or contracted for by an affiliate of a declarant are made or contracted for by the declarant.

(6) Any conveyance of a condominium unit transfers to the purchaser all of a declarant's or dealer's implied warranties of quality.

(7)(a) In a proceeding for breach of any of the obligations arising under this section, the purchaser must show that the alleged breach has adversely affected or will adversely affect the performance of that portion of the unit or common elements alleged to be in breach. Nothing in this section limits the ability of a board to bring claims on behalf of two or more unit owners pursuant to RCW 64.90.405(2)(d).

(b) To establish an adverse effect on performance, the purchaser is required to prove that the alleged breach:

(i) Is more than technical;

(ii) Is significant to a reasonable person; and

(iii) Has caused or will cause physical damage to the unit or common elements; has materially impaired the performance of mechanical, electrical, plumbing, elevator, or similar building equipment; or presents an actual, unreasonable safety risk to the occupants of the condominium.

(8) Proof of breach of any obligation arising under this section is not proof of damages. Damages awarded for a breach of a warranty arising under subsection (2) of this section are the reasonable cost of repairs. However, if it is established that the cost of such repairs is clearly disproportionate to the loss in market value caused by the breach, damages are limited to the loss in market value.

Sec. 2. RCW 64.55.005 and 2019 c 238 s 216 are each amended to read as follows:

(1)(a) RCW 64.55.010 through 64.55.090 apply to any multiunit residential building for which the permit for construction or rehabilitative construction of such building was issued on or after August 1, 2005.

(b) RCW 64.55.010 and 64.55.090 apply to conversion condominiums as defined in RCW 64.34.020 or conversion buildings as defined in RCW 64.90.010, provided that RCW 64.55.090 shall not apply to a condominium conversion for which a public offering statement had been delivered pursuant to chapter 64.34 RCW prior to August 1, 2005.

(c) RCW 64.55.010 through 64.55.090 do not apply to an accessory dwelling unit organized pursuant to chapter 64.90 RCW as a condominium unit in a common interest community created on or after the effective date of this section.

(2) RCW 64.55.010 and 64.55.100 through 64.55.160 and 64.34.415 apply to any action that alleges breach of an implied or express warranty under chapter 64.34 RCW or that seeks relief that could be awarded for such breach, regardless of the legal theory pleaded, except that RCW 64.55.100 through 64.55.160 and 64.34.415 shall not apply to:

(a) Actions filed or served prior to August 1, 2005;

(b) Actions for which a notice of claim was served pursuant to chapter 64.50 RCW prior to August 1, 2005;

(c) Actions asserting any claim regarding a building that is not a multiunit residential building;

(d) Actions asserting any claim regarding a multiunit residential building that was permitted on or after August 1, 2005, unless the letter required by RCW

64.55.060 has been submitted to the appropriate building department or the requirements of RCW 64.55.090 have been satisfied.

(3) Other than the requirements imposed by RCW 64.55.010 through 64.55.090, nothing in this chapter amends or modifies the provisions of RCW 64.34.050.

Sec. 3. RCW 64.55.005 and 2024 c 321 s 423 are each amended to read as follows:

(1)(a) RCW 64.55.010 through 64.55.090 apply to any multiunit residential building for which the permit for construction or rehabilitative construction of such building was issued on or after August 1, 2005.

(b) RCW 64.55.010 and 64.55.090 apply to conversion buildings as defined in RCW 64.90.010.

(c) RCW 64.55.010 through 64.55.090 do not apply to an accessory dwelling unit organized pursuant to chapter 64.90 RCW as a condominium unit in a common interest community created on or after the effective date of section 2 of this act.

(2) RCW 64.55.010 and 64.55.100 through 64.55.160 and 64.90.620 apply to any action that alleges breach of an implied or express warranty under chapter 64.90 RCW or that seeks relief that could be awarded for such breach, regardless of the legal theory pleaded, except that RCW 64.55.100 through 64.55.160 and 64.90.620 shall not apply to:

(a) Actions filed or served prior to August 1, 2005;

(b) Actions for which a notice of claim was served pursuant to chapter 64.50 RCW prior to August 1, 2005;

(c) Actions asserting any claim regarding a building that is not a multiunit residential building;

(d) Actions asserting any claim regarding a multiunit residential building that was permitted on or after August 1, 2005, unless the letter required by RCW 64.55.060 has been submitted to the appropriate building department or the requirements of RCW 64.55.090 have been satisfied.

(3) Other than the requirements imposed by RCW 64.55.010 through 64.55.090, nothing in this chapter amends or modifies the provisions of RCW 64.90.025.

Sec. 4. RCW 64.90.675 and 2018 c 277 s 416 are each amended to read as follows:

(1) Except as limited under subsections (2) and (4) of this section with respect to a purchaser of a condominium unit that may be used for residential use, implied warranties of quality under RCW 64.90.670:

(a) May be excluded or modified by written agreement of the parties; and

(b) Are excluded by written expression of disclaimer, such as "as is," "with all faults," or other language that in common understanding calls the buyer's attention to the exclusion of warranties.

(2) With respect to a purchaser of a condominium unit that may be used for residential use, no disclaimer of implied warranties of quality under RCW 64.90.670 is effective, except that a declarant and any dealer may disclaim liability in an instrument for one or more specified defects or failures to comply with applicable law, if:

(a) The declarant or dealer knows or has reason to believe that the specific defects or failures exist at the time of disclosure;

(b) The disclaimer specifically describes the defects or failures;

(c) The disclaimer includes a statement as to the effect of the defects or failures;

(d) The disclaimer is boldfaced, capitalized, underlined, or otherwise set out from surrounding material so as to be conspicuous; and

(e) The disclaimer is signed by the purchaser.

(3) ((A)) Except as provided in subsection (4) of this section, a declarant or dealer may not make an express written warranty of quality that limits the implied warranties of quality made to the purchaser set forth in RCW 64.90.670.

(4)(a) With respect to a unit in a condominium created on or after the effective date of this section, a declarant or dealer is not subject to the implied warranties of quality set forth in RCW 64.90.670 if the declarant or dealer provides for the condominium unit an express warranty of quality and express warranty insurance coverage that meets the requirements in (b) of this subsection, and the condominium unit is:

(i) An accessory dwelling unit organized as a condominium pursuant to this chapter:

(ii) Located in a new building or a conversion building containing 12 or fewer units and two or fewer stories;

(iii) Located in a new building or a conversion building containing 12 or fewer units and three or fewer stories, if one story is utilized for parking, either above or below ground, or as a commercial space; or

(iv) Located in a new building or a conversion building containing 12 or fewer units where no unit is physically located above or below any other unit, except for balconies, roof decks, overhangs, and minor building features.

(b) An express warranty of quality and insurance coverage provided under (a) of this subsection must:

(i) Require acknowledgment by the unit purchaser that the express warranty of quality applies;

(ii) Allow for recovery of defects under the express warranty of quality by the unit owner and any subsequent purchaser, and by the unit owners association for common areas:

(iii) Apply to all condominium units and common areas within the building; and

(iv) Provide minimum coverage periods as follows:

(A) One year for defective workmanship and materials;

(B) Two years for defective plumbing, electrical, and ductwork distribution systems; and

(C) 10 years for structural defects to load-bearing structural members.

(c) A proceeding for breach of an express warranty of quality and insurance coverage provided under (a) of this subsection must be commenced pursuant to <u>RCW 64.90.680.</u>

Sec. 5. RCW 64.55.010 and 2024 c 122 s 1 are each amended to read as follows:

Unless the context clearly requires otherwise, the definitions in RCW 64.34.020 and in this section apply throughout this chapter.

(1) "Attached dwelling unit" means any dwelling unit that is attached to another dwelling unit by a wall, floor, or ceiling that separates heated living spaces. A garage is not a heated living space.

(2) "Building enclosure" means that part of any building, above or below grade, that physically separates the outside or exterior environment from interior environments and which weatherproofs, waterproofs, or otherwise protects the building or its components from water or moisture intrusion. Interior environments consist of both heated and unheated enclosed spaces. The building enclosure includes, but is not limited to, that portion of roofs, walls, balcony support columns, decks, windows, doors, vents, and other penetrations through exterior walls, which waterproof, weatherproof, or otherwise protect the building or its components from water or moisture intrusion.

(3) "Building enclosure design documents" means plans, details, and specifications for the building enclosure that have been stamped by a licensed engineer or architect. The building enclosure design documents shall include details and specifications that are appropriate for the building in the professional judgment of the architect or engineer who prepared the same to waterproof, weatherproof, and otherwise protect the building or its components from water or moisture intrusion, including details of flashing, intersections at roof, eaves or parapets, means of drainage, water-resistive membrane, and details around openings.

(4) "Developer" means:

(a) With respect to a condominium or a conversion condominium, the declarant; and

(b) With respect to all other buildings, an individual, group of individuals, partnership, corporation, association, municipal corporation, state agency, or other entity or person that obtains a building permit for the construction or rehabilitative reconstruction of a multiunit residential building. If a permit is obtained by service providers such as architects, contractors, and consultants who obtain permits for others as part of services rendered for a fee, the person for whom the permit is obtained shall be the developer, not the service provider.

(5) "Dwelling unit" has the meaning given to that phrase or similar phrases in the ordinances of the jurisdiction issuing the permit for construction of the building enclosure but if such ordinances do not provide a definition, then "dwelling unit" means a residence containing living, cooking, sleeping, and sanitary facilities.

(6) "Multiunit residential building" means:

(a) A building containing more than two attached dwelling units, including a building containing nonresidential units if the building also contains more than two attached dwelling units, but excluding the following classes of buildings:

(i) Hotels and motels;

(ii) Dormitories;

(iii) Care facilities;

(iv) Floating homes;

(v) A building that contains attached dwelling units that are each located on a single platted lot, except as provided in (b) of this subsection;

(vi) A building in which all of the dwelling units are held under one ownership and is subject to a recorded irrevocable sale prohibition covenant;

(vii) A building with 12 or fewer units that is no more than two stories; and

(viii) A building with 12 or fewer units that is no more than three stories so long as one story is utilized for parking, either above or below ground, or retail space, except if such building is subject to a 2-10 express warranty, as provided in RCW 64.90.675(4), as an alternative to the implied warranty in RCW 64.90.670.

(b) If the developer submits to the appropriate building department when applying for the building permit described in RCW 64.55.020 a statement that the developer elects to treat the improvement for which a permit is sought as a multiunit residential building for all purposes under this chapter, then "multiunit residential building" also means the following buildings for which such election has been made:

(i) A building containing only two attached dwelling units;

(ii) A building that does not contain attached dwelling units; and

(iii) Any building that contains attached dwelling units each of which is located on a single platted lot.

(7) "Party unit owner" means a unit owner who is a named party to an action subject to this chapter and does not include any unit owners whose involvement with the action stems solely from their membership in the association.

(8) "Qualified building inspector" means a person satisfying the requirements of RCW 64.55.040.

(9) "Rehabilitative construction" means construction work on the building enclosure of a multiunit residential building if the cost of such construction work is more than five percent of the assessed value of the building.

(10) "Sale prohibition covenant" means a recorded covenant that prohibits the sale or other disposition of individual dwelling units as or as part of a condominium for five years or more from the date of first occupancy except as otherwise provided in RCW 64.55.090, a certified copy of which the developer shall submit to the appropriate building department; provided such covenant shall not apply to sales or dispositions listed in RCW 64.34.400(2). The covenant must be recorded in the county in which the building is located and must be in substantially the following form:

This covenant has been recorded in the real property records of County, Washington, in satisfaction of the requirements of RCW 64.55.010 through 64.55.090. The undersigned is the owner of the property described on Exhibit A (the "Property"). Until termination of this covenant, no dwelling unit in or on the Property may be sold as a condominium unit except for sales listed in RCW 64.34.400(2).

This covenant terminates on the earlier of either: (a) Compliance with the requirements of RCW 64.55.090, as certified by the owner of the Property in a recorded supplement hereto; or (b) the fifth anniversary of the date of first occupancy of a dwelling unit as certified by the Owner in a recorded supplement hereto.

All title insurance companies and persons acquiring an interest in the Property may rely on the forgoing certifications without further inquiry in issuing any policy of title insurance or in acquiring an interest in the Property. (11) "Stamped" means bearing the stamp and signature of the responsible licensed architect or engineer on the title page, and on every sheet of the documents, drawings, or specifications, including modifications to the documents, drawings, and specifications that become part of change orders or addenda to alter those documents, drawings, or specifications.

Sec. 6. RCW 64.55.010 and 2024 c 321 s 424 and 2024 c 122 s 1 are each reenacted and amended to read as follows:

Unless the context clearly requires otherwise, the definitions in RCW 64.90.010 and in this section apply throughout this chapter.

(1) "Attached dwelling unit" means any dwelling unit that is attached to another dwelling unit by a wall, floor, or ceiling that separates heated living spaces. A garage is not a heated living space.

(2) "Building enclosure" means that part of any building, above or below grade, that physically separates the outside or exterior environment from interior environments and which weatherproofs, waterproofs, or otherwise protects the building or its components from water or moisture intrusion. Interior environments consist of both heated and unheated enclosed spaces. The building enclosure includes, but is not limited to, that portion of roofs, walls, balcony support columns, decks, windows, doors, vents, and other penetrations through exterior walls, which waterproof, weatherproof, or otherwise protect the building or its components from water or moisture intrusion.

(3) "Building enclosure design documents" means plans, details, and specifications for the building enclosure that have been stamped by a licensed engineer or architect. The building enclosure design documents shall include details and specifications that are appropriate for the building in the professional judgment of the architect or engineer who prepared the same to waterproof, weatherproof, and otherwise protect the building or its components from water or moisture intrusion, including details of flashing, intersections at roof, eaves or parapets, means of drainage, water-resistive membrane, and details around openings.

(4) "Developer" means:

(a) With respect to a condominium or a conversion condominium, the declarant; and

(b) With respect to all other buildings, an individual, group of individuals, partnership, corporation, association, municipal corporation, state agency, or other entity or person that obtains a building permit for the construction or rehabilitative reconstruction of a multiunit residential building. If a permit is obtained by service providers such as architects, contractors, and consultants who obtain permits for others as part of services rendered for a fee, the person for whom the permit is obtained shall be the developer, not the service provider.

(5) "Dwelling unit" has the meaning given to that phrase or similar phrases in the ordinances of the jurisdiction issuing the permit for construction of the building enclosure but if such ordinances do not provide a definition, then "dwelling unit" means a residence containing living, cooking, sleeping, and sanitary facilities.

(6) "Multiunit residential building" means:

(a) A building containing more than two attached dwelling units, including a building containing nonresidential units if the building also contains more than two attached dwelling units, but excluding the following classes of buildings:

(i) Hotels and motels;

(ii) Dormitories;

(iii) Care facilities;

(iv) Floating homes;

(v) A building that contains attached dwelling units that are each located on a single platted lot, except as provided in (b) of this subsection;

(vi) A building in which all of the dwelling units are held under one ownership and is subject to a recorded irrevocable sale prohibition covenant;

(vii) A building with 12 or fewer units that is no more than two stories; and

(viii) A building with 12 or fewer units that is no more than three stories so long as one story is utilized for parking, either above or below ground, or retail space, except if such building is subject to a 2-10 express warranty, as provided in RCW 64.90.675(4), as an alternative to the implied warranty in RCW 64.90.670.

(b) If the developer submits to the appropriate building department when applying for the building permit described in RCW 64.55.020 a statement that the developer elects to treat the improvement for which a permit is sought as a multiunit residential building for all purposes under this chapter, then "multiunit residential building" also means the following buildings for which such election has been made:

(i) A building containing only two attached dwelling units;

(ii) A building that does not contain attached dwelling units; and

(iii) Any building that contains attached dwelling units each of which is located on a single platted lot.

(7) "Party unit owner" means a unit owner who is a named party to an action subject to this chapter and does not include any unit owners whose involvement with the action stems solely from their membership in the association.

(8) "Qualified building inspector" means a person satisfying the requirements of RCW 64.55.040.

(9) "Rehabilitative construction" means construction work on the building enclosure of a multiunit residential building if the cost of such construction work is more than five percent of the assessed value of the building.

(10) "Sale prohibition covenant" means a recorded covenant that prohibits the sale or other disposition of individual dwelling units as or as part of a condominium for five years or more from the date of first occupancy except as otherwise provided in RCW 64.55.090, a certified copy of which the developer shall submit to the appropriate building department; provided such covenant shall not apply to sales or dispositions listed in RCW 64.90.600(2). The covenant must be recorded in the county in which the building is located and must be in substantially the following form:

This covenant has been recorded in the real property records of County, Washington, in satisfaction of the requirements of RCW 64.55.010 through 64.55.090. The undersigned is the owner of the property described on Exhibit A (the "Property"). Until termination of this covenant, no dwelling unit in or on the Property may be sold as a condominium unit except for sales or dispositions listed in RCW 64.90.600(2). This covenant terminates on the earlier of either: (a) Compliance with the requirements of RCW 64.55.090, as certified by the owner of the Property in a recorded supplement hereto; or (b) the fifth anniversary of the date of first occupancy of a dwelling unit as certified by the Owner in a recorded supplement hereto.

All title insurance companies and persons acquiring an interest in the Property may rely on the forgoing certifications without further inquiry in issuing any policy of title insurance or in acquiring an interest in the Property.

(11) "Stamped" means bearing the stamp and signature of the responsible licensed architect or engineer on the title page, and on every sheet of the documents, drawings, or specifications, including modifications to the documents, drawings, and specifications that become part of change orders or addenda to alter those documents, drawings, or specifications.

<u>NEW SECTION.</u> Sec. 7. Sections 2 and 5 of this act expire January 1, 2028.

<u>NEW SECTION.</u> Sec. 8. Sections 3 and 6 of this act take effect January 1, 2028.

Passed by the House April 17, 2025. Passed by the Senate April 8, 2025. Approved by the Governor May 7, 2025. Filed in Office of Secretary of State May 12, 2025.

CHAPTER 202

[Second Substitute House Bill 1516] PERMANENTLY AFFORDABLE HOMEOWNERSHIP UNITS—CONSTRUCTION DEFECT LIABILITY—INSURANCE COVERAGE STUDY

AN ACT Relating to conducting a study of insurance coverage options for permanently affordable homeownership units; creating new sections; and providing an expiration date.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> Sec. 1. (1) The office of the insurance commissioner shall conduct a study regarding how projects that develop new permanently affordable homeownership units may utilize different insurance coverage options and approaches to reduce costs related to condominium construction defect liability while maintaining commensurate access to insurance coverage.

(2) The study must be conducted in consultation with: Identified nonprofit organizations and government entities that sponsor permanently affordable homeownership units; authorized insurers of permanently affordable homeownership projects; unauthorized insurers of permanently affordable homeownership projects; representatives of the residential building construction industry; and relevant state associations.

(3) In conducting the study, the insurance commissioner shall:

(a) Collect and use relevant findings from past insurance market studies conducted by the office of the insurance commissioner on or after December 31, 2017, or other relevant information released on or after December 31, 2017, that

may assist the insurance commissioner in conducting the analysis or making recommendations; and

(b) Collect information and data from entities transacting insurance in the state. Any identified authorized insurers, unauthorized insurers, and risk retention groups are required to provide the requested information and data to the insurance commissioner for purposes of this subsection.

(4) The insurance commissioner may contract with actuarial or other consultants to facilitate the study.

(5) Consistent with RCW 43.01.036, the insurance commissioner shall submit a report on its findings to the appropriate committees of the legislature by December 31, 2026. The report must include:

(a) An actuarial analysis of how the condominium construction defect liability risk pools for nonprofit organizations and government entities that sponsor permanently affordable homeownership units may differ from for-profit models of condominium production, sale, and ownership;

(b) An analysis of the role that the commissioner and insurers can play to lower condominium construction defect liability insurance costs for nonprofit organizations and government entities that sponsor permanently affordable homeownership units; and

(c) Recommendations for how current or new insurance mechanisms may be used to reduce insurance costs for nonprofit organizations and government entities that sponsor permanently affordable homeownership units.

(6) Funding for the study shall be provided from the insurance commissioner's regulatory account established under RCW 48.02.190.

(7) For the purposes of this section, "permanently affordable homeownership" means a unit that, in addition to meeting the definition of "affordable housing" in RCW 43.185A.010, is:

(a) Sponsored by a nonprofit organization or governmental entity;

(b) Subject to a ground lease or deed restriction, the forms of which may include a ground lease, deed restriction, community land trust lease, or affordability covenant that includes:

(i) A resale restriction designed to provide affordability for future low and moderate-income homebuyers;

(ii) A right of first refusal for the sponsoring organization to purchase the home at resale, except in cases where the sponsor organization is a limited equity cooperative, defined as "cooperative" in RCW 64.90.010, and the sponsor organization is not partnered with a community land trust; and

(iii) A requirement that the sponsor must approve any refinancing secured by the home, including home equity lines of credit, except where the sponsor organization is a limited equity cooperative, defined as "cooperative" in RCW 64.90.010, and the sponsor organization is not partnered with a community land trust; and

(c) Sponsored by a nonprofit organization or governmental entity and the sponsor:

(i) At the initial sale and at each successive sale of the unit, executes a new ground lease or deed restriction, the forms of which may include a ground lease, deed restriction, community land trust lease, or affordability covenant with a duration of at least 99 years; and

(ii) Supports the unit's homeowner and enforces the ground lease or deed restriction.

(8) This section expires December 31, 2027.

<u>NEW SECTION.</u> Sec. 2. If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2025, in the omnibus appropriations act, this act is null and void.

Passed by the House March 11, 2025. Passed by the Senate April 16, 2025. Approved by the Governor May 7, 2025. Filed in Office of Secretary of State May 12, 2025.

CHAPTER 203

[House Bill 1757]

EXISTING BUILDINGS USED FOR RESIDENTIAL PURPOSES—VARIOUS PROVISIONS

AN ACT Relating to modifying regulations for existing buildings used for residential purposes; and amending RCW 35A.21.440 and 35.21.990.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 35A.21.440 and 2023 c 285 s 1 are each amended to read as follows:

(1)(a) Code cities must adopt or amend by ordinance, and incorporate into their development regulations, zoning regulations, and other official controls the requirements of subsection (2) of this section for buildings ((that are zoned for commercial or mixed use no later than six months after its next periodic comprehensive plan update required under RCW 36.70A.130)) in commercial, mixed-use, or residential zones no later than June 30, 2026.

(b) The requirements of subsection (2) of this section apply and take effect in any code city that has not adopted or amended ordinances, regulations, or other official controls as required under this section by the timeline in (a) of this subsection and supersede, preempt, and invalidate any conflicting local development regulations.

(2) Through ordinances, development regulations, zoning regulations, or other official controls as required under subsection (1) of this section, code cities may not:

(a) Impose a restriction on housing unit density that prevents the addition of housing units at a density up to 50 percent more than what is allowed in the underlying zone if constructed entirely within an existing building envelope in a building located within a zone that permits multifamily housing, provided that generally applicable health and safety standards, including but not limited to building code standards and fire and life safety standards, can be met within the building;

(b) Impose parking requirements on the addition of dwelling units or living units added within an existing building, however, cities may require the retention of existing parking that is required to satisfy existing residential parking requirements under local laws and for nonresidential uses that remain after the new units are added;

(c) With the exception of emergency housing and transitional housing uses, impose permitting requirements on the use of an existing building for residential purposes beyond those requirements generally applicable to all residential development within the building's zone, including requiring a change of use permit;

(d) Impose design standard requirements, including setbacks, lot coverage, and floor area ratio requirements, on the use of an existing building for residential purposes beyond those requirements generally applicable to all residential development within the building's zone;

(e) Impose exterior design or architectural requirements on the residential use of an existing building beyond those necessary for health and safety of the use of the interior of the building or to preserve character-defining streetscapes, unless the building is a designated landmark or is within a historic district established through a local preservation ordinance;

(f) Prohibit the addition of housing units in any specific part of a building except ground floor commercial or retail that is along a major pedestrian corridor as defined by the code city, unless the addition of the units would violate applicable building codes or health and safety standards;

(g) Require unchanged portions of an existing building <u>that have been</u> used for residential <u>or previously permit-approved conditioned space</u> purposes to meet the current energy code solely because of the addition of new dwelling units within the building((, however, if any portion of an)). When any other existing building is converted to new dwelling units, <u>changed portions of each of</u> those new units must meet the requirements of the current energy $code((;))_{,}$ <u>except if:</u>

(i) The square footage of new dwelling units does not exceed 2,500 square feet or 50 percent of the total building square footage, whichever is greater;

(ii) The building owner submits documentation, in a form acceptable to the code city, showing the building's residential units' projected energy use intensity is less than or equal to the energy use intensity target in accordance with the clean buildings performance standard in RCW 19.27A.210; or

(iii) In all areas zoned for residential housing, an additional housing unit is created within an existing home;

(h) Deny a building permit application for the addition of housing units within an existing building due to nonconformity regarding parking, height, setbacks, elevator size for gurney transport, or modulation, unless the code city official with decision-making authority makes written findings that the nonconformity is causing a significant detriment to the surrounding area; or

(i) Require a transportation concurrency study under RCW 36.70A.070 or an environmental study under chapter 43.21C RCW based on the addition of residential units within an existing building.

(3) Nothing in this section requires a code city to approve a building permit application for the addition of housing units constructed entirely within an existing building envelope in a building located within a zone that permits multifamily housing in cases in which the building cannot satisfy life safety standards.

(4) For the purpose of this section, "existing building" means a building that received a certificate of occupancy at least three years prior to the permit application to add housing units.

Sec. 2. RCW 35.21.990 and 2023 c 285 s 2 are each amended to read as follows:

(1)(a) Cities must adopt or amend by ordinance, and incorporate into their development regulations, zoning regulations, and other official controls the requirements of subsection (2) of this section for buildings ((that are zoned for commercial or mixed use no later than six months after its next periodic comprehensive plan update required under RCW 36.70A.130)) in commercial, mixed-use, or residential zones no later than June 30, 2026.

(b) The requirements of subsection (2) of this section apply and take effect in any city that has not adopted or amended ordinances, regulations, or other official controls as required under this section by the timeline in (a) of this subsection and supersede, preempt, and invalidate any conflicting local development regulations.

(2) Through ordinances, development regulations, zoning regulations, or other official controls as required under subsection (1) of this section, cities may not:

(a) Impose a restriction on housing unit density that prevents the addition of housing units at a density up to 50 percent more than what is allowed in the underlying zone if constructed entirely within an existing building envelope in a building located within a zone that permits multifamily housing, provided that generally applicable health and safety standards, including but not limited to building code standards and fire and life safety standards, can be met within the building;

(b) Impose parking requirements on the addition of dwelling units or living units added within an existing building, however, cities may require the retention of existing parking that is required to satisfy existing residential parking requirements under local laws and for nonresidential uses that remain after the new units are added;

(c) With the exception of emergency housing and transitional housing uses, impose permitting requirements on the use of an existing building for residential purposes beyond those requirements generally applicable to all residential development within the building's zone, including requiring a change of use permit;

(d) Impose design standard requirements, including setbacks, lot coverage, and floor area ratio requirements, on the use of an existing building for residential purposes beyond those requirements generally applicable to all residential development within the building's zone;

(e) Impose exterior design or architectural requirements on the residential use of an existing building beyond those necessary for health and safety of the use of the interior of the building or to preserve character-defining streetscapes, unless the building is a designated landmark or is within a historic district established through a local preservation ordinance;

(f) Prohibit the addition of housing units in any specific part of a building except ground floor commercial or retail that is along a major pedestrian corridor as defined by each city, unless the addition of the units would violate applicable building codes or health and safety standards;

(g) Require unchanged portions of an existing building <u>that have been</u> used for residential <u>or previously permit-approved conditioned space</u> purposes to meet the current energy code solely because of the addition of new dwelling units within the building((, however, if any portion of an)). When any other existing building is converted to new dwelling units, <u>changed portions of</u> each of those new units must meet the requirements of the current energy $code((\frac{1}{2}))_{\underline{a}}$ except if:

(i) The square footage of new dwelling units does not exceed 2,500 square feet or 50 percent of the total building square footage, whichever is greater;

(ii) The building owner submits documentation, in a form acceptable to the city, showing the building's residential units' projected energy use intensity is less than or equal to the energy use intensity target in accordance with the clean buildings performance standard in RCW 19.27A.210; or

(iii) In all areas zoned for residential housing, an additional housing unit is created within an existing home;

(h) Deny a building permit application for the addition of housing units within an existing building due to nonconformity regarding parking, height, setbacks, elevator size for gurney transport, or modulation, unless the city official with decision-making authority makes written findings that the nonconformity is causing a significant detriment to the surrounding area; or

(i) Require a transportation concurrency study under RCW 36.70A.070 or an environmental study under chapter 43.21C RCW based on the addition of residential units within an existing building.

(3) Nothing in this section requires a city to approve a building permit application for the addition of housing units constructed entirely within an existing building envelope in a building located within a zone that permits multifamily housing in cases in which the building cannot satisfy life safety standards.

(4) For the purpose of this section, "existing building" means a building that received a certificate of occupancy at least three years prior to the permit application to add housing units.

Passed by the House April 18, 2025. Passed by the Senate April 2, 2025. Approved by the Governor May 7, 2025. Filed in Office of Secretary of State May 12, 2025.

CHAPTER 204

[Engrossed Substitute Senate Bill 5184] MINIMUM PARKING REQUIREMENTS

AN ACT Relating to minimum parking requirements; adding a new section to chapter 35.21 RCW; adding a new section to chapter 35A.21 RCW; adding a new section to chapter 36.01 RCW; adding a new section to chapter 19.27 RCW; creating new sections; and repealing RCW 36.70A.620.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> Sec. 1. The legislature finds that predetermined on-site parking requirements needlessly drive up the cost of development, particularly housing; discourage walking and multimodal transit usage; and encourage excessive reliance of automobiles with attendant impacts on human health and greenhouse gas emissions. The legislature further finds that the amount of parking that a project actually needs should be determined on a case-by-case basis by permit applicants sensitive to actual market conditions rather than a one-size-fits-all regulation. <u>NEW SECTION.</u> Sec. 2. A new section is added to chapter 35.21 RCW to read as follows:

(1) A city may not require more than 0.5 parking space per multifamily dwelling unit or more than one parking space per single-family home.

(2) A city may not require more than two parking spaces per 1,000 square feet of commercial space.

(3) A city may not require any minimum parking requirements for:

(a) Residences under 1,200 square feet;

(b) Commercial spaces under 3,000 square feet;

(c) Affordable housing;

(d) Senior housing;

(e) Child care centers as defined in RCW 43.216.010 that are licensed or certified by the department of children, youth, and families;

(f) Ground level nonresidential spaces in mixed-use buildings; and

(g) A building undergoing a change of use from a nonresidential to a residential use or a change of use for a commercial use.

(4) For purposes of this section:

(a) "Affordable housing" has the same meaning as in RCW 36.70A.030.

(b) "Commercial use" means use for nonresidential business purposes, including retail, office, wholesale, general merchandise, and food services.

(5) This section does not apply to requirements for parking spaces permanently marked for the exclusive use of individuals with disabilities in compliance with the Americans with disabilities act.

(6) The provisions of this section do not apply:

(a) To cities with a population of 30,000 or less, as determined by the population estimate of the office of financial management under RCW 43.62.030;

(b) If a city submits to the department of commerce an empirical study prepared by a credentialed transportation or land use planning expert that clearly demonstrates, and the department finds and certifies, that the application of the parking limitations of this section will be significantly less safe for vehicle drivers or passengers, pedestrians, or bicyclists than the city's current parking requirements; or

(c) To portions of cities within a one-mile radius of a commercial airport in Washington with at least 9,000,000 annual enplanements.

(7) Cities may require parking in excess of the limitations in this section for religious organizations and parking requirements for carpools.

(8) Cities are not prohibited from requiring temporary or time-restricted parking. Cities are encouraged to consider the adequacy of drop-off space, waiting space, and accessibility in the design review process when considering the limitations on parking requirements.

(9) Cities that have adopted substantially similar policies to the requirements established in this section may apply to the department of commerce for a determination of compliance with the requirements of this section. In determining what is substantially similar, the department of commerce shall consider whether:

(a) The city's parking requirements as of July 2025 have the same or lower parking minimums than the requirements of this section;

(b) The city's parking requirements are equal to the average number of parking stalls required per residential unit and the average number of parking stalls required per 1,000 square feet of commercial space; and

(c) The city's parking requirements for affordable housing, senior housing, housing for people with disabilities, and child care facilities are equivalent to the requirements of this section.

(10) Cities may submit a request for a variance from the requirements of this section to the department of commerce if compliance with the requirements of this section would be hazardous to the life, health, and safety of residents as confirmed by a building official or fire marshal, or their designees. A request for a variance may include requests to require additional parking spaces permanently marked for the exclusive use of individuals with disabilities beyond those required for compliance with the Americans with disabilities act based on the planned or likely population, location, or safety of a building, using objective standards.

(11) Cities with a population between 30,000 and 50,000 shall implement the requirements of this section within three years of the effective date of this act. Cities with a population of 50,000 or greater shall implement the requirements of this act within 18 months of the effective date of this act.

<u>NEW SECTION.</u> Sec. 3. A new section is added to chapter 35A.21 RCW to read as follows:

(1) A code city may not require more than 0.5 parking space per multifamily dwelling unit or more than one parking space per single-family home.

(2) A code city may not require more than two parking spaces per 1,000 square feet of commercial space.

(3) A code city may not require any minimum parking requirements for:

(a) Residences under 1,200 square feet;

(b) Commercial spaces under 3,000 square feet;

(c) Affordable housing;

(d) Senior housing;

(e) Child care centers as defined in RCW 43.216.010 that are licensed or certified by the department of children, youth, and families;

(f) Ground level nonresidential spaces in mixed-use buildings; and

(g) A building undergoing a change of use from a nonresidential to a residential use or a change of use for a commercial use.

(4) For purposes of this section:

(a) "Affordable housing" has the same meaning as in RCW 36.70A.030.

(b) "Commercial use" means use for nonresidential business purposes, including retail, office, wholesale, general merchandise, and food services.

(5) This section does not apply to requirements for parking spaces permanently marked for the exclusive use of individuals with disabilities in compliance with the Americans with disabilities act.

(6) The provisions of this section do not apply:

(a) To code cities with a population of 30,000 or less, as determined by the population estimate of the office of financial management under RCW 43.62.030;

(b) If a code city submits to the department of commerce an empirical study prepared by a credentialed transportation or land use planning expert that clearly demonstrates, and the department finds and certifies, that the application of the parking limitations of this section will be significantly less safe for vehicle drivers or passengers, pedestrians, or bicyclists than the code city's current parking requirements; or

(c) To portions of code cities within a one-mile radius of a commercial airport in Washington with at least 9,000,000 annual enplanements.

(7) Code cities may require parking in excess of the limitations in this section for religious organizations and parking requirements for carpools.

(8) Code cities are not prohibited from requiring temporary or timerestricted parking. Code cities are encouraged to consider the adequacy of dropoff space, waiting space, and accessibility in the design review process when considering the limitations on parking requirements.

(9) Code cities that have adopted substantially similar policies to the requirements established in this section may apply to the department of commerce for a determination of compliance with the requirements of this section. In determining what is substantially similar, the department of commerce shall consider whether:

(a) The code city's parking requirements as of July 2025 have the same or lower parking minimums than the requirements of this section;

(b) The code city's parking requirements are equal to the average number of parking stalls required per residential unit and the average number of parking stalls required per 1,000 square feet of commercial space; and

(c) The code city's parking requirements for affordable housing, senior housing, housing for people with disabilities, and child care facilities are equivalent to the requirements of this section.

(10) Code cities may submit a request for a variance from the requirements of this section to the department of commerce if compliance with the requirements of this section would be hazardous to the life, health, and safety of residents as confirmed by a building official or fire marshal, or their designees. A request for a variance may include requests to require additional parking spaces permanently marked for the exclusive use of individuals with disabilities beyond those required for compliance with the Americans with disabilities act based on the planned or likely population, location, or safety of a building, using objective standards.

(11) Code cities with a population between 30,000 and 50,000 shall implement the requirements of this section within three years of the effective date of this act. Code cities with a population of 50,000 or greater shall implement the requirements of this act within 18 months of the effective date of this act.

<u>NEW SECTION.</u> Sec. 4. A new section is added to chapter 36.01 RCW to read as follows:

(1) A county may not require more than 0.5 parking space per multifamily dwelling unit or more than one parking space per single-family home.

(2) A county may not require more than two parking spaces per 1,000 square feet of commercial space.

(3) A county may not require any minimum parking requirements for:

(a) Residences under 1,200 square feet;

(b) Commercial spaces under 3,000 square feet;

(c) Affordable housing;

(d) Senior housing;

(e) Child care centers as defined in RCW 43.216.010 that are licensed or certified by the department of children, youth, and families;

(f) Ground level nonresidential spaces in mixed-use buildings; and

(g) A building undergoing a change of use from a nonresidential to a residential use or a change of use for a commercial use.

(4) For purposes of this section:

(a) "Affordable housing" has the same meaning as in RCW 36.70A.030.

(b) "Commercial use" means use for nonresidential business purposes, including retail, office, wholesale, general merchandise, and food services.

(5) This section does not apply to requirements for parking spaces permanently marked for the exclusive use of individuals with disabilities in compliance with the Americans with disabilities act.

(6) The provisions of this section do not apply:

(a) If a county submits to the department of commerce an empirical study prepared by a credentialed transportation or land use planning expert that clearly demonstrates, and the department finds and certifies, that the application of the parking limitations of this section will be significantly less safe for vehicle drivers or passengers, pedestrians, or bicyclists than the county's current parking requirements; or

(b) To portions of counties within a one-mile radius of a commercial airport in Washington with at least 9,000,000 annual enplanements.

(7) A county may require off-street parking if the county's roads are not developed to the standards for streets and roads adopted by the cities within that county.

(8) Counties may require parking in excess of the limitations in this section for religious organizations and parking requirements for carpools.

(9) Counties are not prohibited from requiring temporary or time-restricted parking. Counties are encouraged to consider the adequacy of drop-off space, waiting space, and accessibility in the design review process when considering the limitations on parking requirements.

(10) A county may submit a request for a variance from the requirements of this section to require additional parking spaces permanently marked for the exclusive use of individuals with disabilities beyond those required for compliance with the Americans with disabilities act based on the planned or likely population, location, or safety of a building, using objective standards.

(11) Counties that have adopted substantially similar policies to the requirements established in this section may apply to the department of commerce for a determination of compliance with the requirements of this section. In determining what is substantially similar, the department of commerce shall consider whether:

(a) The county's parking requirements as of July 2025 have the same or lower parking minimums than the requirements of this section;

(b) The county's parking requirements are equal to the average number of parking stalls required per residential unit and the average number of parking stalls required per 1,000 square feet of commercial space; and

(c) The county's parking requirements for affordable housing, senior housing, housing for people with disabilities, and child care facilities are equivalent to the requirements of this section. (12) Counties with a population between 30,000 and 50,000 shall implement the requirements of this section within three years of the effective date of this act. Counties with a population of 50,000 or greater shall implement the requirements of this act within 18 months of the effective date of this act.

<u>NEW SECTION.</u> Sec. 5. A new section is added to chapter 19.27 RCW to read as follows:

The state building code council shall research and, if necessary, adopt by rule updated accessible parking space requirements in the state building code promulgated under this chapter to align with current research on disability rates among drivers.

<u>NEW SECTION.</u> Sec. 6. RCW 36.70A.620 (Cities planning under RCW 36.70A.040—Minimum residential parking requirements) and 2020 c 173 s 3 & 2019 c 348 s 5 are each repealed.

<u>NEW SECTION.</u> Sec. 7. This act may be known and cited as the parking reform and modernization act.

Passed by the Senate April 17, 2025.

Passed by the House April 11, 2025.

Approved by the Governor May 7, 2025.

Filed in Office of Secretary of State May 12, 2025.

CHAPTER 205

[Substitute Senate Bill 5298]

MANUFACTURED/MOBILE HOME COMMUNITIES—NOTICE OF SALE OR LEASE—

MODIFICATION

AN ACT Relating to the notice of sale or lease of manufactured/mobile home communities; amending RCW 59.20.325 and 59.20.335; and repealing RCW 59.20.300.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> Sec. 1. RCW 59.20.300 (Manufactured/mobile home communities—Notice of sale) and 2023 c 40 s 6, 2011 c 158 s 5, & 2008 c 116 s 4 are each repealed.

Sec. 2. RCW 59.20.325 and 2024 c 325 s 2 are each amended to read as follows:

(1) An owner shall give written notice of an opportunity to compete to purchase indicating the owner's interest in selling the manufactured/mobile home community before the owner markets the manufactured/mobile home community for sale or includes the sale of the manufactured/mobile home community in a multiple listing, and when the owner receives an offer to purchase that the owner intends to consider ((unless that offer is received during the process under RCW 59.20.330)).

(2) The owner shall give the notice in subsection (1) of this section ((by eertified mail or personal delivery)) to:

(a) ((All)) Each tenant((s)) of the manufactured/mobile home community;

(b) ((A qualified tenant organization, if there is an existing qualified tenant organization within the manufactured/mobile home community)) The officers of any known qualified tenant organization;

(c) The department of commerce; ((and))

(d) <u>The local government within whose jurisdiction all or part of the</u> <u>manufactured/mobile home community exists;</u>

(e) Any housing authority within whose jurisdiction all or part of the manufactured/mobile home community exists; and

(f) The Washington state housing finance commission.

(3) The notice required in subsection (1) of this section must include:

(a) The date that the notice was ((mailed by certified mail or personally delivered)) served per RCW 59.20.150 to all tenants referenced in subsection (2)(a) of this section and distributed to all recipients set forth in subsection (2) (b) through (f) of this section;

(b) A statement that the owner is considering selling the manufactured/mobile home community or the property on which it sits;

(c) A statement that the tenants, through a qualified tenant organization representing a majority of the tenants in the community, based on home sites, or an eligible organization, have an opportunity to compete to purchase the manufactured/mobile home community;

(d) A statement that in order to compete to purchase the manufactured/mobile home community, within 70 days after the certified mailing or personal delivery date stated in accordance with (a) of this subsection of the notice of the owner's interest in selling the manufactured/mobile home community, the tenants must form or identify a single qualified tenant organization for the purpose of purchasing the manufactured/mobile home community and notify the owner in writing of:

(i) The tenants' interest in competing to purchase the manufactured/mobile home community; and

(ii) The name and contact information of the representative or representatives of the qualified tenant organization with whom the owner may communicate about the purchase; and

(e) A statement that information about purchasing a manufactured/mobile home community is available from the department of commerce.

(4) The representative or representatives of the tenants committee will be able to request park operating expenses ((described in RCW 59.20.330)) from the owner within a 20-day information period following delivery of the qualified tenant organization's notice to the owner indicating interest in competing to purchase the manufactured/mobile home community.

(5) An eligible organization may also compete to purchase and is subject to the same time constraints and applicable conditions as a qualified tenant organization.

(6) Electronic delivery of the notice of opportunity to compete to purchase is acceptable to:

(a) The department of commerce;

(b) The local government within whose jurisdiction all or part of the manufactured/mobile home community exists;

(c) Any housing authority within whose jurisdiction all or part of the manufactured/mobile home community exists; and

(d) The Washington state housing finance commission.

(7) Delivery of the notice of opportunity to compete to purchase to the department of commerce must include one copy of the notice as sent to each tenant of the manufactured/mobile home community.

(8) Notices sent under subsection (2)(c) through (f) of this section must be sent within 10 days of notices sent under subsection (2)(a) and (b) of this section.

Sec. 3. RCW 59.20.335 and 2024 c 325 s 4 are each amended to read as follows:

(1) During the process described in RCW 59.20.325 ((and 59.20.330)), the parties shall act in good faith and in a commercially reasonable manner, which includes a duty for the tenants to notify the owner promptly if there is no intent to purchase the manufactured/mobile home community or the property on which it sits. The parties have an overall duty to act in good faith. With respect to negotiation, this overall duty of good faith requirement means that the owner must allow the tenants to develop an offer, must give their offer reasonable consideration, and to further competition, must inform any qualified tenant organization, eligible organizations, and competing potential buyers participating in negotiations upon receipt if a preferred offer is submitted. Furthermore, the owner may not deny residents the same access to the community and to information, such as operating expenses and rent rolls, that the landowner would give to a commercial buyer. With respect to financial information, all parties shall agree to keep this information confidential.

(2) Except as provided in RCW 59.20.340(1), before selling a manufactured/mobile home community to an entity that is not formed by or associated with the tenants, or to an eligible organization, the owner of the manufactured/mobile home community must give the notice required by RCW 59.20.325 ((and comply with the requirements of RCW 59.20.330)).

(3) A minor error in providing the notice required by RCW 59.20.325 ((or in providing operating expenses information required by RCW 59.20.330)) does not prevent the owner from selling the manufactured/mobile home community to an entity that is not formed by or associated with the tenants and does not cause the owner to be liable to the tenants for damages or a penalty.

(4) During the process described in RCW 59.20.325 ((and 59.20.330)), the owner may seek, negotiate with, or enter into a contract subject to the rights of the tenants in chapter 40, Laws of 2023 with potential purchasers other than the tenants or an entity formed by or associated with the tenants or another eligible organization.

(5) If the owner does not comply with the requirements of chapter 40, Laws of 2023 in a substantial way that prevents the tenants or an eligible organization from competing to purchase the manufactured/mobile home community, the tenants or eligible organization may:

(a) Obtain injunctive relief to prevent a sale or transfer to an entity that is not formed by or associated with the tenants; and

(b) Recover actual damages not to exceed twice the monthly rent from the owner for each tenant.

(6) If a party misuses or discloses, in a substantial way, confidential information (($\frac{(\text{in violation of RCW 59.20.330})}{(\text{mode of the other party})}$), that party may recover actual damages from the other party.

(7) The department of commerce shall prepare and make available information for tenants about purchasing a manufactured dwelling or manufactured/mobile home community.

(8) Every six months from the date of delivery of a notice of opportunity to compete to purchase as provided in RCW 59.20.325 until sold or no longer for

sale or actively listed, the owner must provide the department of commerce by mail, electronic delivery, or personal delivery an update on the status of the notification and an update on the status of sale. The update will be made publicly available by the department of commerce within 10 business days of receipt. The notice must include:

(a) The date that the notice was sent by mail, electronically delivered, or personally delivered to all recipients as set forth in RCW 59.20.325;

(b) The status of the sale or the opportunity to compete to purchase of the property as active, under contract, closed, or removed from the market;

(c) If the property has sold, the date of closing;

(d) If the property is under contract, the anticipated closing date;

(e) If the property is active, any change in listing price and other information noted in subsection (1) of this section.

Passed by the Senate April 18, 2025.

Passed by the House April 9, 2025.

Approved by the Governor May 7, 2025.

Filed in Office of Secretary of State May 12, 2025.

CHAPTER 206

[Engrossed Senate Bill 5313]

RENTAL AGREEMENTS—PROHIBITED PROVISIONS—MODIFICATION

AN ACT Relating to adding to the list of provisions prohibited from rental agreements; amending RCW 59.18.230; and creating a new section.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 59.18.230 and 2022 c 95 s 2 are each amended to read as follows:

(1)(a) ((Any)) Except as provided in RCW 59.18.360, any provision of a lease or other agreement, whether oral or written, whereby any section or subsection of this chapter is waived ((except as provided in RCW 59.18.360 and)) shall be deemed against public policy and shall be unenforceable. Such unenforceability shall not affect other provisions of the agreement which can be given effect without them.

(b) Any agreement, whether oral or written, between a landlord and tenant, or their representatives, and entered into pursuant to an unlawful detainer action under this chapter that requires the tenant to pay any amount in violation of RCW 59.18.283 or the statutory judgment amount limits under RCW 59.18.410 (1) or (2), or waives any rights of the tenant under RCW 59.18.410 or any other rights afforded under this chapter except as provided in RCW 59.18.360 is void and unenforceable. A landlord may not threaten a tenant with eviction for failure to pay nonpossessory charges limited under RCW 59.18.283.

(2) No rental agreement may provide that the tenant:

(a) Agrees to waive or to forgo rights or remedies under this chapter; or

(b) <u>Agrees to waive or forgo any right to bring, join, or otherwise participate</u> in or maintain any cause of action against the tenant's landlord or the landlord's representatives or agents including, but not limited to, class actions; or (c) Sign a nondisclosure agreement relating to the lease agreement or details of the offer, including rent amount, security deposits or fees, rent concessions, move-in gifts, or lease specials or terms; or

(d) Authorizes any person to confess judgment on a claim arising out of the rental agreement; or

(((e))) (e) Agrees to pay the landlord's attorneys' fees, except as authorized in this chapter and awarded by a court pursuant to a judgment; or

(((d))) (f) Agrees to the exculpation or limitation of any liability of the landlord arising under law or to indemnify the landlord for that liability or the costs connected therewith; or

(((e))) (g) And landlord have agreed to a particular arbitrator at the time the rental agreement is entered into; or

(((f))) (h) Agrees to arbitrate disputes, unless the landlord pays the entire cost of the arbitration and the agreement is notarized; or

(i) Agrees to pay late fees for rent that is paid within five days following its due date. If rent is more than five days past due, the landlord may charge late fees commencing from the first day after the due date until paid. Nothing in this subsection prohibits a landlord from serving a notice to pay or vacate at any time after the rent becomes due; or

(((g))) (j) Agrees to make rent payments through electronic means only.

(3) A provision prohibited by subsection (2) of this section included in a rental agreement is unenforceable. If a landlord knowingly uses a rental agreement containing provisions known by him or her to be prohibited, the tenant may recover actual damages sustained by him or her, statutory damages not to exceed two times the monthly rent charged for the unit, costs of suit, and reasonable attorneys' fees.

(4) The common law right of the landlord of distress for rent is hereby abolished for property covered by this chapter. Any provision in a rental agreement creating a lien upon the personal property of the tenant or authorizing a distress for rent is null and void and of no force and effect. Any landlord who takes or detains the personal property of a tenant without the specific written consent of the tenant to such incident of taking or detention, and who, after written demand by the tenant for the return of his or her personal property, refuses to return the same promptly shall be liable to the tenant for the value of the property retained, actual damages, and if the refusal is intentional, may also be liable for damages of up to \$500 per day but not to exceed \$5,000, for each day or part of a day that the tenant is deprived of his or her property. The prevailing party may recover his or her costs of suit and a reasonable attorneys' fee.

In any action, including actions pursuant to chapters 7.64 or 12.28 RCW, brought by a tenant or other person to recover possession of his or her personal property taken or detained by a landlord in violation of this section, the court, upon motion and after notice to the opposing parties, may waive or reduce any bond requirements where it appears to be to the satisfaction of the court that the moving party is proceeding in good faith and has, prima facie, a meritorious claim for immediate delivery or redelivery of said property.

<u>NEW SECTION.</u> Sec. 2. This act applies to leases or rental agreements entered into or renewed on or after the effective date of this section.

Passed by the Senate April 18, 2025. Passed by the House April 15, 2025. Approved by the Governor May 7, 2025. Filed in Office of Secretary of State May 12, 2025.

CHAPTER 207

[Engrossed Senate Bill 5529] ACCESSORY DWELLING UNITS—TAX EXEMPTION FOR LOW-INCOME HOUSING— POPULATION THRESHOLD

AN ACT Relating to amending the county population threshold for counties that may exempt from taxation the value of accessory dwelling units to incentivize rental to low-income households; amending RCW 84.36.400; amending 2023 c 335 s 2 (uncodified); creating a new section; and providing an expiration date.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 84.36.400 and 2023 c 335 s 1 are each amended to read as follows:

(1) Any physical improvement to single-family dwellings upon real property, including constructing an accessory dwelling unit, whether attached to or within the single-family dwelling or as a detached unit on the same real property, shall be exempt from taxation for the three assessment years subsequent to the completion of the improvement to the extent that the improvement represents 30 percent or less of the value of the original structure. A taxpayer desiring to obtain the exemption granted by this section must file notice of his or her intention to construct the improvement prior to the improvement being made on forms prescribed by the department of revenue and furnished to the taxpayer by the county assessor. The exemption in this subsection cannot be claimed more than once in a five-year period.

The department of revenue shall promulgate such rules and regulations as are necessary and convenient to properly administer the provisions of this subsection (1).

(2)(a) A county legislative authority for a county with a population of 1,500,000 or more or a city or county legislative authority located in a county with a population of at least 900,000 but not more than 1,500,000 may exempt from taxation the value of an accessory dwelling unit if the following conditions are met:

(i) The improvement represents 30 percent or less of the value of the original structure;

(ii) The taxpayer demonstrates that the unit is maintained as a rental property for low-income households <u>by submitting an affidavit stating the tenant's income and a document that demonstrates the tenant's income</u>. For the purposes of this subsection, "low-income household" means a single person, family, or unrelated persons living together whose adjusted income is at or below 60 percent of the median household income adjusted for household size, for the county where the household is located, as reported by the United States department of housing and urban development;

(iii) The taxpayer files notice of the taxpayer's intention to participate in the exemption program on forms prescribed by and furnished to the taxpayer by the county assessor, including verification of the tenant's income through an

affidavit as described in (a)(ii) of this subsection (2), and a copy of a lease that is at least 12 months in duration and includes the rent rate;

(iv) Rent charged to a tenant does not exceed more than 30 percent of the tenant's monthly income; ((and))

(v) The accessory dwelling unit is not occupied by an immediate family member of the taxpayer. For purposes of this subsection (2)(a), "immediate family" means any person under age sixty that is a state registered domestic partner, spouse, parents, grandparents, children, including foster children, siblings, and in-laws; and

(vi) If located in a county with a population of at least 900,000 but not more than 1,500,000, the city legislative authority or the county legislative authority passes a resolution authorizing the exemption to be offered within the geographic boundaries of the city or county. The resolution must outline the process whereby the enacting legislative authority will provide the county assessor with information to verify that both the low-income household and the taxpayer are in compliance with the requirements of this subsection (2).

(b) An exemption granted under this subsection (2) <u>must be applied for</u> <u>annually but</u> may continue for as long as the exempted accessory dwelling unit is leased to a low-income household.

(c) A county legislative authority with a population greater than 1,500,000 that has opted to exempt accessory dwelling units under this subsection (2) may:

(i) Allow the exemption for dwelling units that are attached to or within a single-family dwelling or are detached units on the same real property, or both;

(ii) Collect a fee from the taxpayer to cover the costs of administering this subsection (2);

(iii) Designate administrative officials or agents that will verify that both the low-income household and the taxpayer are in compliance with the requirements of this subsection (2). The designated official or agent may not be the county assessor but may include housing authorities or other qualified organizations as determined by the county legislative authority; and

(iv) Determine what property tax and penalties will be due, if any, in the case of a finding of noncompliance by a taxpayer.

(d) <u>If located in a county with a population of at least 900,000 but not more than 1,500,000, the following applies:</u>

(i) The exemption must only apply to detached units on the same real property.

(ii) The assessor may collect a fee from the taxpayer in an amount necessary to cover the costs of administering this section.

(iii) The assessor may determine what property tax and penalties will be due, if any, in the case that the enacting legislative authority finds noncompliance by a taxpayer.

(c) A ((county)) legislative authority that has opted to exempt accessory dwelling units under this subsection (2) shall establish policies to assist and support tenants upon expiration of an exemption granted under this subsection (2), such as providing information on services available at the time of expiration.

Sec. 2. 2023 c 335 s 2 (uncodified) is amended to read as follows:

(1) This section is the tax preference performance statement for the tax preferences contained in section 1, chapter 335, Laws of 2023 and section 1, chapter . . ., Laws of 2025 (section 1 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 to be used to determine eligibility for preferential tax treatment.

(2) The legislature categorizes ((this)) these tax preferences as:

(a) Ones intended to induce certain designated behavior by taxpayers as indicated in RCW 82.32.808(2)(a); and

(b) ((A)) For a general purpose not identified in RCW 82.32.808(2) (a) through (e) as indicated in RCW 82.32.808(2)(f) and further described in subsection (3) of this section.

(3) It is the legislature's specific public policy objective to encourage homeowners to rent accessory dwelling units to low-income households and increase the overall availability of affordable housing.

(4)(a) The joint legislative audit and review committee must review the tax preferences under section 1, chapter 335, Laws of 2023, and section 1, chapter Laws of 2025 (section 1 of this act) as ((it applies)) they apply specifically to the property tax exemption for accessory dwelling units and complete a final report by December 1, ((2029)) 2027. The review must include, at a minimum, the following components:

(i) Costs and benefits associated with exempting from taxation the value of an accessory dwelling unit. This component of the analysis must, at a minimum, assess the costs and benefits of changes in the following metrics since the start of the program:

(A) The number of taxpayers filing notice to participate in the exemption program;

(B) The number of units exempt from property tax under the program, including the extent to which those units are attached or within a single-family dwelling or are detached units; and

(C) A summary of any fees or costs to administer the program;

(ii) An evaluation of the information calculated and provided by the department under RCW 36.70A.070(2)(a);

(iii) A summary of the estimated total statewide costs and benefits attributable to exempting from taxation the value of an accessory dwelling unit, including administrative costs and costs to monitor compliance; and

(iv) An evaluation of the impacts of the program on low-income households.

(b) If the review finds that a county with a population greater than 1,500,000 or a city or county legislative authority located in a county with a population of at least 900,000 but not more than 1,500,000 offers this exemption and the exemption increases the amount of accessory dwelling units rented to low-income households, then the legislature intends to extend the expiration date of ((this)) these tax preferences.

(5) In order to obtain the data necessary to perform the review in subsection (4) of this section, the joint legislative audit and review committee may refer to any data collected by the state.

NEW SECTION. Sec. 3. This act expires January 1, 2034.

<u>NEW SECTION.</u> Sec. 4. Section 1 of this act applies to taxes levied for collection in 2026 and thereafter.

Passed by the Senate March 11, 2025.

Passed by the House April 15, 2025. Approved by the Governor May 7, 2025. Filed in Office of Secretary of State May 12, 2025.

CHAPTER 208

[Engrossed Substitute Senate Bill 5611]

LAND USE PERMITTING—LOCAL GOVERNMENT—VARIOUS PROVISIONS

AN ACT Relating to streamlining and clarifying local governments' land use permitting workloads; amending RCW 58.17.035, 58.17.040, 64.90.025, and 36.70B.080; reenacting and amending RCW 58.17.040; providing an effective date; and providing an expiration date.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 58.17.035 and 1987 c 354 s 2 are each amended to read as follows:

A city, town, or county may adopt by ordinance procedures for the divisions of land by use of a binding site plan as an alternative to the procedures required by this chapter. The ordinance shall be limited and only apply to one or more of the following: (1) The use of a binding site plan to create or modify divisions for sale or lease of commercially or industrially zoned property as provided in RCW 58.17.040(4); (2) divisions of property for lease as provided for in RCW 58.17.040(5); and (3) divisions of property as provided for in RCW 58.17.040(7). Such ordinance may apply the same or different requirements and procedures to each of the three types of divisions and shall provide for the alteration or vacation of the binding site plan, and may provide for the administrative approval of the binding site plan. For the purposes of this section, commercially zoned property includes property that is zoned to permit or conditionally permit any multifamily residential uses.

The ordinance shall provide that after approval of the general binding site plan for industrial or commercial divisions subject to a binding site plan, the approval for improvements and finalization of specific individual commercial or industrial lots shall be done by administrative approval.

The binding site plan, after approval, and/or when specific lots are administratively approved, shall be filed with the county auditor with a record of survey. Lots, parcels, or tracts created through the binding site plan procedure shall be legal lots of record. The number of lots, tracts, parcels, sites, or divisions shall not exceed the number of lots allowed by the local zoning ordinances.

All provisions, conditions, and requirements of the binding site plan shall be legally enforceable on the purchaser or any other person acquiring a lease or other ownership interest of any lot, parcel, or tract created pursuant to the binding site plan.

Any sale, transfer, or lease of any lot, tract, or parcel created pursuant to the binding site plan, that does not conform to the requirements of the binding site plan or without binding site plan approval, shall be considered a violation of chapter 58.17 RCW and shall be restrained by injunctive action and be illegal as provided in chapter 58.17 RCW.

Sec. 2. RCW 58.17.040 and 2024 c 190 s 2 are each amended to read as follows:

The provisions of this chapter shall not apply to:

(1) Cemeteries and other burial plots while used for that purpose;

(2) Divisions of land into lots or tracts each of which is one-one hundred twenty-eighth of a section of land or larger, or five acres or larger if the land is not capable of description as a fraction of a section of land, unless the governing authority of the city, town, or county in which the land is situated shall have adopted a subdivision ordinance requiring plat approval of such divisions: PROVIDED, That for purposes of computing the size of any lot under this item which borders on a street or road, the lot size shall be expanded to include that area ((which)) that would be bounded by the center line of the road or street and the side lot lines of the lot running perpendicular to such center line;

(3) Divisions made by testamentary provisions, or the laws of descent;

(4) Divisions of land into lots or tracts classified for industrial or commercial use when the city, town, or county has approved a binding site plan for the use of the land in accordance with local regulations. For the purposes of this section, commercially zoned property includes property that is zoned to permit or conditionally permit any multifamily residential uses;

(5) A division for the purpose of lease when no residential structure other than mobile homes, tiny houses or tiny houses with wheels as defined in RCW 35.21.686, or travel trailers are permitted to be placed upon the land when the city, town, or county has approved a binding site plan for the use of the land in accordance with local regulations;

(6) A division made for the purpose of alteration by adjusting boundary lines, between platted or unplatted lots or both, which does not create any additional lot, tract, parcel, site, or division nor create any lot, tract, parcel, site, or division which contains insufficient area and dimension to meet minimum requirements for width and area for a building site;

(7) Divisions of land into lots or tracts if: (a) Such division is the result of subjecting a portion of a parcel or tract of land to either chapter 64.32 or 64.34 RCW subsequent to the recording of a binding site plan for all such land; (b) the improvements constructed or to be constructed thereon are required by the provisions of the binding site plan to be included in one or more condominiums or owned by an association or other legal entity in which the owners of units therein or their owners' associations have a membership or other legal or beneficial interest; (c) a city, town, or county has approved the binding site plan for all such land; (d) such approved binding site plan is recorded in the county or counties in which such land is located; and (e) the binding site plan contains thereon the following statement: "All development and use of the land described herein shall be in accordance with this binding site plan, as it may be amended with the approval of the city, town, or county having jurisdiction over the development of such land, and in accordance with such other governmental permits, approvals, regulations, requirements, and restrictions that may be imposed upon such land and the development and use thereof. Upon completion, the improvements on the land shall be included in one or more condominiums or owned by an association or other legal entity in which the owners of units therein or their owners' associations have a membership or other legal or beneficial interest. This binding site plan shall be binding upon all now or hereafter having any interest in the land described herein." The binding site plan may, but need not, depict or describe the boundaries of the lots or tracts resulting from subjecting a portion of the land to either chapter 64.32 or 64.34 RCW. A

site plan shall be deemed to have been approved if the site plan was approved by a city, town, or county: (i) In connection with the final approval of a subdivision plat or planned unit development with respect to all of such land; or (ii) in connection with the issuance of building permits or final certificates of occupancy with respect to all of such land; or (iii) if not approved pursuant to (i) and (ii) of this subsection (7)(e), then pursuant to such other procedures as such city, town, or county may have established for the approval of a binding site plan;

(8) A division for the purpose of leasing land for facilities providing personal wireless services while used for that purpose. "Personal wireless services" means any federally licensed personal wireless service. "Facilities" means unstaffed facilities that are used for the transmission or reception, or both, of wireless communication services including, but not necessarily limited to, antenna arrays, transmission cables, equipment shelters, and support structures;

(9) A division of land into lots or tracts of less than three acres that is recorded in accordance with chapter 58.09 RCW and is used or to be used for the purpose of establishing a site for construction and operation of consumer-owned or investor-owned electric utility facilities. For purposes of this subsection, "electric utility facilities" means unstaffed facilities, except for the presence of security personnel, that are used for or in connection with or to facilitate the transmission, distribution, sale, or furnishing of electricity including, but not limited to, electric power substations. This subsection does not exempt a division of land from the zoning and permitting laws and regulations of cities, towns, counties, and municipal corporations. Furthermore, this subsection only applies to electric utility facilities that will be placed into service to meet the electrical needs of a utility's existing and new customers. New customers are defined as electric service locations not already in existence as of the date that electric utility facilities subject to the provisions of this subsection are planned and constructed; and

(10) A division of land into lots or tracts of less than two acres that is recorded in accordance with chapter 58.09 RCW and is used or to be used for the purpose of establishing a site for construction and operation of a rural fire district station, provided the proposed lots or tracts contain sufficient area and dimensions to meet minimum building site width and area requirements, and appropriate provisions are made for potable water supplies and sanitary wastes.

Sec. 3. RCW 58.17.040 and 2024 c 321 s 407 and 2024 c 190 s 2 are each reenacted and amended to read as follows:

The provisions of this chapter shall not apply to:

(1) Cemeteries and other burial plots while used for that purpose;

(2) Divisions of land into lots or tracts each of which is one-one hundred twenty-eighth of a section of land or larger, or five acres or larger if the land is not capable of description as a fraction of a section of land, unless the governing authority of the city, town, or county in which the land is situated shall have adopted a subdivision ordinance requiring plat approval of such divisions: PROVIDED, That for purposes of computing the size of any lot under this item which borders on a street or road, the lot size shall be expanded to include that area ((which)) that would be bounded by the center line of the road or street and the side lot lines of the lot running perpendicular to such center line;

(3) Divisions made by testamentary provisions, or the laws of descent;

(4) Divisions of land into lots or tracts classified for industrial or commercial use when the city, town, or county has approved a binding site plan for the use of the land in accordance with local regulations. For the purposes of this section, commercially zoned property includes property that is zoned to permit or conditionally permit any multifamily residential uses;

(5) A division for the purpose of lease when no residential structure other than mobile homes, tiny houses or tiny houses with wheels as defined in RCW 35.21.686, or travel trailers are permitted to be placed upon the land when the city, town, or county has approved a binding site plan for the use of the land in accordance with local regulations;

(6) A division made for the purpose of alteration by adjusting boundary lines, between platted or unplatted lots or both, which does not create any additional lot, tract, parcel, site, or division nor create any lot, tract, parcel, site, or division which contains insufficient area and dimension to meet minimum requirements for width and area for a building site;

(7) Divisions of land into lots or tracts if: (a) Such division is the result of subjecting a portion of a parcel or tract of land to chapter 64.90 RCW subsequent to the recording of a binding site plan for all such land; (b) the improvements constructed or to be constructed thereon are required by the provisions of the binding site plan to be included in one or more condominiums, cooperatives, or owned by an association or other legal entity in which the owners of units therein or their owners associations have a membership or other legal or beneficial interest; (c) a city, town, or county has approved the binding site plan for all such land; (d) such approved binding site plan is recorded in the county or counties in which such land is located; and (e) the binding site plan contains thereon the following statement: "All development and use of the land described herein shall be in accordance with this binding site plan, as it may be amended with the approval of the city, town, or county having jurisdiction over the development of such land, and in accordance with such other governmental permits, approvals, regulations, requirements, and restrictions that may be imposed upon such land and the development and use thereof. Upon completion, the improvements on the land shall be included in one or more condominiums, cooperatives, or owned by an association or other legal entity in which the owners of units therein or their owners associations have a membership or other legal or beneficial interest. This binding site plan shall be binding upon all now or hereafter having any interest in the land described herein." The binding site plan may, but need not, depict or describe the boundaries of the lots or tracts resulting from subjecting a portion of the land to chapter 64.90 RCW. A site plan shall be deemed to have been approved if the site plan was approved by a city, town, or county: (i) In connection with the final approval of a subdivision plat or planned unit development with respect to all of such land; or (ii) in connection with the issuance of building permits or final certificates of occupancy with respect to all of such land; or (iii) if not approved pursuant to (i) and (ii) of this subsection (7)(e), then pursuant to such other procedures as such city, town, or county may have established for the approval of a binding site plan;

(8) A division for the purpose of leasing land for facilities providing personal wireless services while used for that purpose. "Personal wireless services" means any federally licensed personal wireless service. "Facilities" means unstaffed facilities that are used for the transmission or reception, or both,

of wireless communication services including, but not necessarily limited to, antenna arrays, transmission cables, equipment shelters, and support structures;

(9) A division of land into lots or tracts of less than three acres that is recorded in accordance with chapter 58.09 RCW and is used or to be used for the purpose of establishing a site for construction and operation of consumer-owned or investor-owned electric utility facilities. For purposes of this subsection, "electric utility facilities" means unstaffed facilities, except for the presence of security personnel, that are used for or in connection with or to facilitate the transmission, distribution, sale, or furnishing of electricity including, but not limited to, electric power substations. This subsection does not exempt a division of land from the zoning and permitting laws and regulations of cities, towns, counties, and municipal corporations. Furthermore, this subsection only applies to electric utility facilities that will be placed into service to meet the electrical needs of a utility's existing and new customers. New customers are defined as electric service locations not already in existence as of the date that electric utility facilities subject to the provisions of this subsection are planned and constructed; and

(10) A division of land into lots or tracts of less than two acres that is recorded in accordance with chapter 58.09 RCW and is used or to be used for the purpose of establishing a site for construction and operation of a rural fire district station, provided the proposed lots or tracts contain sufficient area and dimensions to meet minimum building site width and area requirements, and appropriate provisions are made for potable water supplies and sanitary wastes.

Sec. 4. RCW 64.90.025 and 2019 c 238 s 202 are each amended to read as follows:

(1) A building, fire, health, or safety statute, ordinance, or regulation may not impose any requirement upon any structure in a common interest community that it would not impose upon a physically identical development under a different form of ownership.

(2) A zoning, subdivision, or other land use statute, ordinance, or regulation may not prohibit the condominium or cooperative form of ownership or impose any requirement upon a condominium or cooperative or miscellaneous community that it would not impose upon a physically identical development under a different form of ownership. Such requirements include, without limitation, any permitting process such as a binding site plan under RCW 58.17.035 or hearing examiner proceeding under RCW 35A.63.170.

(3) Chapter 58.17 RCW does not apply to the creation of a condominium or a cooperative. This chapter must not be construed to permit the creation of a condominium or cooperative or miscellaneous community on a lot, tract, or parcel of land that could not be sold or transferred without violating chapter 58.17 RCW.

(4) Except as provided in subsections (1), (2), and (3) of this section, this chapter does not invalidate or modify any provision of any building, zoning, subdivision, or other statute, ordinance, rule, or regulation governing the use of real estate.

(5) This section does not prohibit a county legislative authority from requiring the review and approval of declarations and amendments to declarations and of termination agreements executed pursuant to RCW 64.90.290(2) by the county assessor solely for the purpose of allocating the

assessed value and property taxes. The review by the assessor must be done in a reasonable and timely manner.

Sec. 5. RCW 36.70B.080 and 2023 c 338 s 7 are each amended to read as follows:

(1)(a) Development regulations adopted pursuant to RCW 36.70A.040 must establish and implement time periods for local government actions for each type of project permit application and provide timely and predictable procedures to determine whether a completed project permit application meets the requirements of those development regulations. ((The)) Except for modifications by a jurisdiction provided for in (e) of this subsection, the time periods for local government actions for each type of complete project permit application or project type ((should)) may not exceed those specified in this section.

(b) For project permits submitted after January 1, 2025, the development regulations must, for each type of permit application, specify the contents of a completed project permit application necessary for the complete compliance with the time periods and procedures.

(c) A jurisdiction may exclude certain permit types and timelines for processing project permit applications as provided for in RCW 36.70B.140.

(d) The time periods for local government action to issue a final decision for each type of complete project permit application or project type subject to this chapter should not exceed the following time periods unless modified by the local government pursuant to this section or RCW 36.70B.140:

(i) For project permits which do not require public notice under RCW 36.70B.110, a local government must issue a final decision within 65 days of the determination of completeness under RCW 36.70B.070;

(ii) For project permits which require public notice under RCW 36.70B.110, a local government must issue a final decision within 100 days of the determination of completeness under RCW 36.70B.070; and

(iii) For project permits which require public notice under RCW 36.70B.110 and a public hearing, a local government must issue a final decision within 170 days of the determination of completeness under RCW 36.70B.070.

(e) A jurisdiction may modify the provisions in (d) of this subsection to add permit types not identified, change the permit names or types in each category, address how consolidated review time periods may be different than permits submitted individually, and provide for how projects of a certain size or type may be differentiated, including by differentiating between ((residential and nonresidential)) permits that include a residential land use as a principal use of the land and permits that do not. Unless otherwise provided for the consolidated review of more than one permit, the time period for a final decision shall be the longest of the permit time periods identified in (d) of this subsection or as amended by a local government.

(f) If a local government does not adopt an ordinance or resolution modifying the provisions in (d) of this subsection, the time periods in (d) of this subsection apply.

(g) The number of days an application is in review with the county or city shall be calculated from the day completeness is determined under RCW 36.70B.070 to the date a final decision is issued on the project permit application. The number of days shall be calculated by counting every calendar day and excluding the following time periods:

(i) Any period between the day that the county or city has notified the applicant, in writing, that additional information is required to further process the application and the day when responsive information is resubmitted by the applicant;

(ii) Any period after an applicant informs the local government, in writing, that they would like to temporarily suspend review of the project permit application until the time that the applicant notifies the local government, in writing, that they would like to resume the application. A local government may set conditions for the temporary suspension of a permit application; and

(iii) Any period after an administrative appeal is filed until the administrative appeal is resolved and any additional time period provided by the administrative appeal has expired.

(h) The time periods for a local government to process a permit shall start over if an applicant proposes a change in use that adds or removes commercial or residential elements from the original application that would make the application fail to meet the determination of procedural completeness for the new use, as required by the local government under RCW 36.70B.070.

(i) If, at any time, an applicant informs the local government, in writing, that the applicant would like to temporarily suspend the review of the project for more than 60 days, or if an applicant is not responsive for more than 60 consecutive days after the county or city has notified the applicant, in writing, that additional information is required to further process the application, an additional 30 days may be added to the time periods for local government action to issue a final decision for each type of project permit that is subject to this chapter. Any written notice from the local government to the applicant that additional information is required to further process the application must include a notice that nonresponsiveness for 60 consecutive days may result in 30 days being added to the time for review. For the purposes of this subsection, "nonresponsiveness" means that an applicant is not making demonstrable progress on providing additional requested information to the local government, or that there is no ongoing communication from the applicant to the local government on the applicant's ability or willingness to provide the additional information.

(j) Annual amendments to the comprehensive plan are not subject to the requirements of this section.

(k) A county's or city's adoption of a resolution or ordinance to implement this subsection shall not be subject to appeal under chapter 36.70A RCW unless the resolution or ordinance modifies the time periods provided in (d) of this subsection by providing for a review period of more than 170 days for any project permit.

(l)(i) When permit time periods provided for in (d) of this subsection, as may be amended by a local government, and as may be extended as provided for in (i) of this subsection, are not met, a portion of the permit fee must be refunded to the applicant as provided in this subsection. A local government may provide for the collection of only 80 percent of a permit fee initially, and for the collection of the remaining balance if the permitting time periods are met. The portion of the fee refunded for missing time periods shall be:

(A) 10 percent if the final decision of the project permit application was made after the applicable deadline but the period from the passage of the

deadline to the time of issuance of the final decision did not exceed 20 percent of the original time period; or

(B) 20 percent if the period from the passage of the deadline to the time of the issuance of the final decision exceeded 20 percent of the original time period.

(ii) Except as provided in RCW 36.70B.160, the provisions in ((subsection (+)))(i) of this ((section)) subsection are not applicable to cities and counties which have implemented at least three of the options in RCW 36.70B.160(1) (a) through (j) at the time an application is deemed procedurally complete.

(2)(a) Counties subject to the requirements of RCW 36.70A.215 and the cities within those counties that have populations of at least 20,000 must, for each type of permit application, identify the total number of project permit applications for which decisions are issued according to the provisions of this chapter. For each type of project permit application identified, these counties and cities must establish and implement a deadline for issuing a notice of final decision as required by subsection (1) of this section and minimum requirements for applications to be deemed complete under RCW 36.70B.070 as required by subsection (1) of this section.

(b) Counties and cities subject to the requirements of this subsection also must prepare an annual performance report that includes information outlining time periods for certain permit types associated with housing. The report must provide:

(i) Permit time periods for certain permit processes in the county or city in relation to those established under this section, including whether the county or city has established shorter time periods than those provided in this section;

(ii) The total number of decisions issued during the year for the following permit types: Preliminary subdivisions, final subdivisions, binding site plans, permit processes associated with the approval of multifamily housing, and construction plan review for each of these permit types when submitted separately;

(iii) The total number of decisions for each permit type which included consolidated project permit review, such as concurrent review of a rezone or construction plans;

(iv) The average number of days from a submittal to a decision being issued for the project permit types listed in subsection $((\frac{2}{2})(a)(ii)))$ (2)(b)(ii) of this section. This shall be calculated from the day completeness is determined under RCW 36.70B.070 to the date a decision is issued on the application. The number of days shall be calculated by counting every calendar day;

(v) The total number of days each project permit application of a type listed in subsection $((\frac{2}{2})(a)(ii)))$ (2)(b)(ii) of this section was in review with the county or city. This shall be calculated from the day completeness is determined under RCW 36.70B.070 to the date a final decision is issued on the application. The number of days shall be calculated by counting every calendar day. The days the application is in review with the county or city does not include the time periods in subsection (((1)(g)(i) (iii) [(1)(g)(i) through (iii)])) (1)(g)(i) through (iii) of this section;

(vi) The total number of days that were excluded from the time period calculation under subsection (((1)(g)(i) - (iii) [(1)(g)(i) + through - (iii)])) (1)(g)(i)<u>through (iii)</u> of this section for each project permit application of a type listed in subsection (((2)(a)(ii))) (2)(b)(ii) of this section. (i) Post the annual performance report through the county's or city's website; and

(ii) Submit the annual performance report to the department of commerce by March 1st each year.

(d) No later than July 1st each year, the department of commerce shall publish a report which includes the annual performance report data for each county and city subject to the requirements of this subsection and a list of those counties and cities whose time periods are shorter than those provided for in this section.

The annual report must also include key metrics and findings from the information collected.

(e) The initial annual report required under this subsection must be submitted to the department of commerce by March 1, 2025, and must include information from permitting in 2024.

(3) Nothing in this section prohibits a county or city from extending a deadline for issuing a decision for a specific project permit application for any reasonable <u>and certain</u> period of time <u>specified and</u> mutually agreed upon <u>in</u> writing by the applicant and the local government. <u>No local government may</u> require or request an extension of an applicable deadline for issuance of a decision for a specific project permit application as a condition or an option at initial submission of a project permit application.

NEW SECTION. Sec. 6. Section 2 of this act expires January 1, 2028.

<u>NEW SECTION.</u> Sec. 7. Section 3 of this act takes effect January 1, 2028.

Passed by the Senate March 12, 2025.

Passed by the House April 10, 2025.

Approved by the Governor May 7, 2025.

Filed in Office of Secretary of State May 12, 2025.

CHAPTER 209

[Engrossed House Bill 1217] RESIDENTIAL TENANTS—RENT AND FEES

AN ACT Relating to improving housing stability for tenants subject to the residential landlord-tenant act and the manufactured/mobile home landlord-tenant act by limiting rent and fee increases, requiring notice of rent and fee increases, limiting fees and deposits, establishing a landlord resource center and associated services, authorizing tenant lease termination, creating parity between lease types, and providing for attorney general enforcement; amending RCW 59.18.140, 59.20.170, 59.20.060, and 59.20.030; adding new sections to chapter 59.18 RCW; adding new sections to chapter 59.20 RCW; creating a new section; prescribing penalties; providing expiration dates; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

PART I

RESIDENTIAL LANDLORD-TENANT ACT

<u>NEW SECTION.</u> Sec. 101. A new section is added to chapter 59.18 RCW to read as follows:

(1)(a) Except as authorized by an exemption under section 102 of this act, a landlord may not increase the rent for any type of tenancy, regardless of whether

the tenancy is month-to-month or for a term greater or lesser than month-tomonth:

(i) During the first 12 months after the tenancy begins; and

(ii) During any 12-month period of the tenancy, in an amount greater than seven percent plus the consumer price index, or 10 percent, whichever is less.

(b) This subsection (1) does not prohibit a landlord from adjusting the rent by any amount after a tenant vacates the dwelling unit and the tenancy ends.

(c) Beginning June 1, 2025, and annually thereafter, the department of commerce shall calculate the maximum annual rent increase percentage allowed under (a) of this subsection for the following calendar year and publish the information on their website and in a press release. For the purposes of this subsection, "consumer price index" means the June 12-month percent change in the consumer price index for all urban consumers, all items, for the Seattle area as published by the United States bureau of labor statistics.

(2) If a landlord increases the rent above the amount allowed in subsection (1) of this section as authorized by an exemption under section 102 of this act, the landlord must include facts supporting any claimed exemptions in the written notice of the rent increase. Notice must comply with this section, section 103 of this act, RCW 59.18.140, and be served in accordance with RCW 59.12.040.

(3) If a landlord increases rent above the amount allowed in subsection (1) of this section and the increase is not authorized by an exemption under section 102 of this act, the tenant must offer the landlord an opportunity to cure the unauthorized increase by providing the landlord with a written demand to reduce the increase to an amount that complies with the limit created in this section. In addition to any other remedies or relief available under this chapter or other law, the tenant may terminate the rental agreement at any time prior to the effective date of the increase by providing the landlord with written notice at least 20 days before terminating the rental agreement. If a tenant terminates a rental agreement under this subsection, the tenant owes rent for the full month in which the tenant vacates the dwelling unit. A landlord may not charge a tenant any fines or fees for terminating a rental agreement under this subsection.

(4)(a) Except as provided in (b) of this subsection, a landlord may not include terms of payment or other material conditions in a rental agreement that are more burdensome to a tenant for a month-to-month rental agreement than for a rental agreement where the term is greater or lesser than month-to-month, or vice versa.

(b) A landlord must provide parity between lease types with respect to the amount of rent charged for a specific dwelling unit. For the purposes of this subsection, "parity between lease types" means that, for leases or rental agreements that a landlord offers for a specific dwelling unit, the landlord may not charge a tenant more than a five percent difference in rent depending on the type of lease or rental agreement offered, regardless of whether the type of lease or rental agreement offered is on a month-to-month or other periodic basis or for a specified period. This five percent difference may not cause the rent charged for a specific dwelling unit to exceed the rent increase limit in subsection (1) of this section.

(5)(a) A tenant or the attorney general may bring an action in a court of competent jurisdiction to enforce compliance with this section or section 102 of this act, section 103 of this act, or RCW 59.18.140. If the court finds that a

landlord violated any of the laws listed in this subsection, the court shall award the following damages to the tenant and attorneys' fees and costs to the tenant who brings the action or the attorney general:

(i) Damages in the amount of any excess rent, fees, or other costs paid by the tenant;

(ii) Damages in an amount of up to three months of any unlawful rent, fees, or other costs charged by the landlord; and

(iii) Reasonable attorneys' fees and costs incurred in bringing the action.

(b) The attorney general may bring an action under this subsection notwithstanding whether the tenant has offered the landlord an opportunity to cure, and may recover civil penalties of not more than \$7,500 for each violation in addition to other remedies provided by this subsection. The attorney general may issue written civil investigative demands for pertinent documents, answers to written interrogatories, or oral testimony as required to investigate or bring an action under this subsection.

(6) The remedies provided by this section are in addition to any other remedies provided by law.

(7) A landlord may not report the tenant to a tenant screening service provider for failure to pay the portion of the tenant's rent that was unlawfully increased in violation of this section.

(8) This section expires July 1, 2040.

<u>NEW SECTION.</u> Sec. 102. A new section is added to chapter 59.18 RCW to read as follows:

(1) A landlord may increase rent in an amount greater than allowed under section 101 of this act only as authorized by the exemptions described in this section. Rent increases are not limited by section 101 of this act for any of the following types of tenancies:

(a) A tenancy in a dwelling unit for which the first certificate of occupancy was issued 12 or less years before the date of the notice of the rent increase.

(b) A tenancy in a dwelling unit owned by a:

(i) Public housing authority;

(ii) Public development authority;

(iii) Nonprofit organization, where maximum rents are regulated by other laws or local, state, or federal affordable housing program requirements; or

(iv) Nonprofit entity, as defined in RCW 84.36.560, where a nonprofit organization, housing authority, or public development authority has the majority decision-making power on behalf of the general partner, and where maximum rents are regulated by other laws or local, state, or federal affordable housing program requirements.

(c) A tenancy in a qualified low-income housing development as defined in RCW 82.45.010, where the property is owned by any of the organizations described in (b)(i) through (iv) of this subsection.

(d) A tenancy in a qualified low-income housing development which was allocated federal low-income housing tax credits authorized under 26 U.S.C. Sec. 42 or successor statute, by the Washington state housing finance commission or successor state-authorized tax credit allocating agency, so long as there is an enforceable regulatory agreement with the Washington state housing finance commission under the low-income housing tax credit program.

(e) A tenancy in a dwelling unit in which the tenant shares a bathroom or kitchen facility with the owner who maintains a principal residence at the residential real property.

(f) A tenancy in a single-family owner-occupied residence, including a residence in which the owner-occupant rents or leases no more than two units or bedrooms including, but not limited to, an attached or detached accessory dwelling unit.

(g) A tenancy in a duplex, triplex, or fourplex in which the owner occupied one of the units as the owner's principal place of residence at the beginning of the tenancy, so long as the owner continues the occupancy.

(2) Subsection (1)(e) through (g) of this section only apply where the owner is not any of the following:

(a) À real estate investment trust, as defined in section 856 of the internal revenue code;

(b) A corporation; or

(c) A limited liability company in which at least one member is a corporation.

(3) This section expires July 1, 2040.

<u>NEW SECTION.</u> Sec. 103. A new section is added to chapter 59.18 RCW to read as follows:

(1)(a) Except as provided in subsection (2) of this section, a landlord must provide a tenant with notice of rent increases in a form that is substantially the same as the form provided in subsection (3) of this section.

(b) Notice under this section must also:

(i) Comply with the requirements in RCW 59.18.140 related to the number of days of prior written notice required for a rent increase; and

(ii) Be served in accordance with RCW 59.12.040.

(2) The notice of rent increase requirement in this section does not apply if the rental agreement governs a subsidized tenancy where the amount of rent is based on, in whole or in part, a percentage of the income of the tenant or other circumstances specific to the subsidized household. However, for purposes of this section, a subsidized tenancy does not include tenancies where some or all of the rent paid to the landlord comes from a portable tenant-based voucher or similar portable assistance administered through a housing authority or other state or local agency, or tenancies in other types of affordable housing where maximum unit rents are limited by area median income levels and a tenant's base rent does not change as the tenant's income does.

(3) "TO TENANT(S): (tenant name(s))

AT ADDRESS: (tenant address)

RENT AND FEE INCREASE NOTICE TO TENANTS

This notice is required by Washington state law to inform you of your rights regarding rent and fee increases. Your rent or rental amount includes all recurring and periodic charges, sometimes referred to as rent and fees, identified in your rental agreement for the use and occupancy of your rental unit. Washington state limits how much your landlord can raise your rent and any other recurring or periodic charges for the use and occupancy of your rental unit.

(1) Your landlord can raise your rent and any other recurring or periodic charges identified in the rental agreement for use and occupancy of your rental unit once every 12 months by up to seven percent plus consumer price index, or

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10 percent, whichever is less, as allowed by section 101 of this act. Your landlord is not required to raise the rent or other recurring or periodic charges by any amount.

(2) Your landlord may be exempt from the limit on increases for rent and other recurring or periodic charges for the reasons described in section 102 of this act. If your landlord claims an exemption, your landlord is required to include supporting facts with this notice.

(3) Your landlord must properly and fully complete the form below to notify you of any increases in rent and other recurring or periodic charges and any exemptions claimed.

Your landlord (name) intends to (check one of the following):

____Raise your rent and/or other recurring or periodic charges: Your total increase for rent and other recurring or periodic charges effective (date) will be (percent), which totals an additional \$(dollar amount) per month, for a new total amount of \$(dollar amount) per month for rent and other recurring or periodic charges.

This increase for rent and/or other recurring or periodic charges is allowed by state law and is (check one of the following):

A lower increase than the maximum allowed by state law.

The maximum increase allowed by state law.

____Authorized by an exemption under section 102 of this act. If the increase is authorized by an exemption, your landlord must fill out the section of the form below.

EXEMPTIONS CLAIMED BY LANDLORD

I (landlord name) certify that I am allowed under Washington state law to raise your rent and other recurring or periodic charges by (percent), which is more than the maximum increase otherwise allowed by state law, because I am claiming the following exemption under section 102 of this act (check one of the following):

_____ The first certificate of occupancy for your dwelling unit was issued on (insert date), which is 12 or less years before the date of this increase notice for rent and other recurring or periodic charges. (The landlord must include facts or attach documents supporting the exemption.)

____You live in a dwelling unit owned by a public housing authority, public development authority, or nonprofit organization where maximum rents are regulated by other laws or local, state, or federal affordable housing program requirements, or a qualified low-income housing development as defined in RCW 82.45.010, where the property is owned by a public housing authority, public development authority, or nonprofit organization. (The landlord must include facts or attach documents supporting the exemption.)

You live in a qualified low-income housing development which was allocated federal low-income housing tax credits by the Washington state housing finance commission and there is an enforceable regulatory agreement under the low-income housing tax credit program. (The landlord must include facts or attach documents supporting the exemption.)

You live in a dwelling unit in which you share a bathroom or kitchen facility with the owner, and the owner maintains a principal residence at the residential real property. (The landlord must include facts or attach documents supporting the exemption.)

____You live in a single-family owner-occupied residence in which the owner-occupant rents or leases no more than two units or bedrooms including, but not limited to, an attached or detached accessory dwelling unit. (The landlord must include facts or attach documents supporting the exemption.)

____You live in a duplex, triplex, or fourplex in which the owner occupied one of the units as the owner's principal place of residence at the beginning of the tenancy, and the owner continues in occupancy. (The landlord must include facts or attach documents supporting the exemption.)"

(4) This section expires July 1, 2040.

Sec. 104. RCW 59.18.140 and 2019 c 105 s 1 are each amended to read as follows:

(1) The tenant shall conform to all reasonable obligations or restrictions, whether denominated by the landlord as rules, rental agreement, rent, or otherwise, concerning the use, occupation, and maintenance of his or her dwelling unit, appurtenances thereto, and the property of which the dwelling unit is a part if such obligations and restrictions are not in violation of any of the terms of this chapter and are not otherwise contrary to law, and if such obligations and restrictions are brought to the attention of the tenant at the time of his or her initial occupancy of the dwelling unit and thus become part of the rental agreement.

(2) Except for termination of tenancy and an increase in the amount of rent, after ((thirty)) <u>30</u> days written notice to each affected tenant, a new rule of tenancy may become effective upon completion of the term of the rental agreement or sooner upon mutual consent.

(3)(a) Except as provided in (b) and (c) of this subsection, a landlord shall provide a minimum of ((sixty)) 90 days' prior written notice of an increase in the amount of rent to each affected tenant, and any increase in the amount of rent may not become effective prior to the completion of the term of the rental agreement.

(b) If the rental agreement governs a subsidized tenancy where the amount of rent is based on the income of the tenant or circumstances specific to the subsidized household, a landlord shall provide a minimum of ((thirty)) 30 days' prior written notice of an increase in the amount of rent to each affected tenant. An increase in the amount of rent may become effective upon completion of the term of the rental agreement or sooner upon mutual consent.

(c) For a tenant whose lease or rental agreement was entered into or renewed before the effective date of this section and whose tenancy is for a specified time, if the lease or rental agreement has more than 60 days but less than 90 days left before the end of the specified time as of the effective date of this section, the landlord must provide written notice to the affected tenant a minimum of 60 days before the effective date of an increase in the amount of rent.

<u>NEW SECTION.</u> Sec. 105. A new section is added to chapter 59.18 RCW to read as follows:

The department of commerce shall create an online landlord resource center to distribute information to landlords about available programs, associated services, and resources including, but not limited to, the following:

(1) The landlord mitigation program created in RCW 43.31.605;

(2) The low-income residential weatherization programs created in chapter 70A.35 RCW; and

(3) Any other programs and resources that the department of commerce determines are relevant.

PART II

MANUFACTURED/MOBILE HOME LANDLORD-TENANT ACT

<u>NEW SECTION.</u> Sec. 201. A new section is added to chapter 59.20 RCW to read as follows:

(1) Except as authorized by an exemption under section 202 of this act and as provided in RCW 59.20.060(2)(c), a landlord may not increase the rent for any type of tenancy, regardless of whether the tenancy is month-to-month or for a term greater than month-to-month:

(a) During the first 12 months after the tenancy begins; and

(b) During any 12-month period of the tenancy, in an amount greater than five percent.

(2) If a landlord increases the rent above the amount allowed in subsection (1) of this section as authorized by an exemption under section 202 of this act, the landlord must include facts supporting any claimed exemptions in the written notice of the rent increase. Notice must comply with this section, section 203 of this act, RCW 59.20.090(2), and be served in accordance with RCW 59.12.040.

(3) If a landlord increases rent above the amount allowed in subsection (1) of this section and the increase is not authorized by an exemption under section 202 of this act, the tenant must offer the landlord an opportunity to cure the unauthorized increase by providing the landlord with a written demand to reduce the increase to an amount that complies with the limit created in this section. In addition to any other remedies or relief available under this chapter or other law, the tenant may terminate the rental agreement at any time prior to the effective date of the increase by providing the landlord with written notice at least 30 days before terminating the rental agreement. If a tenant terminates a rental agreement under this subsection, the tenant owes rent for the full month in which the tenant vacates the manufactured/mobile home lot. A landlord may not charge a tenant any fines or fees for terminating a rental agreement under this subsection.

(4)(a) A tenant or the attorney general may bring an action in a court of competent jurisdiction to enforce compliance with this section or section 202 of this act, section 203 of this act, RCW 59.20.060, or 59.20.170. If the court finds that a landlord violated any of the laws listed in this subsection, the court shall award the following damages to the tenant and attorneys' fees and costs to the tenant who brings the action or the attorney general:

(i) Damages in the amount of any excess rent, fees, or other costs paid by the tenant;

(ii) Damages in an amount of up to three months of any unlawful rent, fees, or other costs charged by the landlord; and

(iii) Reasonable attorneys' fees and costs incurred in bringing the action.

(b) The attorney general may bring an action under this subsection notwithstanding whether the tenant has offered the landlord an opportunity to cure, and may recover civil penalties of not more than \$7,500 for each violation in addition to other remedies provided by this subsection. The attorney general may issue written civil investigative demands for pertinent documents, answers to written interrogatories, or oral testimony as required to investigate or bring an action under this subsection.

(5) The remedies provided by this section are in addition to any other remedies provided by law.

(6) A landlord may not report a tenant to a tenant screening service provider for failure to pay the portion of the tenant's rent that was unlawfully increased in violation of this section.

<u>NEW SECTION.</u> Sec. 202. A new section is added to chapter 59.20 RCW to read as follows:

A landlord may increase rent in an amount greater than allowed under section 201 of this act only as authorized by the exemptions described in this section or as provided in RCW 59.20.060(2)(c).

(1) Rent increases are not limited by section 201 of this act for any of the following types of tenancies:

(a) A tenancy in a manufactured/mobile home lot owned by a:

(i) Public housing authority;

(ii) Public development authority; or

(iii) Nonprofit organization, where maximum rents are regulated by other laws or local, state, or federal affordable housing program requirements; or

(b) A tenancy in a qualified low-income housing development as defined in RCW 82.45.010, where the property is owned by any of the organizations described in (a)(i) through (iii) of this subsection.

(2) During the first 12 months after the qualified sale of a manufactured/mobile home community to an eligible organization as defined in RCW 59.20.030 whose mission aligns with the long-term preservation and affordability of the manufactured/mobile home community, the eligible organization may increase the rent for the manufactured/mobile home community in an amount greater than allowed under section 201 of this act as needed to cover the cost of purchasing the manufactured/mobile home community if the increase is approved by vote or agreement with the majority of the manufactured/mobile home community.

(3) If a rental agreement is transferred under RCW 59.20.073 due to a former tenant's sale of a manufactured/mobile home, the landlord has the option to make a one-time increase in an amount not limited by section 201 of this act to the rent for the manufactured/mobile home lot at the time of the first renewal of the rental agreement after the transfer. A landlord must provide the manufactured/mobile home buyer with notice of this one-time increase option prior to the final transfer of the rental agreement to the buyer. If a landlord exercises this one-time increase option, evidence that the proper notice was provided to the buyer prior to the final transfer of the rental agreement must be included along with the notice required under section 203 of this act.

<u>NEW SECTION.</u> Sec. 203. A new section is added to chapter 59.20 RCW to read as follows:

(1)(a) Except as provided in subsection (2) of this section, a landlord must provide a tenant with notice of rent increases in a form that is substantially the same as the form provided in subsection (3) of this section.

(b) Notice under this section must also:

(i) Comply with the requirements in RCW 59.20.090(2) related to the number of months of prior written notice required for a rent increase; and

(ii) Be served in accordance with RCW 59.12.040.

(2) The notice of rent increase requirement in this section does not apply if the rental agreement governs a subsidized tenancy where the amount of rent is based on, in whole or in part, a percentage of the income of the tenant or other circumstances specific to the subsidized household. However, for purposes of this section, a subsidized tenancy does not include tenancies where some or all of the rent paid to the landlord comes from a portable tenant-based voucher or similar portable assistance administered through a housing authority or other state or local agency, or tenancies in other types of affordable housing where maximum unit rents are limited by area median income levels and a tenant's base rent does not change as the tenant's income does.

(3) "TO TENANTS: (tenant name(s))

AT ADDRESS: (tenant address)

RENT AND FEE INCREASE NOTICE TO TENANTS

This notice is required by Washington state law to inform you of your rights regarding rent and fee increases. Your rent or rental amount includes all recurring and periodic charges, sometimes referred to as rent and fees, identified in your rental agreement for the use and occupancy of your manufactured/mobile home lot. Washington state limits how much your landlord can raise your rent and any other recurring or periodic charges for the use and occupancy of your manufactured/mobile home lot.

(1) Your landlord can raise your rent and other recurring or periodic charges once every 12 months by up to five percent, as allowed by section 201 of this act. Your landlord is not required to raise the rent or other recurring or periodic charges by any amount.

(2) Your landlord may be exempt from the five percent limit on increases for rent and other recurring or periodic charges for the reasons described in section 202 of this act. If your landlord claims an exemption, your landlord is required to include supporting facts with this notice.

(3) Your landlord must properly and fully complete the form below to notify you of any increases in rent and other recurring or periodic charges and any exemptions claimed.

Your landlord (name) intends to (check one of the following):

____Raise your rent and/or other recurring and periodic charges: Your total increase in rent and other recurring or periodic charges effective (date) will be (percent), which totals an additional \$(dollar amount) per month, for a new total amount of \$(dollar amount) per month for rent and other recurring or periodic charges.

This increase in rent and/or other recurring and periodic charges is allowed by state law and is (check one of the following):

____A lower increase than the maximum allowed by state law.

The maximum increase allowed by state law.

____Authorized by an exemption under section 202 of this act. If the increase is authorized by an exemption, your landlord must fill out the section of the form below.

EXEMPTIONS CLAIMED BY LANDLORD

I (landlord name) certify that I am allowed under Washington state law to raise your rent and other recurring or periodic charges by (percent), which is more than the maximum increase otherwise allowed by state law, because I am claiming the following exemption under section 202 of this act (check one of the following):

____You live on a manufactured/mobile home lot owned by a public housing authority, public development authority, or nonprofit organization where maximum rents are regulated by other laws or local, state, or federal affordable housing program requirements, or a qualified low-income housing development as defined in RCW 82.45.010, where the property is owned by a public housing authority, public development authority, or nonprofit organization. (The landlord must include facts or attach documents supporting the exemption.)

You live in a manufactured/mobile home community that was purchased during the past 12 months by an eligible organization as defined in RCW 59.20.030 whose mission aligns with the long-term preservation and affordability of your manufactured/mobile home community, so the eligible organization may increase the rent and other recurring or periodic charges for your manufactured/mobile home community in an amount greater than allowed under section 201 of this act as needed to cover the cost of purchasing your manufactured/mobile home community if the increase is approved by vote or agreement with the majority of the manufactured/mobile home owners in your manufactured/mobile home community. (The landlord must include facts or attach documents supporting the exemption.)

____Your manufactured/mobile home lot rental agreement is up for first renewal after it was transferred to you under RCW 59.20.073, so your landlord is allowed to make a one-time increase to your rent and other recurring or periodic charges in an amount not limited by section 201 of this act. In order to exercise this one-time increase option, the landlord must have provided you with notice of this option prior to the final transfer of the rental agreement to you. (The landlord must include facts or attach documents supporting the exemption, including evidence that proper notice of this one-time increase option was provided to you prior to the final transfer of the rental agreement.)"

Sec. 204. RCW 59.20.170 and 2004 c 136 s 2 are each amended to read as follows:

(1) For leases or rental agreements entered into on or after the effective date of this section, if a landlord charges a tenant any move-in fees or security deposits, the move-in fees and security deposits combined may not exceed one month's rent, unless the tenant brings any pets into the tenancy, in which case the move-in fees and security deposits combined may not exceed two months' rent. This subsection (1) does not apply to leases or rental agreements entered into before the effective date of this section even if such leases or rental agreements are renewed on or after the effective date of this section.

(2) All moneys paid to the landlord by the tenant as a deposit as security for performance of the tenant's obligations in a rental agreement shall promptly be deposited by the landlord in a trust account, maintained by the landlord for the purpose of holding such security deposits for tenants of the landlord, in a financial institution as defined by RCW ((30.22.041)) 30A.22.041 or licensed escrow agent located in Washington. ((Except as provided in subsection (2) of

this section, unless)) Unless otherwise agreed in writing, the landlord shall be entitled to receipt of interest paid on such trust account deposits. The landlord shall provide the tenant with a written receipt for the deposit and shall provide written notice of the name and address and location of the depository and any subsequent change thereof. If during a tenancy the status of landlord is transferred to another, any sums in the deposit trust account affected by such transfer shall simultaneously be transferred to an equivalent trust account of the successor landlord, and the successor landlord shall promptly notify the tenant of the transfer and of the name, address and location of the new depository. The tenant's claim to any moneys paid under this section shall be prior to that of any creditor of the landlord, including a trustee in bankruptcy or receiver, even if such moneys are commingled.

 $((\frac{2)}{2})$ All moneys paid, in excess of two months' rent on the mobile home lot, to the landlord by the tenant as a deposit as security for performance of the tenant's obligations in a rental agreement shall be deposited into an interestbearing trust account for the particular tenant. The interest accruing on the deposit in the account, minus fees charged to administer the account, shall be paid to the tenant on an annual basis. All other provisions of subsection (1) of this section shall apply to deposits under this subsection.)

Sec. 205. RCW 59.20.060 and 2023 c 40 s 3 are each amended to read as follows:

(1) Any mobile home space tenancy regardless of the term, shall be based upon a written rental agreement, signed by the parties, which shall contain:

(a) The terms for the payment of rent, including time and place, and any additional charges to be paid by the tenant. Additional charges that occur less frequently than monthly shall be itemized in a billing to the tenant;

(b) Reasonable rules for guest parking which shall be clearly stated;

(c) The rules and regulations of the park;

(d) The name and address of the person who is the landlord, and if such person does not reside in the state there shall also be designated by name and address a person who resides in the county where the mobile home park is located who is authorized to act as agent for the purposes of service of notices and process. If no designation is made of a person to act as agent, then the person to whom rental payments are to be made shall be considered the agent;

(e) The name and address of any party who has a secured interest in the mobile home, manufactured home, or park model;

(f) A forwarding address of the tenant or the name and address of a person who would likely know the whereabouts of the tenant in the event of an emergency or an abandonment of the mobile home, manufactured home, or park model;

(g) A statement that: "The park may be sold or otherwise transferred at any time with the result that subsequent owners may close the mobile home park, or that the landlord may close the park at any time after the required closure notice as provided in RCW 59.20.080." The statement required by this subsection must: (i) Appear in print that is in boldface and is larger than the other text of the rental agreement; (ii) be set off by means of a box, blank space, or comparable visual device; and (iii) be located directly above the tenant's signature on the rental agreement;

(h) A copy of a closure notice, as required in RCW 59.20.080, if such notice is in effect;

(i) The terms and conditions under which any deposit or portion thereof may be withheld by the landlord upon termination of the rental agreement if any moneys are paid to the landlord by the tenant as a deposit or as security for performance of the tenant's obligations in a rental agreement;

(j) A listing of the utilities, services, and facilities which will be available to the tenant during the tenancy and the nature of the fees, if any, to be charged together with a statement that, in the event any utilities are changed to be charged independent of the rent during the term of the rental agreement, the landlord agrees to decrease the amount of the rent charged proportionately;

(k) A written description, picture, plan, or map of the boundaries of a mobile home space sufficient to inform the tenant of the exact location of the tenant's space in relation to other tenants' spaces;

(1) A written description, picture, plan, or map of the location of the tenant's responsibility for utility hook-ups, consistent with RCW 59.20.130(6);

(m) A statement of the current zoning of the land on which the mobile home park is located;

(n) A statement of the expiration date of any conditional use, temporary use, or other land use permit subject to a fixed expiration date that is necessary for the continued use of the land as a mobile home park; and

(o) A written statement containing accurate historical information regarding the past five years' rental amount charged for the lot or space.

(2) Any rental agreement executed between the landlord and tenant shall not contain any provision:

(a) Which allows the landlord to charge a fee for guest parking unless a violation of the rules for guest parking occurs: PROVIDED, That a fee may be charged for guest parking which covers an extended period of time as defined in the rental agreement;

(b) Which authorizes the towing or impounding of a vehicle except upon notice to the owner thereof or the tenant whose guest is the owner of the vehicle;

(c) Which allows the landlord to alter the due date for rent payment or increase the rent: (i) During the term of the rental agreement if the term is less than two years, or (ii) more frequently than annually if the initial term is for two years or more: PROVIDED, That a rental agreement may include an escalation clause for a pro rata share of any increase in the mobile home park's real property taxes or utility assessments or charges, over the base taxes or utility assessments or charges of the year in which the rental agreement took effect, if the clause also provides for a pro rata reduction in rent or other charges in the event of a reduction in real property taxes or utility assessments or charges, below the base year: PROVIDED FURTHER, That a rental agreement for a term exceeding two years may provide for annual increases in rent in specified amounts or by a formula specified in such agreement. Any rent increase authorized under this subsection (2)(c) that occurs within the closure notice period pursuant to RCW 59.20.080(1)(e) may not be more than one percentage point above the United States consumer price index for all urban consumers, housing component, published by the United States bureau of labor statistics in the periodical "Monthly Labor Review and Handbook of Labor Statistics" as established annually by the department of commerce;

(d) By which the tenant agrees to waive or forego rights or remedies under this chapter;

(e) Allowing the landlord to charge an "entrance fee" or an "exit fee." However, an entrance fee may be charged as part of a continuing care contract as defined in RCW 70.38.025;

(f) Which allows the landlord to charge a fee for guests: PROVIDED, That a landlord may establish rules charging for guests who remain on the premises for more than 15 days in any 60-day period;

(g) By which the tenant agrees to waive or forego homestead rights provided by chapter 6.13 RCW. This subsection shall not prohibit such waiver after a default in rent so long as such waiver is in writing signed by the husband and wife or by an unmarried claimant and in consideration of the landlord's agreement not to terminate the tenancy for a period of time specified in the waiver if the landlord would be otherwise entitled to terminate the tenancy under this chapter;

(h) By which, at the time the rental agreement is entered into, the landlord and tenant agree to the selection of a particular arbitrator; $((\frac{1}{2}))$

(i) By which the tenant agrees to make rent payments through electronic means only; or

(j) Allowing the landlord to charge a late fee for rent that is paid within five days following its due date for leases or rental agreements entered into or renewed on or after the effective date of this section. If rent is more than five days past due, the landlord may charge late fees commencing from the first day after the due date until paid. During the first month that rent is past due, late fees may not exceed two percent of the tenant's total rent per month. During the second consecutive month that rent is past due, late fees may not exceed three percent of the tenant's total rent per month. During the third consecutive month and all subsequent consecutive months that rent is past due, late fees may not exceed five percent of the tenant's total rent per month. Nothing in this subsection prohibits a landlord from serving a notice to pay or vacate at any time after the rent becomes due.

(3) Any provision prohibited under this section that is included in a rental agreement is unenforceable.

Sec. 206. RCW 59.20.030 and 2024 c 325 s 1 are each amended to read as follows:

For purposes of this chapter:

(1) "Abandoned" as it relates to a mobile home, manufactured home, or park model owned by a tenant in a mobile home park, mobile home park cooperative, or mobile home park subdivision or tenancy in a mobile home lot means the tenant has defaulted in rent and by absence and by words or actions reasonably indicates the intention not to continue tenancy;

(2) "Active duty" means service authorized by the president of the United States, the secretary of defense, or the governor for a period of more than 30 consecutive days;

(3) "Community land trust" means a private, nonprofit, communitygoverned, and/or membership corporation whose mission is to acquire, hold, develop, lease, and steward land for making homes, farmland, gardens, businesses, and other community assets permanently affordable for current and future generations. A community land trust's bylaws prescribe that the governing board is comprised of individuals who reside in the community land trust's service area, one-third of whom are currently, or could be, community land trust leaseholders;

(4) "Eligible organization" includes community land trusts, resident nonprofit cooperatives, local governments, local housing authorities, nonprofit community or neighborhood-based organizations, federally recognized Indian tribes in the state of Washington, and regional or statewide nonprofit housing assistance organizations, whose mission aligns with the long-term preservation of the manufactured/mobile home community;

(5) "Housing and low-income assistance organization" means an organization that provides tenants living in mobile home parks, manufactured housing communities, and manufactured/mobile home communities with information about their rights and other pertinent information;

(6) "Housing authority" or "authority" means any of the public body corporate and politic created in RCW 35.82.030;

(7) "Landlord" or "owner" means the owner of a mobile home park and includes the agents of the owner;

(8) "Local government" means a town government, city government, code city government, or county government in the state of Washington;

(9) "Manufactured home" means a single-family dwelling built according to the United States department of housing and urban development manufactured home construction and safety standards act, which is a national preemptive building code. A manufactured home also: (a) Includes plumbing, heating, air conditioning, and electrical systems; (b) is built on a permanent chassis; and (c) can be transported in one or more sections with each section at least eight feet wide and 40 feet long when transported, or when installed on the site is three hundred twenty square feet or greater;

(10) "Manufactured/mobile home" means either a manufactured home or a mobile home;

(11) "Mobile home" means a factory-built dwelling built prior to June 15, 1976, to standards other than the United States department of housing and urban development code, and acceptable under applicable state codes in effect at the time of construction or introduction of the home into the state. Mobile homes have not been built since the introduction of the United States department of housing and urban development manufactured home construction and safety act;

(12) "Mobile home lot" means a portion of a mobile home park or manufactured housing community designated as the location of one mobile home, manufactured home, or park model and its accessory buildings, and intended for the exclusive use as a primary residence by the occupants of that mobile home, manufactured home, or park model;

(13) "Mobile home park cooperative" or "manufactured housing cooperative" means real property consisting of common areas and two or more lots held out for placement of mobile homes, manufactured homes, or park models in which both the individual lots and the common areas are owned by an association of shareholders which leases or otherwise extends the right to occupy individual lots to its own members;

(14) "Mobile home park subdivision" or "manufactured housing subdivision" means real property, whether it is called a subdivision, condominium, or planned unit development, consisting of common areas and two or more lots held for placement of mobile homes, manufactured homes, or park models in which there is private ownership of the individual lots and common, undivided ownership of the common areas by owners of the individual lots;

(15) "Mobile home park," "manufactured housing community," or "manufactured/mobile home community" means any real property which is rented or held out for rent to others for the placement of two or more mobile homes, manufactured homes, or park models for the primary purpose of production of income, except where such real property is rented or held out for rent for seasonal recreational purpose only and is not intended for year-round occupancy;

(16) "Notice of opportunity to compete to purchase" means a notice required under RCW 59.20.325;

(17) "Notice of sale" means a notice required under RCW 59.20.300 to be delivered to all tenants of a manufactured/mobile home community and other specified parties within 14 days after the date on which any advertisement, listing, or public or private notice is first made advertising that a manufactured/mobile home community or the property on which it sits is for sale or lease. A delivered notice of opportunity to compete to purchase acts as a notice of sale;

(18) "Occupant" means any person, including a live-in care provider, other than a tenant, who occupies a mobile home, manufactured home, or park model and mobile home lot;

(19) "Orders" means written official military orders, or any written notification, certification, or verification from the service member's commanding officer, with respect to the service member's current or future military status;

(20) "Park model" means a recreational vehicle intended for permanent or semi-permanent installation and is used as a primary residence;

(21) "Permanent change of station" means: (a) Transfer to a unit located at another port or duty station; (b) change of a unit's home port or permanent duty station; (c) call to active duty for a period not less than 90 days; (d) separation; or (e) retirement;

(22) "Qualified sale of manufactured/mobile home community" means the sale, as defined in RCW 82.45.010, of land and improvements comprising a manufactured/mobile home community that is transferred in a single purchase to a qualified tenant organization or to an eligible organization for the purpose of preserving the property as a manufactured/mobile home community;

(23) "Qualified tenant organization" means a formal organization of tenants within a manufactured/mobile home community, with the only requirement for membership consisting of being a tenant. If a majority of the tenants, based on home sites within the manufactured/mobile home community, agree that they want to preserve the manufactured/mobile home community then they will appoint a spokesperson to represent the wishes of the qualified tenant organization to the landlord and the landlord's representative;

(24) "Recreational vehicle" means a travel trailer, motor home, truck camper, or camping trailer that is primarily designed and used as temporary living quarters, is either self-propelled or mounted on or drawn by another vehicle, is transient, is not occupied as a primary residence, and is not immobilized or permanently affixed to a mobile home lot;

(25) "Rent" or "rental amount" means recurring and periodic charges identified in the rental agreement for the use and occupancy of the manufactured/mobile home lot, which may include charges for utilities as provided in RCW 59.20.060. These terms do not include nonrecurring charges for costs incurred due to late payment, damages, deposits, legal costs, or other fees, including attorneys' fees;

(26) "Resident nonprofit cooperative" means a nonprofit cooperative corporation formed by a group of manufactured/mobile home community residents for the purpose of acquiring the manufactured/mobile home community in which they reside and converting the manufactured/mobile home community to a mobile home park cooperative or manufactured housing cooperative;

(((26))) (27) "Service member" means an active member of the United States armed forces, a member of a military reserve component, or a member of the national guard who is either stationed in or a resident of Washington state;

 $(((\frac{27})))$ (28) "Tenant" means any person, except a transient, who rents a mobile home lot;

 $(((\frac{28})))$ (29) "Transient" means a person who rents a mobile home lot for a period of less than one month for purposes other than as a primary residence.

PART III

MISCELLANEOUS

<u>NEW SECTION.</u> Sec. 301. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

<u>NEW SECTION.</u> Sec. 302. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

<u>NEW SECTION.</u> Sec. 303. If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2025, in the omnibus appropriations act, this act is null and void.

Passed by the House April 27, 2025. Passed by the Senate April 27, 2025. Approved by the Governor May 7, 2025. Filed in Office of Secretary of State May 12, 2025.

CHAPTER 210

[Engrossed House Bill 1173]

HIGH-HAZARD FACILITIES—WAGES—JOURNEYPERSONS

AN ACT Relating to wages for journeypersons in high-hazard facilities; amending RCW 49.80.010 and 49.80.040; and providing an effective date.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 49.80.010 and 2019 c 306 s 1 are each amended to read as follows:

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

(1) <u>"Applicable occupation" means the specific trade or occupation for the</u> work performed under this chapter as defined by the scope of work description under chapter 39.12 RCW and associated rules, or defined by the standard occupational classification description.

(2) "Apprenticeable occupation" means an occupation for which an apprenticeship program has been approved by the Washington state apprenticeship and training council pursuant to chapter 49.04 RCW.

(((2))) (3) "Department" means the department of labor and industries.

 $(((\frac{3})))$ (<u>4</u>) "On-site work" does not include ship and rail car support activities; environmental inspection and testing; security guard services; work which is performed by an original equipment manufacturer for warranty, repair, or maintenance on the vendor's equipment if required by the original equipment manufacturer's warranty agreement between the original equipment manufacturer and the owner; industrial cleaning not related to construction; safety services requiring professional safety certification; nonconstruction catalyst loading, regeneration, and removal; chemical purging and cleaning; refinery by-product separation and recovery; inspection services not related to construction.

(((4))) (5) "Prevailing ((hourly wage)) rate of wage" has the same meaning as provided ((for "prevailing rate of wage")) in RCW 39.12.010.

(((5))) (6) "Registered apprentice" means an apprentice who meets all the following criteria:

(a) Is registered in an apprenticeship program approved by the Washington state apprenticeship and training council according to chapter 49.04 RCW:

(b) Has received written notification from the employer identifying his or her applicable occupation and wage rates prior to performing work, a copy of which must be maintained in the employee's personnel file by the employer; and

(c) Is only performing work within the applicable occupation of the apprenticeship program in which he or she is registered.

(((6))) (7) "Skilled and trained workforce" means a workforce that meets both of the following criteria:

(a) All the workers are either registered apprentices or skilled journeypersons; and

(b) The workforce meets the apprenticeship graduation and approved advanced safety training requirements established in RCW 49.80.030.

(((7))) (8) "Skilled journeyperson" means a worker who meets all of the following criteria:

(a) The worker either graduated from an apprenticeship program for the applicable occupation that was approved by the Washington state apprenticeship and training council according to chapter 49.04 RCW, or has at least as many hours of on-the-job experience in the applicable occupation that would be required to graduate from an apprenticeship program approved by the Washington state apprenticeship and training council according to chapter 49.04 RCW; and

(b) The ((worker is being paid)) worker's wage payment requirement is at least a rate commensurate with the wages typically paid for the occupation in the applicable geographic area, subject to the following provisions:

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(i) The prevailing wage rate paid for a worker in the applicable occupation and geographic area on public works projects may be used to determine the appropriate rate of pay, however, this subsection (((7)(b))) (8)(b) does not require a contractor to pay prevailing wage rates; and

(ii) In no case may the worker be paid at a rate less than an hourly rate consistent with the seventy-fifth percentile in the applicable occupation and geographic area in the most recent occupational employment statistics published by the employment security department.

Sec. 2. RCW 49.80.040 and 2019 c 306 s 4 are each amended to read as follows:

(1) Failure to comply with the skilled and trained workforce requirements of this chapter, except the requirement that a worker be paid at a rate commensurate with wages typically paid for the occupation, constitutes a violation of chapter 49.17 RCW.

(2) The wage rate requirement of RCW 49.80.010(((7)(b))) (8)(b) constitutes a wage payment requirement as defined in RCW 49.48.082.

(3) A worker in an apprenticeable occupation performing work under this chapter who does not meet the definition of a registered apprentice in RCW 49.80.010(6) or the definition of a skilled journeyperson in RCW 49.80.010(8) constitutes a skilled journeyperson solely for the purposes of the wage requirement owed to the worker.

NEW SECTION. Sec. 3. This act takes effect January 1, 2026.

Passed by the House April 17, 2025.

Passed by the Senate April 10, 2025.

Approved by the Governor May 9, 2025.

Filed in Office of Secretary of State May 12, 2025.

CHAPTER 211

[House Bill 1009]

PHARMACY QUALITY ASSURANCE COMMISSION—MEMBERSHIP

AN ACT Relating to the membership of the pharmacy quality assurance commission; and amending RCW $18.64.001.\,$

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 18.64.001 and 2022 c 240 s 13 are each amended to read as follows:

Each pharmacist member shall be a resident of this state, and at the time of his or her appointment shall have been a duly registered pharmacist under the laws of this state for a period of at least five consecutive years immediately preceding his or her appointment and shall at all times during his or her incumbency continue to be a duly licensed pharmacist: PROVIDED, That subject to the availability of qualified candidates the governor shall appoint pharmacist members representative of the areas of practice and geographically representative of the state of Washington.

((The)) Each public member shall be a resident of this state((. The public member)) and shall be appointed from the public at large((, but shall)). Except as provided in this section, each public member may not be affiliated with any aspect of pharmacy.

Members of the commission shall hold office for a term of four years, and the terms shall be staggered so that the terms of office of not more than two members will expire simultaneously on the third Monday in January of each year.

No person who has been appointed to and served for two four year terms shall be eligible for appointment to the commission.

Each member shall qualify by taking the usual oath of a state officer, which shall be filed with the secretary of state, and each member shall hold office for the term of his or her appointment and until his or her successor is appointed and qualified.

In case of the resignation or disqualification of a member, or a vacancy occurring from any cause, the governor shall appoint a successor for the unexpired term.

Passed by the House April 19, 2025. Passed by the Senate March 26, 2025. Approved by the Governor May 12, 2025. Filed in Office of Secretary of State May 14, 2025.

CHAPTER 212

[House Bill 1130]

DEVELOPMENTAL DISABILITIES ADMINISTRATION—OPEN HOME AND COMMUNITY-BASED SERVICES WAIVER UTILIZATION

AN ACT Relating to utilization of developmental disabilities waivers; adding a new section to chapter 71A.10 RCW; and creating a new section.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> Sec. 1. The legislature finds that resources to support people with developmental disabilities are limited and many are in dire need of support. Enrollment into and receipt of developmental disabilities administration home and community-based services and supports can prevent traumatic and expensive hospital stays and institutionalization as well as harm in communities leading to incarceration. The legislature recognizes that until the state can achieve a system capable of providing help as soon as help is needed for all individuals with developmental disabilities, it is imperative to strategically intervene at times of crisis so that populations for which intervention is most critical are served without delay. Therefore, the legislature intends to provide a clear prioritization of populations most in need for developmental disabilities services and supports.

<u>NEW SECTION.</u> Sec. 2. A new section is added to chapter 71A.10 RCW to read as follows:

(1) When enrolling eligible clients in open home and community-based services waiver slots and for the purposes of determining access to specific waiver services, to the extent consistent with federal law and federal funding requirements, the administration shall prioritize clients in the following populations:

(a) Persons who are age 45 and older;

(b) Persons who, within the previous six months, have remained in a hospital without a safe discharge plan;

(c) Persons with intellectual or developmental disabilities who are transitioning from high school and need a waiver with supported employment services;

(d) Persons who are discharging from institutional settings including residential habilitation centers and state hospitals;

(e) Persons the administration has determined to be in immediate risk of admission to an intermediate care facility due to unmet health and welfare needs;

(f) Persons who have been found incompetent to stand trial in a criminal matter due to a developmental disability;

(g) Persons eligible for services under RCW 71A.12.090; and

(h) Persons currently and formerly eligible for services through a community protection waiver in the interest of enhancing the safety of the community, caretakers, and others.

(2) Persons who meet the criteria outlined in RCW 71A.12.370 shall be enrolled in waiver services, to the extent consistent with federal law and federal funding requirements.

(3) The administration shall align its rules to provide for the prioritization for waiver slots and services for the populations identified in subsection (1) of this section.

(4) The administration shall routinely collect data on the following items related to home and community-based services waivers and make the data publicly available on the administration's website:

(a) The number of people enrolled in each waiver;

(b) The capacity and waitlist, if any, for each waiver, including the number of people from the prioritized populations identified in subsection (1) of this section as well as persons identified in subsection (2) of this section who are on a waitlist for waiver enrollment;

(c) The number of people from the prioritized populations identified in subsection (1) of this section as well as persons identified in subsection (2) of this section that have been enrolled on each waiver since the last report;

(d) Any requests for waiver services that have not been fulfilled and the reason the request has not been fulfilled; and

(e) Any unfulfilled requests for waiver services from the prioritized populations identified in subsection (1) of this section as well as persons identified in subsection (2) of this section, including the type of service and the reason the request has not been fulfilled.

Passed by the House April 21, 2025. Passed by the Senate April 15, 2025. Approved by the Governor May 12, 2025. Filed in Office of Secretary of State May 14, 2025.

CHAPTER 213

[Substitute House Bill 1186]

HOSPITALS AND HEALTH CARE ENTITIES—MEDICATION DISPENSING—CONDITIONS

AN ACT Relating to expanding the situations in which medications can be dispensed or delivered from hospitals and health care entities; and amending RCW 70.41.480 and 18.64.450.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 70.41.480 and 2024 c 251 s 2 are each amended to read as follows:

(1) The legislature finds that high quality, safe, and compassionate health care services for patients of Washington state must be available at all times. The legislature further finds that there is a need for patients being released from hospital emergency departments to maintain access to emergency medications when community or hospital pharmacy services are not available, including medication for opioid overdose reversal and for the treatment for opioid use disorder as appropriate, human immunodeficiency virus postexposure prophylaxis drugs, anti-infectives, and drugs that come prepackaged by the manufacturer. It is the intent of the legislature to accomplish this objective by allowing practitioners with prescriptive authority to prescribe limited amounts of prepackaged emergency medications to patients being discharged from hospital emergency departments when access to community or outpatient hospital pharmacy services is not otherwise available.

(2) A hospital may allow a practitioner to prescribe prepackaged emergency medications and allow a practitioner or a registered nurse licensed under chapter 18.79 RCW to distribute prepackaged emergency medications to patients being discharged from a hospital emergency department in the following circumstances:

(a) During times when community or outpatient hospital pharmacy services are not available within 15 miles <u>within Washington</u> by road;

(b) When, in the judgment of the practitioner and consistent with hospital policies and procedures, a patient has no reasonable ability to reach the local community or outpatient pharmacy; or

(c) When a patient is identified as needing human immunodeficiency virus postexposure prophylaxis drugs or therapies.

(3) A hospital may only allow this practice if((: The)) the director of the hospital pharmacy, in collaboration with appropriate hospital medical staff, develops policies and procedures regarding the following:

(a) Development of a list, preapproved by the pharmacy director, of the types of emergency medications to be prepackaged and distributed;

(b) Assurances that emergency medications to be prepackaged pursuant to this section are prepared by a pharmacist or under the supervision of a pharmacist licensed under chapter 18.64 RCW;

(c) Development of specific criteria under which emergency prepackaged medications may be prescribed and distributed consistent with the limitations of this section;

(d) Assurances that any practitioner authorized to prescribe prepackaged emergency medication or any nurse authorized to distribute prepackaged emergency medication is trained on the types of medications available and the circumstances under which they may be distributed; (e) Procedures to require practitioners intending to prescribe prepackaged emergency medications pursuant to this section to maintain a valid prescription either in writing or electronically in the patient's records prior to a medication being distributed to a patient;

(f) Establishment of a limit of no more than a 48 hour supply of emergency medication as the maximum to be dispensed to a patient, except when ((community)):

(i) Community or hospital <u>outpatient</u> pharmacy services will not be available within 48 hours((, or when antibiotics)):

(ii) Anti-infectives or human immunodeficiency virus postexposure prophylaxis drugs or therapies are required; or

(iii) Drugs or therapies are packaged directly by the manufacturer in quantities larger than a 48-hour supply that cannot be altered to limit the quantity to a 48-hour supply;

(g) Assurances that prepackaged emergency medications will be kept in a secure location in or near the emergency department in such a manner as to preclude the necessity for entry into the pharmacy; and

(h) Assurances that nurses or practitioners will distribute prepackaged emergency medications to patients only after a practitioner has counseled the patient on the medication.

(4) The delivery of a single dose of medication for immediate administration to the patient is not subject to the requirements of this section.

(5) Nothing in this section restricts the authority of a practitioner in a hospital emergency department to distribute opioid overdose reversal medication under RCW 69.41.095.

(6) A practitioner or a nurse in a hospital emergency department must dispense or distribute opioid overdose reversal medication in compliance with RCW 70.41.485.

(7) Except as permitted for human immunodeficiency virus postexposure prophylaxis or opioid overdose reversal drugs or therapies, nothing in this section permits a hospital to bill separately from the bundled payment for drugs or therapies dispensed pursuant to this section.

(8) For purposes of this section:

(a) "Emergency medication" means any medication commonly prescribed to emergency department patients, including those drugs, substances or immediate precursors listed in schedules II through V of the uniform controlled substances act, chapter 69.50 RCW, as now or hereafter amended((-)) :

(b) "Distribute" means the delivery of a drug or device other than by administering or dispensing((:)):

(c) "Manufacturer" has the same meaning as provided in RCW 18.64.011;

(d) "Opioid overdose reversal medication" has the same meaning as provided in RCW 69.41.095((-

(d)))<u>;</u>

(e) "Practitioner" means any person duly authorized by law or rule in the state of Washington to prescribe drugs as defined in RCW 18.64.011(((29).

(e)))<u>; and</u>

(f) "Nurse" means a registered nurse or licensed practical nurse as defined in chapter 18.79 RCW.

Sec. 2. RCW 18.64.450 and 2013 c 19 s 26 are each amended to read as follows:

(1) In order for a health care entity to purchase, administer, dispense, and deliver legend drugs, the health care entity must be licensed by the department.

(2) In order for a health care entity to purchase, administer, dispense, and deliver controlled substances, the health care entity must annually obtain a license from the department in accordance with the commission's rules.

(3) The receipt, administration, dispensing, and delivery of legend drugs or controlled substances by a health care entity must be performed under the supervision or at the direction of a pharmacist.

(4) A health care entity may only administer, dispense, or deliver legend drugs and controlled substances to patients who receive care within the health care entity and in compliance with rules of the commission. Nothing in this subsection shall prohibit a practitioner, in carrying out his or her licensed responsibilities within a health care entity, from dispensing or delivering to a patient of the health care entity drugs for that patient's personal use in an amount not to exceed ((seventy-two)) <u>72</u> hours of usage. <u>The 72-hour limit does not apply when:</u>

(a) Community or hospital outpatient pharmacy services will not be available within 72 hours;

(b) Anti-infectives or human immunodeficiency virus postexposure prophylaxis drugs or therapies are required; or

(c) Drugs or therapies are packaged directly by the manufacturer in quantities larger than a 72-hour supply that cannot be altered to limit the quantity to a 72-hour supply.

(5) Nothing in this section permits a health care entity to bill separately for drugs or therapies dispensed pursuant to subsection (4)(a) through (c) of this section.

Passed by the House April 21, 2025.

Passed by the Senate April 16, 2025.

Approved by the Governor May 12, 2025.

Filed in Office of Secretary of State May 14, 2025.

CHAPTER 214

[Engrossed Substitute House Bill 1395]

LONG-TERM CARE PROVIDERS—BACKGROUND CHECKS—MODIFICATION

AN ACT Relating to streamlining the home care worker background check process; and amending RCW 43.20A.715 and 74.39A.056.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 43.20A.715 and 2023 c 470 s 3014 are each amended to read as follows:

(1) Where the department is required to screen a long-term care worker, contracted provider, or licensee through a background check to determine whether the person has a history that would disqualify the person from having unsupervised access to, working with, or providing supervision, care, or treatment to vulnerable adults or children, the department may not automatically disqualify a person on the basis of a criminal record that includes a conviction of

any of the following crimes once the specified amount of time has passed for the particular crime:

(a) Selling cannabis to a person under RCW 69.50.401 after three years or more have passed between the most recent conviction and the date the background check is processed;

(b) Theft in the first degree under RCW 9A.56.030 after 10 years or more have passed between the most recent conviction and the date the background check is processed;

(c) Robbery in the second degree under RCW 9A.56.210 after five years or more have passed between the most recent conviction and the date the background check is processed;

(d) Extortion in the second degree under RCW 9A.56.130 after five years or more have passed between the most recent conviction and the date the background check is processed;

(e) Assault in the second degree under RCW 9A.36.021 after five years or more have passed between the most recent conviction and the date the background check is processed; and

(f) Assault in the third degree under RCW 9A.36.031 after five years or more have passed between the most recent conviction and the date the background check is processed.

(2) The provisions of subsection (1) of this section do not apply where the department is performing background checks for the department of children, youth, and families.

(3) The provisions of subsection (1) of this section do not apply to department employees or applicants for department positions except for positions in the state-operated community residential program.

(4) Notwithstanding subsection (1) of this section, a long-term care worker, contracted provider, or licensee may not provide, or be paid to provide, care to children or vulnerable adults under the medicare or medicaid programs if the worker is excluded from participating in those programs by federal law.

(5) The department((, a contracted provider, or a licensee)) or an authorized entity, when conducting a character, competence, and suitability review for the purpose of hiring, licensing, certifying, contracting with, permitting, or continuing to permit a person to be employed in any position caring for or having unsupervised access to vulnerable adults or children, may, in its sole discretion, determine whether to consider any of the convictions identified in subsection (1) of this section. If the department or a consumer directed employer as defined in RCW 74.39A.009 determines that an individual with any of the convictions identified in subsection (1) of this section is qualified to provide services to a department client as an individual provider as defined in RCW 74.39A.240, the department or the consumer directed employer must provide the client, and their guardian if any, with the results of the state background check for their determination of character, suitability, and competence of the individual before the individual begins providing services. The department((, a contracted provider, or a licensee)) or an authorized entity, when conducting a character, competence, and suitability review for the purpose of hiring, licensing, certifying, contracting with, permitting, or continuing to permit a person to be employed in any position caring for or having unsupervised access to vulnerable adults or children, has a rebuttable presumption that its exercise of discretion under this section or the refusal to exercise such discretion was appropriate. This subsection does not create a duty for the department to conduct a character, competence, and suitability review.

(6)(a) An employer or an authorized entity shall not conduct a character, competence, and suitability review for individual providers and home care agency providers, based on a name and date of birth or fingerprint-based background check result, when:

(i) The employer or authorized entity has already conducted a character, competence, and suitability review for the individual provider or home care agency provider for a previously reviewed nonautomatically disqualifying conviction, pending charge, or negative action found during a previous background check, for which the employer or authorized entity has previously conducted a character, competence, and suitability review; or

(ii) It is known to the employer or authorized entity that more than 10 years have passed since the last nonautomatically disqualifying conviction or negative action against the individual provider or home care agency provider.

(b) The department shall develop rules to establish standards for conducting character, competence, and suitability reviews under this subsection (6), including parameters to prioritize the safety of vulnerable adults and minors, clients' rights regarding individual and home care agency providers' background check results and character, competence, and suitability reviews, and an equitable review process for individual providers and home care agency providers.

(7)(a) Individual providers and home care agency providers subject to and awaiting a character, competence, and suitability review may work for up to 30 days before the character, competence, and suitability review is completed, provided that their background check did not include any automatically disqualifying conviction, crime, negative action, or pending charge, and the employer has not completed the character, competence, and suitability review and determined the home care agency provider or individual provider unable to work.

(b)(i) Prior to the provision of any care services by an individual provider or home care agency provider during the 30-day temporary practice period established in (a) of this subsection, the parent or guardian of the minor, the vulnerable adult, or the guardian of the vulnerable adult must be:

(A) Notified in writing that the character, competence, and suitability review for the individual provider or home care agency provider has not been completed; and

(B) Provided with an opportunity to decline the receipt of care services from the individual provider or home care agency provider and an explanation of the procedure for declining the receipt of care.

(ii) The notice requirement of this subsection does not apply to any home care agency provider that has been employed by the same employer since the previous name and date of birth background check or fingerprint-based background check was conducted.

(8) For the purposes of the section:

(a) <u>"Authorized entity" means a service provider, licensee, contractor, or</u> other public or private agency that:

(i) Is required to conduct background checks; and

(ii) Is authorized to conduct background checks through the department's background check central unit.

(b) "Character, competence, and suitability review" means a review process that the employer or an authorized entity uses to decide whether a person has the character, competence, and suitability to work in a position that may have unsupervised access to minors or vulnerable adults.

(c) "Contracted provider" means a provider, and its employees, contracted with the department or an area agency on aging to provide services to department clients under programs under chapter 74.09, 74.39, 74.39A, or 71A.12 RCW. "Contracted provider" includes area agencies on aging and their subcontractors who provide case management.

(((b))) (<u>d</u>) "Fingerprint-based background check" means a search of in-state criminal history records through the Washington state patrol and national criminal history records through the federal bureau of investigation.

(e) "Home care agency provider" means a long-term care worker paid by a home care agency, as described in RCW 43.20A.710(1)(b).

(f) "Individual provider" has the same meaning as in RCW 74.39A.240.

(g) "Licensee" means a nonstate facility or setting that is licensed or certified, or has applied to be licensed or certified, by the department and includes the licensee and its employees.

(h) "Managing employer" has the same meaning as in RCW 74.39A.009.

(i) "Name and date of birth background check" means a search of Washington state criminal history and negative action records using the applicant's name and date of birth conducted by the department's background check central unit.

(j) "Nonautomatically disqualifying" means, when used in reference to a conviction, pending charge, or negative action, that the conviction, pending charge, or negative action is one other than a permanently disqualifying conviction, permanently disqualifying negative action, or a time-limited permanently disqualifying conviction or negative action after the defined amount of time has passed, as described in RCW 43.43.842 and 43.20A.710(5), and related department rules.

Sec. 2. RCW 74.39A.056 and 2023 c 223 s 4 are each amended to read as follows:

(1)(a) All long-term care workers shall be screened through state and federal background checks in a uniform and timely manner to verify that they do not have a history that would disqualify them from working with vulnerable persons. The department must process background checks for long-term care workers and, based on this screening, inform employers, prospective employers, and others as authorized by law, whether screened applicants are ineligible for employment.

(b)(i) For long-term care workers hired on or after January 7, 2012, the background checks required under this section shall include checking against the federal bureau of investigation fingerprint identification records system or its successor program. The department shall require these long-term care workers to submit fingerprints for the purpose of investigating conviction records through both the Washington state patrol and the federal bureau of investigation. The department shall not pass on the cost of these criminal background checks to the workers or their employers.

(ii) A long-term care worker who is not disqualified by the state background check can work and have unsupervised access pending the results of the federal bureau of investigation fingerprint background check as allowed by rules adopted by the department.

(c)(i) Individual providers and home care agency providers must complete a fingerprint-based background check required in this section, RCW 43.20A.710, and 43.43.837 only:

(A) At the point of initial hire;

(B) As required by federal law;

(C) Before an individual provider starts providing new services for a new managing employer when the last fingerprint on the authorized entity's file for the individual provider is five years old or more and the new managing employer requests a fingerprint-based background check; and

(D) If there is a reasonable, good faith belief the employer or authorized entity needs to conduct a fingerprint-based background check, due to potential new findings in a fingerprint-based background check, as documented in writing by the employer.

(ii) Individual providers and home care agency providers may not be required to complete a fingerprint-based background check at the point of initial hire as required in this subsection if the individual provider or home care agency provider has been previously employed by the same employer and has not lived outside of Washington after the last fingerprint-based background check.

(2) A provider may not be employed in the care of and have unsupervised access to vulnerable adults if:

(a) The provider is on the vulnerable adult abuse registry or on any other registry based upon a finding of abuse, abandonment, neglect, or financial exploitation of a vulnerable adult;

(b) On or after October 1, 1998, the department of children, youth, and families, or its predecessor agency, has made a founded finding of abuse or neglect of a child against the provider. If the provider has received a certificate of parental improvement under chapter 74.13 RCW pertaining to the finding, the provider is not disqualified under this section;

(c) A disciplining authority, including the department of health, has made a finding of abuse, abandonment, neglect, or financial exploitation of a minor or a vulnerable adult against the provider; or

(d) A court has issued an order that includes a finding of fact or conclusion of law that the provider has committed abuse, abandonment, neglect, or financial exploitation of a minor or vulnerable adult. If the provider has received a certificate of parental improvement under chapter 74.13 RCW pertaining to the finding of fact or conclusion of law, the provider is not disqualified under this section.

(3)(a) A client who has elected to receive services from an individual provider must be notified of the results of a background check and of the client's right to request a copy of the background check's results under (b) of this subsection.

(b) When a background check produces a review required result, as defined in RCW 43.20A.715, the authorized entity must provide the client who is the managing employer of the individual provider with a copy of the background check results and the Washington state record of arrests and prosecutions, if requested by the client. The individual provider may choose to provide a copy of the federal bureau of investigation record of arrests and prosecutions to the client.

(4) The department shall establish, by rule, a state registry which contains identifying information about long-term care workers identified under this chapter who have final substantiated findings of abuse, neglect, financial exploitation, or abandonment of a vulnerable adult as defined in RCW 74.34.020. The rule must include disclosure, disposition of findings, notification, findings of fact, appeal rights, and fair hearing requirements. The department shall disclose, upon request, final substantiated findings of abuse, neglect, financial exploitation, or abandonment to any person so requesting this information. This information must also be shared with the department of health to advance the purposes of chapter 18.88B RCW.

(((4))) (5) For the purposes of this section((, "provider" means)):

(a) <u>"Authorized entity" means a service provider, licensee, contractor, or</u> other public or private agency that:

(i) Is required to conduct background checks; and

(ii) Is authorized to conduct background checks through the department's background check central unit.

(b) "Fingerprint-based background check" means a search of in-state criminal history records through the Washington state patrol and national criminal history records through the federal bureau of investigation.

(c) "Home care agency provider" means a long-term care worker paid by a home care agency, as described in RCW 43.20A.710(1)(b).

(d) "Managing employer" has the same meaning as in RCW 74.39A.009. (e) "Provider" means:

(i) An individual provider ((as defined in RCW 74.39A.240));

(((b))) (ii) An employee, licensee, or contractor of any of the following: A home care agency licensed under chapter 70.127 RCW; a nursing home under chapter 18.51 RCW; an assisted living facility under chapter 18.20 RCW; an enhanced services facility under chapter 70.97 RCW; a certified resident services and supports agency licensed or certified under chapter 71A.12 RCW; an adult family home under chapter 70.128 RCW; or any long-term care facility certified to provide medicaid or medicare services; and

(((e))) (iii) Any contractor of the department who may have unsupervised access to vulnerable adults.

(((5))) (f) "Review required result" means the result of a name and date of birth background check or fingerprint-based background check for an individual provider or a home care agency provider that requires the employer or an authorized entity to determine if a character, competence, and suitability review is necessary, and related implementing rules adopted by the department.

(6) The department shall adopt rules to implement this section.

Passed by the House April 18, 2025.

Passed by the Senate April 14, 2025.

Approved by the Governor May 12, 2025.

Filed in Office of Secretary of State May 14, 2025.

CHAPTER 215

[Engrossed Second Substitute House Bill 1422] DRUG TAKE-BACK PROGRAM—MODIFICATION

AN ACT Relating to modifying the drug take-back program by modifying fee and enforcement regulations and addressing program operator performance parity; amending RCW 69.48.100, 69.48.110, 69.48.120, and 43.131.424; and creating a new section.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 69.48.100 and 2018 c 196 s 10 are each amended to read as follows:

(1) By July 1st after the first full year of implementation, and each July 1st thereafter, a program operator must submit to the department a report describing implementation of the drug take-back program during the previous calendar year. The report must include:

(a) A list of covered manufacturers participating in the drug take-back program;

(b) The amount, by weight, of covered drugs collected, including the amount by weight from each collection method used;

(c) The following details regarding the program's collection system: A list of collection sites with addresses; the number of mailers provided; locations where mailers were provided, if applicable; dates and locations of collection events held, if applicable; and the transporters and disposal facility or facilities used;

(d) Whether any safety or security problems occurred during collection, transportation, or disposal of covered drugs, and if so, completed and anticipated changes to policies, procedures, or tracking mechanisms to address the problem and improve safety and security;

(e) A description of the public education, outreach, and evaluation activities implemented;

(f) A description of how collected packaging was recycled to the extent feasible;

(g) A summary of the program's goals for collection amounts and public awareness, the degree of success in meeting those goals, and if ((any)) the program's goals have not been met, ((what effort will be made to achieve those goals the following year)) an explanation on why the goals were not met; ((and))

(h) The program's collection and public awareness goals for the next year;

(i) The program's annual expenditures, itemized by program category; and

(i) An estimated budget for the next year, itemized by program category.

(2) Within thirty days after each annual period of operation of an approved drug take-back program, the program operator shall submit an annual collection amount report to the department that provides the total amount, by weight, of covered drugs collected from each collection site during the prior year.

(3) The department shall make reports submitted under this section available to the public through the internet.

(4) The department shall evaluate reports submitted under this section for compliance with this chapter, rules adopted under this chapter, and the program operator's department-approved plan.

(a) The department shall either approve reports or request revisions to bring them into compliance with applicable law or the program operator's departmentapproved plan. Revisions may include, but are not limited to, requests to add an explanation for any discrepancies between collected weight reported in collection reports and weight collected at kiosks reported in annual reports.

(b) Program operators must submit any requested revisions to the department within 30 days.

Sec. 2. RCW 69.48.110 and 2018 c 196 s 11 are each amended to read as follows:

(1) The department may audit or inspect the activities and records of a drug take-back program to determine compliance with this chapter, rules adopted under this chapter, or investigate a complaint. Drug take-back programs must fully cooperate with the department during an audit, inspection, or investigation.

(2)(a) The department shall send a written notice to a covered manufacturer that fails to participate in a drug take-back program as required by this chapter. The notice must provide a warning regarding the penalties for violation of this chapter.

(b) A covered manufacturer that receives a notice under this subsection (2) may be assessed a penalty if, sixty days after receipt of the notice, the covered manufacturer continues to sell a covered drug in or into the state without participating in a drug take-back program approved under this chapter.

(3)(a) The department may send a program operator a written notice warning of the penalties for noncompliance with this chapter if it determines that the program operator's drug take-back program is in violation of this chapter or does not conform to the proposal approved by the department. The department may assess a penalty on the program operator and participating covered manufacturers if the program does not come into compliance by thirty days after receipt of the notice.

(b) The department may immediately suspend operation of a drug take-back program and assess a penalty if it determines that the program is in violation of this chapter and the violation creates a condition that, in the judgment of the department, constitutes an immediate hazard to the public or the environment.

(4)(a) The department shall send a written notice to a drug wholesaler or a retail pharmacy that fails to provide a list of drug manufacturers to the department as required by RCW 69.48.040. The notice must provide a warning regarding the penalties for violation of this chapter.

(b) A drug wholesaler or retail pharmacy that receives a notice under this subsection may be assessed a penalty if, sixty days after receipt of the notice, the drug wholesaler or retail pharmacy fails to provide a list of drug manufacturers.

(5) In enforcing the requirements of this chapter, the department:

(a) May require an informal administrative conference;

(b) May require a person or entity to engage in or refrain from engaging in certain activities pertaining to this chapter;

(c) May, in accordance with RCW 43.70.095, assess a civil fine of up to two thousand dollars. Each day upon which a violation occurs or is permitted to continue constitutes a separate violation. In determining the appropriate amount of the fine, the department shall consider the extent of harm caused by the violation, the nature and persistence of the violation, the frequency of past violations, any action taken to mitigate the violation, and the financial burden to the entity in violation; and

(d) May not prohibit a covered manufacturer from selling a drug in or into the state of Washington.

(1)(a) The department shall((: Determine its costs for the administration, oversight, and enforcement of the requirements of this chapter, including, but not limited to, a fee for proposal review, and the survey required under RCW 69.48.200; pursuant to RCW 43.70.250,)) set fees including, but not limited to, an annual operating fee, a fee for proposal review, and the survey required under RCW 69.48.200, at a level sufficient to ((recover)) cover the costs associated with administration, oversight, and enforcement; and adopt rules establishing requirements for program operator proposals.

(b) The department shall not impose any fees in excess of its actual administrative, oversight, and enforcement costs. The fees collected from each program operator in calendar year 2020 and any subsequent year may not exceed ten percent of the ((program's annual expenditures)) highest annual expenditures from any single program operator as reported to the department in the annual report required by RCW 69.48.100 and determined by the department.

(c) ((Adjustments to the department's fees may be made annually and shall not exceed actual administration, oversight, and enforcement costs. Adjustments for inflation may not exceed the percentage change in the consumer price index for all urban consumers in the United States as calculated by the United States department of labor as averaged by city for the twelve month period ending with June of the previous year.

(d))) The annual fee set by the department shall be evenly split amongst each approved program operator.

(((e))) (d) The department shall collect annual operating fees from each program operator by October 1, 2019, and annually thereafter.

(((f) Between July 25, 2021, and January 1, 2024, the department shall collect a nonrefundable one-time fee of \$157,000 for review of proposals from each potential program operator applicant as provided in RCW 69.48.050.))

(2) The department shall impose a one-time fee of \$70,000 split evenly amongst each approved program operator to fund the expedited review to be completed by the joint legislative audit and review committee as provided for in section 4 of this act. The department shall collect the one-time fee by August 1, 2025.

(3) All fees collected under this section must be deposited in the secure drug take-back program account established in RCW 69.48.130.

<u>NEW SECTION.</u> Sec. 4. (1) The joint legislative audit and review committee shall conduct an expedited review of the department of health's feesetting authority for the drug take-back program established under chapter 69.48 RCW. By December 31, 2025, the joint legislative audit and review committee shall report to the appropriate committees of the legislature on the results of the expedited review, including whether the department's fee-setting authority covers its actual administrative, oversight, and enforcement costs and whether expenditures incurred by the department and participating program operators are transparent and appropriate given the intent of the program.

(2) The funding for this expedited review shall be limited to the one-time fee provided for in section 3(2) of this act. The department of health shall enter into an interagency agreement with the joint legislative audit and review

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committee to conduct the review using the funds generated from the one-time fee.

Sec. 5. RCW 43.131.424 and 2021 c 155 s 7 are each amended to read as follows:

The following acts or parts of acts, as now existing or hereafter amended, are each repealed, effective January 1, 2030:

(1) RCW 69.48.010 and 2021 c 155 s 1 & 2018 c 196 s 1;

(2) RCW 69.48.020 and 2018 c 196 s 2;

(3) RCW 69.48.030 and 2018 c 196 s 3;

(4) RCW 69.48.040 and 2018 c 196 s 4;

(5) RCW 69.48.050 and 2021 c 155 s 3 & 2018 c 196 s 5;

(6) RCW 69.48.060 and (([2021 c 65 s 64 &])) <u>2021 c 65 s 642 &</u> 2018 c 196 s 6;

(7) RCW 69.48.070 and 2021 c 155 s 4 & 2018 c 196 s 7;

(8) RCW 69.48.080 and 2018 c 196 s 8;

(9) RCW 69.48.090 and 2018 c 196 s 9;

(10) RCW 69.48.100 and <u>2025 c ... s 1 (section 1 of this act) &</u> 2018 c 196 s 10;

(11) RCW 69.48.110 and <u>2025 c ... s 2 (section 2 of this act) &</u> 2018 c 196 s 11;

(12) RCW 69.48.120 and <u>2025 c ... s 3 (section 3 of this act)</u>, 2021 c 155 s 5, & 2018 c 196 s 12;

- (13) RCW 69.48.130 and 2018 c 196 s 13;
- (14) RCW 69.48.140 and 2018 c 196 s 14;
- (15) RCW 69.48.150 and 2018 c 196 s 15;
- (16) RCW 69.48.160 and 2018 c 196 s 16;
- (17) RCW 69.48.170 and 2018 c 196 s 17;
- (18) RCW 69.48.180 and 2018 c 196 s 18;
- (19) RCW 69.48.190 and 2018 c 196 s 19; and

(20) RCW 69.48.200 and 2018 c 196 s 20.

Passed by the House April 9, 2025.

Passed by the Senate April 26, 2025.

Approved by the Governor May 12, 2025.

Filed in Office of Secretary of State May 14, 2025.

CHAPTER 216

[Engrossed Second Substitute House Bill 1813] MEDICAL ASSISTANCE—REPROCUREMENT

AN ACT Relating to the reprocurement of medical assistance services, including the realignment of behavioral health crisis services for medicaid enrollees; amending RCW 71.24.380; reenacting and amending RCW 71.24.045; adding a new section to chapter 74.09 RCW; and creating a new section.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> Sec. 1. A new section is added to chapter 74.09 RCW to read as follows:

(1) The authority shall consult with the department of commerce and the department of health quarterly for all agencies to plan and prepare for new or

expanded services in each regional service area, which must include, but are not limited to, incorporating regional capacity changes reported to the authority by managed care organizations, behavioral health administrative services organizations, providers including Indian health services providers, Indian health care providers, urban Indian health organizations, or provider networks. When programs or facilities including, but not limited to, those programs and facilities described in RCW 71.24.045(1)(e) are newly established or closed or existing services are expanded or reduced in a region the authority shall direct the state's medicaid contractor for actuarial services to promptly and prospectively adjust medicaid managed care rates to include a programmatic adjustment related to the new or expanded service prior to the facility opening or the service expansion, consistent with the rate-setting cycles directed by the authority. If a facility closes or services are reduced, managed care and fee-forservice rates must be adjusted accordingly in the rate-setting cycle following the facility closure.

(2) Within existing funds, the authority's preparation for the reprocurement of services to enrollees of medical assistance programs authorized under this chapter shall include the opportunity for comment by key stakeholders, to the extent allowed by applicable state and federal procurement standards, including tribes, patient groups, health care providers and facilities, counties, and behavioral health administrative services organizations. Preparation for the reprocurement of services must also include:

(a) Methodologies for measuring network access and adequacy for each provider type subject to network access and adequacy standards and tailored to the particular needs of the regional service areas, to be implemented in the reprocurement to assure access to appropriate and timely behavioral health services in each region; and

(b) Opportunities to amend managed care contract requirements to further streamline and standardize processes to reduce administrative burden for providers.

Sec. 2. RCW 71.24.045 and 2024 c 368 s 3 and 2024 c 209 s 30 are each reenacted and amended to read as follows:

(1) The behavioral health administrative services organization contracted with the authority pursuant to RCW 71.24.381 shall:

(a) Administer crisis services for the assigned regional service area. Such services must include:

(i) A behavioral health crisis hotline <u>that operates 24 hours a day every day</u> for its assigned regional service area <u>that provides immediate support</u>, triage, and referral, including tribal and Indian health care provider crisis services, for individuals experiencing behavioral health crises, including the capacity to connect individuals with trained crisis counselors and, when appropriate, dispatch additional crisis services consistent with existing strategies and operations of the 988 system;

(ii) Crisis response services 24 hours a day, seven days a week, 365 days a year;

(iii) Services related to involuntary commitments under chapters 71.05 and 71.34 RCW;

(iv) Tracking of less restrictive alternative orders issued within the region by superior courts, and providing notification to a managed care organization in the

region when one of its enrollees receives a less restrictive alternative order so that the managed care organization may ensure that the person is connected to services and that the requirements of RCW 71.05.585 are complied with. If the person receives a less restrictive alternative order and is returning to another region, the behavioral health administrative services organization shall notify the behavioral health administrative services organization in the home region of the less restrictive alternative order so that the home behavioral health administrative services organization in the home region of the less restrictive services organization may notify the person's managed care organization or provide services if the person is not enrolled in medicaid and does not have other insurance which can pay for those services;

(v) Additional noncrisis behavioral health services, within available resources, to individuals who meet certain criteria set by the authority in its contracts with the behavioral health administrative services organization. These services may include services provided through federal grant funds, provisos, and general fund state appropriations;

(vi) Care coordination, diversion services, and discharge planning for nonmedicaid individuals transitioning from state hospitals or inpatient settings to reduce rehospitalization and utilization of crisis services, as required by the authority in contract;

(vii) Regional coordination, cross-system and cross-jurisdiction coordination with tribal governments, and capacity building efforts, such as supporting the behavioral health advisory board and efforts to support access to services or to improve the behavioral health system; and

(viii) Duties under RCW 71.24.432;

(b) Administer and provide for the availability of an adequate network of evaluation and treatment services to ensure access to treatment, investigation, transportation, court-related, and other services provided as required under chapter 71.05 RCW;

(c) Coordinate services for individuals under RCW 71.05.365;

(d) Administer and provide for the availability of resource management services, residential services, and community support services as required under its contract with the authority;

(e) Contract with a sufficient number, as determined by the authority <u>and in</u> <u>consultation with the behavioral health administrative services organization</u> <u>regarding funds required for this purpose</u>, of licensed or certified providers for crisis services, <u>which may include crisis services delegated to the behavioral health administrative services organization consistent with RCW</u> <u>71.24.380(3)(b)</u> and other behavioral health services required by the authority;

(f) ((Maintain adequate reserves or secure a bond as required by its contract with the authority)) Collaborate with the authority to develop a funding model for establishing adequate reserve thresholds, considering service utilization, crisis system operations, and crisis service needs for the medicaid and nonmedicaid populations;

(g) Establish and maintain quality assurance processes;

(h) Meet established limitations on administrative costs for agencies that contract with the behavioral health administrative services organization; and

(i) Maintain patient tracking information as required by the authority.

(2)(a) The behavioral health administrative services organization must collaborate with the authority and its contracted managed care organizations to

develop and implement strategies to coordinate care with tribes and community behavioral health providers for individuals with a history of frequent crisis system utilization.

(((3))) (b) To facilitate care coordination with managed care organizations for managed care enrollees that have engagement with the crisis system, the behavioral health administrative services organizations, in consultation with managed care organizations, shall develop and implement electronic care coordination data-sharing standards that are consistent across regional service areas by January 1, 2026.

(3) The behavioral health administrative services organization shall:

(a) Assure that the special needs of minorities, older adults, individuals with disabilities, children, and low-income persons are met;

(b) Collaborate with local and tribal government entities to ensure that policies do not result in an adverse shift of persons with mental illness into state, local, and tribal correctional facilities; and

(c) Work with the authority to expedite the enrollment or reenrollment of eligible persons leaving state or local correctional facilities and institutions for mental diseases.

(4) The behavioral health administrative services organization shall employ an assisted outpatient treatment program coordinator to oversee system coordination and legal compliance for assisted outpatient treatment under RCW 71.05.148 and 71.34.815.

(5) The behavioral health administrative services organization shall comply and ensure their contractors comply with the tribal crisis coordination plan agreed upon by the authority and tribes for coordination of crisis services, care coordination, and discharge and transition planning with tribes and Indian health care providers ((applicable to their regional service area)).

(6) Within existing resources, the authority shall develop an operational plan for a behavioral health administrative services organization that serves American Indians and Alaska Natives that operates statewide and coordinates with tribal governments and Indian health care providers as defined in RCW 43.71B.010. The office of tribal affairs shall coordinate the development of the operational plan in partnership with the American Indian health commission as defined in RCW 43.71B.010 and the governor's Indian health advisory council which shall provide a forum for consultation and collaboration with the tribes and Indian health care providers.

Sec. 3. RCW 71.24.380 and 2023 c 51 s 32 are each amended to read as follows:

(1) The director shall purchase behavioral health services primarily through managed care contracting, but may continue to purchase behavioral health services directly from providers serving medicaid clients who are not enrolled in a managed care organization.

(2) The director shall require that contracted managed care organizations have a sufficient network of providers to provide adequate access to behavioral health services for residents of the regional service area that meet eligibility criteria for services, and for maintenance of quality assurance processes. Contracts with managed care organizations must comply with all federal medicaid and state law requirements related to managed health care contracting, including RCW 74.09.522.

(3)(a) A managed care organization must contract with the authority's selected behavioral health administrative services organization for the assigned regional service area for the administration of crisis services. The contract shall require the managed care organization to reimburse the behavioral health administrative services organization for behavioral health crisis services delivered to individuals enrolled in the managed care organization.

(b) By July 1, 2026, the authority shall direct managed care organizations to establish, continue, or expand delegation arrangements with behavioral health administrative services organizations for crisis services for medicaid enrollees, including crisis phone interventions, mobile crisis teams, peer support services in crisis settings, and crisis stabilization services to include crisis stabilization facilities, in-home crisis stabilization services, and crisis relief centers. The authority shall direct managed care organizations to negotiate with behavioral health administrative services organizations on a structure to reimburse delegated network providers for medical services offered at crisis facilities.

(i) Managed care organizations shall maintain standards of delegation consistent with their required national committee for quality assurance accreditation. If a managed care organization finds that a behavioral health administrative services organization is unable to meet delegation standards for certain facility-based crisis stabilization services, the authority, in partnership with the managed care organization, may provide technical assistance to the behavioral health administrative services organization to develop its ability to comply with the full scope of delegated services. If, upon conclusion of the technical assistance period, the authority determines that the behavioral health administrative services organization remains unable to comply with these delegation standards, the authority may require delegation for facility-based crisis stabilization services only be terminated and the responsibility for the provision of these services may revert to the managed care organization.

(ii) Under managed care delegation arrangements, behavioral health administrative services organizations are subject to audits of their performance to assure the quality of services being provided to their enrollees. If, at any time, a behavioral health administrative services organization fails the audit, the managed care organization shall proceed with findings or corrective action plans according to their requirements as a national committee for quality assurance accreditation entity. The managed care organization shall notify the authority of these findings and corrective actions within 72 hours. The authority, in partnership with the managed care organization, shall provide technical assistance to behavioral health administrative services organizations to address any deficiencies identified in the audit.

(4) <u>Managed care organizations and behavioral health administrative</u> services organizations shall collectively, and in contract, establish defined roles, responsibilities, and protocols for care coordination of managed care enrollees that have engagement with the crisis system of care.

(5) The authority must contract with the department of commerce for the provision of behavioral health consumer advocacy services delivered to individuals enrolled in a managed care organization by the advocacy organization selected by the state office of behavioral health consumer advocacy established in RCW 71.40.030. The contract shall require the authority to reimburse the department of commerce for the behavioral health consumer

advocacy services delivered to individuals enrolled in a managed care organization.

(((5) A managed care organization)) (6) Managed care organizations and behavioral health administrative services organizations must collaborate with the authority ((and its contracted behavioral health administrative services organization)) to develop and implement strategies to coordinate care with tribes and community behavioral health providers for individuals with a history of frequent crisis system utilization.

 $((\frac{(6)}{(1)})$ A managed care organization must work closely with designated crisis responders, behavioral health administrative services organizations, and behavioral health providers to maximize appropriate placement of persons into community services, ensuring the client receives the least restrictive level of care appropriate for their condition. Additionally, the managed care organization shall work with the authority to expedite the enrollment or reenrollment of eligible persons leaving state or local correctional facilities and institutions for mental diseases.

(((7) As an incentive to county authorities to become early adopters of fully integrated purchasing of medical and behavioral health services, the standards adopted by the authority shall provide for an incentive payment to counties which elect to move to full integration by January 1, 2016. Subject to federal approval, the incentive payment shall be targeted at ten percent of savings realized by the state within the regional service area in which the fully integrated purchasing takes place. Savings shall be calculated in alignment with the outcome and performance measures established in RCW 71.24.435, 70.320.020, and 71.36.025, and incentive payments for early adopter counties shall be made available for up to a six-year period, or until full integration of medical and behavioral health services is accomplished statewide, whichever comes sooner, according to rules to be developed by the authority.))

<u>NEW SECTION.</u> Sec. 4. If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2025, in the omnibus appropriations act, this act is null and void.

Passed by the House April 21, 2025. Passed by the Senate April 16, 2025. Approved by the Governor May 12, 2025. Filed in Office of Secretary of State May 14, 2025.

CHAPTER 217

[Engrossed Senate Bill 5689]

DRIVERS' LICENSES AND IDENTICARDS—BLOOD TYPE INFORMATION

AN ACT Relating to adding blood type information to drivers' licenses and identicards; amending RCW 46.20.161; reenacting and amending RCW 46.20.117; adding new sections to chapter 46.20 RCW; creating a new section; and providing an effective date.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> Sec. 1. The legislature finds that including blood type information on drivers' licenses and identification cards can enhance emergency medical response, saving time and potentially lives in critical situations. This act

is intended to provide individuals the option to voluntarily include their blood type on their state-issued identification documents.

Sec. 2. RCW 46.20.117 and 2024 c 315 s 4 and 2024 c 162 s 3 are each reenacted and amended to read as follows:

(1) **Issuance**. The department shall issue an identicard, containing a picture, if the applicant:

(a) Does not hold a valid Washington driver's license;

(b) Proves the applicant's identity as required by RCW 46.20.035; and

(c) Pays the required fee. Except as provided in subsection (7) of this section, the fee is \$72, unless an applicant is:

(i) A recipient of continuing public assistance grants under Title 74 RCW, or a participant in the Washington women, infants, and children program. Any applicant under this subsection must be verified by documentation sufficient to demonstrate eligibility;

(ii) Under the age of 25 and does not have a permanent residence address as determined by the department by rule; or

(iii) An individual who is scheduled to be released from an institution as defined in RCW 13.40.020, a community facility as defined in RCW 72.05.020, a correctional facility as defined in RCW 72.09.015, or other juvenile rehabilitation facility operated by the department of social and health services or the department of children, youth, and families; or an individual who has been released from such an institution or facility within 30 calendar days before the date of the application.

For those persons under (c)(i) through (iii) of this subsection, the fee must be the actual cost of production of the identicard.

(2)(a) **Design and term**. The identicard must:

(i) Be distinctly designed so that it will not be confused with the official driver's license; and

(ii) Except as provided in subsection (7) of this section, expire on the eighth anniversary of the applicant's birthdate after issuance.

(b) The identicard may include the person's status as a veteran, consistent with RCW 46.20.161(4).

(c) If applicable, the identicard may include a medical alert designation as provided in subsection (5) of this section.

(d) If applicable, the identicard may include an optional blood type designation consistent with RCW 46.20.161(2)(j).

(3) **Renewal**. An application for identicard renewal may be submitted by means of:

(a) Personal appearance before the department;

(b) Mail or electronic commerce, if permitted by rule of the department and if the applicant did not renew the identicard by mail or by electronic commerce when it last expired; or

(c) From January 1, 2022, to June 30, 2024, electronic commerce, if permitted by rule of the department.

An identicard may not be renewed by mail or by electronic commerce unless the renewal issued by the department includes a photograph of the identicard holder. (4) **Cancellation**. The department may cancel an identicard if the holder of the identicard used the card or allowed others to use the card in violation of RCW 46.20.0921.

(5) Any person may apply to the department to obtain a medical alert designation, a developmental disability designation, or a deafness designation on an identicard issued under this chapter by providing:

(a) Self-attestation that the individual:

(i) Has a medical condition that could affect communication or account for a health emergency;

(ii) Is deaf or hard of hearing; or

(iii) Has a developmental disability as defined in RCW 71A.10.020;

(b) A statement from the person that they have voluntarily provided the selfattestation and other information verifying the condition; and

(c) For persons under 18 years of age or who have a developmental disability, the signature of a parent or legal guardian.

(6) A self-attestation or data contained in a self-attestation provided under this section:

(a) Shall not be disclosed; and

(b) Is for the confidential use of the director, the chief of the Washington state patrol, and law enforcement and emergency medical service providers as designated by law.

(7) Alternative issuance/renewal/extension. The department may issue or renew an identicard for a period other than eight years, or may extend by mail or electronic commerce an identicard that has already been issued. The fee for an identicard issued or renewed for a period other than eight years, or that has been extended by mail or electronic commerce, is \$9 for each year that the identicard is issued, renewed, or extended. The department must offer the option to issue or renew an identicard for six years in addition to the eight year issuance. The department may adopt any rules as are necessary to carry out this subsection.

(8) Identicard photos must be updated in the same manner as driver's license photos under RCW 46.20.120(5).

Sec. 3. RCW 46.20.161 and 2024 c 146 s 29 are each amended to read as follows:

(1) The department, upon receipt of a fee of ((seventy-two dollars)) <u>\$72</u>, unless the driver's license is issued for a period other than eight years, in which case the fee shall be ((nine dollars)) <u>\$9</u> for each year that the license is issued, which includes the fee for the required photograph, shall issue to every qualifying applicant a driver's license. A driver's license issued to a person under the age of ((eighteen)) <u>18</u> is an intermediate license, subject to the restrictions imposed under RCW 46.20.075, until the person reaches the age of ((eighteen)) <u>18</u>.

(2) The license must include:

(a) A distinguishing number assigned to the licensee;

- (b) The name of record;
- (c) Date of birth;
- (d) Washington residence address;

(e) Photograph;

(f) A brief description of the licensee;

(g) Either a facsimile of the signature of the licensee or a space upon which the licensee shall write the licensees' usual signature with pen and ink immediately upon receipt of the license;

(h) If applicable, the person's status as a veteran as provided in subsection (4) of this section; ((and))

(i) If applicable, a medical alert designation as provided in subsection (5) of this section; and

(j) At the option of the licensee, the inclusion of the licensee's blood type, provided that the licensee presents documentation verifying the blood type from a licensed physician, medical facility, or blood donation organization.

(3) No license is valid until it has been signed by the licensee.

(4)(a) A veteran, as defined in RCW 41.04.007, may apply to the department to obtain a veteran designation on a driver's license issued under this section by providing:

(i) A United States department of veterans affairs identification card or proof of service letter;

(ii) A United States department of defense discharge document, DD Form 214 or DD Form 215, as it exists on June 7, 2018, or such subsequent date as may be provided by the department by rule, consistent with the purposes of this section, or equivalent or successor discharge paperwork, that establishes the person's service in the armed forces of the United States and qualifying discharge as defined in RCW 73.04.005;

(iii) A national guard state-issued report of separation and military service, NGB Form 22, as it exists on June 7, 2018, or such subsequent date as may be provided by the department by rule, consistent with the purposes of this section, or equivalent or successor discharge paperwork, that establishes the person's active duty or reserve service in the national guard and qualifying discharge as defined in RCW 73.04.005; or

(iv) A United States uniformed services identification card, DD Form 2, that displays on its face that it has been issued to a retired member of any of the armed forces of the United States, including the national guard and armed forces reserves.

(b) The department may permit a veteran, as defined in RCW 41.04.007, to submit alternate forms of documentation to apply to obtain a veteran designation on a driver's license.

(5) Any person may apply to the department to obtain a medical alert designation, a developmental disability designation, or a deafness designation on a driver's license issued under this chapter by providing:

(a) Self-attestation that the individual:

(i) Has a medical condition that could affect communication or account for a driver health emergency;

(ii) Is deaf or hard of hearing; or

(iii) Has a developmental disability as defined in RCW 71A.10.020;

(b) A statement from the person that they have voluntarily provided the selfattestation and other information verifying the condition; and

(c) For persons under ((eighteen)) <u>18</u> years of age or who have a developmental disability, the signature of a parent or legal guardian.

(6) A self-attestation or data contained in a self-attestation provided under this section:

(a) Shall not be disclosed;

(b) Is for the confidential use of the director, the chief of the Washington state patrol, and law enforcement and emergency medical service providers as designated by law; and

(c) Is subject to the privacy protections of the driver's privacy protection act, 18 U.S.C. Sec. 2725.

<u>NEW SECTION.</u> Sec. 4. A new section is added to chapter 46.20 RCW to read as follows:

(1) The department shall develop processes and forms to enable individuals to submit blood type documentation when applying for or renewing a driver's license or identicard.

(2) The department may charge a one-time administrative fee not to exceed \$2 for processing the initial blood type designation request for an individual.

<u>NEW SECTION.</u> Sec. 5. A new section is added to chapter 46.20 RCW to read as follows:

The department shall coordinate with health care providers, emergency responders, and blood donation organizations to educate the public about the availability and potential benefits of including blood type information on state-issued identification.

<u>NEW SECTION.</u> Sec. 6. A new section is added to chapter 46.20 RCW to read as follows:

The department is authorized to adopt rules necessary to implement this act including, but not limited to, specifying acceptable forms of blood type documentation and updating existing systems.

<u>NEW SECTION.</u> Sec. 7. This act takes effect January 1, 2026.

Passed by the Senate March 5, 2025.

Passed by the House April 15, 2025.

Approved by the Governor May 12, 2025.

Filed in Office of Secretary of State May 14, 2025.

CHAPTER 218

[Substitute Senate Bill 5691]

CONTINUING CARE RETIREMENT COMMUNITIES-REGULATORY OVERSIGHT

AN ACT Relating to adopting the department of social and health services report recommendations addressing a regulatory oversight plan for continuing care retirement communities; and amending RCW 18.390.080 and 18.390.030.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 18.390.080 and 2016 c 183 s 8 are each amended to read as follows:

(((1))) The legislature finds that the ((violation of the title protection requirements of RCW 18.390.050, the failure of a continuing care retirement community to register with the department under RCW 18.390.020, the failure of a continuing care retirement community to comply with the disclosure statement delivery and content requirements under RCW 18.390.060, and the failure of a continuing care retirement community to comply with the resident expectations established under RCW 18.390.070 are matters vitally affecting the

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public interest for the purpose of applying the consumer protection act, chapter 19.86 RCW. A violation of the title protection requirements under RCW 18.390.020, the disclosure statement delivery and content requirements under RCW 18.390.060, and the resident expectations requirements under RCW 18.390.070 are not reasonable in relation to the development and preservation of business and are an unfair or deceptive act in trade or commerce and an unfair method of competition for the purpose of applying the consumer protection act, chapter 19.86 RCW.

(2) The attorney general shall provide notice to the management of the continuing care retirement community of submitted complaints including the name of the complainant to allow the community to take corrective action. Except for violations of the title protection requirements of RCW 18.390.050 and the failure of a continuing care retirement community to register with the department under RCW 18.390.020, the attorney general shall limit its application of the consumer protection act in subsection (1) of this section to those cases in which a pattern of complaints, submitted by affected parties, or other activity that, when considered together, demonstrate a pattern of similar conduct that, without enforcement, likely establishes an unfair or deceptive act in trade or commerce and an unfair method of competition.)) practices covered by this chapter are matters vitally affecting the public interest for the purpose of applying the consumer protection act, chapter 19.86 RCW. A violation of this chapter is not reasonable in relation to the development and preservation of business and is an unfair or deceptive act in trade or commerce and an unfair method of competition for the purpose of applying the consumer protection act, chapter 19.86 RCW.

Sec. 2. RCW 18.390.030 and 2016 c 183 s 3 are each amended to read as follows:

(1) An applicant for a registration as a continuing care retirement community must submit the following materials to the department:

(a) A written application to the department providing all necessary information on a form provided by the department;

(b) Information about the licensed assisted living facility component of the continuing care retirement community and, if the continuing care retirement community operates a nursing home, information about that component;

(c) Copies of any residency agreements that the continuing care retirement community intends to use for the certification period;

(d) <u>A written statement indicating whether the residency agreement includes</u> an entrance fee in lieu of payment for future care and services and, if so, whether those services are covered completely or partially by the entrance fee;

(e) A copy of the disclosure statement that includes current information required by RCW 18.390.060;

(((e))) (f)(i) Except as provided in (((e))) (f)(ii) of this subsection, copies of audited financial statements for the two most recent fiscal years. The audited financial statement for the most current period may not have been prepared more than eighteen months prior to the date that the continuing care retirement community applied for its current registration;

(ii) If the continuing care retirement community:

(A) Has obtained financing, but has been in operation less than two years, a copy of the audited financial statement for the most current period, if available,

and an independent accountant's report opinion letter that has evaluated the financial feasibility of the continuing care retirement community; or

(B) Has not obtained financing, a summary of the actuarial analysis for the new continuing care retirement community stating that the continuing care retirement community is in satisfactory actuarial balance;

(((f))) (g) An attestation by a management representative of the continuing care retirement community that the continuing care retirement community is in compliance with the disclosure notification requirements of RCW 18.390.060; and

(((g))) (h) Payment of any registration fees associated with the department's cost of registering continuing care retirement communities.

(2) The department shall base its decision to issue a registration on the completeness of the application. If an application is incomplete, the department shall inform the applicant and give the applicant an opportunity to supplement its submission. An applicant may appeal a decision of the department to deny an application for registration.

(3) The department shall issue the registration within sixty days of the receipt of a complete application, payment of fees, submission of disclosures, residency agreements, and the attestation. The department's failure to timely issue a registration may not cause a delay in the change of ownership and ongoing operation of the continuing care retirement community.

(4) Registration is valid for two years.

(5) Registration is not transferable.

(6) Materials submitted pursuant to this section are not subject to disclosure under the public records act, chapter 42.56 RCW.

Passed by the Senate April 22, 2025.

Passed by the House April 11, 2025.

Approved by the Governor May 12, 2025.

Filed in Office of Secretary of State May 14, 2025.

CHAPTER 219

[Substitute Senate Bill 5351]

DENTAL INSURANCE—UNFAIR AND DECEPTIVE PRACTICES

AN ACT Relating to ensuring patient choice and access to care by prohibiting unfair and deceptive dental insurance practices; amending RCW 48.43.743; adding new sections to chapter 48.43 RCW; creating new sections; providing an effective date; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> Sec. 1. A new section is added to chapter 48.43 RCW to read as follows:

(1) A dental only plan offered by a carrier or limited health care service contractor, as defined in RCW 48.44.035, may not deny coverage for procedures solely on the basis that the procedures were performed on the same day.

(2) Nothing in this section shall prevent a dental only plan offered by a carrier or limited health care service contractor from denying a claim for coverage where such denial relates in whole or in part to any of the following:

(a) Limitations intended to prevent fraud, waste, and abuse;

(b) A claim indicating unbundling of procedure elements where payment for a service bundles multiple procedure elements;

(c) Clinical appropriateness;

(d) Medical necessity;

(e) A final benefit decision that has been pended due to the need for further documentation or provider narrative; or

(f) Plan benefit limitations.

<u>NEW SECTION.</u> Sec. 2. A new section is added to chapter 48.43 RCW to read as follows:

(1) A dental only plan offered by a carrier or limited health care service contractor, as defined in RCW 48.44.035, may pay a claim for reimbursement made by a dental care provider using a credit card if:

(a) The carrier or limited health care service contractor notifies the provider, in advance, of any fees associated with the use of the credit card;

(b) The carrier or limited health care service contractor offers the provider an alternative payment method that does not impose fees or similar charges on the provider; and

(c) The carrier or limited health care service contractor advises the provider of available methods of payment and provides clear instructions to the provider as to how to select an alternative payment method.

(2) If a carrier or limited health care service contractor contracts with a vendor to process payments of dental providers' claims, the carrier or limited health care service contractor shall require the vendor to comply with the provisions of subsection (1)(a) of this section.

<u>NEW SECTION.</u> Sec. 3. The insurance commissioner may adopt any rules necessary to implement sections 1 and 2 of this act.

<u>NEW SECTION.</u> Sec. 4. (1) The office of the insurance commissioner shall enter into a contract with the William D. Ruckelshaus center to:

(a) Design, convene, and facilitate a collaborative forum with participation from:

(i) The Washington state dental association;

(ii) A representative of the Washington denturist association;

(iii) Dental insurance carriers, including those carriers with a significant commercial market share in Washington state;

(iv) Consumer representatives;

(v) The office of the insurance commissioner; and

(vi) Other relevant interested organizations as appropriate;

(b) Facilitate discussions to address issues related to:

(i) Dental loss ratio; and

(ii) Relative payment for dentists or denturists based upon their provider network status including, but not limited to, payment based on the usual and customary rate; and

(c) Develop recommendations for legislative or regulatory action.

(2) The William D. Ruckelshaus center shall:

(a) Provide quarterly progress updates to legislative members designated by the chairs of the appropriate legislative committees; and

(b) Submit a final report, summarizing findings, areas of agreement, and recommendations for legislative or regulatory action, to the legislature by June 30, 2026.

Sec. 5. RCW 48.43.743 and 2015 c 9 s 2 are each amended to read as follows:

(1) Each health carrier offering a dental only plan shall submit to the commissioner on or before April 1st of each year as part of the additional data statement or as a supplemental data statement the following information for the preceding year that is derived from the carrier's annual statement, including the exhibit of premiums, enrollments, and utilization for the company at an aggregate level and the additional data to the annual statement. which must be based on Washington data and may not include data from other states:

(a) The total number of dental members;

(b) The total amount of dental revenue;

(c) The total amount of dental payments;

(d) The dental loss ratio that is computed by dividing the total amount of dental payments by the total amount of dental revenues;

(e) The average amount of premiums per member per month; and

(f) The percentage change in the average premium per member per month, measured from the previous year.

(2) A carrier shall electronically submit the information described in subsection (1) of this section in a format and according to instructions prescribed by the commissioner.

(3) The commissioner shall make the information reported under this section available to the public in a format that allows comparison among carriers through a searchable public website on the internet.

(4) For the purposes of licensed disability insurers and health care service contractors, the commissioner shall work collaboratively with insurers to develop an additional or supplemental data statement that utilizes to the maximum extent possible information from the annual statement forms that are currently filed by these entities.

(5) For purposes of this section, "health carrier," in addition to the definition in RCW 48.43.005, also includes health care service contractors, limited health care service contractors, and disability insurers offering dental only coverage.

(6) Nothing in this section is intended to establish a minimum dental loss ratio.

*<u>NEW SECTION.</u> Sec. 6. Section 4 of this act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 2025.

*Sec. 6 was vetoed. See message at end of chapter.

Passed by the Senate March 10, 2025.

Passed by the House April 11, 2025.

Approved by the Governor May 12, 2025, with the exception of certain items that were vetoed.

Filed in Office of Secretary of State May 14, 2025.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith, without my approval as to Section 6, Substitute Senate Bill No. 5351 entitled:

"AN ACT Relating to ensuring patient choice and access to care by prohibiting unfair and deceptive dental insurance practices."

Section 6 is an emergency clause that would make Section 4 effective as of July 1, 2025. The Office of the Insurance Commissioner has already begun working to ensure that the contract with the Ruckelshaus Center described in Section 4 will be entered by July 1, 2025. As such, there is no need for an emergency clause with respect to Section 4.

For these reasons I have vetoed Section 6 of Substitute Senate Bill No. 5351.

With the exception of Section 6, Substitute Senate Bill No. 5351 is approved."

CHAPTER 220

[Engrossed Substitute House Bill 1149] CRUELTY TO ANIMALS—VARIOUS PROVISONS

AN ACT Relating to the prevention of cruelty to animals; amending RCW 16.52.011, 16.52.085, 16.52.100, 16.52.117, 16.52.200, and 16.52.207; reenacting and amending RCW 9.94A.515; and prescribing penalties.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 16.52.011 and 2020 c 158 s 2 are each amended to read as follows:

(1) Principles of liability as defined in chapter 9A.08 RCW apply to this chapter.

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

(a) "Abandons" means the knowing or reckless desertion of an animal by its owner, or by a person who has taken control, custody, or possession of an animal that was involved in animal fighting as described in RCW 16.52.117, or the causing of the animal to be deserted by its owner, in any place, without making provisions for the animal's adequate care.

(b) "Animal" means any nonhuman mammal, bird, reptile, or amphibian.

(c) "Animal care and control agency" means any city or county animal control agency or authority authorized to enforce city or county municipal ordinances regulating the care, control, licensing, or treatment of animals within the city or county, and any corporation organized under RCW 16.52.020 that contracts with a city or county to enforce the city or county ordinances governing animal care and control.

(d) "Animal control officer" means any individual employed, contracted, or appointed pursuant to RCW 16.52.025 by an animal care and control agency or humane society to aid in the enforcement of ordinances or laws regulating the care and control of animals. For purposes of this chapter, the term "animal control officer" shall be interpreted to include "humane officer" as defined in (h) of this subsection and RCW 16.52.025.

(e) "Dog" means an animal of the species Canis lupus familiaris.

(f) "Euthanasia" means the humane destruction of an animal accomplished by a method that involves instantaneous unconsciousness and immediate death, or by a method that causes painless loss of consciousness, and death during the loss of consciousness. (g) "Food" means food or feed appropriate to the species for which it is intended.

(h) "Humane officer" means any individual employed, contracted, or appointed by an animal care and control agency or humane society as authorized under RCW 16.52.025.

(i) "Law enforcement agency" means a general authority Washington law enforcement agency as defined in RCW 10.93.020.

(j) "Livestock" includes, but is not limited to, horses, mules, cattle, sheep, swine, goats, and bison.

(k) "Malice" has the same meaning as provided in RCW 9A.04.110, but applied to acts against animals.

(l) "Necessary food" means the provision ((at suitable intervals of wholesome foodstuff suitable for the animal's age, species, and condition, and that is sufficient to provide a reasonable level of nutrition for the animal and is easily accessible to the animal or as directed by a veterinarian for medical reasons.

(m))) of species-appropriate food that is easily accessible to the animal and of sufficient quantity and quality to sustain the animal in good health and allow for normal growth or maintenance of healthy body weight, provided at suitable intervals for the species, age, and condition of the animal, but at least once daily unless daily feeding is not suitable for the species, and placed so as to minimize contamination by excrement and pests, or as directed by a veterinarian for medical reasons.

(m) "Necessary medical attention" means veterinary care as deemed necessary by a reasonably prudent person to prevent or relieve in a timely manner distress from injury, neglect, or physical infirmity.

(n) "Necessary sanitation" means that both indoor areas and outdoor enclosures are kept reasonably clean and free from excess waste, garbage, noxious odors, or other contaminants, objects, or other animals that could cause harm to the animal's health and well-being.

(o) "Necessary shelter" means a structure sufficient to protect ((a dog)) an animal from wind, rain, snow, cold, heat, or sun that has bedding to permit ((a dog)) an animal to remain dry and reasonably clean and maintain a normal body temperature.

(p) "Necessary space" means continuous access to an area with the following:

(i) Adequate space for exercise necessary for the physical health and wellbeing of the animal based on the animal's species, age, or physical condition;

(ii) Temperature and ventilation suitable to the health and well-being of the animal based on the animal's species, age, or physical condition; and

(iii) Regular diurnal lighting cycles of either natural or artificial light.

(((n))) (q) "Necessary water" means ((water that is in sufficient quantity and of appropriate quality for the species for which it is intended and that is accessible to the animal)) the provision of open or adequate access to potable water of a drinkable temperature that is easily accessible to the animal, in sufficient quantity to satisfy the animal's needs and placed so as to minimize contamination of the water by excrement and pests, or as directed by a veterinarian for medical reasons.

 $(((\Theta)))$ (<u>r</u>) "Owner" means a person who has a right, claim, title, legal share, or right of possession to an animal or a person having ((lawful)) control, custody, or possession of an animal.

(((p))) (s) "Person" means individuals, corporations, partnerships, associations, or other legal entities, and agents of those entities.

(((q))) (t) "Substantial bodily harm" means substantial bodily harm as defined in RCW 9A.04.110.

(((r))) (u) "Tether" means: (i) To restrain an animal by tying or securing the animal to any object or structure; and (ii) a device including, but not limited to, a chain, rope, cable, cord, tie-out, pulley, or trolley system for restraining an animal.

Sec. 2. RCW 16.52.085 and 2023 c 246 s 2 are each amended to read as follows:

(1) For the purposes of this section:

(a) "Minimum care" means care sufficient to preserve the physical and mental health and well-being of an animal and includes, but is not limited to, the following requirements:

(i) Food of sufficient nutrition, quantity, and quality to allow for normal growth or maintenance of healthy body weight;

(ii) Open or adequate access to potable water of a drinkable temperature in sufficient quantity to satisfy the animal's needs;

(iii) Shelter sufficient to protect the animal from wind, rain, snow, sun, or other environmental or weather conditions based on the animal's species, age, or physical condition;

(iv) Veterinary or other care as may be deemed necessary by a reasonably prudent person to prevent or relieve in a timely manner distress from injury, neglect, or physical infirmity; and

(v) Continuous access to an area:

(A) With adequate space for exercise necessary for the physical and mental health and well-being of the animal. Inadequate space may be indicated by evidence of debility, stress, or abnormal behavior patterns;

(B) With temperature and ventilation suitable for the health and well-being of the animal based on the animal's species, age, or physical condition;

(C) With regular diurnal lighting cycles of either natural or artificial light; and

(D) Kept reasonably clean and free from excess waste, garbage, noxious odors, or other contaminants, objects, or other animals that could cause harm to the animal's health and well-being.

(b) "Physical infirmity" includes, but is not limited to, starvation, dehydration, hypothermia, hyperthermia, muscle atrophy, restriction of blood flow to a limb or organ, mange or other skin disease, or parasitic infestation.

(c) "Physical injury" includes, but is not limited to, substantial physical pain, fractures, cuts, burns, punctures, bruises, or other wounds or illnesses produced by violence or by a thermal or chemical agent.

(d) "Serious physical injury or infirmity" means physical injury or physical infirmity that creates a substantial risk of death or that causes protracted disfigurement, protracted impairment of health, or protracted loss or impairment of the function of a limb or bodily organ.

(2)(a) If a law enforcement officer or animal control officer has probable cause to believe that an owner of a domestic animal has violated this chapter or a person owns, cares for, or resides with an animal in violation of RCW 16.52.200 or ((an order issued under RCW 16.52.205 or 16.52.207)) a pretrial order by a court, the officer, after obtaining a warrant, may enter the premises where the animal is located and seize the animal.

(b) If a law enforcement officer or an animal control officer has probable cause to believe an animal is in imminent danger or is suffering serious physical injury or infirmity, or needs immediate medical attention, the officer may enter onto private property without a warrant to:

(i) Render emergency aid to the animal; or

(ii) Seize the animal without a warrant. Any animal seized without a warrant shall immediately be brought to a veterinarian licensed in the state of Washington to provide medical attention and to assess the health of the animal.

(c) A law enforcement officer or an animal control officer is not liable for any damages for entry onto private property without a warrant under this section, provided that the officer does not use any more force than is reasonably necessary to enter upon the property and remove the animal.

(3)(a) An animal seized under this section may be placed into the custody of an animal care and control agency, into foster care that is not associated in any way with the owner, or with a nonprofit humane society, nonprofit animal sanctuary, or nonprofit rescue organization. In determining what is a suitable placement, the officer shall consider the animal's needs, including its size, medical needs, and behavioral characteristics. Any person or custodial agency receiving an animal seized under this section shall provide the animal with minimum care.

(b) If a seized animal is placed into foster care or with a nonprofit animal sanctuary or rescue organization, the seizing agency shall retain constructive custody of the animal, shall have the duty to ensure the animal receives minimum care, and may draw from the bond under subsection (5) of this section and distribute the funds to the foster home, authorized humane society, sanctuary, or rescue organization that is authorized to care for the animal.

(4) The owner from whom the animal was seized shall be provided with notice of the right to petition for immediate return of the animal and shall be afforded an opportunity to petition for such a civil hearing before the animal is deemed abandoned and forfeited. Any owner whose animal is seized by a law enforcement officer or animal control officer under this section shall, within 72 hours following the seizure, be given written notice of the circumstances of the removal and notice of legal remedies available to the owner. The notice shall be given by posting at the place of seizure, by delivery to the last known or suspected owner in person or a person residing at the place of seizure, or by registered mail to the last known or suspected owner. Such notice shall include:

(a) The name, business address, and telephone number of the law enforcement agency or animal care and control agency responsible for seizing the animal;

(b) A description of the seized animal;

(c) The authority and purpose for the seizure, including the time, place, and circumstances under which the animal was seized;

(d) A statement that the owner is responsible for the cost of care for an animal who was lawfully seized, and that the owner will be required to post a bond with the clerk of the district court of the county from which the animal was seized to defray the cost of minimum care pursuant to subsection (5) of this section within 14 calendar days of the seizure or the animal will be deemed abandoned and forfeited; and

(e) A statement that the owner has a right to petition the district court for a civil hearing for immediate return of the animal and that in order to receive a hearing, the owner or owner's agent must request the civil hearing by signing and returning to the court an enclosed petition within 14 calendar days after the date of seizure. The enclosed petition must be in substantially the same form as set forth in subsection (13) of this section.

(5)(a) When an animal is seized pursuant to this section, the owner shall post a bond with the district court in an amount sufficient to provide minimum care for each animal seized for 30 days, including the day on which the animal was taken into custody, regardless of whether the animal is the subject of a criminal charge. Such bond shall be filed with the clerk of the district court of the county from which the animal was seized within 14 calendar days after the day the animal is seized.

(b)(i) If an owner fails to post a bond by 5:00 p.m. on the 14th calendar day after the day the animal was seized as required under this section, the animal is deemed abandoned and the owner's interest in the animal is forfeited to the custodial agency by operation of law in accordance with the notice provided in subsection (4) of this section.

(ii) A petition required by subsection (4)(e) of this section may be filed in the district court of the county from which an animal was seized concerning any animal seized pursuant to this section. Copies of the petition must be served on the law enforcement agency or animal care and control agency responsible for seizing the animal and the prosecuting attorney.

(iii) An owner's failure to file a written petition by 5:00 p.m. on the 14th calendar day after the day the animal was seized shall constitute a waiver of the right to file a petition under this subsection and the animal is deemed abandoned and the owner's interest in the animal is forfeited to the custodial agency by operation of law unless a bond has been posted pursuant to this subsection (5). The court may extend the 14-day period to file a written petition by an additional 14 calendar days if the petitioner did not have actual notice of the seizure and the court finds, on the record and in writing, that there are exceptional and compelling circumstances justifying the extension.

(c)(i) Upon receipt of a petition pursuant to (b) of this subsection, the court shall set a civil hearing on the petition. The hearing shall be conducted within 30 calendar days after the filing of the petition.

(ii) At the hearing requested by the owner, the rules of civil procedure shall apply and the respondent shall have the burden of establishing probable cause to believe that the seized animal was subjected to a violation of this chapter. The owner shall have an opportunity to be heard before the court makes its final finding. If the court finds that probable cause exists, the court shall order the owner to post a bond as required by this subsection (5) within 72 hours of the hearing, and if the owner fails to do so, the seized animal is deemed abandoned and the owner's interest in the animal is forfeited to the custodial agency by

operation of law. If the respondent does not meet its burden of proof, the court may order the animal returned to the owner at no cost to the owner, subject to conditions set by the court. If the court orders the return of an animal to the owner, the court may also order:

(A) Reasonable attorney fees for the owner; and

(B) A full refund of the bond posted pursuant to this subsection (5) by the owner for the care of the animal.

(d)(i) If a bond has been posted in accordance with this subsection (5), subsequent court proceedings shall be given court calendar priority so long as the animal remains in the custody of the custodial agency and the custodial agency may draw from the bond the actual reasonable costs incurred by the agency in providing minimum care to the animal from the date of seizure to the date of final disposition of the animal in the criminal action.

(ii) At the end of the time for which expenses are covered by the bond, if the owner seeks to prevent disposition of the animal by the custodial agency, the owner shall post a new bond with the court within 72 hours following the prior bond's expiration. If an owner fails to post or renew a bond as required under this subsection (5), the animal is deemed abandoned and the owner's interest in the animal is forfeited to the custodial agency by operation of law.

(e) For the purposes of this subsection (5), "animal" includes all unborn offspring of the seized animal and all offspring of the seized animal born after the animal was seized.

(6) When an animal is seized from a person prohibited from owning, caring for, possessing, or residing with animals under RCW 16.52.200 or an order issued pursuant to RCW <u>16.52.117</u>, 16.52.205, or 16.52.207, the animal is immediately and permanently forfeited by operation of law to the custodial agency and no court action is necessary.

(7) If an animal is forfeited to a custodial agency according to the provisions of this section, the agency to which the animal was forfeited may place the animal with a new owner; provided that the agency may not place the animal with family members or friends of the former owner or with anyone who lives in the same household as the former owner. At the time of placement, the agency must provide the new owner with notice that it may constitute a crime for the former owner to own, care for, possess, or reside with the animal at any time in the future.

(8) A custodial agency may authorize a veterinarian or veterinary technician licensed in the state of Washington or a certified euthanasia technician certified in the state of Washington to euthanize a seized animal for humane reasons at any time if the animal is severely injured, sick, diseased, or suffering.

(9) Nothing in this chapter shall be construed to prevent the voluntary, permanent relinquishment of any animal by its owner to a law enforcement officer, animal control officer, or animal care and control agency. Voluntary relinquishment has no effect on the criminal charges that may be pursued by the appropriate authorities.

(10) Nothing in this chapter requires court action for taking custody of, caring for, and properly disposing of stray, feral, at-large, or abandoned animals, or wild animals not owned or kept as pets or livestock, as lawfully performed by law enforcement agencies or animal care and control agencies.

(11) Any authorized person caring for, treating, or attempting to restore an animal to health under this chapter shall not be civilly or criminally liable for such action.

(12) The provisions of this section are in addition to, and not in lieu of, the provisions of RCW 16.52.200.

(13) A petition for a civil hearing for the immediate return of a seized animal shall be in a form substantially similar to the following:

"IN THE COURT OF THE STATE OF WASHINGTON IN AND FOR THE COUNTY OF

No. . . .

Petitioner,

vs.

PETITION FOR RETURN OF SEIZED ANIMALS

Respondent

PARTIES/JURISDICTION

(a)(i) That Petitioner is, and at all relevant times herein was, a resident of (county of residence) County, Washington.

(ii) That Respondent is, and at all relevant times herein was, an agent, contractor, or political subdivision of the City/County of (city or county of seizing agency), State of Washington.

(iii) That Petitioner's animal/animals were seized by Respondent in (county where animals were seized) County, Washington.

(iv) That this Court has jurisdiction over the subject matter and the parties hereto.

FACTS

(b)(i) That upon seizure of (number and type of animals) such animals were placed in the care and custody of the Respondent on (date of seizure).

(ii) That on or about (date on notice) the Respondent issued a seizure, bond, and forfeiture notice under RCW 16.52.085, a true and correct copy of said notice and accompanying attachments is attached hereto and incorporated herein as Exhibit A (attach a copy of the notice of seizure to this petition).

(iii) That pursuant to such notice, Petitioner herein files this petition for the immediate return of all such seized animals pursuant to RCW 16.52.085.

PRAYER

(c) Petitioner prays that this Court grant said petition and order the immediate return of Petitioner's aforementioned animals to Petitioner's care and custody.

DATED the . . . day of,

By: Petitioner (Signature) Sec. 3. RCW 16.52.100 and 1994 c 261 s 10 are each amended to read as follows:

(1) If any domestic animal is impounded or confined without necessary food and water for more than $((\frac{\text{thirty-six}}))$ 24 consecutive hours, any person may, from time to time, as is necessary, enter into and open any pound or place of confinement in which any domestic animal is confined, and supply it with necessary food and water so long as it is confined. The person shall not be liable to action for the entry, and may collect from the animal's owner the reasonable cost of the food and water. The animal shall be subject to attachment for the costs and shall not be exempt from levy and sale upon execution issued upon a judgment.

(2) An investigating officer may enter into and upon a property, building, dwelling, or vehicle to provide a confined animal necessary food and water prior to the animal being without necessary food or water for 24 consecutive hours if the officer has probable cause to believe the animal's health or life is in imminent danger. If an investigating officer finds it extremely difficult to supply confined animals with food and water, the officer may remove the animals to protective custody for that purpose.

(3) Nothing in this section shall be construed as requiring an investigating officer to wait for an animal to be confined or impounded without necessary food or water for 24 consecutive hours before making a determination that the animal has been abandoned.

(4) When determining if an animal has been abandoned under this chapter, a determination of abandonment by an officer must be based on probable cause.

Sec. 4. RCW 16.52.117 and 2019 c 174 s 1 are each amended to read as follows:

(1) A person commits the crime of animal fighting if the person knowingly does any of the following $((\Theta r))$, causes a minor to do any of the following, or aids or abets any of the following:

(a) Owns, possesses, keeps, breeds, trains, buys, sells, or advertises or offers for sale any animal with the intent that the animal shall be engaged in an exhibition of fighting with another animal;

(b) Promotes, organizes, conducts, participates in, is a spectator of, advertises, prepares, or performs any service in the furtherance of, an exhibition of animal fighting, transports spectators to an animal fight, or provides or serves as a stakeholder for any money wagered on an animal fight;

(c) Keeps or uses any place for the purpose of animal fighting, or manages or accepts payment of admission to any place kept or used for the purpose of animal fighting;

(d) Suffers or permits any place over which the person has possession or control to be occupied, kept, or used for the purpose of an exhibition of animal fighting;

(e) Steals, takes, leads away, possesses, confines, sells, transfers, or receives an animal with the intent of using the animal for animal fighting, or for training or baiting for the purpose of animal fighting; or

(f) Owns, possesses, buys, sells, transfers, or manufactures animal fighting paraphernalia for the purpose of engaging in, promoting, or facilitating animal fighting, or for baiting a live animal for the purpose of animal fighting.

(2)(a) Except as provided in (b) of this subsection, a person who violates this section is guilty of a class C felony punishable under RCW 9A.20.021;

(b) A person who intentionally mutilates an animal in furtherance of an animal fighting offense as described in subsection (1) of this section is guilty of a class (($\frac{\mathbf{B}}{\mathbf{B}}$)) $\underline{\mathbf{C}}$ felony punishable under RCW 9A.20.021.

(3) Nothing in this section prohibits the following:

(a) The use of dogs in the management of livestock, as defined by chapter 16.57 RCW, by the owner of the livestock or the owner's employees or agents or other persons in lawful custody of the livestock;

(b) The use of dogs in hunting as permitted by law; or

(c) The training of animals or the use of equipment in the training of animals for any purpose not prohibited by law.

(4) For the purposes of this section, "animal fighting paraphernalia" includes equipment, products, implements, or materials of any kind that are used, intended for use, or designed for use in the training, preparation, conditioning, or furtherance of animal fighting, and includes, but is not limited to: Cat mills; fighting pits; springpoles; unprescribed veterinary medicine; treatment supplies; and gaffs, slashers, heels, and any other sharp implement designed to be attached in place of the natural spur of a cock or game fowl.

Sec. 5. RCW 16.52.200 and 2020 c 158 s 5 are each amended to read as follows:

(1) The sentence imposed for a misdemeanor or gross misdemeanor violation of this chapter may be deferred or suspended in accordance with RCW 3.66.067 and 3.66.068, however the probationary period shall be two years.

(2) In case of multiple misdemeanor or gross misdemeanor convictions, the sentences shall be consecutive, however the probationary period shall remain two years.

(3) In addition to the penalties imposed by the court, the court shall order the forfeiture of all animals held by law enforcement or animal care and control authorities under the provisions of this chapter if any one of the animals involved dies as a result of a violation of this chapter or if the defendant has a prior conviction under this chapter. In other cases the court may enter an order requiring the owner to forfeit the animal if the court deems the animal's treatment to have been severe and likely to reoccur.

(4) Any person convicted of animal cruelty <u>or animal fighting</u> shall be prohibited from owning, caring for, possessing, or residing with any animals for a period of time as follows:

(a) Two years for a first conviction of animal cruelty in the second degree under RCW 16.52.207;

(b) Permanently for a first conviction of animal cruelty in the first degree under RCW 16.52.205 or for a first conviction of animal fighting under RCW 16.52.117;

(c) Permanently for a second or subsequent conviction of animal cruelty, except as provided in subsection (5) of this section.

(5) If a person has no more than two convictions of animal cruelty and each conviction is for animal cruelty in the second degree, the person may petition the sentencing court in which the most recent animal cruelty conviction occurred, for a restoration of the right to own, care for, possess, or reside with animals five

years after the date of the second conviction. In determining whether to grant the petition, the court shall consider, but not be limited to, the following:

(a) The person's prior animal cruelty in the second degree convictions;

(b) The type of harm or violence inflicted upon the animals;

(c) Whether the person has completed the conditions imposed by the court as a result of the underlying convictions;

(d) Whether the person complied with the prohibition on owning, caring for, possessing, or residing with animals; and

(e) Any other matters the court finds reasonable and material to consider in determining whether the person is likely to abuse another animal.

The court may delay its decision on forfeiture under subsection (3) of this section until the end of the probationary period.

(6) In addition to fines and court costs, the defendant, only if convicted or in agreement, shall be liable for reasonable costs incurred pursuant to this chapter by law enforcement agencies, animal care and control agencies, or authorized private or public entities involved with the care of the animals. Reasonable costs include expenses of the investigation, and the animal's care, euthanization, or adoption.

(7) If convicted, the defendant shall also pay a civil penalty of ((one thousand dollars)) \$1,000 to the county to prevent cruelty to animals. These funds shall be used to prosecute offenses under this chapter and to care for forfeited animals pending trial.

(8) If a person violates the prohibition on owning, caring for, possessing, or residing with animals under subsection (4) of this section, that person:

(a) ((Shall pay a civil penalty of one thousand dollars)) <u>Is guilty of a</u> misdemeanor for the first violation;

(b) ((Shall pay a civil penalty of two thousand five hundred dollars)) <u>Is</u> guilty of a gross misdemeanor for the second violation; and

(c) Is guilty of a ((gross misdemeanor)) <u>class C felony</u> for the third and each subsequent violation.

(9) As a condition of the sentence imposed under this chapter or RCW 9.08.070 through 9.08.078, the court may also order the defendant to participate in an available animal cruelty prevention or education program or obtain available psychological counseling to treat mental health problems contributing to the violation's commission. The defendant shall bear the costs of the program or treatment.

(10) Nothing in this section limits the authority of a law enforcement officer, animal control officer, custodial agency, or court to remove, adopt, euthanize, or require forfeiture of an animal under RCW 16.52.085.

Sec. 6. RCW 16.52.207 and 2020 c 158 s 7 are each amended to read as follows:

(1) A person is guilty of animal cruelty in the second degree if, under circumstances not amounting to first degree animal cruelty:

(a) The person knowingly, recklessly, or with criminal negligence inflicts unnecessary suffering or pain upon an animal; ((or))

(b) The person takes control, custody, or possession of an animal that was involved in animal fighting as described in RCW 16.52.117 and knowingly, recklessly, or with criminal negligence abandons the animal; or

(c) The person willfully instigates, engages in, or in any way furthers any act of animal cruelty to any animal.

(2) An owner of, or a person in possession or control of, residing with, or who has accepted responsibility for, an animal is guilty of animal cruelty in the second degree if, under circumstances not amounting to first degree animal cruelty, the ((owner)) person knowingly, recklessly, or with criminal negligence:

(a) Fails to provide the animal with necessary <u>food, water</u>, shelter, rest, sanitation, space, or medical attention and the animal suffers unnecessary or unjustifiable physical pain as a result of the failure; or

(b) Abandons the animal.

(3) Animal cruelty in the second degree is a gross misdemeanor.

(4) Nothing in this section prohibits accepted animal husbandry practices or prohibits a licensed veterinarian or certified veterinary technician from performing procedures on an animal that are accepted veterinary medical practices.

Sec. 7. RCW 9.94A.515 and 2024 c 301 s 29 and 2024 c 55 s 1 are each reenacted and amended to read as follows:

TABLE 2

CRIMES INCLUDED WITHIN EACH SERIOUSNESS LEVEL

- XVI Aggravated Murder 1 (RCW 10.95.020)
- XV Homicide by abuse (RCW 9A.32.055) Malicious explosion 1 (RCW 70.74.280(1))

Murder 1 (RCW 9A.32.030)

- XIV Murder 2 (RCW 9A.32.050) Trafficking 1 (RCW 9A.40.100(1))
- XIII Malicious explosion 2 (RCW 70.74.280(2))

Malicious placement of an explosive 1 (RCW 70.74.270(1))

- XII Assault 1 (RCW 9A.36.011) Assault of a Child 1 (RCW 9A.36.120) Malicious placement of an imitation device 1 (RCW 70.74.272(1)(a))
 Promoting Commercial Sexual Abuse of a Minor (RCW 9.68A.101)
 Rape 1 (RCW 9A.44.040)
 Rape of a Child 1 (RCW 9A.44.073)
 - Trafficking 2 (RCW 9A.40.100(3))
- XI Manslaughter 1 (RCW 9A.32.060)

CRIMES INCLUDED WITHIN EACH SERIOUSNESS LEVEL Rape 2 (RCW 9A.44.050) Rape of a Child 2 (RCW 9A.44.076) Vehicular Homicide, by being under the influence of intoxicating liquor or any drug (RCW 46.61.520) Vehicular Homicide, by the operation of any vehicle in a reckless manner (RCW 46.61.520) X Child Molestation 1 (RCW 9A.44.083) Criminal Mistreatment 1 (RCW 9A.42.020) Indecent Liberties (with forcible compulsion) (RCW 9A.44.100(1)(a)) Kidnapping 1 (RCW 9A.40.020) Leading Organized Crime (RCW 9A.82.060(1)(a)) Malicious explosion 3 (RCW 70.74.280(3))Sexually Violent Predator Escape (RCW 9A.76.115) IX Abandonment of Dependent Person 1 (RCW 9A.42.060) Assault of a Child 2 (RCW 9A.36.130) Explosive devices prohibited (RCW 70.74.180) Hit and Run—Death (RCW 46.52.020(4)(a)) Homicide by Watercraft, by being under the influence of intoxicating liquor or any drug (RCW 79A.60.050) Inciting Criminal Profiteering (RCW 9A.82.060(1)(b)) Malicious placement of an explosive 2 (RCW 70.74.270(2)) Robbery 1 (RCW 9A.56.200) Sexual Exploitation (RCW 9.68A.040) VIII Arson 1 (RCW 9A.48.020)

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	CRIMES INCLUDED WITHIN EACH SERIOUSNESS LEVEL
	Commercial Sexual Abuse of a Minor (RCW 9.68A.100)
	Homicide by Watercraft, by the operation of any vessel in a reckless manner (RCW 79A.60.050)
	Manslaughter 2 (RCW 9A.32.070)
	Promoting Prostitution 1 (RCW 9A.88.070)
	Theft of Ammonia (RCW 69.55.010)
VII	Air bag diagnostic systems (causing bodily injury or death) (RCW 46.37.660(2)(b))
	Air bag replacement requirements (causing bodily injury or death) (RCW 46.37.660(1)(b))
	Burglary 1 (RCW 9A.52.020)
	Child Molestation 2 (RCW 9A.44.086)
	Civil Disorder Training (RCW 9A.48.120)
	Custodial Sexual Misconduct 1 (RCW 9A.44.160)
	Dealing in depictions of minor engaged in sexually explicit conduct 1 (RCW 9.68A.050(1))
	Drive-by Shooting (RCW 9A.36.045)
	False Reporting 1 (RCW 9A.84.040(2)(a))
	Homicide by Watercraft, by disregard for the safety of others (RCW 79A.60.050)
	Indecent Liberties (without forcible compulsion) (RCW 9A.44.100(1) (b) and (c))
	Introducing Contraband 1 (RCW 9A.76.140)
	Malicious placement of an explosive 3 (RCW 70.74.270(3))

CRIMES INCLUDED WITHIN EACH SERIOUSNESS LEVEL

- Manufacture or import counterfeit, nonfunctional, damaged, or previously deployed air bag (causing bodily injury or death) (RCW 46.37.650(1)(b))
- Negligently Causing Death By Use of a Signal Preemption Device (RCW 46.37.675)
- Sell, install, or reinstall counterfeit, nonfunctional, damaged, or previously deployed airbag (RCW 46.37.650(2)(b))

Sending, bringing into state depictions of minor engaged in sexually explicit conduct 1 (RCW 9.68A.060(1))

Unlawful Possession of a Firearm in the first degree (RCW 9.41.040(1))

Use of a Machine Gun or Bump-fire Stock in Commission of a Felony (RCW 9.41.225)

Vehicular Homicide, by disregard for the safety of others (RCW 46.61.520)

VI Bail Jumping with Murder 1 (RCW 9A.76.170(3)(a))

Bribery (RCW 9A.68.010)

Incest 1 (RCW 9A.64.020(1))

Intimidating a Judge (RCW 9A.72.160)

Intimidating a Juror/Witness (RCW 9A.72.110, 9A.72.130)

Malicious placement of an imitation device 2 (RCW 70.74.272(1)(b))

Possession of Depictions of a Minor Engaged in Sexually Explicit Conduct 1 (RCW 9.68A.070(1))

Rape of a Child 3 (RCW 9A.44.079)

Theft of a Firearm (RCW 9A.56.300)

Theft from a Vulnerable Adult 1 (RCW 9A.56.400(1))

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Perjury 1 (RCW 9A.72.020)

CRIMES INCLUDED WITHIN EACH SERIOUSNESS LEVEL

Persistent prison misbehavior (RCW 9.94.070)

Possession of a Stolen Firearm (RCW 9A.56.310)

Rape 3 (RCW 9A.44.060)

Rendering Criminal Assistance 1 (RCW 9A.76.070)

Sell, install, or reinstall counterfeit, nonfunctional, damaged, or previously deployed airbag (RCW 46.37.650(2)(c))

Sending, Bringing into State Depictions of Minor Engaged in Sexually Explicit Conduct 2 (RCW 9.68A.060(2))

Sexual Misconduct with a Minor 1 (RCW 9A.44.093)

Sexually Violating Human Remains (RCW 9A.44.105)

Stalking (RCW 9A.46.110)

Taking Motor Vehicle Without Permission 1 (RCW 9A.56.070)

IV <u>Animal Fighting (with intentional</u> <u>mutilation) (RCW 16.52.117(2)(b))</u>

Arson 2 (RCW 9A.48.030)

Assault 2 (RCW 9A.36.021)

Assault 3 (of a Peace Officer with a Projectile Stun Gun) (RCW 9A.36.031(1)(h))

Assault 4 (third domestic violence offense) (RCW 9A.36.041(3))

Assault by Watercraft (RCW 79A.60.060)

Bribing a Witness/Bribe Received by Witness (RCW 9A.72.090, 9A.72.100)

Cheating 1 (RCW 9.46.1961)

Commercial Bribery (RCW 9A.68.060)

Counterfeiting (RCW 9.16.035(4))

CRIMES INCLUDED WITHIN EACH SERIOUSNESS LEVEL Driving While Under the Influence (RCW 46.61.502(6)Endangerment with a Controlled Substance (RCW 9A.42.100) Escape 1 (RCW 9A.76.110) Hate Crime (RCW 9A.36.080) Hit and Run-Injury (RCW 46.52.020(4)(b)) Hit and Run with Vessel—Injury Accident (RCW 79A.60.200(3)) Identity Theft 1 (RCW 9.35.020(2)) Indecent Exposure to Person Under Age 14 (subsequent sex offense) (RCW 9A.88.010) Influencing Outcome of Sporting Event (RCW 9A.82.070) Physical Control of a Vehicle While Under the Influence (RCW 46.61.504(6)Possession of Depictions of a Minor Engaged in Sexually Explicit Conduct 2 (RCW 9.68A.070(2)) Residential Burglary (RCW 9A.52.025) Robbery 2 (RCW 9A.56.210) Theft of Livestock 1 (RCW 9A.56.080) Threats to Bomb (RCW 9.61.160) Trafficking in Catalytic Converters 1 (RCW 9A.82.190) Trafficking in Stolen Property 1 (RCW 9A.82.050) Unlawful factoring of a credit card or payment card transaction (RCW 9A.56.290(4)(b)) Unlawful transaction of health coverage as a health care service contractor

⁽RCW 48.44.016(3))

CRIMES INCLUDED WITHIN EACH SERIOUSNESS LEVEL

- Unlawful transaction of health coverage as a health maintenance organization (RCW 48.46.033(3))
- Unlawful transaction of insurance business (RCW 48.15.023(3))
- Unlicensed practice as an insurance professional (RCW 48.17.063(2))
- Use of Proceeds of Criminal Profiteering (RCW 9A.82.080 (1) and (2))
- Vehicle Prowling 2 (third or subsequent offense) (RCW 9A.52.100(3))
- Vehicular Assault, by being under the influence of intoxicating liquor or any drug, or by the operation or driving of a vehicle in a reckless manner (RCW 46.61.522)
- Viewing of Depictions of a Minor Engaged in Sexually Explicit Conduct 1 (RCW 9.68A.075(1))
- III Animal Cruelty 1 (RCW 16.52.205) <u>Animal Fighting (without intentional</u> mutilation) (RCW 16.52.117(2)(a))
 - Assault 3 (Except Assault 3 of a Peace Officer With a Projectile Stun Gun) (RCW 9A.36.031 except subsection (1)(h))
 - Assault of a Child 3 (RCW 9A.36.140)

Bail Jumping with class B or C Felony (RCW 9A.76.170(3)(c))

Burglary 2 (RCW 9A.52.030)

Communication with a Minor for Immoral Purposes (RCW 9.68A.090)

- Criminal Gang Intimidation (RCW 9A.46.120)
- Custodial Assault (RCW 9A.36.100)

Cyber Harassment (RCW 9A.90.120(2)(b))

Escape 2 (RCW 9A.76.120)

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CRIMES INCLUDED WITHIN EACH SERIOUSNESS LEVEL Extortion 2 (RCW 9A.56.130) False Reporting 2 (RCW 9A.84.040(2)(b)) Harassment (RCW 9A.46.020) Hazing (RCW 28B.10.901(2)(b)) Intimidating a Public Servant (RCW 9A.76.180) Introducing Contraband 2 (RCW 9A.76.150) Malicious Injury to Railroad Property (RCW 81.60.070) Manufacture of Untraceable Firearm with Intent to Sell (RCW 9.41.190) Manufacture or Assembly of an Undetectable Firearm or Untraceable Firearm (RCW 9.41.325) Mortgage Fraud (RCW 19.144.080) Negligently Causing Substantial Bodily Harm By Use of a Signal Preemption Device (RCW 46.37.674) Organized Retail Theft 1 (RCW 9A.56.350(2)) Perjury 2 (RCW 9A.72.030) Possession of Incendiary Device (RCW 9.40.120) Possession of Machine Gun, Bump-Fire Stock, Undetectable Firearm, or Short-Barreled Shotgun or Rifle (RCW 9.41.190) Promoting Prostitution 2 (RCW 9A.88.080) Retail Theft with Special Circumstances 1 (RCW 9A.56.360(2)) Securities Act violation (RCW 21.20.400) Tampering with a Witness (RCW 9A.72.120)

CRIMES INCLUDED WITHIN EACH SERIOUSNESS LEVEL Telephone Harassment (subsequent conviction or threat of death) (RCW 9.61.230(2)) Theft of Livestock 2 (RCW 9A.56.083) Theft with the Intent to Resell 1 (RCW 9A.56.340(2)) Trafficking in Catalytic Converters 2 (RCW 9A.82.200) Trafficking in Stolen Property 2 (RCW 9A.82.055) Unlawful Hunting of Big Game 1 (RCW 77.15.410(3)(b)) Unlawful Imprisonment (RCW 9A.40.040) Unlawful Misbranding of Fish or Shellfish 1 (RCW 77.140.060(3)) Unlawful possession of firearm in the second degree (RCW 9.41.040(2)) Unlawful Taking of Endangered Fish or Wildlife 1 (RCW 77.15.120(3)(b)) Unlawful Trafficking in Fish, Shellfish, or Wildlife 1 (RCW 77.15.260(3)(b)) Unlawful Use of a Nondesignated Vessel (RCW 77.15.530(4)) Vehicular Assault, by the operation or driving of a vehicle with disregard for the safety of others (RCW 46.61.522) II Commercial Fishing Without a License 1 (RCW 77.15.500(3)(b)) Computer Trespass 1 (RCW 9A.90.040) Counterfeiting (RCW 9.16.035(3)) Electronic Data Service Interference (RCW 9A.90.060) Electronic Data Tampering 1 (RCW 9A.90.080) Electronic Data Theft (RCW 9A.90.100) Engaging in Fish Dealing Activity Unlicensed 1 (RCW 77.15.620(3))

CRIMES INCLUDED WITHIN EACH SERIOUSNESS LEVEL
Escape from Community Custody (RCW 72.09.310)
Failure to Register as a Sex Offender (second or subsequent offense) (RCW 9A.44.130 prior to June 10, 2010, and RCW 9A.44.132)
Health Care False Claims (RCW 48.80.030)
Identity Theft 2 (RCW 9.35.020(3))
Improperly Obtaining Financial Information (RCW 9.35.010)
Malicious Mischief 1 (RCW 9A.48.070)
Organized Retail Theft 2 (RCW 9A.56.350(3))
Possession of Stolen Property 1 (RCW 9A.56.150)
Possession of a Stolen Vehicle (RCW 9A.56.068)
Possession, sale, or offering for sale of seven or more unmarked catalytic converters (RCW 9A.82.180(5))
Retail Theft with Special Circumstances 2 (RCW 9A.56.360(3))
Scrap Processing, Recycling, or Supplying Without a License (second or subsequent offense) (RCW 19.290.100)
Theft 1 (RCW 9A.56.030)
Theft of a Motor Vehicle (RCW 9A.56.065)
Theft of Rental, Leased, Lease-purchased, or Loaned Property (valued at \$5,000 or more) (RCW 9A.56.096(5)(a))
Theft with the Intent to Resell 2 (RCW 9A.56.340(3))
Trafficking in Insurance Claims (RCW 48.30A.015)

CRIMES INCLUDED WITHIN EACH SERIOUSNESS LEVEL Unlawful factoring of a credit card or payment card transaction (RCW 9A.56.290(4)(a)) Unlawful Participation of Non-Indians in Indian Fishery (RCW 77.15.570(2)) Unlawful Practice of Law (RCW 2.48.180Unlawful Purchase or Use of a License (RCW 77.15.650(3)(b)) Unlawful Trafficking in Fish, Shellfish, or Wildlife 2 (RCW 77.15.260(3)(a)) Unlicensed Practice of a Profession or Business (RCW 18.130.190(7)) Voyeurism 1 (RCW 9A.44.115) I Attempting to Elude a Pursuing Police Vehicle (RCW 46.61.024) False Verification for Welfare (RCW 74.08.055) Forgery (RCW 9A.60.020) Fraudulent Creation or Revocation of a Mental Health Advance Directive (RCW 9A.60.060) Malicious Mischief 2 (RCW 9A.48.080) Mineral Trespass (RCW 78.44.330) Possession of Stolen Property 2 (RCW 9A.56.160) Reckless Burning 1 (RCW 9A.48.040) Spotlighting Big Game 1 (RCW 77.15.450(3)(b)) Suspension of Department Privileges 1 (RCW 77.15.670(3)(b)) Taking Motor Vehicle Without Permission 2 (RCW 9A.56.075) Theft 2 (RCW 9A.56.040) Theft from a Vulnerable Adult 2 (RCW 9A.56.400(2))

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CRIMES INCLUDED W	WITHIN EACH
SERIOUSNESS	LEVEL

Theft of Rental, Leased, Lease-purchased, or Loaned Property (valued at \$750 or more but less than \$5,000) (RCW 9A.56.096(5)(b))

Transaction of insurance business beyond the scope of licensure (RCW 48.17.063)

Unlawful Fish and Shellfish Catch Accounting (RCW 77.15.630(3)(b))

Unlawful Issuance of Checks or Drafts (RCW 9A.56.060)

Unlawful Possession of Fictitious Identification (RCW 9A.56.320)

Unlawful Possession of Instruments of Financial Fraud (RCW 9A.56.320)

Unlawful Possession of Payment Instruments (RCW 9A.56.320)

Unlawful Possession of a Personal Identification Device (RCW 9A.56.320)

Unlawful Production of Payment Instruments (RCW 9A.56.320)

Unlawful Releasing, Planting, Possessing, or Placing Deleterious Exotic Wildlife (RCW 77.15.250(2)(b))

Unlawful Trafficking in Food Stamps (RCW 9.91.142)

Unlawful Use of Food Stamps (RCW 9.91.144)

Unlawful Use of Net to Take Fish 1 (RCW 77.15.580(3)(b))

Vehicle Prowl 1 (RCW 9A.52.095)

Violating Commercial Fishing Area or Time 1 (RCW 77.15.550(3)(b))

Passed by the House April 17, 2025. Passed by the Senate April 3, 2025. Approved by the Governor May 12, 2025. Filed in Office of Secretary of State May 14, 2025.

CHAPTER 221

[Engrossed House Bill 1329]

ELECTRIC UTILITY WHOLESALE POWER PURCHASES—WASHINGTON CLEAN ENERGY TRANSFORMATION ACT

AN ACT Relating to wholesale power purchases by electric utilities under the Washington clean energy transformation act; and amending RCW 19.405.020, 19.405.030, and 19.405.100.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 19.405.020 and 2024 c 83 s 2 are each amended to read as follows:

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

(1) "Allocation of electricity" means, for the purposes of setting electricity rates, the costs and benefits associated with the resources used to provide electricity to an electric utility's retail electricity consumers that are located in this state.

(2) "Alternative compliance payment" means the payment established in RCW 19.405.090(2).

(3) "Attorney general" means the Washington state office of the attorney general.

(4) "Auditor" means: (a) The Washington state auditor's office or its designee for utilities under its jurisdiction under this chapter that are consumerowned utilities; or (b) an independent auditor selected by a utility that is not under the jurisdiction of the state auditor and is not an investor-owned utility.

(5)(a) "Biomass energy" includes: (i) Organic by-products of pulping and the wood manufacturing process; (ii) animal manure; (iii) solid organic fuels from wood; (iv) forest or field residues; (v) untreated wooden demolition or construction debris; (vi) food waste and food processing residuals; (vii) liquors derived from algae; (viii) dedicated energy crops; and (ix) yard waste.

(b) "Biomass energy" does not include: (i) Wood pieces that have been treated with chemical preservatives such as creosote, pentachlorophenol, or copper-chrome-arsenic; (ii) wood from old growth forests; or (iii) municipal solid waste.

(6) "Carbon dioxide equivalent" has the same meaning as defined in RCW 70A.45.010.

(7)(a) "Coal-fired resource" means a facility that uses coal-fired generating units, or that uses units fired in whole or in part by coal as feedstock, to generate electricity.

(b)(i) "Coal-fired resource" does not include ((an electric generating facility)) unspecified electricity that is included as part of a limited duration wholesale power purchase((, not to exceed one month,)) made by an electric utility for delivery to retail electric customers that are located in this state ((for which the source of the power is not known at the time of entry into the transaction to procure the electricity)), where the purchase is:

(A)(I) For a contract duration not to exceed three months; or

(II) A purchase of system sales for a contract duration not to exceed six months, provided that the purchase is used to demonstrate compliance with the electric utility's seasonal resource adequacy requirements under a regional resource adequacy program; and

(B) Not used for the purpose of avoiding the restrictions on coal-fired resources under RCW 19.405.030.

(ii) "Coal-fired resource" does not include an electric generating facility that is subject to an obligation to meet the standards contained in RCW 80.80.040(3)(c).

(8) "Commission" means the Washington utilities and transportation commission.

(9) "Conservation and efficiency resources" means any reduction in electric power consumption that results from increases in the efficiency of energy use, production, transmission, or distribution.

(10) "Consumer-owned utility" means a municipal electric utility formed under Title 35 RCW, a public utility district formed under Title 54 RCW, an irrigation district formed under chapter 87.03 RCW, a cooperative formed under chapter 23.86 RCW, or a mutual corporation or association formed under chapter 24.06 RCW, that is engaged in the business of distributing electricity to more than one retail electric customer in the state.

(11) "Demand response" means changes in electric usage by demand-side resources from their normal consumption patterns in response to changes in the price of electricity, or to incentive payments designed to induce lower electricity use, at times of high wholesale market prices or when system reliability is jeopardized. "Demand response" may include measures to increase or decrease electricity production on the customer's side of the meter in response to incentive payments.

(12) "Department" means the department of commerce.

(13) "Distributed energy resource" means a nonemitting electric generation or renewable resource or program that reduces electric demand, manages the level or timing of electricity consumption, or provides storage, electric energy, capacity, or ancillary services to an electric utility and that is located on the distribution system, any subsystem of the distribution system, or behind the customer meter, including conservation and energy efficiency.

(14) "Electric utility" or "utility" means a consumer-owned utility or an investor-owned utility.

(15) "Energy assistance" means a program undertaken by a utility to reduce the household energy burden of its customers.

(a) Energy assistance includes, but is not limited to, weatherization, conservation and efficiency services, and monetary assistance, such as a grant program or discounts for lower income households, intended to lower a household's energy burden.

(b) Energy assistance may include direct customer ownership in distributed energy resources or other strategies if such strategies achieve a reduction in energy burden for the customer above other available conservation and demandside measures.

(16) "Energy assistance need" means the amount of assistance necessary to achieve a level of household energy burden established by the department or commission.

(17) "Energy burden" means the share of annual household income used to pay annual home energy bills.

(18)(a) "Energy transformation project" means a project or program that: Provides energy-related goods or services, other than the generation of electricity; results in a reduction of fossil fuel consumption and in a reduction of the emission of greenhouse gases attributable to that consumption; and provides benefits to the customers of an electric utility.

(b) "Energy transformation project" may include but is not limited to:

(i) Home weatherization or other energy efficiency measures, including market transformation for energy efficiency products, in excess of: The target established under RCW 19.285.040(1), if applicable; other state obligations; or other obligations in effect on May 7, 2019;

(ii) Support for electrification of the transportation sector including, but not limited to:

(A) Equipment on an electric utility's transmission and distribution system to accommodate electric vehicle connections, as well as smart grid systems that enable electronic interaction between the electric utility and charging systems, and facilitate the utilization of vehicle batteries for system needs;

(B) Incentives for the sale or purchase of electric vehicles, both battery and fuel cell powered, as authorized under state or federal law;

(C) Incentives for the installation of charging equipment for electric vehicles;

(D) Incentives for the electrification of vehicle fleets utilizing a battery or fuel cell for electric supply;

(E) Incentives to install and operate equipment to produce or distribute renewable hydrogen; and

(F) Incentives for renewable hydrogen fueling stations;

(iii) Investment in distributed energy resources and grid modernization to facilitate distributed energy resources and improved grid resilience;

(iv) Investments in equipment for renewable natural gas processing, conditioning, and production, or equipment or infrastructure used solely for the purpose of delivering renewable natural gas for consumption or distribution;

(v) Contributions to self-directed investments in the following measures to serve the sites of large industrial gas and electrical customers: (A) Conservation; (B) new renewable resources; (C) behind-the-meter technology that facilitates demand response cooperation to reduce peak loads; (D) infrastructure to support electrification of transportation needs, including battery and fuel cell electrification; or (E) renewable natural gas processing, conditioning, or production; and

(vi) Projects and programs that achieve energy efficiency and emission reductions in the agricultural sector, including bioenergy and renewable natural gas projects.

(19) "Fossil fuel" means natural gas, petroleum, coal, or any form of solid, liquid, or gaseous fuel derived from such a material.

(20) "Governing body" means: The council of a city or town; the commissioners of an irrigation district, municipal electric utility, or public utility district; or the board of directors of an electric cooperative or mutual association that has the authority to set and approve rates.

(21) "Greenhouse gas" includes carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, and any other gas or gases designated by the department of ecology by rule under RCW 70A.45.010.

(22) "Highly impacted community" means a community designated by the department of health based on cumulative impact analyses in RCW 19.405.140

or a community located in census tracts that are fully or partially on "Indian country" as defined in 18 U.S.C. Sec. 1151.

(23) "Investor-owned utility" means a company owned by investors that meets the definition of "corporation" in RCW 80.04.010 and is engaged in distributing electricity to more than one retail electric customer in the state.

(24) "Low-income" means household incomes as defined by the department or commission, provided that the definition may not exceed the higher of eighty percent of area median household income or two hundred percent of the federal poverty level, adjusted for household size.

(25)(a) "Market customer" means a nonresidential customer of an electric utility that: (i) Purchases electricity from an entity or entities other than the utility with which it is directly interconnected; or (ii) generates electricity to meet one hundred percent of its own needs.

(b) An "affected market customer" is a customer of a utility who becomes a market customer after May 7, 2019.

(26)(a) "Natural gas" means naturally occurring mixtures of hydrocarbon gases and vapors consisting principally of methane, whether in gaseous or liquid form, including methane clathrate.

(b) "Natural gas" does not include renewable natural gas or the portion of renewable natural gas when blended into other fuels.

(27)(a) "Nonemitting electric generation" means electricity from a generating facility or a resource that provides electric energy, capacity, or ancillary services to an electric utility and that does not emit greenhouse gases as a by-product of energy generation.

(b) "Nonemitting electric generation" does not include renewable resources.

(28)(a) "Nonpower attributes" means all environmentally related characteristics, exclusive of energy, capacity reliability, and other electrical power service attributes, that are associated with the generation of electricity, including but not limited to the facility's fuel type, geographic location, vintage, qualification as a renewable resource, and avoided emissions of pollutants to the air, soil, or water, and avoided emissions of carbon dioxide and other greenhouse gases.

(b) "Nonpower attributes" does not include any aspects, claims, characteristics, and benefits associated with the on-site capture and destruction of methane or other greenhouse gases at a facility through a digester system, landfill gas collection system, or other mechanism, which may be separately marketable as greenhouse gas emission reduction credits, offsets, or similar tradable commodities. However, these separate avoided emissions may not result in or otherwise have the effect of attributing greenhouse gas emissions to the electricity.

(29) "Qualified transmission line" means an overhead transmission line that is: (a) Designed to carry a voltage in excess of one hundred thousand volts; (b) owned in whole or in part by an investor-owned utility; and (c) primarily or exclusively used by such an investor-owned utility as of May 7, 2019, to transmit electricity generated by a coal-fired resource.

(30) "Renewable energy credit" means a tradable certificate of proof of one megawatt-hour of a renewable resource. The certificate includes all of the nonpower attributes associated with that one megawatt-hour of electricity and

the certificate is verified by a renewable energy credit tracking system selected by the department.

(31) "Renewable hydrogen" means hydrogen produced using renewable resources both as the source for the hydrogen and the source for the energy input into the production process.

(32) "Renewable natural gas" means a gas consisting largely of methane and other hydrocarbons derived from the decomposition of organic material in landfills, wastewater treatment facilities, and anaerobic digesters.

(33) "Renewable resource" means: (a) Water; (b) wind; (c) solar energy; (d) geothermal energy; (e) renewable natural gas; (f) renewable hydrogen; (g) wave, ocean, or tidal power; (h) biodiesel fuel that is not derived from crops raised on land cleared from old growth or first growth forests; or (i) biomass energy.

(34)(a) "Retail electric customer" means a person or entity that purchases electricity from any electric utility for ultimate consumption and not for resale.

(b) "Retail electric customer" does not include, in the case of any electric utility, any person or entity that purchases electricity exclusively from carbonfree and eligible renewable resources, as defined in RCW 19.285.030 as of January 1, 2019, pursuant to a special contract with an investor-owned utility approved by an order of the commission prior to May 7, 2019.

(35) "Retail electric load" means the amount of megawatt-hours of electricity delivered in a given calendar year by an electric utility to its Washington retail electric customers. "Retail electric load" does not include:

(a) Megawatt-hours delivered from qualifying facilities under the federal public utility regulatory policies act of 1978, P.L. 95-617, in operation prior to May 7, 2019, provided that no entity other than the electric utility can make a claim on delivery of the megawatt-hours from those resources; or

(b) Megawatt-hours delivered to an electric utility's system from a renewable resource through a voluntary renewable energy purchase by a retail electric customer of the utility in which the renewable energy credits associated with the megawatt-hours delivered are retired on behalf of the retail electric customer.

(36) "Thermal renewable energy credit" means, with respect to a facility that generates electricity using biomass energy that also generates thermal energy for a secondary purpose, a renewable energy credit that is equivalent to three million four hundred twelve thousand British thermal units of energy used for such secondary purpose.

(37) "Unbundled renewable energy credit" means a renewable energy credit that is sold, delivered, or purchased separately from electricity. All thermal renewable energy credits are considered unbundled renewable energy credits.

(38) "Unspecified electricity" means an electricity source for which the fuel attribute is unknown or has been separated from the energy delivered to retail electric customers.

(39) "Vulnerable populations" means communities that experience a disproportionate cumulative risk from environmental burdens due to:

(a) Adverse socioeconomic factors, including unemployment, high housing and transportation costs relative to income, access to food and health care, and linguistic isolation; and

(b) Sensitivity factors, such as low birth weight and higher rates of hospitalization.

Sec. 2. RCW 19.405.030 and 2019 c 288 s 3 are each amended to read as follows:

(1)(a) On or before December 31, 2025, each electric utility must eliminate coal-fired resources from its allocation of electricity. This does not include costs associated with decommissioning and remediation of these facilities.

(b) The commission shall allow in electric rates all decommissioning and remediation costs prudently incurred by an investor-owned utility for a coal-fired resource.

(c) Electricity purchased from the Bonneville power administration under a long-term power purchase agreement or exchange agreement, including any portion of the federal system supplied by unspecified electricity, is exempt from the compliance requirements of (a) of this subsection, except for any portion of the federal system supplied by a transaction to procure electricity where, at the time the Bonneville power administration entered into the transaction, the source of the electricity was known to be from a coal-fired generating unit.

(2) The commission must accelerate depreciation schedules for any coalfired resource to a date no later than December 31, 2025. The commission may accelerate the depreciation schedule for any qualified transmission line owned by an investor-owned utility when the commission finds the qualified transmission line is no longer used and useful and there is no reasonable likelihood that the qualified transmission line will be utilized in the future. The adjusted depreciation schedule must require such a qualified transmission line to be fully depreciated on or before December 31, 2025.

(3) The commission must allow in rates, directly or indirectly, amounts on an investor-owned utility's books of account that the commission finds represent prudently incurred undepreciated investment in a fossil fuel generating resource that has been retired from service when:

(a) The retirement is due to ordinary wear and tear, casualties, acts of God, acts of governmental authority, inability to procure or use fuel, termination or expiration of any ownership, or a operation agreement affecting such a fossil fuel generating resource; or

(b) The commission finds that the retirement is in the public interest.

(4) An electric utility that fails to comply with the requirements of subsection (1) of this section must pay the administrative penalty established under RCW 19.405.090(1), except as otherwise provided in this chapter.

Sec. 3. RCW 19.405.100 and 2019 c 288 s 10 are each amended to read as follows:

(1) It is the intent of this chapter that the commission and department adopt rules to streamline the implementation of chapter 288, Laws of 2019 with chapter 19.285 RCW to simplify compliance and avoid duplicative processes. It is the intent of the legislature that the commission and the department coordinate in developing rules related to process, timelines, and documentation that are necessary for the implementation of this chapter.

(2) The commission may adopt rules to ensure the proper implementation and enforcement of this chapter as it applies to investor-owned utilities.

(3) The department may adopt rules to ensure the proper implementation and enforcement of this chapter as it applies to consumer-owned utilities. Nothing in this subsection may be construed to restrict the rate-making authority of the governing body of a consumer-owned utility as otherwise provided by law.

(4)(a) The department must adopt rules establishing reporting requirements for electric utilities to demonstrate compliance with this chapter. The requirements must, to the extent practicable, be consistent with the disclosures required under chapter 19.29A RCW.

(b) Beginning with the interim performance report due July 1, 2026, consumer-owned electric utilities must include in each interim performance or compliance report the number of unspecified electricity contracts with terms greater than 31 days used to serve Washington retail customers. The report will include information regarding the duration and purpose of the unspecified contracts and the months contracted.

(5) An investor-owned utility must also report all information required in subsection (4)(a) of this section to the commission.

(6) An electric utility must also make reports required in this section available to its retail electric customers.

(7) The department of ecology must adopt rules, in consultation with the commission and the department of commerce, to establish requirements for energy transformation project investments including, but not limited to, verification procedures, reporting standards, and other logistical issues as necessary.

(8) The department must adopt rules providing for the measuring and tracking of thermal renewable energy credits that may be used for compliance under RCW 19.405.040.

(9) Pursuant to the administrative procedure act, chapter 34.05 RCW, rules needed for the implementation of this chapter must be adopted by January 1, 2021, unless specified otherwise elsewhere in this chapter. These rules may be revised as needed to carry out the intent and purposes of this chapter.

Passed by the House April 22, 2025. Passed by the Senate April 9, 2025. Approved by the Governor May 12, 2025. Filed in Office of Secretary of State May 14, 2025.

CHAPTER 222

[Substitute House Bill 1460] PROTECTION ORDER HOPE CARDS—MODIFICATION

AN ACT Relating to protection order hope cards; amending RCW 7.105.352; and adding a new section to chapter 2.56 RCW.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 7.105.352 and 2023 c 308 s 2 are each amended to read as follows:

(1) The administrative office of the courts shall develop a program for the issuance of protection order hope cards ((in scannable electronic format by superior and district courts)). The administrative office of the courts shall develop and implement the program in collaboration with the Washington state superior court judges' association, the Washington state association of county clerks,

association of Washington superior court administrators, district and municipal court management association, ((and)) the Washington association of sheriffs and police chiefs, ((and shall make reasonably feasible efforts to solicit and incorporate input from appropriate stakeholder groups, including representatives from vietim advocacy groups,)) the Washington supreme court gender and justice commission, representatives from gender-based violence survivor advocacy and legal assistance organizations, law enforcement agencies, and the department of licensing. The card design and program implementation must use a trauma-informed approach and prioritize protection from harm.

(2)(a) ((A)) Where the clerk of the court or administrative office of the courts providing a hope card has the means and information available, a hope card must be in a scannable electronic format including, but not limited to, a barcode, data matrix code, or a quick response code, and must contain, without limitations, the following:

(i) The restrained person's name((;)) <u>and</u> date of birth((, sex, race, eye color, hair color, height, weight, and other distinguishing features));

(ii) The protected person's <u>or persons'</u> name and date of birth and the names and dates of birth of any minor children protected under the order; ((and))

(iii) Information about the protection order including, but not limited to, the issuing court, the case number, and the date of issuance and date of expiration of the order((, and the relevant details of the order, including any locations from which the person is restrained)); and

(iv) To reduce risk of lethality and other harm for the petitioner, any other protected persons, and responding law enforcement officers, information about any orders prohibiting the restrained person from accessing, having custody or control, possessing, purchasing, receiving, or attempting to purchase or receive any firearms, other dangerous weapons, or concealed pistol license, including any orders to surrender and prohibit weapons or extreme risk protection orders. The information shall include, but is not limited to, the issuing court, case number, date of issuance, date of expiration, and status of compliance for each order.

(b) ((If feasible,)) Where the clerk of the court or administrative office of the courts providing a hope card has the means and information available, the information stored in a scannable electronic format and accessible through a barcode, data matrix code, or a quick response code must include a digital record of the protection order as entered and provide access to the entire case history, including the petition for protection order, petition attachments, petitioner statement, declaration, temporary order, hearing notice, ((and)) protections and restraints ordered, including firearm prohibitions, proof of service, proof of compliance with any order to relinquish firearms, and any violations of the order.

(3) Commencing on January 1, 2025, a person who has been issued a valid full protection order may request a hope card from the clerk of the issuing court at the time the order is entered ((σ r)), so that there is not a waiting period to receive the card, there are not additional steps the petitioner must later take, and so that the petitioner may be assisted by an interpreter if one was assisting the petitioner at the hearing. After the time the order is entered, a hope card may be requested at any time prior to the expiration of the order from the administrative office of the courts.

(4) A person requesting a hope card may not be charged a fee for the issuance of $((an original and one duplicate)) \underline{a}$ hope card.

(5) A hope card has the same effect as the underlying protection order.

(6) For the purposes of this section, "full protection order" ((means)) has the meaning defined in RCW 7.105.010, and includes a domestic violence protection order, a sexual assault protection order, a stalking protection order, a vulnerable adult protection order, ((Θ r)) an antiharassment protection order, or an extreme risk protection order, as defined in this chapter.

<u>NEW SECTION.</u> Sec. 2. A new section is added to chapter 2.56 RCW to read as follows:

The administrative office of the courts shall ensure that the information required in RCW 7.105.352 is provided by each court, including through use of consistent court codes, reporting mechanisms, and database entry.

Passed by the House April 22, 2025. Passed by the Senate April 15, 2025. Approved by the Governor May 12, 2025. Filed in Office of Secretary of State May 14, 2025.

CHAPTER 223

[Engrossed Substitute Senate Bill 5029]

DEPARTMENT OF CORRECTIONS—TRANSPORTATION AFTER RELEASE OR

DISCHARGE

AN ACT Relating to the transportation of individuals released or discharged from the custody of the department of corrections; and amending RCW 72.02.100.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 72.02.100 and 2024 c 32 s 1 are each amended to read as follows:

(1) Any person serving a sentence for a term of confinement in a state correctional facility ((for convicted felons)), pursuant to court commitment, who is thereafter released upon an order of parole of the indeterminate sentence review board, or who is discharged from custody upon expiration of sentence, or who is ordered discharged from custody by a court of appropriate jurisdiction, shall be entitled to retain his or her earnings from labor or employment while in confinement and shall be supplied by the superintendent of the state correctional facility with suitable and presentable clothing, the sum of no less than \$40 for subsistence, and transportation by the ((least expensive)) method of public transportation ((not to exceed the cost of \$100)) to ((his or her)) the person's place of residence or the place designated in ((his or her)) the person's ((parole)) reentry plan, or to the place from which committed if such person is being discharged on expiration of sentence, or discharged from custody by a court of appropriate jurisdiction: PROVIDED, That up to an additional \$60 may be made available to the parolee for necessary personal and living expenses upon application to and approval by such person's community corrections officer. Public transportation provided by the department of corrections for a person unconditionally released or discharged by the department shall be limited to a location within the state, unless the person is subject to the interstate compact for adult offender supervision under RCW 9.94A.745, subject to an out-of-state

warrant or detainer under chapter 9.100 RCW, subject to a demand for extradition under chapter 10.88 RCW, or subject to any other agreement between the state and another state or the state and the federal government. If in the opinion of the superintendent suitable arrangements have been made to provide the person to be released with suitable clothing and/or the expenses of transportation, the superintendent may consent to such arrangement. The superintendent reserves the right to review and make a determination whether to approve or deny any transportation expenses intended for one individual to ensure appropriate use of state funds and that the request is reasonable. If the superintendent has reasonable cause to believe that the person to be released has ample funds, with the exception of earnings from labor or employment while in confinement, to assume the expenses of clothing, transportation, or the expenses for which payments made pursuant to this section or RCW 72.02.110 or any one or more of such expenses, the person released shall be required to assume such expenses. If the department of corrections has made arrangements with a partnering nonprofit organization that will support the individual's reentry into the community, the department shall make a reasonable effort to coordinate the timing of the individual's release from the department's custody, including the timing of transportation to the person's place of residence or place from which discharged from custody.

(2)(a) The same requirements of subsection (1) of this section shall apply to any person who is serving a sentence for a term of confinement in a state correctional facility and is:

(i) Transferred to community custody under the supervision of the department of corrections pursuant to RCW 9.94A.501, or in lieu of earned release time under RCW 9.94A.729;

(ii) Transferred from a department correctional facility to partial confinement as home detention in the community as part of the graduated reentry program under RCW 9.94A.733 or the parenting program under RCW 9.94A.6551;

(iii) Transferred from a department correctional facility to partial confinement in lieu of earned early release under RCW 9.94A.729, or as part of the work release program under chapter 72.65 RCW; or

(iv) Conditionally released by the indeterminate sentence review board with conditions of community custody under the supervision of the department pursuant to RCW 9.95.011, 9.95.420, 9.94A.730, or 10.95.030.

(b) The items and arrangements to be supplied by the superintendent of the state correctional facility under this subsection must be provided at the moment of the person's transfer from total confinement to partial confinement, or transfer from total confinement to community custody.

(3)(a) The department of corrections may only provide the funds for subsistence required by subsection (1) or (2) of this section one time to any person serving a sentence for a term of confinement in a state correctional facility.

(b) Any funds for subsistence provided to a person under this section shall not be subject to any deductions required under RCW 72.09.480 or chapter 72.11 RCW.

(4)(a) The department of corrections may provide temporary housing assistance for a person being released from any state correctional facility through

the use of rental vouchers, for a period not to exceed six months, if the department finds that such assistance will support the person's release into the community by preventing housing instability or homelessness. The department's authority to provide vouchers under this section is independent of its authority under RCW 9.94A.729; however, a person may not receive a combined total of rental vouchers in excess of six months for each release from a state correctional facility.

(b) The department shall establish policies for prioritizing funds available for housing vouchers under this section for persons at risk of releasing homeless or becoming homeless without assistance while taking into account risk to reoffend.

(5) By December 1, 2026, and by December 1 every year thereafter, and in compliance with RCW 43.01.036, the department shall submit a report to the governor and the legislature on:

(a) The number of individuals who were provided transportation pursuant to this section during the previous year where the cost of the transportation exceeded \$100; and

(b) Where the cost of the transportation provided to an individual exceeded \$100, the method of transportation used and whether the department made arrangements with a partnering nonprofit organization to coordinate the timing of the individual's release from the department's custody.

Passed by the Senate April 17, 2025. Passed by the House April 9, 2025. Approved by the Governor May 12, 2025. Filed in Office of Secretary of State May 14, 2025.

CHAPTER 224

[Engrossed Substitute Senate Bill 5142]

EMINENT DOMAIN—SCHOOL DISTRICTS—USE OF PROPERTY FOR OTHER PURPOSES

AN ACT Relating to providing owners of real estate taken through eminent domain by school districts, or sold under threat of eminent domain, the opportunity to purchase the real estate back when it is not put to intended public use; adding a new section to chapter 8.16 RCW; and creating a new section.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> Sec. 1. A new section is added to chapter 8.16 RCW to read as follows:

(1) For purposes of this section, real estate is acquired under threat of condemnation when a school district purchases the real estate without a judgment having been entered in a condemnation action brought under this chapter and the school district sends the property owner a written notice indicating an intent to pursue a condemnation action to acquire the real estate.

(2) At the time of an acquisition of real estate under threat of condemnation, or within a reasonable time after, a school district shall provide the previous property owner or owners a written statement identifying the use for which the property is being acquired.

(3) Except as provided in subsections (5) through (8) of this section, before real estate acquired in a condemnation action brought under this chapter, or acquired under threat of condemnation, may be sold, transferred, or put to a use

other than as a site for school facilities, or as additional grounds to existing school facilities, the school district shall send a written offer by certified mail to the previous owner or owners, or their heirs, assigns, or successors in interest, at their last known addresses, offering to sell the acquired real estate to the previous owner or owners, or their heirs, assigns, or successors in interest, in exchange for the amount paid by the school district to the clerk of the court as compensation for the real estate taken, or, in the case of property acquired under threat of condemnation, for the purchase price paid by the school district. Such previous owner, owners, or their heirs, assigns, or successors in interest shall have 60 days after receipt of such written offer to provide written acceptance to the school district. The school district's obligation to provide such written offer under this subsection is satisfied, and any subsequent disposition of the acquired real estate is not invalidated for lack of actual notice to any previous owner, owners, or their heirs, assigns, or successors in interest, when the school district has in good faith and with reasonable diligence attempted to ascertain the identity of all persons entitled to notice under this section and sent such written offer by certified mail to their last known addresses.

(4) For real estate acquired in a condemnation action brought under this chapter, or under threat of condemnation, a previous owner, owners, or their heirs, assigns, or successors in interest are entitled to notice and opportunity to repurchase the property as described in subsection (3) of this section if: (a) The public use for which the property was acquired is canceled before the property is put to that public use; (b) no actual progress is made toward the public use for which the property was acquired within 10 years after the date of acquisition; (c) the property becomes unnecessary for the public use for which it was acquired or a substantially similar public use; or (d)(i) no voter or state funding for the school or school facility has been requested or submitted to the voters, (ii) no applications to the applicable permitting jurisdictions have been submitted, (iii) no additional parcels of property need to be assembled or acquired, (iv) no school or school facility on the property is included in the district's six-year capital facilities plan, and (v) the property was acquired by the district more than one year ago.

(5) Once the school district puts acquired real estate to use as a site for school facilities, or as additional grounds to existing school facilities, its obligations under subsection (3) of this section terminate, even if the acquired real estate is subsequently put to a use other than as a site for school facilities or as additional grounds to existing school facilities.

(6) A school district's obligations and the rights of an owner, owners, or their heirs, assigns, or successors in interest to receive notice and to purchase back the acquired real estate under subsection (3) of this section terminate 15 years after the date that the real estate was acquired by the school district.

(7) A property owner, or their heirs, assigns, or successors in interest, may waive the rights to receive notice and to purchase back the acquired real estate by executing a written waiver.

(8) Subsection (3) of this section does not apply to a property owner who makes a written request that a school district acquire the property through a condemnation action unless the school district first sent the property owner a written notice indicating an intent to pursue a condemnation action to acquire the property.

<u>NEW SECTION.</u> Sec. 2. This act may be known and cited as the Houston eminent domain fairness act.

Passed by the Senate April 17, 2025. Passed by the House April 9, 2025. Approved by the Governor May 12, 2025. Filed in Office of Secretary of State May 14, 2025.

CHAPTER 225

[Substitute Senate Bill 5419]

INSURANCE—REPORTS OF FIRE LOSSES

AN ACT Relating to reports of fire losses; and amending RCW 42.56.400, 48.05.320, and 48.50.040.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 42.56.400 and 2023 c 149 s 12 are each amended to read as follows:

The following information relating to insurance and financial institutions is exempt from disclosure under this chapter:

(1) Records maintained by the board of industrial insurance appeals that are related to appeals of crime victims' compensation claims filed with the board under RCW 7.68.110;

(2) Information obtained and exempted or withheld from public inspection by the health care authority under RCW 41.05.026, whether retained by the authority, transferred to another state purchased health care program by the authority, or transferred by the authority to a technical review committee created to facilitate the development, acquisition, or implementation of state purchased health care under chapter 41.05 RCW;

(3) The names and individual identification data of either all owners or all insureds, or both, received by the insurance commissioner under chapter 48.102 RCW;

(4) Information provided under RCW 48.30A.045 through 48.30A.060;

(5) Information provided under RCW 48.05.510 through 48.05.535, 48.43.200 through 48.43.225, 48.44.530 through 48.44.555, and 48.46.600 through 48.46.625;

(6) Examination reports and information obtained by the department of financial institutions from banks under RCW 30A.04.075, from savings banks under RCW 32.04.220, from savings and loan associations under RCW 33.04.110, from credit unions under RCW 31.12.565, from check cashers and sellers under RCW 31.45.030(3), and from securities brokers and investment advisers under RCW 21.20.100, information that could reasonably be expected to reveal the identity of a whistleblower under RCW 21.40.090, and information received under RCW 43.320.190, all of which are confidential and privileged information;

(7) Information provided to the insurance commissioner under RCW 48.110.040(3);

(8) Documents, materials, or information obtained by the insurance commissioner under RCW 48.02.065, all of which are confidential and privileged;

(9) Documents, materials, or information obtained or provided by the insurance commissioner under RCW 48.31B.015(2) (l) and (m), 48.31B.025, 48.31B.030, 48.31B.035, and 48.31B.036, all of which are confidential and privileged;

(10) Data filed under RCW 48.140.020, 48.140.030, 48.140.050, and 7.70.140 that, alone or in combination with any other data, may reveal the identity of a claimant, health care provider, health care facility, insuring entity, or self-insurer involved in a particular claim or a collection of claims. For the purposes of this subsection:

(a) "Claimant" has the same meaning as in RCW 48.140.010(2).

(b) "Health care facility" has the same meaning as in RCW 48.140.010(6).

(c) "Health care provider" has the same meaning as in RCW 48.140.010(7).

(d) "Insuring entity" has the same meaning as in RCW 48.140.010(8).

(e) "Self-insurer" has the same meaning as in RCW 48.140.010(11);

(11) Documents, materials, or information obtained by the insurance commissioner under RCW 48.135.060;

(12) Documents, materials, or information obtained by the insurance commissioner under RCW 48.37.060;

(13) Confidential and privileged documents obtained or produced by the insurance commissioner and identified in RCW 48.37.080;

(14) Documents, materials, or information obtained by the insurance commissioner under RCW 48.37.140;

(15) Documents, materials, or information obtained by the insurance commissioner under RCW 48.17.595;

(16) Documents, materials, or information obtained by the insurance commissioner under RCW 48.102.051(1) and 48.102.140(3) and (7)(a)(ii);

(17) Documents, materials, or information obtained by the insurance commissioner in the commissioner's capacity as receiver under RCW 48.31.025 and 48.99.017, which are records under the jurisdiction and control of the receivership court. The commissioner is not required to search for, log, produce, or otherwise comply with the public records act for any records that the commissioner obtains under chapters 48.31 and 48.99 RCW in the commissioner's capacity as a receiver, except as directed by the receivership court;

(18) Documents, materials, or information obtained by the insurance commissioner under RCW 48.13.151;

(19) Data, information, and documents provided by a carrier pursuant to section 1, chapter 172, Laws of 2010;

(20) Information in a filing of usage-based insurance about the usage-based component of the rate pursuant to RCW 48.19.040(5)(b);

(21) Data, information, and documents that are submitted to the office of the insurance commissioner by an entity providing health care coverage pursuant to RCW 28A.400.275;

(22) Data, information, and documents obtained by the insurance commissioner under RCW 48.29.017;

(23) Information not subject to public inspection or public disclosure under RCW 48.43.730(5);

(24) Documents, materials, or information obtained by the insurance commissioner under chapter 48.05A RCW;

(25) Documents, materials, or information obtained by the insurance commissioner under RCW 48.74.025, 48.74.028, 48.74.100(6), 48.74.110(2) (b) and (c), and 48.74.120 to the extent such documents, materials, or information independently qualify for exemption from disclosure as documents, materials, or information in possession of the commissioner pursuant to a financial conduct examination and exempt from disclosure under RCW 48.02.065;

(26) Nonpublic personal health information obtained by, disclosed to, or in the custody of the insurance commissioner, as provided in RCW 48.02.068;

(27) Data, information, and documents obtained by the insurance commissioner under RCW 48.02.230;

(28) Documents, materials, or other information, including the corporate annual disclosure obtained by the insurance commissioner under RCW 48.195.020;

(29) Findings and orders disapproving acquisition of a trust institution under RCW 30B.53.100(3);

(30) All claims data, including health care and financial related data received under RCW 41.05.890, received and held by the health care authority; ((and))

(31) Contracts not subject to public disclosure under RCW 48.200.040 and 48.43.731<u>: and</u>

(32) Data, information, and documents obtained from an insurer, or by or from the insurance commissioner, under RCW 48.05.320.

Sec. 2. RCW 48.05.320 and 1995 c 369 s 24 are each amended to read as follows:

(1) ((Each)) Within 90 days of closing a claim related to a fire loss or damage, or any subsequent non-de minimis adjustment or further investigation related to a fire loss or damage, an authorized insurer shall ((promptly)) report to the ((chief of the Washington state patrol, through the director of fire protection, upon forms as prescribed and furnished by him or her)) insurance commissioner, in the manner prescribed by the insurance commissioner to include reporting via a third-party vendor, each fire loss of property in this state reported to ((it and)) the insurer. At a minimum, the reported information must include:

(a) The property address;

(b) The date of loss;

(c) The amount that the insurer paid on each coverage;

(d) The known origin and cause of the loss or damage if determined, including whether the loss is due to criminal activity or to undetermined causes((-

(2) Each such insurer shall likewise report to the chief of the Washington state patrol, through the director of fire protection, upon claims paid by it for loss or damage by fire in this state. Copies of all reports required by this section shall be promptly transmitted to the state insurance commissioner)): and

(e) NAIC company number.

(2)(a) In addition to the report of information required under subsection (1) of this section, whenever an insurer knows or suspects that a fire loss or damage may be due to criminal activity, the insurer shall immediately report to the local or tribal law enforcement agency of jurisdiction, and the insurance commissioner, the details of the loss or damage and the basis for the insurer's knowledge or suspicion that it may be due to criminal activity, and upon request, provide a complete copy of any full or partial investigation of the claim or loss conducted by the insurer.

(b) Upon receipt of a report from an insurer made pursuant to (a) of this subsection, the local or tribal law enforcement agency shall timely share all information received from the insurer with the individual responsible for fire investigation under RCW 43.44.050(1), and shall coordinate with that individual consistent with RCW 43.44.050.

(c) Unless actual malice is shown, an insurer is immune from liability in any civil action or suit arising from its (i) report of information to law enforcement and the insurance commissioner pursuant to this subsection (2), or (ii) cooperation with a duly issued subpoena for a criminal investigation or prosecution.

(3) Except as provided in this subsection (3), documents, materials, reports, data, investigations, and other information described in subsections (1) and (2) of this section are confidential by law and privileged, are not subject to public disclosure under chapter 42.56 RCW, and are not subject to a civil matter subpoena directed to the insurance commissioner or any person who processes information received pursuant to this section. Neither the insurance commissioner, staff of the office of the insurance commissioner, nor anyone receiving or processing information pursuant to this section is permitted or required to testify in any private civil action concerning any information that is confidential and privileged under this subsection (3). Nothing in this subsection prohibits cooperation with subpoenas for documents or testimony in criminal matters. Nothing in this section prohibits the insurance commissioner from preparing and publishing reports, analysis, or other documents using the data received under subsection (1) and (2) of this section so long as the data in the reports is in the aggregate form and does not permit the identification of information related to individual companies or consumers. Data in the aggregate form are deemed open records available for public inspection.

(a) The commissioner may share documents, materials, reports, data, investigations, and other information, including the confidential and privileged information received pursuant to this section, with: (i) The national association of insurance commissioners and its affiliates and subsidiaries; (ii) regulatory, law enforcement, and prosecutorial officials of other states and nations, the federal government, tribal governments, and international authorities; (iii) agencies of this state; (iv) rating bureaus; (v) the state fire marshal's office; and (vi) local or tribal law enforcement officials, prosecutors, or fire chiefs and fire marshals in this state. Except as provided in (b) through (e) of this subsection, the commissioner must require a recipient of information shared pursuant to this subsection (3)(a) to maintain the confidentiality and privileged status of the information.

(b) The state fire marshal's office may use information shared under (a) of this subsection for wildfire and resiliency planning purposes, so long as it does not publicly disclose information that contains personally identifiable information about properties, property owners, policyholders, losses, claimants, or claims.

(c) Rating bureaus may use the information shared under (a) of this subsection to analyze and inform rating classifications, so long as they do not publicly disclose, other than to rating subscribers, information that contains

personally identifiable information about property owners, policyholders, losses, claimants, claims, or properties, other than aggregated by zip code or fire district boundary.

(d) Local or tribal law enforcement officials, prosecutors, and fire chiefs and fire marshals in this state may use information shared under (a) of this subsection for public safety planning purposes, so long as they do not publicly disclose information that contains personally identifiable information about properties, property owners, policyholders, losses, claimants, or claims, other than aggregated by zip code.

(e) Local, tribal, state, or federal law enforcement officials, prosecutors, and fire chiefs and fire marshals in this state, and limited authority peace officers employed by the insurance commissioner may use information referenced under this section to investigate and prosecute crime, and in so doing, may release information received under this section as is necessary for investigative and prosecutorial purposes, to comply with all due process rights of criminally accused individuals, and to comply with public records obligations applicable to criminal investigations or prosecutions. Nothing in this section is intended to modify criminal investigative procedures or prosecutions or any authority, process, right, or obligation related to them.

(4) The insurance commissioner may adopt rules as necessary to implement this section. The reporting requirements in subsections (1) and (2) of this section may not be enforced against an insurer until one year after rules implementing this section are adopted by the insurance commissioner.

(5) Beginning 12 months after the reporting requirements in subsections (1) and (2) of this section are initiated, the insurance commissioner shall post a quarterly report on their website based on the aggregate findings by zip code of the previous 12 months of reports of fire loss or damage as required by subsection (1) and (2) of this section.

Sec. 3. RCW 48.50.040 and 2000 c 254 s 2 are each amended to read as follows:

(1) When an insurer has reason to believe that a fire loss reported to the insurer may be of other than accidental cause, the insurer shall notify the ((chief of the Washington state patrol, through the director of fire protection)) insurance commissioner, in the manner prescribed under RCW 48.05.320 concerning the circumstances of the fire loss, including any and all relevant material developed from the insurer's inquiry into the fire loss.

(2) Notification of the ((chief of the Washington state patrol, through the director of fire protection,)) insurance commissioner under subsection (1) of this section does not relieve the insurer of the duty to respond to a request for information from any other authorized agency and does not bar an insurer from other reporting under RCW 48.50.030(2).

Passed by the Senate April 22, 2025. Passed by the House April 14, 2025. Approved by the Governor May 12, 2025. Filed in Office of Secretary of State May 14, 2025.

WASHINGTON LAWS, 2025

CHAPTER 226

[Engrossed Second Substitute Senate Bill 5745]

INVOLUNTARY TREATMENT—LEGAL REPRESENTATION—VARIOUS PROVISIONS

AN ACT Relating to legal representation under the involuntary treatment act; amending RCW 71.05.110, 71.05.130, 71.05.730, 72.23.010, 72.23.020, 2.70.020, and 2.70.023; reenacting and amending RCW 71.05.020, 71.05.020, 71.34.020, and 71.34.020; repealing 2024 c 62 ss 26 and 27; providing contingent effective dates; providing contingent expiration dates; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 71.05.020 and 2024 c 371 s 17, 2024 c 209 s 5, and 2024 c 62 s 18 are each reenacted and amended to read as follows:

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

(1) "23-hour crisis relief center" has the same meaning as under RCW 71.24.025;

(2) "Admission" or "admit" means a decision by a physician, physician assistant, or psychiatric advanced registered nurse practitioner that a person should be examined or treated as a patient in a hospital;

(3) "Alcoholism" means a disease, characterized by a dependency on alcoholic beverages, loss of control over the amount and circumstances of use, symptoms of tolerance, physiological or psychological withdrawal, or both, if use is reduced or discontinued, and impairment of health or disruption of social or economic functioning;

(4) "Antipsychotic medications" means that class of drugs primarily used to treat serious manifestations of mental illness associated with thought disorders, which includes, but is not limited to atypical antipsychotic medications;

(5) "Approved substance use disorder treatment program" means a program for persons with a substance use disorder provided by a treatment program certified by the department as meeting standards adopted under chapter 71.24 RCW;

(6) "Attending staff" means any person on the staff of a public or private agency having responsibility for the care and treatment of a patient;

(7) "Authority" means the Washington state health care authority;

(8) "Behavioral health disorder" means either a mental disorder as defined in this section, a substance use disorder as defined in this section, or a cooccurring mental disorder and substance use disorder;

(9) "Behavioral health service provider" means a public or private agency that provides mental health, substance use disorder, or co-occurring disorder services to persons with behavioral health disorders as defined under this section and receives funding from public sources. This includes, but is not limited to: Hospitals licensed under chapter 70.41 RCW; evaluation and treatment facilities as defined in this section; community mental health service delivery systems or community behavioral health programs as defined in RCW 71.24.025; licensed or certified behavioral health agencies under RCW 71.24.037; an entity with a tribal attestation that it meets minimum standards or a licensed or certified behavioral health agency as defined in RCW 71.24.025; facilities conducting competency evaluations and restoration under chapter 10.77 RCW; approved substance use disorder treatment programs as defined in this section; secure

withdrawal management and stabilization facilities as defined in this section; and correctional facilities operated by state, local, and tribal governments;

(10) "Co-occurring disorder specialist" means an individual possessing an enhancement granted by the department of health under chapter 18.205 RCW that certifies the individual to provide substance use disorder counseling subject to the practice limitations under RCW 18.205.105;

(11) "Commitment" means the determination by a court that a person should be detained for a period of either evaluation or treatment, or both, in an inpatient or a less restrictive setting;

(12) "Community behavioral health agency" has the same meaning as "licensed or certified behavioral health agency" defined in RCW 71.24.025;

(13) "Conditional release" means a revocable modification of a commitment, which may be revoked upon violation of any of its terms;

(14) "Crisis stabilization unit" means a short-term facility or a portion of a facility licensed or certified by the department, such as an evaluation and treatment facility or a hospital, which has been designed to assess, diagnose, and treat individuals experiencing an acute crisis without the use of long-term hospitalization, or to determine the need for involuntary commitment of an individual;

(15) "Custody" means involuntary detention under the provisions of this chapter or chapter 10.77 RCW, uninterrupted by any period of unconditional release from commitment from a facility providing involuntary care and treatment;

(16) "Department" means the department of health;

(17) "Designated crisis responder" means a mental health professional appointed by the county, by an entity appointed by the county, or by the authority in consultation with a tribe or after meeting and conferring with an Indian health care provider, to perform the duties specified in this chapter;

(18) "Detention" or "detain" means the lawful confinement of a person, under the provisions of this chapter;

(19) "Developmental disabilities professional" means a person who has specialized training and three years of experience in directly treating or working with persons with developmental disabilities and is a psychiatrist, physician assistant working with a psychiatrist who is acting as a participating physician as defined in RCW 18.71A.010, psychologist, psychiatric advanced registered nurse practitioner, or social worker, and such other developmental disabilities professionals as may be defined by rules adopted by the secretary of the department of social and health services;

(20) "Developmental disability" means that condition defined in RCW 71A.10.020(6);

(21) "Director" means the director of the authority;

(22) "Discharge" means the termination of hospital medical authority. The commitment may remain in place, be terminated, or be amended by court order;

(23) "Drug addiction" means a disease, characterized by a dependency on psychoactive chemicals, loss of control over the amount and circumstances of use, symptoms of tolerance, physiological or psychological withdrawal, or both, if use is reduced or discontinued, and impairment of health or disruption of social or economic functioning; (24) "Evaluation and treatment facility" means any facility which can provide directly, or by direct arrangement with other public or private agencies, emergency evaluation and treatment, outpatient care, and timely and appropriate inpatient care to persons suffering from a mental disorder, and which is licensed or certified as such by the department. The authority may certify single beds as temporary evaluation and treatment beds under RCW 71.05.745. A physically separate and separately operated portion of a state hospital may be designated as an evaluation and treatment facility. A facility which is part of, or operated by, the department of social and health services or any federal agency will not require certification. No correctional institution or facility, or jail, shall be an evaluation and treatment facility within the meaning of this chapter;

(25) "Gravely disabled" means a condition in which a person, as a result of a behavioral health disorder: (a) Is in danger of serious physical harm resulting from a failure to provide for his or her essential human needs of health or safety; or (b) manifests severe deterioration in routine functioning evidenced by repeated and escalating loss of cognitive or volitional control over his or her actions and is not receiving such care as is essential for his or her health or safety;

(26) "Habilitative services" means those services provided by program personnel to assist persons in acquiring and maintaining life skills and in raising their levels of physical, mental, social, and vocational functioning. Habilitative services include education, training for employment, and therapy. The habilitative process shall be undertaken with recognition of the risk to the public safety presented by the person being assisted as manifested by prior charged criminal conduct;

(27) "Hearing" means any proceeding conducted in open court that conforms to the requirements of RCW 71.05.820;

(28) "History of one or more violent acts" refers to the period of time ten years prior to the filing of a petition under this chapter, excluding any time spent, but not any violent acts committed, in a behavioral health facility, or in confinement as a result of a criminal conviction;

(29) "Imminent" means the state or condition of being likely to occur at any moment or near at hand, rather than distant or remote;

(30) "In need of assisted outpatient treatment" refers to a person who meets the criteria for assisted outpatient treatment established under RCW 71.05.148;

(31) "Individualized service plan" means a plan prepared by a developmental disabilities professional with other professionals as a team, for a person with developmental disabilities, which shall state:

(a) The nature of the person's specific problems, prior charged criminal behavior, and habilitation needs;

(b) The conditions and strategies necessary to achieve the purposes of habilitation;

(c) The intermediate and long-range goals of the habilitation program, with a projected timetable for the attainment;

(d) The rationale for using this plan of habilitation to achieve those intermediate and long-range goals;

(e) The staff responsible for carrying out the plan;

(f) Where relevant in light of past criminal behavior and due consideration for public safety, the criteria for proposed movement to less-restrictive settings, criteria for proposed eventual discharge or release, and a projected possible date for discharge or release; and

(g) The type of residence immediately anticipated for the person and possible future types of residences;

(32) "Intoxicated person" means a person whose mental or physical functioning is substantially impaired as a result of the use of alcohol or other psychoactive chemicals;

(33) "Judicial commitment" means a commitment by a court pursuant to the provisions of this chapter;

(34) "Legal counsel" means attorneys and staff employed by county prosecutor offices or the state attorney general acting in their capacity as legal representatives of public behavioral health service providers under RCW 71.05.130;

(35) "Less restrictive alternative treatment" means a program of individualized treatment in a less restrictive setting than inpatient treatment that includes the services described in RCW 71.05.585. This term includes: Treatment pursuant to a less restrictive alternative treatment order under RCW 71.05.240 or 71.05.320; treatment pursuant to a conditional release under RCW 71.05.340; and treatment pursuant to an assisted outpatient treatment order under RCW 71.05.148;

(36) "Licensed physician" means a person licensed to practice medicine or osteopathic medicine and surgery in the state of Washington;

(37) "Likelihood of serious harm" means:

(a) A substantial risk that: (i) Physical harm will be inflicted by a person upon his or her own person, as evidenced by threats or attempts to commit suicide or inflict physical harm on oneself; (ii) physical harm will be inflicted by a person upon another, as evidenced by behavior which has caused such harm or which places another person or persons in reasonable fear of sustaining such harm; or (iii) physical harm will be inflicted by a person upon the property of others, as evidenced by behavior which has caused substantial loss or damage to the property of others; or

(b) The person has threatened the physical safety of another and has a history of one or more violent acts;

(38) "Medical clearance" means a physician or other health care provider, including an Indian health care provider, has determined that a person is medically stable and ready for referral to the designated crisis responder or facility. For a person presenting in the community, no medical clearance is required prior to investigation by a designated crisis responder;

(39) "Mental disorder" means any organic, mental, or emotional impairment which has substantial adverse effects on a person's cognitive or volitional functions;

(40) "Mental health professional" means an individual practicing within the mental health professional's statutory scope of practice who is:

(a) A psychiatrist, psychologist, physician assistant working with a psychiatrist who is acting as a participating physician as defined in RCW 18.71A.010, psychiatric advanced registered nurse practitioner, psychiatric nurse, or social worker, as defined in this chapter and chapter 71.34 RCW;

(b) A mental health counselor, mental health counselor associate, marriage and family therapist, or marriage and family therapist associate, as defined in chapter 18.225 RCW;

(c) A certified or licensed agency affiliated counselor, as defined in chapter 18.19 RCW; or

(d) A licensed psychological associate as described in chapter 18.83 RCW;

(41) "Peace officer" means a law enforcement official of a public agency or governmental unit, and includes persons specifically given peace officer powers by any state law, local ordinance, or judicial order of appointment;

(42) "Physician assistant" means a person licensed as a physician assistant under chapter 18.71A RCW;

(43) "Private agency" means any person, partnership, corporation, or association that is not a public agency, whether or not financed in whole or in part by public funds, which constitutes an evaluation and treatment facility or private institution, or hospital, or approved substance use disorder treatment program, which is conducted for, or includes a department or ward conducted for, the care and treatment of persons with behavioral health disorders;

(44) "Professional person" means a mental health professional, substance use disorder professional, or designated crisis responder and shall also mean a physician, physician assistant, psychiatric advanced registered nurse practitioner, registered nurse, and such others as may be defined by rules adopted by the secretary pursuant to the provisions of this chapter;

(45) "Psychiatric advanced registered nurse practitioner" means a person who is licensed as an advanced registered nurse practitioner pursuant to chapter 18.79 RCW; and who is board certified in advanced practice psychiatric and mental health nursing;

(46) "Psychiatrist" means a person having a license as a physician and surgeon in this state who has in addition completed three years of graduate training in psychiatry in a program approved by the American medical association or the American osteopathic association and is certified or eligible to be certified by the American board of psychiatry and neurology;

(47) "Psychologist" means a person who has been licensed as a psychologist pursuant to chapter 18.83 RCW;

(48) "Public agency" means any evaluation and treatment facility or institution, secure withdrawal management and stabilization facility, approved substance use disorder treatment program, or hospital which is conducted for, or includes a department or ward conducted for, the care and treatment of persons with behavioral health disorders, if the agency is operated directly by federal, state, county, or municipal government, or a combination of such governments;

(49) "Release" means legal termination of the commitment under the provisions of this chapter;

(50) "Resource management services" has the meaning given in chapter 71.24 RCW;

(51) "Secretary" means the secretary of the department of health, or his or her designee;

(52) "Secure withdrawal management and stabilization facility" means a facility operated by either a public or private agency or by the program of an agency which provides care to voluntary individuals and individuals involuntarily detained and committed under this chapter for whom there is a

likelihood of serious harm or who are gravely disabled due to the presence of a substance use disorder. Secure withdrawal management and stabilization facilities must:

(a) Provide the following services:

(i) Assessment and treatment, provided by certified substance use disorder professionals or co-occurring disorder specialists;

(ii) Clinical stabilization services;

(iii) Acute or subacute detoxification services for intoxicated individuals; and

(iv) Discharge assistance provided by certified substance use disorder professionals or co-occurring disorder specialists, including facilitating transitions to appropriate voluntary or involuntary inpatient services or to less restrictive alternatives as appropriate for the individual;

(b) Include security measures sufficient to protect the patients, staff, and community; and

(c) Be licensed or certified as such by the department of health;

(53) "Social worker" means a person with a master's or further advanced degree from a social work educational program accredited and approved as provided in RCW 18.320.010;

(54) <u>"State facility" means:</u>

(a) The center for behavioral health and learning located on the University of Washington medical center northwest campus; and

(b) Facilities owned or operated by the department of social and health services that are not state hospitals that provide inpatient services to individuals under this chapter;

(55) "State hospital" means a hospital designated under RCW 72.23.020;

(56) "Substance use disorder" means a cluster of cognitive, behavioral, and physiological symptoms indicating that an individual continues using the substance despite significant substance-related problems. The diagnosis of a substance use disorder is based on a pathological pattern of behaviors related to the use of the substances;

(((55))) (57) "Substance use disorder professional" means a person certified as a substance use disorder professional by the department of health under chapter 18.205 RCW;

 $((\frac{56}{5}))$ (58) "Therapeutic court personnel" means the staff of a mental health court or other therapeutic court which has jurisdiction over defendants who are dually diagnosed with mental disorders, including court personnel, probation officers, a court monitor, prosecuting attorney, or defense counsel acting within the scope of therapeutic court duties;

(((57))) (59) "Treatment records" include registration and all other records concerning persons who are receiving or who at any time have received services for behavioral health disorders, which are maintained by the department of social and health services, the department, the authority, behavioral health administrative services organizations and their staffs, managed care organizations and their staffs, and by treatment facilities. Treatment records include mental health drugs, a mental health diagnosis, provider name, and dates of service stemming from a medical service. Treatment records do not include notes or records maintained for personal use by a person providing

treatment services for the department of social and health services, the department, the authority, behavioral health administrative services organizations, managed care organizations, or a treatment facility if the notes or records are not available to others;

((((58))) (60) "Tribe" has the same meaning as in RCW 71.24.025;

(((59))) (61) "Video," unless the context clearly indicates otherwise, means the delivery of behavioral health services through the use of interactive audio and video technology, permitting real-time communication between a person and a designated crisis responder, for the purpose of evaluation. "Video" does not include the use of audio-only telephone, facsimile, email, or store and forward technology. "Store and forward technology" means use of an asynchronous transmission of a person's medical information from a mental health service provider to the designated crisis responder which results in medical diagnosis, consultation, or treatment;

(((60))) (62) "Violent act" means behavior that resulted in homicide, attempted suicide, injury, or substantial loss or damage to property.

Sec. 2. RCW 71.05.020 and 2024 c 371 s 18, 2024 c 209 s 6, and 2024 c 62 s 19 are each reenacted and amended to read as follows:

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

(1) "23-hour crisis relief center" has the same meaning as under RCW 71.24.025;

(2) "Admission" or "admit" means a decision by a physician, physician assistant, or psychiatric advanced registered nurse practitioner that a person should be examined or treated as a patient in a hospital;

(3) "Alcoholism" means a disease, characterized by a dependency on alcoholic beverages, loss of control over the amount and circumstances of use, symptoms of tolerance, physiological or psychological withdrawal, or both, if use is reduced or discontinued, and impairment of health or disruption of social or economic functioning;

(4) "Antipsychotic medications" means that class of drugs primarily used to treat serious manifestations of mental illness associated with thought disorders, which includes, but is not limited to atypical antipsychotic medications;

(5) "Approved substance use disorder treatment program" means a program for persons with a substance use disorder provided by a treatment program certified by the department as meeting standards adopted under chapter 71.24 RCW;

(6) "Attending staff" means any person on the staff of a public or private agency having responsibility for the care and treatment of a patient;

(7) "Authority" means the Washington state health care authority;

(8) "Behavioral health disorder" means either a mental disorder as defined in this section, a substance use disorder as defined in this section, or a cooccurring mental disorder and substance use disorder;

(9) "Behavioral health service provider" means a public or private agency that provides mental health, substance use disorder, or co-occurring disorder services to persons with behavioral health disorders as defined under this section and receives funding from public sources. This includes, but is not limited to: Hospitals licensed under chapter 70.41 RCW; evaluation and treatment facilities as defined in this section; community mental health service delivery systems or

community behavioral health programs as defined in RCW 71.24.025; licensed or certified behavioral health agencies under RCW 71.24.037; an entity with a tribal attestation that it meets minimum standards or a licensed or certified behavioral health agency as defined in RCW 71.24.025; facilities conducting competency evaluations and restoration under chapter 10.77 RCW; approved substance use disorder treatment programs as defined in this section; secure withdrawal management and stabilization facilities as defined in this section; and correctional facilities operated by state, local, and tribal governments;

(10) "Co-occurring disorder specialist" means an individual possessing an enhancement granted by the department of health under chapter 18.205 RCW that certifies the individual to provide substance use disorder counseling subject to the practice limitations under RCW 18.205.105;

(11) "Commitment" means the determination by a court that a person should be detained for a period of either evaluation or treatment, or both, in an inpatient or a less restrictive setting;

(12) "Community behavioral health agency" has the same meaning as "licensed or certified behavioral health agency" defined in RCW 71.24.025;

(13) "Conditional release" means a revocable modification of a commitment, which may be revoked upon violation of any of its terms;

(14) "Crisis stabilization unit" means a short-term facility or a portion of a facility licensed or certified by the department, such as an evaluation and treatment facility or a hospital, which has been designed to assess, diagnose, and treat individuals experiencing an acute crisis without the use of long-term hospitalization, or to determine the need for involuntary commitment of an individual;

(15) "Custody" means involuntary detention under the provisions of this chapter or chapter 10.77 RCW, uninterrupted by any period of unconditional release from commitment from a facility providing involuntary care and treatment;

(16) "Department" means the department of health;

(17) "Designated crisis responder" means a mental health professional appointed by the county, by an entity appointed by the county, or by the authority in consultation with a tribe or after meeting and conferring with an Indian health care provider, to perform the duties specified in this chapter;

(18) "Detention" or "detain" means the lawful confinement of a person, under the provisions of this chapter;

(19) "Developmental disabilities professional" means a person who has specialized training and three years of experience in directly treating or working with persons with developmental disabilities and is a psychiatrist, physician assistant working with a psychiatrist who is acting as a participating physician as defined in RCW 18.71A.010, psychologist, psychiatric advanced registered nurse practitioner, or social worker, and such other developmental disabilities professionals as may be defined by rules adopted by the secretary of the department of social and health services;

(20) "Developmental disability" means that condition defined in RCW 71A.10.020(6);

(21) "Director" means the director of the authority;

(22) "Discharge" means the termination of hospital medical authority. The commitment may remain in place, be terminated, or be amended by court order;

(23) "Drug addiction" means a disease, characterized by a dependency on psychoactive chemicals, loss of control over the amount and circumstances of use, symptoms of tolerance, physiological or psychological withdrawal, or both, if use is reduced or discontinued, and impairment of health or disruption of social or economic functioning;

(24) "Evaluation and treatment facility" means any facility which can provide directly, or by direct arrangement with other public or private agencies, emergency evaluation and treatment, outpatient care, and timely and appropriate inpatient care to persons suffering from a mental disorder, and which is licensed or certified as such by the department. The authority may certify single beds as temporary evaluation and treatment beds under RCW 71.05.745. A physically separate and separately operated portion of a state hospital may be designated as an evaluation and treatment facility. A facility which is part of, or operated by, the department of social and health services or any federal agency will not require certification. No correctional institution or facility, or jail, shall be an evaluation and treatment facility within the meaning of this chapter;

(25) "Gravely disabled" means a condition in which a person, as a result of a behavioral health disorder: (a) Is in danger of serious physical harm resulting from a failure to provide for his or her essential human needs of health or safety; or (b) manifests severe deterioration from safe behavior evidenced by repeated and escalating loss of cognitive or volitional control over his or her actions and is not receiving such care as is essential for his or her health or safety;

(26) "Habilitative services" means those services provided by program personnel to assist persons in acquiring and maintaining life skills and in raising their levels of physical, mental, social, and vocational functioning. Habilitative services include education, training for employment, and therapy. The habilitative process shall be undertaken with recognition of the risk to the public safety presented by the person being assisted as manifested by prior charged criminal conduct;

(27) "Hearing" means any proceeding conducted in open court that conforms to the requirements of RCW 71.05.820;

(28) "History of one or more violent acts" refers to the period of time ten years prior to the filing of a petition under this chapter, excluding any time spent, but not any violent acts committed, in a behavioral health facility, or in confinement as a result of a criminal conviction;

(29) "Imminent" means the state or condition of being likely to occur at any moment or near at hand, rather than distant or remote;

(30) "In need of assisted outpatient treatment" refers to a person who meets the criteria for assisted outpatient treatment established under RCW 71.05.148;

(31) "Individualized service plan" means a plan prepared by a developmental disabilities professional with other professionals as a team, for a person with developmental disabilities, which shall state:

(a) The nature of the person's specific problems, prior charged criminal behavior, and habilitation needs;

(b) The conditions and strategies necessary to achieve the purposes of habilitation;

(c) The intermediate and long-range goals of the habilitation program, with a projected timetable for the attainment;

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(d) The rationale for using this plan of habilitation to achieve those intermediate and long-range goals;

(e) The staff responsible for carrying out the plan;

(f) Where relevant in light of past criminal behavior and due consideration for public safety, the criteria for proposed movement to less-restrictive settings, criteria for proposed eventual discharge or release, and a projected possible date for discharge or release; and

(g) The type of residence immediately anticipated for the person and possible future types of residences;

(32) "Intoxicated person" means a person whose mental or physical functioning is substantially impaired as a result of the use of alcohol or other psychoactive chemicals;

(33) "Judicial commitment" means a commitment by a court pursuant to the provisions of this chapter;

(34) "Legal counsel" means attorneys and staff employed by county prosecutor offices or the state attorney general acting in their capacity as legal representatives of public behavioral health service providers under RCW 71.05.130;

(35) "Less restrictive alternative treatment" means a program of individualized treatment in a less restrictive setting than inpatient treatment that includes the services described in RCW 71.05.585. This term includes: Treatment pursuant to a less restrictive alternative treatment order under RCW 71.05.240 or 71.05.320; treatment pursuant to a conditional release under RCW 71.05.340; and treatment pursuant to an assisted outpatient treatment order under RCW 71.05.148;

(36) "Licensed physician" means a person licensed to practice medicine or osteopathic medicine and surgery in the state of Washington;

(37) "Likelihood of serious harm" means:

(a) A substantial risk that: (i) Physical harm will be inflicted by a person upon his or her own person, as evidenced by threats or attempts to commit suicide or inflict physical harm on oneself; (ii) physical harm will be inflicted by a person upon another, as evidenced by behavior which has caused harm, substantial pain, or which places another person or persons in reasonable fear of harm to themselves or others; or (iii) physical harm will be inflicted by a person upon the property of others, as evidenced by behavior which has caused substantial loss or damage to the property of others; or

(b) The person has threatened the physical safety of another and has a history of one or more violent acts;

(38) "Medical clearance" means a physician or other health care provider, including an Indian health care provider, has determined that a person is medically stable and ready for referral to the designated crisis responder or facility. For a person presenting in the community, no medical clearance is required prior to investigation by a designated crisis responder;

(39) "Mental disorder" means any organic, mental, or emotional impairment which has substantial adverse effects on a person's cognitive or volitional functions;

(40) "Mental health professional" means an individual practicing within the mental health professional's statutory scope of practice who is:

(a) A psychiatrist, psychologist, physician assistant working with a psychiatrist who is acting as a participating physician as defined in RCW 18.71A.010, psychiatric advanced registered nurse practitioner, psychiatric nurse, or social worker, as defined in this chapter and chapter 71.34 RCW;

(b) A mental health counselor, mental health counselor associate, marriage and family therapist, or marriage and family therapist associate, as defined in chapter 18.225 RCW;

(c) A certified or licensed agency affiliated counselor, as defined in chapter 18.19 RCW; or

(d) A licensed psychological associate as described in chapter 18.83 RCW;

(41) "Peace officer" means a law enforcement official of a public agency or governmental unit, and includes persons specifically given peace officer powers by any state law, local ordinance, or judicial order of appointment;

(42) "Physician assistant" means a person licensed as a physician assistant under chapter 18.71A RCW;

(43) "Private agency" means any person, partnership, corporation, or association that is not a public agency, whether or not financed in whole or in part by public funds, which constitutes an evaluation and treatment facility or private institution, or hospital, or approved substance use disorder treatment program, which is conducted for, or includes a department or ward conducted for, the care and treatment of persons with behavioral health disorders;

(44) "Professional person" means a mental health professional, substance use disorder professional, or designated crisis responder and shall also mean a physician, physician assistant, psychiatric advanced registered nurse practitioner, registered nurse, and such others as may be defined by rules adopted by the secretary pursuant to the provisions of this chapter;

(45) "Psychiatric advanced registered nurse practitioner" means a person who is licensed as an advanced registered nurse practitioner pursuant to chapter 18.79 RCW; and who is board certified in advanced practice psychiatric and mental health nursing;

(46) "Psychiatrist" means a person having a license as a physician and surgeon in this state who has in addition completed three years of graduate training in psychiatry in a program approved by the American medical association or the American osteopathic association and is certified or eligible to be certified by the American board of psychiatry and neurology;

(47) "Psychologist" means a person who has been licensed as a psychologist pursuant to chapter 18.83 RCW;

(48) "Public agency" means any evaluation and treatment facility or institution, secure withdrawal management and stabilization facility, approved substance use disorder treatment program, or hospital which is conducted for, or includes a department or ward conducted for, the care and treatment of persons with behavioral health disorders, if the agency is operated directly by federal, state, county, or municipal government, or a combination of such governments;

(49) "Release" means legal termination of the commitment under the provisions of this chapter;

(50) "Resource management services" has the meaning given in chapter 71.24 RCW;

(51) "Secretary" means the secretary of the department of health, or his or her designee;

(52) "Secure withdrawal management and stabilization facility" means a facility operated by either a public or private agency or by the program of an agency which provides care to voluntary individuals and individuals involuntarily detained and committed under this chapter for whom there is a likelihood of serious harm or who are gravely disabled due to the presence of a substance use disorder. Secure withdrawal management and stabilization facilities must:

(a) Provide the following services:

(i) Assessment and treatment, provided by certified substance use disorder professionals or co-occurring disorder specialists;

(ii) Clinical stabilization services;

(iii) Acute or subacute detoxification services for intoxicated individuals; and

(iv) Discharge assistance provided by certified substance use disorder professionals or co-occurring disorder specialists, including facilitating transitions to appropriate voluntary or involuntary inpatient services or to less restrictive alternatives as appropriate for the individual;

(b) Include security measures sufficient to protect the patients, staff, and community; and

(c) Be licensed or certified as such by the department of health;

(53) "Severe deterioration from safe behavior" means that a person will, if not treated, suffer or continue to suffer severe and abnormal mental, emotional, or physical distress, and this distress is associated with significant impairment of judgment, reason, or behavior;

(54) "Social worker" means a person with a master's or further advanced degree from a social work educational program accredited and approved as provided in RCW 18.320.010;

(55) <u>"State facility" means:</u>

(a) The center for behavioral health and learning located on the University of Washington medical center northwest campus; and

(b) Facilities owned or operated by the department of social and health services that are not state hospitals that provide inpatient services to individuals under this chapter;

(56) "State hospital" means a hospital designated under RCW 72.23.020;

(57) "Substance use disorder" means a cluster of cognitive, behavioral, and physiological symptoms indicating that an individual continues using the substance despite significant substance-related problems. The diagnosis of a substance use disorder is based on a pathological pattern of behaviors related to the use of the substances;

 $(((\frac{56}{56})))$ (58) "Substance use disorder professional" means a person certified as a substance use disorder professional by the department of health under chapter 18.205 RCW;

(((57))) (59) "Therapeutic court personnel" means the staff of a mental health court or other therapeutic court which has jurisdiction over defendants who are dually diagnosed with mental disorders, including court personnel, probation officers, a court monitor, prosecuting attorney, or defense counsel acting within the scope of therapeutic court duties;

 $((\frac{(58)}{5}))$ (60) "Treatment records" include registration and all other records concerning persons who are receiving or who at any time have received services

for behavioral health disorders, which are maintained by the department of social and health services, the department, the authority, behavioral health administrative services organizations and their staffs, managed care organizations and their staffs, and by treatment facilities. Treatment records include mental health information contained in a medical bill including but not limited to mental health drugs, a mental health diagnosis, provider name, and dates of service stemming from a medical service. Treatment records do not include notes or records maintained for personal use by a person providing treatment services for the department of social and health services, the department, the authority, behavioral health administrative services organizations, managed care organizations, or a treatment facility if the notes or records are not available to others;

(((59))) (<u>61)</u> "Tribe" has the same meaning as in RCW 71.24.025;

(((60))) (62) "Video," unless the context clearly indicates otherwise, means the delivery of behavioral health services through the use of interactive audio and video technology, permitting real-time communication between a person and a designated crisis responder, for the purpose of evaluation. "Video" does not include the use of audio-only telephone, facsimile, email, or store and forward technology. "Store and forward technology" means use of an asynchronous transmission of a person's medical information from a mental health service provider to the designated crisis responder which results in medical diagnosis, consultation, or treatment;

(((61))) (63) "Violent act" means behavior that resulted in homicide, attempted suicide, injury, or substantial loss or damage to property.

Sec. 3. RCW 71.05.110 and 2019 c 325 s 3005 are each amended to read as follows:

(1) The county where the person is detained shall administer appointed counsel under this chapter, regardless of the person's county of origin. Reimbursement for the costs of such representation is specified under RCW 71.05.730. The county shall provide counsel:

(a) Directly;

(b) By contracting for that representation; or

(c) When an individual is detained at a state facility, by submitting a request to the health care authority to contract for such counsel with the office of public defense on the county's behalf under chapter 2.70 RCW.

(2) The health care authority shall notify the county within 30 days of receiving notice from the office of public defense that appointed counsel cannot be provided by the office of public defense under subsection (1)(c) of this section. Upon such notice, the county shall provide appointed counsel pursuant to subsection (1)(a) or (b) of this section.

(3) Attorneys appointed for persons pursuant to this chapter shall be compensated for their services as follows: (((+))) (a) The person for whom an attorney is appointed shall, if he or she is financially able pursuant to standards as to financial capability and indigency set by the superior court of the county in which the proceeding is held, bear the costs of such legal services; ((((+)))) (b) if such person is indigent pursuant to such standards, the behavioral health administrative services organization shall reimburse the county in which the proceeding is held for the direct costs of such legal services except when the

office of public defense is providing counsel under subsection (1)(c) of this section, as provided in RCW 71.05.730.

(4) This section supersedes any local ordinance, charter, or rule.

Sec. 4. RCW 71.05.130 and 2015 c 258 s 4 are each amended to read as follows:

In any judicial proceeding for involuntary commitment or detention except under RCW 71.05.201, or in any proceeding challenging involuntary commitment or detention, the prosecuting attorney for the county in which the proceeding was initiated shall represent the individuals or agencies petitioning for commitment or detention and shall defend all challenges to such commitment or detention, except that the attorney general shall represent and provide legal services and advice to state hospitals ((or institutions)) and state <u>facilities</u> with regard to all provisions of and proceedings under this chapter other than proceedings initiated by such hospitals and ((institutions)) <u>facilities</u> seeking ((fourteen day)) <u>14-day</u> detention.

Sec. 5. RCW 71.05.730 and 2024 c 209 s 28 are each amended to read as follows:

(1) A county may apply to its behavioral health administrative services organization on a quarterly basis for reimbursement of its direct costs in providing judicial services for civil commitment cases under this chapter and chapter 71.34 RCW. A tribe may apply to the authority on a quarterly basis for reimbursement of its direct costs in providing judicial services for civil commitment cases under this chapter and chapter 71.34 RCW. The behavioral health administrative services organization shall in turn be entitled to reimbursement from the behavioral health administrative services of the individual who is the subject of the civil commitment case.

(2) Reimbursement for judicial services shall be provided per civil commitment case at a rate to be determined based on an independent assessment of the county's or tribe's actual direct costs. This assessment must be based on an average of the expenditures for judicial services within the county or tribe over the past three years. In the event that a baseline cannot be established because there is no significant history of similar cases within the county or tribe, the reimbursement rate shall be equal to 80 percent of the median reimbursement rate of counties or tribes, if applicable included in the independent assessment.

(3) For the purposes of this section:

(a) "Civil commitment case" includes all judicial hearings related to a single episode of hospitalization or less restrictive alternative treatment, except that the filing of a petition for a one hundred eighty-day commitment under this chapter or a petition for a successive 180-day commitment under chapter 71.34 RCW shall be considered to be a new case regardless of whether there has been a break in detention. "Civil commitment case" does not include the filing of a petition for a 180-day commitment under this chapter on behalf of a patient at a state ((psychiatrie)) hospital.

(b) "Judicial services" means a county's or tribe's reasonable direct costs in providing prosecutor services, assigned counsel and defense services, court services, and court clerk services for civil commitment cases under this chapter and chapter 71.34 RCW.

(4) In the case where a county has requested that the health care authority contract for public defense services on the county's behalf under RCW 71.05.110, the authority shall reduce the funding provided to the county's behavioral health administrative services organization equivalent to the authority's expense in contracting with the office of public defense for that representation. The county's behavioral health administrative services organization may still seek reimbursement from the behavioral health administrative services of the individual who is the subject of the civil commitment case under subsection (1) of this section.

(5) To the extent that resources have a shared purpose, the behavioral health administrative services organization may only reimburse counties to the extent such resources are necessary for and devoted to judicial services as described in this section. To the extent that resources have a shared purpose, the authority may only reimburse tribes to the extent the resources are necessary for and devoted to judicial services as described in this section.

(((5))) (6) No filing fee may be charged or collected for any civil commitment case subject to reimbursement under this section.

Sec. 6. RCW 71.34.020 and 2024 c 367 s 3 and 2024 c 209 s 7 are each reenacted and amended to read as follows:

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

(1) "23-hour crisis relief center" has the same meaning as provided in RCW 71.24.025.

(2) "Admission" or "admit" means a decision by a physician, physician assistant, or psychiatric advanced registered nurse practitioner that a minor should be examined or treated as a patient in a hospital.

(3) "Adolescent" means a minor thirteen years of age or older.

(4) "Alcoholism" means a disease, characterized by a dependency on alcoholic beverages, loss of control over the amount and circumstances of use, symptoms of tolerance, physiological or psychological withdrawal, or both, if use is reduced or discontinued, and impairment of health or disruption of social or economic functioning.

(5) "Antipsychotic medications" means that class of drugs primarily used to treat serious manifestations of mental illness associated with thought disorders, which includes, but is not limited to, atypical antipsychotic medications.

(6) "Approved substance use disorder treatment program" means a program for minors with substance use disorders provided by a treatment program licensed or certified by the department of health as meeting standards adopted under chapter 71.24 RCW.

(7) "Attending staff" means any person on the staff of a public or private agency having responsibility for the care and treatment of a minor patient.

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

(9) "Behavioral health administrative services organization" has the same meaning as provided in RCW 71.24.025.

(10) "Behavioral health disorder" means either a mental disorder as defined in this section, a substance use disorder as defined in this section, or a cooccurring mental disorder and substance use disorder. (11) "Child psychiatrist" means a person having a license as a physician and surgeon in this state, who has had graduate training in child psychiatry in a program approved by the American Medical Association or the American Osteopathic Association, and who is board eligible or board certified in child psychiatry.

(12) "Children's mental health specialist" means:

(a) A mental health professional who has completed a minimum of one hundred actual hours, not quarter or semester hours, of specialized training devoted to the study of child development and the treatment of children; and

(b) A mental health professional who has the equivalent of one year of fulltime experience in the treatment of children under the supervision of a children's mental health specialist.

(13) "Commitment" means a determination by a judge or court commissioner, made after a commitment hearing, that the minor is in need of inpatient diagnosis, evaluation, or treatment or that the minor is in need of less restrictive alternative treatment.

(14) "Conditional release" means a revocable modification of a commitment, which may be revoked upon violation of any of its terms.

(15) "Co-occurring disorder specialist" means an individual possessing an enhancement granted by the department of health under chapter 18.205 RCW that certifies the individual to provide substance use disorder counseling subject to the practice limitations under RCW 18.205.105.

(16) "Crisis stabilization unit" means a short-term facility or a portion of a facility licensed or certified by the department of health under RCW 71.24.035, such as a residential treatment facility or a hospital, which has been designed to assess, diagnose, and treat individuals experiencing an acute crisis without the use of long-term hospitalization, or to determine the need for involuntary commitment of an individual.

(17) "Custody" means involuntary detention under the provisions of this chapter or chapter 10.77 RCW, uninterrupted by any period of unconditional release from commitment from a facility providing involuntary care and treatment.

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

(19) "Designated crisis responder" has the same meaning as provided in RCW 71.05.020.

(20) "Detention" or "detain" means the lawful confinement of a person, under the provisions of this chapter.

(21) "Developmental disabilities professional" means a person who has specialized training and three years of experience in directly treating or working with persons with developmental disabilities and is a psychiatrist, physician assistant working with a supervising psychiatrist, psychologist, psychiatric advanced registered nurse practitioner, or social worker, and such other developmental disabilities professionals as may be defined by rules adopted by the secretary of the department.

(22) "Developmental disability" has the same meaning as defined in RCW 71A.10.020.

(23) "Director" means the director of the authority.

(24) "Discharge" means the termination of hospital medical authority. The commitment may remain in place, be terminated, or be amended by court order.

(25) "Evaluation and treatment facility" means a public or private facility or unit that is licensed or certified by the department of health to provide emergency, inpatient, residential, or outpatient mental health evaluation and treatment services for minors. A physically separate and separately operated portion of a state hospital may be designated as an evaluation and treatment facility for minors. A facility which is part of or operated by the state or federal agency does not require licensure or certification. No correctional institution or facility, juvenile court detention facility, or jail may be an evaluation and treatment facility within the meaning of this chapter.

(26) "Evaluation and treatment program" means the total system of services and facilities coordinated and approved by a county or combination of counties for the evaluation and treatment of minors under this chapter.

(27) "Gravely disabled minor" means a minor who, as a result of a behavioral health disorder, (a) is in danger of serious physical harm resulting from a failure to provide for his or her essential human needs of health or safety, or (b) manifests severe deterioration in routine functioning evidenced by repeated and escalating loss of cognitive or volitional control over his or her actions and is not receiving such care as is essential for his or her health or safety.

(28) "Habilitative services" means those services provided by program personnel to assist minors in acquiring and maintaining life skills and in raising their levels of physical, behavioral, social, and vocational functioning. Habilitative services include education, training for employment, and therapy.

(29) "Hearing" means any proceeding conducted in open court that conforms to the requirements of RCW 71.34.910.

(30) "History of one or more violent acts" refers to the period of time five years prior to the filing of a petition under this chapter, excluding any time spent, but not any violent acts committed, in a mental health facility, a long-term substance use disorder treatment facility, or in confinement as a result of a criminal conviction.

(31) "Individualized service plan" means a plan prepared by a developmental disabilities professional with other professionals as a team, for a person with developmental disabilities, which states:

(a) The nature of the person's specific problems, prior charged criminal behavior, and habilitation needs;

(b) The conditions and strategies necessary to achieve the purposes of habilitation;

(c) The intermediate and long-range goals of the habilitation program, with a projected timetable for the attainment;

(d) The rationale for using this plan of habilitation to achieve those intermediate and long-range goals;

(e) The staff responsible for carrying out the plan;

(f) Where relevant in light of past criminal behavior and due consideration for public safety, the criteria for proposed movement to less-restrictive settings, criteria for proposed eventual discharge or release, and a projected possible date for discharge or release; and

(g) The type of residence immediately anticipated for the person and possible future types of residences.

(32)(a) "Inpatient treatment" means twenty-four-hour-per-day mental health care provided within a general hospital, psychiatric hospital, residential treatment facility licensed or certified by the department of health as an evaluation and treatment facility for minors, secure withdrawal management and stabilization facility for minors, or approved substance use disorder treatment program for minors.

(b) For purposes of family-initiated treatment under RCW 71.34.600 through 71.34.670, "inpatient treatment" has the meaning included in (a) of this subsection and any other residential treatment facility licensed under chapter 71.12 RCW.

(33) "Intoxicated minor" means a minor whose mental or physical functioning is substantially impaired as a result of the use of alcohol or other psychoactive chemicals.

(34) "Judicial commitment" means a commitment by a court pursuant to the provisions of this chapter.

(35) "Kinship caregiver" has the same meaning as in RCW $74.13.031((\frac{(22)(a)}{2}))$.

(36) "Legal counsel" means attorneys and staff employed by county prosecutor offices or the state attorney general acting in their capacity as legal representatives of public behavioral health service providers under RCW 71.05.130.

(37) "Less restrictive alternative" or "less restrictive setting" means outpatient treatment provided to a minor as a program of individualized treatment in a less restrictive setting than inpatient treatment that includes the services described in RCW 71.34.755, including residential treatment.

(38) "Licensed physician" means a person licensed to practice medicine or osteopathic medicine and surgery in the state of Washington.

(39) "Likelihood of serious harm" means:

(a) A substantial risk that: (i) Physical harm will be inflicted by a minor upon his or her own person, as evidenced by threats or attempts to commit suicide or inflict physical harm on oneself; (ii) physical harm will be inflicted by a minor upon another individual, as evidenced by behavior which has caused such harm or which places another person or persons in reasonable fear of sustaining such harm; or (iii) physical harm will be inflicted by a minor upon the property of others, as evidenced by behavior which has caused substantial loss or damage to the property of others; or

(b) The minor has threatened the physical safety of another and has a history of one or more violent acts.

(40) "Managed care organization" has the same meaning as provided in RCW 71.24.025.

(41) "Medical clearance" means a physician or other health care provider, including an Indian health care provider, has determined that a person is medically stable and ready for referral to the designated crisis responder or facility. For a person presenting in the community, no medical clearance is required prior to investigation by a designated crisis responder.

(42) "Medical necessity" for inpatient care means a requested service which is reasonably calculated to: (a) Diagnose, correct, cure, or alleviate a mental disorder or substance use disorder; or (b) prevent the progression of a mental disorder or substance use disorder that endangers life or causes suffering and pain, or results in illness or infirmity or threatens to cause or aggravate a disability, or causes physical deformity or malfunction, and there is no adequate less restrictive alternative available.

(43) "Mental disorder" means any organic, mental, or emotional impairment that has substantial adverse effects on an individual's cognitive or volitional functions. The presence of alcohol abuse, drug abuse, juvenile criminal history, antisocial behavior, or intellectual disabilities alone is insufficient to justify a finding of "mental disorder" within the meaning of this section.

(44) "Mental health professional" has the same meaning as provided in RCW 71.05.020.

(45) "Minor" means any person under the age of eighteen years.

(46) "Outpatient treatment" means any of the nonresidential services mandated under chapter 71.24 RCW and provided by licensed or certified behavioral health agencies as identified by RCW 71.24.025.

(47)(a) "Parent" has the same meaning as defined in RCW 26.26A.010, including either parent if custody is shared under a joint custody agreement, or a person or agency judicially appointed as legal guardian or custodian of the child.

(b) For purposes of family-initiated treatment under RCW 71.34.600 through 71.34.670, "parent" also includes a person to whom a parent defined in (a) of this subsection has given a signed authorization to make health care decisions for the adolescent, a stepparent who is involved in caring for the adolescent, or another relative who is responsible for the health care of the adolescent, who may be required to provide a declaration under penalty of perjury stating that he or she is a relative responsible for the health care of the adolescent pursuant to chapter 5.50 RCW. If a dispute arises between individuals authorized to act as a parent for the purpose of RCW 71.34.600 through 71.34.670, the disagreement must be resolved according to the priority established under RCW 7.70.065(2)(a).

(48) "Peace officer" means a law enforcement official of a public agency or governmental unit, and includes persons specifically given peace officer powers by any state law, local ordinance, or judicial order of appointment.

(49) "Physician assistant" means a person licensed as a physician assistant under chapter 18.71A RCW.

(50) "Private agency" means any person, partnership, corporation, or association that is not a public agency, whether or not financed in whole or in part by public funds, that constitutes an evaluation and treatment facility or private institution, or hospital, or approved substance use disorder treatment program, that is conducted for, or includes a distinct unit, floor, or ward conducted for, the care and treatment of persons with mental illness, substance use disorders, or both mental illness and substance use disorders.

(51) "Professional person in charge" or "professional person" means a physician, other mental health professional, or other person empowered by an evaluation and treatment facility, secure withdrawal management and stabilization facility, or approved substance use disorder treatment program with authority to make admission and discharge decisions on behalf of that facility.

(52) "Psychiatric nurse" means a registered nurse who has experience in the direct treatment of persons who have a mental illness or who are emotionally

disturbed, such experience gained under the supervision of a mental health professional.

(53) "Psychiatrist" means a person having a license as a physician in this state who has completed residency training in psychiatry in a program approved by the American Medical Association or the American Osteopathic Association, and is board eligible or board certified in psychiatry.

(54) "Psychologist" means a person licensed as a psychologist under chapter 18.83 RCW.

(55) "Public agency" means any evaluation and treatment facility or institution, or hospital, or approved substance use disorder treatment program that is conducted for, or includes a distinct unit, floor, or ward conducted for, the care and treatment of persons with mental illness, substance use disorders, or both mental illness and substance use disorders if the agency is operated directly by federal, state, county, or municipal government, or a combination of such governments.

(56) "Release" means legal termination of the commitment under the provisions of this chapter.

(57) "Resource management services" has the meaning given in chapter 71.24 RCW.

(58) "Responsible other" means the minor, the minor's parent or estate, or any other person legally responsible for support of the minor.

(59) "Secretary" means the secretary of the department or secretary's designee.

(60) "Secure withdrawal management and stabilization facility" means a facility operated by either a public or private agency or by the program of an agency which provides care to voluntary individuals and individuals involuntarily detained and committed under this chapter for whom there is a likelihood of serious harm or who are gravely disabled due to the presence of a substance use disorder. Secure withdrawal management and stabilization facilities must:

(a) Provide the following services:

(i) Assessment and treatment, provided by certified substance use disorder professionals or co-occurring disorder specialists;

(ii) Clinical stabilization services;

(iii) Acute or subacute detoxification services for intoxicated individuals; and

(iv) Discharge assistance provided by certified substance use disorder professionals or co-occurring disorder specialists, including facilitating transitions to appropriate voluntary or involuntary inpatient services or to less restrictive alternatives as appropriate for the individual;

(b) Include security measures sufficient to protect the patients, staff, and community; and

(c) Be licensed or certified as such by the department of health.

(61) "Social worker" means a person with a master's or further advanced degree from a social work educational program accredited and approved as provided in RCW 18.320.010.

(62) "Start of initial detention" means the time of arrival of the minor at the first evaluation and treatment facility, secure withdrawal management and stabilization facility, or approved substance use disorder treatment program

offering inpatient treatment if the minor is being involuntarily detained at the time. With regard to voluntary patients, "start of initial detention" means the time at which the minor gives notice of intent to leave under the provisions of this chapter.

(63) "State hospital" means a hospital designated under RCW 72.23.020.

(64) "Store and forward technology" means use of an asynchronous transmission of a person's medical information from a mental health service provider to the designated crisis responder which results in medical diagnosis, consultation, or treatment.

(((64))) (65) "Substance use disorder" means a cluster of cognitive, behavioral, and physiological symptoms indicating that an individual continues using the substance despite significant substance-related problems. The diagnosis of a substance use disorder is based on a pathological pattern of behaviors related to the use of the substances.

(((65))) (66) "Substance use disorder professional" means a person certified as a substance use disorder professional by the department of health under chapter 18.205 RCW.

(((66))) (67) "Therapeutic court personnel" means the staff of a mental health court or other therapeutic court which has jurisdiction over defendants who are dually diagnosed with mental disorders, including court personnel, probation officers, a court monitor, prosecuting attorney, or defense counsel acting within the scope of therapeutic court duties.

((((67)))) (<u>68</u>) "Treatment records" include registration and all other records concerning persons who are receiving or who at any time have received services for mental illness, which are maintained by the department, the department of health, the authority, behavioral health organizations and their staffs, and by treatment facilities. Treatment records include mental health information contained in a medical bill including but not limited to mental health drugs, a mental health diagnosis, provider name, and dates of service stemming from a medical service. Treatment records do not include notes or records maintained for personal use by a person providing treatment services for the department, the department of health, the authority, behavioral health organizations, or a treatment facility if the notes or records are not available to others.

((((68)))) (<u>(69)</u> "Tribe" has the same meaning as in RCW 71.24.025.

(((69))) (70) "Video" means the delivery of behavioral health services through the use of interactive audio and video technology, permitting real-time communication between a person and a designated crisis responder, for the purpose of evaluation. "Video" does not include the use of audio-only telephone, facsimile, email, or store and forward technology.

(((70))) (71) "Violent act" means behavior that resulted in homicide, attempted suicide, injury, or substantial loss or damage to property.

Sec. 7. RCW 71.34.020 and 2024 c 367 s 4 and 2024 c 209 s 8 are each reenacted and amended to read as follows:

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

(1) "23-hour crisis relief center" has the same meaning as provided in RCW 71.24.025.

(2) "Admission" or "admit" means a decision by a physician, physician assistant, or psychiatric advanced registered nurse practitioner that a minor should be examined or treated as a patient in a hospital.

(3) "Adolescent" means a minor thirteen years of age or older.

(4) "Alcoholism" means a disease, characterized by a dependency on alcoholic beverages, loss of control over the amount and circumstances of use, symptoms of tolerance, physiological or psychological withdrawal, or both, if use is reduced or discontinued, and impairment of health or disruption of social or economic functioning.

(5) "Antipsychotic medications" means that class of drugs primarily used to treat serious manifestations of mental illness associated with thought disorders, which includes, but is not limited to, atypical antipsychotic medications.

(6) "Approved substance use disorder treatment program" means a program for minors with substance use disorders provided by a treatment program licensed or certified by the department of health as meeting standards adopted under chapter 71.24 RCW.

(7) "Attending staff" means any person on the staff of a public or private agency having responsibility for the care and treatment of a minor patient.

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

(9) "Behavioral health administrative services organization" has the same meaning as provided in RCW 71.24.025.

(10) "Behavioral health disorder" means either a mental disorder as defined in this section, a substance use disorder as defined in this section, or a cooccurring mental disorder and substance use disorder.

(11) "Child psychiatrist" means a person having a license as a physician and surgeon in this state, who has had graduate training in child psychiatry in a program approved by the American Medical Association or the American Osteopathic Association, and who is board eligible or board certified in child psychiatry.

(12) "Children's mental health specialist" means:

(a) A mental health professional who has completed a minimum of one hundred actual hours, not quarter or semester hours, of specialized training devoted to the study of child development and the treatment of children; and

(b) A mental health professional who has the equivalent of one year of fulltime experience in the treatment of children under the supervision of a children's mental health specialist.

(13) "Commitment" means a determination by a judge or court commissioner, made after a commitment hearing, that the minor is in need of inpatient diagnosis, evaluation, or treatment or that the minor is in need of less restrictive alternative treatment.

(14) "Conditional release" means a revocable modification of a commitment, which may be revoked upon violation of any of its terms.

(15) "Co-occurring disorder specialist" means an individual possessing an enhancement granted by the department of health under chapter 18.205 RCW that certifies the individual to provide substance use disorder counseling subject to the practice limitations under RCW 18.205.105.

(16) "Crisis stabilization unit" means a short-term facility or a portion of a facility licensed or certified by the department of health under RCW 71.24.035, such as a residential treatment facility or a hospital, which has been designed to

assess, diagnose, and treat individuals experiencing an acute crisis without the use of long-term hospitalization, or to determine the need for involuntary commitment of an individual.

(17) "Custody" means involuntary detention under the provisions of this chapter or chapter 10.77 RCW, uninterrupted by any period of unconditional release from commitment from a facility providing involuntary care and treatment.

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

(19) "Designated crisis responder" has the same meaning as provided in RCW 71.05.020.

(20) "Detention" or "detain" means the lawful confinement of a person, under the provisions of this chapter.

(21) "Developmental disabilities professional" means a person who has specialized training and three years of experience in directly treating or working with persons with developmental disabilities and is a psychiatrist, physician assistant working with a supervising psychiatrist, psychologist, psychiatric advanced registered nurse practitioner, or social worker, and such other developmental disabilities professionals as may be defined by rules adopted by the secretary of the department.

(22) "Developmental disability" has the same meaning as defined in RCW 71A.10.020.

(23) "Director" means the director of the authority.

(24) "Discharge" means the termination of hospital medical authority. The commitment may remain in place, be terminated, or be amended by court order.

(25) "Evaluation and treatment facility" means a public or private facility or unit that is licensed or certified by the department of health to provide emergency, inpatient, residential, or outpatient mental health evaluation and treatment services for minors. A physically separate and separately operated portion of a state hospital may be designated as an evaluation and treatment facility for minors. A facility which is part of or operated by the state or federal agency does not require licensure or certification. No correctional institution or facility, juvenile court detention facility, or jail may be an evaluation and treatment facility within the meaning of this chapter.

(26) "Evaluation and treatment program" means the total system of services and facilities coordinated and approved by a county or combination of counties for the evaluation and treatment of minors under this chapter.

(27) "Gravely disabled minor" means a minor who, as a result of a behavioral health disorder, (a) is in danger of serious physical harm resulting from a failure to provide for his or her essential human needs of health or safety, or (b) manifests severe deterioration from safe behavior evidenced by repeated and escalating loss of cognitive or volitional control over his or her actions and is not receiving such care as is essential for his or her health or safety.

(28) "Habilitative services" means those services provided by program personnel to assist minors in acquiring and maintaining life skills and in raising their levels of physical, behavioral, social, and vocational functioning. Habilitative services include education, training for employment, and therapy.

(29) "Hearing" means any proceeding conducted in open court that conforms to the requirements of RCW 71.34.910.

(30) "History of one or more violent acts" refers to the period of time five years prior to the filing of a petition under this chapter, excluding any time spent, but not any violent acts committed, in a mental health facility, a long-term substance use disorder treatment facility, or in confinement as a result of a criminal conviction.

(31) "Individualized service plan" means a plan prepared by a developmental disabilities professional with other professionals as a team, for a person with developmental disabilities, which states:

(a) The nature of the person's specific problems, prior charged criminal behavior, and habilitation needs;

(b) The conditions and strategies necessary to achieve the purposes of habilitation;

(c) The intermediate and long-range goals of the habilitation program, with a projected timetable for the attainment;

(d) The rationale for using this plan of habilitation to achieve those intermediate and long-range goals;

(e) The staff responsible for carrying out the plan;

(f) Where relevant in light of past criminal behavior and due consideration for public safety, the criteria for proposed movement to less-restrictive settings, criteria for proposed eventual discharge or release, and a projected possible date for discharge or release; and

(g) The type of residence immediately anticipated for the person and possible future types of residences.

(32)(a) "Inpatient treatment" means twenty-four-hour-per-day mental health care provided within a general hospital, psychiatric hospital, residential treatment facility licensed or certified by the department of health as an evaluation and treatment facility for minors, secure withdrawal management and stabilization facility for minors, or approved substance use disorder treatment program for minors.

(b) For purposes of family-initiated treatment under RCW 71.34.600 through 71.34.670, "inpatient treatment" has the meaning included in (a) of this subsection and any other residential treatment facility licensed under chapter 71.12 RCW.

(33) "Intoxicated minor" means a minor whose mental or physical functioning is substantially impaired as a result of the use of alcohol or other psychoactive chemicals.

(34) "Judicial commitment" means a commitment by a court pursuant to the provisions of this chapter.

(35) "Kinship caregiver" has the same meaning as in RCW $74.13.031((\frac{(22)(a)}{2}))$.

(36) "Legal counsel" means attorneys and staff employed by county prosecutor offices or the state attorney general acting in their capacity as legal representatives of public behavioral health service providers under RCW 71.05.130.

(37) "Less restrictive alternative" or "less restrictive setting" means outpatient treatment provided to a minor as a program of individualized treatment in a less restrictive setting than inpatient treatment that includes the services described in RCW 71.34.755, including residential treatment.

(38) "Licensed physician" means a person licensed to practice medicine or osteopathic medicine and surgery in the state of Washington.

(39) "Likelihood of serious harm" means:

(a) A substantial risk that: (i) Physical harm will be inflicted by a minor upon his or her own person, as evidenced by threats or attempts to commit suicide or inflict physical harm on oneself; (ii) physical harm will be inflicted by a minor upon another individual, as evidenced by behavior which has caused harm, substantial pain, or which places another person or persons in reasonable fear of harm to themselves or others; or (iii) physical harm will be inflicted by a minor upon the property of others, as evidenced by behavior which has caused substantial loss or damage to the property of others; or

(b) The minor has threatened the physical safety of another and has a history of one or more violent acts.

(40) "Managed care organization" has the same meaning as provided in RCW 71.24.025.

(41) "Medical clearance" means a physician or other health care provider, including an Indian health care provider, has determined that a person is medically stable and ready for referral to the designated crisis responder or facility. For a person presenting in the community, no medical clearance is required prior to investigation by a designated crisis responder.

(42) "Medical necessity" for inpatient care means a requested service which is reasonably calculated to: (a) Diagnose, correct, cure, or alleviate a mental disorder or substance use disorder; or (b) prevent the progression of a mental disorder or substance use disorder that endangers life or causes suffering and pain, or results in illness or infirmity or threatens to cause or aggravate a disability, or causes physical deformity or malfunction, and there is no adequate less restrictive alternative available.

(43) "Mental disorder" means any organic, mental, or emotional impairment that has substantial adverse effects on an individual's cognitive or volitional functions. The presence of alcohol abuse, drug abuse, juvenile criminal history, antisocial behavior, or intellectual disabilities alone is insufficient to justify a finding of "mental disorder" within the meaning of this section.

(44) "Mental health professional" has the same meaning as provided in RCW 71.05.020.

(45) "Minor" means any person under the age of eighteen years.

(46) "Outpatient treatment" means any of the nonresidential services mandated under chapter 71.24 RCW and provided by licensed or certified behavioral health agencies as identified by RCW 71.24.025.

(47)(a) "Parent" has the same meaning as defined in RCW 26.26A.010, including either parent if custody is shared under a joint custody agreement, or a person or agency judicially appointed as legal guardian or custodian of the child.

(b) For purposes of family-initiated treatment under RCW 71.34.600 through 71.34.670, "parent" also includes a person to whom a parent defined in (a) of this subsection has given a signed authorization to make health care decisions for the adolescent, a stepparent who is involved in caring for the adolescent, or another relative who is responsible for the health care of the adolescent, who may be required to provide a declaration under penalty of perjury stating that he or she is a relative responsible for the health care of the adolescent pursuant to

chapter 5.50 RCW. If a dispute arises between individuals authorized to act as a parent for the purpose of RCW 71.34.600 through 71.34.670, the disagreement must be resolved according to the priority established under RCW 7.70.065(2)(a).

(48) "Peace officer" means a law enforcement official of a public agency or governmental unit, and includes persons specifically given peace officer powers by any state law, local ordinance, or judicial order of appointment.

(49) "Physician assistant" means a person licensed as a physician assistant under chapter 18.71A RCW.

(50) "Private agency" means any person, partnership, corporation, or association that is not a public agency, whether or not financed in whole or in part by public funds, that constitutes an evaluation and treatment facility or private institution, or hospital, or approved substance use disorder treatment program, that is conducted for, or includes a distinct unit, floor, or ward conducted for, the care and treatment of persons with mental illness, substance use disorders, or both mental illness and substance use disorders.

(51) "Professional person in charge" or "professional person" means a physician, other mental health professional, or other person empowered by an evaluation and treatment facility, secure withdrawal management and stabilization facility, or approved substance use disorder treatment program with authority to make admission and discharge decisions on behalf of that facility.

(52) "Psychiatric nurse" means a registered nurse who has experience in the direct treatment of persons who have a mental illness or who are emotionally disturbed, such experience gained under the supervision of a mental health professional.

(53) "Psychiatrist" means a person having a license as a physician in this state who has completed residency training in psychiatry in a program approved by the American Medical Association or the American Osteopathic Association, and is board eligible or board certified in psychiatry.

(54) "Psychologist" means a person licensed as a psychologist under chapter 18.83 RCW.

(55) "Public agency" means any evaluation and treatment facility or institution, or hospital, or approved substance use disorder treatment program that is conducted for, or includes a distinct unit, floor, or ward conducted for, the care and treatment of persons with mental illness, substance use disorders, or both mental illness and substance use disorders if the agency is operated directly by federal, state, county, or municipal government, or a combination of such governments.

(56) "Release" means legal termination of the commitment under the provisions of this chapter.

(57) "Resource management services" has the meaning given in chapter 71.24 RCW.

(58) "Responsible other" means the minor, the minor's parent or estate, or any other person legally responsible for support of the minor.

(59) "Secretary" means the secretary of the department or secretary's designee.

(60) "Secure withdrawal management and stabilization facility" means a facility operated by either a public or private agency or by the program of an agency which provides care to voluntary individuals and individuals

involuntarily detained and committed under this chapter for whom there is a likelihood of serious harm or who are gravely disabled due to the presence of a substance use disorder. Secure withdrawal management and stabilization facilities must:

(a) Provide the following services:

(i) Assessment and treatment, provided by certified substance use disorder professionals or co-occurring disorder specialists;

(ii) Clinical stabilization services;

(iii) Acute or subacute detoxification services for intoxicated individuals; and

(iv) Discharge assistance provided by certified substance use disorder professionals or co-occurring disorder specialists, including facilitating transitions to appropriate voluntary or involuntary inpatient services or to less restrictive alternatives as appropriate for the individual;

(b) Include security measures sufficient to protect the patients, staff, and community; and

(c) Be licensed or certified as such by the department of health.

(61) "Severe deterioration from safe behavior" means that a person will, if not treated, suffer or continue to suffer severe and abnormal mental, emotional, or physical distress, and this distress is associated with significant impairment of judgment, reason, or behavior.

(62) "Social worker" means a person with a master's or further advanced degree from a social work educational program accredited and approved as provided in RCW 18.320.010.

(63) "Start of initial detention" means the time of arrival of the minor at the first evaluation and treatment facility, secure withdrawal management and stabilization facility, or approved substance use disorder treatment program offering inpatient treatment if the minor is being involuntarily detained at the time. With regard to voluntary patients, "start of initial detention" means the time at which the minor gives notice of intent to leave under the provisions of this chapter.

(64) "State hospital" means a hospital designated under RCW 72.23.020.

(65) "Store and forward technology" means use of an asynchronous transmission of a person's medical information from a mental health service provider to the designated crisis responder which results in medical diagnosis, consultation, or treatment.

(((65))) (66) "Substance use disorder" means a cluster of cognitive, behavioral, and physiological symptoms indicating that an individual continues using the substance despite significant substance-related problems. The diagnosis of a substance use disorder is based on a pathological pattern of behaviors related to the use of the substances.

(((66))) (67) "Substance use disorder professional" means a person certified as a substance use disorder professional by the department of health under chapter 18.205 RCW.

(((67))) (68) "Therapeutic court personnel" means the staff of a mental health court or other therapeutic court which has jurisdiction over defendants who are dually diagnosed with mental disorders, including court personnel, probation officers, a court monitor, prosecuting attorney, or defense counsel acting within the scope of therapeutic court duties.

(((68))) (69) "Treatment records" include registration and all other records concerning persons who are receiving or who at any time have received services for mental illness, which are maintained by the department, the department of health, the authority, behavioral health organizations and their staffs, and by treatment facilities. Treatment records include mental health information contained in a medical bill including but not limited to mental health drugs, a mental health diagnosis, provider name, and dates of service stemming from a medical service. Treatment records do not include notes or records maintained for personal use by a person providing treatment services for the department, the department of health, the authority, behavioral health organizations, or a treatment facility if the notes or records are not available to others.

((((69)))) (<u>70)</u> "Tribe" has the same meaning as in RCW 71.24.025.

 $(((\frac{70}{10})))$ (71) "Video" means the delivery of behavioral health services through the use of interactive audio and video technology, permitting real-time communication between a person and a designated crisis responder, for the purpose of evaluation. "Video" does not include the use of audio-only telephone, facsimile, email, or store and forward technology.

(((71))) (72) "Violent act" means behavior that resulted in homicide, attempted suicide, injury, or substantial loss or damage to property.

Sec. 8. RCW 72.23.010 and 2000 c 22 s 2 are each amended to read as follows:

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

(1) "Court" means the superior court of the state of Washington.

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

(3) "Employee" means an employee as defined in RCW 49.17.020.

(4) "Licensed physician" means an individual permitted to practice as a physician under the laws of the state, or a medical officer, similarly qualified, of the government of the United States while in this state in performance of his or her official duties.

(5) "Mentally ill person" means any person who, pursuant to the definitions contained in RCW 71.05.020, as a result of a mental disorder presents a likelihood of serious harm to others or himself or herself or is gravely disabled.

(6) "Patient" means a person under observation, care, or treatment in a state hospital, or a person found mentally ill by the court, and not discharged from a state hospital, or other facility, to which such person had been ordered hospitalized.

(7) "Resident" means a resident of the state of Washington.

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

(9) "State hospital" means (($\frac{any}{b}$)) <u>a</u> hospital(($\frac{1}{b}$ including a child study and treatment center, operated and maintained by the state of Washington for the eare of the mentally ill)) designated under RCW 72.23.020.

(10) "Superintendent" means the superintendent of a state hospital.

(11) "Violence" or "violent act" means any physical assault or attempted physical assault against an employee or patient of a state hospital.

Wherever used in this chapter, the masculine shall include the feminine and the singular shall include the plural.

Sec. 9. RCW 72.23.020 and 1959 c 28 s 72.23.020 are each amended to read as follows:

There are hereby permanently located and established the following state hospitals: Western state hospital at Fort Steilacoom, Pierce county; eastern state hospital at Medical Lake, Spokane county; and ((northern state hospital near Sedro Woolley, Skagit county)) the child study and treatment center at Fort Steilacoom, Pierce county.

Sec. 10. RCW 2.70.020 and 2024 c 294 s 1 are each amended to read as follows:

The director shall:

(1) Administer all state-funded services in the following program areas:

(a) Trial court criminal indigent defense, as provided in chapter 10.101 RCW;

(b) Appellate indigent defense, as provided in this chapter and RCW 10.73.150;

(c) Representation of indigent parents qualified for appointed counsel in dependency and termination cases, as provided in RCW 13.34.090 and 13.34.092;

(d) Extraordinary criminal justice cost petitions, as provided in RCW 43.330.190;

(e) Compilation of copies of DNA test requests by persons convicted of felonies, as provided in RCW 10.73.170;

(f) Representation of indigent respondents qualified for appointed counsel in sexually violent predator civil commitment cases, as provided in chapter 71.09 RCW; ((and))

(g) Representation of indigent persons who are acquitted by reason of insanity and committed to state psychiatric care as provided in chapter 10.77 RCW; and

(h) At the request of the health care authority on behalf of a county under chapter 71.05 RCW, representation of indigent persons qualified for appointed counsel in involuntary commitment cases;

(2) Subject to availability of funds appropriated for this specific purpose, provide access to counsel for indigent persons incarcerated in a juvenile rehabilitation or adult correctional facility to file and prosecute a first, timely personal restraint petition under RCW 10.73.150. The office shall establish eligibility criteria that prioritize access to counsel for youth under age 25, youth or adults with sentences in excess of 120 months, youth or adults with disabilities, and youth or adults with limited English proficiency. Nothing in this subsection creates an entitlement to counsel at state expense to file a personal restraint petition;

(3) Subject to the availability of funds appropriated for this specific purpose, appoint counsel to petition the sentencing court if the legislature creates an ability to petition the sentencing court, or appoint counsel to challenge a conviction or sentence if a final decision of an appellate court creates the ability to challenge a conviction or sentence. Nothing in this subsection creates an entitlement to counsel at state expense to petition the sentencing court;

(4) Provide access to attorneys for juveniles contacted by a law enforcement officer for whom a legal consultation is required under RCW 13.40.740;

(5) Submit a biennial budget for all costs related to the office's program areas;

(6) Establish administrative procedures, standards, and guidelines for the office's program areas, including cost-efficient systems that provide for authorized recovery of costs;

(7) Provide oversight and technical assistance to ensure the effective and efficient delivery of services in the office's program areas;

(8) Recommend criteria and standards for determining and verifying indigency. In recommending criteria for determining indigency, the director shall compile and review the indigency standards used by other state agencies and shall periodically submit the compilation and report to the legislature on the appropriateness and consistency of such standards;

(9) Collect information regarding indigent defense services funded by the state and report annually to the advisory committee, the legislature, and the supreme court;

(10) Coordinate with the supreme court and the judges of each division of the court of appeals to determine how appellate attorney services should be provided.

Sec. 11. RCW 2.70.023 and 2024 c 294 s 2 are each amended to read as follows:

(1) Except as otherwise provided in this section, the office of public defense shall not provide direct representation of clients.

(2) In order to protect and preserve client rights when administering the office's statutory duties to provide initial telephonic or video consultation services, managing and supervising attorneys of the office of public defense who meet applicable public defense qualifications may provide limited short-term coverage for the consultation services if office of public defense contracted counsel is unavailable to provide the consultation services. The office shall provide services in a manner consistent with the rules of professional conduct, chapter 42.52 RCW, and applicable policies of the office of public defense.

(3) The office of public defense may facilitate and supervise placement of law clerks, externs, and interns with office of public defense contracted counsel, in a manner consistent with the Washington admission and practice rules, the rules of professional conduct, chapter 42.52 RCW, and applicable policies of the office of public defense.

(4) Employees of the office of public defense may provide pro bono legal services in a manner consistent with the rules of professional conduct, chapter 42.52 RCW, and applicable policies of the office of public defense. The policies of theoffice of public defense must require that employees providing pro bono legal services obtain and provide to the office a written statement, signed by any pro bono client, acknowledging that:

(a) The pro bono legal services are provided by the employee acting in the employee's personal capacity and not as an employee of the office of public defense; and

(b) The state of Washington may not be held liable for any claim arising from the provision of pro bono legal services by the employees of the office of public defense.

The office of public defense shall retain the written statements in a manner consistent with records relating to potential conflicts of interest.

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(5) The office of public defense shall provide public defense services for indigent persons qualified for appointed counsel in involuntary commitment cases under chapter 71.05 RCW at the request of the health care authority on behalf of a county, either directly or by contracting with persons admitted to practice law in this state or organizations that employ persons admitted to practice law in this state, using funds provided by the county pursuant to RCW 71.05.110.

<u>NEW SECTION.</u> Sec. 12. The following acts or parts of acts are each repealed:

(1) 2024 c 62 s 26; and

(2) 2024 c 62 s 27.

<u>NEW SECTION.</u> Sec. 13. Section 1 of this act expires when section 2 of this act takes effect.

<u>NEW SECTION.</u> Sec. 14. Section 2 of this act takes effect when the contingency in section 26, chapter 433, Laws of 2023 takes effect.

<u>NEW SECTION.</u> Sec. 15. Section 6 of this act expires when section 7 of this act takes effect.

<u>NEW SECTION.</u> Sec. 16. Section 7 of this act takes effect when the contingency in section 13, chapter 433, Laws of 2023 takes effect.

<u>NEW SECTION.</u> Sec. 17. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

Passed by the Senate March 10, 2025.

Passed by the House April 11, 2025.

Approved by the Governor May 12, 2025.

Filed in Office of Secretary of State May 14, 2025.

CHAPTER 227

[Engrossed Second Substitute House Bill 1432] MENTAL HEALTH AND SUBSTANCE USE DISORDER SERVICES—HEALTH CARRIER COVERAGE—VARIOUS PROVISIONS

AN ACT Relating to improving access to appropriate mental health and substance use disorder services by updating Washington's mental health parity law and ensuring coverage of medically necessary care; amending RCW 48.43.016, 48.43.410, 48.43.520, 48.43.535, 48.43.600, and 48.43.830; adding a new section to chapter 48.43 RCW; creating new sections; repealing RCW 48.20.580, 48.21.241, 48.41.220, 48.44.341, and 48.46.291; and providing effective dates.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. (1) The legislature finds that:

(a) Access to mental health and substance use disorder treatment is critical to the health and well-being of individuals with these conditions and that access to appropriate care is important to reducing preventable emergency department visits, hospitalizations, and physical health care costs associated with significant comorbidities;

(b) Health insurance coverage is essential to ensuring that individuals can access needed mental health and substance use disorder treatment and that health

carriers should make medical necessity determinations based on the objective needs of the patient; and

(c) The mental health and substance use disorder workforce faces a number of administrative barriers and undue financial risks with respect to participation in health carriers' provider networks that should be alleviated.

(2) Therefore, it is the intent of the legislature to increase access to mental health and substance use disorder treatment by updating Washington's mental health parity requirements, requiring that medical necessity determinations be consistent with generally accepted standards of care and recommendations from nonprofit health care provider associations, requiring consistent rules for both mental health and substance use disorders, and eliminating harmful barriers to care.

<u>NEW SECTION.</u> Sec. 2. A new section is added to chapter 48.43 RCW to read as follows:

(1) For the purposes of this section:

(a) "Clinical review criteria" means written guidelines, standards, protocols, or decision rules used by a health carrier, or health care benefit manager on behalf of a health carrier, during utilization review to evaluate the medical necessity of a patient's requested health care services.

(b) "Core treatment" means a standard treatment or course of treatment, therapy, service, or intervention indicated by generally accepted standards of mental health and substance use disorder care for a condition or disorder.

(c) "Generally accepted standards of mental health and substance use disorder care" means standards of care and clinical practice that are generally recognized by health care providers practicing in relevant clinical specialties such as psychiatry, psychology, clinical sociology, social work, addiction medicine and counseling, and behavioral health treatment.

(d) "Health plan" or "health benefit plan" means:

(i) A health plan as defined by RCW 48.43.005; or

(ii) A plan deemed by the commissioner to have a short-term limited purpose or duration, or to be a student-only health plan that is guaranteed renewable while the covered person is enrolled as a regular, full-time undergraduate student at an accredited higher education institution.

(e) "Medically necessary" means a service or product addressing the specific needs of a patient, for the purpose of screening, preventing, diagnosing, managing, or treating an illness, injury, condition, or its symptoms, including minimizing the progression of an illness, injury, condition, or its symptoms, in a manner that is:

(i) In accordance with generally accepted standards of mental health and substance use disorder care;

(ii) Clinically appropriate in terms of type, frequency, extent, site, and duration of a service or product; and

(iii) Not primarily for the economic benefit of the insurer or purchaser or for the convenience of the patient, treating physician, or other health care provider.

(f) "Mental health and substance use disorder services" means:

(i) For health benefit plans issued or renewed before January 1, 2021, medically necessary outpatient and inpatient services provided to treat mental disorders covered by the diagnostic categories listed in the most current version of the diagnostic and statistical manual of mental disorders, published by the

American psychiatric association, on June 11, 2020, or such subsequent date as may be provided by the insurance commissioner by rule, consistent with the purposes of chapter 6, Laws of 2005, with the exception of the following categories, codes, and services: (A) Substance related disorders; (B) life transition problems, currently referred to as "V" codes, and diagnostic codes 302 through 302.9 as found in the diagnostic and statistical manual of mental disorders, 4th edition, published by the American psychiatric association; (C) skilled nursing facility services, home health care, residential treatment, and custodial care; and (D) court-ordered treatment, unless the insurer's medical director or designee determines the treatment to be medically necessary;

(ii) For a health benefit plan or a plan deemed by the commissioner to have a short-term limited purpose or duration, or to be a student-only health plan that is guaranteed renewable while the covered person is enrolled as a regular, fulltime undergraduate student at an accredited higher education institution, issued or renewed on or after January 1, 2021, medically necessary outpatient services, residential care, partial hospitalization services, and inpatient services provided to treat mental health and substance use disorders covered by the diagnostic categories listed in the most current version of the diagnostic and statistical manual of mental disorders, published by the American psychiatric association, on June 11, 2020, or such subsequent date as may be provided by the insurance commissioner by rule, consistent with the purposes of chapter 6, Laws of 2005; and

(iii) For a health plan issued or renewed on or after January 1, 2027, medically necessary outpatient services, residential care, partial hospitalization services, inpatient services, and prescription drugs provided to treat mental health or substance use disorders covered by:

(A) The diagnostic categories listed in the most current version of the diagnostic and statistical manual of mental disorders, published by the American psychiatric association, on June 11, 2020, or any subsequent version as determined by the insurance commissioner in rule consistent with this section and the goals listed in section 1 of this act;

(B) The diagnostic categories listed in the mental, behavioral, and neurodevelopmental chapters of the version available on January 13, 2025, of the international classification of diseases adopted by the federal department of health and human services through 42 C.F.R. Sec. 162.002 or any subsequent version as determined by the insurance commissioner in rule consistent with this section and the goals listed in section 1 of this act; or

(C) The diagnostic categories listed in the DC:0-5 diagnostic classification of mental health and developmental disorders of infancy and early childhood available on January 13, 2025, or any subsequent version as determined by the insurance commissioner in rule consistent with this section and the goals listed in section 1 of this act.

(g) "Nonprofit professional association" means a not-for-profit health care provider professional association or specialty society that is generally recognized by clinicians practicing in the relevant clinical specialty and issues peer-reviewed guidelines, criteria, or other clinical recommendations developed through a transparent process.

(h) "Utilization review" has the same meaning as in RCW 48.43.005.

(2) Each health plan providing coverage for medical and surgical services shall provide coverage for mental health and substance use disorder services. Any cost sharing for mental health and substance use disorder services and any treatment limitations related to mental health and substance use disorder services must comply with the quantitative and nonquantitative treatment limitation requirements in the provisions of 89 Fed. Reg. 77586 et seq., as published on September 23, 2024.

(3) Utilization review and clinical review criteria may not deviate from generally accepted standards of mental health and substance use disorder care.

(4)(a) Except as otherwise provided in (c) of this subsection, in conducting utilization reviews relating to service intensity or level of care placement, continued stay, or transfer or discharge, the health carrier shall apply relevant age-appropriate patient placement criteria from nonprofit professional associations and shall authorize placement at the service intensity and level of care consistent with that criteria. The health carrier may not apply conflicting or more restrictive criteria. A carrier may continue to use software-based clinical decision support tools, including those developed by commercial entities, so long as such tools incorporate and apply with fidelity the relevant age-appropriate patient placement criteria consistent with the requirements of this subsection.

(b) If the carrier's application of the relevant age-appropriate patient placement criteria under (a) of this subsection is not consistent with the service intensity or level of care placement requested by the covered person or their provider, any adverse benefit determination notice must include full details of the carrier's assessment under the relevant criteria to the provider and the covered person.

(c) A carrier may use patient placement criteria in addition to the relevant age-appropriate placement criteria under (a) of this subsection only to approve requested services and may not rely on additional patient placement criteria to issue an adverse benefit determination or otherwise deny, restrict, or limit access to requested services.

(d) For utilization review not relating to service intensity or level of care placement, continued stay, or transfer or discharge, a carrier may use clinical review criteria from either for-profit or nonprofit sources provided that the clinical review criteria meet the requirements of subsection (3) of this section.

(e) To ensure appropriate use of all clinical review criteria used by a carrier to conduct utilization reviews, carriers must comply with any oversight measures deemed appropriate by the commissioner.

(5) A health carrier may not limit benefits or coverage for medically necessary mental health and substance use disorder services on the basis that those services should or could be covered by a public entitlement program including, but not limited to, special education or an individualized education program, medicaid, medicare, supplemental security income, or social security disability insurance, and may not include or enforce a contract term that excludes otherwise covered benefits on the basis that those services should or could be covered by a public entitlement program. Nothing in this subsection may be construed to require a carrier to cover benefits that have been authorized and provided for a covered person by a public entitlement program, except as otherwise required by state or federal law.

(6) This section applies to any health care benefit manager, as defined in RCW 48.200.020 or contracted provider that performs utilization review functions directly or indirectly on a health carrier's behalf.

(7) A health carrier may not adopt, impose, or enforce terms in its policies or provider agreements, in writing or in operation, in a manner that undermines, alters, or conflicts with the requirements of this section.

(8) If a health carrier provides any benefits for a mental health condition or substance use disorder in any classification of benefits, it shall provide meaningful benefits for that mental health condition or substance use disorder in every classification in which medical or surgical benefits are provided. For purposes of this subsection, whether the benefits provided are considered "meaningful benefits" is determined in comparison to the benefits provided for medical conditions and surgical procedures in the classification and requires, at a minimum, coverage of benefits for that condition or disorder in each classification in which the health carrier provides benefits for one or more medical conditions or surgical procedures. A health carrier does not provide meaningful benefits under this subsection unless it provides benefits for a core treatment for that condition or disorder in each classification in which the health carrier provides benefits for a core treatment for one or more medical conditions or surgical procedures. If there is no core treatment for a covered mental health condition or substance use disorder with respect to a classification, the health carrier is not required to provide benefits for a core treatment for such condition or disorder in that classification, but shall provide benefits for such condition or disorder in every classification in which medical or surgical benefits are provided.

(9) The provisions of 89 Fed. Reg. 77586 et seq., as published on September 23, 2024, and any guidance issued by federal departments of health and human services, labor, and the treasury to implement the rules adopted in September 2024 are incorporated in this section in their entirety.

(10) If, following an adverse benefit determination, a covered person requests one or more nonquantitative treatment limitation parity compliance analyses that the health carrier is required to have completed by 29 U.S.C. Sec. 1185a or 42 U.S.C. Sec. 300gg-26, the health carrier shall provide the requested analyses free of charge within 30 days.

(11) This section does not prohibit a requirement that mental health and substance use disorder services be medically necessary, if a comparable requirement is applicable to medical and surgical services.

Sec. 3. RCW 48.43.016 and 2020 c 193 s 2 are each amended to read as follows:

(1) A health carrier or ((its contracted entity)) health care benefit manager as defined in RCW 48.200.020 that imposes different prior authorization standards and criteria for a covered service among tiers of contracting providers of the same licensed profession in the same health plan shall inform an enrollee which tier an individual provider or group of providers is in by posting the information on its website in a manner accessible to both enrollees and providers.

(2)(a) A health carrier or ((its contracted entity)) health care benefit manager as defined in RCW 48.200.020 may not require utilization management or review of any kind including, but not limited to, prior, concurrent, or postservice authorization for an initial evaluation and management visit and up to six treatment visits with a contracting provider in a new episode of care for each of the following: Chiropractic, physical therapy, occupational therapy, acupuncture and Eastern medicine, massage therapy, <u>outpatient mental health</u> <u>care office visits</u>, <u>outpatient substance use disorder care office visits</u>, or speech and hearing therapies. <u>Outpatient mental health office visits do not include</u> <u>procedures performed on an outpatient basis</u>. Visits for which utilization management or review is prohibited under this section are subject to <u>any</u> quantitative treatment limits of the health plan. Notwithstanding RCW 48.43.515(5) this section may not be interpreted to limit the ability of a health plan to require a referral or prescription for the therapies listed in this section. <u>Quantitative treatment limitations and nonquantitative treatment limitations</u>, <u>including any referral and prescription requirements</u>, for mental health or substance use disorder care shall comply with the requirements of the mental health parity and addiction equity act, state law, and any implementing regulations.

(b) For visits for which utilization management or review is prohibited under this section, a health carrier or ((its contracted entity)) health care benefit manager as defined in RCW 48.200.020 may not:

(i) Deny or limit coverage on the basis of medical necessity or appropriateness; or

(ii) Retroactively deny care or refuse payment for the visits.

(3) A health carrier shall post on its website and provide upon the request of a covered person or contracting provider any prior authorization standards, criteria, or information the carrier uses for medical necessity decisions.

(4) A health care provider with whom a health carrier consults regarding a decision to deny, limit, or terminate a person's covered health care services must hold a license, certification, or registration, in good standing and must be in the same or related health field as the health care provider being reviewed or of a specialty whose practice entails the same or similar covered health care service.

(5) A health carrier may not require a provider to provide a discount from usual and customary rates for health care services not covered under a health plan, policy, or other agreement, to which the provider is a party.

(6) Nothing in this section prevents a health carrier from denying coverage based on insurance fraud.

(7) For purposes of this section:

(a) "New episode of care" means treatment for a new condition or diagnosis for which the enrollee has not been treated by a provider of the same licensed profession within the previous ninety days and is not currently undergoing any active treatment.

(b) "Contracting provider" does not include providers employed within an integrated delivery system operated by a carrier licensed under chapter 48.44 or 48.46 RCW.

Sec. 4. RCW 48.43.410 and 2019 c 171 s 2 are each amended to read as follows:

For health plans delivered, issued for delivery, or renewed on or after January 1, 2021, clinical review criteria used to establish a prescription drug utilization management protocol must be evidence-based and updated on a regular basis through review of new evidence, research, and newly developed treatments. For prescription drugs prescribed to treat mental health or substance

use disorder conditions, clinical review criteria must meet the requirements of section 2 of this act.

Sec. 5. RCW 48.43.520 and 2000 c 5 s 8 are each amended to read as follows:

(1) Carriers that offer a health plan shall maintain a documented utilization review program description and written utilization review <u>and clinical review</u> criteria based on reasonable medical evidence. For mental health and substance use disorder services, as defined in section 2 of this act, clinical review criteria <u>must meet the requirements of section 2 of this act</u>. The program must include a method for reviewing and updating criteria. Carriers shall make clinical protocols, medical management standards, <u>clinical review criteria as defined in section 2 of this act</u>, and other review criteria available upon request to participating providers.

(2) The commissioner shall adopt, in rule, standards for this section after considering relevant standards adopted by national managed care accreditation organizations and state agencies that purchase managed health care services.

(3) A carrier shall not be required to use medical evidence or standards in its utilization review of religious nonmedical treatment or religious nonmedical nursing care.

Sec. 6. RCW 48.43.535 and 2022 c 263 s 4 are each amended to read as follows:

(1) There is a need for a process for the fair consideration of disputes relating to decisions by carriers that offer a health plan to deny, modify, reduce, or terminate coverage of or payment for health care services for an enrollee. For purposes of this section, "carrier" also applies to a health plan if the health plan administers the appeal process directly or through a third party.

(2) An enrollee may seek review by a certified independent review organization of a carrier's decision to deny, modify, reduce, or terminate coverage of or payment for a health care service or of any adverse determination made by a carrier under RCW 48.49.020, 48.49.030, or sections 2799A-1 or 2799A-2 of the public health service act (42 U.S.C. Secs. 300gg-111 or 300gg-112) and implementing federal regulations in effect as of March 31, 2022, after exhausting the carrier's grievance process and receiving a decision that is unfavorable to the enrollee, or after the carrier has exceeded the timelines for grievances provided in RCW 48.43.530, without good cause and without reaching a decision.

(3) The commissioner must establish and use a rotational registry system for the assignment of a certified independent review organization to each dispute. The system should be flexible enough to ensure that an independent review organization has the expertise necessary to review the particular medical condition or service at issue in the dispute, and that any approved independent review organization does not have a conflict of interest that will influence its independence.

(4) Carriers must provide to the appropriate certified independent review organization, not later than the third business day after the date the carrier receives a request for review, a copy of:

(a) Any medical records of the enrollee that are relevant to the review;

(b) Any documents used by the carrier in making the determination to be reviewed by the certified independent review organization;

(c) Any documentation and written information submitted to the carrier in support of the appeal; and

(d) A list of each physician or health care provider who has provided care to the enrollee and who may have medical records relevant to the appeal. Health information or other confidential or proprietary information in the custody of a carrier may be provided to an independent review organization, subject to rules adopted by the commissioner.

(5) Enrollees must be provided with at least five business days to submit to the independent review organization in writing additional information that the independent review organization must consider when conducting the external review. The independent review organization must forward any additional information submitted by an enrollee to the plan or carrier within one business day of receipt by the independent review organization.

(6) The medical reviewers from a certified independent review organization will make determinations regarding the medical necessity or appropriateness of, and the application of health plan coverage provisions to, health care services for an enrollee. The medical reviewers' determinations must be based upon their expert medical judgment, after consideration of relevant medical, scientific, and cost-effectiveness evidence, and medical standards of practice in the state of Washington. Except as provided in this subsection, the certified independent review organization must ensure that determinations are consistent with the scope of covered benefits as outlined in the medical coverage agreement. Medical reviewers may override the health plan's medical necessity or appropriateness standards if the standards are determined upon review to be unreasonable or inconsistent with sound, evidence-based medical practice. For reviews of mental health and substance use disorder services, as defined in section 2 of this act, the medical reviewers must conduct reviews and make determinations in a manner consistent with the requirements of section 2 of this act.

(7) Once a request for an independent review determination has been made, the independent review organization must proceed to a final determination, unless requested otherwise by both the carrier and the enrollee or the enrollee's representative.

(a) An enrollee or carrier may request an expedited external review if the adverse benefit determination or internal adverse benefit determination concerns an admission, availability of care, continued stay, or health care service for which the claimant received emergency services but has not been discharged from a facility; or involves a medical condition for which the standard external review time frame would seriously jeopardize the life or health of the enrollee or jeopardize the enrollee's ability to regain maximum function. The independent review organization must make its decision to uphold or reverse the adverse benefit determination or final internal adverse benefit determination and notify the enrollee and the carrier or health plan of the determination as expeditiously as possible but within not more than seventy-two hours after the receipt of the request for expedited external review. If the notice is not in writing, the independent review organization must provide written confirmation of the decision.

(b) For claims involving experimental or investigational treatments, the independent review organization must ensure that adequate clinical and scientific experience and protocols are taken into account as part of the external review process.

(8) Carriers must timely implement the certified independent review organization's determination, and must pay the certified independent review organization's charges.

(9) When an enrollee requests independent review of a dispute under this section, and the dispute involves a carrier's decision to modify, reduce, or terminate an otherwise covered health service that an enrollee is receiving at the time the request for review is submitted and the carrier's decision is based upon a finding that the health service, or level of health service, is no longer medically necessary or appropriate, the carrier must continue to provide the health service if requested by the enrollee until a determination is made under this section. If the determination affirms the carrier's decision, the enrollee may be responsible for the cost of the continued health service.

(10) Each certified independent review organization must maintain written records and make them available upon request to the commissioner.

(11) A certified independent review organization may notify the office of the insurance commissioner if, based upon its review of disputes under this section, it finds a pattern of substandard or egregious conduct by a carrier.

(12)(a) The commissioner shall adopt rules to implement this section after considering relevant standards adopted by national managed care accreditation organizations and the national association of insurance commissioners.

(b) This section is not intended to supplant any existing authority of the office of the insurance commissioner under this title to oversee and enforce carrier compliance with applicable statutes and rules.

Sec. 7. RCW 48.43.600 and 2005 c 278 s 1 are each amended to read as follows:

(1) Except in the case of fraud, or as provided in subsections (2) and (3) of this section, a carrier may not: (a) Request a refund from a health care provider of a payment previously made to satisfy a claim unless it does so in writing to the provider within twenty-four months after the date that the payment was made or, in the case of mental health and substance use disorder services as defined in section 2 of this act, within six months after the date the payment was made; or (b) request that a contested refund be paid any sooner than six months after receipt of the request. Any such request must specify why the carrier believes the provider owes the refund. If a provider fails to contest the request in writing to the carrier within thirty days of its receipt, the request is deemed accepted and the refund must be paid.

(2) A carrier may not, if doing so for reasons related to coordination of benefits with another carrier or entity responsible for payment of a claim: (a) Request a refund from a health care provider of a payment previously made to satisfy a claim unless it does so in writing to the provider within thirty months after the date that the payment was made <u>or</u>, in the case of mental health and <u>substance use disorder services as defined in section 2 of this act</u>, within nine <u>months after the date the payment was made</u>; or (b) request that a contested refund be paid any sooner than six months after receipt of the request. Any such request must specify why the carrier believes the provider owes the refund, and

include the name and mailing address of the entity that has primary responsibility for payment of the claim. If a provider fails to contest the request in writing to the carrier within thirty days of its receipt, the request is deemed accepted and the refund must be paid.

(3) A carrier may at any time request a refund from a health care provider of a payment previously made to satisfy a claim if: (a) A third party, including a government entity, is found responsible for satisfaction of the claim as a consequence of liability imposed by law, such as tort liability; and (b) the carrier is unable to recover directly from the third party because the third party has either already paid or will pay the provider for the health services covered by the claim.

(4) If a contract between a carrier and a health care provider conflicts with this section, this section shall prevail. However, nothing in this section prohibits a health care provider from choosing at any time to refund to a carrier any payment previously made to satisfy a claim.

(5) For purposes of this section, "refund" means the return, either directly or through an offset to a future claim, of some or all of a payment already received by a health care provider.

(6) This section neither permits nor precludes a carrier from recovering from a subscriber, enrollee, or beneficiary any amounts paid to a health care provider for benefits to which the subscriber, enrollee, or beneficiary was not entitled under the terms and conditions of the health plan, insurance policy, or other benefit agreement.

(7) This section does not apply to claims for health care services provided through dental only health carriers, health care services provided under Title XVIII (medicare) of the social security act, or medicare supplemental plans regulated under chapter 48.66 RCW.

Sec. 8. RCW 48.43.830 and 2023 c 382 s 1 are each amended to read as follows:

(1) Each carrier offering a health plan issued or renewed on or after January 1, 2024, shall comply with the following standards related to prior authorization for health care services and prescription drugs:

(a) The carrier shall meet the following time frames for prior authorization determinations and notifications to a participating provider or facility that submits the prior authorization request through an electronic prior authorization process, as designated by each carrier:

(i) For electronic standard prior authorization requests, the carrier shall make a decision and notify the provider or facility of the results of the decision within three calendar days, excluding holidays, of submission of an electronic prior authorization request by the provider or facility that contains the necessary information to make a determination. If insufficient information has been provided to the carrier to make a decision, the carrier shall request any additional information from the provider or facility within one calendar day of submission of the electronic prior authorization request.

(ii) For electronic expedited prior authorization requests, the carrier shall make a decision and notify the provider or facility of the results of the decision within one calendar day of submission of an electronic prior authorization request by the provider or facility that contains the necessary information to make a determination. If insufficient information has been provided to the

carrier to make a decision, the carrier shall request any additional information from the provider or facility within one calendar day of submission of the electronic prior authorization request.

(b) The carrier shall meet the following time frames for prior authorization determinations and notifications to a participating provider or facility that submits the prior authorization request through a process other than an electronic prior authorization process:

(i) For nonelectronic standard prior authorization requests, the carrier shall make a decision and notify the provider or facility of the results of the decision within five calendar days of submission of a nonelectronic prior authorization request by the provider or facility that contains the necessary information to make a determination. If insufficient information has been provided to the carrier to make a decision, the carrier shall request any additional information from the provider or facility within five calendar days of submission of the nonelectronic prior authorization request.

(ii) For nonelectronic expedited prior authorization requests, the carrier shall make a decision and notify the provider or facility of the results of the decision within two calendar days of submission of a nonelectronic prior authorization request by the provider or facility that contains the necessary information to make a determination. If insufficient information has been provided to the carrier to make a decision, the carrier shall request any additional information from the provider or facility within one calendar day of submission of the nonelectronic prior authorization request.

(c) In any instance in which a carrier has determined that a provider or facility has not provided sufficient information for making a determination under (a) and (b) of this subsection, a carrier may establish a specific reasonable time frame for submission of the additional information. This time frame must be communicated to the provider and enrollee with a carrier's request for additional information.

(d) The carrier's prior authorization requirements must be described in detail and written in easily understandable language. The carrier shall make its most current prior authorization requirements and restrictions, including the written clinical review criteria, available to providers and facilities in an electronic format upon request. The prior authorization requirements must be based on peer-reviewed clinical review criteria. The clinical review criteria must be evidence-based criteria and must accommodate new and emerging information related to the appropriateness of clinical criteria with respect to black and indigenous people, other people of color, gender, and underserved populations. The clinical review criteria must be evaluated and updated, if necessary, at least annually. <u>Clinical review criteria used for purposes of reviewing and decided upon prior authorization requests related to mental health and substance use disorder services, as defined in section 2 of this act, must meet the requirements of section 2 of this act.</u>

(2)(a) Each carrier shall build and maintain a prior authorization application programming interface that automates the process for in-network providers to determine whether a prior authorization is required for health care services, identify prior authorization information and documentation requirements, and facilitate the exchange of prior authorization requests and determinations from its electronic health records or practice management system. The application programming interface must support the exchange of prior authorization requests and determinations for health care services beginning January 1, 2025, and must:

(i) Use health level 7 fast health care interoperability resources in accordance with standards and provisions defined in 45 C.F.R. Sec. 170.215 and 45 C.F.R. Sec. 156.22(3)(b);

(ii) Automate the process to determine whether a prior authorization is required for durable medical equipment or a health care service;

(iii) Allow providers to query the carrier's prior authorization documentation requirements;

(iv) Support an automated approach using nonproprietary open workflows to compile and exchange the necessary data elements to populate the prior authorization requirements that are compliant with the federal health insurance portability and accountability act of 1996 or have an exception from the federal centers for medicare and medicaid services; and

(v) Indicate that a prior authorization denial or authorization of a service less intensive than that included in the original request is an adverse benefit determination and is subject to the carrier's grievance and appeal process under RCW 48.43.535.

(b) Each carrier shall establish and maintain an interoperable electronic process or application programming interface that automates the process for innetwork providers to determine whether a prior authorization is required for a covered prescription drug. The application programming interface must support the exchange of prior authorization requests and determinations for prescription drugs, including information on covered alternative prescription drugs, beginning January 1, 2027, and must:

(i) Allow providers to identify prior authorization information and documentation requirements;

(ii) Facilitate the exchange of prior authorization requests and determinations from its electronic health records or practice management system, and may include the necessary data elements to populate the prior authorization requirements that are compliant with the federal health insurance portability and accountability act of 1996 or have an exception from the federal centers for medicare and medicaid services; and

(iii) Indicate that a prior authorization denial or authorization of a drug other than the one included in the original prior authorization request is an adverse benefit determination and is subject to the carrier's grievance and appeal process under RCW 48.43.535.

(c) If federal rules related to standards for using an application programming interface to communicate prior authorization status to providers are not finalized by the federal centers for medicare and medicaid services by September 13, 2023, the requirements of (a) of this subsection may not be enforced until January 1, 2026.

(d)(i) If a carrier determines that it will not be able to satisfy the requirements of (a) of this subsection by January 1, 2025, the carrier shall submit a narrative justification to the commissioner on or before September 1, 2024, describing:

(A) The reasons that the carrier cannot reasonably satisfy the requirements;

(B) The impact of noncompliance upon providers and enrollees;

(C) The current or proposed means of providing health information to the providers; and

(D) A timeline and implementation plan to achieve compliance with the requirements.

(ii) The commissioner may grant a one-year delay in enforcement of the requirements of (a) of this subsection (2) if the commissioner determines that the carrier has made a good faith effort to comply with the requirements.

(iii) This subsection (2)(d) shall not apply if the delay in enforcement in (c) of this subsection takes effect because the federal centers for medicare and medicaid services did not finalize the applicable regulations by September 13, 2023.

(e) By September 13, 2023, and at least every six months thereafter until September 13, 2026, the commissioner shall provide an update to the health care policy committees of the legislature on the development of rules and implementation guidance from the federal centers for medicare and medicaid services regarding the standards for development of application programming interfaces and interoperable electronic processes related to prior authorization functions. The updates should include recommendations, as appropriate, on whether the status of the federal rule development aligns with the provisions of chapter 382, Laws of 2023. The commissioner also shall report on any actions by the federal centers for medicare and medicaid services to exercise enforcement discretion related to the implementation and maintenance of an application programming interface for prior authorization functions. The commissioner shall consult with the health care authority, carriers, providers, and consumers on the development of these updates and any recommendations.

(3) Nothing in this section applies to prior authorization determinations made pursuant to RCW 48.43.761.

(4) For the purposes of this section:

(a) "Expedited prior authorization request" means a request by a provider or facility for approval of a health care service or prescription drug where:

(i) The passage of time:

(A) Could seriously jeopardize the life or health of the enrollee;

(B) Could seriously jeopardize the enrollee's ability to regain maximum function; or

(C) In the opinion of a provider or facility with knowledge of the enrollee's medical condition, would subject the enrollee to severe pain that cannot be adequately managed without the health care service or prescription drug that is the subject of the request; or

(ii) The enrollee is undergoing a current course of treatment using a nonformulary drug.

(b) "Standard prior authorization request" means a request by a provider or facility for approval of a health care service or prescription drug where the request is made in advance of the enrollee obtaining a health care service or prescription drug that is not required to be expedited.

<u>NEW SECTION.</u> Sec. 9. The insurance commissioner may adopt rules necessary to implement this act, including requiring submission of quantitative data to determine in-operation parity compliance.

<u>NEW SECTION.</u> Sec. 11. The following acts or parts of acts, as now existing or hereafter amended, are each repealed, effective January 1, 2027:

(1) RCW 48.20.580 (Mental health services—Definition—Coverage required, when) and 2020 c 228 s 2 & 2007 c 8 s 1;

(2) RCW 48.21.241 (Mental health services—Group health plans— Definition—Coverage required, when) and 2020 c 228 s 3, 2007 c 8 s 2, 2006 c 74 s 1, & 2005 c 6 s 3;

(3) RCW 48.41.220 (Mental health services—Definition—Coverage required, when) and 2020 c 228 s 4 & 2007 c 8 s 6;

(4) RCW 48.44.341 (Mental health services—Health plans—Definition— Coverage required, when) and 2020 c 228 s 5, 2007 c 8 s 3, 2006 c 74 s 2, & 2005 c 6 s 4; and

(5) RCW 48.46.291 (Mental health services—Health plans—Definition— Coverage required, when) and 2020 c 228 s 6, 2007 c 8 s 4, 2006 c 74 s 3, & 2005 c 6 s 5.

<u>NEW SECTION.</u> Sec. 12. If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2025, in the omnibus appropriations act, this act is null and void.

Passed by the House April 22, 2025. Passed by the Senate April 14, 2025. Approved by the Governor May 12, 2025. Filed in Office of Secretary of State May 14, 2025.

CHAPTER 228

[Engrossed Substitute House Bill 1596]

MOTOR VEHICLE SPEEDING VIOLATIONS—INTELLIGENT SPEED ASSISTANCE DEVICES

AN ACT Relating to accountability for persons for speeding; amending RCW 10.21.030, 46.20.2892, 46.20.391, and 46.61.500; reenacting and amending RCW 43.84.092; adding new sections to chapter 46.04 RCW; adding a new section to chapter 42.56 RCW; adding a new section to chapter 46.61 RCW; adding a new section to chapter 46.68 RCW; adding a new section to chapter 46.70 RCW; adding new sections to chapter 46.20 RCW; creating new sections; prescribing penalties; and providing an effective date.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> Sec. 1. It is the intent of the legislature to keep the public safe when on the road. Nationwide, 29 percent of all crash fatalities occurred in speed-related crashes in 2022. In 2023, more than 30 percent of fatal crashes involved speeding on Washington roads. Speeding continues to be a component of traffic deaths, and law enforcement is increasingly dealing with more speed-related incidents. The legislature finds that all Washington drivers are at risk when speeding is involved, and solutions to change public behavior are needed.

Additionally, according to the American motor vehicle administration, more than 70 percent of people with suspended licenses continue to drive during the suspension period. By leveraging technology to enable individuals to continue driving and prevent speeding, the legislature intends to enhance road safety to promote safer driving habits and keep the public safe.

<u>NEW SECTION.</u> Sec. 2. A new section is added to chapter 46.04 RCW to read as follows:

"Excessive speeding" means traveling at:

(1) 10 miles per hour or greater in excess of the posted speed limit, if the posted speed limit is 40 miles per hour or less; and

(2) 20 miles per hour or greater in excess of the posted speed limit, if the posted speed limit is greater than 40 miles per hour.

<u>NEW SECTION.</u> Sec. 3. A new section is added to chapter 46.04 RCW to read as follows:

"Intelligent speed assistance device" means a technical device designed to be installed within a motor vehicle to actively monitor and prevent the driver from exceeding a preset limit. "Intelligent speed assistance device" does not include any technology that is provided by the vehicle manufacturer as a component of a new motor vehicle and that controls or affects the speed of a motor vehicle.

<u>NEW SECTION.</u> Sec. 4. (1) A person may not drive a motor vehicle, unless it is equipped with a functioning intelligent speed assistance device, configured and programmed as provided in section 5(3) of this act, if the device is required:

(a) For the issuance of a temporary restricted driver's license or an occupational driver's license, under the terms of RCW 46.20.391(4);

(b) Under the applicable terms of probation under RCW 46.20.2892(1) or 46.61.500(4); or

(c) Pursuant to court order under section 8 of this act or RCW 10.21.030.

(2) The requirement to use the device under subsection (1) of this section with respect to a temporary restricted driver's license or occupational driver's license under RCW 46.20.391 remains in effect during the validity of any such license that has been issued to the person.

(3)(a) A person who operates a motor vehicle with an intelligent speed assistance device remains exclusively responsible for the operation of the motor vehicle in a safe and lawful manner at all times.

(b) The obligation under this section to use an intelligent speed assistance device is not a defense or mitigating circumstance to a violation of rules of the road, as set forth in law.

(4)(a) Except as provided in (b) of this subsection, the installation of an intelligent speed assistance device is not necessary on vehicles owned, leased, or rented by a person's employer and on those vehicles whose care and/or maintenance is the temporary responsibility of the employer, and driven at the direction of a person's employer as a requirement of employment during working hours. The person must provide the department with a declaration pursuant to chapter 5.50 RCW from his or her employer stating that the person's employment requires the person to operate a vehicle owned by the employer or other persons during working hours. When the department receives a declaration under this subsection, it shall attach or imprint a notation on the person's driving record stating that the employer exemption applies.

(b) The employer exemption does not apply when the employer's vehicle is assigned exclusively to the restricted driver and used solely for commuting to and from employment.

(5) Unless costs are waived by the intelligent speed assistance device company or the person is indigent under RCW 10.101.010, a person subject to the requirements of subsection (1) of this section shall pay the costs of installing, removing, and leasing the intelligent speed assistance device and shall pay an additional fee of \$21 per month. Payments must be made directly to the intelligent speed assistance device company. The company shall remit the additional fee to the department to be deposited into the intelligent speed assistance device revolving account under section 9 of this act, except that the company may retain 25 cents per month of the additional fee to cover the expenses associated with administering the fee. The department may waive the monthly fee if the person is indigent under RCW 10.101.010.

(6) For a person restricted under this section who is residing outside of the state of Washington, the department may accept verification of installation of an intelligent speed assistance device by an intelligent speed assistance device company authorized to do business in the jurisdiction or within a 75 mile radius of the jurisdiction in which the person resides, provided the device meets any applicable requirements of that jurisdiction. The department may waive the monthly fee required in subsection (5) of this section if collection of the fee would be impractical in the case of a person residing in another jurisdiction.

(7) The department may issue rules to implement this section.

<u>NEW SECTION.</u> Sec. 5. (1) To be eligible to install, repair, maintain, monitor, or remove an intelligent speed assistance device, a person must apply to the department and meet the requirements as provided in this section.

(2) An applicant seeking approval to install the device must submit a declaration to the department that the device is an intelligent speed assistance device as defined in section 3 of this act and, when installed in a vehicle, is configured and programmed as provided in subsection (3) of this section.

(3)(a) An intelligent speed assistance device must employ a technology using a global positioning system and must be programmed to limit the velocity of a moving vehicle to the posted speed limit, except as provided in (b) of this subsection.

(b) The intelligent speed assistance device must include an override function to allow the vehicle to exceed the speed limit on no more than three occasions in each calendar month. The use of the override function under this subsection is subject to the requirements and limitations of RCW 46.61.425.

(c) All data collected under this act must be securely maintained by an intelligent speed assistance device company and may not be shared with any third parties, except for data pertaining to installation and removal of the device, without a court order.

(4) To maintain eligibility under this section, a person must submit the results of a criminal background check to the department annually for any individual that is hired to install, repair, maintain, monitor, or remove the device.

(5) The department may issue rules regarding the application process and eligibility under this section.

<u>NEW SECTION.</u> Sec. 6. (1) A person who is restricted to the use of a vehicle equipped with an intelligent speed assistance device is guilty of a gross misdemeanor if the restricted driver:

(a) Tampers with the device or any components of the device, or otherwise interferes with the proper functionality of the device, by modifying, detaching, disconnecting, or otherwise disabling it to allow the restricted driver to operate the vehicle; or

(b) Has, directs, authorizes, or requests another person to tamper with the device or any components of the device, or otherwise interfere with the proper functionality of the device, by modifying, detaching, disconnecting, or otherwise disabling it to allow the restricted driver to operate the vehicle.

(2) A person who knowingly assists another person who is restricted to the use of a vehicle equipped with an intelligent speed assistance device to circumvent the device or any components of the device, or otherwise interferes with the proper functionality of the device, or to start and operate that vehicle is guilty of a gross misdemeanor. The provisions of this subsection do not apply if the starting of a motor vehicle, or the request to start a motor vehicle, equipped with an intelligent speed assistance device is done for the purpose of safety or mechanical repair of the device or the vehicle and the person subject to the court order does not operate the vehicle.

<u>NEW SECTION.</u> Sec. 7. A new section is added to chapter 42.56 RCW to read as follows:

Any data collected by an intelligent speed assistance device as defined in section 3 of this act is exempt from disclosure under this chapter.

<u>NEW SECTION.</u> Sec. 8. A new section is added to chapter 46.61 RCW to read as follows:

When sentencing a person convicted of any criminal offense under this chapter or a violation of any other provision of law that constitutes a misdemeanor, gross misdemeanor, or felony, the court may impose, as a condition of probation, a requirement regarding the installation and use of a functioning intelligent speed assistance device installed on all motor vehicles operated by the person. If the court finds that the person engaged in excessive speeding during the commission of the offense, the court shall impose the use of a functioning intelligent speed assistance device installed on all motor vehicles operated by the person for a period of not less than six months.

<u>NEW SECTION.</u> Sec. 9. A new section is added to chapter 46.68 RCW to read as follows:

The intelligent speed assistance device revolving account is created in the state treasury. All receipts from the fee assessed under section 4(5) of this act must be deposited into the account. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used for administering and operating the intelligent speed assistance device revolving account program, implementing effective strategies to reduce motor vehicle-related deaths and serious injuries related to excessive speed.

<u>NEW SECTION.</u> Sec. 10. A new section is added to chapter 46.70 RCW to read as follows:

(1) A manufacturer, distributor, or retailer of a motor vehicle is not liable for any loss, injury, or damages caused by the design, manufacture, installation, improper installation, use, or misuse of an intelligent speed assistance device. However, liability does exist if the manufacturer, distributor or retailer knowingly engages in a repair or update to the intelligent speed assistance device and such repair or update proximately causes loss, injury, or damage.

(2) Nothing in this chapter requires a manufacturer, distributor, or retailer of a motor vehicle to manufacture, distribute, or offer for sale a motor vehicle that includes or is compatible with an intelligent speed assistance device.

(3) Nothing in this chapter prohibits a lessor or lienholder from requiring that a motor vehicle lessee or owner notify the lessor or lienholder that an intelligent speed assistance device has been installed on a motor vehicle that is subject to a lease or finance agreement.

Sec. 11. RCW 10.21.030 and 2018 c 276 s 4 are each amended to read as follows:

(1) The judicial officer in any felony, misdemeanor, or gross misdemeanor case may at any time amend the order to impose additional or different conditions of release. The conditions imposed under this chapter supplement but do not supplant provisions of law allowing the imposition of conditions to assure the appearance of the defendant at trial or to prevent interference with the administration of justice.

(2) Appropriate conditions of release under this chapter include, but are not limited to, the following:

(a) The defendant may be placed in the custody of a pretrial release program;

(b) The defendant may have restrictions placed upon travel, association, or place of abode during the period of release;

(c) The defendant may be required to comply with a specified curfew;

(d) The defendant may be required to return to custody during specified hours or to be placed on electronic monitoring, as defined in RCW 9.94A.030, if available. The defendant, if convicted, may not have the period of incarceration reduced by the number of days spent on electronic monitoring;

(e) The defendant may be required to comply with a program of home detention. For a felony offense, home detention is defined in RCW 9.94A.030;

(f) The defendant may be prohibited from approaching or communicating in any manner with particular persons or classes of persons;

(g) The defendant may be prohibited from going to certain geographical areas or premises;

(h) The defendant may be prohibited from possessing any dangerous weapons or firearms;

(i) The defendant may be prohibited from possessing or consuming any intoxicating liquors or drugs not prescribed to the defendant. The defendant may be required to submit to testing to determine the defendant's compliance with this condition;

(j) The defendant may be prohibited from operating a motor vehicle that is not equipped with an ignition interlock device;

(k) <u>The defendant may be prohibited from operating a motor vehicle that is</u> not equipped with an intelligent speed assistance device, as defined in section 3 of this act and configured and programmed as provided in section 5(3) of this act: (1) The defendant may be required to report regularly to and remain under the supervision of an officer of the court or other person or agency; and

(((+))) (m) The defendant may be prohibited from committing any violations of criminal law.

Sec. 12. RCW 46.20.2892 and 2021 c 240 s 7 are each amended to read as follows:

(1)(a) Whenever the official records of the department show that a person has committed a traffic infraction for a moving violation on three or more occasions within a one-year period, or on four or more occasions within a two-year period, the department must suspend the license of the driver for a period of 60 days and establish a period of probation for one calendar year to begin when the suspension ends. Prior to reinstatement of a license, the person must complete a safe driving course as recommended by the department. During the period of probation, and subject to the requirements of (b) of this subsection, the person must not be convicted of any additional traffic infractions for moving violations. Any traffic infraction for a moving violation committed during the period of probation shall result in an additional 30-day suspension to run consecutively with any suspension already being served.

(b)(i) During the first 120 days of the period of probation, following the period of suspension for an accumulation of moving violations under this section in which one or more of the violations is for excessive speeding, as defined in section 2 of this act, the person may not operate a vehicle upon which a properly functioning intelligent speed assistance device has not been installed. The operation of a vehicle without such a properly functioning intelligent speed assistance device is a traffic infraction.

(2) When a person has committed a traffic infraction for a moving violation on two occasions within a one-year period or three occasions within a two-year period, the department shall send the person a notice that an additional infraction will result in suspension of the person's license for a period of 60 days.

(3) The department may not charge a reissue fee at the end of the term of suspension under this section.

(4) For purposes of this section, multiple traffic infractions issued during or as the result of a single traffic stop constitute one occasion.

(5) A person who is required to operate a motor vehicle with an intelligent speed assistance device under subsection (1) of this section remains exclusively responsible for operation of the motor vehicle in a safe and lawful manner at all times. The obligation under subsection (1) of this section to use an intelligent speed assistance device is not a defense or mitigating circumstance to a violation of rules of the road, as set forth in law.

Sec. 13. RCW 46.20.391 and 2021 c 240 s 10 are each amended to read as follows:

(1) Any person licensed under this chapter who is convicted of an offense relating to motor vehicles for which suspension or revocation of the driver's license is mandatory, other than vehicular homicide, vehicular assault, driving while under the influence of intoxicating liquor or any drug, or being in actual physical control of a motor vehicle while under the influence of intoxicating liquor or any drug, may submit to the department an application for a temporary restricted driver's license. The department, upon receipt of the prescribed fee and upon determining that the petitioner is eligible to receive the license, may issue a temporary restricted driver's license and may set definite restrictions as provided in RCW 46.20.394.

(2)(a) A person licensed under this chapter whose driver's license is suspended administratively due to failure to appear or respond pursuant to RCW 46.20.289; a violation of the financial responsibility laws under chapter 46.29 RCW; or for multiple violations within a specified period of time under RCW 46.20.291, may apply to the department for an occupational driver's license.

(b) An occupational driver's license issued to an applicant described in (a) of this subsection shall be valid for the period of the suspension or revocation.

(3) An applicant for an occupational or temporary restricted driver's license who qualifies under subsection (1) or (2) of this section is eligible to receive such license only if:

(a) Within seven years immediately preceding the date of the offense that gave rise to the present conviction or incident, the applicant has not committed vehicular homicide under RCW 46.61.520 or vehicular assault under RCW 46.61.522; and

(b) The applicant demonstrates that it is necessary for him or her to operate a motor vehicle because he or she:

(i) Is engaged in an occupation or trade that makes it essential that he or she operate a motor vehicle;

(ii) Is undergoing continuing health care or providing continuing care to another who is dependent upon the applicant;

(iii) Is enrolled in an educational institution and pursuing a course of study leading to a diploma, degree, or other certification of successful educational completion;

(iv) Is undergoing substance abuse treatment or is participating in meetings of a ((twelve-step)) <u>12-step</u> group such as Alcoholics Anonymous that requires the petitioner to drive to or from the treatment or meetings;

(v) Is fulfilling court-ordered community service responsibilities;

(vi) Is in a program that assists persons who are enrolled in a WorkFirst program pursuant to chapter 74.08A RCW to become gainfully employed and the program requires a driver's license;

(vii) Is in an apprenticeship, on-the-job training, or welfare-to-work program; or

(viii) Presents evidence that he or she has applied for a position in an apprenticeship or on-the-job training program for which a driver's license is required to begin the program, provided that a license granted under this provision shall be in effect for no longer than ((fourteen)) <u>14</u> days; and

(c) The applicant files satisfactory proof of financial responsibility under chapter 46.29 RCW; and

(d) Upon receipt of evidence that a holder of an occupational driver's license granted under this subsection is no longer enrolled in an apprenticeship or onthe-job training program, the director shall give written notice by first-class mail to the driver that the occupational driver's license shall be canceled. If at any time before the cancellation goes into effect the driver submits evidence of continued enrollment in the program, the cancellation shall be stayed. If the cancellation becomes effective, the driver may obtain, at no additional charge, a new occupational driver's license upon submittal of evidence of enrollment in another program that meets the criteria set forth in this subsection; and

(e) The department shall not issue an occupational driver's license under (b)(iv) of this subsection if the applicant is able to receive transit services sufficient to allow for the applicant's participation in the programs referenced under (b)(iv) of this subsection.

(4)(a)(i) If a person has applied for a temporary restricted driver's license because the person's license has been suspended under RCW 46.61.500(2), the terms of a license issued under this section must require the person to use a properly functioning intelligent speed assistance device while operating a motor vehicle.

(ii) If a person has applied for an occupational driver's license because the person's license has been suspended administratively as a result of an accumulation of moving violations under RCW 46.20.2892, and at least one of the violations was for excessive speeding, the terms of an occupational driver's license issued under this section must require the person to use a properly functioning intelligent speed assistance device while operating a motor vehicle.

(b) A person subject to the requirements in (a) of this subsection may not operate a motor vehicle without such a properly functioning device during the duration of the license.

(c)(i) A person who operates a motor vehicle with an intelligent speed assistance device remains exclusively responsible for the operation of the motor vehicle in a safe and lawful manner at all times.

(ii) The obligation under this subsection (4) to use an intelligent speed assistance device is not a defense or mitigating circumstance to a violation of rules of the road, as set forth in law.

(5) A person aggrieved by the decision of the department on the application for an occupational or temporary restricted driver's license may request a hearing as provided by rule of the department.

(((5))) (6) The director shall cancel an occupational or temporary restricted driver's license after receiving notice that the holder thereof has been convicted of operating a motor vehicle in violation of its restrictions, no longer meets the eligibility requirements, or has been convicted of or found to have committed a separate offense or any other act or omission that under this chapter would warrant suspension or revocation of a regular driver's license. The department must give notice of the cancellation as provided under RCW 46.20.245. A person whose occupational or temporary restricted driver's license has been canceled under this section may reapply for a new occupational or temporary restricted driver's license if he or she is otherwise qualified under this section and pays the fee required under RCW 46.20.380.

Sec. 14. RCW 46.61.500 and 2020 c 330 s 14 are each amended to read as follows:

(1) Any person who drives any vehicle in willful or wanton disregard for the safety of persons or property is guilty of reckless driving. ((Violation)) <u>Except as provided in subsection (4) of this section, violation</u> of the provisions of this section is a gross misdemeanor punishable by imprisonment for up to ((three hundred sixty four)) <u>364</u> days and by a fine of not more than ((five thousand dollars)) <u>\$5,000</u>.

(2)(a) Subject to (b) of this subsection, the license or permit to drive or any nonresident privilege of any person convicted of reckless driving shall be suspended by the department for not less than ((thirty)) 30 days.

(b) When a reckless driving conviction is a result of a charge that was originally filed as a violation of RCW 46.61.502 or 46.61.504, or an equivalent local ordinance, the department shall grant credit on a day-for-day basis for any portion of a suspension, revocation, or denial already served under an administrative action arising out of the same incident. In the case of a person whose day-for-day credit is for a period equal to or greater than the period of suspension required under this section, the department shall provide notice of full credit, shall provide for no further suspension under this section, and shall impose no additional reissue fees for this credit. During any period of suspension, revocation, or denial due to a conviction for reckless driving as the result of a charge originally filed as a violation of RCW 46.61.502 or 46.61.504, any person who has obtained an ignition interlock driver's license under RCW 46.20.385 may continue to drive a motor vehicle pursuant to the provision of the ignition interlock driver's license under RCW 46.20.391.

(3)(a) Except as provided under (b) of this subsection, a person convicted of reckless driving who has one or more prior offenses as defined in RCW 46.61.5055(14) within seven years shall be required, under RCW 46.20.720, to install an ignition interlock device on all vehicles operated by the person if the conviction is the result of a charge that was originally filed as a violation of RCW 46.61.502, 46.61.504, or an equivalent local ordinance.

(b) A person convicted of reckless driving shall be required, under RCW 46.20.720, to install an ignition interlock device on all vehicles operated by the person if the conviction is the result of a charge that was originally filed as a violation of RCW 46.61.520 committed while under the influence of intoxicating liquor or any drug or RCW 46.61.522 committed while under the influence of intoxicating liquor or any drug.

(4)(a) Following the period of suspension under subsection (2) of this section, the department must establish a period of probation for 150 days. During the period of probation, the person may not operate a vehicle upon which a properly functioning intelligent speed assistance device has not been installed.

(b) The operation of a vehicle without such a properly functioning intelligent speed assistance device following the suspension as provided in (a) of this subsection is a traffic infraction.

(c) Any traffic infraction for a moving violation committed during the period of probation shall result in an additional 30-day suspension or revocation to run consecutively with any suspension already being served.

(d) A person who is required to operate a motor vehicle with an intelligent speed assistance device under this subsection (4) remains exclusively responsible for operation of the motor vehicle in a safe and lawful manner at all times. The obligation to use an intelligent speed assistance device is not a defense or mitigating circumstance to a violation of rules of the road, as set forth in law.

Sec. 15. RCW 43.84.092 and 2024 c 210 s 5 and 2024 c 168 s 13 are each reenacted and amended to read as follows:

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

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

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

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

(a) The following accounts and funds shall receive their proportionate share of earnings based upon each account's and fund's average daily balance for the period: The abandoned recreational vehicle disposal account, the aeronautics account, the Alaskan Way viaduct replacement project account, the budget stabilization account, the capital vessel replacement account, the capitol building construction account, the Central Washington University capital projects account, the charitable, educational, penal and reformatory institutions account, the Chehalis basin account, the Chehalis basin taxable account, the clean fuels credit account, the clean fuels transportation investment account, the cleanup settlement account, the climate active transportation account, the climate transit programs account, the Columbia river basin water supply development account, the Columbia river basin taxable bond water supply development account, the Columbia river basin water supply revenue recovery account, the common school construction fund, the community forest trust account, the connecting Washington account, the county arterial preservation account, the county criminal justice assistance account, the covenant homeownership account, the deferred compensation administrative account, the deferred compensation principal account, the department of licensing services account, the department of retirement systems expense account, the developmental disabilities community services account, the diesel idle reduction account, the opioid abatement settlement account, the drinking water assistance account, the administrative subaccount of the drinking water assistance account, the early learning facilities development account, the early learning facilities revolving account, the Eastern Washington University capital projects account, the education construction fund, the education legacy trust account, the election account, the electric vehicle account, the energy freedom account, the energy recovery act account, the essential rail assistance account, The Evergreen State College capital projects account, the fair start for kids account, the family medicine workforce development account, the ferry bond retirement fund, the fish, wildlife, and conservation account, the freight mobility investment account, the freight mobility multimodal account, the grade crossing protective fund, the higher education retirement plan supplemental benefit fund, the Washington student loan account, the highway bond retirement fund, the highway infrastructure account, the highway safety fund, the hospital safety net assessment fund, the intelligent speed assistance device revolving account, the Interstate 5 bridge replacement project account, the Interstate 405 and state route number 167 express toll lanes account, the judges' retirement account, the judicial retirement administrative account, the judicial retirement principal account, the limited fish and wildlife account, the local leasehold excise tax account, the local real estate excise tax account, the local sales and use tax account, the marine resources stewardship trust account, the medical aid account, the money-purchase retirement savings administrative account, the money-purchase retirement savings principal account, the motor vehicle fund, the motorcycle safety education account, the move ahead WA account, the move ahead WA flexible account, the multimodal transportation account, the multiuse roadway safety account, the municipal criminal justice assistance account, the oyster reserve land account, the pension funding stabilization account, the perpetual surveillance and maintenance account, the pilotage account, the pollution liability insurance agency underground storage tank revolving account, the public employees' retirement system plan 1 account, the public employees' retirement system combined plan 2 and plan 3 account, the public facilities construction loan revolving account, the public health supplemental account, the public works assistance account, the Puget Sound capital construction account, the Puget Sound ferry operations account, the Puget Sound Gateway facility account, the Puget Sound taxpayer accountability account, the real estate appraiser commission account, the recreational vehicle account, the regional mobility grant program account, the reserve officers' relief and pension principal fund, the resource management cost account, the rural arterial trust account, the rural mobility grant program account, the rural Washington loan fund, the second injury fund, the sexual assault prevention and response account, the site closure account, the skilled nursing facility safety net trust fund, the small city pavement and sidewalk account, the special category C account, the special wildlife account, the state hazard mitigation revolving loan account, the state investment board expense account, the state investment board commingled trust fund accounts, the state patrol highway account, the state reclamation revolving account, the state route number 520 civil penalties account, the state route number 520 corridor account, the statewide broadband account, the statewide tourism marketing account, the supplemental pension account, the Tacoma Narrows toll bridge account, the teachers' retirement system plan 1 account, the teachers' retirement system combined plan 2 and plan 3 account, the tobacco prevention and control account, the tobacco settlement account, the toll facility bond retirement account, the transportation 2003 account (nickel account), the

transportation equipment fund, the JUDY transportation future funding program account, the transportation improvement account, the transportation improvement board bond retirement account, the transportation infrastructure account, the transportation partnership account, the traumatic brain injury account, the tribal opioid prevention and treatment account, the University of Washington bond retirement fund, the University of Washington building account, the voluntary cleanup account, the volunteer firefighters' relief and pension principal fund, the volunteer firefighters' and reserve officers' administrative fund, the vulnerable roadway user education account, the Washington judicial retirement system account, the Washington law enforcement officers' and firefighters' system plan 1 retirement account, the Washington law enforcement officers' and firefighters' system plan 2 retirement account, the Washington public safety employees' plan 2 retirement account, the Washington school employees' retirement system combined plan 2 and 3 account, the Washington state patrol retirement account, the Washington State University building account, the Washington State University bond retirement fund, the water pollution control revolving administration account, the water pollution control revolving fund, the Western Washington University capital projects account, the Yakima integrated plan implementation account, the Yakima integrated plan implementation revenue recovery account, and the Yakima integrated plan implementation taxable bond account. Earnings derived from investing balances of the agricultural permanent fund, the normal school permanent fund, the permanent common school fund, the scientific permanent fund, and the state university permanent fund shall be allocated to their respective beneficiary accounts.

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

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

<u>NEW SECTION.</u> Sec. 16. This act may be known and cited as the BEAM act.

<u>NEW SECTION.</u> Sec. 17. Sections 4 through 6 of this act are each added to chapter 46.20 RCW.

NEW SECTION. Sec. 18. This act takes effect January 1, 2029.

Passed by the House April 21, 2025.

Passed by the Senate April 15, 2025.

Approved by the Governor May 12, 2025.

Filed in Office of Secretary of State May 14, 2025.

CHAPTER 229

[Engrossed Substitute House Bill 1332]

TRANSPORTATION NETWORK COMPANIES—VARIOUS PROVISIONS

AN ACT Relating to transportation network companies; amending RCW 46.72B.020 and 49.46.300; adding a new section to chapter 46.72B RCW; and providing effective dates.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 46.72B.020 and 2022 c 281 s 15 are each amended to read as follows:

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

(1) "Department" means the department of licensing.

(2) "Digital network" means any online-enabled application, website, or system offered or used by a transportation network company that enables the prearrangement of rides between drivers and passengers.

(3) "Director" means the director of the department of licensing.

(4) "Driver" has the meaning provided in RCW 49.46.300.

(5) "Network services" has the meaning provided in RCW 49.46.300.

(6) "Passenger" means an individual who uses a digital network to connect with a driver in order to obtain a prearranged ride in the driver's transportation network company vehicle. A person may use a digital network to request a prearranged ride on behalf of a passenger.

(7) "Prearranged ride" has the same meaning provided in RCW 48.177.005.

(8) "Product class" means special ride options, offered to passengers for additional fees, that are based on the type of vehicle, such as make and model, or based on the type of vehicle combined with specified features or ride preferences.

(9) "Transportation network company" has the meaning provided in RCW 49.46.300.

(((9))) (10) "Transportation network company vehicle" has the same meaning as "personal vehicle" in RCW 48.177.005.

<u>NEW SECTION.</u> Sec. 2. A new section is added to chapter 46.72B RCW to read as follows:

(1) A transportation network company must make information available to transportation network company drivers on which vehicles, described by make, model, and year, are eligible for each product class offered on the transportation network company platform.

(2) For any vehicle that lost eligibility on the basis of vehicle year or model type for a particular product class in the 12 months prior to the effective date of this section, the transportation network company must reinstate the vehicle to that product class for at least 12 months following the effective date of this section. The requirements in subsection (2) of this section do not apply to vehicles that lost eligibility for a reason other than vehicle year or model type, including but not limited to the driver's loss of access to the transportation network company's platform, vehicle safety-related or vehicle condition issues, or the driver's or vehicle's noncompliance with law or regulatory standards.

(3) If a transportation network company plans to modify vehicle age or model type requirements for an existing product class, the transportation

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network company must provide all current drivers with written notice at least 120 calendar days before the change is implemented.

Sec. 3. RCW 49.46.300 and 2022 c 281 s 1 are each amended to read as follows:

(1) The definitions in this subsection apply throughout this section and RCW 49.46.310 through 49.46.350 unless the context clearly requires otherwise.

(a) "Account deactivation" means one or more of the following actions with respect to an individual driver or group of drivers that is implemented by a transportation network company and lasts for more than three consecutive days:

(i) Blocking access to the transportation network company driver platform;

(ii) Changing a driver's status from eligible to provide transportation network company services to ineligible; or

(iii) Any other material restriction in access to the transportation network company's driver platform.

(b) "Compensation" means payment owed to a driver by reason of providing network services including, but not limited to, the minimum payment for passenger platform time and mileage, incentives, and tips.

(c) "Department" means the department of labor and industries.

(d) "Digital network" means any online-enabled application, website, or system offered or used by a transportation network company that enables the prearrangement of rides between drivers and passengers.

(e) "Director" means the director of the department of labor and industries.

(f) "Dispatch location" means the location of the driver at the time the driver accepts a trip request through the driver platform.

(g) "Dispatch platform time" means the time a driver spends traveling from a dispatch location to a passenger pick-up location. Dispatch platform time ends when a passenger cancels a trip or the driver begins the trip through the driver platform. A driver cannot simultaneously be engaged in dispatch platform time and passenger platform time for the same transportation network company. For shared rides, dispatch platform time means the time a driver spends traveling from the first dispatch location to the first passenger pick-up location.

(h) "Dispatched trip" means the provision of transportation by a driver for a passenger through the use of a transportation network company's application dispatch system.

(i) "Driver" has the same meaning as "commercial transportation services provider driver" in RCW 48.177.005. Except as otherwise specified in chapter 281, Laws of 2022, for purposes of this title and Titles 48, 50A, 50B, and 51 RCW, and any orders, regulations, administrative policies, or opinions of any state or local agency, board, division, or commission, pursuant to those titles, a driver is not an employee or agent of a transportation network company if the following factors are met:

(i) The transportation network company does not unilaterally prescribe specific dates, times of day, or a minimum number of hours during which the driver must be logged into the transportation network company's online-enabled application or platform;

(ii) The transportation network company may not terminate the contract of the driver for not accepting a specific transportation service request;

(iii) The transportation network company does not contractually prohibit the driver from performing services through other transportation network companies (iv) The transportation network company does not contractually prohibit the driver from working in any other lawful occupation or business.

Notwithstanding any state or local law to the contrary, any party seeking to establish that the factors in this subsection (1)(i) are not met bears the burden of proof. A driver for purposes of this section shall not include any person ultimately and finally determined to be an "employee" within the meaning of section 2(3) of the national labor relations act, 29 U.S.C. Sec. 152(3).

(j) "Driver platform" means the driver-facing application dispatch system software or any online-enabled application service, website, or system, used by a driver, or which enables services to be delivered to a driver that enables the prearrangement of passenger trips for compensation.

(k) "Driver resource center" or "center" means a nonprofit organization that provides services to drivers. The nonprofit organization must be registered with the Washington secretary of state, have organizational bylaws giving drivers right to membership in the organization, and have demonstrated experience: (i) Providing services to gig economy drivers in Washington state, including representing drivers in deactivation appeals proceedings; and (ii) providing culturally competent driver representation services, outreach, and education. The administration and formation of the driver resource center may not be funded, excessively influenced, or controlled by a transportation network company.

(1) "Driver resource center fund" or "fund" means the dedicated fund created in RCW 49.46.310, the sole purpose of which is to administer funds collected from transportation network companies to provide services, support, and benefits to drivers.

(m) "Network services" means services related to the transportation of passengers through the driver platform that are provided by a driver while logged in to the driver platform, including services provided during available platform time, dispatch platform time, and passenger platform time.

(n) "Passenger" has the same meaning as "commercial transportation services provider passenger" in RCW 48.177.005.

(o) "Passenger drop-off location" means the location of a driver's vehicle when the passenger leaves the vehicle.

(p) "Passenger pick-up location" means the location of the driver's vehicle at the time the driver starts the trip in the driver platform.

(q) "Passenger platform miles" means all miles driven during passenger platform time as recorded in a transportation network company's driver platform.

(r) "Passenger platform time" means the period of time when the driver is transporting one or more passengers on a trip. For shared rides, passenger platform time means the period of time commencing when the first passenger enters the driver's vehicle until the time when the last passenger exits the driver's vehicle.

(s) "Personal vehicle" has the same meaning as "personal vehicle" in RCW 48.177.005.

(t) "Shared ride" means a dispatched trip which, prior to its commencement, a passenger requests through the transportation network company's digital network to share the dispatched trip with one or more passengers and each passenger is charged a fare that is calculated, in whole or in part, based on the passenger's request to share all or a part of the dispatched trip with one or more passengers, regardless of whether the passenger actually shares all or a part of the dispatched trip.

(u) "Tips" means a verifiable sum to be presented by a passenger as a gift or gratuity in recognition of service performed for the passenger by the driver receiving the tip.

(v) "Transportation network company" has the same meaning as defined in RCW 46.04.652. A transportation network company does not provide for hire transportation service.

(2) A driver is only covered by this section to the extent that the driver provides network services within the state of Washington.

(3)(a) A transportation network company is covered by this section if it provides a driver platform within the state of Washington.

(b) Separate entities that form an integrated enterprise are considered a single transportation network company under this section. Separate entities will be considered an integrated enterprise and a single transportation network company where a separate entity controls the operation of another entity. Factors to consider include, but are not limited to, the degree of interrelation between the operations of multiple entities; the degree to which the entities share common management; the centralized control of labor relations; the degree of common ownership or financial control over the entities; and the use of a common brand, trade, business, or operating name.

(4)(a) Beginning December 31, 2022, a transportation network company shall ensure that a driver's total compensation is not less than the standard set forth in (a)(i), (ii), or (iii) of this subsection (4).

(i) For all dispatched trips originating in cities with a population of more than 600,000, on a per trip basis the greater of:

(A) 0.59 per passenger platform minute for all passenger platform time for that trip, and 1.38 per passenger platform mile for all passenger platform miles driven on that trip; or

(B) A minimum of \$5.17 per dispatched trip.

(ii) For all other dispatched trips, the greater of:

(A) 0.34 per passenger platform minute and 1.17 per passenger platform mile; or

(B) A minimum of \$3.00 per dispatched trip.

(iii) For all trips originating elsewhere and terminating in cities with a population of more than 600,000:

(A) For all passenger platform time spent within the city on that trip and for all passenger platform miles driven in the city on that trip the compensation standard under (a)(i) of this subsection applies.

(B) For all passenger platform time spent outside the city on that trip and for all passenger platform miles driven outside the city on that trip the compensation standard under (a)(ii) of this subsection applies.

(b) Beginning September 30, 2022, and on each following September 30th, the department shall calculate adjusted per mile and per minute amounts and per trip minimums by increasing the current year's per mile and per minute amounts and per trip minimums by the rate of increase of the state minimum wage,

calculated to the nearest cent. The adjusted amount calculated under this section takes effect on the following January 1st.

(c) For shared rides, the per trip minimums in (a)(i) and (ii) of this subsection shall apply only to the entirety of the shared ride, and not on the basis of the individual passenger's trip within the shared ride.

(5)(a) For the purposes of this section, a dispatched trip includes:

(i) A dispatched trip in which the driver transports the passenger to the passenger drop-off location;

(ii) A dispatched trip canceled after two minutes by a passenger or the transportation network company unless cancellation is due to driver conduct, or no cancellation fee is charged to the passenger;

(iii) A dispatched trip that is canceled by the driver for good cause consistent with company policy; and

(iv) A dispatched trip where the passenger does not appear at the passenger pick-up location within five minutes.

(b) A transportation network company may exclude time and miles if doing so is reasonably necessary to remedy or prevent fraudulent use of the transportation network company's online-enabled application or platform.

(6)(a) A transportation network company shall remit to drivers all tips. Tips paid to a driver are in addition to, and may not count towards, the driver's minimum compensation under this section.

(b) Amounts charged to a passenger and remitted to the driver for tolls, fees, or surcharges incurred by a driver during a trip must not be included in calculating compensation for purposes of subsection (4) of this section.

(c)(i) Beginning January 1, 2023, except as required by law, a transportation network company may only deduct compensation when the driver expressly authorizes the deduction in writing and does so in advance for a lawful purpose. Any authorization by a driver must be voluntary and knowing.

(ii) Nothing in this section shall prohibit a transportation network company from deducting compensation as required by state or federal law or as directed by a court order.

(iii) Neither the transportation network company nor any person acting in the interest of the transportation network company may derive any financial profit or benefit from any of the deductions under this section. For the purposes of this section:

(A) Reasonable interest charged by the transportation network company or any person acting in the interest of a transportation network company, for a loan or credit extended to the driver, is not considered to be of financial benefit to the transportation network company or person acting in the interest of a transportation network company; and

(B) A deduction will be considered for financial profit or benefit only if it results in a gain over and above the fair market value of the goods or services for which the deduction was made.

(7)(a) Beginning January 1, 2023, a transportation network company shall provide each driver with a written notice of rights established by this section in a form and manner sufficient to inform drivers of their rights under this section. The notice of rights shall provide information on:

(i) The right to the applicable per minute rate and per mile rate or per trip rate guaranteed by this section;

(ii) The right to be protected from retaliation for exercising in good faith the rights protected by this section; and

(iii) The right to seek legal action or file a complaint with the department for violation of the requirements of this section, including a transportation network company's failure to pay the minimum per minute rate or per mile rate or per trip rate, or a transportation network company's retaliation against a driver or other person for engaging in an activity protected by this section.

(b) A transportation network company shall provide the notice of rights required by this section in an electronic format that is readily accessible to the driver. The notice of rights shall be made available to the driver via smartphone application or online web portal, in English and the five most common foreign languages spoken in this state.

(8) Beginning December 31, 2022, within 24 hours of completion of each dispatched trip, a transportation network company must transmit an electronic receipt to the driver that contains the following information for each unique trip, or portion of a unique trip, covered by this section:

(a) The total amount of passenger platform time;

(b) The total mileage driven during passenger platform time;

(c) Rate or rates of pay, including but not limited to the rate per minute, rate per mile, percentage of passenger fare, and any applicable ((price multiplier or variable pricing policy in effect for the trip)) trip-based financial incentives, promotions, or bonuses paid to the driver that resulted directly from the specific trip, rather than any aggregated trip activity;

(d) Tip compensation;

(e) Gross payment;

(f) Net payment after deductions, fees, tolls, surcharges, lease fees, or other charges; and

(g) Itemized deductions or fees, including any toll, surcharge, commission, lease fees, and other charges.

(9)(a) Beginning January 1, 2023, a transportation network company shall make driver per trip receipts available in a downloadable format, such as a comma-separated values file or PDF file, via smartphone application or online web portal for a period of two years from the date the transportation network company provided the receipt to the driver.

(b) Beginning on the effective date of this section, a transportation network company shall make available to a driver a downloadable record containing the data from the driver's per-trip receipts for all trips in the reference period contained in this section. The record required by this section must be provided in a single aggregated, searchable, downloadable format, such as a commaseparated values file or searchable PDF file. The reference period for the record required by this section must be the previous 24 months. The record required by this section must be made available for download within three business days from the date that the driver requests the record. The record required by this section must contain a table with rows for each unique trip and columns for each itemized element contained in each trip receipt. The record required by this section may contain additional information at the discretion of the transportation network company.

(10) Beginning January 1, 2023, on a weekly basis, the transportation network company shall provide written notice to the driver that contains the

(a) The driver's total passenger platform time;

(b) Total mileage driven by the driver during passenger platform time;

(c) The driver's total tip compensation;

(d) The driver's gross payment, itemized by: (i) Rate per minute; (ii) rate per mile; and (iii) any other method used to calculate pay including, but not limited to, base pay, percentage of passenger fare, or any applicable ((price multiplier or variable pricing policy in effect for the trip)) financial incentives, promotions, or bonuses paid to the driver related to any of the driver's activity on the platform;

(e) The driver's net payment after deductions, fees, tolls, surcharges, lease fees, or other charges; and

(f) Itemized deductions or fees, including all tolls, surcharges, commissions, lease fees, and other charges, from the driver's payment.

(11) Beginning January 1, 2023, within 24 hours of a trip's completion, a transportation network company must transmit an electronic receipt to the passenger, for on trip time, on behalf of the driver that lists:

(a) The date and time of the trip;

(b) The passenger pick-up and passenger drop-off locations for the trip. In describing the passenger pick-up location and passenger drop-off location, the transportation network company shall describe the location by indicating the specific block (e.g. "the 300 block of Pine Street") in which the passenger pick-up and passenger drop-off occurred. A transportation network company is authorized to indicate the location with greater specificity, such as with a street address or intersection, at its discretion;

(c) The total duration and distance of the trip;

(d) The driver's first name;

(e) The total fare paid, itemizing all charges and fees; and

(f) The total passenger-paid tips.

(12)(a) Beginning July 1, 2024, transportation network companies shall collect and remit a \$0.15 per trip fee to the driver resource center fund, created in RCW 49.46.310, for the driver resource center to support the driver community. The remittance under this subsection is a pass-through of passenger fares and shall not be considered a transportation network company's funding of the driver resource center. Passenger fares paid include each individual trip portion on shared trips. The remittances to the fund must be made on a quarterly basis.

(b) Beginning September 30, 2024, and on each following September 30th, the department shall calculate an adjusted per trip fee by adjusting the current amount by the rate of inflation. The adjusted amounts must be calculated to the nearest cent using the consumer price index for urban wage earners and clerical workers, CPI-W, or a successor index, for the 12 months prior to each September 1st as calculated by the United States department of labor. Each adjusted amount calculated under this subsection takes effect on the following January 1st.

(13) No later than one year after June 9, 2022, transportation network companies shall provide an opportunity for drivers to make voluntary per trip earnings deduction contributions to the driver resource center, provided that 100 or more drivers working for transportation network companies covered under this section have authorized such a deduction to the driver resource center, and subject to the following:

(a) A driver must expressly authorize the deduction in writing. Written authorization must include, at a minimum, sufficient information to identify the driver and the driver's desired per trip deduction amount. These deductions may reduce the driver's per trip earnings below the minimums set forth in this section.

(b) The transportation network company may require written authorization to be submitted in electronic format from the driver resource center.

(c) The transportation network company shall make the first deductions within 30 days of receiving a written authorization of the driver, and shall remit deductions to the driver resource center each month, with remittance due not later than 28 days following the end of the month.

(d) A driver's authorization remains in effect until the driver resource center provides an express revocation to the transportation network company.

(e) A transportation network company shall rely on information provided by the driver resource center regarding the authorization and revocation of deductions.

(f) Upon request by a transportation network company, the driver resource center shall reimburse the transportation network company for the costs associated with deduction and remittance. The department shall adopt rules to calculate the reimbursable costs.

(14) Each transportation network company shall submit to the fund, with its remittance under subsection (12) of this section, a report detailing the number of trips in the previous quarter and the total amount of the surcharge charged to customers. The first payment and accounting is due on the 30th day of the quarter following the imposition of the surcharge. Failure to remit payments by the deadlines is deemed a delinquency and the transportation network company is subject to penalties and interest provided in RCW 49.46.330.

(15)(a) The state expressly intends to displace competition with regulation allowing a transportation network company, at its own volition, to enter into an agreement with the driver resource center regarding a driver account deactivation appeals process for eligible account deactivations. It is the policy of the state to promote a fair appeals process related to eligible account deactivations that supports the rights of drivers and transportation network companies and provides fair processes related to eligible account deactivations. The state intends that any agreement under this section is immune from all federal and state antitrust laws.

(i) "Eligible account deactivation" means one or more of the following actions with respect to an individual driver that is implemented by a transportation network company:

(A) Blocking or restricting access to the transportation network company driver platform for three or more consecutive days; or

(B) Changing a driver's account status from eligible to provide transportation network company services to ineligible for three or more consecutive days.

(ii) An eligible account deactivation does not include any change in a driver's access or account status that is:

(A) Related to an allegation of discrimination, harassment, including sexual harassment or harassment due to someone's membership in a protected class, or physical or sexual assault, or willful or knowing commitment of fraud;

(B) Related to an allegation that the driver was under the influence of drugs or alcohol while a related active investigation that takes no longer than 10 business days is under way; or

(C) Any other categories the transportation network company and the driver resource center may agree to as part of the agreement under this subsection.

(iii) A transportation network company shall enter into an agreement with the driver resource center regarding the driver account deactivation appeals process for eligible account deactivations. Any agreement must be approved by the department. The department may approve an agreement only if the agreement contains the provisions in (a)(iv) of this subsection.

(iv) The agreement must provide an appeals process for drivers whose account has been subject to an eligible account deactivation. The appeals process must include the following protections:

(A) Opportunity for a driver representative to support a driver, upon the driver's request, throughout the account deactivation appeals process for eligible account deactivations;

(B) Notification, as required by (d) of this subsection, to drivers of their right to representation by the driver resource center at the time of the eligible account deactivation;

(C) Within 30 calendar days of a request, furnishing to the driver resource center an explanation and information the transportation network company may have relied upon in making the deactivation decision, excluding confidential, proprietary, or otherwise privileged communications, provided that personal identifying information and confidential information is redacted to address reasonable privacy and confidentiality concerns;

(D) A good faith, informal resolution process that is committed to efficient resolution of conflicts regarding eligible account deactivations within 30 days of the transportation network company being notified that the driver contests the explanation offered by the company;

(E) A formal process that includes a just cause standard, with deadlines for adjudication of an appeal of an eligible account deactivation by a panel that includes a mutually agreed-upon neutral third party with experience in dispute resolution. The panel has the authority to make binding decisions within the confines of the law and make-whole monetary awards, including back pay, based on an agreed-upon formula for cases not resolved during the informal process;

(F) Agreement by the transportation network company to use the process set forth in this subsection to resolve disputes over eligible account deactivation appeals as an alternative to private arbitration with regard to such a dispute, should the driver and transportation network company so choose; and

(G) Agreement by the transportation network company that, for eligible account deactivations in which the driver or transportation network company elect private arbitration in lieu of the formal process outlined in (a)(iv)(E) of this subsection (15), the transportation network company shall offer the driver the opportunity to have the eligible deactivation adjudicated under the just cause standard outlined in (a)(iv)(E) of this subsection.

(b) A transportation network company that enters into an agreement with the driver resource center shall reach agreement through the following steps:

(i)(A) For a transportation network company operating a digital network in the state of Washington as of June 9, 2022, the driver resource center and

transportation network company must make good faith efforts to reach an agreement within 120 days of an organization being selected as the driver resource center under RCW 49.46.310.

(B) For a transportation network company who begins operating a digital network in the state of Washington after an organization has been selected as the driver resource center under RCW 49.46.310, the driver resource center and transportation network company must make good faith efforts to reach an agreement within 120 days of the transportation network company beginning operation of a digital network in the state of Washington.

(ii) If the driver resource center and transportation network company cannot reach an agreement, then they are required to submit issues of dispute before a jointly agreed-upon mediator.

(iii) After mediation lasting no more than two months has been exhausted and no resolution has been reached, then the parties will proceed to binding arbitration before a panel of arbitrators consisting of one arbitrator selected by the driver resource center, one arbitrator selected by the transportation network company, and a third arbitrator selected by the other two. If the two selected arbitrators cannot agree to the third arbitrator within 10 days, then the third arbitrator shall be determined from a list of seven arbitrators with experience in labor disputes or interest arbitration designated by the American arbitration association. A coin toss shall determine which side strikes the first name. Thereafter the other side shall strike a name. The process will continue until only one name remains, who shall be the third arbitrator. Alternatively, the driver resource center and the transportation network company may agree to a single arbitrator.

(iv) The arbitrators must submit their decision, based on majority rule, within 60 days of the panel or arbitrator being chosen.

(v) The decision of the majority of arbitrators is final and binding and will then be submitted to the director of the department for final approval.

(c) In reviewing any agreement between a transportation network company and the driver resource center, under (a) of this subsection, the department shall review the agreement to ensure that its content is consistent with this subsection and the public policy goals set forth in this subsection. The department shall consider in its review both qualitative and quantitative effects of the agreement and how the agreement comports with the state policies set forth in this section. In conducting a review, the record shall not be limited to the submissions of the parties nor to the terms of the proposed agreement and the department shall have the right to conduct public hearings and request additional information from the parties, provided that such information: (i) Is relevant for determining whether the agreement complies with this subsection; and (ii) does not contain either parties' confidential, proprietary, or privileged information, or any individual's personal identifying information from the parties. The department may approve or reject a proposed agreement, and may require the parties to submit a revised proposal on all or particular parts of the proposed agreement. If the department rejects an agreement, it shall set forth its reasoning in writing and shall suggest ways the parties may remedy the failures. Absent good cause, the department shall issue a written determination regarding its approval or rejection within 60 days of submission of the agreement.

(d)(i) For any account deactivation, the transportation network company shall provide notification to the driver, at the time of deactivation, that the driver may have the right to representation by the driver resource center to appeal the account deactivation.

(ii) A transportation network company must provide any driver whose account is subject to an account deactivation between June 9, 2022, and the effective date of the agreement the contact information of the driver resource center and notification that the driver may have the right to appeal the account deactivation with representation by the driver resource center.

(16) The department may adopt rules to implement this section.

<u>NEW SECTION.</u> Sec. 4. Sections 1 and 2 of this act take effect September 1, 2025.

NEW SECTION. Sec. 5. Section 3 of this act takes effect July 1, 2026.

Passed by the House April 17, 2025. Passed by the Senate April 14, 2025. Approved by the Governor May 12, 2025. Filed in Office of Secretary of State May 14, 2025.

CHAPTER 230

[Substitute House Bill 1418]

PUBLIC TRANSPORTATION BENEFIT AREAS—GOVERNING BODY—TRANSIT USER

MEMBERS

AN ACT Relating to adding two voting members that are transit users to the governing body of public transportation benefit areas; amending RCW 36.57A.050; and providing an effective date.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 36.57A.050 and 2020 c 83 s 2 are each amended to read as follows:

(1)(a) Within ((sixty)) <u>60</u> days of the establishment of the boundaries of the public transportation benefit area the members of the county legislative authority and the elected representative of each city within the area shall provide for the selection of the governing body of such area, the public transportation benefit area authority, which shall consist of elected officials selected by and serving at the pleasure of the governing bodies of component cities within the area and the county legislative authority of each county within the area. Two other transitusing members may be appointed to the governing body of such area, pursuant to subsection (3)(b) of this section.

(b) The elected official members of the governing body of the public transportation benefit area, if the population of the county in which the public transportation benefit area is located is more than ((four hundred thousand)) 400,000 and the county does not also contain a city with a population of ((seventy five thousand))) 75,000 or more operating a transit system pursuant to chapter 35.95 RCW, must be selected to assure proportional representation, based on population, of each of the component cities located within the public transportation benefit area and the unincorporated areas of the county located within the public transportation benefit area, to the extent possible within the restrictions placed on the size of the governing body of a public transportation benefit area. If necessary to assure such proportional representation, multiple

cities may be represented by a single elected official from one of the cities. A majority of the governing board may not be selected to represent a single component city.

(c) If at the time a public transportation benefit area authority assumes the public transportation functions previously provided under the interlocal cooperation act (chapter 39.34 RCW) there are citizen positions on the governing board of the transit system, those positions may be retained as positions on the governing board of the public transportation benefit area authority.

(2) Within such (($\frac{\text{sixty-day}}{\text{sixty-day}}$)) <u>60-day</u> period, any city may by resolution of its legislative body withdraw from participation in the public transportation benefit area. The county legislative authority and each city remaining in the public transportation benefit area may disapprove and prevent the establishment of any governing body of a public transportation benefit area if the composition thereof does not meet its approval.

(3)(a) In no case shall the governing body of a single county public transportation benefit area be greater than $((nine)) \underline{11}$ voting members and in the case of a multicounty area, $((fifteen)) \underline{17}$ voting members. Those cities within the public transportation benefit area and excluded from direct membership on the authority are hereby authorized to designate a member of the authority who shall be entitled to represent the interests of such city which is excluded from direct membership on the authority. The legislative body of such city shall notify the authority as to the determination of its authorized representative on the authority.

(b)(i) In addition to the maximum of nine elected official voting members of the governing body of a single county public transportation benefit area or 15 elected official voting members of the governing body, in the case of a multicounty area, there may be two transit-using voting members appointed to each governing body by the elected official voting members. Transit-using voting members may not be employees of the transit agency operating under the public transportation benefit area authority.

(ii) One transit-using voting member must primarily rely on public transportation systems for transportation.

(iii) One transit-using voting member must represent a community-based organization and at least occasionally use public transportation systems for transportation. If no such representative in the public transportation benefit area's service area is available to serve, the governing body must appoint a second transit-using voting member who meets the requirements of (b)(ii) of this subsection.

(iv) If transit-using voting members are appointed to a governing body, meetings of the governing body must occur at a time and a place that are reasonably accessible by transit, in order to facilitate the participation of the transit-using voting members.

(v) Transit-using voting members must be provided comprehensive training regarding the open public meetings act established in chapter 42.30 RCW, the public records act established in chapter 42.56 RCW, and chapter 42.23 RCW regarding ethics for municipal officers, as soon as is reasonably practicable after the member's appointment.

(vi) This subsection (3)(b) does not apply to any public transportation benefit area authority where there are retained citizen positions on the governing body, pursuant to subsection (1)(c) of this section.

(c) There is one nonvoting member of the public transportation benefit area authority. The nonvoting member is recommended by the labor organization representing the public transportation employees within the local public transportation system. If the public transportation employees are represented by more than one labor organization, all such labor organizations shall select the nonvoting member by majority vote. The nonvoting member shall comply with all governing bylaws and policies of the authority. The chair or cochairs of the authority shall exclude the nonvoting member from attending any executive session held for the purpose of discussing negotiations with labor organizations. The chair or cochairs may exclude the nonvoting member from attending any other executive session. The requirement that a nonvoting member be appointed to the governing body of a public transportation benefit area authority does not apply to an authority that has no employees represented by a labor union.

(4)(a) Each member of the authority is eligible to be reimbursed for travel expenses in accordance with RCW 43.03.050 and 43.03.060 and to receive compensation, as set by the authority, in an amount not to exceed ((forty-four dollars)) <u>\$44</u> for each day during which the member attends official meetings of the authority or performs prescribed duties approved by the chair of the authority. Except that the authority may, by resolution, increase the payment of per diem compensation to each member from ((forty-four dollars)) <u>\$44</u> up to ((ninety dollars)) <u>\$90</u> per day or portion of a day for actual attendance at board meetings or for performance of other official services or duties on behalf of the authority. In no event may a member be compensated in any year for more than ((seventy-five)) <u>100</u> days: PROVIDED, That compensation shall not be paid to an elected official or employee of federal, state, or local government for attending meetings and performing prescribed duties of the authority.

(b) The dollar thresholds established in this section must be adjusted for inflation by the office of financial management every five years, beginning January 1, 2024, based upon changes in the consumer price index during that time period. "Consumer price index" means, for any calendar year, that year's annual average consumer price index, for Washington state, for wage earners and clerical workers, all items, compiled by the bureau of labor and statistics, United States department of labor. If the bureau of labor and statistics develops more than one consumer price index for areas within the state, the index covering the greatest number of people, covering areas exclusively within the boundaries of the state, and including all items shall be used for the adjustments for inflation in this section. The office of financial management must calculate the new dollar threshold and transmit it to the office of the code reviser for publication in the Washington State Register at least one month before the new dollar threshold is to take effect.

(c) A person holding office as commissioner for two or more special purpose districts shall receive only that per diem compensation authorized for one of his or her commissioner positions as compensation for attending an official meeting or conducting official services or duties while representing more

than one of his or her districts. However, such commissioner may receive additional per diem compensation if approved by resolution of all boards of the affected commissions.

<u>NEW SECTION.</u> Sec. 2. This act takes effect January 1, 2026.

Passed by the House April 19, 2025. Passed by the Senate April 16, 2025. Approved by the Governor May 12, 2025. Filed in Office of Secretary of State May 14, 2025.

CHAPTER 231

[House Bill 1970]

STATE HIGHWAY CONSTRUCTION PROJECTS—ALTERNATIVE CONTRACTING PROCEDURES

AN ACT Relating to state highway construction project alternative contracting procedures; amending RCW 39.10.270, 39.10.280, 47.20.780, 47.20.785, and 43.131.408; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 39.10.270 and 2019 c 212 s 3 are each amended to read as follows:

(1) A public body may apply for certification to use the design-build or general contractor/construction manager contracting procedure, or both. Once certified, a public body may use the contracting procedure for which it is certified on individual projects without seeking committee approval for a period of three years. A public body seeking certification must submit to the committee an application in a format and manner as prescribed by the committee. The application must include a description of the public body's qualifications, its capital plan during the certification period, and its intended use of alternative contracting procedures.

(2) A public body seeking certification for the design-build procedure must demonstrate successful management of at least one design-build project within the previous five years. A public body seeking certification for the general contractor/construction manager procedure must demonstrate successful management of at least one general contractor/construction manager project within the previous five years.

(3) To certify a public body, the committee shall determine that the public body:

(a) Has the necessary experience and qualifications to determine which projects are appropriate for using alternative contracting procedures;

(b) Has the necessary experience and qualifications to carry out the alternative contracting procedure including, but not limited to: (i) Project delivery knowledge and experience; (ii) personnel with appropriate construction experience; (iii) a management plan and rationale for its alternative public works projects; (iv) demonstrated success in managing public works projects; (v) the ability to properly manage its capital facilities plan including, but not limited to, appropriate project planning and budgeting experience; and (vi) the ability to meet requirements of this chapter; and

(c) Has resolved any audit findings on previous public works projects in a manner satisfactory to the committee.

(4) The committee shall make its determination at the public meeting during which an application for certification is reviewed. Public comments must be considered before a determination is made. Within ((ten)) <u>10</u> business days of the public meeting, the committee shall provide a written determination to the public body, and make its determination available to the public on the committee's website.

(5) The committee may revoke any public body's certification upon a finding, after a public hearing, that its use of design-build or general contractor/construction manager contracting procedures no longer serves the public interest.

(6) The committee may renew the certification of a public body for additional three-year periods. The public body must submit an application for recertification at least three months before the initial certification expires. The committee may accept late applications, if administratively feasible, to avoid expiration of certification on a case-by-case basis. The application shall include updated information on the public body's experience and current staffing with the procedure it is applying to renew, and any other information requested in advance by the committee. The committee must review the application for recertification period. A public body must reapply for certification under the process described in subsection (1) of this section once the period of recertification expires.

(7) Certified public bodies must submit project data information as required in RCW 39.10.320 and 39.10.350.

(8) The department of transportation is not subject to the certification requirements under this section to use the design-build procedure, progressive design-build procedure, or any general contractor/construction manager contracting procedure on individual projects.

Sec. 2. RCW 39.10.280 and 2014 c 42 s 2 are each amended to read as follows:

(1) A public body not certified under RCW 39.10.270 must apply for approval from the committee to use the design-build or general contractor/construction manager contracting procedure on a project. A public body seeking approval must submit to the committee an application in a format and manner as prescribed by the committee. The application must include a description of the public body's qualifications, a description of the project, the public body's intended use of alternative contracting procedures, and, if applicable, a declaration that the public body has elected to procure the project as a heavy civil construction project.

(2) To approve a proposed project, the committee shall determine that:

(a) The alternative contracting procedure will provide a substantial fiscal benefit or the use of the traditional method of awarding contracts in lump sum to the low responsive bidder is not practical for meeting desired quality standards or delivery schedules;

(b) The proposed project meets the requirements for using the alternative contracting procedure as described in RCW 39.10.300 or 39.10.340;

(c) The public body has the necessary experience or qualified team to carry out the alternative contracting procedure including, but not limited to: (i) Project delivery knowledge and experience; (ii) sufficient personnel with construction experience to administer the contract; (iii) a written management plan that shows clear and logical lines of authority; (iv) the necessary and appropriate funding and time to properly manage the job and complete the project; (v) continuity of project management team, including personnel with experience managing projects of similar scope and size to the project being proposed; and (vi) necessary and appropriate construction budget;

(d) For design-build projects, public body personnel or consultants are knowledgeable in the design-build process and are able to oversee and administer the contract; and

(e) The public body has resolved any audit findings related to previous public works projects in a manner satisfactory to the committee.

(3) The committee shall, if practicable, make its determination at the public meeting during which a submittal is reviewed. Public comments must be considered before a determination is made.

(4) Within ((ten)) <u>10</u> business days after the public meeting, the committee shall provide a written determination to the public body, and make its determination available to the public on the committee's website. If the committee fails to make a written determination within ((ten)) <u>10</u> business days of the public meeting, the request of the public body to use the alternative contracting procedure on the requested project shall be deemed approved.

(5) Failure of the committee to meet within sixty calendar days of a public body's application to use an alternative contracting procedure on a project shall be deemed an approval of the application.

(6) Except as provided in RCW 47.20.785(2), the department of transportation is not subject to the project approval requirements under this section.

Sec. 3. RCW 47.20.780 and 2015 3rd sp.s. c 18 s 1 are each amended to read as follows:

(1) The department of transportation shall develop a process for awarding competitively bid highway construction contracts for projects ((over two million dollars)) that may be constructed using a design-build procedure, a progressive design-build procedure, or any general contractor/construction manager procedure.

(2) As used in this section and RCW 47.20.785((, "design-build)):

(a) "Design-build procedure" means a method of contracting under which the department of transportation contracts with another party for the party to both design and build the structures, facilities, and other items specified in the contract.

((The process developed by the department must, at a minimum, include the scope of services required under the design-build procedure, contractor prequalification requirements, criteria for evaluating technical information and project costs, contractor selection criteria, and issue resolution procedures.)) (b) "General contractor/construction manager procedure" means a method of contracting under which the department of transportation selects a firm to provide services during the design phase, negotiate a maximum allowable

construction cost, and act as construction manager and general contractor during the construction phase.

(c) "Progressive design-build procedure" means a method of contracting under which the department of transportation selects a design-builder before the establishment of a final project design, price, and schedule, and thereafter, the department and design-builder collaborate to develop a final project scope, schedule, and price.

Sec. 4. RCW 47.20.785 and 2015 3rd sp.s. c 18 s 2 are each amended to read as follows:

(1) The department of transportation is authorized ((and strongly encouraged)) to use the design-build procedure. progressive design-build procedure, and any general contractor/construction manager procedure for public works projects ((over two million dollars when:

(1) The construction activities are highly specialized and a design-build approach is critical in developing the construction methodology; or

(2) The projects selected provide opportunity for greater innovation and efficiencies between the designer and the builder; or

(3) Significant savings in project delivery time would be realized)).

(2) For the first three general contractor/construction manager projects that the department delivers, the department shall pursue approval in accordance with RCW 39.10.280. After three such approvals have been granted, the department is not subject to the approval requirements of RCW 39.10.280.

Sec. 5. RCW 43.131.408 and 2023 c 395 s 36 are each amended to read as follows:

The following acts or parts of acts, as now existing or hereafter amended, are each repealed, effective June 30, 2032:

(1) RCW 39.10.200 and 2023 c 395 s 4, 2010 1st sp.s. c 21 s 2, 2007 c 494 s 1, & 1994 c 132 s 1;

(2) RCW 39.10.210 and 2023 c 395 s 5, 2021 c 230 s 1, 2019 c 212 s 1, 2014 c 42 s 1, & 2013 c 222 s 1;

(3) RCW 39.10.220 and 2023 c 395 s 6, 2021 c 230 s 2, 2013 c 222 s 2, 2007 c 494 s 102, & 2005 c 377 s 1;

(4) RCW 39.10.230 and 2023 c 395 s 7, 2021 c 230 s 3, 2013 c 222 s 3, 2010 1st sp.s. c 21 s 3, 2009 c 75 s 1, 2007 c 494 s 103, & 2005 c 377 s 2;

(5) RCW 39.10.240 and 2023 c 395 s 8, 2021 c 230 s 4, 2013 c 222 s 4, & 2007 c 494 s 104;

(6) RCW 39.10.250 and 2021 c 230 s 5, 2019 c 212 s 2, 2013 c 222 s 5, 2009 c 75 s 2, & 2007 c 494 s 105;

(7) RCW 39.10.260 and 2013 c 222 s 6 & 2007 c 494 s 106;

(8) RCW 39.10.270 and <u>2025 c . . . s 1 (section 1 of this act)</u>, 2019 c 212 s 3, 2017 c 211 s 1, 2013 c 222 s 7, 2009 c 75 s 3, & 2007 c 494 s 107;

(9) RCW 39.10.280 and <u>2025 c . . . s 2 (section 2 of this act)</u>, 2014 c 42 s 2, 2013 c 222 s 8, & 2007 c 494 s 108;

(10) RCW 39.10.290 and 2007 c 494 s 109;

(11) RCW 39.10.300 and 2021 c 230 s 6, 2019 c 212 s 4, 2013 c 222 s 9, 2009 c 75 s 4, & 2007 c 494 s 201;

(12) RCW 39.10.320 and 2019 c 212 s 5, 2013 c 222 s 10, 2007 c 494 s 203, & 1994 c 132 s 7;

(13) RCW 39.10.330 and 2023 c 395 s 9, 2021 c 230 s 7, 2019 c 212 s 6, 2014 c 19 s 1, 2013 c 222 s 11, 2009 c 75 s 5, & 2007 c 494 s 204;

(14) RCW 39.10.340 and 2014 c 42 s 3, 2013 c 222 s 12, & 2007 c 494 s 301;

(15) RCW 39.10.350 and 2021 c 230 s 8, 2014 c 42 s 4, & 2007 c 494 s 302;

(16) RCW 39.10.360 and 2023 c 395 s 10, 2021 c 230 s 9, 2014 c 42 s 5, 2013 c 222 s 13, 2009 c 75 s 6, & 2007 c 494 s 303;

(17) RCW 39.10.370 and 2021 c 230 s 10, 2014 c 42 s 6, & 2007 c 494 s 304;

(18) RCW 39.10.380 and 2023 c 395 s 11, 2021 c 230 s 11, 2013 c 222 s 14, & 2007 c 494 s 305;

(19) RCW 39.10.385 and 2023 c 395 s 12, 2021 c 230 s 12, 2013 c 222 s 15, & 2010 c 163 s 1;

(20) RCW 39.10.390 and 2021 c 230 s 13, 2014 c 42 s 7, 2013 c 222 s 16, & 2007 c 494 s 306;

(21) RCW 39.10.400 and 2021 c 230 s 14, 2013 c 222 s 17, & 2007 c 494 s 307;

(22) RCW 39.10.410 and 2007 c 494 s 308;

(23) RCW 39.10.420 and 2019 c 212 s 7, 2017 c 136 s 1, & 2016 c 52 s 1;

(24) RCW 39.10.430 and 2021 c 230 s 15, 2019 c 212 s 8, & 2007 c 494 s 402;

(25) RCW 39.10.440 and 2021 c 230 s 16, 2019 c 212 s 9, 2015 c 173 s 1, 2013 c 222 s 19, & 2007 c 494 s 403;

(26) RCW 39.10.450 and 2019 c 212 s 10, 2012 c 102 s 2, & 2007 c 494 s 404;

(27) RCW 39.10.460 and 2021 c 230 s 17, 2012 c 102 s 3, & 2007 c 494 s 405;

(28) RCW 39.10.470 and 2019 c 212 s 11, 2014 c 19 s 2, 2005 c 274 s 275, & 1994 c 132 s 10;

(29) RCW 39.10.480 and 1994 c 132 s 9;

(30) RCW 39.10.490 and 2021 c 230 s 18, 2013 c 222 s 20, 2007 c 494 s 501, & 2001 c 328 s 5;

(31) RCW 39.10.900 and 1994 c 132 s 13;

(32) RCW 39.10.901 and 1994 c 132 s 14;

(33) RCW 39.10.903 and 2007 c 494 s 510;

(34) RCW 39.10.904 and 2007 c 494 s 512;

(35) RCW 39.10.905 and 2007 c 494 s 513; and

(36) RCW 39.10.908 and 2023 c 395 s 13 and 2021 c 230 s 19.

<u>NEW SECTION.</u> Sec. 6. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

Passed by the House April 21, 2025. Passed by the Senate April 16, 2025. Approved by the Governor May 12, 2025.

Filed in Office of Secretary of State May 14, 2025.

CHAPTER 232

[Engrossed Substitute Senate Bill 5294] PROFESSIONAL LICENSURE ACCOUNTS—TRANSFER TO BUSINESS AND PROFESSIONS ACCOUNT

AN ACT Relating to transferring dedicated accounts for certain professional licenses to the business and professions account; amending RCW 43.24.150; creating a new section; repealing RCW 18.08.240, 18.39.810, 18.96.210, 18.140.260, 18.220.120, and 18.310.160; and providing an effective date.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 43.24.150 and 2017 c 281 s 40 are each amended to read as follows:

(1) The business and professions account is created in the state treasury. All receipts from business or professional licenses, registrations, certifications, renewals, examinations, or civil penalties assessed and collected by the department from the following chapters must be deposited into the account:

(a) <u>Chapter 18.08 RCW</u>, architects, except as provided in RCW 18.08.510; (b) Chapter 18.11 RCW, auctioneers;

(((b))) (c) Chapter 18.16 RCW, cosmetologists, barbers, and manicurists;

(((c))) (d) Chapter 18.39 RCW, embalmers and funeral directors;

(e) Chapter 18.96 RCW, landscape architects;

(f) Chapter 18.140 RCW, certified real estate appraisers;

(g) Chapter 18.145 RCW, court reporters;

(((d))) (h) Chapter 18.165 RCW, private investigators;

(((e))) (i) Chapter 18.170 RCW, security guards;

(((f))) (j) Chapter 18.185 RCW, bail bond agents;

(((g))) (k) Chapter 18.220 RCW, geologists;

(1) Chapter 18.280 RCW, home inspectors;

(((h))) (m) Chapter 18.310 RCW, appraisal management companies;

(n) Chapter 19.16 RCW, collection agencies;

(((i))) (o) Chapter 19.31 RCW, employment agencies;

(((i))) (p) Chapter 19.105 RCW, camping resorts;

((((k))) (q) Chapter 19.138 RCW, sellers of travel;

(((1))) (<u>r</u>) Chapter 42.45 RCW, notaries public;

(((m))) (s) Chapter 64.36 RCW, timeshares;

(((n))) (t) Chapter 67.08 RCW, boxing, martial arts, and wrestling;

((((o))) (<u>u) Chapter 68.05 RCW</u>, funeral and cemetery board;

(v) Chapter 18.300 RCW, body art, body piercing, and tattooing;

(((p))) (w) Chapter 79A.60 RCW, whitewater river outfitters;

(((-))) (x) Chapter 19.158 RCW, commercial telephone solicitation; and

((((r))) (<u>v</u>) Chapter 19.290 RCW, scrap metal businesses.

Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for expenses incurred in carrying out these business and professions licensing activities of the department. Any residue in the account must be accumulated and may not revert to the general fund at the end of the biennium. ((However, during the 2013-2015 fiscal biennium the legislature may transfer to the state general fund such amounts as reflect the excess fund balance in the account.))

(2) The director must biennially prepare a budget request based on the anticipated costs of administering the business and professions licensing

activities listed in subsection (1) of this section, which must include the estimated income from these business and professions fees.

(3) The director is required to provide an annual report on or before the 30th day of each September, beginning in 2026, detailing the revenues and expenditures for each chapter authorized to use the business and professions account in subsection (1) of this section.

<u>NEW SECTION.</u> Sec. 2. The following acts or parts of acts are each repealed:

(1) RCW 18.08.240 (Architects' license account) and 2018 c 207 s 9, 1991 sp.s. c 13 s 2, 1985 c 57 s 4, & 1959 c 323 s 15;

(2) RCW 18.39.810 (Funeral and cemetery account) and 2018 c 299 s 919 & 2009 c 102 s 24;

(3) RCW 18.96.210 (Landscape architects' license account) and 2009 c 370 s 17;

(4) RCW 18.140.260 (Real estate appraiser commission account) and 2005 c 339 s 20 & 2002 c 86 s 241;

(5) RCW 18.220.120 (Geologists' account) and 2000 c 253 s 13; and

(6) RCW 18.310.160 (Appraisal management company account) and 2010 c 179 s 16.

<u>NEW SECTION.</u> Sec. 3. Any residual balance of funds remaining, as of December 31, 2025, in the architects' license account except as provided in RCW 18.08.510, the funeral and cemetery account, the landscape architects' license account, the real estate appraiser commission account, the geologists' account, and the appraisal management company account must be transferred to the business and professions account in RCW 43.24.150. The treasurer shall make the transfer after being notified by the office of financial management that it has completed the financial statement for fiscal year 2025, and no later than February 28, 2026.

NEW SECTION. Sec. 4. This act takes effect January 1, 2026.

Passed by the Senate March 3, 2025. Passed by the House April 15, 2025. Approved by the Governor May 12, 2025. Filed in Office of Secretary of State May 14, 2025.

CHAPTER 233

[Substitute Senate Bill 5528]

ELECTRIC VEHICLE SUPPLY EQUIPMENT—INSTALLATION ON PUBLIC WORKS— CERTIFICATION

AN ACT Relating to the installation of transportation electrification infrastructure; amending RCW 19.28.211; adding a new section to chapter 19.28 RCW; and providing an effective date.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> Sec. 1. A new section is added to chapter 19.28 RCW to read as follows:

(1) In addition to department issued licenses and certifications required under this chapter and notwithstanding RCW 19.28.211(4), installation of electric vehicle supply equipment on all public works as defined in RCW 39.04.010 must be performed by persons certified by the electric vehicle infrastructure training program or a similar nationally recognized program to ensure safety, effectiveness, and achieve consistency in installation standards. This provision will only be applied if the electric vehicle infrastructure training program or a similar nationally recognized program is open to all general journeyman level electricians. Certification under this section is required only for work on the electrical components during the installation and maintenance of electric vehicle supply equipment.

(2) This section does not apply to apprentices meeting the criteria of RCW 19.28.161(2)(a)(i) when the supervising journey level electrician is certified by the electric vehicle infrastructure training program or a similar nationally recognized program.

(3) This section does not apply to installations under contract before the effective date.

(4) The department may adopt rules necessary to implement this act.

Sec. 2. RCW 19.28.211 and 2013 c 23 s 33 are each amended to read as follows:

(1) The department shall issue a certificate of competency to all applicants who have passed the examination provided in RCW 19.28.201, met the in-class education requirements of RCW 19.28.205 if applicable, and who have complied with RCW 19.28.161 through 19.28.271 and the rules adopted under this chapter. The certificate may include a photograph of the holder. The certificate shall bear the date of issuance, and shall expire on the holder's birthday. The certificate shall be renewed every three years, upon application, on or before the holder's birthdate. A fee shall be assessed for each certificate and for each annual renewal.

(2) If the certificate holder demonstrates to the department that he or she has satisfactorily completed an annual eight-hour continuing education course, the certificate may be renewed without examination by appropriate application unless the certificate has been revoked, suspended, or not renewed within ninety days after the expiration date. For pump and irrigation or domestic pump specialty electricians, the continuing education course may combine both electrical and plumbing education provided that there is a minimum of four hours of electrical training in the course.

(a) The contents and requirements for satisfactory completion of the continuing education course shall be determined by the director and approved by the board.

(b) The department shall accept proof of a certificate holder's satisfactory completion of a continuing education course offered in another state as meeting the requirements for maintaining a current Washington state certificate of competency if the department is satisfied the course is comparable in nature to that required in Washington state for maintaining a current certificate of competency.

(3) If the certificate is not renewed before the expiration date, the individual shall pay twice the usual fee. The department shall set the fees by rule for issuance and renewal of a certificate of competency. The fees shall cover but not exceed the costs of issuing the certificates and of administering and enforcing the electrician certification requirements of this chapter.

(4) ((The)) (a) Except as provided in (b) of this subsection, the certificates of competency and temporary permits provided for in this chapter grant the holder the right to work in the electrical construction trade as a master electrician, journey level electrician, or specialty electrician in accordance with their provisions throughout the state and within any of its political subdivisions without additional proof of competency or any other license, permit, or fee to engage in such work.

(b) Persons performing installation and maintenance work as provided in section 1 of this act must also meet the certification requirements of section 1 of this act.

NEW SECTION. Sec. 3. This act takes effect January 1, 2026.

Passed by the Senate April 17, 2025. Passed by the House April 10, 2025.

Approved by the Governor May 12, 2025.

Filed in Office of Secretary of State May 14, 2025.

CHAPTER 234

[Senate Bill 5716] UNLAWFUL TRANSIT CONDUCT—STATE FERRIES

AN ACT Relating to expanding the locations where a person can be guilty of unlawful transit conduct to include the Washington state ferries; amending RCW 9.91.025; and prescribing penalties.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 9.91.025 and 2009 c 279 s 3 are each amended to read as follows:

(1) A person is guilty of unlawful transit conduct if, while on or in a transit vehicle or in or at a transit station, he or she knowingly:

(a) Smokes or carries a lighted or smoldering pipe, cigar, or cigarette, unless he or she is smoking in an area designated and authorized by the transit authority;

(b) Discards litter other than in designated receptacles;

(c) Dumps or discards, or both, any materials on or at a transit facility including, but not limited to, hazardous substances and automotive fluids;

(d) Plays any radio, recorder, or other sound-producing equipment, except that nothing herein prohibits the use of the equipment when connected to earphones or an ear receiver that limits the sound to an individual listener. The use of public address systems or music systems that are authorized by a transit agency is permitted. The use of communications devices by transit employees and designated contractors or public safety officers in the line of duty is permitted, as is the use of private communications devices used to summon, notify, or communicate with other individuals, such as pagers and cellular phones;

(e) Spits, expectorates, urinates, or defecates, except in appropriate plumbing fixtures in restroom facilities;

(f) Carries any flammable liquid, explosive, acid, or other article or material likely to cause harm to others, except that nothing herein prevents a person from carrying a cigarette, cigar, or pipe lighter or carrying a firearm or ammunition in a way that is not otherwise prohibited by law;

(g) Consumes an alcoholic beverage or is in possession of an open alcoholic beverage container, unless authorized by the transit authority and required permits have been obtained;

(h) Obstructs or impedes the flow of transit vehicles or passenger traffic, hinders or prevents access to transit vehicles or stations, or otherwise unlawfully interferes with the provision or use of public transportation services;

(i) Unreasonably disturbs others by engaging in loud, raucous, unruly, harmful, or harassing behavior;

(j) Destroys, defaces, or otherwise damages property in a transit vehicle or at a transit facility;

(k) Throws an object in a transit vehicle, at a transit facility, or at any person at a transit facility with intent to do harm;

(1) Possesses an unissued transfer or fare media or tenders an unissued transfer or fare media as proof of fare payment;

(m) Falsely claims to be a transit operator or other transit employee or through words, actions, or the use of clothes, insignia, or equipment resembling department-issued uniforms and equipment, creates a false impression that he or she is a transit operator or other transit employee;

(n) Engages in gambling or any game of chance for the winning of money or anything of value;

(o) Skates on roller skates or in-line skates, or rides in or upon or by any means a coaster, skateboard, toy vehicle, or any similar device. However, a person may walk while wearing skates or carry a skateboard while on or in a transit vehicle or in or at a transit station if that conduct is not otherwise prohibited by law; or

(p) Engages in other conduct that is inconsistent with the intended use and purpose of the transit facility, transit station, or transit vehicle and refuses to obey the lawful commands of an agent of the transit authority or a peace officer to cease such conduct.

(2) For the purposes of this section:

(a) "Transit station" or "transit facility" means all passenger facilities, structures, stops, shelters, bus zones, properties, and rights-of-way of all kinds that are owned, leased, held, or used by a transit authority for the purpose of providing public transportation services.

(b) "Transit vehicle" means any motor vehicle, streetcar, train, trolley vehicle, ferry boat, or any other device, vessel, or vehicle that is owned or operated by a transit authority or an entity providing service on behalf of a transit authority that is used for the purpose of carrying passengers on a regular schedule.

(c) "Transit authority" means a city transit system under RCW 35.58.2721 or chapter 35.95A RCW, a county transportation authority under chapter 36.57 RCW, a metropolitan municipal corporation transit system under chapter 36.56 RCW, a public transportation benefit area under chapter 36.57A RCW, an unincorporated transportation benefit area under RCW 36.57.100, a regional transportation authority under chapter 81.112 RCW, the Washington state ferries, or any special purpose district formed to operate a public transportation system.

(3) Any person who violates this section is guilty of a misdemeanor.

Passed by the Senate March 10, 2025. Passed by the House April 11, 2025. Approved by the Governor May 12, 2025. Filed in Office of Secretary of State May 14, 2025.

CHAPTER 235

[Engrossed Second Substitute House Bill 1232] PRIVATE DETENTION FACILITIES—VARIOUS PROVISIONS

AN ACT Relating to private detention facilities; amending RCW 70.395.020, 70.395.040, 70.395.050, 70.395.060, and 70.395.100; adding new sections to chapter 70.395 RCW; creating new sections; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 70.395.020 and 2023 c 419 s 9 are each amended to read as follows:

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

(1) (("Basic personal hygiene items" means items used to promote or preserve a detained person's health and contribute to the prevention of disease or infection, including soap, toothbrush and toothpaste, shampoo and conditioner, lotion, nail elippers, comb, towels, and menstrual products.

(2) "Culturally competent" includes: Knowledge of a detained person's eultural histories and contexts, as well as family norms and values in different eultures; knowledge and skills in accessing community resources and community outreach; and skills in adapting services and treatment to a detained person's experiences and identifying cultural contexts for individuals.

(3))) "Abuse" means an act by any individual which injures, exploits, or in any way jeopardizes a detained person's health, welfare, or safety, including, but not limited to:

(a) Physically damaging or potentially damaging nonaccidental acts;

(b) Emotionally damaging verbal behavior and harassment or other actions which may result in emotional or behavioral problems; and

(c) Sexual abuse, exploitation, and mistreatment through inappropriate touching, inappropriate remarks, or encouraging participation in pornography or prostitution.

(2) "Detained person" means a person confined in a private detention facility.

(((4))) (3) "Detention facility" means any facility in which persons are incarcerated or otherwise involuntarily confined for purposes including prior to trial or sentencing, fulfilling the terms of a sentence imposed by a court, or for other judicial or administrative processes or proceedings.

(((5) "Fresh fruits and vegetables" means any unprocessed fruits or vegetables, not including any processed, canned, frozen, or dehydrated fruits or vegetables, or any fruits or vegetables infected or infested with insects or other contaminants.

(6)(a) "Personal protective equipment" means equipment worn to minimize exposure to hazards that cause serious injuries and illness, which may result from contact with chemical, radiological, physical, electrical, mechanical, or other hazards.

(b) Personal protective equipment may include items such as gloves, safety glasses and shoes, earplugs or muffs, hard hats, respirators, or coveralls, vests, and full body suits.

(7))) (4) "Dietitian" means an individual certified under chapter 18.138 RCW.

(5) "Neglect" means conduct which results in deprivation of care necessary to maintain a detained person's minimum physical and mental health including, but not limited to:

(a) Physical and material deprivation;

(b) Lack of medical care;

(c) Inadequate food, clothing or cleanliness;

(d) Refusal to acknowledge, hear, or consider a detained person's concerns;

(e) Lack of social interaction and physical activity;

(f) Lack of personal care; and

(g) Lack of supervision appropriate for the detained person's level of functioning.

(6) "Private detention facility" means a detention facility that is operated by a private, nongovernmental ((for-profit)) entity and operating pursuant to a contract or agreement with a federal, state, or local governmental entity.

 $((\frac{8)}{8})$ "Solitary confinement" means the confinement of a detained person alone in a cell or similarly confined holding or living space for 20 hours or more per day under circumstances other than a partial or facility wide lockdown.

(9) "Telecommunications services" means phone calls or other voice communication services, video communications, and email services.))

Sec. 2. RCW 70.395.040 and 2023 c 419 s 2 are each amended to read as follows:

(1) The department of health shall adopt rules as may be necessary to effectuate the intent and purposes of this section in order to ensure private detention facilities comply with measurable standards providing sanitary, hygienic, and safe conditions for detained persons. The department of health rules shall include that:

(a) A detained person should have a safe, clean, and comfortable environment that allows a detained person to use the person's personal belongings to the extent possible;

(b) Living areas, including areas used for sleeping, recreation, dining, telecommunications, visitation, and bathrooms, must be cleaned and sanitized regularly;

(c) A private detention facility must provide laundry facilities, equipment, handling, and processes for linen and laundered items that are clean and in good repair, adequate to meet the needs of detained persons, and maintained according to the manufacturer's instructions. Laundry and linen must be handled, cleaned, and stored according to acceptable methods of infection control including preventing contamination from other sources. Separate areas for handling clean laundry and soiled laundry must be provided and laundry rooms and areas must be ventilated to the exterior;

(d) Basic personal hygiene items must be provided to a detained person regularly at no cost;

(e) A private detention facility shall provide a nutritious and balanced diet, including fresh fruits and vegetables, and shall recognize a detained person's

need for a special diet. A private detention facility must follow proper food handling and hygiene practices. A private detention facility must provide at least three meals per day, at no cost, and at reasonable hours;

(f) Safe indoor air quality must be maintained;

(g) The private detention facility must have both heating and air conditioning equipment that can be adjusted by room or area. Rooms used by a detained person must be able to maintain interior temperatures between 65 degrees Fahrenheit and 78 degrees Fahrenheit year-round. Excessive odors and moisture must be prevented in the building; ((and))

(h) A private detention facility must implement and maintain an infection control program that prevents the transmission of infections and communicable disease among detained persons, staff, and visitors((-)): and

(i) A private detention facility must provide:

(i) Ready access and equipment to accommodate detained persons with physical and mental disabilities;

(ii) Adequate lighting in all areas;

(iii) An adequate supply of hot and cold running water under pressure meeting the standards in chapters 246-290 and 246-291 WAC, with devices to prevent backflow into the potable water supply system, and water temperature not exceeding 120 degrees Fahrenheit automatically regulated at all plumbing fixtures used by detained persons;

(iv) Written policies, procedures, and schedules for maintenance and housekeeping functions;

(v) Housekeeping and service facilities on each floor, including:

(A) One or more service sinks, designed for filling and emptying mop buckets;

(B) Housekeeping closets that are equipped with shelving, ventilated to the out-of-doors, and kept locked; and

(C) A utility service area designed and equipped for washing, disinfecting, storing, and housing medical and nursing supplies and equipment; and

(vi) Equipment and facilities to collect and dispose of all sewage, garbage, refuse, and liquid waste in a safe and sanitary manner.

(2) The office of the attorney general may enforce violations of this section on its own initiative or in response to complaints or violations.

Sec. 3. RCW 70.395.050 and 2023 c 419 s 3 are each amended to read as follows:

(1) The department of health may at any time inspect a private detention facility to determine whether it has failed or refused to comply with the requirements of this chapter, the standards or rules adopted under this chapter, or other applicable state or federal statutes or rules regulating such facilities.

(2) The department of health shall:

(a) Conduct routine, unannounced inspections of private detention facilities including, but not limited to, inspection of food service and food handling, sanitation and hygiene, and nutrition as provided in (c) of this subsection;

(b) Conduct investigations of complaints received relating to any private detention facility located within the state;

(c) Regularly review the list of food items provided to detained persons to ensure the specific nutrition and calorie needs of each detained person are met,

including any needs related to medical requirements, food allergies, or religious dietary restrictions;

(d) Test water used for drinking and bathing and air quality every six months at private detention facilities both inside and outside of the facility; and

(e) Post inspection results on its website and in a conspicuous place viewable by detained persons and visitors to private detention facilities. Results should be posted in English and in languages spoken by detainees, to the extent practicable.

 $((\frac{2}{2}))$ (3) The department of health may delegate food safety inspections to the local health jurisdiction, where the local health jurisdiction is in the county where the private detention facility is located, to conduct inspections pursuant to regulations.

(((3))) (4) The department of health shall adopt rules as may be necessary to effectuate the intent and purposes of this section in order to ensure private detention facilities allow regular inspections and comply with measurable standards providing sanitary, hygienic, and safe conditions for detained persons.

(((4))) (5) The department of labor and industries shall conduct routine, unannounced inspections of workplace conditions at private detention facilities, including work undertaken by detained persons.

(((5))) (6) The office of the attorney general may enforce violations of this section on its own initiative or in response to complaints or violations.

<u>NEW SECTION.</u> Sec. 4. A new section is added to chapter 70.395 RCW to read as follows:

In any case in which the department of health conducts an inspection of a private detention facility and finds that the private detention facility has failed or refused to comply with applicable state statutes or regulations, the department of health may take one or more of the following actions:

(1) When the department of health determines the private detention facility has previously been subject to an enforcement action for the same or similar type of violation of the same statute or rule, or has been given any previous statement of deficiency that included the same or similar type of violation of the same or similar statute or rule, or has failed to correct noncompliance with a statute or rule by a date established or agreed to by the department of health, the department of health may impose reasonable conditions on the private detention facility, which may include correction within a specified amount of time, training, or hiring a consultant approved by the department of health if the private detention facility cannot demonstrate that it has access to sufficient internal expertise.

(2)(a) In accordance with the authority under RCW 43.70.095, the department of health may assess a civil fine of up to \$10,000 per violation, not to exceed a total fine of \$1,000,000, on a private detention facility if the private detention facility has previously been subject to an enforcement action for the same or similar type of violation of the same statute or rule, or has been given any previous statement of deficiency that included the same or similar type of violation of the same or rule, or has failed to correct noncompliance with a statute or rule by a date established or agreed to by the department of health.

(b) Proceeds from these fines may only be used by the department of health to provide training or technical assistance to private detention facilities.

(c) The department of health shall adopt in rules specific fine amounts in relation to the severity of the noncompliance.

(d) If a private detention facility is aggrieved by the department of health's action of assessing civil fines, the private detention facility has the right to appeal under RCW 43.70.095.

<u>NEW SECTION.</u> Sec. 5. A new section is added to chapter 70.395 RCW to read as follows:

As resources allow, the department of health shall make private detention facility inspection statements of deficiencies, plans of correction, notice of acceptance of plans of correction, enforcement actions, and notices of resolution available to the public on the internet.

Sec. 6. RCW 70.395.060 and 2023 c 419 s 4 are each amended to read as follows:

(1) This section does not apply to private detention facilities operating pursuant to a valid contract that was in effect prior to January 1, 2023, for the duration of that contract, not to include any extensions or modifications made to, or authorized by, that contract.

(2) A private detention facility operating pursuant to a contract or agreement with a federal, state, or local government shall comply with the following:

(a) ((A detained person, upon admission to a private detention facility, must be issued new clothing and new footwear for both indoor and outdoor use and for protection against cold and heat. Clothing issued must be regularly laundered and replaced at no cost once no longer hygienic or serviceable;

(b) Any food items in the commissary must be available at reasonable prices taking into account the income and financial circumstances of detained persons;

(c) Telecommunications services must be provided free of charge to detained persons and any communication, whether initiated or received through such a service, must be free of charge to the detained person initiating or receiving the communication. Each detained person must be eligible to use these telecommunications services for at least 60 minutes on each day of the person's detainment. Private detention facilities must not use the provision of telecommunications services or any other communication service to supplant in-person contact visits any detained person may be eligible to receive;

(d) In-person visitation must be available daily. Visitation rooms must allow for the presence of children and personal contact between visiting persons and detained persons may not be restricted. A detained person may receive reading and writing materials during visitation;

(e) Solitary confinement is prohibited;

(f) Televisions must be available and accessible to a detained person at no cost. The private detention facility shall make every effort to make television programming available in the language of the detained person;

(g) Handheld radios must be provided to a detained person at no cost;

(h) A detained person may invite persons to the private detention facility to provide legal education, know your rights presentations, and other similar programming;

(i) Computer and internet access must be available and accessible to a detained person at no cost;

(j) A law library must be available and accessible;

(1) Sexual violence and harassment grievances must be responded to immediately by culturally competent professionals on site and reported to local law enforcement in the county where the private detention facility is located;

(m) Mental health evaluations should occur at intake and periodically, at least once a week. Culturally competent mental health therapy must be available and free;

(n) Requested medical care and attention must be provided without delay, including the provision of requested medical accommodations;

(o) Rooms used by a detained person for sleeping must have access to windows, natural light, and natural air circulation. Subject to safety limitations, sleeping rooms must include adjustable curtains, shades, blinds, or the equivalent installed at the windows for visual privacy and that are shatterproof, screened, or of the security type as determined by the private detention facility needs; and

(p) A private detention facility must be equipped to respond to natural and human-made emergencies, including earthquakes, lahar threats, tsunami, and industrial accidents. A private detention facility must be earthquake resistant. A private detention facility shall develop emergency operation and continuity of operations plans and provide those plans to the local emergency management department. A private detention facility must stock all necessary personal protective equipment in case of disease outbreaks consistent with large numbers of people detained in close contact to one another.)) The private detention facility shall:

(i) Comply with food service rules under chapters 246-215 and 246-217 WAC:

(ii) Designate an individual responsible for managing and supervising food services 24 hours per day, including:

(A) Incorporating ongoing recommendations of a dietitian;

(B) Serving at least three meals a day at regular intervals with 15 or fewer hours between the evening meal and breakfast, unless the facility provides a nutritious snack between the evening meal and breakfast;

(C) Providing well-balanced meals and nourishments that meet the current recommendations published in recommended dietary allowances by the national research council, 10th edition, 1989, adjusted for the detained person's age, sex, and activities unless contraindicated;

(D) Making nourishing snacks available as needed for detained persons, and posted as part of the menu;

(E) Preparing and serving therapeutic diets according to written medical orders;

(F) Preparing and serving meals under the supervision of food service staff;

(G) Maintaining a current diet manual, approved in writing by the dietitian and medical staff, for use in planning and preparing therapeutic diets; and

(H) Ensuring all menus: Are written at least one week in advance; indicate the date, day of week, month, and year; include all foods and snacks served that contribute to nutritional requirements; provide a variety of foods; are approved

in writing by the dietitian; are posted in a location easily accessible to detained persons at the facility; and are retained for one year;

(iii) Substitute foods, when necessary, of comparable nutrient value and record changes on the menu;

(iv) Allow sufficient time for detained persons to consume meals;

(v) Ensure staff from dietary and food services are present in the facility during all meal times; and

(vi) Keep policies and procedures pertaining to food storage, preparation, and cleaning food service equipment and work areas in the food service area for easy reference by dietary staff at all times;

(b) The private detention facility shall provide a readily available telephone for detained persons to make and receive confidential calls, and make a nonpay telephone or equivalent communication device readily accessible on each floor occupied by a detained person for emergency use;

(c) The private detention facility shall provide a visiting area allowing privacy for detained persons and visitors;

(d) The private detention facility shall develop and implement the written policies and procedures consistent with assuring the rights of detained persons, protecting against abuse and neglect, and reporting suspected incidents, and post those policies and procedures in a prominent place for detained persons at the facility to read;

(e) The private detention facility shall employ sufficient, qualified staff to:

(i) Provide adequate services to detained persons;

(ii) Maintain the facility free of safety hazards; and

(iii) Implement fire and disaster plans;

(f) The private detention facility shall provide and document orientation and appropriate training for all staff, including:

(i) Organization of the facility;

(ii) Physical layout of facility, including buildings, departments, exits, and services;

(iii) Fire and disaster plans, including monthly drills;

(iv) Infection control;

(v) Specific duties and responsibilities;

(vi) Policies, procedures, and equipment necessary to perform duties;

(vii) Policies related to the rights of detained persons and protecting against abuse and neglect;

(viii) Managing the behavior of detained persons; and

(ix) Appropriate training for expected duties; and

(g) The private detention facility shall establish and implement an effective facility-wide infection control program including, at a minimum, the following:

(i) Written policies and procedures describing:

(A) Types of surveillance used to monitor rates of infections originating at the facility;

(B) Systems to collect and analyze data; and

(C) Activities to prevent and control infections;

(ii) A review process to determine if staff and detained person infections originated at the facility;

(iii) A procedure for reviewing and approving infection control aspects of policies and procedures used in each area of the facility;

(iv) A procedure to monitor the physical environment of the facility for situations which may contribute to the spread of infectious diseases; and

(v) Provisions for:

(A) Providing consultation regarding care practices, equipment, and supplies which may influence the risk of infection;

(B) Providing consultation regarding appropriate procedures and products for cleaning, disinfecting, and sterilizing;

(C) Providing infection control information for orientation and in-service education for staff providing direct care;

(D) Making recommendations, consistent with federal, state, and local laws and rules, for methods of safe and sanitary disposal of sewage, solid and liquid wastes, and infectious wastes, including safe management of sharps;

(E) Identifying specific precautions to prevent transmission of infections; and

(F) Coordinating employee activities to control exposure and transmission of infections to or from employees and others performing services.

(3) The office of the attorney general may enforce violations of this section on its own initiative or in response to complaints or violations.

Sec. 7. RCW 70.395.100 and 2023 c 419 s 10 are each amended to read as follows:

RCW 70.395.040 through 70.395.080 and sections 4 and 5 of this act do not apply to a private detention facility that is:

(1) Providing ((rehabilitative,)) counseling, treatment, mental health, educational, or medical services to juveniles ((who are subject to Title 13 RCW, or similarly applicable federal law)) under chapter 74.15 RCW;

(2) Providing evaluation and treatment or forensic services to a person who has been civilly detained or is subject to an order of commitment by a court pursuant to chapter 10.77, 71.05, 71.09, or 71.34 RCW, or similarly applicable federal law, including facilities regulated under chapters 70.41, 71.12, and 71.24 RCW;

(3) Used for the quarantine or isolation of persons for public health reasons pursuant to RCW 43.20.050, or similarly applicable federal law;

(4) Used for work release under chapter 72.65 RCW, or similarly applicable federal law;

(5) Used for extraordinary medical placement;

(6) Used for residential substance use disorder treatment; or

(7) Owned and operated by federally recognized tribes and contracting with a government.

<u>NEW SECTION.</u> Sec. 8. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

<u>NEW SECTION.</u> Sec. 9. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

<u>NEW SECTION.</u> Sec. 10. This act shall be construed liberally to effectuate its purposes.

<u>NEW SECTION.</u> Sec. 11. If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2025, in the omnibus appropriations act, this act is null and void.

Passed by the House March 7, 2025. Passed by the Senate April 23, 2025. Approved by the Governor May 12, 2025. Filed in Office of Secretary of State May 14, 2025.

CHAPTER 236

[Substitute Senate Bill 5104] EMPLOYEE IMMIGRATION STATUS COERCION

AN ACT Relating to protecting employees from coercion in the workplace based on immigration status; amending RCW 49.46.010; adding a new section to chapter 49.46 RCW; creating a new section; prescribing penalties; providing an effective date; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 49.46.010 and 2024 c 132 s 1 are each amended to read as follows:

As used in this chapter:

(1) "Director" means the director of labor and industries;

(2) "Employ" includes to permit to work;

(3) "Employee" includes any individual employed by an employer but shall not include:

(a) Any individual (i) employed as a hand harvest laborer and paid on a piece rate basis in an operation which has been, and is generally and customarily recognized as having been, paid on a piece rate basis in the region of employment; (ii) who commutes daily from his or her permanent residence to the farm on which he or she is employed; and (iii) who has been employed in agriculture less than thirteen weeks during the preceding calendar year;

(b) Any individual employed in casual labor in or about a private home, unless performed in the course of the employer's trade, business, or profession;

(c) Any individual employed in a bona fide executive, administrative, or professional capacity or in the capacity of outside salesperson as those terms are defined and delimited by rules of the director. However, those terms shall be defined and delimited by the human resources director pursuant to chapter 41.06 RCW for employees employed under the director of personnel's jurisdiction;

(d) Any individual engaged in the activities of an educational, charitable, religious, state or local governmental body or agency, or nonprofit organization where the employer-employee relationship does not in fact exist or where the services are rendered to such organizations gratuitously. If the individual receives reimbursement in lieu of compensation for normally incurred out-of-pocket expenses or receives a nominal amount of compensation per unit of voluntary service rendered, an employer-employee relationship is deemed not to exist for the purpose of this section or for purposes of membership or qualification in any state, local government, or publicly supported retirement system other than that provided under chapter 41.24 RCW;

(e) Any individual employed full time by any state or local governmental body or agency who provides voluntary services but only with regard to the provision of the voluntary services. The voluntary services and any compensation therefor shall not affect or add to qualification, entitlement, or benefit rights under any state, local government, or publicly supported retirement system other than that provided under chapter 41.24 RCW;

(f) Any newspaper vendor, carrier, or delivery person selling or distributing newspapers on the street, to offices, to businesses, or from house to house and any freelance news correspondent or "stringer" who, using his or her own equipment, chooses to submit material for publication for free or a fee when such material is published;

(g) Any carrier subject to regulation by Part 1 of the Interstate Commerce Act;

(h) Any individual engaged in forest protection and fire prevention activities;

(i) Any individual employed by any charitable institution charged with child care responsibilities engaged primarily in the development of character or citizenship or promoting health or physical fitness or providing or sponsoring recreational opportunities or facilities for young people or members of the armed forces of the United States;

(j) Any individual whose duties require that he or she reside or sleep at the place of his or her employment or who otherwise spends a substantial portion of his or her work time subject to call, and not engaged in the performance of active duties;

(k) Any resident, inmate, or patient of a state, county, or municipal correctional, detention, treatment or rehabilitative institution;

(l) Any individual who holds a public elective or appointive office of the state, any county, city, town, municipal corporation or quasi municipal corporation, political subdivision, or any instrumentality thereof, or any employee of the state legislature;

(m) All vessel operating crews of the Washington state ferries operated by the department of transportation;

(n) Any individual employed as a seaman on a vessel other than an American vessel;

(o) Any farm intern providing his or her services to a small farm which has a special certificate issued under RCW 49.12.471;

(p) An individual who is at least 16 years old but under twenty-one years old, in his or her capacity as a player for a junior ice hockey team that is a member of a regional, national, or international league and that contracts with an arena owned, operated, or managed by a public facilities district created under chapter 36.100 RCW; or

(q) Any individual who has entered into a contract to play baseball at the minor league level and who is compensated pursuant to the terms of a collective bargaining agreement that expressly provides for wages and working conditions;

(4) "Employer" includes any individual, partnership, association, corporation, business trust, or any person or group of persons acting directly or indirectly in the interest of an employer in relation to an employee;

(5) "Occupation" means any occupation, service, trade, business, industry, or branch or group of industries or employment or class of employment in which employees are gainfully employed;

(6) "Retail or service establishment" means an establishment seventy-five percent of whose annual dollar volume of sales of goods or services, or both, is not for resale and is recognized as retail sales or services in the particular industry;

(7) "Wage" means compensation due to an employee by reason of employment, payable in legal tender of the United States or checks on banks convertible into cash on demand at full face value, subject to such deductions, charges, or allowances as may be permitted by rules of the director:

(8) "Coercion" means a threat to compel or induce a person to engage in conduct which the person has a legal right to abstain from, or to abstain from conduct in which the person has a legal right to engage in;

(9) "Threat" means any implicit or explicit communication specifically pertaining to an employee's or an employee's family member's immigration status that is made by the employer to deter an employee from engaging in protected activities or exercising a right under this chapter, chapter 49.12, 49.30, or 49.48 RCW, or any rules issued by the department of labor and industries pursuant to those chapters.

<u>NEW SECTION.</u> Sec. 2. A new section is added to chapter 49.46 RCW to read as follows:

(1) Any employer that coerces an employee in furtherance of the employer committing a violation of wage payment requirements as defined in chapter 49.48 RCW, condition of labor requirements as defined in chapter 49.12 RCW, or any violations under chapter 49.30 RCW, including rules issued by the department pursuant to chapter 49.30 RCW, is subject to a civil penalty under this section, in addition to any other penalty that may be imposed by the department against an employer for those violations. If an employer's violation subjects the employer to a penalty under this section and a separate penalty under RCW 49.46.100, the employer must be assessed the higher amount of the two penalties.

(2) A worker who believes the worker was subject to coercion by the worker's employer based on the worker's immigration status may file a complaint with the department within 180 days of the alleged coercive action.

(3)(a) The department must investigate a complaint of coercion by an employer based on immigration status.

(b) Unless otherwise resolved, the department shall issue either a notice of citation assessing a penalty or a closure letter no later than 90 days after the date on which the department received the complaint.

(c) The department may extend the time period by providing advance written notice to the employee and the employer setting forth good cause for an extension of the time period and specifying the duration of the extension.

(d) The department shall send the citation assessing a penalty or closure letter to both the employer and the employee by service of process or using a method by which the mailing can be tracked or the delivery can be confirmed to their last known addresses.

(e) If the department's investigation finds that the employee's allegation cannot be substantiated, the department must issue a closure letter to the employee and employer detailing such finding.

(f) If the department determines the employer violated this section, the department must assess a civil penalty for each coercive act as follows:

(i) For the first violation, a civil penalty not to exceed \$1,000;

(ii) For the second violation, a civil penalty not to exceed \$5,000; and

(iii) For any subsequent violation, a civil penalty not to exceed \$10,000.

(4) Each act of coercion against each affected employee constitutes a separate violation of this act.

(5) The department shall deposit all civil penalties paid under this section in the supplemental pension fund established under RCW 51.44.033.

(6)(a) The penalties payable pursuant to this section shall be adjusted for inflation every three years, beginning July 1, 2028, based upon changes in the consumer price index during that time period.

(b) For purposes of this subsection, "consumer price index" means, for any calendar year, that year's average consumer price index for the Seattle, Washington area for urban wage earners and clerical workers, all items, compiled by the bureau of labor statistics, United States department of labor.

(7) Any personal information about the employee or the employee's family members, including names, in a complaint or investigation is confidential and may be disclosed only to the employer. Any personal information may not be disclosed to any other person or entity without the written permission of the employee.

(8) If, during an investigation of any other complaint, the department discovers information that suggests an employer has coerced an employee based on immigration status, the department may investigate and take appropriate enforcement action without requiring the employee to file a new or separate complaint.

(9)(a) A person, firm, or corporation aggrieved by a citation assessing a civil penalty issued by the department under this section may appeal the citation to the director by filing a notice of appeal with the director within 30 days of the department's issuance of the citation. A citation assessing a civil penalty not appealed within 30 days is final and binding, and not subject to further appeal.

(b) A notice of appeal filed with the director under this section stays the effectiveness of the citation assessing a civil penalty pending final review of the appeal by the director as provided for in chapter 34.05 RCW.

(c) Upon receipt of a notice of appeal, the director shall assign the hearing to an administrative law judge of the office of administrative hearings to conduct the hearing and issue an initial order. The hearing and review procedures must be conducted in accordance with chapter 34.05 RCW, and the standard of review by the administrative law judge of an appealed citation assessing a civil penalty shall be de novo. Any party who seeks to challenge an initial order shall file a petition for administrative review with the director within 30 days after service of the initial order. The director will conduct administrative review in accordance with chapter 34.05 RCW.

(d) The director shall issue all final orders after appeal of the initial order. The final order of the director is subject to judicial review in accordance with chapter 34.05 RCW.

(e) Orders that are not appealed within the period specified in this section and chapter 34.05 RCW are final and binding, and not subject to further appeal.

(f) An employer who fails to allow adequate inspection of records in an investigation by the department under this section within a reasonable time

period may not use such records in any appeal under such rules to challenge the correctness of any determination by the department of penalties assessed.

(10) The collections procedures under RCW 49.48.086 apply to this section.

(11) For the purposes of this section, "department" means the department of labor and industries.

<u>NEW SECTION.</u> Sec. 3. The department of labor and industries may adopt rules to implement this act.

<u>NEW SECTION.</u> Sec. 4. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 2025.

Passed by the Senate February 12, 2025. Passed by the House April 14, 2025. Approved by the Governor May 12, 2025. Filed in Office of Secretary of State May 14, 2025.

CHAPTER 237

[Substitute Senate Bill 5714] BAIL BOND RECOVERY AGENTS—CIVIL IMMIGRATION ENFORCEMENT AS UNPROFESSIONAL CONDUCT

AN ACT Relating to declaring civil immigration enforcement as unprofessional conduct of bail bond agents and bail bond recovery agents; and amending RCW 18.185.110.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 18.185.110 and 2008 c 105 s 4 are each amended to read as follows:

In addition to the unprofessional conduct described in RCW 18.235.130, the following conduct, acts, or conditions constitute unprofessional conduct:

(1) Violating any of the provisions of this chapter or the rules adopted under this chapter;

(2) Failing to meet the qualifications set forth in RCW 18.185.020, 18.185.030, and 18.185.250;

(3) Knowingly committing, or being a party to, any material fraud, misrepresentation, concealment, conspiracy, collusion, trick, scheme, or device whereby any other person lawfully relies upon the word, representation, or conduct of the licensee. However, this subsection (3) does not prevent a bail bond recovery agent from using any pretext to locate or apprehend a fugitive criminal defendant or gain any information regarding the fugitive;

(4) Assigning or transferring any license issued pursuant to the provisions of this chapter, except as provided in RCW 18.185.030 or 18.185.250;

(5) Conversion of any money or contract, deed, note, mortgage, or other evidence of title, to his or her own use or to the use of his or her principal or of any other person, when delivered to him or her in trust or on condition, in violation of the trust or before the happening of the condition; and failure to return any money or contract, deed, note, mortgage, or other evidence of title within thirty days after the owner is entitled to possession, and makes demand for possession, shall be prima facie evidence of conversion;

(6) Failing to keep records, maintain a trust account, or return collateral or security, as required by RCW 18.185.100;

(7) Any conduct in a bail bond transaction which demonstrates bad faith, dishonesty, or untrustworthiness;

(8) Violation of an order to cease and desist that is issued by the director under chapter 18.235 RCW;

(9) Wearing, displaying, holding, or using badges not approved by the department;

(10) Making any statement that would reasonably cause another person to believe that the bail bond recovery agent is a sworn peace officer;

(11) Failing to carry a copy of the contract or to present a copy of the contract as required under RCW 18.185.270(1);

(12) Using the services of an unlicensed bail bond recovery agent or using the services of a bail bond recovery agent without issuing the proper contract;

(13) Misrepresenting or knowingly making a material misstatement or omission in the application for a license;

(14) Using the services of a person performing the functions of a bail bond recovery agent who has not been licensed by the department as required by this chapter;

(15) Performing the functions of a bail bond recovery agent without being both (a) licensed under this chapter or supervised by a licensed bail bond recovery agent under RCW 18.185.290; and (b) under contract with a bail bond agent;

(16) Performing the functions of a bail bond recovery agent without exercising due care to protect the safety of persons other than the defendant and the property of persons other than the defendant; ((or))

(17) Using a dog in the apprehension of a fugitive criminal defendant:

(18) Using the position of a bail bond recovery agent to enforce a civil immigration warrant as defined in RCW 43.17.420; or

(19) Failing to keep confidential by sharing a defendant's immigration status to anyone outside the bail bond agency's business.

Passed by the Senate March 3, 2025.

Passed by the House April 10, 2025.

Approved by the Governor May 12, 2025.

Filed in Office of Secretary of State May 14, 2025.

CHAPTER 238

[Substitute House Bill 1023]

COSMETOLOGY LICENSURE COMPACT

AN ACT Relating to the cosmetology licensure compact; reenacting and amending RCW 42.56.250; adding new sections to chapter 18.16 RCW; creating a new section; and providing an effective date.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> Sec. 1. A new section is added to chapter 18.16 RCW to read as follows:

ARTICLE 1 PURPOSE

The purpose of this compact is to facilitate the interstate practice and regulation of cosmetology with the goal of improving public access to, and the safety of, cosmetology services and reducing unnecessary burdens related to cosmetology licensure. Through this compact, the member states seek to establish a regulatory framework which provides for a new multistate licensing program. Through this new licensing program, the member states seek to provide increased value and mobility to licensed cosmetologists in the member states, while ensuring the provision of safe, effective, and reliable services to the public.

This compact is designed to achieve the following objectives, and the member states hereby ratify the same intentions by subscribing hereto:

(1) Provide opportunities for interstate practice by cosmetologists who meet uniform requirements for multistate licensure;

(2) Enhance the abilities of member states to protect public health and safety, and prevent fraud and unlicensed activity within the profession;

(3) Ensure and encourage cooperation between member states in the licensure and regulation of the practice of cosmetology;

(4) Support relocating military members and their spouses;

(5) Facilitate the exchange of information between member states related to the licensure, investigation, and discipline of the practice of cosmetology;

(6) Provide for the licensure and mobility of the workforce in the profession, while addressing the shortage of workers and lessening the associated burdens on the member states.

ARTICLE 2 DEFINITIONS

As used in this compact, and except as otherwise provided, the following definitions shall govern the terms herein:

(1) "Active military member" means any person with full-time duty status in the armed forces of the United States, including members of the national guard and reserve.

(2) "Adverse action" means any administrative, civil, equitable, or criminal action permitted by a member state's laws which is imposed by a state licensing authority or other regulatory body against a cosmetologist, including actions against an individual's license or authorization to practice such as revocation, suspension, probation, monitoring of the licensee, limitation of the licensee's practice, or any other encumbrance on a license affecting an individual's ability to participate in the cosmetology industry, including the issuance of a cease and desist order.

(3) "Alternative program" means a nondisciplinary monitoring or prosecutorial diversion program approved by a member state's state licensing authority.

(4) "Authorization to practice" means a legal authorization associated with a multistate license permitting the practice of cosmetology in that remote state, which shall be subject to the enforcement jurisdiction of the state licensing authority in that remote state.

(5) "Background check" means the submission of information for an applicant for the purpose of obtaining that applicant's criminal history record information, as further defined in 28 C.F.R. Sec. 20.3(d), from the federal bureau of investigation and the agency responsible for retaining state criminal or disciplinary history in the applicant's home state.

(6) "Charter member state" means member states who have enacted legislation to adopt this compact where such legislation predates the effective date of this compact as defined in Article 13 of this compact.

(7) "Commission" means the government agency whose membership consists of all states that have enacted this compact, which is known as the cosmetology licensure compact commission, as defined in Article 9 of this compact, and which shall operate as an instrumentality of the member states.

(8) "Cosmetologist" means an individual licensed in their home state to practice cosmetology.

(9) "Cosmetology," "cosmetology services," and the "practice of cosmetology" mean the care and services provided by a cosmetologist as set forth in the member state's statutes and regulations in the state where the services are being provided.

(10) "Current significant investigative information" means:

(a) Investigative information that a state licensing authority, after an inquiry or investigation that complies with a member state's due process requirements, has reason to believe is not groundless and, if proved true, would indicate a violation of that state's laws regarding fraud or the practice of cosmetology; or

(b) Investigative information that indicates that a licensee has engaged in fraud or represents an immediate threat to public health and safety, regardless of whether the licensee has been notified and had an opportunity to respond.

(11) "Data system" means a repository of information about licensees including, but not limited to, license status, investigative information, and adverse actions.

(12) "Disqualifying event" means any event which shall disqualify an individual from holding a multistate license under this compact, which the commission may by rule or order specify.

(13) "Encumbered license" means a license in which an adverse action restricts the practice of cosmetology by a licensee, or where said adverse action has been reported to the commission.

(14) "Encumbrance" means a revocation or suspension of, or any limitation on, the full and unrestricted practice of cosmetology by a state licensing authority.

(15) "Executive committee" means a group of delegates elected or appointed to act on behalf of, and within the powers granted to them by, the commission.

(16) "Home state" means the member state which is a licensee's primary state of residence, and where that licensee holds an active and unencumbered license to practice cosmetology.

(17) "Investigative information" means information, records, or documents received or generated by a state licensing authority pursuant to an investigation or other inquiry.

(18) "Jurisprudence requirement" means the assessment of an individual's knowledge of the laws and rules governing the practice of cosmetology in a state.

(19) "Licensee" means an individual who currently holds a license from a member state to practice as a cosmetologist.

(20) "Member state" means any state that has adopted this compact.

(21) "Multistate license" means a license issued by and subject to the enforcement jurisdiction of the state licensing authority in a licensee's home state, which authorizes the practice of cosmetology in member states and includes authorizations to practice cosmetology in all remote states pursuant to this compact.

(22) "Remote state" means any member state, other than the licensee's home state.

(23) "Rule" means any rule or regulation promulgated by the commission under this compact which has the force of law.

(24) "Single-state license" means a cosmetology license issued by a member state that authorizes practice of cosmetology only within the issuing state and does not include any authorization outside of the issuing state.

(25) "State" means a state, territory, or possession of the United States and the District of Columbia.

(26) "State licensing authority" means a member state's regulatory body responsible for issuing cosmetology licenses or otherwise overseeing the practice of cosmetology in that state.

ARTICLE 3

MEMBER STATE REQUIREMENTS

(1) To be eligible to join this compact, and to maintain eligibility as a member state, a state must:

(a) License and regulate cosmetology;

(b) Have a mechanism or entity in place to receive and investigate complaints about licensees practicing in that state;

(c) Require that licensees within the state pass a cosmetology competency examination prior to being licensed to provide cosmetology services to the public in that state;

(d) Require that licensees satisfy educational or training requirements in cosmetology prior to being licensed to provide cosmetology services to the public in that state;

(e) Implement procedures for considering one or more of the following categories of information from applicants for licensure: Criminal history; disciplinary history; or background check. Such procedures may include the submission of information by applicants for the purpose of obtaining an applicant's background check as defined in this compact;

(f) Participate in the data system, including through the use of unique identifying numbers;

(g) Share information related to adverse actions with the commission and other member states, both through the data system and otherwise;

(h) Notify the commission and other member states, in compliance with the terms of the compact and rules of the commission, of the existence of investigative information or current significant investigative information in the state's possession regarding a licensee practicing in that state;

(i) Comply with such rules as may be enacted by the commission to administer this compact; and

(j) Accept licensees from other member states as established in this compact.

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(2) Member states may charge a fee for granting a license to practice cosmetology.

(3) Individuals not residing in a member state shall continue to be able to apply for a member state's single-state license as provided under the laws of each member state. However, the single-state license granted to these individuals shall not be recognized as granting a multistate license to provide services in any other member state.

(4) Nothing in this compact shall affect the requirements established by a member state for the issuance of a single-state license.

(5) A multistate license issued to a licensee by a home state to a resident of that state shall be recognized by each member state as authorizing a licensee to practice cosmetology in each member state.

(6) At no point shall the commission have the power to define the educational or professional requirements for a license to practice cosmetology. The member states shall retain sole jurisdiction over the provision of these requirements.

ARTICLE 4

MULTISTATE LICENSE

(1) To be eligible to apply to their home state's state licensing authority for an initial multistate license under this compact, a licensee must hold an active and unencumbered single-state license to practice cosmetology in their home state.

(2) Upon the receipt of an application for a multistate license, according to the rules of the commission, a member state's state licensing authority shall ascertain whether the applicant meets the requirements for a multistate license under this compact.

(3) If an applicant meets the requirements for a multistate license under this compact and any applicable rules of the commission, the state licensing authority in receipt of the application shall, within a reasonable time, grant a multistate license to that applicant, and inform all member states of the grant of said multistate license.

(4) A multistate license to practice cosmetology issued by a member state's state licensing authority shall be recognized by each member state as authorizing the practice thereof as though that licensee held a single-state license to do so in each member state, subject to the restrictions in this compact.

(5) A multistate license granted pursuant to this compact may be effective for a definite period of time, concurrent with the licensure renewal period in the home state.

(6) To maintain a multistate license under this compact, a licensee must:

(a) Agree to abide by the rules of the state licensing authority, and the state scope of practice laws governing the practice of cosmetology, of any member state in which the licensee provides services;

(b) Pay all required fees related to the application and process, and any other fees which the commission may by rule require; and

(c) Comply with any and all other requirements regarding multistate licenses which the commission may by rule provide.

(7) A licensee practicing in a member state is subject to all scope of practice laws governing cosmetology services in that state.

(8) The practice of cosmetology under a multistate license granted pursuant to this compact will subject the licensee to the jurisdiction of the state licensing authority, the courts, and the laws of the member state in which the cosmetology services are provided.

ARTICLE 5

REISSUANCE OF A MULTISTATE LICENSE BY A NEW HOME STATE

(1) A licensee may hold a multistate license, issued by their home state, in only one member state at any given time.

(2) If a licensee changes their home state by moving between two member states:

(a) The licensee shall immediately apply for the reissuance of their multistate license in their new home state. The licensee shall pay all applicable fees and notify the prior home state in accordance with the rules of the commission.

(b) Upon receipt of an application to reissue a multistate license, the new home state shall verify that the multistate license is active, unencumbered, and eligible for reissuance under the terms of the compact and the rules of the commission. The multistate license issued by the prior home state will be deactivated and all member states notified in accordance with the applicable rules adopted by the commission.

(c) If required for initial licensure, the new home state may require a background check as specified in the laws of that state, or the compliance with any jurisprudence requirements of the new home state.

(d) Notwithstanding any other provision of this compact, if a licensee does not meet the requirements set forth in this compact for the reissuance of a multistate license by the new home state, then the licensee shall be subject to the new home state requirements for the issuance of a single-state license in that state.

(3) If a licensee changes their primary state of residence by moving from a member state to a nonmember state, or from a nonmember state to a member state, then the licensee shall be subject to the state requirements for the issuance of a single-state license in the new home state.

(4) Nothing in this compact shall interfere with a licensee's ability to hold a single-state license in multiple states; however, for the purposes of this compact, a licensee shall have only one home state, and only one multistate license.

(5) Nothing in this compact shall interfere with the requirements established by a member state for the issuance of a single-state license.

ARTICLE 6

AUTHORITY OF THE COMPACT COMMISSION AND MEMBER STATE LICENSING AUTHORITIES

(1) Nothing in this compact, nor any rule or regulation of the commission, shall be construed to limit, restrict, or in any way reduce the ability of a member state to enact and enforce laws, regulations, or other rules related to the practice of cosmetology in that state, where those laws, regulations, or other rules are not inconsistent with the provisions of this compact.

(2) Insofar as practical, a member state's state licensing authority shall cooperate with the commission and with each entity exercising independent regulatory authority over the practice of cosmetology according to the provisions of this compact.

(3) Discipline shall be the sole responsibility of the state in which cosmetology services are provided. Accordingly, each member state's state licensing authority shall be responsible for receiving complaints about individuals practicing cosmetology in that state, and for communicating all relevant investigative information about any such adverse action to the other member states through the data system in addition to any other methods the commission may by rule require.

ARTICLE 7

ADVERSE ACTIONS

(1) A licensee's home state shall have exclusive power to impose an adverse action against a licensee's multistate license issued by the home state.

(2) A home state may take adverse action on a multistate license based on the investigative information, current significant investigative information, or adverse action of a remote state.

(3) In addition to the powers conferred by state law, each remote state's state licensing authority shall have the power to:

(a) Take adverse action against a licensee's authorization to practice cosmetology through the multistate license in that member state, provided that:

(i) Only the licensee's home state shall have the power to take adverse action against the multistate license issued by the home state; and

(ii) For the purposes of taking adverse action, the home state's state licensing authority shall give the same priority and effect to reported conduct received from a remote state as it would if such conduct had occurred within the home state. In so doing, the home state shall apply its own state laws to determine the appropriate action;

(b) Issue cease and desist orders or impose an encumbrance on a licensee's authorization to practice within that member state;

(c) Complete any pending investigations of a licensee who changes their primary state of residence during the course of such an investigation. The state licensing authority shall also be empowered to report the results of such an investigation to the commission through the data system as described in this compact;

(d) Issue subpoenas for both hearings and investigations that require the attendance and testimony of witnesses, as well as the production of evidence. Subpoenas issued by a state licensing authority in a member state for the attendance and testimony of witnesses or the production of evidence from another member state shall be enforced in the latter state by any court of competent jurisdiction, according to the practice and procedure of that court applicable to subpoenas issued in proceedings before it. The issuing state licensing authority shall pay any witness fees, travel expenses, mileage, and other fees required by the service statutes of the state in which the witnesses or evidence are located;

(e) If otherwise permitted by state law, recover from the affected licensee the costs of investigations and disposition of cases resulting from any adverse action taken against that licensee;

(f) Take adverse action against the licensee's authorization to practice in that state based on the factual findings of another remote state.

(4) A licensee's home state shall complete any pending investigation(s) of a cosmetologist who changes their primary state of residence during the course of the investigation(s). The home state shall also have the authority to take appropriate action(s) and shall promptly report the conclusions of the investigations to the data system.

(5) If an adverse action is taken by the home state against a licensee's multistate license, the licensee's authorization to practice in all other member states shall be deactivated until all encumbrances have been removed from the home state license. All home state disciplinary orders that impose an adverse action against a licensee's multistate license shall include a statement that the cosmetologist's authorization to practice is deactivated in all member states during the pendency of the order.

(6) Nothing in this compact shall override a member state's authority to accept a licensee's participation in an alternative program in lieu of adverse action. A licensee's multistate license shall be suspended for the duration of the licensee's participation in any alternative program.

(7) Joint investigations.

(a) In addition to the authority granted to a member state by its respective scope of practice laws or other applicable state law, a member state may participate with other member states in joint investigations of licensees.

(b) Member states shall share any investigative, litigation, or compliance materials in furtherance of any joint or individual investigation initiated under this compact.

ARTICLE 8

ACTIVE MILITARY MEMBERS AND THEIR SPOUSES

Active military members, or their spouses, shall designate a home state where the individual has a current license to practice cosmetology in good standing. The individual may retain their home state designation during any period of service when that individual or their spouse is on active duty assignment.

ARTICLE 9

ESTABLISHMENT AND OPERATION OF THE COSMETOLOGY LICENSURE COMPACT COMMISSION

(1) The compact member states hereby create and establish a joint government agency whose membership consists of all member states that have enacted the compact known as the cosmetology licensure compact commission. The commission is an instrumentality of the compact member states acting jointly and not an instrumentality of any one state. The commission shall come into existence on or after the effective date of the compact as set forth in Article 13 of this compact.

(2) Membership, voting, and meetings.

(a) Each member state shall have and be limited to one delegate selected by that member state's state licensing authority.

(b) The delegate shall be an administrator of the state licensing authority of the member state or their designee.

(c) The commission shall by rule or bylaw establish a term of office for delegates and may by rule or bylaw establish term limits.

(d) The commission may recommend removal or suspension of any delegate from office.

(e) A member state's state licensing authority shall fill any vacancy of its delegate occurring on the commission within 60 days of the vacancy.

(f) Each delegate shall be entitled to one vote on all matters that are voted on by the commission.

(g) The commission shall meet at least once during each calendar year. Additional meetings may be held as set forth in the bylaws. The commission may meet by telecommunication, videoconference, or other similar electronic means.

(3) The commission shall have the following powers:

(a) Establish the fiscal year of the commission;

(b) Establish code of conduct and conflict of interest policies;

(c) Adopt rules and bylaws;

(d) Maintain its financial records in accordance with the bylaws;

(e) Meet and take such actions as are consistent with the provisions of this compact, the commission's rules, and the bylaws;

(f) Initiate and conclude legal proceedings or actions in the name of the commission, provided that the standing of any state licensing authority to sue or be sued under applicable law shall not be affected;

(g) Maintain and certify records and information provided to a member state as the authenticated business records of the commission, and designate an agent to do so on the commission's behalf;

(h) Purchase and maintain insurance and bonds;

(i) Borrow, accept, or contract for services of personnel including, but not limited to, employees of a member state;

(j) Conduct an annual financial review;

(k) Hire employees, elect or appoint officers, fix compensation, define duties, grant such individuals appropriate authority to carry out the purposes of the compact, and establish the commission's personnel policies and programs relating to conflicts of interest, qualifications of personnel, and other related personnel matters;

(1) As set forth in the commission rules, charge a fee to a licensee for the grant of a multistate license and thereafter, as may be established by commission rule, charge the licensee a multistate license renewal fee for each renewal period. Nothing in this compact shall be construed to prevent a home state from charging a licensee a fee for a multistate license or renewals of a multistate license, or a fee for the jurisprudence requirement if the member state imposes such a requirement for the grant of a multistate license;

(m) Assess and collect fees;

(n) Accept any and all appropriate gifts, donations, grants of money, other sources of revenue, equipment, supplies, materials, and services, and receive,

utilize, and dispose of the same; provided that at all times the commission shall avoid any appearance of impropriety or conflict of interest;

(o) Lease, purchase, retain, own, hold, improve, or use any property, real, personal, or mixed, or any undivided interest therein;

(p) Sell, convey, mortgage, pledge, lease, exchange, abandon, or otherwise dispose of any property, real, personal, or mixed;

(q) Establish a budget and make expenditures;

(r) Borrow money;

(s) Appoint committees, including standing committees, composed of members, state regulators, state legislators or their representatives, and consumer representatives, and such other interested persons as may be designated in this compact and the bylaws;

(t) Provide and receive information from, and cooperate with, law enforcement agencies;

(u) Elect a chair, vice chair, secretary, and treasurer and such other officers of the commission as provided in the commission's bylaws;

(v) Establish and elect an executive committee, including a chair and a vice chair;

(w) Adopt and provide to the member states an annual report;

(x) Determine whether a state's adopted language is materially different from the model compact language such that the state would not qualify for participation in the compact; and

(y) Perform such other functions as may be necessary or appropriate to achieve the purposes of this compact.

(4) The executive committee.

(a) The executive committee shall have the power to act on behalf of the commission according to the terms of this compact. The powers, duties, and responsibilities of the executive committee shall include:

(i) Overseeing the day-to-day activities of the administration of the compact including compliance with the provisions of the compact, the commission's rules and bylaws, and other such duties as deemed necessary;

(ii) Recommending to the commission changes to the rules or bylaws, changes to this compact legislation, fees charged to compact member states, fees charged to licensees, and other fees;

(iii) Ensuring compact administration services are appropriately provided, including by contract;

(iv) Preparing and recommending the budget;

(v) Maintaining financial records on behalf of the commission;

(vi) Monitoring compact compliance of member states and providing compliance reports to the commission;

(vii) Establishing additional committees as necessary;

(viii) Exercising the powers and duties of the commission during the interim between commission meetings, except for adopting or amending rules, adopting or amending bylaws, and exercising any other powers and duties expressly reserved to the commission by rule or bylaw; and

(ix) Other duties as provided in the rules or bylaws of the commission.

(b)(i) The executive committee shall be composed of up to seven voting members:

(A) The chair and vice chair of the commission and any other members of the commission who serve on the executive committee shall be voting members of the executive committee; and

(B) Other than the chair, vice chair, secretary, and treasurer, the commission shall elect three voting members from the current membership of the commission.

(ii) The commission may elect ex officio, nonvoting members from a recognized national cosmetology professional association as approved by the commission. The commission's bylaws shall identify qualifying organizations and the manner of appointment if the number of organizations seeking to appoint an ex officio member exceeds the number of members specified in this Article.

(c) The commission may remove any member of the executive committee as provided in the commission's bylaws.

(d) The executive committee shall meet at least annually.

(i) Annual executive committee meetings, as well as any executive committee meeting at which it does not take or intend to take formal action on a matter for which a commission vote would otherwise be required, shall be open to the public, except that the executive committee may meet in a closed, nonpublic session of a public meeting when dealing with any of the matters covered under subsection (6)(d) of this Article.

(ii) The executive committee shall give five business days' advance notice of its public meetings, posted on its website and as determined to provide notice to persons with an interest in the public matters the executive committee intends to address at those meetings.

(e) The executive committee may hold an emergency meeting when acting for the commission to:

(i) Meet an imminent threat to public health, safety, or welfare;

(ii) Prevent a loss of commission or member state funds; or

(iii) Protect public health and safety.

(5) The commission shall adopt and provide to the member states an annual report.

(6) Meetings of the commission.

(a) All meetings of the commission that are not closed pursuant to (d) of this subsection shall be open to the public. Notice of public meetings shall be posted on the commission's website at least 30 days prior to the public meeting.

(b) Notwithstanding (a) of this subsection, the commission may convene an emergency public meeting by providing at least 24 hours' prior notice on the commission's website, and any other means as provided in the commission's rules, for any of the reasons it may dispense with notice of proposed rule making under Article 11(12) of this compact. The commission's legal counsel shall certify that one of the reasons justifying an emergency public meeting has been met.

(c) Notice of all commission meetings shall provide the time, date, and location of the meeting, and if the meeting is to be held or accessible via telecommunication, videoconference, or other electronic means, the notice shall include the mechanism for access to the meeting.

(d) The commission may convene in a closed, nonpublic meeting for the commission to discuss:

(i) Noncompliance of a member state with its obligations under the compact;

(ii) The employment, compensation, discipline, or other matters, practices, or procedures related to specific employees or other matters related to the commission's internal personnel practices and procedures;

(iii) Current or threatened discipline of a licensee by the commission or by a member state's state licensing authority;

(iv) Current, threatened, or reasonably anticipated litigation;

(v) Negotiation of contracts for the purchase, lease, or sale of goods, services, or real estate;

(vi) Accusing any person of a crime or formally censuring any person;

(vii) Trade secrets or commercial or financial information that is privileged or confidential;

(viii) Information of a personal nature where disclosure would constitute a clearly unwarranted invasion of personal privacy;

(ix) Investigative records compiled for law enforcement purposes;

(x) Information related to any investigative reports prepared by or on behalf of or for use of the commission or other committee charged with responsibility of investigation or determination of compliance issues pursuant to the compact;

(xi) Legal advice;

(xii) Matters specifically exempted from disclosure to the public by federal or member state law; or

(xiii) Other matters as promulgated by the commission by rule.

(e) If a meeting, or portion of a meeting, is closed, the presiding officer shall state that the meeting will be closed and reference each relevant exempting provision, and such reference shall be recorded in the minutes.

(f) The commission shall keep minutes that fully and clearly describe all matters discussed in a meeting and shall provide a full and accurate summary of actions taken, and the reasons therefore, including a description of the views expressed. All documents considered in connection with an action shall be identified in such minutes. All minutes and documents of a closed meeting shall remain under seal, subject to release only by a majority vote of the commission or order of a court of competent jurisdiction.

(7) Financing of the commission.

(a) The commission shall pay, or provide for the payment of, the reasonable expenses of its establishment, organization, and ongoing activities.

(b) The commission may accept any and all appropriate sources of revenue, donations, and grants of money, equipment, supplies, materials, and services.

(c) The commission may levy on and collect an annual assessment from each member state and impose fees on licensees of member states to whom it grants a multistate license to cover the cost of the operations and activities of the commission and its staff, which must be in a total amount sufficient to cover its annual budget as approved each year for which revenue is not provided by other sources. The aggregate annual assessment amount for member states shall be allocated based upon a formula that the commission shall promulgate by rule.

(d) The commission shall not incur obligations of any kind prior to securing the funds adequate to meet the same; nor shall the commission pledge the credit of any member states, except by and with the authority of the member state. (e) The commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the commission shall be subject to the financial review and accounting procedures established under its bylaws. All receipts and disbursements of funds handled by the commission shall be subject to an annual financial review by a certified or licensed public accountant, and the report of the financial review shall be included in and become part of the annual report of the commission.

(8) Qualified immunity, defense, and indemnification.

(a) The members, officers, executive director, employees, and representatives of the commission shall be immune from suit and liability, both personally and in their official capacity, for any claim for damage to or loss of property or personal injury or other civil liability caused by or arising out of any actual or alleged act, error, or omission that occurred, or that the person against whom the claim is made had a reasonable basis for believing occurred within the scope of commission employment, duties, or responsibilities; provided that nothing in this subsection (8)(a) shall be construed to protect any such person from suit or liability for any damage, loss, injury, or liability caused by the intentional or willful or wanton misconduct of that person. The procurement of insurance of any type by the commission shall not in any way compromise or limit the immunity granted hereunder.

(b) The commission shall defend any member, officer, executive director, employee, and representative of the commission in any civil action seeking to impose liability arising out of any actual or alleged act, error, or omission that occurred within the scope of commission employment, duties, or responsibilities, or as determined by the commission that the person against whom the claim is made had a reasonable basis for believing occurred within the scope of commission employment, duties, or responsibilities; provided that nothing herein shall be construed to prohibit that person from retaining their own counsel at their own expense; and provided further, that the actual or alleged act, error, or omission did not result from that person's intentional or willful or wanton misconduct.

(c) The commission shall indemnify and hold harmless any member, officer, executive director, employee, and representative of the commission for the amount of any settlement or judgment obtained against that person arising out of any actual or alleged act, error, or omission that occurred within the scope of commission employment, duties, or responsibilities, or that such person had a reasonable basis for believing occurred within the scope of commission employment, duties, or responsibilities, provided that the actual or alleged act, error, or omission did not result from the intentional or willful or wanton misconduct of that person.

(d) Nothing herein shall be construed as a limitation on the liability of any licensee for professional malpractice or misconduct, which shall be governed solely by any other applicable state laws.

(e) Nothing in this compact shall be interpreted to waive or otherwise abrogate a member state's state action immunity or state action affirmative defense with respect to antitrust claims under the Sherman act, Clayton act, or any other state or federal antitrust or anticompetitive law or regulation.

(f) Nothing in this compact shall be construed to be a waiver of sovereign immunity by the member states or by the commission.

ARTICLE 10 DATA SYSTEM

(1) The commission shall provide for the development, maintenance, operation, and utilization of a coordinated database and reporting system.

(2) The commission shall assign each applicant for a multistate license a unique identifier, as determined by the rules of the commission.

(3) Notwithstanding any other provision of state law to the contrary, a member state shall submit a uniform data set to the data system on all individuals to whom this compact is applicable as required by the rules of the commission, including:

(a) Identifying information;

(b) Licensure data;

(c) Adverse actions against a license and information related thereto;

(d) Nonconfidential information related to alternative program participation, the beginning and ending dates of such participation, and other information related to such participation;

(e) Any denial of application for licensure, and the reason(s) for such denial (excluding the reporting of any criminal history record information where prohibited by law);

(f) The existence of investigative information;

(g) The existence of current significant investigative information; and

(h) Other information that may facilitate the administration of this compact or the protection of the public, as determined by the rules of the commission.

(4) The records and information provided to a member state pursuant to this compact or through the data system, when certified by the commission or an agent thereof, shall constitute the authenticated business records of the commission, and shall be entitled to any associated hearsay exception in any relevant judicial, quasi-judicial, or administrative proceedings in a member state.

(5) The existence of current significant investigative information and the existence of investigative information pertaining to a licensee in any member state will only be available to other member states.

(6) It is the responsibility of the member states to monitor the database to determine whether adverse action has been taken against such a licensee or license applicant. Adverse action information pertaining to a licensee or license applicant in any member state will be available to any other member state.

(7) Member states contributing information to the data system may designate information that may not be shared with the public without the express permission of the contributing state.

(8) Any information submitted to the data system that is subsequently expunged pursuant to federal law or the laws of the member state contributing the information shall be removed from the data system.

ARTICLE 11 RULE MAKING

(1) The commission shall promulgate reasonable rules in order to effectively and efficiently implement and administer the purposes and provisions of this compact. A rule shall be invalid and have no force or effect only if a court of competent jurisdiction holds that the rule is invalid because the commission

(2) The rules of the commission shall have the force of law in each member state, provided however that where the rules of the commission conflict with the laws of the member state that establish the member state's scope of practice laws governing the practice of cosmetology as held by a court of competent jurisdiction, the rules of the commission shall be ineffective in that state to the extent of the conflict.

(3) The commission shall exercise its rule-making powers pursuant to the criteria set forth in this Article and the rules adopted thereunder. Rules shall become binding as of the date specified by the commission for each rule.

(4) If a majority of the legislatures of the member states rejects a rule or portion of a rule, by enactment of a statute or resolution in the same manner used to adopt the compact within four years of the date of adoption of the rule, then such rule shall have no further force and effect in any member state or to any state applying to participate in the compact.

(5) Rules shall be adopted at a regular or special meeting of the commission.

(6) Prior to adoption of a proposed rule, the commission shall hold a public hearing and allow persons to provide oral and written comments, data, facts, opinions, and arguments.

(7) Prior to adoption of a proposed rule by the commission, and at least 30 days in advance of the meeting at which the commission will hold a public hearing on the proposed rule, the commission shall provide a notice of proposed rule making:

(a) On the website of the commission or other publicly accessible platform;

(b) To persons who have requested notice of the commission's notices of proposed rule making; and

(c) In such other way(s) as the commission may by rule specify.

(8) The notice of proposed rule making shall include:

(a) The time, date, and location of the public hearing at which the commission will hear public comments on the proposed rule and, if different, the time, date, and location of the meeting where the commission will consider and vote on the proposed rule;

(b) If the hearing is held via telecommunication, videoconference, or other electronic means, the commission shall include the mechanism for access to the hearing in the notice of proposed rule making;

(c) The text of the proposed rule and the reason therefor;

(d) A request for comments on the proposed rule from any interested person; and

(e) The manner in which interested persons may submit written comments.

(9) All hearings will be recorded. A copy of the recording and all written comments and documents received by the commission in response to the proposed rule shall be available to the public.

(10) Nothing in this Article shall be construed as requiring a separate hearing on each rule. Rules may be grouped for the convenience of the commission at hearings required by this Article.

(11) The commission shall, by majority vote of all members, take final action on the proposed rule based on the rule-making record and the full text of the rule.

(a) The commission may adopt changes to the proposed rule provided the changes do not enlarge the original purpose of the proposed rule.

(b) The commission shall provide an explanation of the reasons for substantive changes made to the proposed rule as well as reasons for substantive changes not made that were recommended by commenters.

(c) The commission shall determine a reasonable effective date for the rule. Except for an emergency as provided in Article 11(12) of this compact, the effective date of the rule shall be no sooner than 45 days after the commission issuing the notice that it adopted or amended the rule.

(12) Upon determination that an emergency exists, the commission may consider and adopt an emergency rule with five days' notice, with opportunity to comment, provided that the usual rule-making procedures provided in the compact and in this Article shall be retroactively applied to the rule as soon as reasonably possible, in no event later than 90 days after the effective date of the rule. For the purposes of this provision, an emergency rule is one that must be adopted immediately to:

(a) Meet an imminent threat to public health, safety, or welfare;

(b) Prevent a loss of commission or member state funds;

(c) Meet a deadline for the promulgation of a rule that is established by federal law or rule; or

(d) Protect public health and safety.

(13) The commission or an authorized committee of the commission may direct revisions to a previously adopted rule for purposes of correcting typographical errors, errors in format, errors in consistency, or grammatical errors. Public notice of any revisions shall be posted on the website of the commission. The revision shall be subject to challenge by any person for a period of 30 days after posting. The revision may be challenged only on grounds that the revision results in a material change to a rule. A challenge shall be made in writing and delivered to the commission prior to the end of the notice period. If no challenge is made, the revision will take effect without further action. If the revision is challenged, the revision may not take effect without the approval of the commission.

(14) No member state's rule-making requirements shall apply under this compact.

ARTICLE 12

OVERSIGHT, DISPUTE RESOLUTION, AND ENFORCEMENT

(1) Oversight.

(a) The executive and judicial branches of state government in each member state shall enforce this compact and take all actions necessary and appropriate to implement the compact.

(b) Venue is proper and judicial proceedings by or against the commission shall be brought solely and exclusively in a court of competent jurisdiction where the principal office of the commission is located. The commission may waive venue and jurisdictional defenses to the extent it adopts or consents to participate in alternative dispute resolution proceedings. Nothing herein shall affect or limit the selection or propriety of venue in any action against a licensee for professional malpractice, misconduct, or any such similar matter.

(c) The commission shall be entitled to receive service of process in any proceeding regarding the enforcement or interpretation of the compact and shall have standing to intervene in such a proceeding for all purposes. Failure to provide the commission service of process shall render a judgment or order void as to the commission, this compact, or promulgated rules.

(2) Default, technical assistance, and termination.

(a) If the commission determines that a member state has defaulted in the performance of its obligations or responsibilities under this compact or the promulgated rules, the commission shall provide written notice to the defaulting state. The notice of default shall describe the default, the proposed means of curing the default, and any other action that the commission may take, and shall offer training and specific technical assistance regarding the default.

(b) The commission shall provide a copy of the notice of default to the other member states.

(c) If a state in default fails to cure the default, the defaulting state may be terminated from the compact upon an affirmative vote of a majority of the delegates of the member states, and all rights, privileges, and benefits conferred on that state by this compact may be terminated on the effective date of termination. A cure of the default does not relieve the offending state of obligations or liabilities incurred during the period of default.

(d) Termination of membership in the compact shall be imposed only after all other means of securing compliance have been exhausted. Notice of intent to suspend or terminate shall be given by the commission to the governor, the majority and minority leaders of the defaulting state's legislature, the defaulting state's state licensing authority, and each of the member states' state licensing authority.

(e) A state that has been terminated is responsible for all assessments, obligations, and liabilities incurred through the effective date of termination, including obligations that extend beyond the effective date of termination.

(f) Upon the termination of a state's membership from this compact, that state shall immediately provide notice to all licensees who hold a multistate license within that state of such termination. The terminated state shall continue to recognize all licenses granted pursuant to this compact for a minimum of 180 days after the date of said notice of termination.

(g) The commission shall not bear any costs related to a state that is found to be in default or that has been terminated from the compact, unless agreed upon in writing between the commission and the defaulting state.

(h) The defaulting state may appeal the action of the commission by petitioning the United States district court for the District of Columbia or the federal district where the commission has its principal offices. The prevailing party shall be awarded all costs of such litigation, including reasonable attorneys' fees.

(3) Dispute resolution.

(a) Upon request by a member state, the commission shall attempt to resolve disputes related to the compact that arise among member states and between member and nonmember states.

(b) The commission shall promulgate a rule providing for both mediation and binding dispute resolution for disputes as appropriate.

(4) Enforcement.

(a) The commission, in the reasonable exercise of its discretion, shall enforce the provisions of this compact and the commission's rules.

(b) By majority vote as provided by commission rule, the commission may initiate legal action against a member state in default in the United States district court for the District of Columbia or the federal district where the commission has its principal offices to enforce compliance with the provisions of the compact and its promulgated rules. The relief sought may include both injunctive relief and damages. In the event judicial enforcement is necessary, the prevailing party shall be awarded all costs of such litigation, including reasonable attorneys' fees. The remedies herein shall not be the exclusive remedies of the commission. The commission may pursue any other remedies available under federal or the defaulting member state's law.

(c) A member state may initiate legal action against the commission in the United States District Court for the District of Columbia or the federal district where the commission has its principal offices to enforce compliance with the provisions of the compact and its promulgated rules. The relief sought may include both injunctive relief and damages. In the event judicial enforcement is necessary, the prevailing party shall be awarded all costs of such litigation, including reasonable attorneys' fees.

(d) No individual or entity other than a member state may enforce this compact against the commission.

ARTICLE 13

EFFECTIVE DATE, WITHDRAWAL, AND AMENDMENT

(1) The compact shall come into effect on the date on which the compact statute is enacted into law in the seventh member state.

(a) On or after the effective date of the compact, the commission shall convene and review the enactment of each of the charter member states to determine if the statute enacted by each such charter member state is materially different than the model compact statute.

(i) A charter member state whose enactment is found to be materially different from the model compact statute shall be entitled to the default process set forth in Article 12 of this compact.

(ii) If any member state is later found to be in default, or is terminated or withdraws from the compact, the commission shall remain in existence and the compact shall remain in effect even if the number of member states should be less than seven.

(b) Member states enacting the compact subsequent to the charter member states shall be subject to the process set forth in Article 9(3)(x) of this compact to determine if their enactments are materially different from the model compact statute and whether they qualify for participation in the compact.

(c) All actions taken for the benefit of the commission or in furtherance of the purposes of the administration of the compact prior to the effective date of the compact or the commission coming into existence shall be considered to be actions of the commission unless specifically repudiated by the commission. (d) Any state that joins the compact shall be subject to the commission's rules and bylaws as they exist on the date on which the compact becomes law in that state. Any rule that has been previously adopted by the commission shall have the full force and effect of law on the day the compact becomes law in that state.

(2) Any member state may withdraw from this compact by enacting a statute repealing that state's enactment of the compact.

(a) A member state's withdrawal shall not take effect until 180 days after enactment of the repealing statute.

(b) Withdrawal shall not affect the continuing requirement of the withdrawing state's state licensing authority to comply with the investigative and adverse action reporting requirements of this compact prior to the effective date of withdrawal.

(c) Upon the enactment of a statute withdrawing from this compact, a state shall immediately provide notice of such withdrawal to all licensees within that state. Notwithstanding any subsequent statutory enactment to the contrary, such withdrawing state shall continue to recognize all licenses granted pursuant to this compact for a minimum of 180 days after the date of such notice of withdrawal.

(3) Nothing contained in this compact shall be construed to invalidate or prevent any licensure agreement or other cooperative arrangement between a member state and a nonmember state that does not conflict with the provisions of this compact.

(4) This compact may be amended by the member states. No amendment to this compact shall become effective and binding upon any member state until it is enacted into the laws of all member states.

ARTICLE 14

CONSTRUCTION AND SEVERABILITY

(1) This compact and the commission's rule-making authority shall be liberally construed so as to effectuate the purposes and the implementation and administration of the compact. Provisions of the compact expressly authorizing or requiring the promulgation of rules shall not be construed to limit the commission's rule-making authority solely for those purposes.

(2) The provisions of this compact shall be severable and if any phrase, clause, sentence, or provision of this compact is held by a court of competent jurisdiction to be contrary to the Constitution of any member state, a state seeking participation in the compact, or of the United States, or the applicability thereof to any government, agency, person, or circumstance is held to be unconstitutional by a court of competent jurisdiction, the validity of the remainder of this compact and the applicability thereof to any other government, agency, person, or circumstance shall not be affected thereby.

(3) Notwithstanding subsection (2) of this Article, the commission may deny a state's participation in the compact or, in accordance with the requirements of Article 12 of this compact, terminate a member state's participation in the compact, if it determines that a constitutional requirement of a member state is a material departure from the compact. Otherwise, if this compact shall be held to be contrary to the Constitution of any member state, the compact shall remain in full force and effect as to the remaining member states and in full force and effect as to the member state affected as to all severable matters.

ARTICLE 15

CONSISTENT EFFECT AND CONFLICT WITH OTHER STATE LAWS

(1) Nothing herein shall prevent or inhibit the enforcement of any other law of a member state that is not inconsistent with the compact.

(2) Any laws, statutes, regulations, or other legal requirements in a member state in conflict with the compact are superseded to the extent of the conflict.

(3) All permissible agreements between the commission and the member states are binding in accordance with their terms.

<u>NEW SECTION.</u> Sec. 2. Section 1 of this act may be known and cited as the cosmetology licensure compact.

<u>NEW SECTION.</u> Sec. 3. A new section is added to chapter 18.16 RCW to read as follows:

In administering and managing Washington single-state cosmetology licenses in accordance with chapter 18.16 RCW and multistate licenses under the cosmetology licensure compact as described in section 1 of this act, the department shall track and manage revenues and costs generated by each license separately.

For purposes of RCW 43.24.086, the Washington single-state cosmetology licensing program under this chapter and multistate cosmetology licensing program under section 1 of this act must be considered separate professional licensing programs.

<u>NEW SECTION.</u> Sec. 4. A new section is added to chapter 18.16 RCW to read as follows:

(1) By enacting the cosmetology licensure compact in section 1 of this act, Washington state hereby adopts the compact as of the effective date of the section.

(2) This compact only applies to multistate licenses for the practice of cosmetology as defined in RCW 18.16.020.

Sec. 5. RCW 42.56.250 and 2023 c 458 s 1, 2023 c 361 s 15, and 2023 c 45 s 1 are each reenacted and amended to read as follows:

(1) The following employment and licensing information is exempt from public inspection and copying under this chapter:

(a) Test questions, scoring keys, and other examination data used to administer a license, employment, or academic examination;

(b) All applications for public employment other than for vacancies in elective office, including the names of applicants, resumes, and other related materials submitted with respect to an applicant;

(c) Professional growth plans (PGPs) in educator license renewals submitted through the eCert system in the office of the superintendent of public instruction;

(d) The following information held by any public agency in personnel records, public employment related records, volunteer rosters, or included in any mailing list of employees or volunteers of any public agency: Residential addresses, residential telephone numbers, personal wireless telephone numbers, personal email addresses, social security numbers, driver's license numbers,

identicard numbers, payroll deductions including the amount and identification of the deduction, and emergency contact information of employees or volunteers of a public agency, and the names, dates of birth, residential addresses, residential telephone numbers, personal wireless telephone numbers, personal email addresses, social security numbers, and emergency contact information of dependents of employees or volunteers of a public agency. For purposes of this subsection (1)(d), "employees" includes independent provider home care workers as defined in RCW 74.39A.240;

(e) Information that identifies a person who, while an agency employee: (i) Seeks advice, under an informal process established by the employing agency, in order to ascertain his or her rights in connection with a possible unfair practice under chapter 49.60 RCW against the person; and (ii) requests his or her identity or any identifying information not be disclosed;

(f) Investigative records compiled by an employing agency in connection with an investigation of a possible unfair practice under chapter 49.60 RCW or of a possible violation of other federal, state, or local laws or an employing agency's internal policies prohibiting discrimination or harassment in employment. Records are exempt in their entirety while the investigation is active and ongoing. After the agency has notified the complaining employee of the outcome of the investigation, the records may be disclosed only if the names of complainants, other accusers, and witnesses are redacted, unless a complainant, other accuser, or witness has consented to the disclosure of his or her name. The employing agency must inform a complainant, other accuser, or witness that his or her name will be redacted from the investigation records unless he or she consents to disclosure;

(g) Criminal history records checks for board staff finalist candidates conducted pursuant to RCW 43.33A.025;

(h) Photographs and month and year of birth in the personnel files of employees or volunteers of a public agency, including employees and workers of criminal justice agencies as defined in RCW 10.97.030. The news media, as defined in RCW 5.68.010(5), shall have access to the photographs and full date of birth. For the purposes of this subsection (1)(h), news media does not include any person or organization of persons in the custody of a criminal justice agency as defined in RCW 10.97.030;

(i)(i) Any employee's name or other personally identifying information, including but not limited to birthdate, job title, addresses of work stations and locations, work email address, work phone number, bargaining unit, or other similar information, maintained by an agency in personnel-related records or systems, or responsive to a request for a list of individuals subject to the commercial purpose prohibition under RCW 42.56.070(8), if the employee has provided:

(A) A sworn statement, signed under penalty of perjury and verified by the director of the employing agency or director's designee, that the employee or a dependent of the employee is a survivor of domestic violence as defined in RCW 10.99.020 or 7.105.010, sexual assault as defined in RCW 70.125.030 or sexual abuse as defined in RCW 7.105.010, stalking as described in RCW 9A.46.110 or defined in RCW 7.105.010, or harassment as described in RCW 9A.46.020 or defined in RCW 7.105.010, and notifying the agency as to why the employee has a reasonable basis to believe that the risk of domestic violence, sexual assault,

sexual abuse, stalking, or harassment continues to exist. A sworn statement under this subsection expires after two years, but may be subsequently renewed by providing a new sworn statement to the employee's employing agency; or

(B) ((Provides proof)) <u>Proof</u> to the employing agency of the employee's participation or the participation of a dependent in the address confidentiality program under chapter 40.24 RCW.

(ii) Any documentation maintained by an agency to administer this subsection (1)(i) is exempt from disclosure under this chapter and is confidential and may not be disclosed without consent of the employee who submitted the documentation. Agencies may provide information to their employees on how to submit a request to anonymize their work email address.

(iii) For purposes of this subsection (1)(i), "verified" means that the director of the employing agency or director's designee confirmed that the sworn statement identifies the alleged perpetrator or perpetrators by name and, if possible, image or likeness, or that the director or designee obtained from the employee a police report, protection order petition, or other documentation of allegations related to the domestic violence, sexual assault or abuse, stalking, or harassment.

(iv) The exemption in this subsection (1)(i) does not apply to public records requests from the news media as defined in RCW 5.68.010(5);

(j) The global positioning system data that would indicate the location of the residence of a public employee or volunteer using the global positioning system recording device;

(k) Information relating to a future voter, as provided in RCW 29A.08.725;

(1) Voluntarily submitted information collected and maintained by a state agency or higher education institution that identifies an individual state employee's personal demographic details. "Personal demographic details" means race or ethnicity, sexual orientation as defined by RCW 49.60.040(((27))), immigration status, national origin, or status as a person with a disability. This exemption does not prevent the release of state employee demographic information in a deidentified or aggregate format; ((and))

(m) Benefit enrollment information collected and maintained by the health care authority through its authority as director of the public employees' benefits board and school employees' benefits board programs as authorized by chapter 41.05 RCW. This subsection (1)(m) does not prevent the release of benefit enrollment information in a deidentified or aggregate format. "Benefit enrollment information" means:

(i) Information listed in (d) of this subsection;

(ii) Personal demographic details as defined in (l) of this subsection;

(iii) Benefit elections;

(iv) Date of birth;

(v) Documents provided for verification of dependency, such as tax returns or marriage or birth certificates;

(vi) Marital status;

(vii) Primary language spoken;

(viii) Tobacco use status; and

(ix) Tribal affiliation; and

(n) Information contributed by the department of licensing to the data system or shared with the cosmetology licensure compact commission, or member states described in the cosmetology licensure compact pursuant to section 1 of this act.

(2) Upon receipt of a request for information located exclusively in an employee's personnel, payroll, supervisor, or training file, the agency must provide notice to the employee, to any union representing the employee, and to the requestor. The notice must state:

(a) The date of the request;

(b) The nature of the requested record relating to the employee;

(c) That the agency will release any information in the record which is not exempt from the disclosure requirements of this chapter at least ten days from the date the notice is made; and

(d) That the employee may seek to enjoin release of the records under RCW 42.56.540.

NEW SECTION. Sec. 6. This act takes effect June 1, 2028.

Passed by the House April 19, 2025.

Passed by the Senate April 16, 2025.

Approved by the Governor May 12, 2025.

Filed in Office of Secretary of State May 14, 2025.

CHAPTER 239

[Substitute House Bill 1271]

STATE FIRE SERVICES MOBILIZATION—DEPLOYMENT FOR PREPARATION

AN ACT Relating to early deployment of state fire service resources; and amending RCW $43.43.960. \label{eq:resources}$

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 43.43.960 and 2019 c 259 s 1 are each amended to read as follows:

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

(1) "All risk resources" means those resources regularly provided by fire departments, fire districts, and regional fire protection service authorities required to respond to natural or man-made incidents, including but not limited to:

(a) Wild land fires;

(b) Landslides;

(c) Earthquakes;

(d) Floods; and

(e) Contagious diseases.

(2) "Chief" means the chief of the Washington state patrol.

(3) "Fire chief" includes the chief officer of a statutorily authorized fire agency, or the fire chief's authorized representative. Also included are the department of natural resources fire control chief, and the department of natural resources regional managers.

(4) "Jurisdiction" means state, county, city, fire district, regional fire protection service authority, or port district units, or other units covered by this chapter.

(5) "Mobilization" means that all risk resources regularly provided by fire departments, fire districts, and regional fire protection service authorities beyond those available through existing agreements will be requested and, when available, sent in preparation of, or response to, an emergency or disaster situation that has ((exceeded)) or is predicted to exceed the capabilities of available local resources. During a large scale emergency, mobilization includes the redistribution of regional or statewide risk resources to either direct emergency incident assignments or to assignment in communities where resources are needed. All risk resources may not be mobilized to assist law enforcement with police activities during a civil protected First Amendment rights, or other protected concerted activity, however, fire departments, fire districts, and regional fire protection service authorities are not restricted from providing medical care or aid and firefighting when mobilized for any purpose.

When mobilization is declared and authorized as provided in this chapter, all risk resources regularly provided by fire departments, fire districts, and regional fire protection service authorities including those of the host fire protection authorities, i.e. incident jurisdiction, shall be deemed as mobilized under this chapter, including those that responded earlier under existing mutual aid or other agreement. All nonhost fire protection authorities providing resources in response to a mobilization declaration shall be eligible for expense reimbursement as provided by this chapter from the time of the mobilization declaration.

This chapter shall not reduce or suspend the authority or responsibility of the department of natural resources under chapter 76.04 RCW.

(6) "Mutual aid" means emergency interagency assistance provided without compensation under an agreement between jurisdictions under chapter 39.34 RCW.

(7) "State fire marshal" means the director of fire protection in the Washington state patrol.

Passed by the House April 21, 2025.

Passed by the Senate April 15, 2025.

Approved by the Governor May 12, 2025.

Filed in Office of Secretary of State May 14, 2025.

CHAPTER 240

[Engrossed Substitute House Bill 1533]

ELECTRICAL APPRENTICESHIP PROGRAMS—SPECIALTY ELECTRICIAN WORK OUTSIDE PROGRAM

AN ACT Relating to allowing a specialty electrician to continue working under a valid specialty certificate of competency while enrolled in a journey level apprenticeship program; adding a new section to chapter 49.04 RCW; and providing an effective date.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> Sec. 1. A new section is added to chapter 49.04 RCW to read as follows:

(1) Except as provided in subsection (4) of this section, for any general journey level electrician apprenticeship program approved under this chapter that is operated by an apprenticeship committee representing a single employer, the employer may use an apprentice registered in the program to perform work under the apprentice's valid specialty electrician certificate of competency issued by the department of labor and industries while participating in the program and without the employer having to change the apprentice's status in the program if:

(a) The employer submits to the department of labor and industries a detailed attestation of the apprentice's hours worked under the apprentice's valid specialty electrician certificate of competency on a quarterly basis; and

(b) The employer provides annual notice to the apprentice of the employer's intent to use the apprentice for performing work under the apprentice's valid specialty electrician certificate of competency, which must describe the requirements of this section, the wage the apprentice will be paid for performing work under the apprentice's valid specialty electrician certificate of competency, and inform the apprentice that performing such work for the employer may delay the apprentice's next wage progression based on low hour accumulation.

(2) The apprentice's hours worked under the apprentice's valid specialty electrician certificate of competency do not count toward the hours of work experience required to complete the program.

(3) Except as provided under subsection (4) of this section, an employer using an apprentice to perform work under the apprentice's valid specialty electrician certificate of competency under this section is exempt from the program standard requiring reasonably continuous employment, so long as the employer provides the apprentice at least 800 working hours each year that count toward the hours of work experience required to complete the program.

(4) The director of the department of labor and industries shall suspend the employer from the authorization under subsection (1) of this section and from the exemption under subsection (3) of this section if the director finds that the employer has willfully or repeatedly:

(a) Submitted incorrect or incomplete information in the attestation under subsection (1)(a) of this section or when reporting the hours for the apprenticeship program; or

(b) Failed to timely submit the attestation required under subsection (1)(a) of this section.

(5) The director of the department of labor and industries may adopt rules to implement this section.

NEW SECTION. Sec. 2. This act takes effect January 1, 2026.

Passed by the House April 17, 2025.

Passed by the Senate April 11, 2025.

Approved by the Governor May 12, 2025.

Filed in Office of Secretary of State May 14, 2025.

WASHINGTON LAWS, 2025

CHAPTER 241

[Substitute House Bill 1576]

CITIES—DESIGNATION OF HISTORIC LANDMARKS—LIMITATION

AN ACT Relating to the designation of historic landmarks by cities; reenacting and amending RCW 43.21C.495; adding a new section to chapter 35.21 RCW; and adding a new section to chapter 35A.21 RCW.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> Sec. 1. A new section is added to chapter 35.21 RCW to read as follows:

(1)(a) Except as provided for in subsection (3) of this section, cities must adopt or amend by ordinance, and incorporate into their development regulations, zoning regulations, preservation ordinances, and other official controls the requirements of subsection (2) of this section for properties that are zoned for residential or mixed use no later than one year after the effective date of this section.

(b) Except as provided in subsection (3) of this section, the requirements of subsection (2) of this section apply and take effect in any city that has not adopted or amended ordinances, regulations, or other official controls as required under this section by the timeline in (a) of this subsection and supersede, preempt, and invalidate any conflicting local regulations.

(2) No city may designate a property as a historic landmark if:

(a) The property that would be designated as a historic landmark is less than 40 years old; or

(b) The designation would restrict the use, alteration, or demolition of the property, and the written consent of the owner of the property has not been obtained. Such a designation made through a local preservation ordinance after the effective date of this section without the written consent of the property owner is void unless and until such consent is obtained. Nothing in this act affects such a designation made through a local preservation ordinance prior to the effective date of this section.

(3) The limitations in subsection (2) of this section do not apply if the property that would be designated as a historic landmark is within a historic district established through a local preservation ordinance, or if the nominator has provided written documentation to show that the property nominated to be designated as a historic landmark is more than 125 years old and the city has determined that the property to be designated as a historic landmark is more than 125 years old.

(4) Nothing in this section prevents a city from allowing a property to be nominated as a historic landmark without the consent of the property owner. Except as provided in subsection (3) of this section, such consent must be obtained prior to the nomination being approved and the property being designated as a landmark.

<u>NEW SECTION.</u> Sec. 2. A new section is added to chapter 35A.21 RCW to read as follows:

(1)(a) Except as provided for in subsection (3) of this section, code cities must adopt or amend by ordinance, and incorporate into their development regulations, zoning regulations, preservation ordinances, and other official controls, the requirements of subsection (2) of this section for properties that are

zoned for residential or mixed use no later than one year after the effective date of this section.

(b) Except as provided in subsection (3) of this section, the requirements of subsection (2) of this section apply and take effect in any code city that has not adopted or amended ordinances, regulations, or other official controls as required under this section by the timeline in (a) of this subsection and supersede, preempt, and invalidate any conflicting local regulations.

(2) No code city may designate a property as a historic landmark if:

(a) The property that would be designated as a historic landmark is less than 40 years old; or

(b) The designation would restrict the use, alteration, or demolition of the property, and the written consent of the owner of the property has not been obtained. Such a designation made through a local preservation ordinance after the effective date of this section without the written consent of the property owner is void unless and until such consent is obtained. Nothing in this act affects such a designation made through a local preservation ordinance prior to the effective date of this section.

(3) The limitations in subsection (2) of this section do not apply if the property that would be designated as a historic landmark is within a historic district established through a local preservation ordinance, or if the nominator has provided written documentation to show that the property nominated to be designated as a historic landmark is more than 125 years old, and the code city has determined that the property to be designated as a historic landmark is more than 125 years old.

(4) Nothing in this section prevents a code city from allowing a property to be nominated as a historic landmark without the consent of the property owner. Except as provided in subsection (3) of this section, such consent must be obtained prior to the nomination being approved and the property being designated as a landmark.

Sec. 3. RCW 43.21C.495 and 2023 c 334 s 6 and 2023 c 3 s 8 are each reenacted and amended to read as follows:

(1) 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 246, Laws of 2022 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), 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.

(2) Amendments to development regulations and other nonproject actions taken by a city to implement the requirements under RCW 36.70A.635 pursuant to RCW 36.70A.636(3)(b) are not subject to administrative or judicial appeals under this chapter.

(3) Adoption of ordinances, development regulations and amendments to such regulations, and other nonproject actions taken by a city or county consistent with the requirements of RCW 36.70A.680 and 36.70A.681, or such actions taken by a city pursuant to section 1 or 2 of this act, are not subject to administrative or judicial appeals under this chapter.

Passed by the House April 19, 2025. Passed by the Senate April 9, 2025. Approved by the Governor May 12, 2025. Filed in Office of Secretary of State May 14, 2025.

CHAPTER 242

[House Bill 1731] UNCLAIMED PROPERTY HELD BY MUSEUM OR HISTORICAL SOCIETY— PROCEDURE—MODIFICATION

AN ACT Relating to unclaimed property held by a museum or historical society; and amending RCW 63.26.040, 63.26.020, 63.26.030, and 63.26.050.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 63.26.040 and 1988 c 226 s 6 are each amended to read as follows:

(1) When a museum or historical society is required to give notice of abandonment of property or of termination of a loan, the museum or historical society shall ((mail such)) send an initial notice by certified mail, return receipt requested, to the last known owner at the most recent address of such owner as shown on the museum's or society's records. If the museum or society has no address on record, or the museum or society does not receive written proof of receipt of the mailed notice within ((thirty)) <u>30</u> days of the date the notice was mailed, the museum or society shall ((publish)) provide notice, at least once each week for ((two)) three consecutive weeks, ((in a newspaper of general eirculation in both the county in which the museum is located and the county in which the last known address, if available, of the owner is located)) using one or more of the following methods:

(a) Posting on a publicly accessible page on its official website;

(b) Sending an email from an organizational email address to any known email addresses of the owner or any publicized email lists;

(c) Posting on the official social media accounts of the museum or society;

(d) Physically posting a notice in a public space at the museum's or society's primary location, such as a lobby or other area accessible to visitors;

(e) Documenting a phone call attempt to any known phone numbers of the owner; or

(f) Any other electronic communication methods reasonably expected to reach the owner or interested parties.

(2) The ((published)) notice<u>, whether digital or printed</u>, shall contain <u>the</u> <u>following</u>:

(a) A description of the unclaimed property;

(b) The name and last known address of the owner;

(c) A request that all persons who may have any knowledge of the whereabouts of the owner provide written notice to the museum or society; and

(d) A statement that if written assertion of title is not presented by the owner to the museum or society within ninety days from the date of the second ((published)) notice, the property shall be deemed abandoned or donated and shall become the property of the museum or society.

(3) For purposes of this chapter, if the loan of property was made to a branch of a museum or society, the museum or society is deemed to be located in the county in which the branch is located. Otherwise the museum or society is located in the county in which it has its principal place of business.

(4)(a) When property is found in the collection of a museum or historical society without donor documentation or when property is abandoned at a museum or historical society without the donor's identity being provided, the museum or historical society shall follow a process to establish ownership of the property. The process must include an unknown donor notification, where notice is given to the public through at least one of the following methods:

(i) Posting on a publicly accessible page on the museum's or society's official website; or

(ii) Physically posting a notice in a public space at the museum's or society's primary location, such as a lobby or other area accessible to visitors.

(b) The unknown donor notification shall contain the following:

(i) A general description of the property;

(ii) A statement requesting that any person claiming ownership or having information about the possible donor contact the museum or society in writing:

(iii) Contact information for the museum or society, including an address and email address where claims or inquiries may be sent; and

(iv) A statement that if no claim or information establishing ownership is received by the museum or society within 90 days from the date of the notice, the property shall be deemed donated and shall become the property of the museum or society.

(c) Any person claiming ownership of the property must provide proof of ownership in writing to the museum or historical society.

Sec. 2. RCW 63.26.020 and 1988 c 226 s 4 are each amended to read as follows:

Any property held by a museum or historical society within the state, other than by terms of a loan agreement, that has been held for five years or more and has remained unclaimed shall be deemed to be abandoned. Such property shall become the property of the museum or historical society if the museum or society has given notice pursuant to RCW 63.26.040 and no assertion of title has been filed for the property within ((ninety)) <u>90</u> days from the date of the ((second published)) third notice provided.

Sec. 3. RCW 63.26.030 and 1988 c 226 s 5 are each amended to read as follows:

(1) Property subject to a loan agreement which is on loan to a museum or historical society shall be deemed to be donated to the museum or society if no claim is made or action filed to recover the property after termination or expiration of the loan and if the museum or society has given notice pursuant to RCW 63.26.040 and no assertion of title has been filed within ((ninety)) <u>90</u> days from the date of the ((second published)) third notice provided.

(2) A museum or society may terminate a loan of property if the property was loaned to the museum or society for an indefinite term and the property has been held by the museum or society for five years or more. Property on "permanent loan" shall be deemed to be loaned for an indefinite term.

(3) If property was loaned to the museum or society for a specified term, the museum or society may give notice of termination of the loan at any time after expiration of the specified term.

(4) It is the responsibility of the owner of property on loan to a museum or society to notify the museum or society promptly in writing of any change of address or change in ownership of the property.

(5) When a museum or society accepts a loan of property, the museum or society shall inform the owner in writing of the provisions of this chapter.

Sec. 4. RCW 63.26.050 and 1988 c 226 s 7 are each amended to read as follows:

(1) If no written assertion of title has been presented by the owner to the museum or society within $((\frac{\text{ninety}}{)}) \frac{90}{20}$ days from the date of the $((\frac{\text{second}}{\text{published}}))$ third notice provided, title to the property shall vest in the museum or historical society, free of all claims of the owner and of all persons claiming under the owner.

(2) One who purchases or otherwise acquires property from a museum or historical society acquires good title to the property if the museum or society has acquired title to the property under this chapter.

Passed by the House April 22, 2025. Passed by the Senate April 15, 2025. Approved by the Governor May 12, 2025. Filed in Office of Secretary of State May 14, 2025.

CHAPTER 243

[Substitute Senate Bill 5262] INSURANCE STATUTES—VARIOUS PROVISIONS

AN ACT Relating to correcting obsolete or erroneous references in statutes administered by the insurance commissioner, by repealing defunct statutes and reports, aligning policy with federal law and current interpretations, making timeline adjustments, protecting patient data, and making technical corrections; amending RCW 42.56.400, 48.14.070, 48.19.460, 48.19.540, 48.37.050, 48.38.010, 48.38.012, 48.43.0128, 48.43.135, 48.43.743, 48.135.030, 48.140.050, 48.150.100, and 48.160.020; repealing RCW 48.02.230, 48.02.240, 48.43.049, 48.43.650, 48.140.070, and 48.160.005; and providing an effective date.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 42.56.400 and 2023 c 149 s 12 are each amended to read as follows:

The following information relating to insurance and financial institutions is exempt from disclosure under this chapter:

(1) Records maintained by the board of industrial insurance appeals that are related to appeals of crime victims' compensation claims filed with the board under RCW 7.68.110;

(2) Information obtained and exempted or withheld from public inspection by the health care authority under RCW 41.05.026, whether retained by the authority, transferred to another state purchased health care program by the authority, or transferred by the authority to a technical review committee created to facilitate the development, acquisition, or implementation of state purchased health care under chapter 41.05 RCW; (3) The names and individual identification data of either all owners or all insureds, or both, received by the insurance commissioner under chapter 48.102 RCW;

(4) Information provided under RCW 48.30A.045 through 48.30A.060;

(5) Information provided under RCW 48.05.510 through 48.05.535, 48.43.200 through 48.43.225, 48.44.530 through 48.44.555, and 48.46.600 through 48.46.625;

(6) Examination reports and information obtained by the department of financial institutions from banks under RCW 30A.04.075, from savings banks under RCW 32.04.220, from savings and loan associations under RCW 33.04.110, from credit unions under RCW 31.12.565, from check cashers and sellers under RCW 31.45.030(3), and from securities brokers and investment advisers under RCW 21.20.100, information that could reasonably be expected to reveal the identity of a whistleblower under RCW 21.40.090, and information received under RCW 43.320.190, all of which are confidential and privileged information;

(7) Information provided to the insurance commissioner under RCW 48.110.040(3);

(8) Documents, materials, or information obtained by the insurance commissioner under RCW 48.02.065, all of which are confidential and privileged;

(9) Documents, materials, or information obtained or provided by the insurance commissioner under RCW 48.31B.015(2) (1) and (m), 48.31B.025, 48.31B.030, 48.31B.035, and 48.31B.036, all of which are confidential and privileged;

(10) Data filed under RCW 48.140.020, 48.140.030, 48.140.050, and 7.70.140 that, alone or in combination with any other data, may reveal the identity of a claimant, health care provider, health care facility, insuring entity, or self-insurer involved in a particular claim or a collection of claims. For the purposes of this subsection:

(a) "Claimant" has the same meaning as in RCW 48.140.010(2).

(b) "Health care facility" has the same meaning as in RCW 48.140.010(6).

(c) "Health care provider" has the same meaning as in RCW 48.140.010(7).

(d) "Insuring entity" has the same meaning as in RCW 48.140.010(8).

(e) "Self-insurer" has the same meaning as in RCW 48.140.010(11);

(11) Documents, materials, or information obtained by the insurance commissioner under RCW 48.135.060;

(12) Documents, materials, or information obtained by the insurance commissioner under RCW 48.37.060;

(13) Confidential and privileged documents obtained or produced by the insurance commissioner and identified in RCW 48.37.080;

(14) Documents, materials, or information obtained by the insurance commissioner under RCW 48.37.140;

(15) Documents, materials, or information obtained by the insurance commissioner under RCW 48.17.595;

(16) Documents, materials, or information obtained by the insurance commissioner under RCW 48.102.051(1) and 48.102.140(3) and (7)(a)(ii);

(17) Documents, materials, or information obtained by the insurance commissioner in the commissioner's capacity as receiver under RCW 48.31.025

and 48.99.017, which are records under the jurisdiction and control of the receivership court. The commissioner is not required to search for, log, produce, or otherwise comply with the public records act for any records that the commissioner obtains under chapters 48.31 and 48.99 RCW in the commissioner's capacity as a receiver, except as directed by the receivership court;

(18) Documents, materials, or information obtained by the insurance commissioner under RCW 48.13.151;

(19) Data, information, and documents provided by a carrier pursuant to section 1, chapter 172, Laws of 2010;

(20) Information in a filing of usage-based insurance about the usage-based component of the rate pursuant to RCW 48.19.040(5)(b);

(21) Data, information, and documents that are submitted to the office of the insurance commissioner by an entity providing health care coverage pursuant to RCW 28A.400.275;

(22) Data, information, and documents obtained by the insurance commissioner under RCW 48.29.017;

(23) Information not subject to public inspection or public disclosure under RCW 48.43.730(5);

(24) Documents, materials, or information obtained by the insurance commissioner under chapter 48.05A RCW;

(25) Documents, materials, or information obtained by the insurance commissioner under RCW 48.74.025, 48.74.028, 48.74.100(6), 48.74.110(2) (b) and (c), and 48.74.120 to the extent such documents, materials, or information independently qualify for exemption from disclosure as documents, materials, or information in possession of the commissioner pursuant to a financial conduct examination and exempt from disclosure under RCW 48.02.065;

(26) Nonpublic personal health information obtained by, disclosed to, or in the custody of the insurance commissioner, as provided in RCW 48.02.068;

(27) ((Data, information, and documents obtained by the insurance commissioner under RCW 48.02.230;

(28))) Documents, materials, or other information, including the corporate annual disclosure obtained by the insurance commissioner under RCW 48.195.020;

 $(((\frac{29})))$ (28) Findings and orders disapproving acquisition of a trust institution under RCW 30B.53.100(3);

(((30))) (29) All claims data, including health care and financial related data received under RCW 41.05.890, received and held by the health care authority; ((and

(31)) (30) Documents, materials, or information obtained by the insurance commissioner under RCW 48.150.100, except for providers' names and business addresses; and

(31) Contracts not subject to public disclosure under RCW 48.200.040 and 48.43.731.

Sec. 2. RCW 48.14.070 and 2009 c 549 s 7056 are each amended to read as follows:

In event any person has paid to the commissioner any tax, license fee or other charge in error or in excess of that which he or she is lawfully obligated to pay, the commissioner shall upon written request ((made to him or her)) make a

refund thereof. A person may only request a refund of taxes within six years ((from the date the taxes were paid)) of the end of the calendar year for which the taxes are owed. A person may only request a refund of fees or charges other than taxes within ((thirteen)) 13 months of the date the fees or charges were paid. Refunds may be made either by crediting the amount toward payment of charges due or to become due from such person, or by making a cash refund. ((To facilitate such eash refunds the commissioner may establish a revolving fund out of funds appropriated by the legislature for his use.))

Sec. 3. RCW 48.19.460 and 2007 c 258 s 1 are each amended to read as follows:

Any schedule of rates or rating plan for personal automobile liability and physical damage insurance submitted to or filed with the commissioner shall provide for an appropriate reduction in premium charges except for underinsured motorist coverage for those insureds who are ((fifty-five)) 55 years of age and older, for a two-year period after successfully completing a motor vehicle accident prevention course meeting the criteria of the department of licensing with a minimum of eight hours, or additional hours as determined by rule of the department of licensing. The classroom course may be conducted by a public or private agency approved by the department. An eight-hour course meeting the criteria of the department of licensing may be offered via an alternative delivery method of instruction, which may include internet, video, or other technologybased delivery methods. An agency seeking approval from the department to offer an alternative delivery method course of instruction is not required to conduct classroom courses under this section. The department of licensing may adopt rules to ensure that insureds who seek certification for taking a course offered via an alternative delivery method have completed the course.

Sec. 4. RCW 48.19.540 and 2019 c 455 s 4 are each amended to read as follows:

(1) In making rates for the insurance coverage for dwelling units, insurers shall consider the benefits of fire alarms and smoke detection devices in their rate making. If the insurer determines a separate rate factor is valid, then an exhibit supporting these changes and any credits or discounts resulting from any such changes must be included in the initial filing supporting such change. An insurer need not file any exhibits or offer any related discounts if:

(a) No changes are made to the credits or discounts already in effect prior to July 28, 2019;

(b) It determines that there is no material anticipated change in losses due to the use of such equipment; or

(c) Any potential credit or discount is not actuarially supported.

(2) ((The commissioner shall report to the appropriate committees of the legislature on any credits or discounts provided on insurance premiums for fire alarms and smoke detection devices installed in dwelling units. By December 31, 2020, and in compliance with RCW 43.01.036, the commissioner must submit a report to the appropriate committees of the legislature that details the use of discounts prior to and after July 28, 2019, and the type of fire alarm or smoke detection device qualifying for a credit or discount.

(3)) For the purposes of this section:

(a) "Dwelling unit" means a residential dwelling of any type, including a single-family residence, apartment, condominium, or cooperative unit.

(b) "Smoke detection device" or "smoke detection devices" means an assembly incorporating in one unit a device which detects visible or invisible particles of combustion, the control equipment, and the alarm-sounding device, operated from a power supply either in the unit or obtained at the point of installation.

(c) "Fire alarm" or "fire alarms" means any mechanical, electrical($(\frac{1}{1}, \frac{1}{2})$), or radio-controlled device that is designed to emit a sound or transmit a signal or message when activated or any such device that emits a sound and transmits a signal or message when activated because of smoke, heat($(\frac{1}{1}, \frac{1}{2})$), or fire.

(((4))) (3) This section applies to rate filings for coverage for dwelling units filed on or after January 1, 2020.

Sec. 5. RCW 48.37.050 and 2007 c 82 s 7 are each amended to read as follows:

(1) Market conduct actions shall be taken as a result of market analysis and shall focus on the general business practices and compliance activities of insurers, rather than identifying obviously infrequent or unintentional random errors that do not cause significant consumer harm.

(2)(a) The commissioner is authorized to determine the frequency and timing of such market conduct actions. The timing shall depend upon the specific market conduct action to be initiated, unless extraordinary circumstances indicating a risk to consumers require immediate action.

(b) If the commissioner has information that more than one insurer is engaged in common practices that may violate statutes or rules, the commissioner may schedule and coordinate multiple examinations simultaneously.

(3) The insurer shall be given reasonable opportunity to resolve matters that arise as a result of a market analysis to the satisfaction of the commissioner before any additional market conduct actions are taken against the insurer.

(4) The commissioner shall adopt by rule, under chapter 34.05 RCW, procedures and documents that are substantially similar to the NAIC work products defined or referenced in this chapter. Market analysis, market conduct actions, and market conduct examinations shall be performed in accordance with the rule.

(((5) At the beginning of the next legislative session after the adoption of the rules adopted under the authority of this section, the commissioner shall report to the appropriate policy committees of the legislature what rules were adopted; what statutory policies these rules were intended to implement; and such other matters as are indicated for the legislature's understanding of the role played by the NAIC in regulation of the insurance industry of Washington.))

Sec. 6. RCW 48.38.010 and 2012 c 211 s 5 are each amended to read as follows:

The commissioner may grant a certificate of exemption to any insurer or educational, religious, charitable, or scientific institution conducting a charitable gift annuity business <u>that</u>:

(1) ((Which is)) Is organized and operated exclusively as, or for the purpose of aiding, an educational, religious, charitable, or scientific institution which is

organized as a nonprofit organization without profit to any person, firm, partnership, association, corporation, or other entity;

(2) ((Which possesses)) <u>Possesses</u> a current tax exempt status under the laws of the United States;

(3) ((Which serves)) <u>Serves</u> such purpose by issuing charitable gift annuity contracts only for the benefit of such educational, religious, charitable, or scientific institution;

(4) ((Which appoints)) <u>Appoints</u> the insurance commissioner as its true and lawful attorney upon whom may be served lawful process in any action, suit, or proceeding in any court, which appointment is irrevocable, binds the insurer or institution or any successor in interest, remains in effect as long as there is in force in this state any contract made or issued by the insurer or institution, or any obligation arising therefrom, and must be processed in accordance with RCW 48.05.200;

(5) ((Which is)) <u>Is</u> fully and legally organized and qualified to do business and has been actively doing business under the laws of the state of its domicile for a period of at least three years prior to its application for a certificate of exemption;

(6) ((Which has)) <u>Has</u> and maintains minimum ((unrestricted)) net assets <u>without donor restrictions</u> of ((five hundred thousand dollars)) <u>\$500,000</u>. "((Unrestricted net)) <u>Net</u> assets <u>without donor restrictions</u>" means the excess of total assets over total liabilities that are neither permanently restricted nor temporarily restricted by donor-imposed stipulations;

(7) ((Which files)) <u>Files</u> with the insurance commissioner its application for a certificate of exemption showing:

(a) Its name, location, and organization date;

(b) The kinds of charitable annuities it proposes to offer;

(c) A statement of the financial condition, management, and affairs of the organization and any affiliate thereof, as that term is defined in RCW 48.31B.005, on a form satisfactory to, or furnished by the insurance commissioner;

(d) Other documents, stipulations, or information as the insurance commissioner may reasonably require to evidence compliance with the provisions of this chapter;

(8) ((Which subjects)) <u>Subjects</u> itself and any affiliate thereof, as that term is defined in RCW 48.31B.005, to periodic examinations conducted under chapter 48.03 RCW as may be deemed necessary by the insurance commissioner;

(9) ((Which files)) Files with the insurance commissioner for the commissioner's advance approval a copy of any policy or contract form to be offered or issued to residents of this state. The grounds for disapproval of the policy or contract form are set forth in RCW 48.18.110; and

(10) ((Which:))(a) Files with the insurance commissioner annually, within $((sixty)) \frac{60}{60}$ days of the end of its fiscal year a report of its current financial condition, management, and affairs, on a form and in a manner prescribed by the commissioner, as well as such other financial material as may be requested, including the annual statement or other such financial materials as may be requested relating to any affiliate, as that term is defined in RCW 48.31B.005;

(b) Attaches to the report of its current financial condition the statement of a qualified actuary setting forth the actuary's opinion relating to annuity reserves

and other actuarial items for the fiscal year covered by the report. "Qualified actuary" as used in this subsection means a member in good standing of the American academy of actuaries or a person who has otherwise demonstrated actuarial competence to the satisfaction of the insurance regulatory official of the domiciliary state; and

(c) ((On or before March 1st of each year)) Within 60 days of the end of the fiscal year, pays an annual filing fee of ((twenty-five dollars)) <u>\$25</u> plus ((five dollars))) <u>\$5</u> for each charitable gift annuity contract written for residents of this state during ((its)) the preceding fiscal year ((ending on or before December 31st of the previous calendar year)).

Sec. 7. RCW 48.38.012 and 1998 c 284 s 7 are each amended to read as follows:

After June 30, 1998, an insurer or institution which does not have the minimum ((unrestricted)) net assets <u>without donor restrictions</u> required by RCW 48.38.010(6) may not issue any new charitable gift annuities until the insurer or institution has and maintains the minimum ((unrestricted)) net assets <u>without donor restrictions</u> required by RCW 48.38.010(6).

Sec. 8. RCW 48.43.0128 and 2021 c 280 s 3 are each amended to read as follows:

(1) A health carrier offering a nongrandfathered health plan or a plan deemed by the commissioner to have a short-term limited purpose or duration, or to be a student-only plan that is guaranteed renewable while the covered person is enrolled as a regular, full-time undergraduate student at an accredited higher education institution may not:

(a) In its benefit design or implementation of its benefit design, discriminate against individuals because of their age, expected length of life, present or predicted disability, degree of medical dependency, quality of life, or other health conditions; and

(b) With respect to the health plan or plan deemed by the commissioner to have a short-term limited purpose or duration, or to be a student-only plan that is guaranteed renewable while the covered person is enrolled as a regular, full-time undergraduate student at an accredited higher education institution, discriminate on the basis of race, color, national origin, disability, age, sex, gender identity, or sexual orientation.

(2) Nothing in this section may be construed to prevent a carrier from appropriately utilizing reasonable medical management techniques.

(3) For health plans issued or renewed on or after January 1, 2022:

(a) A health carrier may not deny or limit coverage for gender-affirming treatment when that treatment is prescribed to an individual because of, related to, or consistent with a person's gender expression or identity, as defined in RCW 49.60.040, is medically necessary, and is prescribed in accordance with accepted standards of care.

(b) A health carrier may not apply categorical cosmetic or blanket exclusions to gender-affirming treatment. When prescribed as medically necessary gender-affirming treatment, a health carrier may not exclude as cosmetic services facial feminization surgeries and other facial gender-affirming treatment, such as tracheal shaves, hair electrolysis, and other care such as mastectomies, breast reductions, breast implants, or any combination of genderaffirming procedures, including revisions to prior treatment.

(c) A health carrier may not issue an adverse benefit determination denying or limiting access to gender-affirming services, unless a health care provider with experience prescribing or delivering gender-affirming treatment has reviewed and confirmed the appropriateness of the adverse benefit determination.

(d) Health carriers must comply with all network access rules and requirements established by the commissioner.

(4) For the purposes of this section, "gender-affirming treatment" means a service or product that a health care provider, as defined in RCW 70.02.010, prescribes to an individual to treat any condition related to the individual's gender identity and is prescribed in accordance with generally accepted standards of care. Gender-affirming treatment must be covered in a manner compliant with the federal mental health parity and addiction equity act of 2008 and the federal affordable care act. Gender-affirming treatment can be prescribed to two spirit, transgender, nonbinary, intersex, and other gender diverse individuals.

(5) Nothing in this section may be construed to mandate coverage of a service that is not medically necessary.

(6) By December 1, 2022, the commissioner, in consultation with the health care authority and the department of health, must issue a report on geographic access to gender-affirming treatment across the state. The report must include the number of gender-affirming providers offering care in each county, the carriers and medicaid managed care organizations those providers have active contracts with, and the types of services provided by each provider in each region. The commissioner must update the report ((biannually)) biennially and post the report on its website.

(7) The commissioner shall adopt any rules necessary to implement subsections (3), (4), and (5) of this section.

(8) Unless preempted by federal law, the commissioner shall adopt any rules necessary to implement subsections (1) and (2) of this section, consistent with federal rules and guidance in effect on January 1, 2017, implementing the patient protection and affordable care act.

Sec. 9. RCW 48.43.135 and 2023 c 245 s 1 are each amended to read as follows:

(1) For nongrandfathered group health plans other than small group health plans issued or renewed on or after January 1, 2024, <u>and for health plans issued</u> <u>or renewed on or after January 1, 2026</u>, a health carrier shall include coverage for hearing instruments, including bone conduction hearing devices. This section does not include coverage of over-the-counter hearing instruments.

(2) Coverage shall also include the initial assessment, fitting, adjustment, auditory training, and ear molds as necessary to maintain optimal fit. Coverage of the services in this subsection shall include services for enrollees who intend to obtain or have already obtained any hearing instrument, including an over-the-counter hearing instrument.

(3) ((A))(a) Until the date specified in (b) of this subsection, a health carrier shall provide coverage for hearing instruments as provided in subsection (1) of this section at no less than \$3,000 per ear with hearing loss every 36 months.

(b) For health plans issued or renewed on or after January 1, 2026, a health carrier shall provide coverage for hearing instruments as provided in subsection (1) of this section every 36 months per ear with hearing loss and may not establish any lifetime or annual limit on the dollar amount of coverage for services described in subsection (1) or (2) of this section for any individual, whether provided in-network or out-of-network.

(c) A health carrier may require prior authorization or adopt other appropriate utilization controls in approving coverage for medically necessary hearing instruments.

(4) The services and hearing instruments covered under this section are not subject to the enrollee's deductible unless the health plan is offered as a qualifying health plan for a health savings account. For such a qualifying health plan, the carrier may apply a deductible to coverage of the services covered under this section only at the minimum level necessary to preserve the enrollee's ability to claim tax exempt contributions and withdrawals from the enrollee's health savings account under internal revenue service laws and regulations.

(5) Coverage for a minor under 18 years of age shall be available under this section only after the minor has received medical clearance within the preceding six months from:

(a) An otolaryngologist for an initial evaluation of hearing loss; or

(b) A licensed physician, which indicates there has not been a substantial change in clinical status since the initial evaluation by an otolaryngologist.

(6) For the purposes of this section:

(a) "Hearing instrument" has the same meaning as defined in RCW 18.35.010.

(b) "Over-the-counter hearing instrument" has the same meaning as "overthe-counter hearing aid" in 21 C.F.R. Sec. 800.30 as of December 28, 2022.

Sec. 10. RCW 48.43.743 and 2015 c 9 s 2 are each amended to read as follows:

(1) Each health carrier offering a dental only plan in Washington shall submit to the commissioner on or before April 1st of each year as part of the additional data statement, or as a supplemental data statement ((the following information)). Washington specific data for the preceding year that is derived from the carrier's annual statement, including the exhibit of premiums, enrollments, and utilization for the company at an aggregate level and the additional data to the annual statement:

(a) The total number of dental members;

(b) The total amount of dental revenue;

(c) The total amount of dental payments;

(d) The dental loss ratio that is computed by dividing the total amount of dental payments by the total amount of dental revenues;

(e) The average amount of premiums per member per month; and

(f) The percentage change in the average premium per member per month, measured from the previous year.

(2) A carrier shall electronically submit the information described in subsection (1) of this section in a format and according to instructions prescribed by the commissioner.

(3) The commissioner shall make the information reported under this section available to the public (($\frac{1}{1000}$ a format that allows comparison among

earriers through a searchable)) on the commissioner's public website on the internet.

(4) For the purposes of licensed disability insurers and health care service contractors, the commissioner shall work collaboratively with insurers to develop an additional or supplemental data statement that utilizes to the maximum extent possible information from the annual statement forms that are currently filed by these entities.

(5) For purposes of this section, "health carrier," in addition to the definition in RCW 48.43.005, also includes health care service contractors, limited health care service contractors, and disability insurers offering dental only coverage.

(6) Nothing in this section is intended to establish a minimum dental loss ratio.

Sec. 11. RCW 48.135.030 and 2006 c 284 s 4 are each amended to read as follows:

The annual cost of operating the fraud program is funded from the insurance commissioner's ((regulatory)) fraud account under RCW 48.02.190 subject to appropriation by the legislature.

Sec. 12. RCW 48.140.050 and 2006 c 8 s 205 are each amended to read as follows:

((Beginning in 2010, the)) The commissioner must prepare an annual report that summarizes and analyzes the medical malpractice closed claim ((reports for medical malpractice)) data filed under RCW 48.140.020 and 7.70.140 and the annual financial ((reports)) data filed ((by authorized insurers)) with the national association of insurance commissioners by insuring entities writing medical malpractice insurance in this state. The commissioner must complete the report by ((June 30th, unless the commissioner notifies legislative committees by June 1st that data are not available and informs the committees when the summaries will be completed)) September 1st.

(1) The report must include:

(a) An analysis of reported closed claims from prior years for which data are collected. The analysis must show:

(i) Trends in the frequency and severity of claim payments;

(ii) A comparison of economic and noneconomic damages;

(iii) A distribution of allocated loss adjustment expenses and other legal expenses;

(iv) The types of medical malpractice for which claims have been paid; and

(v) Any other information the commissioner finds relevant to trends in medical malpractice closed claims if the commissioner:

(A) Protects information as required under RCW 48.140.060(2); and

(B) Exempts from disclosure data described in RCW 42.56.400((((11))))(10);

(b) An analysis of the medical malpractice insurance market in Washington state, including:

(i) An analysis of the financial ((reports)) <u>data</u> of the authorized insurers with a combined market share of at least ((ninety)) <u>90</u> percent of direct written medical malpractice premium in Washington state for the prior calendar year;

(ii) A loss ratio analysis of medical malpractice insurance written in Washington state; and

(iii) A profitability analysis of the authorized insurers with a combined market share of at least (($\frac{ninety}{0}$)) <u>90</u> percent of direct written medical malpractice premium in Washington state for the prior calendar year;

(c) A comparison of loss ratios and the profitability of medical malpractice insurance in Washington state to other states based on financial ((reports)) data filed with the national association of insurance commissioners and any other source of information the commissioner deems relevant; and

(d) A summary of the rate filings for medical malpractice that have been approved by the commissioner for the prior calendar year, including an analysis of the trend of direct incurred losses as compared to prior years.

(2) The commissioner must post reports required by this section on the internet no later than $((\frac{\text{thirty}}))$ <u>30</u> days after they are due.

(3) The commissioner may adopt rules that require insuring entities and self-insurers required to report under RCW 48.140.020 and subsection (1)(a) of this section to report data related to:

(a) The frequency and severity of closed claims for the reporting period; and

(b) Any other closed claim information that helps the commissioner monitor losses and claim development patterns in the Washington state medical malpractice insurance market.

Sec. 13. RCW 48.150.100 and 2007 c 267 s 12 are each amended to read as follows:

(1) Direct practices must submit annual statements, beginning on October 1, 2007, to the office of (([the])) the insurance commissioner specifying the number of providers in each practice, total number of patients being served, the average direct fee being charged, providers' names, and the business address for each direct practice. The form and content for the annual statement must be developed in a manner prescribed by the commissioner. Information and data, other than providers' names and business addresses, reported in the annual statements is confidential and exempt from public disclosure pursuant to chapter 42.56 RCW. When reporting publicly on the number of patients being served or the average direct fee being charged, the commissioner shall report the information in appropriate banded ranges.

(2) A health care provider may not act as, or hold himself or herself out to be, a direct practice in this state, nor may a direct agreement be entered into with a direct patient in this state, unless the provider submits the annual statement in subsection (1) of this section to the commissioner.

(3) The commissioner shall report annually to the legislature on direct practices including, but not limited to, participation trends, complaints received, voluntary data reported by the direct practices, and any necessary modifications to this chapter. The commissioner's report and the data in it shall be in aggregate form that does not permit the identification of individual direct practices. The initial report shall be due December 1, 2009.

Sec. 14. RCW 48.160.020 and 2009 c 334 s 3 are each amended to read as follows:

(1) This chapter applies only to guaranteed asset protection waivers for financing of motor vehicles as defined in this chapter. Any person or entity must register with the commissioner before marketing, offering for sale or selling a guaranteed asset protection waiver, and before acting as an obligor for a guaranteed asset protection waiver, in this state. However, a retail seller of motor vehicles that assigns more than ((eighty-five)) $\underline{85}$ percent of guaranteed asset protection waiver agreements within ((thirty)) $\underline{30}$ days of such agreements' effective date, or an insurer authorized to transact such insurance business in this state, are not required to register pursuant to this section. Failure of any retail seller of motor vehicles to assign ((one hundred)) $\underline{100}$ percent of guaranteed asset protection waiver agreements within ((forty-five)) $\underline{45}$ days of such agreements' effective date will result in that retail seller being required to comply with the registration requirements of this chapter.

(2) No person may market, offer for sale, or sell a guaranteed asset protection waiver, or act as an obligor on a guaranteed asset protection waiver in this state without a registration as provided in this chapter, except as set forth in subsection (1) of this section.

(3) The application for registration must include the following:

(a) The applicant's name, address, and telephone number;

(b) The identities of the applicant's executive officers or other officers directly responsible for the waiver business;

(c) An application fee of ((two hundred fifty dollars)) <u>\$250</u>, which shall be deposited into the ((guaranteed asset protection waiver account)) general fund;

(d) A copy filed by the applicant with the commissioner of the waivers the applicant intends to offer in this state;

(e) A list of all unregistered marketers of guaranteed asset protection waivers on which the applicant will be the obligor;

(f) Such additional information as the commissioner may reasonably require.

(4) Once registered, the applicant shall keep the information required for registration current by reporting changes within ((thirty)) <u>30</u> days after the end of the month in which the change occurs.

<u>NEW SECTION.</u> Sec. 15. The following acts or parts of acts are each repealed:

(1) RCW 48.02.230 (Health insurance market stability program— Confidentiality—Definitions—Reports—Commissioner's responsibilities) and 2017 3rd sp.s. c 30 s 1;

(2) RCW 48.02.240 (Natural disaster and resiliency work group) and 2019 c 388 s 2;

(3) RCW 48.43.049 (Health carrier data—Information from annual statement—Format prescribed by commissioner—Public availability) and 2006 c 104 s 2;

(4) RCW 48.43.650 (Fixed payment insurance products—Commissioner's annual report) and 2007 c 296 s 6;

(5) RCW 48.140.070 (Model statistical reporting standards—Report to legislature) and 2006 c 8 s 207; and

(6) RCW 48.160.005 (Guaranteed asset protection waiver account) and 2009 c 334 s 10.

<u>NEW SECTION.</u> Sec. 16. Section 6 of this act takes effect January 1, 2026.

Passed by the Senate April 18, 2025. Passed by the House April 16, 2025. Approved by the Governor May 12, 2025. Filed in Office of Secretary of State May 14, 2025.

CHAPTER 244

[Engrossed Substitute Senate Bill 5281] NONRESIDENT VESSEL PERMITS—MODIFICATION

AN ACT Relating to nonresident vessel permits; amending RCW 88.02.620 and 88.02.640; providing an effective date; and providing an expiration date.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 88.02.620 and 2023 c 374 s 23 are each amended to read as follows:

(1) A vessel owner who is a nonresident person must obtain a nonresident vessel permit on or before the 61st day of use in Washington state if the vessel:

(a) Is currently registered or numbered under the laws of the state or country of principal operation, has been issued a valid number under federal law, or has a valid United States customs service cruising license issued under 19 C.F.R. Sec. 4.94; and

(b) Has been brought into Washington state for not more than six months in any continuous 12-month period, and is used:

(i) For personal use; or

(ii) For the purposes of chartering a vessel with a captain or crew, as long as individual charters are for at least three or more consecutive days in duration. The permit also applies for the purposes of necessary transit to or from the start or end point of such a charter, but that transit time is not counted toward the duration of the charter.

(2) In addition to the requirements in subsection (1) of this section, a nonresident vessel owner that is not a natural person, or a nonresident vessel owner who is a natural person who intends to charter the vessel with a captain or crew as provided in subsection (1)(b)(ii) of this section, may only obtain a nonresident vessel permit if:

(a) The vessel is at least 30 feet in length, but no more than ((200)) 300 feet in length;

(b) No Washington state resident owns the vessel or is a principal, as defined in RCW 82.32.865, of the nonresident person which owns the vessel; and

(c) The department of revenue has provided the nonresident vessel owner written approval authorizing the permit as provided in RCW 82.32.865.

(3) A nonresident vessel permit:

(a) May be obtained from the department, county auditor or other agent, or subagent appointed by the director;

(b) Must show the date the vessel first came into Washington state; and

(c) Is valid for two months.

(4) The department, county auditor or other agent, or subagent appointed by the director must collect the fee required in RCW 88.02.640(1)(i) when issuing nonresident vessel permits.

(5) A nonresident vessel permit is not required under this section if the vessel is used in conducting temporary business activity within Washington state.

(6) For any permits issued under this section to a nonresident vessel owner that is not a natural person, or for any permits issued to a natural person who intends to charter the vessel with a captain or crew as provided in subsection (1)(b)(ii) of this section, the department must maintain a record of the following information and provide it to the department of revenue quarterly or as otherwise mutually agreed to by the department and department of revenue:

(a) The name of the record owner of the vessel;

(b) The vessel's hull identification number;

(c) The amount of the fee paid under RCW 88.02.640(5);

(d) The date the vessel first entered the waters of this state;

(e) The expiration date for the permit; and

(f) Any other information mutually agreed to by the department and department of revenue.

(7) <u>A vessel operating under a nonresident vessel permit must be operated in compliance with the quiet sound program and the department of fish and wildlife's safe whale distance guidelines.</u>

(8) The department must adopt rules to implement this section, including rules on issuing and displaying the nonresident vessel permit. Until May 1, 2026, the department must process the application for a nonresident vessel permit, with respect to a vessel that exceeds 200 feet in length, as if the vessel were 200 feet in length.

Sec. 2. RCW 88.02.640 and 2021 c 150 s 2 are each amended to read as follows:

(1) In addition to any other fees and taxes required by law, the department, county auditor or other agent, or subagent appointed by the director must charge the following vessel fees and surcharge:

FEE	AMOUNT	AUTHORITY	DISTRIBUTION
(a) Dealer temporary permit	\$5.00	RCW 88.02.800(2)	General fund
(b) Derelict vessel and invasive species removal	Subsection (3) of this section	Subsection (3) of this section	Subsection (3) of this section
(c) Derelict vessel removal surcharge	\$1.00	Subsection (4) of this section	Subsection (4) of this section
(d) Duplicate certificate of title	\$1.25	RCW 88.02.530(1) (c)	General fund

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FEE	AMOUNT	AUTHORITY	DISTRIBUTION
(e) Duplicate registration	\$1.25	RCW 88.02.590(1) (c)	General fund
(f) Filing	RCW 46.17.005	RCW 88.02.560(2)	RCW 46.68.400
(g) License plate technology	RCW 46.17.015	RCW 88.02.560(2)	RCW 46.68.370
(h) License service	RCW 46.17.025	RCW 88.02.560(2)	RCW 46.68.220
(i) Nonresident vessel permit	Subsection (5) of this section	RCW 88.02.620(4)	Subsection (5) of this section
(j) Quick title service	\$50.00	RCW 88.02.540(3)	Subsection (7) of this section
(k) Registration	\$10.50	RCW 88.02.560(2)	RCW 88.02.650
(l) Replacement decal	\$1.25	RCW 88.02.595(1) (c)	General fund
(m) Service fee	RCW 46.17.040	RCW 88.02.515 and 88.02.560(2)	RCW 46.17.040
(n) Title application	\$5.00	RCW 88.02.515	General fund
(o) Transfer	\$1.00	RCW 88.02.560(7)	General fund
(p) Vessel visitor permit	\$30.00	RCW 88.02.610(3)	Subsection (6) of this section

(2) The five dollar dealer temporary permit fee required in subsection (1) of this section must be credited to the payment of registration fees at the time application for registration is made.

(3) The derelict vessel and invasive species removal fee required in subsection (1) of this section is five dollars and must be distributed as follows:

(a) Two dollars must be deposited in the aquatic invasive species management account created in RCW 77.135.200;

(b) One dollar must be deposited into the aquatic algae control account created in RCW 43.21A.667; and

(c) Two dollars must be deposited in the derelict vessel removal account created in RCW 79.100.100.

(4) In addition to other fees required in this section, an annual derelict vessel removal surcharge of one dollar must be charged with each vessel registration. The surcharge is to address the significant backlog of derelict vessels accumulated in Washington waters that pose a threat to the health and safety of (5)(a) The amount of the nonresident vessel permit fee is:

(i) For a vessel owned by a nonresident natural person, ((twenty-five dollars)) <u>\$25</u>; and

(ii) For a nonresident vessel owner that is not a natural person, the fee is equal to:

(A) ((Twenty five dollars)) $\underline{\$25}$ per foot for vessels between ((thirty)) $\underline{30}$ and ((ninety nine)) $\underline{99}$ feet in length;

(B) ((Thirty dollars)) \$30 per foot for vessels between ((one hundred)) 100 and ((one hundred twenty)) 120 feet in length; ((and))

(C) ((Thirty-seven dollars and fifty cents)) \$37.50 per foot for vessels between ((one hundred twenty-one)) 121 and ((two hundred)) 200 feet in length. The fee must be multiplied by the extreme length of the vessel in feet, rounded up to the nearest whole foot; and

(D)(I) \$100 per foot for vessels between 201 and 300 feet in length, except as provided in (a)(ii)(D)(II) of this subsection. The fee must be multiplied by the extreme length of the vessel in feet, rounded up to the nearest whole foot.

(II) Until May 1, 2026, the fee for vessels between 201 and 300 feet in length is the same as that for a vessel 200 feet in length.

(b) The fee must be paid by the vessel owner to the department. Any moneys remaining from the fee after the payment of costs to administer the permit must be allocated to counties by the state treasurer for approved boating safety programs under RCW 88.02.650, except that all revenues generated from the fees established in (a)(ii)(D) of this subsection must be allocated to the Washington state recreation and conservation office for a grant program to support youth swim lessons in overburdened communities.

(c) In addition to the applicable fees under this section, vessel owners who obtain a nonresident vessel permit for the purposes of chartering their vessel with a captain or crew are subject to use tax as provided in RCW 82.12.799.

(6) The ((thirty dollar)) $\underline{\$30}$ vessel visitor permit fee must be distributed as follows:

(a) Five dollars must be deposited in the derelict vessel removal account created in RCW 79.100.100;

(b) The department may keep an amount to cover costs for providing the vessel visitor permit;

(c) Any moneys remaining must be allocated to counties by the state treasurer for approved boating safety programs under RCW 88.02.650; and

(d) Any fees required for licensing agents under RCW 46.17.005 are in addition to any other fee or tax due for the titling and registration of vessels.

(7)(a) The ((fifty dollar)) $\underline{\$50}$ quick title service fee must be distributed as follows:

(i) If the fee is paid to the director, the fee must be deposited to the general fund.

(ii) If the fee is paid to the participating county auditor or other agent appointed by the director, ((twenty-five dollars)) \$25 must be deposited to the general fund. The remainder must be retained by the county treasurer in the same manner as other fees collected by the county auditor.

(iii) If the fee is paid to a subagent appointed by the director, ((twenty-five dollars)) <u>\$25</u> must be deposited to the general fund. The remaining ((twenty-five dollars))) <u>\$25</u> must be distributed as follows: ((Twelve dollars and fifty cents))) <u>\$12.50</u> must be retained by the county treasurer in the same manner as other fees collected by the county auditor and ((twelve dollars and fifty cents)) <u>\$12.50</u> must be retained by the subagent.

(b) For the purposes of this subsection, "quick title" has the same meaning as in RCW 88.02.540.

(8) The department, county auditor or other agent, or subagent appointed by the director shall charge the service fee under subsection (1)(m) of this section beginning January 1, 2016.

<u>NEW SECTION.</u> Sec. 3. Sections 1 and 2 of this act expire January 1, 2029.

<u>NEW SECTION.</u> Sec. 4. This act takes effect September 1, 2025.

Passed by the Senate February 19, 2025.

Passed by the House April 15, 2025.

Approved by the Governor May 12, 2025.

Filed in Office of Secretary of State May 14, 2025.

CHAPTER 245

[Senate Bill 5315]

LOCAL TAX CHANGES—NOTIFICATION TO DEPARTMENT OF REVENUE— MODIFICATION

AN ACT Relating to standardizing notification provisions relating to local tax rate changes and shared taxes administered by the department; and amending RCW 82.14.055, 82.14.390, and 82.14.485.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 82.14.055 and 2016 c 46 s 1 are each amended to read as follows:

(1) Except as provided in subsections (2), (3), and (((4))) (5) of this section, a local sales and use tax change may take effect (a) no sooner than ((seventy-five)) 75 days after the department ((receives notice)) is notified in writing of the change and (b) only on the first day of January, April, or July.

(2) In the case of a local sales and use tax that is a credit against the state sales tax or use tax, a local sales and use tax change may take effect (a) no sooner than ((thirty)) <u>30</u> days after the department ((receives notice)) is notified in writing of the change and (b) only on the first day of a month.

(3)(a) A local sales and use tax rate increase imposed on services applies to the first billing period starting on or after the effective date of the increase.

(b) A local sales and use tax rate decrease imposed on services applies to bills rendered on or after the effective date of the decrease.

(c) For the purposes of this subsection (3), "services" means retail services such as installing and constructing and retail services such as telecommunications, but does not include services such as tattooing.

(4) <u>Authorized authorities contracting with the department under RCW</u> 82.14.050(1) that make a local sales and use tax change must notify the department in writing of the change and provide a copy of the signed ordinance or resolution. If the local sales and use tax change results from an annexation, the written notification must also include a copy of the complete ordinance containing a legal description, a map showing specifically the boundaries of the annexed territory, and a list of all included parcel numbers in the annexed territory.

(5) For the purposes of this section, "local sales and use tax change" means enactment or revision of local sales and use taxes under this chapter or any other statute, including changes resulting from referendum or annexation.

Sec. 2. RCW 82.14.390 and 2017 c 164 s 1 are each amended to read as follows:

(1) Except as provided in subsection (7) of this section, the governing body of a public facilities district (a) created before July 31, 2002, under chapter 35.57 or 36.100 RCW that commenced construction of at least one new regional center, or improvement or rehabilitation of an existing new regional center, before January 1, 2004; (b) created before July 1, 2006, under chapter 35.57 RCW in a county or counties in which there are no other public facilities districts on June 7, 2006, and in which the total population in the public facilities district is greater than ((ninety thousand)) 90,000 that commenced construction of a new regional center before February 1, 2007; (c) created under the authority of RCW 35.57.010(1)(d); or (d) created before September 1, 2007, under chapter 35.57 or 36.100 RCW, in a county or counties in which there are no other public facilities districts on July 22, 2007, and in which the total population in the public facilities district is greater than ((seventy thousand)) 70,000, that commenced construction of a new regional center before January 1, 2009, or before January 1, 2011, in the case of a new regional center in a county designated by the president as a disaster area in December 2007, may impose a sales and use tax in accordance with the terms of this chapter. The tax is in addition to other taxes authorized by law and must be collected from those persons who are taxable by the state under chapters 82.08 and 82.12 RCW upon the occurrence of any taxable event within the public facilities district. The rate of tax may not exceed 0.033 percent of the selling price in the case of a sales tax or value of the article used in the case of a use tax.

(2)(a) The governing body of a public facilities district imposing a sales and use tax under the authority of this section may increase the rate of tax up to 0.037 percent if, within three fiscal years of July 1, 2008, the department determines that, as a result of RCW 82.14.490 and the chapter 6, Laws of 2007 amendments to RCW 82.14.020, a public facilities district's sales and use tax collections for fiscal years after July 1, 2008, have been reduced by a net loss of at least 0.50 percent from the fiscal year before July 1, 2008. The fiscal year in which this section becomes effective is the first fiscal year after July 1, 2008.

(b) The department must determine sales and use tax collection net losses under this section ((as provided in RCW 82.14.500 (2) and (3))). The department must provide written notice of its determinations to public facilities districts. Determinations by the department of a public facilities district's sales and use tax collection net losses as a result of RCW 82.14.490 and the chapter 6, Laws of 2007 amendments to RCW 82.14.020 are final and not appealable.

(c) A public facilities district may increase its rate of tax after it has received written notice from the department as provided in (b) of this subsection. The increase in the rate of tax must be made in 0.001 percent increments and must be

the least amount necessary to mitigate the net loss in sales and use tax collections as a result of RCW 82.14.490 and the chapter 6, Laws of 2007 amendments to RCW 82.14.020. The increase in the rate of tax is subject to RCW 82.14.055.

(3) The tax imposed under subsection (1) of this section must be deducted from the amount of tax otherwise required to be collected or paid over to the department of revenue under chapter 82.08 or 82.12 RCW. The department of revenue must perform the collection of such taxes on behalf of the county at no cost to the public facilities district. ((During the 2011-2013 fiseal biennium, distributions by the state to a public facilities district based on the additional rate authorized in subsection (2) of this section must be reduced by 3.4 percent.))

(4)(a) No tax may be collected under this section before August 1, 2000. The tax imposed in this section expires when bonds issued to finance or refinance the construction, improvement, rehabilitation, or expansion of the regional center and related parking facilities are retired, but not more than ((forty)) 40 years after the tax is first collected.

(b) A public facilities district that imposes the tax under this section must notify the department in writing of the actual date the bonds will be retired.

(c) Notification of a bond's actual retirement date must be made at least 75 days before retirement.

(5) Moneys collected under this section may only be used for the purposes set forth in RCW 35.57.020 and must be matched with an amount from other public or private sources equal to ((thirty-three)) <u>33</u> percent of the amount collected under this section; however, amounts generated from nonvoter approved taxes authorized under chapter 35.57 RCW or nonvoter approved taxes authorized under chapter 36.100 RCW do not constitute a public or private source. For the purpose of this section, public or private sources includes, but is not limited to cash or in-kind contributions used in all phases of the development or improvement of the regional center, land that is donated and used for the siting of the regional center, cash or in-kind contributions from public or private foundations, or amounts attributed to private sector partners as part of a public and private partnership agreement negotiated by the public facilities district.

(6) The combined total tax levied under this section may not be greater than 0.037 percent. If both a public facilities district created under chapter 35.57 RCW and a public facilities district created under chapter 36.100 RCW impose a tax under this section, the tax imposed by a public facilities district created under chapter 35.57 RCW must be credited against the tax imposed by a public facilities district created under chapter 36.100 RCW.

(7) A public facilities district created under chapter 36.100 RCW is not eligible to impose the tax under this section if the legislative authority of the county where the public facilities district is located has imposed a sales and use tax under RCW 82.14.0485 or 82.14.0494.

Sec. 3. RCW 82.14.485 and 2017 c 164 s 2 are each amended to read as follows:

(1) In a county with a population under ((three hundred thousand)) <u>300,000</u>, the governing body of a public facilities district, which is created before August 1, 2001, under chapter 35.57 RCW or before January 1, 2000, under chapter 36.100 RCW, in which the total population in the public facilities district is greater than ((ninety thousand)) <u>90,000</u> and less than ((one hundred thousand))

<u>100,000</u> that commences improvement or rehabilitation of an existing regional center, to be used for community events, and artistic, musical, theatrical, or other cultural exhibitions, presentations, or performances and having ((two thousand)) <u>2,000</u> or fewer permanent seats, before January 1, 2009, may impose a sales and use tax in accordance with the terms of this chapter. The tax is in addition to other taxes authorized by law and must be collected from those persons who are taxable by the state under chapters 82.08 and 82.12 RCW upon the occurrence of any taxable event within the public facilities district. The rate of tax for a public facilities district created prior to August 1, 2001, under chapter 35.57 RCW, may not exceed 0.025 percent of the selling price in the case of a sales tax or value of the article used in the case of a use tax. The rate of tax, for a public facilities district created prior to January 1, 2000, under chapter 36.100 RCW, may not exceed 0.020 percent of the selling price in the case of a sales tax or the value of the article used in the case of a use tax.

(2) The tax imposed under subsection (1) of this section must be deducted from the amount of tax otherwise required to be collected or paid over to the department under chapter 82.08 or 82.12 RCW. The department must perform the collection of such taxes on behalf of the county at no cost to the public facilities district.

(3)(a) The tax imposed in this section expires when bonds issued to finance or refinance the construction, improvement, rehabilitation, or expansion of the regional center and related parking facilities are retired, but not more than ((forty)) <u>40</u> years after the tax is first collected.

(b) A public facilities district that imposes the tax under this section must notify the department in writing, at least 75 days before retiring the bonds described in (a) of this subsection, of the actual date the bond will be retired.

(4) Moneys collected under this section may only be used for the purposes set forth in RCW 35.57.020 and must be matched with an amount from other public or private sources equal to ((thirty-three)) <u>33</u> percent of the amount collected under this section, provided that amounts generated from nonvoter-approved taxes authorized under chapter 35.57 RCW may not constitute a public or private source. For the purpose of this section, public or private sources include, but are not limited to cash or in-kind contributions used in all phases of the development or improvement of the regional center, land that is donated and used for the siting of the regional center, cash or in-kind contributions from public or private foundations, or amounts attributed to private sector partners as part of a public and private partnership agreement negotiated by the public facilities district.

Passed by the Senate February 12, 2025. Passed by the House April 16, 2025. Approved by the Governor May 12, 2025. Filed in Office of Secretary of State May 14, 2025.

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CHAPTER 246

[Senate Bill 5317]

ENERGY FACILITY SITING EVALUATION COUNCIL—LOCAL GOVERNMENT AGREEMENTS—APPEALS

AN ACT Relating to exempting local governments providing certain services for projects under the jurisdiction of the energy facility siting evaluation council from certain appeals; and amending RCW 80.50.120.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 80.50.120 and 1977 ex.s. c 371 s 10 are each amended to read as follows:

(1) Subject to the conditions set forth therein any certification shall bind the state and each of its departments, agencies, divisions, bureaus, commissions, boards, and political subdivisions, whether a member of the council or not, as to the approval of the site and the construction and operation of the proposed energy facility.

(2) The certification shall authorize the person named therein to construct and operate the proposed energy facility subject only to the conditions set forth in such certification.

(3) The issuance of a certification shall be in lieu of any permit, certificate or similar document required by any department, agency, division, bureau, commission, board, or political subdivision of this state, whether a member of the council or not.

(4) An action taken by a city or county is not subject to appeal under this chapter on the basis that the action is inconsistent with a code that has been preempted pursuant to RCW 80.50.110, where the action is taken under an agreement with the council to provide technical assistance or advice, or to conduct application or plan review, related to the construction or operation of a certified energy facility included under this chapter.

Passed by the Senate April 18, 2025. Passed by the House April 14, 2025. Approved by the Governor May 12, 2025. Filed in Office of Secretary of State May 14, 2025.

CHAPTER 247

[Senate Bill 5343] NORTHEAST WASHINGTON WOLF-LIVESTOCK MANAGEMENT ACCOUNT— EXPENDITURE USES

AN ACT Relating to the northeast Washington wolf-livestock management account; amending RCW 16.76.030; and providing an expiration date.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 16.76.030 and 2023 c 475 s 920 are each amended to read as follows:

(1) The northeast Washington wolf-livestock management account is created as a nonappropriated account in the custody of the state treasurer. All receipts, any legislative appropriations, private donations, or any other private or public source directed to the northeast Washington wolf-livestock management grant must be deposited into the account. Expenditures from the account may be used only for ((the)): (a) The deployment of nonlethal wolf deterrence resources as described in RCW 16.76.020; (b) wolf-livestock management; and (c) grants to the sheriffs' offices of Stevens and Ferry counties for providing a local wildlife specialist to aid the department of fish and wildlife in the management of wolves. Only the director may authorize expenditures from the account in consultation with the advisory board created in RCW 16.76.020. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures. Interest earned by deposits in the account must be retained in the account.

(2) The advisory board created in RCW 16.76.020 may solicit and receive gifts and grants from public and private sources for the purposes of RCW 16.76.020.

 $((\frac{3)}{2021-2023}$ and 2023-2025 fiscal biennia, expenditures from the account may be used for wolf-livestock management as well as for grants to the sheriffs' offices of Stevens and Ferry counties for providing a local wildlife specialist to aid the department of fish and wildlife in the management of wolves.)

<u>NEW SECTION.</u> Sec. 2. This act expires July 1, 2031.

Passed by the Senate April 18, 2025.

Passed by the House April 14, 2025.

Approved by the Governor May 12, 2025.

Filed in Office of Secretary of State May 14, 2025.

CHAPTER 248

[Senate Bill 5632]

PROTECTED HEALTH CARE SERVICES—LAWS OF OTHER STATES—CONFIDENTIALITY

AN ACT Relating to protecting the confidentiality of records and information that may be relevant to another state's enforcement of its laws; and amending RCW 7.115.010 and 7.115.020.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 7.115.010 and 2023 c 193 s 2 are each amended to read as follows:

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

(1) "Aggrieved party" means a person against whom an underlying action is commenced based on the aggrieved party's provision, receipt, attempted provision or receipt, assistance in the provision or receipt, or attempted assistance in the provision or receipt of protected health care services.

(2) "Assistance" means any action to help, aid, or support the provision or receipt of protected health services including, but not limited to, providing financial, logistical, informational, or travel support to facilitate access to protected health services.

(3) "Gender-affirming treatment" means health services or products that support and affirm an individual's gender identity, including social, psychological, behavioral, and medical or surgical interventions. Gender-affirming care services include, but are not limited to, evaluation and treatments for gender dysphoria, gender-affirming hormone therapy, and gender-affirming surgical procedures.

(((3))) (4) "Protected health care services" means gender-affirming treatment and reproductive health care services that are lawful in the state of Washington.

(((4))) (5) "Reproductive health care services" means all services, care, or products of a medical, surgical, psychiatric, therapeutic, mental health, behavioral health, diagnostic, preventative, rehabilitative, supportive, counseling, referral, prescribing, or dispensing nature relating to the human reproductive system including, but not limited to, all services, care, and products relating to pregnancy, assisted reproduction, contraception, miscarriage management, or the termination of a pregnancy, including self-managed terminations.

 $((\frac{5}))$ (6) "Underlying action" means a civil, criminal, or administrative proceeding, or any proceeding preliminary thereto.

Sec. 2. RCW 7.115.020 and 2023 c 193 s 13 are each amended to read as follows:

(1) It is the public policy of Washington to protect the provision of protected health care services that are lawful in the state of Washington by a person duly licensed under the laws of the state of Washington and the provision of insurance coverage for such services regardless of the location of the person receiving the services.

(2) A law of another state that authorizes the imposition of civil or criminal penalties or liability related to the provision, receipt, attempted provision or receipt, assistance in the provision or receipt, or attempted assistance in the provision or receipt of protected health care services that are lawful in the state of Washington is against the public policy of this state. Accordingly:

(a) A state court, judicial officer, court employee or clerk, or public employee or official shall not issue or effectuate a warrant for the arrest of any person in connection with the provision, receipt, attempted provision or receipt, assistance in the provision or receipt, or attempted assistance in the provision or receipt of protected health care services that are lawful in the state of Washington and a state or local law enforcement agency or officer shall not effectuate such a warrant or knowingly arrest, or knowingly participate in the arrest of, any person for the provision, receipt, attempted provision or receipt, assistance in the provision or receipt, or attempted assistance in the provision or receipt of such protected health care services.

(b) A state or local agency, commission, board, or department, or any employee <u>or agent</u> thereof, acting in their official capacity, shall not cooperate with or provide information to any individual, agency, commission, board, or department from another state or, to the extent permitted by federal law, to a federal law enforcement agency, for the purpose of enforcing another state's law or an investigation related to another state's law that asserts criminal or civil liability for the provision, receipt, attempted provision or receipt, assistance in the provision or receipt, or attempted assistance in the provision or receipt of protected health care services that are lawful in the state of Washington.

(c) A state court, judicial officer, court employee or clerk, or attorney shall not issue a subpoena, warrant, court order, or other civil or criminal legal process pursuant to any state law in connection with a proceeding in another state related to the provision, receipt, attempted provision or receipt, assistance in the provision or receipt, or attempted assistance in the provision or receipt of protected health care services that are lawful in the state of Washington.

(d)(i) A business entity that is incorporated, or has its principal place of business, in Washington that provides electronic communication services as defined in RCW 9.73.260 may not:

(A) Knowingly provide records, information, facilities, or assistance in response to a subpoena, warrant, court order, or other civil or criminal legal process that relates to an investigation into, or the enforcement of, another state's law that asserts criminal or civil liability for the provision, receipt, attempted provision or receipt, assistance in the provision or receipt, or attempted assistance in the provision or receipt of protected health care services that are lawful in the state of Washington; or

(B) Comply with a subpoena, warrant, court order, or other civil or criminal legal process for records, information, facilities, or assistance related to protected health care services that are lawful in the state of Washington unless the subpoena, warrant, court order, or other civil or criminal legal process includes, or is accompanied by, an attestation, made under penalty of perjury, stating that the subpoena, warrant, court order, or other civil or criminal legal process does not seek documents, information, or testimony relating to an investigation into, or the enforcement of, another state's law that asserts criminal or civil liability for the provision, receipt, attempted provision or receipt, assistance in the provision or receipt, or attempted assistance in the provision or receipt of protected health care services that are lawful in the state of Washington. Any false attestation submitted under this section is subject to a statutory penalty of \$10,000 per violation. Submission of such attestation subjects the attester to the jurisdiction of the courts of Washington state for any suit, penalty, or damages arising out of a false attestation under this section.

(ii) Any business entity described in (d)(i) of this subsection that is served with a subpoena, warrant, court order, or other civil or criminal legal process described in (d)(i) of this subsection is entitled to rely on the representations made in an attestation described in (d)(i) of this subsection in determining whether the subpoena, warrant, court order, or other civil or criminal legal process relates to an investigation into, or the enforcement of, another state's law that asserts criminal or civil liability for the provision, receipt, attempted provision or receipt, assistance in the provision or receipt, or attempted assistance in the provision or receipt of protected health care services that are lawful in the state of Washington. If an attestation described in (d)(i) of this subsection is absent or incomplete, the business entity shall notify the attorney general's office of its receipt of the subpoena, warrant, court order, or other civil or criminal legal process unless the entity is prohibited by law or court order from providing notice.

(3) Nothing in this section prohibits the investigation of any criminal activity in this state that may involve the alleged provision, receipt, attempted provision or receipt, assistance in the provision or receipt, or attempted assistance in the provision or receipt of protected health care services occurring in the state of Washington. Any information relating to any protected health care services provided to a specific individual shall not be shared with an agency, department, or individual from another state for the purpose of investigating or enforcing another state's law that asserts criminal or civil liability for the

provision, receipt, attempted provision or receipt, assistance in the provision or receipt, or attempted assistance in the provision or receipt of protected health care services that are lawful in the state of Washington.

(4) A state court, judicial officer, court employee or clerk, or public employee or official shall not apply to a case or controversy heard in state court any law that is contrary to this state's public policy as described in this section.

Passed by the Senate March 4, 2025. Passed by the House April 12, 2025. Approved by the Governor May 12, 2025. Filed in Office of Secretary of State May 14, 2025.

CHAPTER 249

[Engrossed House Bill 1052] HATE CRIME OFFENSE—ELEMENTS

AN ACT Relating to clarifying a hate crime offense; and amending RCW 9A.36.080.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 9A.36.080 and 2024 c 34 s 1 are each amended to read as follows:

(1) A person is guilty of a hate crime offense if the person maliciously and intentionally commits one of the following acts <u>in whole or in part</u> because of their perception of another person's race, color, religion, ancestry, national origin, gender, sexual orientation, gender expression or identity, or mental, physical, or sensory disability:

(a) Assaults another person;

(b) Causes physical damage to or destruction of the property of another; or

(c) Threatens a specific person or group of persons and places that person, or members of the specific group of persons, in reasonable fear of harm to person or property. The fear must be a fear that a reasonable person would have under all the circumstances. For purposes of this section, a "reasonable person" is a reasonable person who is a member of the victim's race, color, religion, ancestry, national origin, gender, or sexual orientation, or who has the same gender expression or identity, or the same mental, physical, or sensory disability as the victim. Words alone do not constitute a hate crime offense unless the context or circumstances surrounding the words indicate the words are a threat. Threatening words do not constitute a hate crime offense if it is apparent to the victim that the person does not have the ability to carry out the threat.

(2) In any prosecution for a hate crime offense, unless evidence exists which explains to the trier of fact's satisfaction that the person did not intend to threaten the victim or victims, the trier of fact may infer that the person intended to threaten a specific victim or group of victims because of the person's perception of the victim's or victims' race, color, religion, ancestry, national origin, gender, sexual orientation, gender expression or identity, or mental, physical, or sensory disability if the person commits one of the following acts:

(a) Burns a cross on property of a victim who is or whom the actor perceives to be of African American heritage;

(b) Defaces property of a victim who is or whom the actor perceives to be of Jewish heritage by defacing the property with a Nazi emblem, symbol, or hakenkreuz;

(c) Defaces religious real property with words, symbols, or items that are derogatory to persons of the faith associated with the property;

(d) Places a vandalized or defaced religious item or scripture on the property of a victim who is or whom the actor perceives to be of the faith with which that item or scripture is associated;

(e) Damages, destroys, or defaces religious garb or other faith-based attire belonging to the victim or attempts to or successfully removes religious garb or other faith-based attire from the victim's person without the victim's authorization; or

(f) Places a noose on the property of a victim who is or whom the actor perceives to be of a racial or ethnic minority group.

This subsection only applies to the creation of a reasonable inference for evidentiary purposes. This subsection does not restrict the state's ability to prosecute a person under subsection (1) of this section when the facts of a particular case do not fall within (a) through (f) of this subsection.

(3) It is not a defense that the accused was mistaken that the victim was a member of a certain race, color, religion, ancestry, national origin, gender, or sexual orientation, had a particular gender expression or identity, or had a mental, physical, or sensory disability.

(4) Evidence of expressions or associations of the accused may not be introduced as substantive evidence at trial unless the evidence specifically relates to the crime charged. Nothing in this chapter shall affect the rules of evidence governing impeachment of a witness.

(5) Every person who commits another crime during the commission of a crime under this section may be punished and prosecuted for the other crime separately.

(6) For the purposes of this section:

(a) "Gender expression or identity" means having or being perceived as having a gender identity, self-image, appearance, behavior, or expression, whether or not that gender identity, self-image, appearance, behavior, or expression is different from that traditionally associated with the sex assigned to that person at birth.

(b) "Sexual orientation" means heterosexuality, homosexuality, or bisexuality.

(c) "Threat" means to communicate, directly or indirectly, the intent to:

(i) Cause bodily injury immediately or in the future to the person threatened or to any other person; or

(ii) Cause physical damage immediately or in the future to the property of a person threatened or that of any other person.

(7) Commission of a hate crime offense is a class C felony.

(8) The penalties provided in this section for hate crime offenses do not preclude the victims from seeking any other remedies otherwise available under law.

(9) Nothing in this section confers or expands any civil rights or protections to any group or class identified under this section, beyond those rights or protections that exist under the federal or state Constitution or the civil laws of the state of Washington.

Passed by the House April 18, 2025. Passed by the Senate April 3, 2025. Approved by the Governor May 12, 2025. Filed in Office of Secretary of State May 14, 2025.

CHAPTER 250

[Engrossed Substitute Senate Bill 5403] CANNABIS RETAILERS—FINANCIAL INTEREST AGREEMENTS

AN ACT Relating to limiting financial interest agreements for licensed cannabis retailers; amending RCW 69.50.325; creating a new section; and providing an effective date.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 69.50.325 and 2022 c 16 s 54 are each amended to read as follows:

(1) There shall be a cannabis producer's license regulated by the board and subject to annual renewal. The licensee is authorized to produce: (a) Cannabis for sale at wholesale to cannabis processors and other cannabis producers; (b) immature plants or clones and seeds for sale to cooperatives as described under RCW 69.51A.250; and (c) immature plants or clones and seeds for sale to qualifying patients and designated providers as provided under RCW 69.51A.310. The production, possession, delivery, distribution, and sale of cannabis in accordance with the provisions of this chapter and the rules adopted to implement and enforce it, by a validly licensed cannabis producer, shall not be a criminal or civil offense under Washington state law. Every cannabis producer's license shall be issued in the name of the applicant, shall specify the location at which the cannabis producer intends to operate, which must be within the state of Washington, and the holder thereof shall not allow any other person to use the license. The application fee for a cannabis producer's license shall be two hundred fifty dollars. The annual fee for issuance and renewal of a cannabis producer's license shall be one thousand three hundred eighty-one dollars. A separate license shall be required for each location at which a cannabis producer intends to produce cannabis.

(2) There shall be a cannabis processor's license to process, package, and label cannabis concentrates, useable cannabis, and cannabis-infused products for sale at wholesale to cannabis processors and cannabis retailers, regulated by the board and subject to annual renewal. The processing, packaging, possession, delivery, distribution, and sale of cannabis, useable cannabis, cannabis-infused products, and cannabis concentrates in accordance with the provisions of this chapter and chapter 69.51A RCW and the rules adopted to implement and enforce these chapters, by a validly licensed cannabis processor, shall not be a criminal or civil offense under Washington state law. Every cannabis processor's license shall be issued in the name of the applicant, shall specify the location at which the licensee intends to operate, which must be within the state of Washington, and the holder thereof shall not allow any other person to use the license. The application fee for a cannabis processor's license shall be two hundred fifty dollars. The annual fee for issuance and renewal of a cannabis

processor's license shall be one thousand three hundred eighty-one dollars. A separate license shall be required for each location at which a cannabis processor intends to process cannabis.

(3)(a) There shall be a cannabis retailer's license to sell cannabis concentrates, useable cannabis, and cannabis-infused products at retail in retail outlets, regulated by the board and subject to annual renewal. The possession, delivery, distribution, and sale of cannabis concentrates, useable cannabis, and cannabis-infused products in accordance with the provisions of this chapter and the rules adopted to implement and enforce it, by a validly licensed cannabis retailer, shall not be a criminal or civil offense under Washington state law. Every cannabis retailer's license shall be issued in the name of the applicant, shall specify the location of the retail outlet the licensee intends to operate, which must be within the state of Washington, and the holder thereof shall not allow any other person to use the license. The application fee for a cannabis retailer's license shall be two hundred fifty dollars. The annual fee for issuance and renewal of a cannabis retailer's license shall be one thousand three hundred eighty-one dollars. A separate license shall be required for each location at which a cannabis retailer intends to sell cannabis concentrates, useable cannabis, and cannabis-infused products.

(b)(i) An individual retail licensee and all other persons or entities with a financial or other ownership interest in the business operating under the license are limited, in the aggregate, to holding a collective total of not more than five retail cannabis licenses.

(ii) A retail licensee and all other persons or entities with a financial or other ownership interest may not enter into any management agreement under RCW 69.50.331(1)(b)(iv) or any agreement as referenced in RCW 69.50.395, whether or not in exchange for payment, that confers a financial interest across more than five retail cannabis licenses. For the purposes of this subsection, "financial interest" includes, but is not limited to:

(A) Any sharing of profits or revenue;

(B) Any assistance, coordination, or recommendation for the purchase of cannabis products whereupon pricing is coordinated or discounted;

(C) The common use of intellectual property assets such as branding, trade names, logos, social media accounts, or websites;

(D) Any operational control over the business or operational support for typical day-to-day business operations, including core business or executive functions of the retail cannabis license;

(E) Any sharing or coordination of marketing and advertising efforts or expenses; and

(F) Any coordinated sharing of employment or hiring decisions, including the shared employment of individuals.

(c)(i) A cannabis retailer's license is subject to forfeiture in accordance with rules adopted by the board pursuant to this section.

(ii) The board shall adopt rules to establish a license forfeiture process for a licensed cannabis retailer that is not fully operational and open to the public within a specified period from the date of license issuance, as established by the board, subject to the following restrictions:

(A) No cannabis retailer's license may be subject to forfeiture within the first nine months of license issuance; and

(B) The board must require license forfeiture on or before twenty-four calendar months of license issuance if a cannabis retailer is not fully operational and open to the public, unless the board determines that circumstances out of the licensee's control are preventing the licensee from becoming fully operational and that, in the board's discretion, the circumstances warrant extending the forfeiture period beyond twenty-four calendar months.

(iii) The board has discretion in adopting rules under this subsection (3)(c).

(iv) This subsection (3)(c) applies to cannabis retailer's licenses issued before and after July 23, 2017. However, no license of a cannabis retailer that otherwise meets the conditions for license forfeiture established pursuant to this subsection (3)(c) may be subject to forfeiture within the first nine calendar months of July 23, 2017.

(v) The board may not require license forfeiture if the licensee has been incapable of opening a fully operational retail cannabis business due to actions by the city, town, or county with jurisdiction over the licensee that include any of the following:

(A) The adoption of a ban or moratorium that prohibits the opening of a retail cannabis business; or

(B) The adoption of an ordinance or regulation related to zoning, business licensing, land use, or other regulatory measure that has the effect of preventing a licensee from receiving an occupancy permit from the jurisdiction or which otherwise prevents a licensed cannabis retailer from becoming operational.

(d) The board may issue cannabis retailer licenses pursuant to this chapter and RCW 69.50.335.

NEW SECTION. Sec. 2. This act applies:

(1) Retroactively to agreements entered before the effective date of this section; and

(2) Prospectively to agreements entered or renewed on or after the effective date of this section.

<u>NEW SECTION.</u> Sec. 3. This act takes effect January 1, 2026.

Passed by the Senate April 18, 2025.

Passed by the House April 11, 2025.

Approved by the Governor May 12, 2025.

Filed in Office of Secretary of State May 14, 2025.

CHAPTER 251

[Substitute House Bill 1079]

ONLINE SCHOOL PROGRAMS—REMOTE TESTING OPTIONS

AN ACT Relating to supporting remote testing options for students enrolled in online school programs; adding a new section to chapter 28A.250 RCW; and creating a new section.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> Sec. 1. The legislature finds that students enrolled in online school programs are required to travel to designated testing sites for state assessments. This travel can impose significant burdens on students and families, including requiring parents or guardians to take time off from work, travel long distances, and incur costs for accommodations and meals.

As a result of these burdens, some parents have chosen to excuse their students from taking state assessments. These choices, however, impact the ability of educators and the state to measure the academic progress of these students.

The legislature finds that to ensure equitable access to state assessments and to uphold their integrity, the state must permit remote testing options for students enrolled in online school programs that align with the students' online instruction environments.

The legislature, therefore, intends to expressly permit school districts to offer remote testing options for students enrolled in online education programs to reduce barriers to assessment participation, and maintain fairness, equity, and security in the assessment process.

<u>NEW SECTION.</u> Sec. 2. A new section is added to chapter 28A.250 RCW to read as follows:

(1) Beginning in the 2027-28 school year, school districts with online school programs may provide all students within those programs with the ability to complete statewide assessments remotely.

(2)(a) By April 1, 2027, the office of the superintendent of public instruction shall develop or review and update as necessary assessment administration and security policies to support remote testing options for students enrolled in online school programs including the remote administration of statewide academic assessments. The policies required by this subsection (2), at a minimum, must address:

(i) Required qualifications for testing personnel;

(ii) The maximum ratio of students to proctors;

(iii) Requirements for remote testing environments, including restrictions on access to devices and persons, and procedures for monitoring students completing tests;

(iv) Device and network requirements; and

(v) Parental consent and agreement forms.

(b) The office of the superintendent of public instruction shall periodically review and revise as necessary the policies required by this subsection (2).

(3) The office of the superintendent of public instruction shall adopt and revise as necessary rules to implement this section. When adopting rules in accordance with this section, the office of the superintendent of public instruction is encouraged to consider utilizing pilot rule making as provided in RCW 34.05.310.

(4) For the purposes of this section:

(a) "Device" means any electronic equipment, including computers, tablets, and smartphones, used for test administration; and

(b) "Statewide assessments" and "statewide academic assessments" means the general and alternate academic achievement assessments administered statewide for English language arts, mathematics, and science.

Passed by the House April 19, 2025.

Passed by the Senate April 7, 2025.

Approved by the Governor May 13, 2025.

Filed in Office of Secretary of State May 14, 2025.

WASHINGTON LAWS, 2025

CHAPTER 252

[House Bill 1167]

STATEWIDE CAREER AND TECHNICAL EDUCATION TASK FORCE—MARITIME PROFESSIONS

AN ACT Relating to directing the statewide career and technical education task force to consider expanding and strengthening certain educational opportunities for careers in maritime professions; and amending 2024 c 234 s 3 (uncodified).

Be it enacted by the Legislature of the State of Washington:

Sec. 1. 2024 c 234 s 3 (uncodified) is amended to read as follows:

(1) The statewide career and technical education task force is established in the office of the superintendent of public instruction. The members of the task force are as follows:

(a) The superintendent of public instruction or the superintendent's designee;

(b) Two representatives from a statewide organization representing career and technical education, at least one of whom must be a career and technical education core plus classroom instructor;

(c) A representative of career and technical education core plus aerospace and advanced manufacturing selected by an organization representing aerospace or advanced industrial manufacturers;

(d) A representative of career and technical education core plus construction selected by an organization representing general contractors;

(e) A representative of career and technical education core plus maritime selected by an organization representing maritime interests;

(f) A representative from the state board for community and technical colleges selected by the state board for community and technical colleges;

(g) A representative from a skill center as selected by the Washington state skill center association;

(h) A representative from the allied health industry; and

(i) A representative from the workforce training and education coordinating board selected by the workforce training and education coordinating board.

(2) The superintendent of public instruction or the superintendent's designee shall chair the task force, and staff support for the task force must be provided by the office of the superintendent of public instruction.

(3) The task force shall develop recommendations for:

(a) Expanding and strengthening the accessibility, stability, and uniformity of secondary work-integrated learning opportunities, including career and technical education, career connected learning, regional apprenticeship programs, career and technical education core plus programs, work-based learning, internships and externships, <u>opportunities that lead or articulate to public and private postsecondary education programs approved by the United States coast guard for awarding the standards of training, certification, and <u>watchkeeping credentials</u>, and other types of work-integrated learning. Recommendations required by this subsection (3)(a) should address governance, operations, and codification, and must be in the form of draft legislation. The legislature does not intend for recommendations required by this subsection (3)(a) to modify the operation of career and technical education core plus programs established prior to January 1, 2024;</u>

(b) The successful administration and operation of career and technical education core plus programs through appropriate collaboration with industry sector leadership from program areas to inform the administration and continual improvement of the programs, review data outcomes, recommend program improvements, ensure that the programs reflect applicable industry competencies, and identify appropriate program credentials; and

(c) A career and technical education core plus model framework that can be used to guide the expansion, establishment, and operation of career and technical education core plus programs. In making recommendations in accordance with this subsection (3)(c), the task force must consider, at a minimum, the following:

(i) Curricula and instructional hours that lead or articulate to industry-recognized nondegree credentials;

(ii) Curricula provided without cost to educators;

(iii) Academic course equivalencies;

(iv) Courses and course sequencing;

(v) The development, maintenance, and expansion of industry, labor, and community partnerships;

(vi) Program credentials;

(vii) Training and professional development for educators and counselors;

(viii) Alignment with postsecondary education and training programs;

(ix) The promotion of student, family, and community awareness of career and technical education core plus programs, including instructional offerings and potential work placement opportunities; and

(x) The development and expansion of a cohort of employers willing to hire and place students that have successfully completed career and technical education core plus programs.

(4) The task force, in accordance with RCW 43.01.036, shall report its findings and recommendations to the governor, the appropriate fiscal and policy committees of the legislature, and the state board of education by November 15, 2025.

(5) This section expires June 30, 2026.

Passed by the House April 21, 2025.

Passed by the Senate April 9, 2025.

Approved by the Governor May 13, 2025.

Filed in Office of Secretary of State May 14, 2025.

CHAPTER 253

[Substitute House Bill 1351]

EARLY CHILDHOOD EDUCATION AND ASSISTANCE PROGRAM—AGE REQUIREMENTS

AN ACT Relating to age requirements for accessing the early childhood education and assistance program; amending RCW 43.216.505, 43.216.512, and 43.216.513; amending 2021 c 199 s 604 (uncodified); reenacting and amending RCW 43.216.505; providing effective dates; providing contingent effective dates; providing an expiration date; providing contingent expiration dates; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

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

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

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

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

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

(4) "Eligible child" means a <u>child who is at least</u> three ((to five-year old child who)) years old by August 31st of the school year, is not yet age-eligible for kindergarten, is not a participant in a federal or state program providing comprehensive services, and who:

(a) Has a family income at or below ((one hundred ten)) <u>110</u> percent of the federal poverty level, as published annually by the federal department of health and human services;

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

(c) Meets criteria under rules adopted by the department if the number of such children equals not more than ((ten)) 10 percent of the total enrollment in the early childhood program. Preference for enrollment in this group shall be given to children from families with the lowest income, children in foster care, or to eligible children from families with multiple needs.

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

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

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

(c) Further their education and training;

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

(e) Increase their self-reliance.

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

Sec. 2. RCW 43.216.505 and 2021 c 199 s 204 are each reenacted and amended to read as follows:

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

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

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

as eligible for funding by the department under RCW 43.216.530 and 43.216.540.

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

(4) "Eligible child" means a <u>child who is at least</u> three ((to five year old child who)) years old by August 31st of the school year, is not yet age-eligible for kindergarten, is not a participant in a federal or state program providing comprehensive services, and who:

(a) Has a family with financial need;

(b) Is experiencing homelessness;

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

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

(e) Is Indian as defined in rule by the department after consultation and agreement with Washington state's federally recognized tribes pursuant to RCW 43.216.5052 and is at or below 100 percent of the state median income adjusted for family size; or

(f) Meets criteria under rules adopted by the department if the number of such children equals not more than ((ten)) <u>10</u> percent of the total enrollment in the early childhood program. Preference for enrollment in this group shall be given to children from families with the lowest income, children in foster care, or to eligible children from families with multiple needs.

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

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

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

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

(c) Further their education and training;

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

(e) Increase their self-reliance; and

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

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

Sec. 3. RCW 43.216.505 and 2024 c 225 s 2 are each amended to read as follows:

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

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

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

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

(4) "Eligible child" means a <u>child who is at least</u> three ((to five-year old child who)) years old by August 31st of the school year, is not yet age-eligible for kindergarten, is not a participant in a federal or state program providing comprehensive services, and who:

(a) Has a family with an income at or below 50 percent of the state median income adjusted for family size;

(b) Is experiencing homelessness;

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

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

(e) Is a member of an assistance unit that is eligible for or is receiving basic food benefits under the federal supplemental nutrition assistance program or the state food assistance program;

(f) Is Indian as defined in rule by the department after consultation and agreement with Washington state's federally recognized tribes pursuant to RCW 43.216.5052 and is at or below 100 percent of the state median income adjusted for family size; or

(g) Meets criteria under rules adopted by the department if the number of such children equals not more than $((ten)) \underline{10}$ percent of the total enrollment in the early childhood program. Preference for enrollment in this group shall be given to children from families with the lowest income, children in foster care, or to eligible children from families with multiple needs.

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

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

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

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

(c) Further their education and training;

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

(e) Increase their self-reliance; and

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

Sec. 4. RCW 43.216.512 and 2024 c 225 s 3 are each amended to read as follows:

(1) The department shall adopt rules that allow the enrollment of children who meet one or more of the following criteria in the early childhood education and assistance program, as space is available if the number of such children equals not more than ((twenty five)) 25 percent of total statewide enrollment:

(a) The child's family income is above ((one hundred ten)) <u>110</u> percent but less than or equal to ((one hundred thirty)) <u>130</u> percent of the federal poverty level;

(b) The child's family income is above ((one hundred thirty)) $\underline{130}$ percent but less than or equal to ((two hundred)) $\underline{200}$ percent of the federal poverty level if the child meets at least one of the risk factor criterion described in subsection (2) of this section; or

(c) Beginning November 1, 2024, the child is not eligible under RCW 43.216.505 and is a member of an assistance unit that is eligible for or is receiving basic food benefits under the federal supplemental nutrition assistance program or the state food assistance program.

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

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

(b) Homelessness;

(c) Child welfare system involvement;

(d) Developmental delay or disability that does not meet the eligibility criteria for special education described in RCW 28A.155.020;

(e) Domestic violence;

(f) English as a second language;

(g) Expulsion from an early learning setting;

(h) A parent who is incarcerated;

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

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

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

(a)(i) Has a family income at or below (($\frac{1}{1}$ two hundred)) $\frac{200}{200}$ percent of the federal poverty level or meets at least one risk factor criterion adopted by the department in rule; and

(((b))) (<u>ii)</u> Has received services from or participated in:

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

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

(((iii))) (C) The birth to three early childhood education and assistance program, if such a program is established: or

(b) Did not turn three on or before August 31st of the school year, but otherwise meets the definition of eligible child under RCW 43.216.505.

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

Sec. 5. RCW 43.216.513 and 2021 c 199 s 206 are each amended to read as follows:

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

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

(((b))) (<u>ii)</u> Has received services from or participated in:

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

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

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

(((iv))) (D) The early childhood intervention and prevention services program: or

(b) Did not turn three on or before August 31st of the school year, but otherwise meets the definition of eligible child under RCW 43.216.505.

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

Sec. 6. 2021 c 199 s 604 (uncodified) is amended to read as follows:

(1) Section((s 204 through 206 and)) 403 of this act takes effect July 1, 2026.

(2) Sections 204 through 206 of this act take effect July 1, 2025.

<u>NEW SECTION.</u> Sec. 7. Section 2 of this act expires August 1, 2030.

NEW SECTION. Sec. 8. Section 3 of this act takes effect August 1, 2030.

<u>NEW SECTION.</u> Sec. 9. (1) Section 1 of this act takes effect only if chapter . . . (Senate Bill No. 5752), Laws of 2025 is not enacted by July 1, 2025.

(2) Section 2 of this act takes effect July 1, 2025, if chapter . . . (Senate Bill No. 5752), Laws of 2025 is enacted by July 1, 2025.

(3) Section 6 of this act takes effect only if chapter . . . (Senate Bill No. 5752), Laws of 2025 is enacted by July 1, 2025.

<u>NEW SECTION.</u> Sec. 10. (1) Section 4 of this act expires July 1, 2025, if chapter . . . (Senate Bill No. 5752), Laws of 2025 is enacted by July 1, 2025.

(2) Section 4 of this act expires July 1, 2026, if chapter . . . (Senate Bill No. 5752), Laws of 2025 is not enacted by July 1, 2025.

<u>NEW SECTION.</u> Sec. 11. Sections 2 and 5 of this act take effect July 1, 2026, if chapter . . . (Senate Bill No. 5752), Laws of 2025 is not enacted by July 1, 2025.

<u>NEW SECTION.</u> Sec. 12. Except as provided in sections 8 and 11 of this act, this act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 2025.

Passed by the House April 22, 2025. Passed by the Senate April 8, 2025. Approved by the Governor May 13, 2025. Filed in Office of Secretary of State May 14, 2025.

CHAPTER 254

[Second Substitute House Bill 1587] OPPORTUNITY SCHOLARSHIP PROGRAM—LOCAL GOVERNMENT PARTNER PROMISE SCHOLARSHIP PROGRAMS

AN ACT Relating to encouraging local government partner promise scholarship programs within the Washington state opportunity scholarship program; amending RCW 28B.145.050 and 28B.145.070; adding new sections to chapter 28B.145 RCW; and creating a new section.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> Sec. 1. The legislature recognizes that postsecondary credentials are vital for creating and maintaining a skilled workforce. To increase Washington's skilled workforce, local governments are encouraged to establish their own local government partner promise scholarship programs within the Washington state opportunity scholarship program to further reduce barriers for students within their jurisdiction. Current barriers may include scholarship applications, income limits, and degree program requirements. The purpose of this act is for local governments that establish local government partner promise scholarship programs to have minimal administrative duties, making benefits to students substantial. Therefore, it is the intent of the legislature to encourage additional local government partner promise scholarship programs to serve more students with fewer barriers.

<u>NEW SECTION.</u> Sec. 2. A new section is added to chapter 28B.145 RCW to read as follows:

(1) A local government partner may establish its own promise scholarship program within the opportunity scholarship program. The local government partner promise scholarship program shall be administered by the Washington state opportunity scholarship program. The program administrator shall assist the local government partner in the selection, notification, and disbursement of scholarship awards.

(2) To be eligible to participate in a local government partner promise scholarship program, a student must have received his or her high school diploma or high school equivalency certificate as provided in RCW 28B.50.536 in Washington and attend a public two-year institution of higher education or a

professional-technical certificate or degree program as approved by the state board for community and technical colleges under RCW 28B.50.090(7)(c). Eligibility may not extend beyond three years or 125 percent of the published length of the program in which the student is enrolled or the credit or clock-hour equivalent.

(3) A local government partner that establishes a promise scholarship program may establish separate rules for its program that are independent from the broader Washington state opportunity scholarship program.

(4) The value of the scholarship award under the local government partner promise scholarship program is, at minimum, the difference between the recipient's total tuition fees as defined in RCW 28B.15.020 and services and activities fees as defined in RCW 28B.15.041, less the value of any state-funded grant including the college bound scholarship program established in chapter 28B.118 RCW and the Washington college grant created in RCW 28B.92.200, scholarship, gift aid, or waiver assistance the recipient receives. The local government partner may provide additional scholarship awards to cover reasonable expenses associated with the costs of acquiring an education such as books, equipment, room and board, and other expenses as determined by the local government partner.

(5) The office of student financial assistance and the institutions of higher education may not consider awards made under a local government partner's promise scholarship program to be state-funded for the purpose of determining the value of an award for other state financial aid programs.

(6) If a student participating in a local government partner promise scholarship program transfers to an institution not eligible under the local government partner's promise scholarship program rules, the student must reapply to the broader opportunity scholarship program and meet all eligibility requirements. A local government partner may continue to provide funds to the student through its own promise scholarship program if the local government partner's program rules allow continued payment. A student may not receive funds from the broader Washington state opportunity scholarship program at the same time.

(7) A participating student's eligibility must be reconfirmed prior to each disbursement of funds.

(8) In consultation with the local government partner, the administrator's duties include:

(a) Implementing a selection and notification process for awarding local government scholarship funds;

(b) Distributing funds to selected students; and

(c) Notifying institutions of higher education of the local government scholarship recipients who will attend their institutions of higher education and informing the institutions of the scholarship fund amounts and terms of the awards.

(9) Ten percent of the local government partner funds, excluding state matching funds, may be used for the operational costs listed in subsection (8) of this section. The local government partner may opt to have additional programmatic support from the broader Washington opportunity scholarship program, such as application or marketing support, for an additional agreed-upon fee.

(10) In the event that there are not enough funds to serve all eligible applicants, priority must be given to applicants to the broader Washington state opportunity scholarship program over applicants to a government partner promise scholarship program.

(11) For each local government partner promise scholarship program, state matching funds shall be limited to \$250,000 per fiscal year.

(12) For purposes of this section, "government partner" means municipalities, counties, or federally recognized Indian tribes.

(13) To be eligible for a state match in the 2025-27 biennium, a local government partner shall submit a pledge amount to the program administrator referencing the local government partner promise scholarship program by February 1, 2025.

<u>NEW SECTION.</u> Sec. 3. A new section is added to chapter 28B.145 RCW to read as follows:

(1) All institutions of higher education that participate in the opportunity scholarship program, including a local government partner promise scholarship program pursuant to section 2 of this act, shall provide timely verification of eligibility information to the program administrator.

(2) Beginning in 2025, the education research and data center shall provide data on the outcomes of Washington state opportunity scholarship recipients and graduates by November 1st of each year.

Sec. 4. RCW 28B.145.050 and 2020 c 357 s 912 are each amended to read as follows:

(1) The opportunity scholarship match transfer account is created in the custody of the state treasurer as a nonappropriated account to be used solely and exclusively for the opportunity scholarship program created in RCW 28B.145.040 and the local government partner promise programs authorized in section 2 of this act. The purpose of the account is to provide matching funds for the opportunity scholarship program and the local government partner promise programs.

(2) Revenues to the account shall consist of appropriations by the legislature into the account and any gifts, grants, or donations received by the executive director of the council for this purpose.

(3) No expenditures from the account may be made except upon receipt of proof, by the executive director of the council from the program administrator, of private contributions to the opportunity scholarship program. Expenditures, in the form of matching funds, may not exceed the total amount of private contributions.

(4) Only the executive director of the council or the executive director's designee may authorize expenditures from the opportunity scholarship match transfer account. Such authorization must be made as soon as practicable following receipt of proof as required under subsection (3) of this section.

(5) The council shall enter into an appropriate agreement with the program administrator to demonstrate exchange of consideration for the matching funds.

(6) During the 2019-2021 fiscal biennium, expenditures from the opportunity scholarship match transfer account may be used for payment to the program administrator for administrative duties carried out under this chapter in an amount not to exceed two hundred fifty thousand dollars per fiscal year.

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Sec. 5. RCW 28B.145.070 and 2018 c 254 s 8 are each amended to read as follows:

(1) Annually each December 1st, the board, together with the program administrator, shall report to the council, the governor, and the appropriate committees of the legislature regarding the rural jobs program ((and)), the opportunity scholarship program, and the opportunity expansion program((s)), including but not limited to:

(a) Which education programs the board determined were eligible for purposes of the opportunity scholarship and which high employer demand fields within eligible counties were identified for purposes of the rural jobs program;

(b) The number of applicants for the opportunity scholarship and rural jobs program, disaggregated, to the extent possible, by race, ethnicity, gender, county of origin, age, and median family income;

(c) The number of participants in the opportunity scholarship program and rural jobs program, disaggregated, to the extent possible, by race, ethnicity, gender, county of origin, age, and median family income;

(d) The number and amount of the scholarships actually awarded, whether the scholarships were paid from the student support pathways account, the scholarship account, or the endowment account, and the number and amount of scholarships actually awarded under the rural jobs program;

(e) The institutions and eligible education programs in which opportunity scholarship participants enrolled, together with data regarding participants' completion and graduation, and the institutions and programs in which recipients of the rural jobs program scholarship enrolled, together with recipients' data on completion and graduation;

(f) The total amount of private contributions and state match moneys received for the rural jobs program and the opportunity scholarship program, how the funds under the opportunity scholarship program were distributed between the student support pathways account, the scholarship account, and the endowment account, the interest or other earnings on all the accounts created under this chapter, and the amount of any administrative fee paid to the program administrator; ((and))

(g) Identification of the programs the board selected to receive opportunity expansion awards and the amount of such awards; and

(h) For local government partners as defined in section 2 of this act:

(i) The total amount of private contributions and state match moneys received; and

(ii) The total number of students served by each local government partner.

(2) In the next succeeding legislative session following receipt of a report required under subsection (1) of this section, the appropriate committees of the legislature shall review the report and consider whether any legislative action is necessary with respect to the rural jobs program, the opportunity scholarship program, or the opportunity expansion program, including but not limited to consideration of whether any legislative action is necessary with respect to the nature and level of focus on high employer demand fields and the number and amount of scholarships. Passed by the House April 19, 2025. Passed by the Senate April 14, 2025. Approved by the Governor May 13, 2025. Filed in Office of Secretary of State May 14, 2025.

CHAPTER 255

[Substitute Senate Bill 5025] EDUCATIONAL INTERPRETERS—VARIOUS PROVISIONS

AN ACT Relating to educational interpreters; and amending RCW 28A.410.271.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 28A.410.271 and 2017 c 34 s 1 are each amended to read as follows:

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

(a) "Educational ((interpreters" means school district employees))) interpreter" means a person, whether certificated or classified, providing sign language interpretation, transliteration, or both, and further explanation of concepts introduced by the teacher for students who are deaf, deaf-blind, or hard of hearing.

(b) "Educational interpreter assessment" means an assessment that includes both written assessment and performance assessment that is offered by a national organization of professional sign language interpreters and transliterators, and is designed to assess performance in more than one sign system or sign language.

(c) "Interpretation" means conveying one language in the form of another language.

(d) "Transliteration" means conveying one language in a different modality of the same language.

(2) The professional educator standards board shall:

(a) Adopt standards for educational interpreters ((and identify)) including, as necessary, separate standards for deaf and deaf-blind educational interpreters;

(b) Identify and publicize educational interpreter assessments that are available and meet the requirements in this section; ((and

(b))) (c) Establish a <u>full</u> performance standard <u>and a limited performance</u> <u>standard</u> for each educational interpreter assessment for the purposes of this section, defining what constitutes a minimum assessment result((-

(3)(a))); and

(d) Establish criteria for educational interpreter certifications based on meeting the standards established under this subsection.

(3)(a) The professional educator standards board shall establish certificates for deaf and deaf-blind educational interpreters based on criteria established under subsection (2) of this section.

(b)(i) Each category of certificates established under (a) of this subsection must be categorized as follows:

(A) A certificate granted to an individual who has met the limited performance standard but has not met the full performance standard for an educational interpreter assessment under subsection (2)(c) of this section is considered a limited certificate and may only have a period of validity of up to five years from the date of the issuance of the certificate; and

(B) A certificate granted to an individual who has met the full performance standard for an educational interpreter assessment under subsection (2)(c) of this section is considered a full certificate and has a period of validity as determined by the professional educator standards board.

(ii) The professional educator standards board may adopt rules that add additional requirements for educational interpreters who have not previously worked in a role as an educational interpreter prior to September 1, 2026.

(c) By December 1, 2026, and annually thereafter, the professional educator standards board shall make data publicly available relating to educational interpreter certification including, but not limited to, the number of each type of certificate granted, demographic information of certificate recipients, and the geographic distribution of certificate grantees.

(4)(a) Through the end of the 2026-27 school year, educational interpreters must have successfully achieved the performance standard established by the professional educator standards board on one of the educational interpreter assessments identified by the board. An educational interpreter who has not successfully achieved such a performance standard may provide or continue providing educational interpreter services to students subject to the requirements of (c) of this subsection.

(b) Except as otherwise provided by this section, by the beginning of the $((\frac{2016-17}))$ <u>2027-28</u> school year, educational interpreters ((who are employed by school districts)) must have successfully ((achieved the performance standard)) obtained a certificate established by the professional educator standards board ((on one of the educational interpreter assessments identified by the board)) under subsection (3) of this section. Evaluations and assessments for educational interpreters for which the board has not established a performance standard or certificate may be obtained as supplemental demonstrations of professional proficiency but may not be used as evidence of compliance with this subsection (((3(a))) (4)(b).

 $((\frac{b)}{An})$ (c) Beginning in the 2027-28 school year, an educational interpreter who has not successfully ((achieved the performance standard required by (a) of this subsection)) obtained a limited certificate may provide or continue providing educational interpreter services to students for one calendar year after receipt of his or her most recent educational interpreter assessment results, or ((eighteen)) 18 months after completing his or her most recent educational interpreter assessment, whichever period is longer, if he or she can demonstrate to the satisfaction of the employing school or school district, ongoing efforts to successfully achieve the ((required performance standard)) full certificate established under subsection (3) of this section. In making a determination under this subsection (((3)(b))) (4)(c), the employing school or school district may consult with the professional educator standards board. For purposes of this subsection (((3)(b))) (4)(c), "educational interpreter" includes persons employed as educational interpreters before the 2016-17 school year.

(((4) By December 31, 2013, the professional educator standards board shall recommend to the education committees of the house of representatives and the senate how to appropriately use the national interpreter certification and the educational interpreter performance assessment for educational interpreters in

Washington public schools)) (d) The professional educator standards board may adopt rules to limit the number of times an educational interpreter may take an educational interpreter assessment for the purposes of qualifying for a certificate under this section.

(5) When conducting the activities required under subsection (2) of this section and drafting any rules to implement this section, the professional educator standards board must consult with a college or university that provides interpreter training in Washington and that is accredited by an accrediting association recognized by the student achievement council under its rules.

(6) The provisions of this section do not apply to educational interpreters employed to interpret a sign system or sign language, including nonsigning interpretation such as oral interpreting, computer-assisted real time captioning, and cued speech transliteration, for which an educational interpreter assessment either does not exist or, as determined by the professional educator standards board, is not capable of being evaluated by the board for suitability as a performance standard in Washington.

Passed by the Senate April 21, 2025. Passed by the House March 26, 2025. Approved by the Governor May 13, 2025. Filed in Office of Secretary of State May 14, 2025.

CHAPTER 256

[Substitute Senate Bill 5253]

SPECIAL EDUCATION SERVICES—PROVISION UNTIL AGE 22

AN ACT Relating to extending special education services to students with disabilities until the end of the school year in which the student turns 22; amending RCW 28A.155.020, 28A.150.220, 28A.155.170, 28A.155.220, 28A.190.030, 28A.225.160, 28A.225.230, 28A.225.240, 72.40.040, and 72.40.060; creating new sections; and providing an expiration date.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> Sec. 1. (1)(a) The legislature finds that, with some exceptions, a state receiving federal funding under the federal individuals with disabilities education act is obligated to provide a free appropriate public education to children with disabilities "between the ages of 3 and 21, inclusive." However, the state is not obligated to serve youth with disabilities aged 18-21 if it would be inconsistent with state law or practice, or the order of any court, regarding the provision of public education to youth in that age range.

(b) The legislature observes that, under Washington law in effect in 2024, children with disabilities must be provided a free appropriate public education "between the ages of 3 and 21." When the 21st birthday of an individual with disabilities occurs during the school year, state administrative rule requires that special education services continue until the end of the school year.

(2)(a) The legislature acknowledges that, on November 22, 2024, the United States district court for the western district of Washington issued an order in the case of N.D. v. Reykdal. This class action lawsuit alleged that Washington's law violates the federal individuals with disabilities education act.

(b) The plaintiff students successfully argued that, because Washington offers adult education programs to 21 year olds and waives the \$25 tuition fee for those who cannot pay, the state provides "free public education" to

nondisabled students through age 21, which makes the federal individuals with disabilities education act's exception inapplicable.

(c) The court issued a declaratory judgment that Washington's policy of aging students out of special education at the end of the school year in which they turn 21 years old presently violates the federal individuals with disabilities education act and will continue to violate the federal individuals with disabilities education act absent a substantial change in the state's policies for charging and waiving tuition for its adult secondary education programs.

(3) The legislature finds that providing services through the school year in which the student turns 22 years old is vital to maximize educational gains, provide transitional supports, and for planning purposes.

(4) For these reasons, when the 22nd birthday of an individual with disabilities occurs during the school year, the legislature intends to continue the provision of special education services until the end of the school year.

<u>NEW SECTION.</u> Sec. 2. (1) By October 30, 2026, the office of the superintendent of public instruction, the department of social and health services, the department of services for the blind, and any other state agency working with individuals with disabilities must collaborate to update the implementation plan for improving transition planning activities for students likely to become eligible for services from the developmental disabilities administration as outlined in section 501(3)(c), chapter 357, Laws of 2020. The updated implementation plan should include:

(a) The provision of coordinated transition services;

(b) Examples of how coordinated transition services can be provided to students between the ages of 16 and 22 to ensure a seamless transition from school to postschool life; and

(c) How transition services are provided in a way that supplements and not supplants state special education funding.

(2) In updating the implementation plan, the state agencies referenced in subsection (1) of this section must consult with nonprofit providers of high school transition services and advocates for students with individualized education programs.

(3) This section expires August 1, 2027.

Sec. 3. RCW 28A.155.020 and 2015 c 206 s 2 are each amended to read as follows:

There is established in the office of the superintendent of public instruction an administrative section or unit for the education of children with disabilities who require special education.

Students with disabilities are those children whether enrolled in school or not who through an evaluation process are determined eligible for special education due to a disability.

In accordance with part B of the federal individuals with disabilities education improvement act and any other federal or state laws relating to the provision of special education services, the superintendent of public instruction shall require each school district in the state to insure an appropriate educational opportunity for all ((ehildren with disabilities between the ages of three and twenty-one, but when the twenty-first birthday occurs during the school year, the educational program may be continued until the end of that school year)) students with disabilities beginning at three years of age and concluding at the end of the school year in which the student turns 22 years of age. The superintendent of public instruction, by rule, shall establish for the purpose of excess cost funding, as provided in RCW 28A.150.390, 28A.160.030, and 28A.155.010 through 28A.155.160, functional definitions of special education, the various types of disabling conditions, and eligibility criteria for special education programs for children with disabilities, including referral procedures, use of positive behavior interventions, the education curriculum and statewide or district-wide assessments, parent and district requests for special education due process hearings, and procedural safeguards. For the purposes of RCW 28A.155.010 through 28A.155.160, an appropriate education is defined as an education directed to the unique needs, abilities, and limitations of the children with disabilities who are enrolled either full time or part time in a school district. School districts are strongly encouraged to provide parental training in the care and education of the children and to involve parents in the classroom.

Nothing in this section shall prohibit the establishment or continuation of existing cooperative programs between school districts or contracts with other agencies approved by the superintendent of public instruction, which can meet the obligations of school districts to provide education for children with disabilities, or prohibit the continuation of needed related services to school districts by the department of social and health services.

The provision of special education services until the end of the school year in which a student with disabilities turns 22 years of age is not intended to reduce or supplant any other service that a student may be eligible for.

This section shall not be construed as in any way limiting the powers of local school districts set forth in RCW 28A.155.070.

Sec. 4. RCW 28A.150.220 and 2024 c 66 s 10 are each amended to read as follows:

(1) In order for students to have the opportunity to develop the basic education knowledge and skills under RCW 28A.150.210, school districts must provide instruction of sufficient quantity and quality and give students the opportunity to complete graduation requirements that are intended to prepare them for postsecondary education, gainful employment, and citizenship. The program established under this section shall be the minimum instructional program of basic education offered by school districts.

(2) Each school district shall make available to students the following minimum instructional offering each school year:

(a) For students enrolled in grades one through 12, at least a district-wide annual average of 1,000 hours, which shall be increased beginning in the 2015-16 school year to at least 1,080 instructional hours for students enrolled in grades nine through 12 and at least 1,000 instructional hours for students in grades one through eight, all of which may be calculated by a school district using a district-wide annual average of instructional hours over grades one through 12; and

(b) For students enrolled in kindergarten, at least 450 instructional hours, which shall be increased to at least 1,000 instructional hours according to the implementation schedule under RCW 28A.150.315.

(3) The instructional program of basic education provided by each school district shall include:

(a) Instruction in the state learning standards under RCW 28A.655.070;

(b) Instruction that provides students the opportunity to complete 24 credits for high school graduation. Course distribution requirements may be established by the state board of education under RCW 28A.230.090;

(c) If the state learning standards include a requirement of languages other than English, the requirement may be met by students receiving instruction in one or more American Indian languages;

(d) Supplemental instruction and services for students who are not meeting academic standards through the learning assistance program under RCW 28A.165.005 through 28A.165.065;

(e) Supplemental instruction and services for eligible and enrolled students and exited students whose primary language is other than English through the transitional bilingual instruction program under RCW 28A.180.010 through 28A.180.080;

(f) The opportunity for an appropriate education at public expense as defined by RCW 28A.155.020 for all eligible students with disabilities as defined in RCW 28A.155.020; and

(g) Programs for highly capable students under RCW 28A.185.010 through 28A.185.030.

(4) Nothing contained in this section shall be construed to require individual students to attend school for any particular number of hours per day or to take any particular courses.

(5)(a) Each school district's kindergarten through 12th grade basic educational program shall be accessible to all students who are five years of age, as provided by RCW 28A.225.160, and less than 21 years of age ((and)). and shall remain accessible to students with disabilities as defined in RCW 28A.155.020 from age 21 until the end of the school year in which those students turn 22 years of age. The program of basic education shall consist of a minimum of 180 school days per school year in such grades as are conducted by a school district, and 180 half-days of instruction, or equivalent, in kindergarten, to be increased to a minimum of 180 school days per school year school year according to the implementation schedule under RCW 28A.150.315.

(b) Schools administering the Washington kindergarten inventory of developing skills may use up to three school days at the beginning of the school year to meet with parents and families as required in the parent involvement component of the inventory.

(c) In the case of students who are graduating from high school, a school district may schedule the last five school days of the 180-day school year for noninstructional purposes including, but not limited to, the observance of graduation and early release from school upon the request of a student. All such students may be claimed as a full-time equivalent student to the extent they could otherwise have been so claimed for the purposes of RCW 28A.150.250 and 28A.150.260. Any hours scheduled by a school district for noninstructional purposes during the last five school days for such students shall count toward the instructional hours requirement in subsection (2)(a) of this section.

(6) Subject to RCW 28A.150.276, nothing in this section precludes a school district from enriching the instructional program of basic education, such as offering additional instruction or providing additional services, programs, or activities that the school district determines to be appropriate for the education of the school district's students.

(7) The state board of education shall adopt rules to implement and ensure compliance with the program requirements imposed by this section, RCW 28A.150.250 and 28A.150.260, and such related supplemental program approval requirements as the state board may establish.

Sec. 5. RCW 28A.155.170 and 2019 c 252 s 106 are each amended to read as follows:

(1) ((Beginning July 1, 2007, each)) Each school district that operates a high school shall establish a policy and procedures that permit any student who is receiving special education or related services under an individualized education program pursuant to state and federal law ((and who will continue to receive such services between the ages of eighteen and twenty-one)) to participate in the graduation ceremony and activities after four years of high school attendance with his or her age-appropriate peers and receive a certificate of attendance.

(2) Participation in a graduation ceremony and receipt of a certificate of attendance under this section does not preclude a student from continuing to receive special education and related services under an individualized education program beyond the graduation ceremony.

(3) A student's participation in a graduation ceremony and receipt of a certificate of attendance under this section shall not be construed as the student's receipt of a high school diploma pursuant to RCW 28A.230.120.

Sec. 6. RCW 28A.155.220 and 2022 c 167 s 7 are each amended to read as follows:

(1) The office of the superintendent of public instruction must establish interagency agreements with the department of social and health services, the department of services for the blind, and any other state agency that provides high school transition services for special education students. Such interagency agreements shall not interfere with existing individualized education programs, nor override any individualized education program team's decision-making power. The purpose of the interagency agreements is to foster effective collaboration among the multiple agencies providing transition services for individualized education program-eligible special education students from the beginning of transition planning, as soon as educationally and developmentally appropriate, through ((age twenty-one))) the end of the school year in which the student turns 22 years of age, or through high school graduation, whichever occurs first. Interagency agreements are also intended to streamline services and programs, promote efficiencies, and establish a uniform focus on improved outcomes related to self-sufficiency.

(2)(a) When educationally and developmentally appropriate, the interagency responsibilities and linkages with transition services under subsection (1) of this section must be addressed in a transition plan to a postsecondary setting in the individualized education program of a student with disabilities.

(b) Transition planning shall be based upon educationally and developmentally appropriate transition assessments that outline the student's individual needs, strengths, preferences, and interests. Transition assessments may include observations, interviews, inventories, situational assessments, formal and informal assessments, as well as academic assessments.

(c) The transition services that the transition plan must address include activities needed to assist the student in reaching postsecondary goals and courses of study to support postsecondary goals.

(d) Transition activities that the transition plan may address include instruction, related services, community experience, employment and other adult living objectives, daily living skills, and functional vocational evaluation.

(e) When educationally and developmentally appropriate, a discussion must take place with the student and parents, and others as needed, to determine the postsecondary goals or postschool vision for the student. This discussion may be included as part of an annual individualized education program review, high school and beyond plan meeting, or any other meeting that includes parents, students, and educators. The postsecondary goals included in the transition plan shall be goals that are measurable and must be based on appropriate transition assessments related to training, education, employment, and independent living skills, when necessary. The goals must also be based on the student's needs, while considering the strengths, preferences, and interests of the student.

(f) As the student gets older, changes in the transition plan may be noted in the annual update of the student's individualized education program.

(g) A transition plan required under this subsection (2) must be aligned with a student's high school and beyond plan.

(3) To the extent that data is available through data-sharing agreements established by the education data center under RCW 43.41.400, the education data center must monitor the following outcomes for individualized education program-eligible special education students after high school graduation:

(a) The number of students who, within one year of high school graduation:

(i) Enter integrated employment paid at the greater of minimum wage or competitive wage for the type of employment, with access to related employment and health benefits; or

(ii) Enter a postsecondary education or training program focused on leading to integrated employment;

(b) The wages and number of hours worked per pay period;

(c) The impact of employment on any state and federal benefits for individuals with disabilities;

(d) Indicators of the types of settings in which students who previously received transition services primarily reside;

(e) Indicators of improved economic status and self-sufficiency;

(f) Data on those students for whom a postsecondary or integrated employment outcome does not occur within one year of high school graduation, including:

(i) Information on the reasons that the desired outcome has not occurred;

(ii) The number of months the student has not achieved the desired outcome; and

(iii) The efforts made to ensure the student achieves the desired outcome.

(4) To the extent that the data elements in subsection (3) of this section are available to the education data center through data-sharing agreements, the office of the superintendent of public instruction must prepare an annual report using existing resources and submit the report to the legislature.

(5) To minimize gaps in services through the transition process, no later than three years before students receiving special education services leave the school system, the office of the superintendent of public instruction shall transmit a list of potentially eligible students to the department of social and health services, the counties, the department of services for the blind, and any other state agency working with individuals with intellectual and developmental disabilities. The office of the superintendent of public instruction shall ensure that consent be obtained prior to the release of this information as required in accordance with state and federal requirements.

Sec. 7. RCW 28A.190.030 and 1995 c 77 s 19 are each amended to read as follows:

Each school district within which there is located a residential school shall, singly or in concert with another school district pursuant to RCW 28A.335.160 and 28A.225.250 or pursuant to chapter 39.34 RCW, conduct a program of education, including related student activities, for residents of the residential school. Except as otherwise provided for by contract pursuant to RCW 28A.190.050, the duties and authority of a school district and its employees to conduct such a program shall be limited to the following:

(1) The employment, supervision and control of administrators, teachers, specialized personnel and other persons, deemed necessary by the school district for the conduct of the program of education;

(2) The purchase, lease or rental and provision of textbooks, maps, audiovisual equipment, paper, writing instruments, physical education equipment and other instructional equipment, materials and supplies, deemed necessary by the school district for the conduct of the program of education;

(3) The development and implementation, in consultation with the superintendent or chief administrator of the residential school or his or her designee, of the curriculum;

(4) The conduct of a program of education, including related student activities, for residents who are three years of age and less than twenty-one years of age((-)) and <u>who</u> have not met high school graduation requirements as now or hereafter established by the state board of education and the school district <u>and</u> for students with disabilities as defined in RCW 28A.155.020, which includes:

(a) Not less than one hundred and eighty school days each school year;

(b) Special education pursuant to RCW 28A.155.010 through 28A.155.100, and vocational education, as necessary to address the unique needs and limitations of residents; and

(c) Such courses of instruction and school related student activities as are provided by the school district for nonresidential school students to the extent it is practical and judged appropriate for the residents by the school district after consultation with the superintendent or chief administrator of the residential school: PROVIDED, That a preschool special education program may be provided for residential school students with disabilities;

(5) The control of students while participating in a program of education conducted pursuant to this section and the discipline, suspension or expulsion of students for violation of reasonable rules of conduct adopted by the school district; and

(6) The expenditure of funds for the direct and indirect costs of maintaining and operating the program of education that are appropriated by the legislature and allocated by the superintendent of public instruction for the exclusive purpose of maintaining and operating residential school programs of education, and funds from federal and private grants, bequests and gifts made for the purpose of maintaining and operating the program of education.

Sec. 8. RCW 28A.225.160 and 2023 c 420 s 2 are each amended to read as follows:

(1) Except as provided in subsection (3) of this section and otherwise provided by law, it is the general policy of the state that the common schools shall be open to the admission of all persons who are five years of age and less than 21 years residing in that school district, and remain open for admission to students with disabilities as defined in RCW 28A.155.020 from age 21 until the end of the school year in which those students turn 22 years of age. Except as otherwise provided by law or rules adopted by the superintendent of public instruction, districts may establish uniform entry qualifications, including but not limited to birthdate requirements, for admission to kindergarten and first grade programs of the common schools. Such rules may provide for individualized exceptions based upon the ability, or the need, or both, of an individual student. Nothing in this section authorizes school districts, public schools, or the superintendent of public instruction to create state-funded programs based on entry qualification exceptions except as otherwise expressly provided by law.

(2) For the purpose of complying with any rule adopted by the superintendent of public instruction that authorizes a preadmission screening process as a prerequisite to granting individualized exceptions to the uniform entry qualifications, a school district may collect fees to cover expenses incurred in the administration of any preadmission screening process: PROVIDED, That in so establishing such fee or fees, the district shall adopt rules for waiving and reducing such fees in the cases of those persons whose families, by reason of their low income, would have difficulty in paying the entire amount of such fees.

(3) A student who meets the definition of a child of a military family in transition under Article II of RCW 28A.705.010 shall be permitted to continue enrollment at the grade level in the common schools commensurate with the grade level of the student when attending school in the sending state as defined in Article II of RCW 28A.705.010, regardless of age or birthdate requirements.

Sec. 9. RCW 28A.225.230 and 1990 1st ex.s. c 9 s 204 are each amended to read as follows:

(1) The decision of a school district within which a student under the age of twenty-one years resides or of a school district within which such a student under the age of twenty-one years was last enrolled and is considered to be a resident for attendance purposes by operation of law, to deny such student's request for release to a nonresident school district pursuant to RCW 28A.225.220 may be appealed to the superintendent of public instruction or his or her designee: PROVIDED, That the school district of proposed transfer is willing to accept the student.

(2) The superintendent of public instruction or his or her designee shall hear the appeal and examine the evidence. The superintendent of public instruction may order the resident district to release such a student who is under the age of twenty-one years if the requirements of RCW 28A.225.220 have been met. The decision of the superintendent of public instruction may be appealed to superior court pursuant to chapter 34.05 RCW, the administrative procedure act, as now or hereafter amended.

(3) The decision of a school district to deny the request for accepting the transfer of a nonresident student under RCW 28A.225.225 may be appealed to the superintendent of public instruction or his or her designee. The superintendent or his or her designee shall hear the appeal and examine the evidence. The superintendent of public instruction may order the district to accept the nonresident student if the district did not comply with the standards and procedures adopted under RCW 28A.225.225. The decision of the superintendent of public instruction may be appealed to the superior court under chapter 34.05 RCW.

(4) The provisions of this section that are applicable to students under the age of 21 must remain applicable to students with disabilities as defined in RCW 28A.155.020 from age 21 through the end of the school year in which those students turn 22 years of age.

Sec. 10. RCW 28A.225.240 and 1975 1st ex.s. c 66 s 2 are each amended to read as follows:

(1) If a student under the age of twenty-one years is allowed to enroll in any common school outside the school district within which the student resides or a school district of which the student is considered to be a resident for attendance purposes by operation of law, the student's attendance shall be credited to the nonresident school district of enrollment for state apportionment and all other purposes.

(2) The provisions of this section that areapplicable to students under the age of 21 must remain applicable to students with disabilities as defined in RCW 28A.155.020 from age 21 through the end of the school year in which those students turn 22 years of age.

Sec. 11. RCW 72.40.040 and 2000 c 125 s 8 are each amended to read as follows:

(1) The schools shall be free to residents of the state ((between the ages of three and twenty-one years,)) who are blind/visually impaired or deaf/hearing impaired, or with other disabilities where a vision or hearing disability is the major need for services from age three through the end of the school year in which those students turn 22 years of age.

(2) The schools may provide nonresidential services to children ages birth through three who meet the eligibility criteria in this section, subject to available funding.

(3) Each school shall admit and retain students on a space available basis according to criteria developed and published by each school superintendent in consultation with each board of trustees and school faculty: PROVIDED, That students ((over the age of twenty-one years,)) who do not meet the admission requirements under subsection (1) of this section and who are otherwise qualified may be retained at the school, if in the discretion of the superintendent in consultation with the faculty they are proper persons to receive further training given at the school and the facilities are adequate for proper care, education, and training.

(4) The admission and retention criteria developed and published by each school superintendent shall contain a provision allowing the schools to refuse to

admit or retain a student who is an adjudicated sex offender except that the schools shall not admit or retain a student who is an adjudicated level III sex offender as provided in RCW 13.40.217(3).

Sec. 12. RCW 72.40.060 and 1985 c 378 s 21 are each amended to read as follows:

It shall be the duty of all school districts in the state, to report to their respective educational service districts the names of all visually or hearing impaired youth residing within their respective school districts who are between the ages of three and ((twenty one)) 22 years.

Passed by the Senate April 18, 2025. Passed by the House April 12, 2025. Approved by the Governor May 13, 2025. Filed in Office of Secretary of State May 14, 2025.

CHAPTER 257

[Senate Bill 5506]

RESIDENTIAL PRIVATE SCHOOLS—LIVING ACCOMMODATION LICENSING— EFFECTIVE DATE

AN ACT Relating to extending the effective date of licensing living accommodations for residential private schools; amending 2023 c 441 ss 6 and 8 (uncodified); and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. 2023 c 441 s 6 (uncodified) is amended to read as follows:

The department of children, youth, and families shall submit to the appropriate committees of the legislature, in compliance with RCW 43.01.036, a preliminary progress report on licensing and oversight of residential private schools no later than July 1, (($\frac{2025}{2}$)) $\frac{2026}{2027}$, and final report no later than July 1, (($\frac{2025}{2}$)) $\frac{2027}{2027}$.

Sec. 2. 2023 c 441 s 8 (uncodified) is amended to read as follows:

Sections 2 and 4 of this act take effect July 1, ((2025)) 2026.

<u>NEW SECTION.</u> Sec. 3. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

Passed by the Senate April 22, 2025.

Passed by the House April 15, 2025.

Approved by the Governor May 13, 2025.

Filed in Office of Secretary of State May 14, 2025.

CHAPTER 258

[House Bill 1039]

GROWTH MANAGEMENT—AGREEMENT TO EXTEND GOVERNMENTAL SERVICES FROM CITIES TO TRIBAL LANDS

AN ACT Relating to extending governmental services from cities to tribal lands; amending RCW 36.70A.110; adding a new section to chapter 36.70A RCW; and creating a new section.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> Sec. 1. The legislature is providing a clear statement of the authority for a city and tribal government to mutually agree to contract for urban governmental services beyond the urban growth boundary of the city to tribal lands with urban development and be in compliance with the provisions of the growth management act.

Sec. 2. RCW 36.70A.110 and 2024 c 26 s 1 are each amended to read as follows:

(1) Each county that is required or chooses to plan under RCW 36.70A.040 shall designate an urban growth area or areas within which urban growth shall be encouraged and outside of which growth can occur only if it is not urban in nature. Each city that is located in such a county shall be included within an urban growth area. An urban growth area may include more than a single city. An urban growth area may include territory that is located outside of a city only if such territory already is characterized by urban growth whether or not the urban growth, or is a designated new fully contained community as defined by RCW 36.70A.350. When a federally recognized Indian tribe whose reservation or ceded lands lie within the county or city has voluntarily chosen to participate in the planning process pursuant to RCW 36.70A.040, the county or city and the tribe shall coordinate their planning efforts for any areas planned for urban growth consistent with the terms outlined in the memorandum of agreement provided for in RCW 36.70A.040(8).

(2) Based upon the growth management population projection made for the county by the office of financial management, the county and each city within the county shall include areas and densities sufficient to permit the urban growth that is projected to occur in the county or city for the succeeding twenty-year period, except for those urban growth areas contained totally within a national historical reserve. As part of this planning process, each city within the county must include areas sufficient to accommodate the broad range of needs and uses that will accompany the projected urban growth including, as appropriate, medical, governmental, institutional, commercial, service, retail, and other nonresidential uses.

Each urban growth area shall permit urban densities and shall include greenbelt and open space areas. In the case of urban growth areas contained totally within a national historical reserve, the city may restrict densities, intensities, and forms of urban growth as determined to be necessary and appropriate to protect the physical, cultural, or historic integrity of the reserve. An urban growth area determination may include a reasonable land market supply factor and shall permit a range of urban densities and uses. In determining this market factor, cities and counties may consider local circumstances. Cities and counties have discretion in their comprehensive plans to make many choices about accommodating growth.

Within one year of July 1, 1990, each county that as of June 1, 1991, was required or chose to plan under RCW 36.70A.040, shall begin consulting with each city located within its boundaries and each city shall propose the location of an urban growth area. Within sixty days of the date the county legislative authority of a county adopts its resolution of intention or of certification by the office of financial management, all other counties that are required or choose to plan under RCW 36.70A.040 shall begin this consultation with each city located

within its boundaries. The county shall attempt to reach agreement with each city on the location of an urban growth area within which the city is located. If such an agreement is not reached with each city located within the urban growth area, the county shall justify in writing why it so designated the area an urban growth area. A city may object formally with the department over the designation of the urban growth area within which it is located. Where appropriate, the department shall attempt to resolve the conflicts, including the use of mediation services.

(3) Urban growth should be located first in areas already characterized by urban growth that have adequate existing public facility and service capacities to serve such development, second in areas already characterized by urban growth that will be served adequately by a combination of both existing public facilities and services and any additional needed public facilities and services that are provided by either public or private sources, and third in the remaining portions of the urban growth areas. Urban growth may also be located in designated new fully contained communities as defined by RCW 36.70A.350.

(4) In general, cities are the units of local government most appropriate to provide urban governmental services. In general, it is not appropriate that urban governmental services be extended to or expanded in rural areas except in those limited circumstances shown to be necessary to protect basic public health and safety and the environment and when such services are financially supportable at rural densities and do not permit urban development and as authorized in section 3 of this act.

(5) On or before October 1, 1993, each county that was initially required to plan under RCW 36.70A.040(1) shall adopt development regulations designating interim urban growth areas under this chapter. Within three years and three months of the date the county legislative authority of a county adopts its resolution of intention or of certification by the office of financial management, all other counties that are required or choose to plan under RCW 36.70A.040 shall adopt development regulations designating interim urban growth areas under this chapter. Adoption of the interim urban growth areas may only occur after public notice; public hearing; and compliance with the state environmental policy act, chapter 43.21C RCW, and under this section. Such action may be appealed to the growth management hearings board under RCW 36.70A.280. Final urban growth areas shall be adopted at the time of comprehensive plan adoption under this chapter.

(6) Each county shall include designations of urban growth areas in its comprehensive plan.

(7) An urban growth area designated in accordance with this section may include within its boundaries urban service areas or potential annexation areas designated for specific cities or towns within the county.

(8) If, during the county's annual review under RCW 36.70A.130(2)(a), the county determines revision of the urban growth area is not required to accommodate the population projection for the county made by the office of financial management for the succeeding 20-year period, but does determine that patterns of development have created pressure for development in areas exceeding the amount of available developable lands within the urban growth area, then the county may revise the urban growth area or areas based on

identified patterns of development and likely future development pressure if the following requirements are met:

(a) The revised urban growth area would not result in a net increase in the total acreage or development capacity of the urban growth area or areas;

(b) The areas added to the urban growth area are not designated by the county as agricultural, forest, or mineral resource lands of long-term commercial significance;

(c) If the areas added to the urban growth area have previously been designated as agricultural, forest, or mineral resource lands of long-term commercial significance, either an equivalent amount of agricultural, forest, or mineral resource lands of long-term commercial significance must be added to the area outside of the urban growth area, or the county must wait a minimum of two years before another swap may occur;

(d) Less than 15 percent of the areas added to the urban growth area are critical areas other than critical aquifer recharge areas. Critical aquifer recharge areas must have been previously designated by the county and be maintained per county development regulations within the expanded urban growth area and the revised urban growth area must not result in a net increase in critical aquifer recharge areas within the urban growth area;

(e) The areas added to the urban growth areas are suitable for urban growth;

(f) The transportation element and capital facility plan element of the county's comprehensive plan have identified the transportation facilities and public facilities and services needed to serve the urban growth area and the funding to provide the transportation facilities and public facilities and services;

(g) The areas removed from the urban growth area are not characterized by urban growth or urban densities;

(h) The revised urban growth area is contiguous, does not include holes or gaps, and will not increase pressures to urbanize rural or natural resource lands;

(i) The county's proposed urban growth area revision has been reviewed according to the process and procedure in the countywide planning policies adopted and approved according to RCW 36.70A.210; and

(j) The revised urban growth area meets all other requirements of this section.

(9)(a) At the earliest possible date prior to the revision of the county's urban growth area authorized under subsection (8) of this section, the county must engage in meaningful consultation with any federally recognized Indian tribe that may be potentially affected by the proposed revision. Meaningful consultation must include discussion of the potential impacts to cultural resources and tribal treaty rights.

(b) A county must notify the affected federally recognized Indian tribe of the proposed revision using at least two methods, including by mail. Upon receiving a notice, the federally recognized Indian tribe may request a consultation to determine whether an agreement can be reached related to the revision of the county's urban growth area. If an agreement is not reached, the parties must enter mediation pursuant to RCW 36.70A.040.

(10)(a) Except as provided in (b) of this subsection, the expansion of an urban growth area is prohibited into the one hundred year floodplain of any river or river segment that: (i) Is located west of the crest of the Cascade mountains;

and (ii) has a mean annual flow of one thousand or more cubic feet per second as determined by the department of ecology.

(b) Subsection (10)(a) of this section does not apply to:

(i) Urban growth areas that are fully contained within a floodplain and lack adjacent buildable areas outside the floodplain;

(ii) Urban growth areas where expansions are precluded outside floodplains because:

(A) Urban governmental services cannot be physically provided to serve areas outside the floodplain; or

(B) Expansions outside the floodplain would require a river or estuary crossing to access the expansion; or

(iii) Urban growth area expansions where:

(A) Public facilities already exist within the floodplain and the expansion of an existing public facility is only possible on the land to be included in the urban growth area and located within the floodplain; or

(B) Urban development already exists within a floodplain as of July 26, 2009, and is adjacent to, but outside of, the urban growth area, and the expansion of the urban growth area is necessary to include such urban development within the urban growth area; or

(C) The land is owned by a jurisdiction planning under this chapter or the rights to the development of the land have been permanently extinguished, and the following criteria are met:

(I) The permissible use of the land is limited to one of the following: Outdoor recreation; environmentally beneficial projects, including but not limited to habitat enhancement or environmental restoration; stormwater facilities; flood control facilities; or underground conveyances; and

(II) The development and use of such facilities or projects will not decrease flood storage, increase stormwater runoff, discharge pollutants to fresh or salt waters during normal operations or floods, or increase hazards to people and property.

(c) For the purposes of this subsection (10), "one hundred year floodplain" means the same as "special flood hazard area" as set forth in WAC 173-158-040 as it exists on July 26, 2009.

(11) If a county, city, or utility has adopted a capital facility plan or utilities element to provide sewer service within the urban growth areas during the twenty-year planning period, nothing in this chapter obligates counties, cities, or utilities to install sanitary sewer systems to properties within urban growth areas designated under subsection (2) of this section by the end of the twenty-year planning period when those properties:

(a)(i) Have existing, functioning, nonpolluting on-site sewage systems;

(ii) Have a periodic inspection program by a public agency to verify the onsite sewage systems function properly and do not pollute surface or groundwater; and

(iii) Have no redevelopment capacity; or

(b) Do not require sewer service because development densities are limited due to wetlands, floodplains, fish and wildlife habitats, or geological hazards.

<u>NEW SECTION.</u> Sec. 3. A new section is added to chapter 36.70A RCW to read as follows:

Passed by the House April 19, 2025. Passed by the Senate March 26, 2025. Approved by the Governor May 13, 2025. Filed in Office of Secretary of State May 14, 2025.

that abuts the boundaries of the city.

CHAPTER 259

[Engrossed Substitute House Bill 1829] TRIBAL WARRANTS

AN ACT Relating to tribal warrants; amending RCW 10.32.070, 9A.72.010, 10.32.010, 10.32.130, 10.32.090, and 10.32.100; and adding new sections to chapter 10.32 RCW.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 10.32.070 and 2024 c 207 s 8 are each amended to read as follows:

(1) Subject to the provisions of RCW 10.32.050, a place of detention shall deliver or make available a person in custody to the noncertified tribe without a judicial order of surrender provided that:

(((1))) (a) Such person is alleged to have broken the terms of his or her probation, parole, bail, or any other release of the noncertified tribe; and

(((2))) (b) The place of detention has received from the noncertified tribe an authenticated copy of a prior waiver of extradition signed by such person as a term of his or her probation, parole, bail, or any other release of the noncertified tribe and photographs or fingerprints or other evidence properly identifying the person as the person who signed the waiver.

(2) As used in this section, "authenticated copy" means a copy of a prior waiver of extradition signed by an authorized representative of the tribal court attesting the document is a true record of the tribal court waiver of extradition.

<u>NEW SECTION.</u> Sec. 2. A new section is added to chapter 10.32 RCW to read as follows:

The certified or noncertified tribe demanding the extradition of a tribal fugitive pursuant to this chapter shall have standing in any hearing in state court testing the legality of the extradition.

<u>NEW SECTION.</u> Sec. 3. A new section is added to chapter 10.32 RCW to read as follows:

(1) Upon issuing a tribal warrant, the court of a tribe may file such warrant with the superior court of the county in which the tribe is physically located along with:

(a) A certified copy of the charging document;

(b) The tribal code provision, constitutional provision, or federal statute authorizing the certified tribe to exercise criminal jurisdiction over the tribal fugitive for whom the tribal warrant has been issued; and

(c) Identifying information for the tribal fugitive.

(2) A warrant so filed shall be timely reviewed by a superior court. If the court makes a finding of probable cause that a tribal fugitive subject to a filed tribal warrant has been charged with a crime by the filing tribe, the court must order the issuance of a state warrant of arrest for such tribal fugitive from justice under section 4 of this act, which shall expire six months after issuance, unless withdrawn earlier under subsection (4) of this section.

(3) Any judicial proceedings involving a tribal fugitive subject to a warrant filed under this section must occur in the county where the tribal fugitive is first detained.

(4) A warrant filed under this section must be withdrawn once the person who is the subject of the tribal warrant has submitted to the tribe's tribal court jurisdiction or been arrested.

<u>NEW SECTION.</u> Sec. 4. A new section is added to chapter 10.32 RCW to read as follows:

Whenever any person within this state shall be charged on the oath of any credible person before any judge or magistrate of this state with the commission of any crime by any federally recognized tribe with territory located within the borders of the state of Washington and with having fled from justice, or with having been convicted of a crime by any federally recognized tribe with territory located in the state of Washington and having escaped from confinement, or having broken the terms of such person's bail, probation, or parole, or whenever complaint shall have been made before any judge or magistrate in this state setting forth on the affidavit of any credible person of a federally recognized tribe with territory within this state that a crime has been committed for which the tribe has criminal jurisdiction and that the accused has been charged by such tribe with the commission of the crime, and has fled from justice, or with having been convicted of a crime in that tribe's courts and having escaped from confinement, or having broken the terms of such person's bail, probation, or parole and is believed to be in this state, the judge or magistrate shall issue a warrant directed to any peace officer commanding such officer to apprehend the person named therein, wherever such person may be found in this state, and to bring such person before the same or any other judge, magistrate, or court who or which may be available in or convenient of access to the place where the arrest may be made, to answer the charge or complaint and affidavit, and a certified copy of the sworn charge or complaint and affidavit upon which the warrant is issued shall be attached to the warrant.

Sec. 5. RCW 9A.72.010 and 2019 c 232 s 10 are each amended to read as follows:

The following definitions are applicable in this chapter unless the context otherwise requires:

(1) "Materially false statement" means any false statement oral or written, regardless of its admissibility under the rules of evidence, which could have affected the course or outcome of the proceeding;

(2) "Oath" includes an affirmation and every other mode authorized by law of attesting to the truth of that which is stated; in this chapter, written statements shall be treated as if made under oath if:

(a) The statement was made on or pursuant to instructions on an official form bearing notice, authorized by law, to the effect that false statements made therein are punishable;

(b) The statement recites that it was made under oath, the declarant was aware of such recitation at the time he or she made the statement, intended that the statement should be represented as a sworn statement, and the statement was in fact so represented by its delivery or utterance with the signed jurat of an officer authorized to administer oaths appended thereto; or

(c) It is a statement, declaration, verification, or certificate, made within or outside the state of Washington, which is declared to be true under penalty of perjury as provided in chapter 5.50 RCW or under the code of any federally recognized tribe.

(3) An oath is "required or authorized by law" when the use of the oath is specifically provided for by statute or regulatory provision or when the oath is administered by a person authorized by state, a federally recognized tribe, or federal law to administer oaths;

(4) "Official proceeding" means a proceeding heard before any <u>state</u>, <u>federally recognized tribal</u>, or <u>federal</u> legislative, judicial, administrative, or other government agency or official authorized to hear evidence under oath, including any <u>tribal court</u>, referee, hearing examiner, commissioner, notary, or other person taking testimony or depositions;

(5) "Juror" means any person who is a member of any jury, including a grand jury, impaneled by any court of this state<u>. or tribal court</u>, or by any public servant authorized by law to impanel a jury; the term juror also includes any person who has been drawn or summoned to attend as a prospective juror;

(6) "Testimony" includes oral or written statements, documents, or any other material that may be offered by a witness in an official proceeding:

(7) "Tribal" means a federally recognized Indian tribe as defined by 25 U.S.C. Sec. 1301;

(8) "Tribal court" means an Indian court as defined by 25 U.S.C. Sec. 1301;

(9) "Tribal law" means the Constitution, codes, ordinance, regulations, case law, and customary law of a federally recognized tribe.

Sec. 6. RCW 10.32.010 and 2024 c 207 s 2 are each amended to read as follows:

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

(1) "Noncertified tribe" means a federally recognized tribe located within the borders of the state of Washington that is requesting that a tribal fugitive be surrendered to the duly authorized agent of the tribe, but has not received approval to exercise jurisdiction under the tribal law and order act of 2010, section 234, codified at 25 U.S.C. Sec. 1302, and which has agreed by treaty or practice not to shelter or conceal offenders against the laws of the state of Washington but to deliver them up to state authorities for prosecution.

(2) "Certified tribe" means a federally recognized tribe located within the borders of the state of Washington that (a) may impose a term of imprisonment of greater than one year, or a fine greater than \$5,000, or both, pursuant to the tribal law and order act of 2010, section 234, codified at 25 U.S.C. Sec. 1302; and (b) has agreed not to shelter or conceal offenders against the laws of the state of Washington but to deliver them up to state authorities for prosecution.

(3) "Peace officer" has the same meaning as in RCW 10.93.020(4).

(4) "Place of detention" means a jail as defined in RCW 70.48.020, a correctional facility as defined in RCW 72.09.015, and any similar <u>adult</u> facility contracted by a city or county.

(5) "Tribal court judge" includes every judicial officer authorized alone or with others, to hold or preside over the criminal court of a certified tribe or noncertified tribe.

(6) "Tribal fugitive" or "fugitive" means any person who is subject to tribal court criminal jurisdiction, committed an alleged crime under the tribal code, and thereafter fled tribal jurisdiction, including by escaping or evading confinement, breaking the terms of their probation, bail, or parole, or absenting themselves from the jurisdiction of the tribal court.

(7) "Tribal police officer" has the same meaning as in RCW 10.92.010.

Sec. 7. RCW 10.32.130 and 2024 c 207 s 14 are each amended to read as follows:

(1) A peace officer ((or a peace)) as defined in RCW 43.101.010, limited authority Washington peace officer as defined in RCW 10.93.020, specially commissioned Washington peace officer as defined in RCW 10.93.020, local or state corrections officer as defined in RCW 43.101.010, jail as defined in RCW 70.48.020, or such officer's or jail facility's legal advisor may not be held criminally or civilly liable for making an arrest or not making an arrest under chapter 207, Laws of 2024 if the peace officer or the peace officer's legal advisor acted in good faith and without malice.

(2) Chapter 207, Laws of 2024 is not intended to limit, abrogate, or modify existing immunities for prosecuting attorneys for good faith conduct consistent with statutory duties.

Sec. 8. RCW 10.32.090 and 2024 c 207 s 10 are each amended to read as follows:

(1) A peace officer may arrest a person subject to a tribal arrest warrant from a noncertified tribe when the warrant is presented by a tribal court representative or tribal law enforcement officer to the peace officer or a general authority Washington law enforcement agency as defined in RCW 10.93.020 or entered in the national crime information center ((interstate identification index)) or Washington information center. The arrested person must be brought to an appropriate place of detention and then to the nearest available superior court judge ((without unnecessary delay)) the next judicial day. The superior court judge shall issue an order continuing custody upon presentation of the tribal arrest warrant.

(2) The judge shall inform the person appearing under subsection (1) of this section of the name of the noncertified tribe that has subjected the person to an arrest warrant, the basis of the arrest warrant, the right to assistance of counsel, and the right to require a judicial hearing before transfer of custody to the applicable noncertified tribe.

(3) After being informed by the judge of the effect of a waiver, the arrested person may waive the right to require a judicial hearing and consent to return to the applicable noncertified tribe by executing a written waiver. If the waiver is executed, the judge shall issue an order to transfer custody under subsection (5)

of this section or, with consent of the applicable noncertified tribe, authorize the voluntary return of the person to that tribe.

(4) If a hearing is not waived under subsection (3) of this section, the court shall hold a hearing within ((three days)) <u>72 hours</u>, excluding weekends and holidays, after the initial appearance. The arrested person and the prosecuting attorney's office shall be informed of the time and place of the hearing. The court shall release the person upon conditions that will reasonably assure availability of the person for the hearing or direct a peace officer to maintain custody of the person until the time of the hearing. Following the hearing, the judge shall issue an order to transfer custody under subsection (5) of this section unless the arrested person is not the person identified in the warrant. If the court does not order transfer of custody, the judge shall order the arrested person to be released.

(5) A judicial order to transfer custody issued under subsection (4) of this section shall be directed to a peace officer to take or retain custody of the person until a representative of the applicable noncertified tribe is available to take custody. If the noncertified tribe has not taken custody ((with [within])) within three days, excluding weekends and holidays, the court may order the release of the person upon conditions that will assure the person's availability on a specified date ((with [within])) within seven days. If the noncertified tribe has not taken custody within the time specified in the order, the person shall be released. Thereafter, an order to transfer custody may be entered only if a new arrest warrant is issued. The court may authorize the voluntary return of the person with the consent of the applicable noncertified tribe.

Sec. 9. RCW 10.32.100 and 2024 c 207 s 11 are each amended to read as follows:

(1) Any arrest warrant issued by the court of a certified tribe shall be accorded full faith and credit by the courts of the state of Washington and enforced by the court and peace officers of the state as if it were the arrest warrant of the state. <u>Certified tribes' warrants may be entered into the national crime information center or Washington information center.</u> A Washington state peace officer who arrests a person pursuant to the arrest warrant of a certified tribe, if no other grounds for detention exist under state law, shall, as soon as practical after detaining the person, and in accordance with standard practices, contact the tribal law enforcement agency that issued the warrant to establish the warrant's validity.

(2) A place of detention shall allow a certified tribe to place a detainer on an inmate based on a tribal warrant. For the purposes of this section, detainer means a request by a certified tribe's tribal court, tribal police department, or tribal prosecutor's office, filed with the place of detention in which a person is incarcerated, to hold the person for the certified tribe and to notify the tribe when release of the person is imminent so that the person can be transferred to tribal custody within 72 hours of their release from all other holds.

(3) The privilege of the writ of habeas corpus shall be available to any person detained under this provision. <u>The issues in the habeas corpus proceeding</u> shall be limited to those identified in RCW 10.32.060 (4) and (5).

Passed by the House April 18, 2025. Passed by the Senate April 9, 2025. Approved by the Governor May 13, 2025. Filed in Office of Secretary of State May 14, 2025.

CHAPTER 260

[Engrossed Substitute House Bill 1946] LOCAL BOARDS OF HEALTH—TRIBAL MEMBERSHIP

AN ACT Relating to clarifying tribal membership on local boards of health; amending RCW 70.05.030, 70.05.035, 70.46.020, and 70.46.031; and creating a new section.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 70.05.030 and 2024 c 37 s 1 are each amended to read as follows:

(1) Except as provided in subsection (2) of this section, for counties without a home rule charter, the board of county commissioners and the members selected under (a) and (e) of this subsection, shall constitute the local board of health, unless the county is part of a health district pursuant to chapter 70.46 RCW. For counties without a home rule charter where the board of county commissioners is comprised of five commissioners, the board of county commissioners may adopt an ordinance reducing the number of county commissioners that are members of the local board of health, provided that the board of health includes at least one county commissioner. The jurisdiction of the local board of health shall be coextensive with the boundaries of the county.

(a) The remaining board members must be persons who are not elected officials and must be selected from the following categories consistent with the requirements of this section and the rules adopted by the state board of health under RCW 43.20.300:

(i) Public health, health care facilities, and providers. This category consists of persons practicing or employed in the county who are:

(A) Medical ethicists;

(B) Epidemiologists;

(C) Experienced in environmental public health, such as a registered sanitarian;

(D) Community health workers;

(E) Holders of master's degrees or higher in public health or the equivalent;

(F) Employees of a hospital located in the county; or

(G) Any of the following providers holding an active or retired license in good standing under Title 18 RCW:

(I) Physicians or osteopathic physicians;

(II) Advanced practice registered ((nurse practitioners)) nurses;

(III) Physician assistants or osteopathic physician assistants;

(IV) Registered nurses;

(V) Dentists;

(VI) Naturopaths; or

(VII) Pharmacists;

(ii) Consumers of public health. This category consists of county residents who have self-identified as having faced significant health inequities or as

having lived experiences with public health-related programs such as: The special supplemental nutrition program for women, infants, and children; the supplemental nutrition program; home visiting; or treatment services. It is strongly encouraged that individuals from historically marginalized and underrepresented communities are given preference. These individuals may not be elected officials and may not have any fiduciary obligation to a health facility or other health agency, and may not have a material financial interest in the rendering of health services; and

(iii) Other community stakeholders. This category consists of persons representing the following types of organizations located in the county:

(A) Community-based organizations or nonprofits that work with populations experiencing health inequities in the county;

(B) Active, reserve, or retired armed services members;

(C) The business community; or

(D) The environmental public health regulated community.

(b) The board members selected under (a) of this subsection must be approved by a majority vote of the board of county commissioners.

(c) If the number of board members selected under (a) of this subsection is evenly divisible by three, there must be an equal number of members selected from each of the three categories. If there are one or two members over the nearest multiple of three, those members may be selected from any of the three categories. However, if the board of health demonstrates that it attempted to recruit members from all three categories and was unable to do so, the board may select members only from the other two categories.

(d) There may be no more than one member selected under (a) of this subsection from one type of background or position.

(e) If a federally recognized Indian tribe holds reservation((5)) or trust lands within the county, ((or has usual and accustomed areas within the county,)) or if an urban Indian organization recognized by the Indian health service and registered as a 501(c)(3) organization ((registered)) in Washington that serves American Indian and Alaska Native people ((and)) provides services within the county, the board of health must ((include)) allow a tribal representative ((selected by)) from each tribe and each organization, as selected by such tribe or organization, to serve as a member and must notify the American Indian health commission.

(f) The board of county commissioners may, at its discretion, adopt an ordinance expanding the size and composition of the board of health to include elected officials from cities and towns and persons other than elected officials as members so long as the city and county elected officials do not constitute a majority of the total membership of the board.

(g) Except as provided in (a) and (e) of this subsection, an ordinance adopted under this section shall include provisions for the appointment, term, and compensation, or reimbursement of expenses.

(h) The jurisdiction of the local board of health shall be coextensive with the boundaries of the county.

(i) The local health officer, as described in RCW 70.05.050, shall be appointed by the official designated under the provisions of the county charter. The same official designated under the provisions of the county charter may appoint an administrative officer, as described in RCW 70.05.045.

(j) The number of members selected <u>or included</u> under (a) and (e) of this subsection must equal the number of city and county elected officials on the board of health. If a member is added under (e) of this subsection, the board of county commissioners shall modify the membership of the board:

(i) In compliance with timelines established by the state board of health in rule once such rules are in effect; and

(ii) Until the rules in (j)(i) of this subsection are in effect, within 60 days of receipt of notice of the selection of a tribal representative.

(k) At the first meeting of a district board of health the members shall elect a chair to serve for a period of one year.

(1) Any decision by the board of health related to the setting or modification of permit, licensing, and application fees may only be determined by the city and county elected officials on the board.

(2) A local board of health comprised solely of elected officials may retain this composition if the local health jurisdiction had a public health advisory committee or board with its own bylaws established on January 1, 2021. By January 1, 2022, the public health advisory committee or board must meet the requirements established in RCW 70.46.140 for community health advisory boards. Any future changes to local board of health composition must meet the requirements of subsection (1) of this section.

Sec. 2. RCW 70.05.035 and 2021 c 205 s 4 are each amended to read as follows:

(1) Except as provided in subsection (2) of this section, for home rule charter counties, the county legislative authority shall establish a local board of health and may prescribe the membership and selection process for the board. The membership of the local board of health must also include the members selected under (a) and (e) of this subsection.

(a) The remaining board members must be persons who are not elected officials and must be selected from the following categories consistent with the requirements of this section and the rules adopted by the state board of health under RCW 43.20.300:

(i) Public health, health care facilities, and providers. This category consists of persons practicing or employed in the county who are:

(A) Medical ethicists;

(B) Epidemiologists;

(C) Experienced in environmental public health, such as a registered sanitarian;

(D) Community health workers;

(E) Holders of master's degrees or higher in public health or the equivalent;

(F) Employees of a hospital located in the county; or

(G) Any of the following providers holding an active or retired license in good standing under Title 18 RCW:

(I) Physicians or osteopathic physicians;

(II) Advanced practice registered ((nurse practitioners)) nurses;

(III) Physician assistants or osteopathic physician assistants;

(IV) Registered nurses;

(V) Dentists;

(VI) Naturopaths; or

(VII) Pharmacists;

(ii) Consumers of public health. This category consists of county residents who have self-identified as having faced significant health inequities or as having lived experiences with public health-related programs such as: The special supplemental nutrition program for women, infants, and children; the supplemental nutrition program; home visiting; or treatment services. It is strongly encouraged that individuals from historically marginalized and underrepresented communities are given preference. These individuals may not be elected officials and may not have any fiduciary obligation to a health facility or other health agency, and may not have a material financial interest in the rendering of health services; and

(iii) Other community stakeholders. This category consists of persons representing the following types of organizations located in the county:

(A) Community-based organizations or nonprofits that work with populations experiencing health inequities in the county;

(B) Active, reserve, or retired armed services members;

(C) The business community; or

(D) The environmental public health regulated community.

(b) The board members selected under (a) of this subsection must be approved by a majority vote of the board of county commissioners.

(c) If the number of board members selected under (a) of this subsection is evenly divisible by three, there must be an equal number of members selected from each of the three categories. If there are one or two members over the nearest multiple of three, those members may be selected from any of the three categories. However, if the board of health demonstrates that it attempted to recruit members from all three categories and was unable to do so, the board may select members only from the other two categories.

(d) There may be no more than one member selected under (a) of this subsection from one type of background or position.

(e) If a federally recognized Indian tribe holds reservation((;)) <u>or</u> trust lands <u>within the county</u>, ((or has usual and accustomed areas within the county,)) or if <u>an urban Indian organization recognized by the Indian health service and registered as</u> a 501(c)(3) organization ((registered)) in Washington that serves American Indian and Alaska Native people ((and)) provides services within the county, the board of health must ((include)) <u>allow</u> a tribal representative ((selected by)) from each tribe and each organization, as selected by such tribe or organization, to serve as a member and must notify the American Indian health commission.

(f) The county legislative authority may appoint to the board of health elected officials from cities and towns and persons other than elected officials as members so long as the city and county elected officials do not constitute a majority of the total membership of the board.

(g) Except as provided in (a) and (e) of this subsection, the county legislative authority shall specify the appointment, term, and compensation or reimbursement of expenses.

(h) The jurisdiction of the local board of health shall be coextensive with the boundaries of the county.

(i) The local health officer, as described in RCW 70.05.050, shall be appointed by the official designated under the provisions of the county charter.

The same official designated under the provisions of the county charter may appoint an administrative officer, as described in RCW 70.05.045.

(j) The number of members selected <u>or included</u> under (a) and (e) of this subsection must equal the number of city and county elected officials on the board of health. <u>If a member is added under (e) of this subsection, the county legislative authority shall modify the membership of the board:</u>

(i) In compliance with timelines established by the state board of health in rule once such rules are in effect; and

(ii) Until the rules in (j)(i) of this subsection are in effect, within 60 days of receipt of notice of the selection of a tribal representative.

(k) At the first meeting of a district board of health the members shall elect a chair to serve for a period of one year.

(1) Any decision by the board of health related to the setting or modification of permit, licensing, and application fees may only be determined by the city and county elected officials on the board.

(2) A local board of health comprised solely of elected officials may retain this composition if the local health jurisdiction had a public health advisory committee or board with its own bylaws established on January 1, 2021. By January 1, 2022, the public health advisory committee or board must meet the requirements established in RCW 70.46.140 for community health advisory boards. Any future changes to local board of health composition must meet the requirements of subsection (1) of this section.

Sec. 3. RCW 70.46.020 and 2021 c 205 s 5 are each amended to read as follows:

(1) Except as provided in subsections (2) and (3) of this section, health districts consisting of two or more counties may be created whenever two or more boards of county commissioners shall by resolution establish a district for such purpose. Such a district shall consist of all the area of the combined counties. The district board of health of such a district shall consist of not less than five members for districts of two counties and seven members for districts of more than two counties, including two representatives from each county who are members of the board of county commissioners and who are appointed by the board of county commissioners of each county within the district, and members selected under (a) and (e) of this subsection, and shall have a jurisdiction coextensive with the combined boundaries.

(a) The remaining board members must be persons who are not elected officials and must be selected from the following categories consistent with the requirements of this section and the rules adopted by the state board of health under RCW 43.20.300:

(i) Public health, health care facilities, and providers. This category consists of persons practicing or employed in the health district who are:

(A) Medical ethicists;

(B) Epidemiologists;

(C) Experienced in environmental public health, such as a registered sanitarian;

(D) Community health workers;

(E) Holders of master's degrees or higher in public health or the equivalent;

(F) Employees of a hospital located in the health district; or

(G) Any of the following providers holding an active or retired license in good standing under Title 18 RCW:

(I) Physicians or osteopathic physicians;

(II) Advanced <u>practice</u> registered ((nurse practitioners)) <u>nurses;</u>

(III) Physician assistants or osteopathic physician assistants;

(IV) Registered nurses;

(V) Dentists;

(VI) Naturopaths; or

(VII) Pharmacists;

(ii) Consumers of public health. This category consists of health district residents who have self-identified as having faced significant health inequities or as having lived experiences with public health-related programs such as: The special supplemental nutrition program for women, infants, and children; the supplemental nutrition program; home visiting; or treatment services. It is strongly encouraged that individuals from historically marginalized and underrepresented communities are given preference. These individuals may not be elected officials, and may not have any fiduciary obligation to a health facility or other health agency, and may not have a material financial interest in the rendering of health services; and

(iii) Other community stakeholders. This category consists of persons representing the following types of organizations located in the health district:

(A) Community-based organizations or nonprofits that work with populations experiencing health inequities in the health district;

(B) Active, reserve, or retired armed services members;

(C) The business community; or

(D) The environmental public health regulated community.

(b) The board members selected under (a) of this subsection must be approved by a majority vote of the board of county commissioners.

(c) If the number of board members selected under (a) of this subsection is evenly divisible by three, there must be an equal number of members selected from each of the three categories. If there are one or two members over the nearest multiple of three, those members may be selected from any of the three categories. However, if the board of health demonstrates that it attempted to recruit members from all three categories and was unable to do so, the board may select members only from the other two categories.

(d) There may be no more than one member selected under (a) of this subsection from one type of background or position.

(e) If a federally recognized Indian tribe holds reservation((5)) or trust lands within the health district, ((or has usual and accustomed areas within the health district,)) or if an urban Indian organization recognized by the Indian health service and registered as a 501(c)(3) organization ((registered)) in Washington that serves American Indian and Alaska Native people ((and)) provides services within the health district, the board of health must ((include)) allow a tribal representative ((selected by)) from each tribe and each organization, as selected by such tribe or organization, to serve as a member and must notify the American Indian health commission.

(f) The boards of county commissioners may by resolution or ordinance provide for elected officials from cities and towns and persons other than elected officials as members of the district board of health so long as the city and county

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elected officials do not constitute a majority of the total membership of the board.

(g) Except as provided in (a) and (e) of this subsection, a resolution or ordinance adopted under this section must specify the provisions for the appointment, term, and compensation, or reimbursement of expenses.

(h) At the first meeting of a district board of health the members shall elect a chair to serve for a period of one year.

(i) The jurisdiction of the local board of health shall be coextensive with the boundaries of the county.

(j) The local health officer, as described in RCW 70.05.050, shall be appointed by the official designated under the provisions of the county charter. The same official designated under the provisions of the county charter may appoint an administrative officer, as described in RCW 70.05.045.

(k) The number of members selected <u>or included</u> under (a) and (e) of this subsection must equal the number of city and county elected officials on the board of health. <u>If a member is added under (e) of this subsection, the boards of county commissioners shall modify the membership of the district:</u>

(i) In compliance with timelines established by the state board of health in rule once such rules are in effect; and

(ii) Until the rules in (k)(i) of this subsection are in effect, within 60 days of receipt of notice of the selection of a tribal representative.

(1) Any decision by the board of health related to the setting or modification of permit, licensing, and application fees may only be determined by the city and county elected officials on the board.

(2) A local board of health comprised solely of elected officials may retain this composition if the local health jurisdiction had a public health advisory committee or board with its own bylaws established on January 1, 2021. By January 1, 2022, the public health advisory committee or board must meet the requirements established in RCW 70.46.140 for community health advisory boards. Any future changes to local board of health composition must meet the requirements of subsection (1) of this section.

(3) A local board of health comprised solely of elected officials and made up of three counties east of the Cascade mountains may retain their current composition if the local health jurisdiction has a public health advisory committee or board that meets the requirements established in RCW 70.46.140 for community health advisory boards by July 1, 2022. If such a local board of health does not establish the required community health advisory board by July 1, 2022, it must comply with the requirements of subsection (1) of this section. Any future changes to local board of health composition must meet the requirements of subsection (1) of this section.

Sec. 4. RCW 70.46.031 and 2021 c 205 s 6 are each amended to read as follows:

(1) Except as provided in subsection (2) of this section, a health district to consist of one county may be created whenever the county legislative authority of the county shall pass a resolution or ordinance to organize such a health district under chapter 70.05 RCW and this chapter. The resolution or ordinance may specify the membership, representation on the district health board, or other matters relative to the formation or operation of the health district. In addition to the membership of the district health board determined through resolution or

ordinance, the district health board must also include the members selected under (a) and (e) of this subsection.

(a) The remaining board members must be persons who are not elected officials and must be selected from the following categories consistent with the requirements of this section and the rules adopted by the state board of health under RCW 43.20.300:

(i) Public health, health care facilities, and providers. This category consists of persons practicing or employed in the county who are:

(A) Medical ethicists;

(B) Epidemiologists;

(C) Experienced in environmental public health, such as a registered sanitarian;

(D) Community health workers;

(E) Holders of master's degrees or higher in public health or the equivalent;

(F) Employees of a hospital located in the county; or

(G) Any of the following providers holding an active or retired license in good standing under Title 18 RCW:

(I) Physicians or osteopathic physicians;

(II) Advanced <u>practice</u> registered ((nurse practitioners)) <u>nurses;</u>

(III) Physician assistants or osteopathic physician assistants;

(IV) Registered nurses;

(V) Dentists;

(VI) Naturopaths; or

(VII) Pharmacists;

(ii) Consumers of public health. This category consists of county residents who have self-identified as having faced significant health inequities or as having lived experiences with public health-related programs such as: The special supplemental nutrition program for women, infants, and children; the supplemental nutrition program; home visiting; or treatment services. It is strongly encouraged that individuals from historically marginalized and underrepresented communities are given preference. These individuals may not be elected officials and may not have any fiduciary obligation to a health facility or other health agency, and may not have a material financial interest in the rendering of health services; and

(iii) Other community stakeholders. This category consists of persons representing the following types of organizations located in the county:

(A) Community-based organizations or nonprofits that work with populations experiencing health inequities in the county;

(B) The business community; or

(C) The environmental public health regulated community.

(b) The board members selected under (a) of this subsection must be approved by a majority vote of the board of county commissioners.

(c) If the number of board members selected under (a) of this subsection is evenly divisible by three, there must be an equal number of members selected from each of the three categories. If there are one or two members over the nearest multiple of three, those members may be selected from any of the three categories. If there are two members over the nearest multiple of three, each member over the nearest multiple of three must be selected from a different category. However, if the board of health demonstrates that it attempted to recruit members from all three categories and was unable to do so, the board may select members only from the other two categories.

(d) There may be no more than one member selected under (a) of this subsection from one type of background or position.

(e) If a federally recognized Indian tribe holds reservation(($_{7}$)) <u>or</u> trust lands within the county, ((or has usual and accustomed areas within the county,)) or if an urban Indian organization recognized by the Indian health service and registered as a 501(c)(3) organization ((registered)) in Washington that serves American Indian and Alaska Native people ((and)) provides services within the county, the board of health must ((include)) <u>allow</u> a tribal representative ((selected by)) from each tribe and each organization, as selected by such tribe or organization, to serve as a member and must notify the American Indian health commission.

(f) The county legislative authority may appoint elected officials from cities and towns and persons other than elected officials as members of the health district board so long as the city and county elected officials do not constitute a majority of the total membership of the board.

(g) Except as provided in (a) and (e) of this subsection, a resolution or ordinance adopted under this section must specify the provisions for the appointment, term, and compensation, or reimbursement of expenses.

(h) The jurisdiction of the local board of health shall be coextensive with the boundaries of the county.

(i) The local health officer, as described in RCW 70.05.050, shall be appointed by the official designated under the provisions of the resolution or ordinance. The same official designated under the provisions of the resolution or ordinance may appoint an administrative officer, as described in RCW 70.05.045.

(j) At the first meeting of a district board of health the members shall elect a chair to serve for a period of one year.

(k) The number of members selected <u>or included</u> under (a) and (e) of this subsection must equal the number of city and county elected officials on the board of health. <u>If a member is added under (e) of this subsection, the county legislative authority shall modify the membership of the district:</u>

(i) In compliance with timelines established by the state board of health in rule once such rules are in effect; and

(ii) Until the rules in (k)(i) of this subsection are in effect, within 60 days of receipt of notice of the selection of a tribal representative.

(1) Any decision by the board of health related to the setting or modification of permit, licensing, and application fees may only be determined by the city and county elected officials on the board.

(2) A local board of health comprised solely of elected officials may retain this composition if the local health jurisdiction had a public health advisory committee or board with its own bylaws established on January 1, 2021. By January 1, 2022, the public health advisory committee or board must meet the requirements established in RCW 70.46.140 for community health advisory boards. Any future changes to local board of health composition must meet the requirements of subsection (1) of this section.

<u>NEW SECTION.</u> Sec. 5. The state board of health shall adopt rules establishing timelines for modifying the membership of a local board of health

as required by sections 1 through 4 of this act, which must go into effect no later than one year after the effective date of this section.

Passed by the House April 21, 2025. Passed by the Senate April 14, 2025. Approved by the Governor May 13, 2025. Filed in Office of Secretary of State May 14, 2025.

CHAPTER 261

[House Bill 1018]

ENERGY FACILITY SITE EVALUATION COUNCIL CERTIFICATION—FUSION ENERGY FACILITIES

AN ACT Relating to adding fusion energy to facilities that may obtain site certification for the purposes of chapter 80.50 RCW; amending RCW 80.50.010, 80.50.060, and 80.50.300; and reenacting and amending RCW 80.50.020.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 80.50.010 and 2022 c 183 s 1 are each amended to read as follows:

The legislature finds that the present and predicted growth in energy demands in the state of Washington requires a procedure for the selection and use of sites for energy facilities and the identification of a state position with respect to each proposed site. The legislature recognizes that the selection of sites will have a significant impact upon the welfare of the population, the location and growth of industry and the use of the natural resources of the state.

It is the policy of the state of Washington to reduce dependence on fossil fuels by recognizing the need for clean energy in order to strengthen the state's economy, meet the state's greenhouse gas reduction obligations, and mitigate the significant near-term and long-term impacts from climate change while conducting a public process that is transparent and inclusive to all with particular attention to overburdened communities.

The legislature finds that the in-state manufacture of industrial products that enable a clean energy economy is critical to advancing the state's objectives in providing affordable electricity, promoting renewable energy, strengthening the state's economy, and reducing greenhouse gas emissions. Therefore, the legislature intends to provide the council with additional authority regarding the siting of clean energy product manufacturing facilities.

It is the policy of the state of Washington to recognize the pressing need for increased energy facilities, and to ensure through available and reasonable methods that the location and operation of all energy facilities and certain clean energy product manufacturing facilities will produce minimal adverse effects on the environment, ecology of the land and its wildlife, and the ecology of state waters and their aquatic life.

It is the intent to seek courses of action that will balance the increasing demands for energy facility location and operation in conjunction with the broad interests of the public. In addition, it is the intent of the legislature to streamline application review for energy facilities to meet the state's energy goals and to authorize applications for review of certain clean energy product manufacturing facilities to be considered under the provisions of this chapter. Such action will be based on these premises:

(1) To assure Washington state citizens that, where applicable, operational safeguards are at least as stringent as the criteria established by the federal government and are technically sufficient for their welfare and protection.

(2) To preserve and protect the quality of the environment; to enhance the public's opportunity to enjoy the esthetic and recreational benefits of the air, water and land resources; to promote air cleanliness; to pursue beneficial changes in the environment; and to promote environmental justice for overburdened communities.

(3) To encourage the development and integration of clean energy sources.

(4) To provide abundant clean energy at reasonable cost.

(5) To avoid costs of complete site restoration and demolition of improvements and infrastructure at unfinished <u>fission</u> nuclear energy sites, and to use unfinished <u>fission</u> nuclear energy facilities for public uses, including economic development, under the regulatory and management control of local governments and port districts.

(6) To avoid costly duplication in the siting process and ensure that decisions are made timely and without unnecessary delay while also encouraging meaningful public comment and participation in energy facility decisions.

Sec. 2. RCW 80.50.020 and 2022 c 183 s 2 are each reenacted and amended to read as follows:

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

(1) "Alternative energy resource" includes energy facilities of the following types: (a) Wind; (b) solar energy; (c) geothermal energy; (d) renewable natural gas; (e) wave or tidal action; (f) biomass energy based on solid organic fuels from wood, forest, or field residues, or dedicated energy crops that do not include wood pieces that have been treated with chemical preservatives such as creosote, pentachlorophenol, or copper-chrome-arsenic; or (g) renewable or green electrolytic hydrogen.

(2) "Applicant" means any person who makes application for a site certification pursuant to the provisions of this chapter.

(3) "Application" means any request for approval of a particular site or sites filed in accordance with the procedures established pursuant to this chapter, unless the context otherwise requires.

(4) "Associated facilities" means storage, transmission, handling, or other related and supporting facilities connecting an energy plant with the existing energy supply, processing, or distribution system, including, but not limited to, communications, controls, mobilizing or maintenance equipment, instrumentation, and other types of ancillary transmission equipment, off-line storage or venting required for efficient operation or safety of the transmission system and overhead, and surface or subsurface lines of physical access for the inspection, maintenance, and safe operations of the transmission facility and new transmission lines constructed to operate at nominal voltages of at least 115,000 volts to connect a thermal power plant or alternative energy facilities to the northwest power grid. However, common carrier railroads or motor vehicles shall not be included

(5) "Biofuel" means a liquid or gaseous fuel derived from organic matter including, but not limited to, biodiesel, renewable diesel, ethanol, renewable natural gas, and renewable propane.

(6) "Certification" means a binding agreement between an applicant and the state which shall embody compliance to the siting guidelines, in effect as of the date of certification, which have been adopted pursuant to RCW 80.50.040 as now or hereafter amended as conditions to be met prior to or concurrent with the construction or operation of any energy facility.

(7) "Clean energy product manufacturing facility" means a facility that exclusively or primarily manufactures the following products or components primarily used by such products:

(a) Vehicles, vessels, and other modes of transportation that emit no exhaust gas from the onboard source of power, other than water vapor;

(b) Charging and fueling infrastructure for electric, hydrogen, or other types of vehicles that emit no exhaust gas from the onboard source of power, other than water vapor;

(c) Renewable or green electrolytic hydrogen, including preparing renewable or green electrolytic hydrogen for distribution as an energy carrier or manufacturing feedstock, or converting it to a green hydrogen carrier;

(d) Equipment and products used to produce energy from alternative energy resources; and

(e) Equipment and products used at storage facilities.

(8) "Construction" means on-site improvements, excluding exploratory work, which cost in excess of ((two hundred fifty thousand dollars)) <u>\$250,000</u>.

(9) "Council" means the energy facility site evaluation council created by RCW 80.50.030.

(10) "Counsel for the environment" means an assistant attorney general or a special assistant attorney general who shall represent the public in accordance with RCW 80.50.080.

(11) "Director" means the director of the energy facility site evaluation council appointed by the chair of the council in accordance with RCW 80.50.360.

(12) "Electrical transmission facilities" means electrical power lines and related equipment.

(13) "Energy facility" means an energy plant or transmission facilities: PROVIDED, That the following are excluded from the provisions of this chapter:

(a) Facilities for the extraction, conversion, transmission or storage of water, other than water specifically consumed or discharged by energy production or conversion for energy purposes; and

(b) Facilities operated by and for the armed services for military purposes or by other federal authority for the national defense.

(14) "Energy plant" means the following facilities together with their associated facilities:

(a) Any <u>fission</u> nuclear power facility where the primary purpose is to produce and sell electricity;

(b) Any nonnuclear stationary thermal power plant with generating capacity of ((three hundred fifty thousand)) <u>350,000</u> kilowatts or more, measured using maximum continuous electric generating capacity, less minimum auxiliary load,

at average ambient temperature and pressure, and floating thermal power plants of ((one hundred thousand)) <u>100,000</u> kilowatts or more suspended on the surface of water by means of a barge, vessel, or other floating platform;

(c) Facilities which will have the capacity to receive liquefied natural gas in the equivalent of more than ((one hundred million)) 100,000,000 standard cubic feet of natural gas per day, which has been transported over marine waters;

(d) Facilities which will have the capacity to receive more than an average of ((fifty thousand)) 50,000 barrels per day of crude or refined petroleum or liquefied petroleum gas which has been or will be transported over marine waters, except that the provisions of this chapter shall not apply to storage facilities unless occasioned by such new facility construction;

(e) Any underground reservoir for receipt and storage of natural gas as defined in RCW 80.40.010 capable of delivering an average of more than ((one hundred million)) 100,000,000 standard cubic feet of natural gas per day; and

(f) Facilities capable of processing more than ((twenty-five thousand)) <u>25,000</u> barrels per day of petroleum or biofuel into refined products except where such biofuel production is undertaken at existing industrial facilities.

(15)(a) "Green electrolytic hydrogen" means hydrogen produced through electrolysis.

(b) "Green electrolytic hydrogen" does not include hydrogen manufactured using steam reforming or any other conversion technology that produces hydrogen from a fossil fuel feedstock.

(16) "Green hydrogen carrier" means a chemical compound, created using electricity or renewable resources as energy input and without use of fossil fuel as a feedstock, from renewable hydrogen or green electrolytic hydrogen for the purposes of transportation, storage, and dispensing of hydrogen.

(17) "Independent consultants" means those persons who have no financial interest in the applicant's proposals and who are retained by the council to evaluate the applicant's proposals, supporting studies, or to conduct additional studies.

(18) "Land use plan" means a comprehensive plan or land use element thereof adopted by a unit of local government pursuant to chapter 35.63, 35A.63, 36.70, or 36.70A RCW, or as otherwise designated by chapter 325, Laws of 2007.

(19) "Person" means an individual, partnership, joint venture, private or public corporation, association, firm, public service company, political subdivision, municipal corporation, government agency, public utility district, or any other entity, public or private, however organized.

(20) "Preapplicant" means a person considering applying for a site certificate agreement for any facility.

(21) "Preapplication process" means the process which is initiated by written correspondence from the preapplicant to the council, and includes the process adopted by the council for consulting with the preapplicant and with federally recognized tribes, cities, towns, and counties prior to accepting applications for any facility.

(22) "Renewable hydrogen" means hydrogen produced using renewable resources both as the source for the hydrogen and the source for the energy input into the production process.

(23) "Renewable natural gas" means a gas consisting largely of methane and other hydrocarbons derived from the decomposition of organic material in landfills, wastewater treatment facilities, and anaerobic digesters.

(24) "Renewable resource" means: (a) Water; (b) wind; (c) solar energy; (d) geothermal energy; (e) renewable natural gas; (f) renewable hydrogen; (g) wave, ocean, or tidal power; (h) biodiesel fuel that is not derived from crops raised on land cleared from old growth or first growth forests; or (i) biomass energy.

(25) "Secretary" means the secretary of the United States department of energy.

(26) "Site" means any proposed or approved location of an energy facility, alternative energy resource, clean energy product manufacturing facility, or electrical transmission facility.

(27) "Storage facility" means a plant that: (a) Accepts electricity as an energy source and uses a chemical, thermal, mechanical, or other process to store energy for subsequent delivery or consumption in the form of electricity; or (b) stores renewable hydrogen, green electrolytic hydrogen, or a green hydrogen carrier for subsequent delivery or consumption.

(28) "Thermal power plant" means, for the purpose of certification, any electrical generating facility using any fuel for distribution of electricity by electric utilities.

(29) "Transmission facility" means any of the following together with their associated facilities:

(a) Crude or refined petroleum or liquid petroleum product transmission pipeline of the following dimensions: A pipeline larger than six inches minimum inside diameter between valves for the transmission of these products with a total length of at least ((fifteen)) 15 miles;

(b) Natural gas, synthetic fuel gas, or liquefied petroleum gas transmission pipeline of the following dimensions: A pipeline larger than ((fourteen)) <u>14</u> inches minimum inside diameter between valves, for the transmission of these products, with a total length of at least ((fifteen)) <u>15</u> miles for the purpose of delivering gas to a distribution facility, except an interstate natural gas pipeline regulated by the United States federal energy regulatory commission.

(30) "Zoning ordinance" means an ordinance of a unit of local government regulating the use of land and adopted pursuant to chapter 35.63, 35A.63, 36.70, or 36.70A RCW or Article XI of the state Constitution, or as otherwise designated by chapter 325, Laws of 2007.

Sec. 3. RCW 80.50.060 and 2023 c 229 s 4 are each amended to read as follows:

(1)(a) The provisions of this chapter apply to the construction of energy facilities which includes the new construction of energy facilities and the reconstruction or enlargement of existing energy facilities where the net increase in physical capacity or dimensions resulting from such reconstruction or enlargement meets or exceeds those capacities or dimensions set forth in RCW 80.50.020 (14) and (29). No construction or reconstruction of such energy facilities may be undertaken, except as otherwise provided in this chapter, without first obtaining certification in the manner provided in this chapter.

(b) If applicants proposing the following types of facilities choose to receive certification under this chapter, the provisions of this chapter apply to the construction, reconstruction, or enlargement of these new or existing facilities: (i) Facilities that produce refined biofuel, but which are not capable of producing 25,000 barrels or more per day;

(ii) Alternative energy resource facilities;

(iii) Electrical transmission facilities: (A) Of a nominal voltage of at least 115,000 volts; and (B) located in more than one jurisdiction that has promulgated land use plans or zoning ordinances;

(iv) Clean energy product manufacturing facilities; ((and))

(v) Storage facilities; and

(vi) Fusion energy facilities. However, such a fusion energy facility receiving site certification must also secure required licenses and registrations, or equivalent authorizations, for radiation control purposes from designated state or federal agencies.

(c) All of the council's powers with regard to energy facilities apply to all of the facilities in (b) of this subsection and these facilities are subject to all provisions of this chapter that apply to an energy facility.

(2)(a) The provisions of this chapter must apply to:

(i) The construction, reconstruction, or enlargement of new or existing electrical transmission facilities: (A) Of a nominal voltage of at least 500,000 volts alternating current or at least 300,000 volts direct current; (B) located in more than one county; and (C) located in the Washington service area of more than one retail electric utility; and

(ii) The construction, reconstruction, or modification of electrical transmission facilities when the facilities are located in a national interest electric transmission corridor as specified in RCW 80.50.045.

(b) For the purposes of this subsection, "modification" means a significant change to an electrical transmission facility and does not include the following: (i) Minor improvements such as the replacement of existing transmission line facilities or supporting structures with equivalent facilities or structures; (ii) the relocation of existing electrical transmission line facilities; (iii) the conversion of existing overhead lines to underground; or (iv) the placing of new or additional conductors, supporting structures, insulators, or their accessories on or replacement of supporting structures already built.

(3) The provisions of this chapter shall not apply to normal maintenance and repairs which do not increase the capacity or dimensions beyond those set forth in RCW 80.50.020 (14) and (29).

(4) Applications for certification of energy facilities made prior to July 15, 1977, shall continue to be governed by the applicable provisions of law in effect on the day immediately preceding July 15, 1977, with the exceptions of RCW 80.50.071 which shall apply to such prior applications and to site certifications prospectively from July 15, 1977.

(5) Applications for certification shall be upon forms prescribed by the council and shall be supported by such information and technical studies as the council may require.

(6) Upon receipt of an application for certification under this chapter, the chair of the council shall notify:

(a) The appropriate county legislative authority or authorities where the proposed facility is located;

(b) The appropriate city legislative authority or authorities where the proposed facility is located;

(c) The department of archaeology and historic preservation; and

(d) The appropriate federally recognized tribal governments that may be affected by the proposed facility.

(7) The council must work with local governments where a project is proposed to be sited in order to provide for meaningful participation and input during siting review and compliance monitoring.

(8) The council must consult with all federally recognized tribes that possess resources, rights, or interests reserved or protected by federal treaty, statute, or executive order in the area where an energy facility is proposed to be located to provide early and meaningful participation and input during siting review and compliance monitoring. The chair and designated staff must offer to conduct government-to-government consultation to address issues of concern raised by such a tribe. The goal of the consultation process is to identify tribal resources or rights potentially affected by the proposed energy facility and to seek ways to avoid, minimize, or mitigate any adverse effects on tribal resources or rights. The chair must provide regular updates on the consultation to the council throughout the application review process. The report from the council to the government-to-government consultation process that complies with RCW 42.56.300, including the issues and proposed resolutions.

(9) The department of archaeology and historic preservation shall coordinate with the affected federally recognized tribes and the applicant in order to assess potential effects to tribal cultural resources, archaeological sites, and sacred sites.

Sec. 4. RCW 80.50.300 and 2000 c 243 s 1 are each amended to read as follows:

(1) This section applies only to unfinished <u>fission</u> nuclear power projects. If a certificate holder stops construction of a <u>fission</u> nuclear energy facility before completion, terminates the project or otherwise resolves not to complete construction, never introduces or stores fuel for the energy facility on the site, and never operates the energy facility as designed to produce energy, the certificate holder may contract, establish interlocal agreements, or use other formal means to effect the transfer of site restoration responsibilities, which may include economic development activities, to any political subdivision or subdivisions of the state composed of elected officials. The contracts, interlocal agreements, or other formal means of cooperation may include, but are not limited to provisions effecting the transfer or conveyance of interests in the site and energy facilities from the certificate holder to other political subdivisions of the state, including costs of maintenance and security, capital improvements, and demolition and salvage of the unused energy facilities and infrastructure.

(2) If a certificate holder transfers all or a portion of the site to a political subdivision or subdivisions of the state composed of elected officials and located in the same county as the site, the council shall amend the site certification agreement to release those portions of the site that it finds are no longer intended for the development of an energy facility.

Immediately upon release of all or a portion of the site pursuant to this section, all responsibilities for maintaining the public welfare for portions of the site transferred, including but not limited to health and safety, are transferred to the political subdivision or subdivisions of the state. For sites located on federal

land, all responsibilities for maintaining the public welfare for all of the site, including but not limited to health and safety, must be transferred to the political subdivision or subdivisions of the state irrespective of whether all or a portion of the site is released.

(3) The legislature finds that for all or a portion of sites that have been transferred to a political subdivision or subdivisions of the state prior to September 1, 1999, ensuring water for site restoration including economic development, completed pursuant to this section can best be accomplished by a transfer of existing surface water rights, and that such a transfer is best accomplished administratively through procedures set forth in existing statutes and rules. However, if a transfer of water rights is not possible, the department of ecology shall, within six months of the transfer of the site or portion thereof pursuant to subsection (1) of this section, create a trust water right under chapter 90.42 RCW containing between ten and twenty cubic feet per second for the benefit of the appropriate political subdivision or subdivisions of the state. The trust water right shall be used in fulfilling site restoration responsibilities, including economic development. The trust water right shall be from existing valid water rights within the basin where the site is located.

(4) For purposes of this section, "political subdivision or subdivisions of the state" means a city, town, county, public utility district, port district, or joint operating agency.

Passed by the House April 19, 2025. Passed by the Senate March 26, 2025. Approved by the Governor May 13, 2025. Filed in Office of Secretary of State May 14, 2025.

CHAPTER 262

[Substitute House Bill 1488]

CONSERVATION DISTRICTS—MAXIMUM PER PARCEL RATES

AN ACT Relating to conservation district revenue limitations; and amending RCW 89.08.405.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 89.08.405 and 2021 c 176 s 5252 are each amended to read as follows:

(1) Any county legislative authority may approve by resolution revenues to a conservation district by fixing rates and charges. The county legislative authority may provide for this system of rates and charges as an alternative to, but not in addition to, a special assessment provided by RCW 89.08.400. In fixing rates and charges, the county legislative authority may in its discretion consider the information proposed to the county legislative authority by a conservation district consistent with this section.

(2) A conservation district, in proposing a system of rates and charges, may consider:

(a) Services furnished, to be furnished, or available to the landowner;

(b) Benefits received, to be received, or available to the property;

(c) The character and use of land;

(d) The public benefit nonprofit corporation status, as defined in RCW 24.03A.245, of the land user;

(e) The income level of persons served or provided benefits under this chapter, including senior citizens and disabled persons; or

(f) Any other matters that present a reasonable difference as a ground for distinction, including the natural resource needs within the district and the capacity of the district to provide either services or improvements, or both.

(3)(a) The system of rates and charges may include an annual per acre amount, an annual per parcel amount, or an annual per parcel amount plus an annual per acre amount. If included in the system of rates and charges, the maximum annual per acre rate or charge shall not exceed ((ten)) <u>10</u> cents per acre. The maximum annual per parcel rate shall not exceed ((five dollars, except that for counties with a population of over four hundred eighty thousand persons, the maximum annual per parcel rate shall not exceed ten dollars, and for counties with a population of over one million five hundred thousand persons, the maximum annual per parcel rate shall not exceed fifteen dollars)) <u>\$25</u>.

(b) Beginning March 1, 2029, and by March 1st every third year thereafter, the department of revenue must adjust the maximum annual per parcel rates based on the consumer price index for all urban consumers, all items, for the Seattle metropolitan area for the prior 12-month period as calculated by the United States bureau of labor statistics or its successor agency. The adjusted maximum annual per parcel rates must be rounded to the nearest \$1. If the adjustment to the maximum annual per parcel rate is negative, the maximum annual per parcel rate for the prior year continues to apply. The department of revenue must publish the adjusted maximum annual per parcel rates on its public website by March 31st. For purposes of this subsection (3)(b), "Seattle metropolitan area" means the geographic area sample that includes Seattle and surrounding areas.

(c) Public land, including lands owned or held by the state, shall be subject to rates and charges to the same extent as privately owned lands. The procedures provided in chapter 79.44 RCW shall be followed if lands owned or held by the state are subject to the rates and charges of a conservation district.

((((c))) (d) Forestlands used solely for the planting, growing, or harvesting of trees may be subject to rates and charges if such lands are served by the activities of the conservation district. However, if the system of rates and charges includes an annual per acre amount or an annual per parcel amount plus an annual per acre amount, the per acre rate or charge on such forestlands shall not exceed one-tenth of the weighted average per acre rate or charge on all other lands within the conservation district that are subject to rates and charges. The calculation of the weighted average per acre shall be a ratio calculated as follows: (i) The numerator shall be the total amount of money estimated to be derived from the per acre special rates and charges on the nonforestlands in the conservation district; and (ii) the denominator shall be the total number of nonforestland acres in the conservation district that are served by the activities of the conservation district and that are subject to the rates or charges of the conservation district. No more than ((ten thousand)) <u>10,000</u> acres of such forestlands that is both owned by the same person or entity and is located in the same conservation district may be subject to the rates and charges that are imposed for that conservation district in any year. Per parcel charges shall not be imposed on forestland parcels. However, in lieu of a per parcel charge, a charge

of up to three dollars per forestland owner may be imposed on each owner of forestlands whose forestlands are subject to a per acre rate or charge.

(4) The consideration, development, adoption, and implementation of a system of rates and charges shall follow the same public notice and hearing process and be subject to the same procedure and authority of RCW 89.08.400(2).

(5)(a) Following the adoption of a system of rates and charges, the conservation district board of supervisors shall establish by resolution a process providing for landowner appeals of the individual rates and charges as applicable to a parcel or parcels.

(b) Any appeal must be filed by the landowner with the conservation district no later than ((twenty-one)) <u>21</u> days after the date property taxes are due. The decision of the board of supervisors regarding any appeal shall be final and conclusive.

(c) Any appeal of the decision of the board shall be to the superior court of the county in which the district is located, and served and filed within ((twenty-one)) <u>21</u> days of the date of the board's written decision.

(6) A conservation district shall prepare a roll that implements the system of rates and charges approved by the county legislative authority. The rates and charges from the roll shall be spread by the county assessor as a separate item on the tax rolls and shall be collected and accounted for with property taxes by the county treasurer. The amount of the rates and charges shall constitute a lien against the land that shall be subject to the same conditions as a tax lien, and collected by the treasurer in the same manner as delinquent real property taxes, and subject to the same interest and penalty as for delinquent property taxes. The county treasurer shall deduct an amount from the collected rates and charges, as established by the county legislative authority, to cover the costs incurred by the county assessor and county treasurer in spreading and collecting the rates and charges, but not to exceed the actual costs of such work. All remaining funds collected under this section shall be transferred to the conservation district and used by the conservation district in accordance with this section.

(7) The rates and charges for a conservation district shall not be spread on the tax rolls and shall not be allocated with property tax collections in the following year if, after the system of rates and charges has been approved by the county legislative authority but before the ((fifteenth)) <u>15th</u> day of December in that year, a petition has been filed with the county legislative authority objecting to the imposition of such rates and charges, which petition has been signed by at least ((twenty)) <u>20</u> percent of the owners of land that would be subject to the rate or charge to be imposed for a conservation district.

Passed by the House April 18, 2025. Passed by the Senate March 26, 2025. Approved by the Governor May 13, 2025. Filed in Office of Secretary of State May 14, 2025.

CHAPTER 263

[Second Substitute House Bill 1514]

THERMAL ENERGY COMPANIES AND NETWORKS

AN ACT Relating to encouraging the deployment of low carbon thermal energy networks; amending RCW 80.04.010, 80.04.550, 80.28.005, 80.28.010, 80.28.020, 80.28.030, 80.28.040, 80.28.050, 80.28.060, 80.28.065, 80.28.068, 80.28.070, 80.28.075, 80.28.080, 80.28.090, 80.28.100, 80.28.120, 80.28.130, 80.28.160, 80.28.170, 80.28.240, and 80.28.430; adding new sections to chapter 80.28 RCW; adding a new section to chapter 80.04 RCW; and creating a new section.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 80.04.010 and 2024 c 348 s 1 are each amended to read as follows:

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

(1) "Automatic location identification" means a system by which information about a caller's location, including the seven-digit number or tendigit number used to place a 911 call or a different seven-digit number or tendigit number to which a return call can be made from the public switched network, is forwarded to a public safety answering point for display.

(2) "Automatic number identification" means a system that allows for the automatic display of the seven-digit or ten-digit number used to place a 911 call.

(3) "Battery charging facility" includes a "battery charging station" and a "rapid charging station" as defined in RCW 82.08.816.

(4) "Cogeneration facility" means any machinery, equipment, structure, process, or property, or any part thereof, installed or acquired for the primary purpose of the sequential generation of electrical or mechanical power and useful heat from the same primary energy source or fuel.

(5) "Commission" means the utilities and transportation commission.

(6) "Commissioner" means one of the members of such commission.

(7) "Competitive telecommunications company" means a telecommunications company which has been classified as such by the commission pursuant to RCW 80.36.320.

(8) "Competitive telecommunications service" means a service which has been classified as such by the commission pursuant to RCW 80.36.330.

(9) "Corporation" includes a corporation, company, association or joint stock association.

(10) "Department" means the department of health.

(11) "Electric plant" includes all real estate, fixtures and personal property operated, owned, used or to be used for or in connection with or to facilitate the generation, transmission, distribution, sale or furnishing of electricity for light, heat, or power for hire; and any conduits, ducts or other devices, materials, apparatus or property for containing, holding or carrying conductors used or to be used for the transmission of electricity for light, heat or power.

(12)(a) "Electrical company" includes any corporation, company, association, joint stock association, partnership and person, their lessees, trustees or receivers appointed by any court whatsoever (other than a railroad or street railroad company generating electricity solely for railroad or street railroad purposes or for the use of its tenants and not for sale to others), and every city or town owning, operating or managing any electric plant for hire within this state.

An electrical company may own, operate, or manage any thermal energy network within this state.

(b) "Electrical company" does not include a company or person employing a cogeneration facility solely for the generation of electricity for its own use or the use of its tenants or for sale to an electrical company, state or local public agency, municipal corporation, or quasi municipal corporation engaged in the sale or distribution of electrical energy, but not for sale to others, unless such company or person is otherwise an electrical company.

(13) "Facilities" means lines, conduits, ducts, poles, wires, cables, crossarms, receivers, transmitters, instruments, machines, appliances, instrumentalities and all devices, real estate, easements, apparatus, property and routes used, operated, owned or controlled by any telecommunications company to facilitate the provision of telecommunications service.

(14) "Gas company" includes every corporation, company, association, joint stock association, partnership and person, their lessees, trustees or receiver appointed by any court whatsoever, and every city or town, owning, controlling, operating or managing any gas plant within this state. A gas company may own, control, operate, or manage any thermal energy network within this state.

(15) "Gas plant" includes all real estate, fixtures and personal property, owned, leased, controlled, used or to be used for or in connection with the transmission, distribution, sale or furnishing of natural gas, or the manufacture, transmission, distribution, sale or furnishing of other type gas, for light, heat or power.

(16) "LATA" means a local access transport area as defined by the commission in conformance with applicable federal law.

(17) "Local exchange company" means a telecommunications company providing local exchange telecommunications service.

(18) "Noncompetitive telecommunications service" means any service which has not been classified as competitive by the commission.

(19) "Person" includes an individual, a firm or partnership.

(20) "Private shared telecommunications services" includes the provision of telecommunications and information management services and equipment within a user group located in discrete private premises in building complexes, campuses, or high-rise buildings, by a commercial shared services provider or by a user association, through privately owned customer premises equipment and associated data processing and information management services and includes the provision of connections to the facilities of a local exchange and to interexchange telecommunications companies.

(21) "Private switch automatic location identification service" means a service that enables automatic location identification to be provided to a public safety answering point for 911 calls originating from station lines served by a private switch system.

(22)(a) "Private telecommunications system" means a telecommunications system controlled by a person or entity for the sole and exclusive use of such person, entity, or affiliate thereof, including the provision of private shared telecommunications services by such person or entity.

(b) "Private telecommunications system" does not include a system offered for hire, sale, or resale to the general public.

(23) "Public service company" includes every gas company, electrical company, telecommunications company, wastewater company, and water company. Ownership or operation of a cogeneration facility does not, by itself, make a company or person a public service company.

(24) "Radio communications service company" includes every corporation, company, association, joint stock association, partnership, and person, their lessees, trustees, or receivers appointed by any court, and every city or town making available facilities to provide radio communications service, radio paging, or cellular communications service for hire, sale, or resale.

(25) "Service" is used in this title in its broadest and most inclusive sense.

(26) "System of sewerage" means collection, treatment, and disposal facilities and services for sewerage, or storm or surface water runoff.

(27) "Telecommunications" is the transmission of information by wire, radio, optical cable, electromagnetic, or other similar means. As used in this definition, "information" means knowledge or intelligence represented by any form of writing, signs, signals, pictures, sounds, or any other symbols.

(28) "Telecommunications company" includes every corporation, company, association, joint stock association, partnership and person, their lessees, trustees or receivers appointed by any court whatsoever, and every city or town owning, operating or managing any facilities used to provide telecommunications for hire, sale, or resale to the general public within this state.

(29) "Thermal energy" means piped noncombustible fluids used for transferring heat into and out of buildings for the purpose of either: (a) Eliminating any resultant on-site greenhouse gas emissions of all types of heating and cooling processes including, but not limited to, comfort heating and cooling, domestic hot water, and refrigeration; (b) improving energy efficiency; or (c) both (a) and (b) of this subsection.

(30)(a) "Thermal energy company" means any private person, company, association, partnership, joint venture, or corporation engaged in or proposing to engage in thermal energy services, and may additionally engage in developing and producing thermal energy.

(b) A thermal energy company does not include any gas company, electrical company, or public utility district that owns, controls, operates, or manages a thermal energy network.

(c) A thermal energy company does not include a homeowners' association providing service to units solely within its own buildings.

(d) A thermal energy company does not include a company that develops, produces, or provides thermal energy independently from the company involved in the thermal energy distribution system.

(31) "Thermal energy network" means all real estate, fixtures, and personal property operated, owned, used, or to be used for or in connection with or to facilitate a utility-scale distribution infrastructure project that supplies thermal energy. A thermal energy network may not rely on combustion to create thermal energy, except for emergency backup purposes.

(((31))) (32) "Thermal energy services" means transmitting, distributing, delivering, furnishing, or selling to or for the public thermal energy from a thermal energy system for any beneficial use other than electricity generation and includes such ancillary services as energy audits, metering, billing, maintenance, and repairs related to thermal energy.

(33) "Thermal energy system" means any system that provides thermal energy for space heating, space cooling, or process uses from a central plant, distributed plant, or combined heat and power facility, and that distributes the thermal energy to two or more buildings through a network of pipes. A thermal energy system includes, but is not limited to, a thermal energy network.

(34)(a) "Wastewater company" means a corporation, company, association, joint stock association, partnership and person, their lessees, trustees, or receivers that owns or proposes to develop and own a system of sewerage that is designed for a peak flow of 27,000 to 100,000 gallons per day if treatment is by a large on-site sewerage system, or to serve one hundred or more customers.

(b) For purposes of commission jurisdiction, wastewater company does not include: (i) Municipal, county, or other publicly owned systems of sewerage; or (ii) wastewater company service to customers outside of an urban growth area as defined in RCW 36.70A.030.

 $(((\frac{32})))$ (35)(a) "Water company" includes every corporation, company, association, joint stock association, partnership and person, their lessees, trustees or receivers appointed by any court whatsoever, and every city or town owning, controlling, operating, or managing any water system for hire within this state.

(b) For purposes of commission jurisdiction, "water company" does not include any water system serving less than 100 customers where the average annual gross revenue per customer does not exceed \$300 per year, which revenue figure may be increased annually by the commission by rule adopted pursuant to chapter 34.05 RCW to reflect the rate of inflation as determined by the implicit price deflator of the United States department of commerce. The measurement of customers or revenues must include all portions of water companies having common ownership or control, regardless of location or corporate designation.

(c) "Control" is defined by the commission by rule and does not include management by a satellite agency as defined in chapter 70A.100 RCW if the satellite agency is not an owner of the water company.

(d) "Water company" also includes, for auditing purposes only, nonmunicipal water systems which are referred to the commission pursuant to an administrative order from the department, or the city or county as provided in RCW 80.04.110.

(e) Water companies exempt from commission regulation are subject to the provisions of chapter 19.86 RCW. A water company cannot be removed from regulation except with the approval of the commission. Water companies subject to regulation may petition the commission for removal from regulation if the number of customers falls below 100 or the average annual revenue per customer falls below \$300. The commission is authorized to maintain continued regulation if it finds that the public interest so requires.

(((33))) (36) "Water system" includes all real estate, easements, fixtures, personal property, dams, dikes, head gates, weirs, canals, reservoirs, flumes or other structures or appliances operated, owned, used or to be used for or in connection with or to facilitate the supply, storage, distribution, sale, furnishing, diversion, carriage, apportionment or measurement of water for power, irrigation, reclamation, manufacturing, municipal, domestic or other beneficial uses for hire.

Sec. 2. RCW 80.04.550 and 2015 3rd sp.s. c 19 s 12 are each amended to read as follows:

(1) It is the intent of the legislature to exempt from commission regulation ((thermal energy services provided by)) thermal energy companies in operation or under development before July 1, 2025, and combined heat and power facilities that are not otherwise regulated under this title. Nothing in this section shall prevent the commission from issuing or enforcing any order affecting combined heat and power facilities owned or operated by an electrical company that are subsidized by a regulated service.

(2) Nothing in this title shall authorize the commission to make or enforce any order affecting rates, tolls, rentals, contracts or charges for service rendered, or the adequacy or sufficiency of the facilities, equipment, instrumentalities, or buildings, or the reasonableness of rules or regulations made, furnished, used, supplied, or in force affecting any ((thermal energy system owned and operated by any thermal energy company or by a combined heat and power facility engaged in thermal energy services.

(3) For the purposes of this section:

(a) "Thermal energy company" means any private person, company, association, partnership, joint venture, or corporation engaged in or proposing to engage in developing, producing, transmitting, distributing, delivering, furnishing, or selling to or for the public thermal energy services for any beneficial use other than electricity generation;

(b) "Thermal energy system" means any system that provides thermal energy for space heating, space cooling, or process uses from a central plant or combined heat and power facility, and that distributes the thermal energy to two or more buildings through a network of pipes;

(c) "Thermal energy" means heat or cold in the form of steam, heated or chilled water, or any other heated or chilled fluid or gaseous medium; and

(d) "Thermal energy services" means the provision of thermal energy from a thermal energy system and includes such ancillary services as energy audits, metering, billing, maintenance, and repairs related to thermal energy)):

(a) Thermal energy company operating a thermal energy system that has less than five independent customers and less than 250 residential end users, unless the thermal energy company chooses to opt-in to commission regulation by providing the commission with a request to opt-in to regulation in writing.

(i) For the purposes of this section, "independent customer" means a unique direct customer receiving thermal energy for one or more buildings through one or more metered services.

(ii) For the purposes of this section, "residential end user" means a household in a dwelling unit that is not a direct customer of a thermal energy company but is located within a residential multifamily building or residential portion of a mixed-use building served by a thermal energy company.

(iii) If a thermal energy company's exempted thermal energy system grows to have five or more independent customers and 250 or more residential end users, the thermal energy company must submit the thermal energy system to the commission in a general rate case filing no later than 12 months after surpassing the exemption threshold so the commission can set the rates and charges of the thermal energy company; (b) Thermal energy company owning and operating any thermal energy system in operation before July 1, 2025, unless the thermal energy company chooses to opt-in to commission regulation by providing the commission with a request to opt-in to regulation in writing;

(c) A combined heat and power facility engaged in thermal energy services, unless such a facility chooses to opt-in to commission regulation by providing the commission with a request to opt-in to regulation in writing.

(3) A thermal energy company that chooses to opt-in to commission regulation must remain under commission regulation and cannot subsequently opt-out of commission regulation.

(4) A thermal energy company that owns a thermal energy system that is under development but has not commenced operation as of July 1, 2025, is not subject to commission regulation if the thermal energy company notifies the commission in writing of the company's plans to operate the thermal energy system.

(5) The legislature finds that gas companies maintain their priority for developing thermal energy network pilot projects as provided in RCW 80.28.460.

Sec. 3. RCW 80.28.005 and 1994 c 268 s 1 are each amended to read as follows:

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

(1) "Bondable conservation investment" means all expenditures made by electrical, gas, or water companies with respect to energy or water conservation measures and services intended to improve the efficiency of electricity, gas, or water end use, including related carrying costs if:

(a) The conservation measures and services do not produce assets that would be bondable utility property under the general utility mortgage of the electrical, gas, or water company;

(b) The commission has determined that the expenditures were incurred in conformance with the terms and conditions of a conservation service tariff in effect with the commission at the time the costs were incurred, and at the time of such determination the commission finds that the company has proven that the costs were prudent, that the terms and conditions of the financing are reasonable, and that financing under this chapter is more favorable to the customer than other reasonably available alternatives;

(c) The commission has approved inclusion of the expenditures in rate base and has not ordered that they be currently expensed; and

(d) The commission has not required that the measures demonstrate that energy savings have persisted at a certain level for a certain period before approving the cost of these investments as bondable conservation investment.

(2) "Conservation bonds" means bonds, notes, certificates of beneficial interests in trusts, or other evidences of indebtedness or ownership that:

(a) The commission determines at or before the time of issuance are issued to finance or refinance bondable conservation investment by an electrical, gas or water company; and

(b) Rely partly or wholly for repayment on conservation investment assets and revenues arising with respect thereto.

(3) "Conservation investment assets" means the statutory right of an electrical, gas, or water company:

(a) To have included in rate base all of its bondable conservation investment and related carrying costs; and

(b) To receive through rates revenues sufficient to recover the bondable conservation investment and the costs of equity and debt capital associated with it, including, without limitation, the payment of principal, premium, if any, and interest on conservation bonds.

(4) "Finance subsidiary" means any corporation, company, association, joint stock association, or trust that is beneficially owned, directly or indirectly, by an electrical, gas, or water company, or in the case of a trust issuing conservation bonds consisting of beneficial interests, for which an electrical, gas, or water company or a subsidiary thereof is the grantor, or an unaffiliated entity formed for the purpose of financing or refinancing approved conservation investment, and that acquires conservation investment assets directly or indirectly from such company in a transaction approved by the commission.

(5) "Thermal energy" has the same definition as in RCW 80.04.010.

(6) "Thermal energy company" has the same definition as in RCW 80.04.010.

(7) "Thermal energy network" has the same definition as in RCW 80.04.010.

(8) "Thermal energy services" has the same definition as in RCW 80.04.010.

(9) "Thermal energy system" has the same definition as in RCW 80.04.010.

Sec. 4. RCW 80.28.010 and 2023 c 105 s 6 are each amended to read as follows:

(1) All charges made, demanded or received by any gas company, electrical company, wastewater company, $((\Theta r))$ water company, or thermal energy company for gas, electricity $((\Theta r))$, water, or thermal energy, or for any service rendered or to be rendered in connection therewith, shall be just, fair, reasonable and sufficient. Reasonable charges necessary to cover the cost of administering the collection of voluntary donations for the purposes of supporting the development and implementation of evergreen community management plans and ordinances under RCW 80.28.300 must be deemed as prudent and necessary for the operation of a utility.

(2) Every gas company, electrical company, wastewater company, ((and)) water company<u>, and thermal energy company</u> shall furnish and supply such service, instrumentalities and facilities as shall be safe, adequate and efficient, and in all respects just and reasonable.

(3) All rules and regulations issued by any gas company, electrical company, wastewater company, $((\overline{or}))$ water company, <u>or thermal energy</u> <u>company</u>, affecting or pertaining to the sale or distribution of its product or service, must be just and reasonable.

(4) Utility service for residential space heating shall not be terminated between November 15 through March 15 if the customer:

(a) Notifies the utility of the inability to pay the bill. This notice should be provided within five business days of receiving a payment overdue notice unless there are extenuating circumstances. If the customer fails to notify the utility

within five business days and service is terminated, the customer can, by fulfilling the requirements of this section, receive the protections of this chapter;

(b) Provides self-certification of household income for the prior twelve months to a grantee of the department of commerce, which administers federally funded energy assistance programs. The grantee shall determine that the household income does not exceed the maximum allowed for eligibility under the state's plan for low-income energy assistance under 42 U.S.C. 8624 and shall provide a dollar figure that is seven percent of household income. The grantee may verify information provided in the self-certification;

(c) Has applied for home heating assistance from applicable government and private sector organizations and certifies that any assistance received will be applied to the current bill and future utility bills;

(d) Has applied for low-income weatherization assistance to the utility or other appropriate agency if such assistance is available for the dwelling;

(e) Agrees to a payment plan and agrees to maintain the payment plan. The plan will be designed both to pay the past due bill by the following October 15th and to pay for continued utility service. If the past due bill is not paid by the following October 15, the customer is not eligible for protections under this chapter until the past due bill is paid. The plan may not require monthly payments in excess of seven percent of the customer's monthly income plus one-twelfth of any arrearage accrued from the date application is made and thereafter during November 15 through March 15. A customer may agree to pay a higher percentage during this period, but shall not be in default unless payment during this period is less than seven percent of monthly income plus one-twelfth of any arrearage accrued from the date application is made and thereafter. If assistance payments are received by the customer subsequent to implementation of the plan, the customer shall contact the utility to reformulate the plan; and

(f) Agrees to pay the moneys owed even if the customer moves.

(5) The utility shall:

(a) Include in any notice that an account is delinquent and that service may be subject to termination, a description of the customer's duties in this section;

(b) Assist the customer in fulfilling the requirements under this section;

(c) Be authorized to transfer an account to a new residence when a customer who has established a plan under this section moves from one residence to another within the same utility service area;

(d) Be permitted to disconnect service if the customer fails to honor the payment program except on the days indicated in subsection (8) of this section. Utilities may continue to disconnect service for those practices authorized by law other than for nonpayment as provided for in this subsection. Customers who qualify for payment plans under this section who default on their payment plans and are disconnected can be reconnected and maintain the protections afforded under this chapter by paying all amounts that would have been due and owing under the terms of the applicable payment plan, absent default, on the date on which service is reconnected; and

(e) Advise the customer in writing at the time it disconnects service that it will restore service if the customer contacts the utility and fulfills the other requirements of this section.

(6) A payment plan implemented under this section is consistent with RCW 80.28.080.

(7) Every gas company $((and))_{.}$ electrical company, and thermal energy company shall offer residential customers the option of a budget billing or equal payment plan. The budget billing or equal payment plan shall be offered low-income customers eligible under the state's plan for low-income energy assistance prepared in accordance with 42 U.S.C. 8624(C)(1) without limiting availability to certain months of the year, without regard to the length of time the customer has occupied the premises, and without regard to whether the customer is the tenant or owner of the premises occupied.

(8)(a) Every electrical company $((and))_{a}$ water company, and thermal energy company must have and must abide by the terms of a tariff approved by the commission that prohibits the electrical company $((or))_{a}$ water company, or thermal energy company from effecting, due to lack of payment, an involuntary termination of electric $((or))_{a}$ water, or thermal energy utility service to any residential user, including tenants of metered apartment buildings and residents of mobile homes, on any day for which the national weather service has issued or has announced that it intends to issue a heat-related alert, such as an excessive heat warning, a heat advisory, an excessive heat watch, or a similar alert, for the area in which the residential user's address is located.

(b) Nothing in this subsection (8) limits the authority of the commission to prohibit an electrical company ((Θr)), water company, or thermal energy company from terminating electric ((Θr)), water, or thermal energy utility service in accordance with an approved tariff, rule, or order, in circumstances independent of the weather.

(9)(a) A residential user at whose dwelling electric ((\mathbf{or})), water, or thermal energy utility service has been disconnected for lack of payment may request that the utility reconnect service on any day for which the national weather service has issued or has announced that it intends to issue a heat-related alert, such as an excessive heat warning, a heat advisory, an excessive heat watch, or a similar alert, for the area in which the residential user's address is located. The utility shall, through a process approved by the commission, inform all customers in the notice of disconnection of the ability to seek reconnection and provide clear and specific information on how to make that request, including how to contact the utility.

(b) Upon receipt of a request made pursuant to (a) of this subsection, the utility shall promptly make a reasonable attempt to reconnect service to the dwelling. The utility, in connection with a request made pursuant to (a) of this subsection, may require the residential user to enter into a payment plan prior to reconnecting service to the dwelling. If the utility requires the residential user to enter into a repayment plan, the repayment plan must comply with subsection (10) of this section.

(10) A repayment plan required by a utility pursuant to subsection (9)(b) of this section will be designed both to pay the past due bill by the following May 15th, or as soon as possible after May 15th if needed to maintain monthly payments that are no greater than six percent of the customer's monthly income, and to pay for continued utility service. The plan may not require monthly payments in excess of six percent of the customer's monthly income. A customer may agree to pay a higher percentage during this period, but will not be in default unless payment during this period is less than six percent of the customer's monthly income. If assistance payments are received by the customer subsequent to implementation of the plan, the customer shall contact the utility to reformulate the plan.

(11) Every gas company, electrical company, wastewater company, ((and)) water company<u>, and thermal energy company</u> shall construct and maintain such facilities in connection with the manufacture and distribution of its product, or provision of its services, as will be efficient and safe to its employees and the public.

(12) An agreement between the customer and the utility, whether oral or written, does not waive the protections afforded under this chapter.

(13) In establishing rates or charges for water service, water companies as defined in RCW 80.04.010 may consider the achievement of water conservation goals and the discouragement of wasteful water use practices.

(14) On an annual basis, each utility must submit a report to the commission that includes the total number of electric $((\sigma r))$, water, or thermal energy disconnections that occurred on each day for which the national weather service issued, or announced that it intended to issue, a heat-related alert.

Sec. 5. RCW 80.28.020 and 2011 c 214 s 12 are each amended to read as follows:

Whenever the commission shall find, after a hearing had upon its own motion, or upon complaint, that the rates or charges demanded, exacted, charged or collected by any gas company, electrical company, wastewater company, $((\sigma r))$ water company, or thermal energy company, for gas, electricity, wastewater company services, $((\sigma r))$ water, or thermal energy, or in connection therewith, or that the rules, regulations, practices or contracts affecting such rates or charges are unjust, unreasonable, unjustly discriminatory or unduly preferential, or in any wise in violation of the provisions of the law, or that such rates or charges are insufficient to yield a reasonable compensation for the service rendered, the commission shall determine the just, reasonable, or sufficient rates, charges, regulations, practices or contracts to be thereafter observed and in force, and shall fix the same by order.

Sec. 6. RCW 80.28.030 and 2021 c 65 s 96 are each amended to read as follows:

(1) Whenever the commission finds, after such hearing, that the illuminating or heating power, purity or pressure of gas, the efficiency of electric lamp supply, the voltage of the current supplied for light, heat or power, the quality of wastewater company services, $((\mathbf{or}))$ the purity, quality, volume, and pressure of water, or the quality or quantity of thermal energy, supplied by any gas company, electrical company, wastewater company, ((or)) water company, or thermal energy company, as the case may be, is insufficient, impure, inadequate or inefficient, it shall order such improvement in the manufacture, distribution or supply of gas, in the manufacture, transmission or supply of electricity, in the operation of the services and facilities of wastewater companies, or in the storage, distribution or supply of water, or in the quality or quantity of thermal energy, or in the methods employed by such gas company, electrical company, wastewater company, ((or)) water company, or thermal energy company, as will in its judgment be efficient, adequate, just and reasonable. Failure of a water company to comply with state board of health standards adopted under RCW 43.20.050(2)(a) or department standards adopted under chapter 70A.100 RCW

for purity, volume, and pressure is prima facie evidence that the water supplied is insufficient, impure, inadequate, or inefficient. Failure of a wastewater company to comply with standards and permit conditions adopted and implemented under chapter 70A.115 or 90.48 RCW for treatment and disposal of sewerage, is prima facie evidence that the system of sewerage is insufficient, inadequate, or inefficient.

(2) In ordering improvements in the storage, distribution, or supply of water, the commission shall consult and coordinate with the department of health. In the event that a water company fails to comply with an order of the commission within the deadline specified in the order, the commission may request that the department petition the superior court of Thurston county to place the company in receivership pursuant to chapter 7.60 RCW.

(3) In ordering improvements to the system of sewerage, the commission shall consult and coordinate with the department of health or the department of ecology, as appropriate to the agencies' jurisdiction. In the event that a wastewater company fails to comply with an order of the commission within the deadline specified in the order, the commission may petition the superior court of Thurston county to place the company in receivership pursuant to chapter 7.60 RCW.

Sec. 7. RCW 80.28.040 and 2011 c 214 s 14 are each amended to read as follows:

(1) Whenever the commission finds, after hearing, that any rules, regulations, measurements or the standard thereof, practices, acts or services of any such gas company, electrical company, wastewater company, $((\Theta r))$ water company<u>, or thermal energy company</u> are unjust, unreasonable, improper, insufficient, inefficient or inadequate, or that any service which may be reasonably demanded is not furnished, the commission shall fix the reasonable rules, regulations, measurements or the standard thereof, practices, acts or service to be thereafter furnished, imposed, observed and followed, and shall fix the same by order or rule.

(2) In ordering improvements to the service of any water company, the commission shall consult and coordinate with the department of health. In the event that a water company fails to comply with an order of the commission within the deadline specified in the order, the commission may request that the department petition the superior court of Thurston county to place the company in receivership pursuant to chapter 7.60 RCW.

(3) In ordering improvements to the service of any system of sewerage, the commission shall consult and coordinate with the department of health or the department of ecology, as appropriate to the agencies' jurisdiction. In the event that a wastewater company fails to comply with an order of the commission within the deadline specified in the order, the commission may petition the superior court of Thurston county to place the company in receivership pursuant to chapter 7.60 RCW.

Sec. 8. RCW 80.28.050 and 2011 c 214 s 15 are each amended to read as follows:

Every gas company, electrical company, wastewater company, ((and)) water company, and thermal energy company shall file with the commission and shall print and keep open to public inspection schedules in such form as the

commission may prescribe, showing all rates and charges made, established or enforced, or to be charged or enforced, all forms of contract or agreement, all rules and regulations relating to rates, charges or service, used or to be used, and all general privileges and facilities granted or allowed by such gas company, electrical company, wastewater company, ((or)) water company<u>, or thermal</u> <u>energy company</u>.

Sec. 9. RCW 80.28.060 and 2011 c 214 s 16 are each amended to read as follows:

(1) Unless the commission otherwise orders, no change may be made in any rate or charge or in any form of contract or agreement or in any rule or regulation relating to any rate, charge or service, or in any general privilege or facility which shall have been filed and published by a gas company, electrical company, wastewater company, ((or)) water company, or thermal energy company in compliance with the requirements of RCW 80.28.050 except after thirty days' notice to the commission and publication for thirty days, which notice must plainly state the changes proposed to be made in the schedule then in force and the time when the change will go into effect and all proposed changes must be shown by printing, filing and publishing new schedules, or shall be plainly indicated upon the schedules in force at the time and kept open to public inspection. Proposed changes may be suspended by the commission within thirty days or before the stated effective date of the proposed change, whichever is later. The commission, for good cause shown, may allow changes without requiring the thirty days' notice by duly filing, in such manner as it may direct, an order specifying the changes so to be made and the time when it takes effect. All such changes must be immediately indicated upon its schedules by the company affected. When any change is made in any rate or charge, form of contract or agreement, or any rule or regulation relating to any rate or charge or service, or in any general privilege or facility, the effect of which is to increase any rate or charge, then in existence, attention must be directed on the copy filed with the commission to such increase by some character immediately preceding or following the item in such schedule, such character to be in form as designated by the commission.

(2) During a state of emergency declared under RCW 43.06.010(12), the governor may waive or suspend the operation or enforcement of this section or any portion of this section or under any administrative rule, and issue any orders to facilitate the operation of state or local government or to promote and secure the safety and protection of the civilian population.

Sec. 10. RCW 80.28.065 and 1993 c 245 s 2 are each amended to read as follows:

(1) Upon request by an electrical $((\Theta r))$, gas<u>or thermal energy</u> company, the commission may approve a tariff schedule that contains rates or charges for energy conservation measures, services, or payments provided to individual property owners or customers. The tariff schedule shall require the electrical $((\Theta r))$, gas<u>or</u> thermal energy company to enter into an agreement with the property owner or customer receiving services at the time the conservation measures, services, or payments are initially provided. The tariff schedule may allow for the payment of the rates or charges over a period of time and for the application of the payment obligation to successive property owners or

customers at the premises where the conservation measures or services were installed or performed or with respect to which the conservation payments were made.

(2) The electrical $((\Theta r))_{a}$ gas, or thermal energy company shall record a notice of a payment obligation, containing a legal description, resulting from an agreement under this section with the county auditor or recording officer as provided in RCW 65.04.030.

(3) The commission may prescribe by rule other methods by which an electrical $((\overline{or}))$, gas, or thermal energy company shall notify property owners or customers of any such payment obligation.

Sec. 11. RCW 80.28.068 and 2021 c 188 s 3 are each amended to read as follows:

(1) Upon its own motion, or upon request by an electrical ((or)), gas, or thermal energy company, or other party to a general rate case hearing, or other proceeding to set rates, the commission may approve rates, charges, services, and/or physical facilities at a discount, or through grants, for low-income senior customers and low-income customers. Expenses and lost revenues as a result of these discounts, grants, or other low-income assistance programs shall be included in the company's cost of service and recovered in rates to other customers. Each gas $((\Theta^{r}))$, electrical, or thermal energy company must propose a low-income assistance program comprised of a discount rate for low-income senior customers and low-income customers as well as grants and other lowincome assistance programs. The commission shall approve, disapprove, or approve with modifications each gas ((or)), electrical, or thermal energy company's low-income assistance discount rate and grant program. The gas ((or)), electrical, or thermal energy company must use reasonable and good faith efforts to seek approval for low-income program design, eligibility, operation, outreach, and funding proposals from its low-income and equity advisory groups in advance of filing such proposals with the commission. In order to remove barriers and to expedite assistance, low-income discounts or grants approved under this section must be provided in coordination with community-based organizations in the gas $((\mathbf{or}))$, electrical, or thermal energy company's service territory including, but not limited to, grantees of the department of commerce, community action agencies, and community-based nonprofit organizations. Nothing in this section may be construed as limiting the commission's authority to approve or modify tariffs authorizing low-income discounts or grants.

(2) Eligibility for a low-income discount rate or grant established in this section may be established upon verification of a low-income customer's receipt of any means-tested public benefit, or verification of eligibility for the low-income home energy assistance program, or its successor program, for which eligibility does not exceed the low-income definition set by the commission pursuant to RCW 19.405.020. The public benefits may include, but are not limited to, assistance that provides cash, housing, food, or medical care including, but not limited to, temporary assistance for needy families, supplemental security income, emergency assistance to elders, disabled, and children, supplemental nutrition assistance program benefits, public housing, federally subsidized or state-subsidized housing, the low-income home energy assistance program, veterans' benefits, and similar benefits.

(3) Each gas $((\Theta r))_{,}$ electrical, or thermal energy company shall conduct substantial outreach efforts to make the low-income discounts or grants available to eligible customers and must provide annual reports to the commission as to the gas $((\Theta r))_{,}$ electrical, or thermal energy company's outreach activities and results. Such outreach: (a) Shall be made at least semiannually to inform customers of available rebates, discounts, credits, and other cost-saving mechanisms that can help them lower their monthly bills for gas $((\Theta r))_{,}$ electrical, or thermal energy service; and (b) may be in the form of any customary and usual methods of communications with customers, direct mailing, telephone calls, electronic communications, social media postings, inperson contacts, websites of the gas $((\Theta r))_{,}$ electrical, or thermal energy company, press releases, and print and electronic media, that are designed to increase access to and participation in bill assistance programs.

(4) Outreach may include establishing an automated program of matching customer accounts with lists of recipients of the means-tested public benefit programs and, based on the results of the matching program, to presumptively offer a low-income discount rate or grant to eligible customers so identified. However, the gas (($\frac{1}{0}$)), electrical, or thermal energy company must within 60 days of the presumptive enrollment inform such a low-income customer of the presumptive enrollment and all rights and obligations of a customer under the program, including the right to withdraw from the program without penalty.

(5) A residential customer eligible for a low-income discount rate must receive the service on demand.

(6) A residential customer may not be charged for initiating or terminating low-income discount rates, grants, or any other form of energy assistance.

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

(a) "Energy burden" has the same meaning as defined in RCW 19.405.020.

(b) "Low-income" has the same meaning as defined in RCW 19.405.020.

(c) "Physical facilities" includes, but may not be limited to, a community solar project as defined in RCW 80.28.370.

Sec. 12. RCW 80.28.070 and 1961 c 14 s 80.28.070 are each amended to read as follows:

Nothing in this chapter shall be taken to prohibit a gas company, electrical company $((\Theta r))_{,}$ water company, or thermal energy company from establishing a sliding scale of charges, whereby a greater charge is made per unit for a lesser than a greater quantity for gas, electricity $((\Theta r))_{,}$ water, or thermal energy, or any service rendered or to be rendered.

Sec. 13. RCW 80.28.075 and 1988 c 166 s 2 are each amended to read as follows:

Upon request by a natural gas company $((\frac{\text{or}}))_{.}$ an electrical company, or a thermal energy company, the commission may approve a tariff that includes banded rates for any nonresidential natural gas $((\frac{\text{or}}))_{.}$ electric, or thermal energy service that is subject to effective competition from energy suppliers not regulated by the utilities and transportation commission. "Banded rate" means a rate that has a minimum and maximum rate. Rates may be changed within the rate band upon such notice as the commission may order.

Sec. 14. RCW 80.28.080 and 2011 c 214 s 17 are each amended to read as follows:

(1)(a) Except as provided otherwise in this subsection, no gas company, electrical company, wastewater company, ((or)) water company, or thermal energy company may charge, demand, collect or receive a greater or less or different compensation for any service rendered or to be rendered than the rates and charges applicable to such service as specified in its schedule filed and in effect at the time, nor may any such company directly or indirectly refund or remit in any manner or by any device any portion of the rates or charges so specified, or furnish its product at free or reduced rates except to its employees and their families, and its officers, attorneys, and agents; to hospitals, charitable and eleemosynary work; to indigent and destitute persons; to national homes or state homes for disabled volunteer soldiers and soldiers' and sailors' homes.

For the purposes of this subsection (1):

(i) "Employees" includes furloughed, pensioned and superannuated employees, persons who have become disabled or infirm in the service of any such company; and

(ii) "Families" includes the families of those persons named in this proviso, the families of persons killed or dying in the service, also the families of persons killed, and the surviving spouse prior to remarriage, and the minor children during minority of persons who died while in the service of any of the companies named in this subsection (1).

(b) Water companies may furnish free or at reduced rates water for the use of the state, or for any project in which the state is interested.

(c) Gas companies, electrical companies, wastewater companies, ((and)) water companies, and thermal energy companies may charge the defendant for treble damages awarded in lawsuits successfully litigated under RCW 80.28.240.

(2) No gas company, electrical company, wastewater company, ((or)) water company<u>, or thermal energy company</u> may extend to any person or corporation any form of contract or agreement or any rule or regulation or any privilege or facility except such as are regularly and uniformly extended to all persons and corporations under like circumstances.

Sec. 15. RCW 80.28.090 and 2011 c 214 s 18 are each amended to read as follows:

No gas company, electrical company, wastewater company, $((\Theta r))$ water company<u>, or thermal energy company</u> may make or grant any undue or unreasonable preference or advantage to any person, corporation, or locality, or to any particular description of service in any respect whatsoever, or subject any particular person, corporation or locality or any particular description of service to any undue or unreasonable prejudice or disadvantage in any respect whatsoever.

Sec. 16. RCW 80.28.100 and 2011 c 214 s 19 are each amended to read as follows:

No gas company, electrical company, wastewater company, $((\Theta r))$ water company, or thermal energy company may, directly or indirectly, or by any special rate, rebate, drawback or other device or method, charge, demand, collect

or receive from any person or corporation a greater or less compensation for gas, electricity, wastewater company services, ((or)) water, or thermal energy, or for any service rendered or to be rendered, or in connection therewith, except as authorized in this chapter, than it charges, demands, collects or receives from any other person or corporation for doing a like or contemporaneous service with respect thereto under the same or substantially similar circumstances or conditions. If the commission finds any instance of a thermal energy resource provider injecting thermal energy into a thermal energy system that exceeds system needs and creates system imbalance, the commission may issue rules to address such an issue to ensure ratepayers are not charged for energy that does not provide a benefit.

Sec. 17. RCW 80.28.120 and 2011 c 214 s 21 are each amended to read as follows:

Every gas, water, wastewater, ((or)) electrical, or thermal energy company owning, operating or managing a plant or system for the distribution and sale of gas, water $((\mathbf{or}))$, electricity, or thermal energy, or the provision of wastewater company services to the public for hire is, and is held to be, a public service company as to such plant or system and as to all gas, water, wastewater company services, ((or)) electricity, or thermal energy distributed or furnished therefrom, whether such gas, water, wastewater company services, ((or)) electricity, or thermal energy be sold wholesale or retail or be distributed wholly to the general public or in part as surplus gas, water, wastewater company services, $((\Theta))$ electricity, or thermal energy to manufacturing or industrial concerns or to other public service companies or municipalities for redistribution. Nothing in this title may be construed to prevent any gas company, electrical company $((\Theta r))_{a}$ water company, or thermal energy company from continuing to furnish its product or the use of its lines, equipment or service under any contract or contracts in force on June 7, 1911, at the rates fixed in such contract or contracts. However, the commission has power, in its discretion, to direct by order that such contract or contracts be terminated by the company party thereto and thereupon such contract or contracts must be terminated by such company as and when directed by such order.

Sec. 18. RCW 80.28.130 and 2024 c 351 s 15 are each amended to read as follows:

Whenever the commission finds, after hearing had upon its own motion or upon complaint, that repairs or improvements, to, or changes in, any gas plant, electrical plant, system of sewerage, ((\mathbf{or})) water system, or thermal energy system ought to be made, or that any additions or extensions should reasonably be made thereto, in order to promote the security or convenience of the public or employees, or in order to secure adequate service or facilities for manufacturing, distributing or supplying gas, electricity, wastewater company services, ((\mathbf{or})) water, or thermal energy, the commission may enter an order directing that such reasonable repairs, improvements, changes, additions or extensions of such gas plant, electrical plant, system of sewerage, ((\mathbf{or})) water system, or thermal energy system be made. The commission may require a large combination utility as defined in RCW 80.86.010 to incorporate any existing pipeline safety and replacement plans under this section into an integrated system plan established under RCW 80.86.020. <u>NEW SECTION.</u> Sec. 19. A new section is added to chapter 80.28 RCW to read as follows:

The commission may appoint inspectors of thermal energy meters who shall, when required by the commission, inspect, examine, prove, and ascertain the accuracy of any and all thermal energy meters used or intended to be used for measuring and ascertaining the quantity of thermal energy, and inspect, examine, and ascertain the accuracy of all apparatus for testing and proving the accuracy of thermal energy meters, and when found to be or made to be correct, stamp or mark all such meters and apparatus with some suitable device to be prescribed by the commission. No thermal energy company may furnish, set, or put in use any thermal energy meters which have not been approved by the commission.

Sec. 20. RCW 80.28.160 and 1961 c 14 s 80.28.160 are each amended to read as follows:

Every gas company, electrical company $((and))_{a}$ water company, and thermal energy company shall prepare and maintain such suitable premises, apparatus and facilities as may be required and approved by the commission for testing and proving the accuracy of gas, electric $((or))_{a}$ water, or thermal energy meters furnished for use by it by which apparatus every meter may be tested.

Sec. 21. RCW 80.28.170 and 1961 c 14 s 80.28.170 are each amended to read as follows:

If any consumer to whom a meter has been furnished shall request the commission in writing to inspect such meter, the commission shall have the same inspected and tested, and if the same, on being so tested, shall be found to be more than four percent if an electric meter, $((\sigma r))$ more than two percent if a gas meter, $((\sigma r))$ more than two percent if a water meter, σr more than two percent if a thermal energy meter, defective or incorrect to the prejudice of the consumer, the expense of such inspection and test shall be borne by the gas company, electrical company $((\sigma r))$, water company, σr thermal energy company, and if the same, on being so tested shall be found to be correct within the limits of error prescribed by the provisions of this section, the expense of such inspection and test shall be borne by the consumer.

Sec. 22. RCW 80.28.240 and 2011 c 214 s 24 are each amended to read as follows:

(1) A utility may bring a civil action for damages against any person who commits, authorizes, solicits, aids, abets, or attempts to:

(a) Divert, or cause to be diverted, utility services by any means whatsoever;

(b) Make, or cause to be made, any connection or reconnection with property owned or used by the utility to provide utility service without the authorization or consent of the utility;

(c) Prevent any utility meter or other device used in determining the charge for utility services from accurately performing its measuring function by tampering or by any other means;

(d) Tamper with any property owned or used by the utility to provide utility services; or

(e) Use or receive the direct benefit of all or a portion of the utility service with knowledge of, or reason to believe that, the diversion, tampering, or unauthorized connection existed at the time of the use or that the use or receipt was without the authorization or consent of the utility. (2) In any civil action brought under this section, the utility may recover from the defendant as damages three times the amount of actual damages, if any, plus the cost of the suit and reasonable attorney's fees, plus the costs incurred on account of the bypassing, tampering, or unauthorized reconnection, including but not limited to costs and expenses for investigation, disconnection, reconnection, service calls, and expert witnesses.

(3) Any damages recovered under this section in excess of the actual damages sustained by the utility may be taken into account by the utilities and transportation commission or other applicable rate-making agency in establishing utility rates.

(4) As used in this section:

(a) "Customer" means the person in whose name a utility service is provided;

(b) "Divert" means to change the intended course or path of electricity, gas, $((\frac{\sigma r}{r}))$ water, or thermal energy without the authorization or consent of the utility;

(c) "Person" means any individual, partnership, firm, association, or corporation or government agency;

(d) "Reconnection" means the commencement of utility service to a customer or other person after service has been lawfully disconnected by the utility;

(e) "Tamper" means to rearrange, injure, alter, interfere with, or otherwise prevent from performing the normal or customary function;

(f) "Utility" means any electrical company, gas company, wastewater company, ((Θ)) water company, or thermal energy company, as those terms are defined in RCW 80.04.010, and includes any electrical, gas, system of sewerage, ((Θ)) water system, or thermal energy system operated by any public agency; and

(g) "Utility service" means the provision of electricity, gas, water, wastewater company services, <u>thermal energy</u>, or any other service or commodity furnished by the utility for compensation.

Sec. 23. RCW 80.28.430 and 2021 c 188 s 4 are each amended to read as follows:

(1) A gas company ((or)), electrical company<u>, or thermal energy company</u> shall, upon request, enter into one or more written agreements with organizations that represent broad customer interests in regulatory proceedings conducted by the commission, subject to commission approval in accordance with subsection (2) of this section, including but not limited to organizations representing lowincome, commercial, and industrial customers, vulnerable populations, or highly impacted communities. The agreement must govern the manner in which financial assistance may be provided to the organization. More than one gas company, electrical company, <u>thermal energy company</u>, or organization representing customer interests may join in a single agreement. Any agreement entered into under this section must be approved, approved with modifications, or rejected by the commission. The commission must consider whether the agreement is consistent with a reasonable allocation of financial assistance provided to organizations pursuant to this section among classes of customers of the gas or electrical company.

(2) Before administering an agreement entered into under subsection (1) of this section, the commission shall, by rule or order, determine:

(a) The amount of financial assistance, if any, that may be provided to any organization;

(b) The manner in which the financial assistance is distributed;

(c) The manner in which the financial assistance is recovered in the rates of the gas company $((\overline{or}))_{,}$ electrical company<u>, or thermal energy company</u> under subsection (3) of this section; and

(d) Other matters necessary to administer the agreement.

(3) The commission shall allow a gas company $((\overline{or}))$, electrical company, <u>or thermal energy company</u> that provides financial assistance under this section to recover the amounts provided in rates. The commission shall allow a gas company $((\overline{or}))$, electrical company, <u>or thermal energy company</u> to defer inclusion of those amounts in rates if the gas company $((\overline{or}))$, electrical company so elects. An agreement under this section may not provide for payment of any amounts to the commission.

(4) Organizations representing vulnerable populations or highly impacted communities must be prioritized for funding under this section.

<u>NEW SECTION.</u> Sec. 24. A new section is added to chapter 80.28 RCW to read as follows:

(1) Upon its own motion, or upon request by an electrical company or a thermal energy company, or other party to a general rate case hearing, or other proceeding to set rates, the commission may authorize an electrical company to provide discounted rates to a company operating a thermal energy network in the electrical company's service area.

(2) The commission may authorize an electrical company to provide such discounted rates if the thermal energy network operates in a way that allows the electrical company to deliver electricity more efficiently than an electrical company's standard electric service, including if the thermal energy network shifts load off of peak demand.

(3) If the commission approves discounted rates as described in this section, the commission must consider the benefits of reduced input costs to operate thermal energy networks in future proceedings to set rates for thermal energy networks.

<u>NEW SECTION.</u> Sec. 25. A new section is added to chapter 80.04 RCW to read as follows:

The commission must follow the national and international development of interoperability standards for thermal energy networks and report to the appropriate committees of the legislature by December 1, 2027, on the maturity and readiness for adoption of these standards.

<u>NEW SECTION.</u> Sec. 26. If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2025, in the omnibus appropriations act, this act is null and void.

Passed by the House April 22, 2025. Passed by the Senate April 15, 2025. Approved by the Governor May 13, 2025. Filed in Office of Secretary of State May 14, 2025.

WASHINGTON LAWS, 2025

CHAPTER 264

[Substitute House Bill 1543]

STATE ENERGY PERFORMANCE STANDARD—COMPLIANCE PATHWAYS

AN ACT Relating to increasing compliance pathways for the clean buildings performance standard with alternative metrics and extensions for reporting; amending RCW 19.27A.170, 19.27A.210, 19.27A.220, and 19.27A.250; and reenacting and amending RCW 19.27A.140 and 19.27A.200.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 19.27A.140 and 2019 c 285 s 9 are each reenacted and amended to read as follows:

The definitions in this section apply to RCW 19.27A.130 through 19.27A.190 and 19.27A.020 unless the context clearly requires otherwise.

(1) "Benchmark" means the energy used by a facility as recorded monthly for at least one year and the facility characteristics information inputs required for a portfolio manager.

(2) "Building owner" has the same meaning as defined in RCW 19.27A.200.

(3) "Conditioned space" means conditioned space, as defined in the Washington state energy code.

(4) "Consumer-owned utility" includes a municipal electric utility formed under Title 35 RCW, a public utility district formed under Title 54 RCW, an irrigation district formed under chapter 87.03 RCW, a cooperative formed under chapter 23.86 RCW, a mutual corporation or association formed under chapter 24.06 RCW, a port district formed under Title 53 RCW, or a water-sewer district formed under Title 57 RCW, that is engaged in the business of distributing electricity to one or more retail electric customers in the state.

(5) "Cost-effectiveness" means that a project or resource is forecast:

(a) To be reliable and available within the time it is needed; and

(b) To meet or reduce the power demand of the intended consumers at an estimated incremental system cost no greater than that of the least-cost similarly reliable and available alternative project or resource, or any combination thereof. (6) "Council" means the state building code council.

(7) "Covered ((commercial)) building" has the same meaning as defined in RCW 19.27A.200.

(8) "Embodied energy" means the total amount of fossil fuel energy consumed to extract raw materials and to manufacture, assemble, transport, and install the materials in a building and the life-cycle cost benefits including the recyclability and energy efficiencies with respect to building materials, taking into account the total sum of current values for the costs of investment, capital, installation, operating, maintenance, and replacement as estimated for the lifetime of the product or project.

(9) "Energy consumption data" means the monthly amount of energy consumed by a customer as recorded by the applicable energy meter for the most recent twelve-month period.

(10) "Energy service company" has the same meaning as in RCW 43.19.670.

(11) "Enterprise services" means the department of enterprise services.

(12) "Greenhouse gas" and "greenhouse gases" includes carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride.

(13) "Investment grade energy audit" means an intensive engineering analysis of energy efficiency and management measures for the facility, net energy savings, and a cost-effectiveness determination.

(14) "Investor-owned utility" means a corporation owned by investors that meets the definition of "corporation" as defined in RCW 80.04.010 and is engaged in distributing either electricity or natural gas, or both, to more than one retail electric customer in the state.

(15) "Major facility" means any publicly owned or leased building, or a group of such buildings at a single site, having ten thousand square feet or more of conditioned floor space.

(16) "National energy performance rating" means the score provided by the energy star program, to indicate the energy efficiency performance of the building compared to similar buildings in that climate as defined in the United States environmental protection agency "ENERGY STAR® Performance Ratings Technical Methodology."

(17) "Net zero energy use" means a building with net energy consumption of zero over a typical year.

(18) "Portfolio manager" means the United States environmental protection agency's energy star portfolio manager or an equivalent tool adopted by the department of enterprise services.

(19) "Preliminary energy audit" means a quick evaluation by an energy service company of the energy savings potential of a building.

(20) "Qualifying public agency" includes all state agencies, colleges, and universities.

(21) "Qualifying utility" means a consumer-owned or investor-owned gas or electric utility that serves more than twenty-five thousand customers in the state of Washington.

(22) "Reporting public facility" means any of the following:

(a) A building or structure, or a group of buildings or structures at a single site, owned by a qualifying public agency, that exceed ten thousand square feet of conditioned space;

(b) Buildings, structures, or spaces leased by a qualifying public agency that exceeds ten thousand square feet of conditioned space, where the qualifying public agency purchases energy directly from the investor-owned or consumerowned utility;

(c) A wastewater treatment facility owned by a qualifying public agency; or

(d) Other facilities selected by the qualifying public agency.

(23) "State portfolio manager master account" means a portfolio manager account established to provide a single shared portfolio that includes reports for all the reporting public facilities.

Sec. 2. RCW 19.27A.170 and 2019 c 285 s 10 are each amended to read as follows:

(1) On and after January 1, 2010, qualifying utilities shall maintain records of the energy consumption data of all nonresidential and qualifying public agency buildings to which they provide service. This data must be maintained for at least the most recent twelve months in a format compatible for uploading to the United States environmental protection agency's energy star portfolio manager. (2) On and after January 1, 2010, upon the written authorization or secure electronic authorization of a nonresidential building owner or operator, a qualifying utility shall upload the energy consumption data for the accounts specified by the owner or operator for a building to the United States environmental protection agency's energy star portfolio manager in a form that does not disclose personally identifying information.

(3) In carrying out the requirements of this section, a qualifying utility shall use any method for providing the specified data in order to maximize efficiency and minimize overall program cost. Qualifying utilities are encouraged to consult with the United States environmental protection agency and their customers in developing reasonable reporting options.

(4) Disclosure of nonpublic nonresidential benchmarking data and ratings required under subsection (5) of this section will be phased in as follows:

(a) By January 1, 2011, for buildings greater than fifty thousand square feet; and

(b) By January 1, 2012, for buildings greater than ten thousand square feet.

(5) Based on the size guidelines in subsection (4) of this section, a building owner or operator, or their agent, of a nonresidential building shall disclose the United States environmental protection agency's energy star portfolio manager benchmarking data and ratings to a prospective buyer, lessee, or lender for the most recent continuously occupied twelve-month period. A building owner or operator, or their agent, who delivers United States environmental protection agency's energy star portfolio manager benchmarking data and ratings to a prospective buyer, lessee, or lender is not required to provide additional information regarding energy consumption, and the information is deemed to be adequate to inform the prospective buyer, lessee, or lender regarding the United States environmental protection agency's energy star portfolio manager benchmarking data and ratings for the most recent twelve-month period for the building that is being sold, leased, financed, or refinanced.

(6) Notwithstanding subsections (4) and (5) of this section, nothing in this section increases or decreases the duties, if any, of a building owner, operator, or their agent under this chapter or alters the duty of a seller, agent, or broker to disclose the existence of a material fact affecting the real property.

(7) An electric or gas utility that is not a qualifying utility must either offer the upload service specified in subsection (2) of this section or provide customers who are building owners of covered ((eommercial)) buildings with consumption data in an electronic document formatted for direct upload to the United States environmental protection agency's energy star portfolio manager. Within sixty days of receiving a written or electronic request and authorization of a building owner, the utility must provide the building owner with monthly energy consumption data as required to benchmark the specified building.

(8) For any covered ((commercial)) building with ((three or more)) tenants, an electric or gas utility must, upon request of the building owner, provide the building owner with aggregated monthly energy consumption data without requiring prior consent from tenants.

(9) Each electric or gas utility must ensure that all data provided in compliance with this section does not contain personally identifiable information or customer-specific billing information about tenants of a covered ((commercial)) building.

Sec. 3. RCW 19.27A.200 and 2022 c 177 s 2 are each reenacted and amended to read as follows:

The definitions in this section apply throughout RCW 19.27A.210, 19.27A.220, 19.27A.230, 19.27A.240, and 19.27A.250((, and 19.27A.220)) unless the context clearly requires otherwise.

(1) "Agricultural structure" means a structure designed and constructed to house farm implements, hay, grain, poultry, livestock, or other horticultural products, and that is not a place used by the public or a place of human habitation or employment where agricultural products are processed, treated, or packaged.

(2) "Baseline energy use intensity" means a building's energy use intensity that is representative of energy use in a normal weather year.

(3)(a) "Building owner" means an individual or entity possessing title to a building.

(b) In the event of a land lease, "building owner" means the entity possessing title to the building on leased land.

(4) "Building tenant" means a person or entity occupying or holding possession of a building or premises pursuant to a rental agreement.

(5) "Conditional compliance" means a temporary compliance method used by covered building owners that demonstrate the owner has implemented energy use reduction strategies required by the standard, but has not demonstrated full compliance with the energy use intensity target <u>or alternative metric</u>.

(6) "Consumer-owned utility" has the same meaning as defined in RCW 19.27A.140.

(7) "Covered building" includes a tier 1 covered building and a tier 2 covered building.

(8) "Department" means the department of commerce.

(9) "Director" means the director of the department of commerce or the director's designee.

(10) "Electric utility" means a consumer-owned electric utility or an investor-owned electric utility.

(11) "Eligible building owner" means: (a) The owner of a covered building required to comply with the standard established in RCW 19.27A.210; or (b) all eligible tier 2 covered building owners.

(12) "Energy" includes: Electricity, including electricity delivered through the electric grid and electricity generated at the building premises using solar or wind energy resources; natural gas, including natural gas derived from renewable sources, synthetic sources, and fossil fuel sources; district steam; district hot water; district chilled water; propane; fuel oil; wood; coal; or other fuels used to meet the energy loads of a building.

(13) "Energy use intensity" means a measurement that normalizes a building's site energy use relative to its size. A building's energy use intensity is calculated by dividing the total net energy consumed in one year by the gross floor area of the building, excluding the parking garage. "Energy use intensity" is reported as a value of thousand British thermal units per square foot per year.

(14) "Energy use intensity target" means the target for net energy use intensity of a covered building.

(15) "Gas company" includes every corporation, company, association, joint stock association, partnership, and person, their lessees, trustees, or receiver

appointed by any court whatsoever, and every city or town owning, controlling, operating, or managing any gas plant within this state.

(16) "Greenhouse gas" includes carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride.

(17)(a) "Gross floor area" means the total number of square feet measured between the exterior surfaces of the enclosing fixed walls of a building, including all supporting functions such as offices, lobbies, restrooms, equipment storage areas, mechanical rooms, break rooms, and elevator shafts.

(b) "Gross floor area" does not include outside bays or docks.

(18) "Investor-owned utility" means a corporation owned by investors that meets the definition of "corporation" as defined in RCW 80.04.010 and is engaged in distributing either electricity or natural gas, or both, to more than one retail electric customer in the state.

(19) "Multifamily residential building" means a covered multifamily building containing sleeping units or more than five dwelling units where occupants are primarily permanent in nature.

(20) "Net energy use" means the sum of metered and bulk fuel energy entering the building, minus the sum of metered energy leaving the building or campus. Renewable energy produced on a campus that is not attached to a covered building may be included.

(21) "Qualifying utility" means a consumer-owned or investor-owned gas or electric utility that serves more than 25,000 customers in the state of Washington.

(22) "Savings-to-investment ratio" means the ratio of the total present value savings to the total present value costs of a bundle of an energy or water conservation measure estimated over the projected useful life of each measure. The numerator of the ratio is the present value of net savings in energy or water and nonfuel or nonwater operation and maintenance costs attributable to the proposed energy or water conservation measure. The denominator of the ratio is the present value of net ratio is the present value of the ratio savings in energy or water conservation measure. The denominator of the ratio is the present value of the net increase in investment and replacement costs less salvage value attributable to the proposed energy or water conservation measure.

(23) "Standard" means the state energy performance standard for covered buildings established under RCW 19.27A.210.

(24) "Thermal energy company" has the same meaning as defined in RCW 80.04.550.

(25) "Tier 1 covered building" means a building where the sum of nonresidential, hotel, motel, and dormitory floor areas exceed 50,000 gross square feet, excluding the parking garage area.

(26) "Tier 2 covered building" means a building where the sum of multifamily residential, nonresidential, hotel, motel, and dormitory floor areas exceeds 20,000 gross square feet, but does not exceed 50,000 gross square feet, excluding the parking garage area. Tier 2 covered buildings also include multifamily residential buildings where floor areas are equal to or exceed 50,000 gross square feet, excluding the parking garage area.

(27) "Weather normalized" means a method for modifying the measured building energy use in a specific weather year to energy use under normal weather conditions.

Sec. 4. RCW 19.27A.210 and 2023 c 291 s 3 are each amended to read as follows:

(1)(a) By November 1, 2020, the department must establish by rule a state energy performance standard for covered ((eommercial)) buildings.

(b) In developing energy performance standards, the department shall seek to maximize reductions of greenhouse gas emissions from the building sector. The standard must include energy use intensity targets by building type and methods of conditional compliance that include an energy management plan, operations and maintenance program, energy efficiency audits, and investment in energy efficiency measures designed to meet the targets. The department shall use ANSI/ASHRAE/IES standard 100-2018 as an initial model for standard development. The department may adopt by rule subsequent versions of standard 100 as its model for standard development. The department must update the standard by July 1, 2029, and every five years thereafter. Prior to the adoption or update of the standard, the department must identify the sources of information it relied upon, including peer-reviewed science.

(2) In establishing the standard under subsection (1) of this section, the department:

(a) Must develop energy use intensity targets that are no greater than the average energy use intensity for the covered ((commercial)) building occupancy type with adjustments for unique energy using features. The department must also develop energy use intensity targets for additional property types eligible for incentives in RCW 19.27A.220. The department may also develop targets for alternative metrics related to energy use and greenhouse gas emissions if alternative metrics are included in standard 100-2018 or subsequent versions. The department must consider regional and local building energy utilization data, such as existing energy star benchmarking data, in establishing targets for the standard. Energy use intensity targets or alternative metrics must be developed for two or more climate zones and be representative of energy use in a normal weather year;

(b) May consider building occupancy classifications from ANSI/ASHRAE/IES standard 100((-2018)) and the United States environmental protection agency's energy star portfolio manager when developing energy use intensity targets;

(c) May implement lower energy use intensity targets <u>or alternative metrics</u> for more recently built covered ((eommercial)) buildings based on the state energy code in place when the buildings were constructed;

(d)(i) Must adopt a conditional compliance method that ensures that covered ((commercial)) buildings that do not meet the specified energy use intensity targets <u>or alternative metrics</u> are taking action to achieve reduction in energy use, including investment criteria for conditional compliance that ensure that energy efficiency measures identified by energy audits are implemented to achieve a covered ((commercial)) building's energy use intensity target <u>or alternative metric</u>. The investment criteria must require that a building owner adopt an implementation plan to meet the energy intensity target <u>or alternative metric</u> or implement an optimized bundle of energy efficiency measures that provides maximum energy savings without resulting in a savings-to-investment ratio of less than 1.0, except as exempted in (d)(ii) of this subsection. The implementation plan must be based on an investment grade energy audit and a

life-cycle cost analysis that accounts for the period during which a bundle of measures will provide savings. The building owner's cost for implementing energy efficiency measures must reflect net cost, excluding any costs covered by utility or government grants. The implementation plan may exclude measures that do not pay for themselves over the useful life of the measure and measures excluded under (d)(ii) of this subsection. The implementation plan may include phased implementation such that the building owner is not required to replace a system or equipment before the end of the system or equipment's useful life;

(ii) For those buildings or structures that are listed in the state or national register of historic places; designated as a historic property under local or state designation law or survey; certified as a contributing resource with a national register listed or locally designated historic district; or with an opinion or certification that the property is eligible to be listed on the national or state registers of historic places either individually or as a contributing building to a historic district by the state historic preservation officer or the keeper of the national register of historic places, no individual energy efficiency requirement need be met that would compromise the historical integrity of a building or part of a building;

(e) Must provide an alternative compliance pathway for an owner of a state campus district energy system, in accordance with RCW 19.27A.260, and more broadly for the owner of any campus district energy system that is approved by the department to opt-in in accordance with RCW 19.27A.260(6);

(f) Must guarantee that the owner of a state campus district energy system is not required to implement more than one energy management plan and more than one operations and maintenance plan for the campus;

(g) Must guarantee that a state campus district energy system, as defined in RCW 19.27A.260, and all buildings connected to a state campus district energy system, are in compliance with any requirements for campus buildings to implement energy efficiency measures identified by an energy audit if:

(i) The energy audit demonstrates the energy savings from the state campus district energy system energy efficiency measures will be greater than the energy efficiency measures identified for the campus buildings; and

(ii) The state campus district energy system implements the energy efficiency measures: and

(h) May adopt additional compliance pathways for covered building owners to comply with the standard by meeting alternative metrics.

(3) Based on records obtained from each county assessor and other available information sources, the department must create a database of covered ((commercial)) buildings and building owners required to comply with the standard established in accordance with this section.

(4) By July 1, 2021, the department must provide the owners of covered buildings with notification of compliance requirements.

(5) The department must develop a method for administering compliance reports from building owners.

(6) The department must provide a customer support program to building owners including, but not limited to, outreach and informational material, periodic training, phone and email support, and other technical assistance.

(7)(a) The building owner of a covered ((commercial)) building must report the building owner's compliance with the standard to the department in

(((a))) (i) The weather normalized energy use intensity of the covered ((commercial)) building measured in the previous calendar year is less than or equal to the energy use intensity target or equal to the alternative metric; ((or

(b))) (ii) The covered ((commercial)) building has received conditional compliance from the department based on energy efficiency actions prescribed by the standard; or

(((e))) (iii) The covered ((commercial)) building is exempt from the standard by demonstrating that the building meets one, or combination of multiple partial exemptions affecting more than 50 percent of building square footage as established by the department by rule, of the following criteria:

(((i))) (A) The building did not have a certificate of occupancy or temporary certificate of occupancy for all 12 months of the calendar year prior to the building owner compliance schedule established under subsection (8) of this section;

(((ii))) (B) The building did not have an average physical occupancy of at least 50 percent throughout the calendar year prior to the building owner compliance schedule established under subsection (8) of this section;

(((iii))) (C) The sum of the building's gross floor area minus unconditioned and semiconditioned spaces, as defined in the Washington state energy code, is less than 50,000 square feet;

(((iv))) (D) The primary use of the building is manufacturing or other industrial purposes, as defined under the following use designations of the international building code: (((A))) (I) Factory group F; or (((B))) (II) high hazard group H, including spaces with nonexempt occupancy classifications that are within the manufacturing or industrial building, not to include tenant spaces that are not associated with the primary manufacturing or industrial use of the building;

(((v))) (E) The building is an agricultural structure; ((or

(vi))) (F) The building meets at least one of the following conditions of financial hardship: (((A))) (I) The building had arrears of property taxes or water or wastewater charges that resulted in the building's inclusion, within the prior two years, on a city's or county's annual tax lien sale list; (((B))) (II) the building has a court appointed receiver in control of the asset due to financial distress; (((-))) (III) the building is owned by a financial institution through default by a borrower; (((-))) (IV) the building has been acquired by a deed in lieu of foreclosure within the previous 24 months; (((E))) (V) the building has a senior mortgage subject to a notice of default; (VI) the building is a K-12 school building in a school district or a private school that has financial hardships related to capital construction or improvements including, but not limited to, a failed bond and/or levy, limited school district debt capacity, and/or the building is actively correcting a violation of state board of health rules; (VII) the building is a public hospital in a public hospital district that lacks the debt capacity to cover the cost of compliance; or (((F))) (VIII) other conditions of financial hardship identified by the department by rule; or

(G) Extenuating conditions exist, as approved by the department prior to the reporting date including, but not limited to:

(I) Buildings for which meeting the standard would impair the historic integrity of the building including, but not limited to, properties listed in the national register of historic places, the Washington heritage register, or local registers of historic places;

(II) Buildings for which meeting the standard would impair national security interests;

(III) Buildings that have had significant losses in assessed value since the COVID-19 pandemic which prevents building owners from securing capital in the form of loans against equity in the covered building; or

(IV) Other extenuating circumstances identified by the department by rule that may still require benchmarking, operations and maintenance programs, and energy management plan reporting.

(b) The covered building owner may apply to the department for an extension to its compliance date. Requests for extension must be received by the department no sooner than six months prior to and up to six months after the applicable compliance date in order to be processed by the department. The department may approve extension requests for conditions including, but not limited to, conditions beyond the control of the building owner. An extension granted pursuant to this subsection is valid for two years beyond the covered building's compliance date after which the covered building owner may apply to the department for an extension renewal or file for an exemption.

(8) A building owner of a <u>tier 1</u> covered ((commercial)) building must meet the following reporting schedule for complying with the standard established under this section:

(a) For a building with more than 220,000 gross square feet, June 1, 2026;

(b) For a building with more than 90,000 gross square feet but less than 220,001 gross square feet, June 1, 2027; and

(c) For a building with more than 50,000 gross square feet but less than 90,001 square feet, June 1, 2028.

(9)(a) The department may issue a notice of violation to a building owner for noncompliance with the requirements of this section. A determination of noncompliance may be made for any of the following reasons:

(i) Failure to submit a compliance report in the form and manner prescribed by the department;

(ii) Failure to meet an energy use intensity target <u>or alternative metric</u>, or failure to receive conditional compliance approval;

(iii) Failure to provide accurate reporting consistent with the requirements of the standard established under this section; and

(iv) Failure to provide a valid exemption certificate.

(b) In order to create consistency with the implementation of the standard and rules adopted under this section, the department must reply and cite the section of law, code, or standard in a notice of violation for noncompliance with the requirements of this section when requested to do so by the building owner or the building owner's agent. (10) The department is authorized to impose an administrative penalty upon a building owner for failing to submit documentation demonstrating compliance with the requirements of this section. The penalty may not exceed an amount equal to \$5,000 plus an amount based on the duration of any continuing violation. The additional amount for a continuing violation may not exceed a daily amount equal to \$1 per year per gross square foot of floor area. The department may by rule increase the maximum penalty rates to adjust for the effects of inflation. <u>Penalties incurred from noncompliance may not be passed</u> <u>along to tenants, so long as tenants are providing access to utility usage data,</u> <u>physical spaces in the buildings, and being responsive to needs from building</u> <u>owners to facilitate compliance with the standard.</u>

(11) Administrative penalties collected under this section must be deposited into the low-income weatherization and structural rehabilitation assistance account created in RCW 70A.35.030.

(12) The department must adopt rules as necessary to implement this section, including but not limited to:

(a) Rules necessary to ensure timely, accurate, and complete reporting of building energy performance for all covered ((commercial)) buildings;

(b) Rules necessary to enforce the standard established under this section; and

(c) Rules that provide a mechanism for appeal of any administrative penalty imposed by the department under this section.

(13) Upon request by the department, each county assessor must provide property data from existing records to the department as necessary to implement this section.

(14) By January 15, 2022, and each year thereafter through 2029, the department must submit a report to the governor and the appropriate committees of the legislature on the implementation of the state energy performance standard established under this section. The report must include information regarding the adoption of the ANSI/ASHRAE/IES standard 100-2018 as an initial model, the financial impact to building owners required to comply with the standard, the amount of incentives provided under RCW 19.27A.220 and 19.27A.230, and any other significant information associated with the implementation of this section.

Sec. 5. RCW 19.27A.220 and 2024 c 85 s 1 are each amended to read as follows:

(1) The department must establish a state energy performance standard early adoption incentive program consistent with the requirements of this section. This early adoption incentive program may include incentive payments for early adoption of tier 2 covered building owner requirements as described in subsection (6) of this section.

(2) The department must adopt application and reporting requirements for the incentive program. Building energy reporting for the incentive program must be consistent with the energy reporting requirements established under RCW 19.27A.210.

(3) Upon receiving documentation demonstrating that a building owner qualifies for an incentive under this section, the department must authorize each applicable entity administering incentive payments, as provided in RCW 19.27A.240, to make an incentive payment to the building owner. When a

building is served by more than one entity offering incentives or more than one type of fuel, incentive payments must be proportional to the energy use intensity reduction of each specific fuel provided by each entity for tier 1 buildings. The department may authorize any participating utility, regardless of fuel specific savings, serving a tier 2 building to administer the incentive payment.

(4) A covered building owner may receive an incentive payment in the amounts specified in subsection (8)(a) of this section only if the following requirements are met:

(a) The building is either: (i) A tier 1 covered ((commercial)) building subject to the requirements of the standard established under RCW 19.27A.210; or (ii) a multifamily residential building where the floor area exceeds 50,000 gross square feet, excluding the parking garage area;

(b) The building's baseline energy use intensity exceeds its applicable energy use intensity target by at least 15 energy use intensity units;

(c) At least one electric utility, gas company, or thermal energy company providing or delivering energy to the <u>tier 1</u> covered ((commercial)) building or multifamily residential building is participating in the incentive program by administering incentive payments as provided in RCW 19.27A.240; and

(d) The building owner complies with any other requirements established by the department.

(5) A covered building owner who meets the requirements of subsection (4) of this section may submit an application to the department for an incentive payment in a form and manner prescribed by the department. The application must be submitted in accordance with the following schedule:

(a) For a building with more than 220,000 gross square feet, beginning July 1, 2021, through June 1, 2025;

(b) For a building with more than 90,000 gross square feet but less than 220,001 gross square feet, beginning July 1, 2021, through June 1, 2026; and

(c) For a building with more than 50,000 gross square feet but less than 90,001 gross square feet, beginning July 1, 2021, through June 1, 2027.

(6)(a) A tier 2 covered building owner may receive an incentive payment in the amounts specified in subsection (8)(b) of this section only if all required benchmarking, energy management, and operations and maintenance planning documentation as required under RCW 19.27A.250 has been submitted to the department and an incentive application has been completed.

(b) An eligible tier 2 covered building owner may submit an application beginning July 1, 2025, through June 1, 2030.

(7) The department must review each application and determine whether the applicant is eligible for the incentive program and if funds are available for the incentive payment within the limitation established in RCW 19.27A.230. If the department certifies an application, it must provide verification to the building owner and each entity participating as provided in RCW 19.27A.240 and providing service to the building owner.

(8)(a) An eligible owner of a tier 1 covered building or an eligible owner of a multifamily residential building greater than 50,000 gross square feet, excluding the parking area, that demonstrates early compliance with the applicable energy use intensity target under the standard established under RCW 19.27A.210 may receive a base incentive payment of 85 cents per gross square foot of floor area, excluding parking, unconditioned, or semiconditioned spaces. The department may provide incentives greater than the base incentive payment for upgrading tier 1 buildings.

(b) A tier 2 eligible building owner that demonstrates compliance with the applicable benchmarking, energy management, and operations and maintenance planning requirements may receive a base incentive payment of 30 cents per gross square foot of floor area, excluding parking, unconditioned, or semiconditioned spaces. The department may provide incentives greater than the base incentive payment for upgrading tier 2 buildings. The department may implement a tiered incentive structure for upgrading multifamily buildings to provide an enhanced incentive payment to multifamily building owners willing to commit to antidisplacement provisions.

(9) The incentives provided in subsection (8) of this section are subject to the limitations and requirements of this section, including any rules or procedures implementing this section.

(10) The department must establish requirements for the verification of energy consumption by the building owner and each participating electric utility, gas company, and thermal energy company.

(11) The department must provide an administrative process for an eligible building owner to appeal a determination of an incentive eligibility or amount.

(12) By September 30, 2025, and every two years thereafter, the department must report to the appropriate committees of the legislature on the results of the incentive program under this section and may provide recommendations to improve the effectiveness of the program. The 2025 report to the legislature must include recommendations for aligning the incentive program established under this section consistent with a goal of reducing greenhouse gas emissions from substitutes, as defined in RCW 70A.60.010.

(13) The department may adopt rules to implement this section.

Sec. 6. RCW 19.27A.250 and 2022 c 177 s 3 are each amended to read as follows:

(1)(a) By December 1, 2023, the department must adopt by rule a state energy management and benchmarking requirement for tier 2 covered buildings. The department shall include a small business economic impact statement pursuant to chapter 19.85 RCW as part of the rule making.

(b) In establishing the requirements under (a) of this subsection, the department must adopt requirements for building owner implementation consistent with the standard established pursuant to RCW 19.27A.210(1) and limited to energy management planning, operations and maintenance planning, and energy use analysis through benchmarking and associated reporting and administrative procedures. Administrative procedures must include exemptions for financial hardship and an appeals process for administrative determinations, including penalties imposed by the department.

(c) The department must provide a customer support program to building owners including, but not limited to, outreach and informational materials that connect tier 2 covered building owners to utility resources, periodic training, phone and email support, and other technical assistance. The customer support program must include enhanced technical support, such as benchmarking assistance and assistance in developing energy management and operations and maintenance plans, for tier 2 covered buildings whose owners typically do not employ dedicated building managers including, but not limited to, multifamily housing, child care facilities, and houses of worship. The department shall prioritize underresourced buildings with a high energy use per square foot, buildings in rural communities, buildings whose tenants are primarily small businesses, and buildings located in high-risk communities according to the department of health's environmental health disparities map.

(d)(i) The department may adopt rules related to the imposition of an administrative penalty not to exceed 30 cents per square foot upon a tier 2 covered building owner for failing to submit documentation demonstrating compliance with the requirements of this subsection. <u>Penalties incurred from noncompliance may not be passed along to tenants, so long as tenants are providing access to utility usage data, physical spaces in the buildings, and being responsive to needs from building owners to facilitate compliance with the standard.</u>

(ii) Administrative penalties collected under this section must be deposited into the low-income weatherization and structural rehabilitation assistance account created in RCW 70A.35.030 and reinvested into the program, where feasible, to support compliance with the standard.

(2) By July 1, 2025, the department must provide the owners of tier 2 covered buildings with notification of the requirements the department has adopted pursuant to this section that apply to tier 2 covered buildings.

(3) The owner of a tier 2 covered building must report the building owner's compliance with the requirements adopted by the department to the department in accordance with the schedule established under subsection (4) of this section and every five years thereafter. For each reporting date, the building owner must submit documentation to demonstrate that the building owner has developed and implemented the procedures adopted by the department by rule, limited to energy management planning, operations and maintenance planning, and energy use analysis through benchmarking.

(4) By July 1, 2027, tier 2 covered building owners must submit reports to the department as required by the rules adopted in subsection (1) of this section.

(5)(a) By July 1, 2029, the department must evaluate benchmarking data to determine energy use and greenhouse gas emissions averages by tier 2 covered building type.

(b) The department must submit a report to the legislature and the governor by October 1, 2029, with recommendations for cost-effective building performance standards for tier 2 covered buildings. The report must contain information on estimated costs to building owners to implement the performance standards and anticipated implementation challenges.

(c)(i) By December 31, 2030, the department must adopt rules for performance standards for tier 2 covered buildings.

(ii) In adopting these performance standards, the department must consider the age of the building in setting energy use intensity targets <u>or alternative</u> <u>metrics</u>.

(iii) The department may adopt performance standards for multifamily residential buildings on a longer timeline schedule than for other tier 2 covered buildings.

(iv) The rules may not take effect before the end of the 2031 regular legislative session.

(v) The department must include a small business economic impact statement pursuant to chapter 19.85 RCW as part of the rule making.

Passed by the House April 22, 2025. Passed by the Senate April 9, 2025. Approved by the Governor May 13, 2025. Filed in Office of Secretary of State May 14, 2025.

CHAPTER 265

[Engrossed Substitute Senate Bill 5445] DISTRIBUTED ENERGY—VARIOUS PROVISIONS

AN ACT Relating to encouraging the development of distributed energy resources; amending RCW 84.34.020, 84.34.070, and 19.285.040; adding a new section to chapter 43.21F RCW; adding a new section to chapter 43.21C RCW; and creating new sections.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> Sec. 1. The legislature finds that, as Washington works towards meeting its goals under the clean energy transformation act, we see many larger-scale renewable energy projects proposed. These projects can come with significant challenges. This act aims to incentivize the development of local distributed energy resources. This may include expediting installation of smallscale wind energy developments, solar energy developments on landfills, structures, and other developed lands, and the placement of solar panels on agricultural lands that ensure the continued viability of agriculture alongside energy production. The legislature also finds that local economies benefit from distributed energy projects, which can create high quality jobs, provide opportunities for training apprentice workers, and improve grid resilience. The legislature intends to support utilities in investing in local distributed energy resilience by providing greater incentives in the energy independence act for utilities who invest in distributed energy priority projects.

<u>NEW SECTION.</u> Sec. 2. A new section is added to chapter 43.21F RCW to read as follows:

(1) The following categories of clean energy facilities and nonproject activities that reduce environmental impacts are determined to constitute distributed energy priorities:

(a) Solar energy generation and accompanying energy storage and electricity transmission and distribution, including vehicle charging equipment, when such facilities are located:

(i) Within the easement, right-of-way, or existing footprint of electrical transmission facilities or electric utility infrastructure sites;

(ii) Within the easement, right-of-way, or existing footprint of a state highway or city or county road;

(iii) On structures over or enclosing irrigation canals, drainage ditches, and irrigation, agricultural, livestock supply, stormwater, or wastewater reservoirs or similar impoundments of state waters that do not host salmon or steelhead trout runs;

(iv) On elevated structures over parking lots;

(v) On lands within a transportation facility, including but not limited to airports and railroad facilities, or restricted from other developments by transportation facility operations;

(vi) On closed or capped portions of landfills;

(vii) On reclaimed or former surface mine lands or contaminated sites that have been remediated under chapter 70A.305 RCW or the federal comprehensive environmental response, compensation, and liability act (42 U.S.C. Sec. 9601 et seq.) in a manner that includes an asphalt or soil cap;

(viii) As an agrivoltaic facility; and

(ix) On existing structures;

(b) Wind energy generation that is not a utility-scale wind energy facility as defined in RCW 70A.550.010, and accompanying energy storage and transmission and distribution equipment, including vehicle charging equipment;

(c) Energy storage, when such facilities are located:

(i) Within the easement, right-of-way, or existing footprint of electrical transmission facilities or electric utility infrastructure sites;

(ii) Within the easement, right-of-way, or existing footprint of a state highway or city or county road;

(iii) On lands within a transportation facility, including but not limited to airports and railroad facilities, or restricted from other developments by transportation facility operations;

(iv) On closed or capped portions of landfills;

(v) On reclaimed or former surface mine lands;

(vi) On contaminated sites that have been remediated under chapter 70A.305 RCW or the federal comprehensive environmental response, compensation, and liability act (42 U.S.C. Sec. 9601 et seq.) in a manner that includes an asphalt or soil cap; and

(vii) On or in existing structures;

(d) Microgrids. For purposes of this section, "microgrids" are a group of interconnected loads, energy generation, and other distributed energy resources that act as a single controllable entity with respect to the electric grid. A microgrid can operate both autonomously from and synchronous with the central electric grid;

(e) Programs that reduce electric demand, manage the level or timing of electricity consumption, or provide electricity storage, renewable or nonemitting electric energy, capacity, or ancillary services to an electric utility and that are located on the distribution system, any subsystem of the distribution system, or behind the customer meter, including conservation and energy efficiency; and

(f) Programs that reduce energy demand, manage the level or timing of energy consumption, or provide thermal energy storage.

(2)(a) The department must review and, when appropriate, periodically recommend to the legislature additional types of distributed energy priorities for inclusion on the list under subsection (1) of this section.

(b) The identification of distributed energy priorities in subsection (1) of this section applies to the maximum extent practical under state and federal law, but does not include any development sites or activities prohibited under other state or federal laws. (b) Eligible agricultural products and uses include any combination of:

(i) Crop production;

(ii) Grazing;

(iii) Animal husbandry; and

(iv) Apiaries with pollinator habitat that have been designed and installed to enable the agricultural producer the flexibility to change what products are produced, raised, or grown at any point throughout the life of the facility.

(c) An agrivoltaic facility must not permanently or significantly degrade the agricultural or ecological productivity of the land after the cessation of the operation of the facility or involve the sale of a water right associated with the land.

(d) An agrivoltaic facility must be constructed, installed, and operated to achieve integrated and simultaneous production of both solar energy and marketable agricultural products by an agricultural producer:

(i) On land beneath or between rows of solar panels, or both; and

(ii) As soon as agronomically feasible and optimal for the agricultural producer after the commercial solar operation date, and continuing until facility decommissioning.

(e) Solar panel arrays must be designed and installed in a manner that supports the continuation of a viable farm operation for the life of the array, and must consider, as appropriate, the availability of light, water infrastructure for crops or animals, and panel height and spacing relative to farm machinery needs.

<u>NEW SECTION.</u> Sec. 3. A new section is added to chapter 43.21C RCW to read as follows:

The following actions are categorically exempt from the requirements of this chapter, except when undertaken wholly or partly on lands covered by water:

(1)(a) Except as provided in (b) of this subsection, the placement of an array of solar energy generation panels or associated equipment with a footprint of less than 1,000 square feet, or the construction of structures with a footprint of less than 1,000 square feet that support solar energy generation panels or associated equipment, when such arrays or structures are located on previously disturbed or developed lands including, but not limited to, driveways, lawns, patios, and walkways, and are not located on the portions of lands that are eligible for current use valuation under chapter 84.34 RCW as open space land, farm and agricultural land, or timberland;

(b) Multiple arrays or structures with a footprint of less than 1,000 square feet undertaken by the same owner or operator on the same parcel, as defined in RCW 17.10.010, that exceed 1,000 square feet in aggregate are deemed connected actions and are not eligible for the categorical exemption established in this subsection;

(2) The construction of structures that support solar energy generation panels or associated equipment on elevated structures located wholly over parking lots; and

(3) Solar energy generation and accompanying energy storage and electricity transmission and distribution when such facilities do not involve

penetration of an asphalt or soil cap, are served by and accessible to emergency fire response services, as determined by the entity that would be lead agency for purposes of the chapter, and are located wholly on:

(a) Closed or capped portions of landfills; or

(b) Reclaimed or former surface mine lands.

Sec. 4. RCW 84.34.020 and 2014 c 125 s 2 are each amended to read as follows:

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

(1) "Open space land" means (a) any land area so designated by an official comprehensive land use plan adopted by any city or county and zoned accordingly((7)); or (b) any land area, the preservation of which in its present use would (i) conserve and enhance natural or scenic resources, or (ii) protect streams or water supply, or (iii) promote conservation of soils, wetlands, beaches or tidal marshes, or (iv) enhance the value to the public of abutting or neighboring parks, forests, wildlife preserves, nature reservations or sanctuaries or other open space, or (v) enhance recreation opportunities, or (vi) preserve historic sites, or (vii) preserve visual quality along highway, road, and street corridors or scenic vistas, or (viii) retain in its natural state tracts of land not less than one acre situated in an urban area and open to public use on such conditions as may be reasonably required by the legislative body granting the open space classification((-)); or (c) any land meeting the definition of farm and agricultural conservation land under subsection (8) of this section. As a condition of granting open space classification, the legislative body may not require public access on land classified under (b)(iii) of this subsection for the purpose of promoting conservation of wetlands.

(2) "Farm and agricultural land" means:

(a) Any parcel of land that is ((twenty)) 20 or more acres or multiple parcels of land that are contiguous and total ((twenty)) 20 or more acres:

(i) Devoted primarily to the production of livestock or agricultural commodities for commercial purposes;

(ii) Enrolled in the federal conservation reserve program or its successor administered by the United States department of agriculture; or

(iii) Other similar commercial activities as may be established by rule;

(b)(i) Any parcel of land that is five acres or more but less than ((twenty)) <u>20</u> acres devoted primarily to agricultural uses, which has produced a gross income from agricultural uses equivalent to, as of January 1, 1993:

(A) ((One hundred dollars)) $\underline{\$100}$ or more per acre per year for three of the five calendar years preceding the date of application for classification under this chapter for all parcels of land that are classified under this subsection or all parcels of land for which an application for classification under this subsection is made with the granting authority prior to January 1, 1993; and

(B) On or after January 1, 1993, ((two hundred dollars)) $\underline{\$200}$ or more per acre per year for three of the five calendar years preceding the date of application for classification under this chapter;

(ii) For the purposes of (b)(i) of this subsection, "gross income from agricultural uses" includes, but is not limited to, the wholesale value of agricultural products donated to nonprofit food banks or feeding programs;

(c) Any parcel of land of less than five acres devoted primarily to agricultural uses which has produced a gross income as of January 1, 1993, of:

(i) ((One thousand dollars)) \$1,000 or more per year for three of the five calendar years preceding the date of application for classification under this chapter for all parcels of land that are classified under this subsection or all parcels of land for which an application for classification under this subsection is made with the granting authority prior to January 1, 1993; and

(ii) On or after January 1, 1993, ((fifteen hundred dollars)) \$1,500 or more per year for three of the five calendar years preceding the date of application for classification under this chapter. Parcels of land described in (b)(i)(A) and (c)(i) of this subsection will, upon any transfer of the property excluding a transfer to a surviving spouse or surviving state registered domestic partner, be subject to the limits of (b)(i)(B) and (c)(ii) of this subsection;

(d) Any parcel of land that is five acres or more but less than ((twenty)) 20 acres devoted primarily to agricultural uses, which meet one of the following criteria:

(i) Has produced a gross income from agricultural uses equivalent to two hundred dollars or more per acre per year for three of the five calendar years preceding the date of application for classification under this chapter;

(ii) Has standing crops with an expectation of harvest within seven years, except as provided in (d)(iii) of this subsection, and a demonstrable investment in the production of those crops equivalent to one hundred dollars or more per acre in the current or previous calendar year. For the purposes of this subsection (2)(d)(ii), "standing crop" means Christmas trees, vineyards, fruit trees, or other perennial crops that: (A) Are planted using agricultural methods normally used in the commercial production of that particular crop; and (B) typically do not produce harvestable quantities in the initial years after planting; or

(iii) Has a standing crop of short rotation hardwoods with an expectation of harvest within ((fifteen)) <u>15</u> years and a demonstrable investment in the production of those crops equivalent to ((one hundred dollars)) <u>\$100</u> or more per acre in the current or previous calendar year;

(e) Any lands including incidental uses as are compatible with agricultural purposes, including wetlands preservation, provided such incidental use does not exceed ((twenty)) 20 percent of the classified land and the land on which appurtenances necessary to the production, preparation, or sale of the agricultural products exist in conjunction with the lands producing such products. Agricultural lands also include any parcel of land of one to five acres, which is not contiguous, but which otherwise constitutes an integral part of farming operations being conducted on land qualifying under this section as "farm and agricultural lands";

(f) The land on which housing for employees and the principal place of residence of the farm operator or owner of land classified pursuant to (a) of this subsection is sited if: The housing or residence is on or contiguous to the classified parcel; and the use of the housing or the residence is integral to the use of the classified land for agricultural purposes;

(g) Any land that is used primarily for equestrian related activities for which a charge is made, including, but not limited to, stabling, training, riding, clinics, schooling, shows, or grazing for feed and that otherwise meet the requirements of (a), (b), or (c) of this subsection; ((σ r))

(h) Any land primarily used for commercial horticultural purposes, including growing seedlings, trees, shrubs, vines, fruits, vegetables, flowers, herbs, and other plants in containers, whether under a structure or not, subject to the following:

(i) The land is not primarily used for the storage, care, or selling of plants purchased from other growers for retail sale;

(ii) If the land is less than five acres and used primarily to grow plants in containers, such land does not qualify as "farm and agricultural land" if more than ((twenty-five)) 25 percent of the land used primarily to grow plants in containers is open to the general public for on-site retail sales;

(iii) If more than $((\frac{\text{twenty}}{20}))$ percent of the land used for growing plants in containers qualifying under this subsection (2)(h) is covered by pavement, none of the paved area is eligible for classification as "farm and agricultural land" under this subsection (2)(h). The eligibility limitations described in this subsection (2)(h)(iii) do not affect the land's eligibility to qualify under (e) of this subsection; and

(iv) If the land classified under this subsection (2)(h), in addition to any contiguous land classified under this subsection, is less than ((twenty)) $\underline{20}$ acres, it must meet the applicable income or investment requirements in (b), (c), or (d) of this subsection: or

(i) Lands identified in (a) through (h) of this subsection on which an agrivoltaic facility is located.

(3) "Timberland" means any parcel of land that is five or more acres or multiple parcels of land that are contiguous and total five or more acres which is or are devoted primarily to the growth and harvest of timber for commercial purposes. Timberland means the land only and does not include a residential homesite. The term includes land used for incidental uses that are compatible with the growing and harvesting of timber but no more than ((ten)) 10 percent of the land may be used for such incidental uses. It also includes the land on which appurtenances necessary for the production, preparation, or sale of the timber products exist in conjunction with land producing these products.

(4) "Current" or "currently" means as of the date on which property is to be listed and valued by the assessor.

(5) "Owner" means the party or parties having the fee interest in land, except that where land is subject to real estate contract "owner" means the contract vendee.

(6)(a) "Contiguous" means land adjoining and touching other property held by the same ownership. Land divided by a public road, but otherwise an integral part of a farming operation, is considered contiguous.

(b) For purposes of this subsection (6):

(i) "Same ownership" means owned by the same person or persons, except that parcels owned by different persons are deemed held by the same ownership if the parcels are:

(A) Managed as part of a single operation; and

(B) Owned by:

(I) Members of the same family;

(II) Legal entities that are wholly owned by members of the same family; or (III) An individual who owns at least one of the parcels and a legal entity or entities that own the other parcel or parcels if the entity or entities are wholly owned by that individual, members of his or her family, or that individual and members of his or her family.

(ii) "Family" includes only:

(A) An individual and his or her spouse or domestic partner, child, stepchild, adopted child, grandchild, parent, stepparent, grandparent, cousin, or sibling;

(B) The spouse or domestic partner of an individual's child, stepchild, adopted child, grandchild, parent, stepparent, grandparent, cousin, or sibling;

(C) A child, stepchild, adopted child, grandchild, parent, stepparent, grandparent, cousin, or sibling of the individual's spouse or the individual's domestic partner; and

(D) The spouse or domestic partner of any individual described in (b)(ii)(C) of this subsection (6).

(7) "Granting authority" means the appropriate agency or official who acts on an application for classification of land pursuant to this chapter.

(8) "Farm and agricultural conservation land" means either:

(a) Land that was previously classified under subsection (2) of this section, that no longer meets the criteria of subsection (2) of this section, and that is reclassified under subsection (1) of this section; or

(b) Land that is traditional farmland that is not classified under chapter 84.33 or 84.34 RCW, that has not been irrevocably devoted to a use inconsistent with agricultural uses, and that has a high potential for returning to commercial agriculture.

(9) "Agrivoltaic facility" has the same meaning as described in section 2 of this act.

Sec. 5. RCW 84.34.070 and 2017 c 251 s 1 are each amended to read as follows:

(1)(a) When land has once been classified under this chapter, it must remain under such classification and must not be applied to other use except as provided by subsection (2) of this section for at least ten years from the date of classification. It must continue under such classification until and unless withdrawn from classification after notice of request for withdrawal is made by the owner. After the initial ((ten)) 10-year classification period has elapsed, notice of request for withdrawal of all or a portion of the land may be given by the owner to the assessor or assessors of the county or counties in which the land is situated. If a portion of a parcel is removed from classification, the remaining portion must meet the same requirements as did the entire parcel when the land was originally granted classification under this chapter unless the remaining parcel has different income criteria. Within seven days the assessor must transmit one copy of the notice to the legislative body that originally approved the application. The assessor or assessors, as the case may be, must withdraw the land from the classification and the land is subject to the additional tax and applicable interest due under RCW 84.34.108. Agreement to tax according to use is not considered to be a contract and can be abrogated at any time by the legislature in which event no additional tax or penalty may be imposed.

(b) If the assessor gives written notice of removal as provided in RCW 84.34.108(1)(d)(i) of all or a portion of land classified under this chapter before the owner gives a notice of request for withdrawal in (a) of this subsection, the provisions of RCW 84.34.108 apply.

(2)(a) The following reclassifications are not considered withdrawals or removals and are not subject to additional tax under RCW 84.34.108:

(i) Reclassification between lands under RCW 84.34.020 (2) and (3);

(ii) Reclassification of land classified under RCW 84.34.020 (2) or (3) or designated under chapter 84.33 RCW to open space land under RCW 84.34.020(1);

(iii) Reclassification of land classified under RCW 84.34.020 (2) or (3) to forestland designated under chapter 84.33 RCW; and

(iv) Reclassification of land classified as open space land under RCW 84.34.020(1)(c) and reclassified to farm and agricultural land under RCW 84.34.020(2) if the land had been previously classified as farm and agricultural land under RCW 84.34.020(2).

(b) Designation as forestland under RCW 84.33.130(1) as a result of a merger adopted under RCW 84.34.400 is not considered a withdrawal or removal and is not subject to additional tax under RCW 84.34.108.

(3) Applications for reclassification are subject to applicable provisions of RCW 84.34.037, 84.34.035, 84.34.041, and chapter 84.33 RCW.

(4) The income criteria for land classified under RCW 84.34.020(2) (b) and (c) may be deferred for land being reclassified from land classified under RCW 84.34.020(1)(c) or (3), or chapter 84.33 RCW into RCW 84.34.020(2) (b) or (c) for a period of up to five years from the date of reclassification.

(5) The addition of an agrivoltaic facility to farm and agricultural lands does not constitute a reclassification for purposes of this chapter and is not considered a withdrawal or removal subject to additional tax under RCW 84.34.108.

<u>NEW SECTION.</u> Sec. 6. RCW 82.32.805 and 82.32.808 do not apply to sections 4 and 5 of this act.

Sec. 7. RCW 19.285.040 and 2024 c 278 s 2 are each amended to read as follows:

(1) Each qualifying utility shall pursue all available conservation that is cost-effective, reliable, and feasible.

(a) By January 1, 2010, using methodologies consistent with those used by the Pacific Northwest electric power and conservation planning council in the most recently published regional power plan as it existed on June 12, 2014, or a subsequent date as may be provided by the department or the commission by rule, each qualifying utility shall identify its achievable cost-effective conservation potential through 2019. Nothing in the rule adopted under this subsection precludes a qualifying utility from using its utility specific conservation measures, values, and assumptions in identifying its achievable cost-effective conservation potential. At least every two years thereafter, the qualifying utility shall review and update this assessment for the subsequent tenyear period.

(b) Beginning January 2010, each qualifying utility shall establish and make publicly available a biennial acquisition target for cost-effective conservation consistent with its identification of achievable opportunities in (a) of this subsection, and meet that target during the subsequent two-year period. At a minimum, each biennial target must be no lower than the qualifying utility's pro rata share for that two-year period of its cost-effective conservation potential for the subsequent ten-year period. (c)(i) Except as provided in (c)(ii) and (iii) of this subsection, beginning on January 1, 2014, cost-effective conservation achieved by a qualifying utility in excess of its biennial acquisition target may be used to help meet the immediately subsequent two biennial acquisition targets, such that no more than 20 percent of any biennial target may be met with excess conservation savings.

(ii) Beginning January 1, 2014, a qualifying utility may use single large facility conservation savings in excess of its biennial target to meet up to an additional five percent of the immediately subsequent two biennial acquisition targets, such that no more than 25 percent of any biennial target may be met with excess conservation savings allowed under all of the provisions of this section combined. For the purposes of this subsection (1)(c)(ii), "single large facility conservation savings" means cost-effective conservation savings achieved in a single biennial period at the premises of a single customer of a qualifying utility whose annual electricity consumption prior to the conservation savings exceeded five average megawatts.

(iii) Beginning January 1, 2012, and until December 31, 2017, a qualifying utility with an industrial facility located in a county with a population between 95,000 and 115,000 that is directly interconnected with electricity facilities that are capable of carrying electricity at transmission voltage may use cost-effective conservation from that industrial facility in excess of its biennial acquisition target to help meet the immediately subsequent two biennial acquisition targets, such that no more than 25 percent of any biennial target may be met with excess conservation savings allowed under all of the provisions of this section combined.

(d) In meeting its conservation targets, a qualifying utility may count highefficiency cogeneration owned and used by a retail electric customer to meet its own needs. High-efficiency cogeneration is the sequential production of electricity and useful thermal energy from a common fuel source, where, under normal operating conditions, the facility has a useful thermal energy output of no less than 33 percent of the total energy output. The reduction in load due to highefficiency cogeneration shall be: (i) Calculated as the ratio of the fuel chargeable to power heat rate of the cogeneration facility compared to the heat rate on a new and clean basis of a best-commercially available technology combined-cycle natural gas-fired combustion turbine; and (ii) counted towards meeting the biennial conservation target in the same manner as other conservation savings.

(e) A qualifying utility is considered in compliance with its biennial acquisition target for cost-effective conservation in (b) of this subsection if events beyond the reasonable control of the utility that could not have been reasonably anticipated or ameliorated prevented it from meeting the conservation target. Events that a qualifying utility may demonstrate were beyond its reasonable control, that could not have reasonably been anticipated or ameliorated, and that prevented it from meeting the conservation target include: (i) Natural disasters resulting in the issuance of extended emergency declarations; (ii) the cancellation of significant conservation projects; and (iii) actions of a governmental authority that adversely affects the acquisition of cost-effective conservation by the qualifying utility.

(f) The commission may determine if a conservation program implemented by an investor-owned utility is cost-effective based on the commission's policies and practice. (g) In addition to the requirements of RCW 19.280.030(3), in assessing the cost-effective conservation required under this section, a qualifying utility is encouraged to promote the adoption of air conditioning, as defined in RCW 70A.60.010, with refrigerants not exceeding a global warming potential of 750 and the replacement of stationary refrigeration systems that contain ozone-depleting substances or hydrofluorocarbon refrigerants with a high global warming potential.

(h) The commission may rely on its standard practice for review and approval of investor-owned utility conservation targets.

(2)(a) Except as provided in (j) of this subsection, each qualifying utility shall use eligible renewable resources or acquire equivalent renewable energy credits, or any combination of them, to meet the following annual targets:

(i) At least three percent of its load by January 1, 2012, and each year thereafter through December 31, 2015;

(ii) At least nine percent of its load by January 1, 2016, and each year thereafter through December 31, 2019; and

(iii) At least 15 percent of its load by January 1, 2020, and each year thereafter.

(b) ((A)) (i) Except as provided in (b)(ii) of this subsection, a qualifying utility may count distributed generation at double the facility's electrical output if the utility: (((i))) (A) Owns or has contracted for the distributed generation and the associated renewable energy credits; or ((((i)))) (B) has contracted to purchase the associated renewable energy credits.

(ii) For new distributed generation that is a distributed energy priority described in section 2 of this act that commences operation after the effective date of this section located within the geographical area in which the utility provides service, through December 31, 2029, the qualifying utility may count the distributed generation at four times the facility's electrical output if the utility: (A) Owns or has contracted for the distributed generation and the associated renewable energy credits; or (B) has contracted to purchase the associated renewable energy credits.

(c) In meeting the annual targets in (a) of this subsection, a qualifying utility shall calculate its annual load based on the average of the utility's load for the previous two years.

(d) A qualifying utility shall be considered in compliance with an annual target in (a) of this subsection if: (i) The utility's weather-adjusted load for the previous three years on average did not increase over that time period; (ii) after December 7, 2006, the utility did not commence or renew ownership or incremental purchases of electricity from resources other than coal transition power or renewable resources other than on a daily spot price basis and the electricity is not offset by equivalent renewable energy credits; and (iii) the utility invested at least one percent of its total annual retail revenue requirement that year on eligible renewable resources, renewable energy credits, or a combination of both.

(e) A qualifying utility may use renewable energy credits to meet the requirements of this section, subject to the limitations of this subsection.

(i) A renewable energy credit from electricity generated by a resource other than freshwater may be used to meet a requirement applicable to the year in which the credit was created, the year before the year in which the credit was created, or the year after the year in which the credit was created.

(ii) A renewable energy credit from electricity generated by freshwater:

(A) May only be used to meet a requirement applicable to the year in which the credit was created; and

(B) Must be acquired by the qualifying utility through ownership of the generation facility or through a transaction that conveyed both the electricity and the nonpower attributes of the electricity.

(iii) A renewable energy credit transferred to an investor-owned utility pursuant to the Bonneville power administration's residential exchange program may not be used by any utility other than the utility receiving the credit from the Bonneville power administration.

(iv) Each renewable energy credit may only be used once to meet the requirements of this section and must be retired using procedures of the renewable energy credit tracking system.

(f) In complying with the targets established in (a) of this subsection, a qualifying utility may not count:

(i) Eligible renewable resources or distributed generation where the associated renewable energy credits are owned by a separate entity; or

(ii) Eligible renewable resources or renewable energy credits obtained for and used in an optional pricing program such as the program established in RCW 19.29A.090.

(g) Where fossil and combustible renewable resources are cofired in one generating unit located in the Pacific Northwest where the cofiring commenced after March 31, 1999, the unit shall be considered to produce eligible renewable resources in direct proportion to the percentage of the total heat value represented by the heat value of the renewable resources.

(h)(i) A qualifying utility that acquires an eligible renewable resource or renewable energy credit may count that acquisition at one and two-tenths times its base value:

(A) Where the eligible renewable resource comes from a facility that commenced operation after December 31, 2005; and

(B) Where the developer of the facility used apprenticeship programs approved by the council during facility construction.

(ii) The council shall establish minimum levels of labor hours to be met through apprenticeship programs to qualify for this extra credit.

(i) A qualifying utility shall be considered in compliance with an annual target in (a) of this subsection if events beyond the reasonable control of the utility that could not have been reasonably anticipated or ameliorated prevented it from meeting the renewable energy target. Such events include weather-related damage, mechanical failure, strikes, lockouts, and actions of a governmental authority that adversely affect the generation, transmission, or distribution of an eligible renewable resource under contract to a qualifying utility.

(j)(i) Beginning January 1, 2016, only a qualifying utility that owns or is directly interconnected to a qualified biomass energy facility may use qualified biomass energy to meet its compliance obligation under this subsection.

(ii) A qualifying utility may no longer use electricity and associated renewable energy credits from a qualified biomass energy facility if the associated industrial pulping or wood manufacturing facility ceases operation other than for purposes of maintenance or upgrade.

(k) An industrial facility that hosts a qualified biomass energy facility may only transfer or sell renewable energy credits associated with qualified biomass energy generated at its facility to the qualifying utility with which it is directly interconnected with facilities owned by such a qualifying utility and that are capable of carrying electricity at transmission voltage. The qualifying utility may only use an amount of renewable energy credits associated with qualified biomass energy that are equivalent to the proportionate amount of its annual targets under (a)(ii) and (iii) of this subsection that was created by the load of the industrial facility. A qualifying utility that owns a qualified biomass energy facility may not transfer or sell renewable energy credits associated with qualified biomass energy to another person, entity, or qualifying utility.

(1) A qualifying utility shall be considered in compliance if the utility uses any combination of eligible renewable resources as defined in RCW 19.285.030, accelerated conservation, and demand response as defined in subsection (4) of this section to meet its compliance obligations under this subsection (2).

(m) Beginning January 1, 2020, a qualifying utility may use eligible renewable resources as identified under RCW 19.285.030(12) (g) and (h) to meet its compliance obligation under this subsection (2). A qualifying utility may not transfer or sell these eligible renewable resources to another utility for compliance purposes under this chapter.

 $(((\frac{m})))$ (<u>n</u>) Beginning January 1, 2030, a qualifying utility is considered to be in compliance with an annual target in (a) of this subsection if the utility uses electricity from: (i) Renewable resources and renewable energy credits as defined in RCW 19.285.030; and (ii) nonemitting electric generation as defined in RCW 19.405.020, in an amount equal to 100 percent of the utility's average annual retail electric load. Nothing in this subsection relieves the requirements of a qualifying utility to comply with subsection (1) of this section.

 $(((\frac{n})))$ (o) A qualifying utility shall exclude from its annual targets under this subsection (2) its voluntary renewable energy purchases.

(3) Utilities that become qualifying utilities after December 31, 2006, shall meet the requirements in this section on a time frame comparable in length to that provided for qualifying utilities as of December 7, 2006.

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

(a)(i) "Accelerated conservation" means conservation included in the qualifying utility's most recent cost-effective conservation potential established in compliance with subsection (1)(a) of this section and in excess of the biennial acquisition target established in compliance with subsection (1)(b) of this section.

(ii) Accelerated conservation acquired in the target year must be in an amount no less than the annual target amount under subsection (2)(a) of this section, as measured in megawatt-hours.

(iii) The amount of accelerated conservation must be measured as the annual energy savings measured in megawatt-hours multiplied by the number of years the conservation measure acquired will be in operation between the effective date of this section until January 1, 2030.

(iv) Any conservation savings used under this alternative compliance method may not be included as excess conservation savings under subsection (1)(c) of this section.

(b) "Demand response" has the same meaning as in RCW 19.405.020, except that "demand response" also includes energy storage that is a distributed energy priority identified in section 2 of this act when the energy storage enables the utility to reduce system peak demand. For the purpose of quantifying the amount of demand response eligible to be claimed under subsection (2)(1) of this section, the following requirements apply:

(i) The amount of demand response must be converted to a megawatt-hour amount by determining the reduction in peak load in megawatts the demand response measure could deliver, dividing this value by the system peak demand in megawatts of the qualifying utility, and multiplying this value by the average annual system load of the utility in megawatt-hours.

(ii) A utility claiming demand response resources under this subsection must maintain and apply measurement and verification protocols to determine the amount of capacity resulting from demand response resources and to verify the acquisition or installation of the demand response resources being recorded or claimed. A utility may provide a measurement or verification protocol that is not a direct measurement, but must document its methodologies, assumptions, and factual inputs.

<u>NEW SECTION.</u> Sec. 8. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

Passed by the Senate April 22, 2025. Passed by the House April 15, 2025. Approved by the Governor May 13, 2025. Filed in Office of Secretary of State May 14, 2025.

CHAPTER 266

[Engrossed Substitute Senate Bill 5628] LEAD IN COOKWARE—MODIFICATION

AN ACT Relating to lead in cookware; and amending RCW 70A.565.010 and 70A.565.020.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 70A.565.010 and 2024 c 340 s 1 are each amended to read as follows:

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

(1) (("Component" includes separate or distinct parts of the cookware including, but not limited to, accessories such as lids, knobs, handles and handle assemblies, rivets, fasteners, valves, and vent pipes.)) (a) "Aluminum or brass cookware" means the following items when made of brass or aluminum: Pots, pans, kettles, griddles, grills, internal pots for devices such as rice cookers or pressure cookers, and similar vessels or surfaces in or on which food is cooked.

(b) "Aluminum or brass cookware" does not include:

(i) Items with only an internal layer of aluminum or brass that is completely enclosed by stainless steel; or

(ii) The body of electronic cooking devices with removable cooking containers, such as slow cookers, rice cookers, and pressure cookers.

(2) (("Cookware" means any metal pots, pans, bakeware, rice cookers, pressure cookers, and other containers and devices intended for the preparation or storage of food.)) "Aluminum or brass cookware component" means cookware parts made of aluminum or brass such as lids, rivets, fasteners, valves, and vent pipes.

(3) <u>"Aluminum or brass utensils" means tools made from aluminum or brass</u> such as knives, forks, spoons, spatulas, and similar tools used for preparing, serving, or eating food, unless completely enclosed by stainless steel.

(4) "Department" means the Washington state department of ecology.

(((4))) (5) "Manufacturer" means any person, firm, association, partnership, corporation, governmental entity, organization, or joint venture that produces a product or is an importer or domestic distributor of a product sold or offered for sale in or into the state.

(((5))) (6) "Vulnerable populations" has the same meaning as defined in RCW 70A.02.010.

Sec. 2. RCW 70A.565.020 and 2024 c 340 s 2 are each amended to read as follows:

(1) Beginning January 1, 2026, no manufacturer may manufacture, sell, offer for sale, distribute for sale, or distribute for use in this state <u>aluminum or brass</u> cookware, <u>aluminum or brass utensils</u>, or (((a)) <u>an aluminum or brass</u> cookware component containing lead or lead compounds at a level of more than (((five))):

(a) 90 parts per million, beginning January 1, 2026; and

(b) 10 parts per million, beginning January 1, 2028.

(2)(a) ((Beginning January 1, 2026, no)) No retailer or wholesaler may knowingly sell or knowingly offer for sale for use in this state <u>aluminum or brass</u> cookware, <u>aluminum or brass utensils</u>, or ((α)) <u>an aluminum or brass</u> cookware component containing lead or lead compounds at a level of more than ((five)):

(i) 90 parts per million, beginning January 1, 2026; and

(ii) 10 parts per million, beginning January 1, 2028.

(b) Retailers or wholesalers who unknowingly sell products that are restricted from sale under this chapter are not liable under this chapter.

(c) The sale or purchase of any previously owned <u>aluminum or brass</u> cookware, <u>aluminum or brass utensils</u>, or <u>aluminum or brass</u> cookware components containing lead made in casual or isolated sales as defined in RCW 82.04.040, or by a nonprofit organization, is exempt from this chapter.

(3) After December (($\frac{2034}{}$)) $\frac{2030}{}$, the department, in consultation with the department of health, may lower the ((five)) <u>10</u> parts per million limit established in subsections (1) and (2) of this section by rule if it determines that the lower limit is:

(a) Feasible for cookware and cookware component manufacturers to achieve; and

(b) Necessary to protect human health, including the health of vulnerable populations.

(4) Nothing in this chapter limits the authority of the department with respect to lead in cookware, cookware components, or utensils under chapter 70A.350 RCW.

Passed by the Senate April 22, 2025. Passed by the House April 15, 2025. Approved by the Governor May 13, 2025. Filed in Office of Secretary of State May 14, 2025.

CHAPTER 267

[Third Substitute House Bill 1491] TRANSIT-ORIENTED HOUSING DEVELOPMENT

AN ACT Relating to promoting community and transit-oriented housing development; amending RCW 36.70A.030, 43.21C.229, 84.14.010, 84.14.020, 84.14.030, 84.14.060, 84.14.090, 84.14.100, 84.14.110, 82.02.060, and 82.02.090; adding new sections to chapter 36.70A RCW; adding a new section to chapter 47.12 RCW; adding a new section to chapter 64.38 RCW; adding a new section to chapter 64.90 RCW; adding a new section to chapter 64.34 RCW; adding a new section to chapter 64.32 RCW; adding a new section to chapter 84.14 RCW; creating new sections; and providing expiration dates.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> Sec. 1. The legislature finds that the state has made groundbreaking investments in state-of-the-art mass transit and intermodal infrastructure. The legislature finds that to maximize the state's return on these investments, land use policies and practices must allow housing development to keep pace with progress being implemented in transportation infrastructure development. The legislature also intends new development to reflect the state's commitment to affordable housing and vibrant, walkable, accessible urban environments that improve health, expand multimodal transportation options, and include varied community facilities, parks, and green spaces that are open to people of all income levels.

The legislature recognizes that cities planning under chapter 36.70A RCW require direction and technical assistance to ensure the benefits of state transportation investments are maximized and shared equitably while avoiding unnecessary programmatic and cost burdens to local governments in their comprehensive planning, code enactment, and permit processing workloads. The legislature further recognizes that regulatory flexibility and local control are also important features of optimal planning outcomes.

Sec. 2. RCW 36.70A.030 and 2024 c 152 s 1 are each amended to read as follows:

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

(1) "Active transportation" means forms of pedestrian mobility including walking or running, the use of a mobility assistive device such as a wheelchair, bicycling and cycling irrespective of the number of wheels, and the use of small personal devices such as foot scooters or skateboards. Active transportation includes both traditional and electric assist bicycles and other devices. Planning for active transportation must consider and address accommodation pursuant to the Americans with disabilities act and the distinct needs of each form of active transportation.

(2) "Active transportation facilities" means facilities provided for the safety and mobility of active transportation users including, but not limited to, trails, as defined in RCW 47.30.005, sidewalks, bike lanes, shared-use paths, and other facilities in the public right-of-way.

(3) "Administrative design review" means a development permit process whereby an application is reviewed, approved, or denied by the planning director or the planning director's designee based solely on objective design and development standards without a public predecision hearing, unless such review is otherwise required by state or federal law, or the structure is a designated landmark or historic district established under a local preservation ordinance. A city may utilize public meetings, hearings, or voluntary review boards to consider, recommend, or approve requests for variances from locally established design review standards.

(4) "Adopt a comprehensive land use plan" means to enact a new comprehensive land use plan or to update an existing comprehensive land use plan.

(5) "Affordable housing" means, unless the context clearly indicates otherwise, residential housing whose monthly costs, including utilities other than telephone, do not exceed ((thirty)) <u>30</u> percent of the monthly income of a household whose income is:

(a) For rental housing, 60 percent of the median household income adjusted for household size, for the county where the household is located, as reported by the United States department of housing and urban development; or

(b) For owner-occupied housing, 80 percent of the median household income adjusted for household size, for the county where the household is located, as reported by the United States department of housing and urban development.

(6) "Agricultural land" means land primarily devoted to the commercial production of horticultural, viticultural, floricultural, dairy, apiary, vegetable, or animal products or of berries, grain, hay, straw, turf, seed, Christmas trees not subject to the excise tax imposed by RCW 84.33.100 through 84.33.140, finfish in upland hatcheries, or livestock, and that has long-term commercial significance for agricultural production.

(7) "City" means any city or town, including a code city.

(8) "Comprehensive land use plan," "comprehensive plan," or "plan" means a generalized coordinated land use policy statement of the governing body of a county or city that is adopted pursuant to this chapter.

(9) "Cottage housing" means residential units on a lot with a common open space that either: (a) Is owned in common; or (b) has units owned as condominium units with property owned in common and a minimum of 20 percent of the lot size as open space.

(10) "Courtyard apartments" means attached dwelling units arranged on two or three sides of a yard or court.

(11) "Critical areas" include the following areas and ecosystems: (a) Wetlands; (b) areas with a critical recharging effect on aquifers used for potable water; (c) fish and wildlife habitat conservation areas; (d) frequently flooded areas; and (e) geologically hazardous areas. "Fish and wildlife habitat conservation areas" does not include such artificial features or constructs as irrigation delivery systems, irrigation infrastructure, irrigation canals, or drainage ditches that lie within the boundaries of and are maintained by a port district or an irrigation district or company.

(12) "Department" means the department of commerce.

(13) "Development regulations" or "regulation" means the controls placed on development or land use activities by a county or city, including, but not limited to, zoning ordinances, critical areas ordinances, shoreline master programs, official controls, planned unit development ordinances, subdivision ordinances, and binding site plan ordinances together with any amendments thereto. A development regulation does not include a decision to approve a project permit application, as defined in RCW 36.70B.020, even though the decision may be expressed in a resolution or ordinance of the legislative body of the county or city.

(14) "Emergency housing" means temporary indoor accommodations for individuals or families who are homeless or at imminent risk of becoming homeless that is intended to address the basic health, food, clothing, and personal hygiene needs of individuals or families. Emergency housing may or may not require occupants to enter into a lease or an occupancy agreement.

(15) "Emergency shelter" means a facility that provides a temporary shelter for individuals or families who are currently homeless. Emergency shelter may not require occupants to enter into a lease or an occupancy agreement. Emergency shelter facilities may include day and warming centers that do not provide overnight accommodations.

(16) "Environmental justice" means the fair treatment and meaningful involvement of all people regardless of race, color, national origin, or income with respect to development, implementation, and enforcement of environmental laws, regulations, and policies. Environmental justice includes addressing disproportionate environmental and health impacts in all laws, rules, and policies with environmental impacts by prioritizing vulnerable populations and overburdened communities and the equitable distribution of resources and benefits.

(17) "Extremely low-income household" means a single person, family, or unrelated persons living together whose adjusted income is at or below ((thirty)) <u>30</u> percent of the median household income adjusted for household size, for the county where the household is located, as reported by the United States department of housing and urban development.

(18) "Forestland" means land primarily devoted to growing trees for longterm commercial timber production on land that can be economically and practically managed for such production, including Christmas trees subject to the excise tax imposed under RCW 84.33.100 through 84.33.140, and that has long-term commercial significance. In determining whether forestland is primarily devoted to growing trees for long-term commercial timber production on land that can be economically and practically managed for such production, the following factors shall be considered: (a) The proximity of the land to urban, suburban, and rural settlements; (b) surrounding parcel size and the compatibility and intensity of adjacent and nearby land uses; (c) long-term local economic conditions that affect the ability to manage for timber production; and (d) the availability of public facilities and services conducive to conversion of forestland to other uses.

(19) "Freight rail dependent uses" means buildings and other infrastructure that are used in the fabrication, processing, storage, and transport of goods where the use is dependent on and makes use of an adjacent short line railroad. Such facilities are both urban and rural development for purposes of this chapter. "Freight rail dependent uses" does not include buildings and other infrastructure that are used in the fabrication, processing, storage, and transport of coal, liquefied natural gas, or "crude oil" as defined in RCW 90.56.010.

(20) "Geologically hazardous areas" means areas that because of their susceptibility to erosion, sliding, earthquake, or other geological events, are not suited to the siting of commercial, residential, or industrial development consistent with public health or safety concerns.

(21) "Green infrastructure" means a wide array of natural assets and built structures within an urban growth area boundary, including parks and other areas with protected tree canopy, and management practices at multiple scales that manage wet weather and that maintain and restore natural hydrology by storing, infiltrating, evapotranspiring, and harvesting and using stormwater.

(22) "Green space" means an area of land, vegetated by natural features such as grass, trees, or shrubs, within an urban context and less than one acre in size that creates public value through one or more of the following attributes:

(a) Is accessible to the public;

(b) Promotes physical and mental health of residents;

(c) Provides relief from the urban heat island effects;

(d) Promotes recreational and aesthetic values;

(e) Protects streams or water supply; or

(f) Preserves visual quality along highway, road, or street corridors.

(23) "Long-term commercial significance" includes the growing capacity, productivity, and soil composition of the land for long-term commercial production, in consideration with the land's proximity to population areas, and the possibility of more intense uses of the land.

(24) "Low-income household" means a single person, family, or unrelated persons living together whose adjusted income is at or below ((eighty)) <u>80</u> percent of the median household income adjusted for household size, for the county where the household is located, as reported by the United States department of housing and urban development.

(25) "Major transit stop" means:

(a) A stop on a high capacity transportation system funded or expanded under the provisions of chapter 81.104 RCW, except for any stop that solely serves express bus service or serves express bus service and other bus services not otherwise meeting the definition of major transit stop;

(b) Commuter rail stops;

(c) Stops on rail or fixed guideway systems; or

(d) Stops on bus rapid transit routes, including those stops that are under construction.

(26) "Middle housing" means buildings that are compatible in scale, form, and character with single-family houses and contain two or more attached, stacked, or clustered homes including duplexes, triplexes, fourplexes, fiveplexes, sixplexes, townhouses, stacked flats, courtyard apartments, and cottage housing.

(27) "Minerals" include gravel, sand, and valuable metallic substances.

(28) "Moderate-income household" means a single person, family, or unrelated persons living together whose adjusted income is at or below 120 percent of the median household income adjusted for household size, for the county where the household is located, as reported by the United States department of housing and urban development.

(29) "Overburdened community" means a geographic area where vulnerable populations face combined, multiple environmental harms and health impacts, and includes, but is not limited to, highly impacted communities as defined in RCW 19.405.020.

(30) "Per capita vehicle miles traveled" means the number of miles traveled using cars and light trucks in a calendar year divided by the number of residents in Washington. The calculation of this value excludes vehicle miles driven conveying freight.

(31) "Permanent supportive housing" is subsidized, leased housing with no limit on length of stay that prioritizes people who need comprehensive support services to retain tenancy and utilizes admissions practices designed to use lower barriers to entry than would be typical for other subsidized or unsubsidized rental housing, especially related to rental history, criminal history, and personal behaviors. Permanent supportive housing is paired with on-site or off-site voluntary services designed to support a person living with a complex and disabling behavioral health or physical health condition who was experiencing homelessness or was at imminent risk of homelessness prior to moving into housing to retain their housing and be a successful tenant in a housing arrangement, improve the resident's health status, and connect the resident of the housing with community-based health care, treatment, or employment services. Permanent supportive housing is subject to all of the rights and responsibilities defined in chapter 59.18 RCW.

(32) "Public facilities" include streets, roads, highways, sidewalks, street and road lighting systems, traffic signals, domestic water systems, storm and sanitary sewer systems, parks and recreational facilities, and schools.

(33) "Public services" include fire protection and suppression, law enforcement, public health, education, recreation, environmental protection, and other governmental services.

(34) "Recreational land" means land so designated under RCW 36.70A.1701 and that, immediately prior to this designation, was designated as agricultural land of long-term commercial significance under RCW 36.70A.170. Recreational land must have playing fields and supporting facilities existing before July 1, 2004, for sports played on grass playing fields.

(35) "Rural character" refers to the patterns of land use and development established by a county in the rural element of its comprehensive plan:

(a) In which open space, the natural landscape, and vegetation predominate over the built environment;

(b) That foster traditional rural lifestyles, rural-based economies, and opportunities to both live and work in rural areas;

(c) That provide visual landscapes that are traditionally found in rural areas and communities;

(d) That are compatible with the use of the land by wildlife and for fish and wildlife habitat;

(e) That reduce the inappropriate conversion of undeveloped land into sprawling, low-density development;

(f) That generally do not require the extension of urban governmental services; and

(g) That are consistent with the protection of natural surface water flows and groundwater and surface water recharge and discharge areas.

(36) "Rural development" refers to development outside the urban growth area and outside agricultural, forest, and mineral resource lands designated pursuant to RCW 36.70A.170. Rural development can consist of a variety of uses and residential densities, including clustered residential development, at levels that are consistent with the preservation of rural character and the requirements of the rural element. Rural development does not refer to agriculture or forestry activities that may be conducted in rural areas.

(37) "Rural governmental services" or "rural services" include those public services and public facilities historically and typically delivered at an intensity usually found in rural areas, and may include domestic water systems and fire and police protection services associated with rural development and normally not associated with urban areas. Rural services do not include storm or sanitary sewers, except as otherwise authorized by RCW 36.70A.110(4).

(38) "Short line railroad" means those railroad lines designated class II or class III by the United States surface transportation board.

(39) "Single-family zones" means those zones where single-family detached housing is the predominant land use.

(40) "Stacked flat" means dwelling units in a residential building of no more than three stories on a residential zoned lot in which each floor may be separately rented or owned.

(41) "Townhouses" means buildings that contain three or more attached single-family dwelling units that extend from foundation to roof and that have a yard or public way on not less than two sides.

(42) "Transportation system" means all infrastructure and services for all forms of transportation within a geographical area, irrespective of the responsible jurisdiction or transportation provider.

(43) "Urban governmental services" or "urban services" include those public services and public facilities at an intensity historically and typically provided in cities, specifically including storm and sanitary sewer systems, domestic water systems, street cleaning services, fire and police protection services, public transit services, and other public utilities associated with urban areas and normally not associated with rural areas.

(44) "Urban growth" refers to growth that makes intensive use of land for the location of buildings, structures, and impermeable surfaces to such a degree as to be incompatible with the primary use of land for the production of food, other agricultural products, or fiber, or the extraction of mineral resources, rural uses, rural development, and natural resource lands designated pursuant to RCW 36.70A.170. A pattern of more intensive rural development, as provided in RCW 36.70A.070(5)(d), is not urban growth. When allowed to spread over wide areas, urban growth typically requires urban governmental services. "Characterized by urban growth" refers to land having urban growth located on it, or to land located in relationship to an area with urban growth on it as to be appropriate for urban growth.

(45) "Urban growth areas" means those areas designated by a county pursuant to RCW 36.70A.110.

(46) "Very low-income household" means a single person, family, or unrelated persons living together whose adjusted income is at or below ((fifty))

50 percent of the median household income adjusted for household size, for the county where the household is located, as reported by the United States department of housing and urban development.

(47)(a) "Vulnerable populations" means population groups that are more likely to be at higher risk for poor health outcomes in response to environmental harms, due to: (i) Adverse socioeconomic factors, such as unemployment, high housing and transportation costs relative to income, limited access to nutritious food and adequate health care, linguistic isolation, and other factors that negatively affect health outcomes and increase vulnerability to the effects of environmental harms; and (ii) sensitivity factors, such as low birth weight and higher rates of hospitalization.

(b) "Vulnerable populations" includes, but is not limited to:

(i) Racial or ethnic minorities;

(ii) Low-income populations; and

(iii) Populations disproportionately impacted by environmental harms.

(48) "Wetland" or "wetlands" means areas that are inundated or saturated by surface water or groundwater at a frequency and duration sufficient to support, and that under normal circumstances do support, a prevalence of vegetation typically adapted for life in saturated soil conditions. Wetlands generally include swamps, marshes, bogs, and similar areas. Wetlands do not include those artificial wetlands intentionally created from nonwetland sites, including, but not limited to, irrigation and drainage ditches, grass-lined swales, canals, detention facilities, wastewater treatment facilities, farm ponds, and landscape amenities, or those wetlands created after July 1, 1990, that were unintentionally created as a result of the construction of a road, street, or highway. Wetlands may include those artificial wetlands intentionally created from nonwetland areas created to mitigate conversion of wetlands.

(49) "Wildland urban interface" means the geographical area where structures and other human development meets or intermingles with wildland vegetative fuels.

(50) "Floor area ratio" means a measure of development intensity equal to building square footage divided by the developable property square footage. Developable property excludes public facilities and portions of lots with critical areas and critical area buffers as designated in RCW 36.70A.060, except for critical aquifer recharge areas where a single-family detached house is an allowed use provided that any requirements to maintain aquifer recharge are met.

(51) "Rail station area" means all lots fully within an urban growth area that are:

(a) Fully or partially within one-half mile walking distance of an entrance to a train station with a stop on a light rail system, a commuter rail stop in a city with a population greater than 15,000, or a stop on a rail trolley operated west of the crest of the Cascade mountains; or

(b) Fully or partially within one-quarter mile walking distance of an entrance to a train station with a commuter rail stop in a city with a population no greater than 15,000.

(52) "Bus station area" means all lots that are:

(a) Fully within an urban growth area; and

(b) Fully or partially within one-quarter mile walking distance of a stop on a fixed route bus system that is designated as a bus rapid transit stop in the transit development plan as required in RCW 35.58.2795, for which an environmental determination has been issued as required under chapter 43.21C RCW, and that features fixed transit assets that indicate permanent, high capacity service including, but not limited to, elevated platforms or enhanced stations, off-board fare collection, dedicated lanes, busways, or transit signal priority.

(53) "Station area" means a bus station area or a rail station area.

<u>NEW SECTION.</u> Sec. 3. A new section is added to chapter 36.70A RCW to read as follows:

(1) Cities planning under RCW 36.70A.040 may not enact or enforce any development regulation within a station area that would prohibit the siting of multifamily residential housing on lots where any other residential use is permissible.

(2)(a) Cities planning under RCW 36.70A.040 must allow new residential and mixed-use development within any station area at the transit-oriented development density of:

(i) At least 3.5 floor area ratio, on average, within a rail station area; and

(ii) At least 2.5 floor area ratio, on average, or at least a 3.0 floor area ratio, on average if a city exempts up to 25 percent of bus station areas, within a bus station area.

(A) Cities must adopt regulations that allow for greater building height and increased density in all bus station areas for developments built with all mass timber products.

(B) For the purposes of this subsection, "mass timber products" has the same meaning as in RCW 19.27.570.

(b) A city planning under RCW 36.70A.040 may adopt a modification to a station area designation, but only after consultation with and approval by the department.

(c) Cities planning under RCW 36.70A.040 may not enact or enforce any development regulation that imposes:

(i) A maximum floor area ratio of less than the transit-oriented development density in this subsection for any residential or mixed-use development within a station area, unless a city has adopted an exemption for the station area under (a)(ii) of this subsection; or

(ii) A maximum residential density, measured in residential units per acre or other metric of land area within a station area.

(3) For the purposes of this section:

(a) "Mixed-use development" means a building subject to a regulation specifying allowable residential proportions within mixed-use areas.

(b) "Workforce housing" means rental housing with monthly costs that do not exceed 30 percent of the monthly income of a household whose income is at or below 80 percent of the median household income adjusted for household size, for the county where the household is located, as reported by the United States department of housing and urban development.

(4) Within any station area, any building in which all units are affordable or workforce housing for at least 50 years or are dedicated to permanent supportive housing, an additional 1.5 floor area ratio in excess of the transit-oriented

development density required under subsection (2)(a) of this section must be permitted.

(5) Any floor area within a building located in a station area that is reserved for residential units in multifamily housing that includes at least three bedrooms must not be counted toward applicable floor area ratio limits. A city may require the residential units to comply with affordability requirements to be eligible for an exclusion from the applicable floor area ratio limits.

(6) Cities planning under RCW 36.70A.040 may by ordinance designate parts of a station area in which to enact or enforce floor area ratios for residential or mixed-use development that are more or less than the applicable transit-oriented development density, if the average maximum floor area ratio of all residential and mixed-use areas within a station area is no less than the applicable transit-oriented development density.

(7)(a) Buildings constructed within a station area must maintain for at least 50 years:

(i) At least 10 percent of all residential units as affordable housing;

(ii) At least 10 percent of all residential units as workforce housing if at least 10 percent of the units are family sized units with more than two bedrooms; or

(iii) At least 20 percent of all residential units as workforce housing.

(b) A building constructed within a station area is exempt from the affordability requirements in (a) of this subsection if:

(i) The building is constructed on a lot in which a density that meets or exceeds the transit-oriented development density in subsection (2) of this section was authorized prior to January 1, 2025;

(ii) The building is subject to affordability requirements with a lower income threshold or a greater amount of required affordable housing that were enacted by a city prior to December 31, 2025; or

(iii) A city has enacted or expands a mandatory program under RCW 36.70A.540 that requires a minimum amount of affordable housing that must be provided by residential development, either on-site or through an in-lieu payment as allowed by RCW 36.70A.540, in an area where development regulations must comply with this section. Such mandatory program may be enacted, modified, or expanded by a city, and may require an amount of affordable housing and levels of affordability that differs or exceeds the requirements. An optional program established under RCW 36.70A.540 does not meet the requirements of this subsection (7)(b)(iii).

(c) For each building that is exempt from the requirements for affordable or workforce housing under (b)(i) or (ii) of this subsection, the city must identify the density and affordability requirements that apply to the building or parcel in its comprehensive planning documents. For each building that is exempt from the requirements for affordable or workforce housing under (b)(ii) of this subsection, the city must identify the density and affordability requirements that apply to the building or parcel in its municipal code.

(8) A city must approve an exemption under RCW 84.14.020(1)(a)(ii)(D) for multifamily residential housing within a station area that meets the affordability requirements in subsection (7)(a) of this section and the requirements of chapter 84.14 RCW, unless the city authorizes the 20-year exemption under RCW 84.14.020(1)(a)(ii)(C).

(9) A city that has enacted an incentive program prior to January 1, 2025, that requires public benefits, such as school capacity, greater amounts of affordable housing, green space, or green infrastructure, in return for additional development allowances, may continue to require such public benefits if the plan and implementing development regulations requiring those public benefits provides development capacity that is substantially similar to that required in this section.

(10)(a) No later than the deadlines established in subsection (15) of this section, cities planning under RCW 36.70A.040 must act to modify or repeal any existing development regulations applicable in a station area that, alone or in combination, are inconsistent with this section, and may not enact any development regulations applicable in a station area that, alone or in combination with other development regulations, are inconsistent with this section.

(b) A city may apply any objective development regulations within a station area that are required for other multifamily residential uses in the same zone, including tree canopy and retention requirements.

(c) This subsection (10) does not apply to development regulations that are generally applicable health and safety standards, including building code standards and fire and life safety standards.

(11) Nothing in this section requires alteration, displacement, or limitation of industrial or agricultural uses or industrial, manufacturing, or agricultural areas within the urban growth area.

(12) Nothing in this section requires a city to issue a building permit if other federal, state, and local requirements for a building permit are not met.

(13) Cities planning under RCW 36.70A.040 may exclude from the requirements in this section any portion of a lot that is designated as a shoreline environment governed by a shoreline master program or as a critical area governed by a critical area ordinance, except for critical aquifer recharge areas where a single-family detached house is an allowed use provided that any requirements to maintain aquifer recharge are met, and any lot that:

(a) Is nonconforming with development regulations governing lot dimensions including, but not limited to, standards related to lot width, area, geometry, or street access, unless an applicant demonstrates that the nonconforming lot may be developed in compliance with the development regulations governing lot dimensions by obtaining any modification, deviation, variance, or similar code departure approval allowed under the development regulations;

(b) Contains a designated landmark or is located within a historic district established under a local preservation ordinance adopted prior to the effective date of this section;

(c) Has been designated as containing urban separators by countywide planning policies as of the effective date of this section;

(d) Is an industrial, manufacturing, or agricultural designated lot that either is limited to one dwelling unit per lot or only allows housing for individuals and their families responsible for caretaking, farm work, security, or maintenance; or

(e) Is in a tsunami inundation area as mapped by the department of natural resources.

(14) For cities subject to a growth target adopted under RCW 36.70A.210 that limits the maximum residential capacity of the jurisdiction, any additional residential capacity required by this section may not be considered an inconsistency with the countywide planning policies, multicounty planning policies, or growth targets adopted under RCW 36.70A.210.

(15)(a) Any city that is required to review its comprehensive plan by the deadlines specified in RCW 36.70A.130(5)(a) must comply with the requirements of this section by the earlier of December 31, 2029, or its first implementation progress report due after December 31, 2024 as specified in RCW 36.70A.130(9), and thereafter at each comprehensive plan update or implementation progress report following the completion or funding of any major transit stop that would create a new station area within the jurisdiction.

(b) Any city that is required to review its comprehensive plan by the deadlines specified in RCW 36.70A.130(5) (b), (c), or (d) must comply with the requirements of this section no later than six months after its first comprehensive plan update due after December 31, 2024, and thereafter at each comprehensive plan update or implementation progress report following the completion or funding of any major transit stop that would create a new station area within the jurisdiction.

(c) A federally recognized Indian tribe may voluntarily choose to participate in the planning process to implement the requirements of this section in accordance with RCW 36.70A.040(8).

(16)(a) The department must publish a model transit-oriented development ordinance by June 30, 2027.

(b) In any city subject to this section that has not passed ordinances, regulations, or other official controls by the deadlines required under subsection (15) of this section, the model ordinance supersedes, preempts, and invalidates local development regulations until the city takes all actions necessary to implement this section.

(17) A city may seek an extension from the transit-oriented development density requirements of this section by applying to the department for an extension in any areas that are at high risk of displacement based on a city's antidisplacement analysis or an antidisplacement map. The department must review the city's analysis and certify a five-year extension from the requirements of this section for areas at high risk of displacement. The city must create an implementation plan that identifies the antidisplacement policies available to residents to mitigate displacement risk. During the extension, the city may delay implementation or enact alternative floor area ratio requirements within any areas at high risk of displacement. The department may recertify an extension for additional five-year periods based on evidence of ongoing displacement risk in the area.

(18)(a)(i) The department may approve actions under this subsection (18) for cities that have, by June 30, 2026, adopted a plan and implementing development regulations for a specific station area that are substantially similar to the requirements of this section for that station area. In determining whether a city's adopted plan and development regulations are substantially similar, the department's evaluation may include, but not be limited to, if:

(A) The regulations will provide a development capacity and allow the opportunity for creation of affordable housing that is at least equivalent to the

amount of development capacity and affordable housing that would be allowed in that station area if the specific provisions of this section were adopted;

(B) The jurisdiction offers a way to achieve buildings that exceed 85 feet in height; and

(C) No lot within the station area is zoned exclusively for detached single-family residences.

(ii) The department must establish by rule any standards or procedures necessary to implement (a) of this subsection.

(b) Any local actions approved by the department pursuant to (a) of this subsection are exempt from appeals under this chapter and chapter 43.21C RCW.

(c) The department's final decision to approve or reject actions by cities under this subsection (18) may be appealed to the growth management hearings board by filing a petition as provided in RCW 36.70A.290.

<u>NEW SECTION.</u> Sec. 4. A new section is added to chapter 36.70A RCW to read as follows:

Subject to appropriation, the department must establish and administer a grant program to assist cities in providing:

(1) The infrastructure necessary to accommodate development at transitoriented development densities within station areas, including water, sewer, stormwater, and transportation infrastructure and parks and recreation facilities;

(2) Station area planning or other predevelopment costs necessary for implementation of station area plans; and

(3) The staffing necessary to implement transit-oriented development requirements.

<u>NEW SECTION.</u> Sec. 5. A new section is added to chapter 36.70A RCW to read as follows:

(1) To encourage transit-oriented development and transit use and resulting substantial environmental benefits, cities planning under RCW 36.70A.040 may not require off-street automobile parking as a condition of permitting residential or mixed-use development within a station area as defined in RCW 36.70A.030, except for off-street automobile parking that is permanently marked for the exclusive use of individuals with disabilities or parking that is permanently marked for the short-term exclusive use of delivery vehicles.

(2) If a project permit application within a station area, as defined in RCW 36.70B.020, does not provide parking in compliance with this section, the proposed absence of parking may not be treated as a basis for issuance of a determination of significance pursuant to chapter 43.21C RCW.

(3) The parking provisions of this section do not apply:

(a) If a local government submits to the department an empirical study prepared by a credentialed transportation or land use planning expert that clearly demonstrates, and the department finds and certifies, that the application of the parking limitations under subsection (1) of this section will be significantly less safe for automobile drivers or passengers, pedestrians, or bicyclists than if the jurisdiction's parking requirements were applied to the same location. The department must develop guidance to assist cities and counties on items to include in the study; or (b) To portions of cities within a one-mile radius of a commercial airport in Washington with at least 9,000,000 annual enplanements.

(4) If a residential or mixed-use development provides parking for residential uses in excess of what is required in subsection (1) of this section, cities planning under RCW 36.70A.040 may enact or enforce development regulations to:

(a) Require a share of any provided residential parking to be distributed between units designated as affordable housing and units offered at market rate; and

(b) Include all or a portion of the cost of unbundled parking charges into the monthly cost for rental units designated as affordable housing.

<u>NEW SECTION.</u> Sec. 6. A new section is added to chapter 47.12 RCW to read as follows:

(1) The department must review surplus property under this chapter in a county with a population over 2,000,000 that operates a municipal transit system and, in consultation with the county, select up to three park and ride facilities to conduct a pilot program to encourage transit-oriented development that meets the density and affordability requirements under section 3 of this act.

(2) A park and ride selected for the pilot program must be:

(a) Situated along state route number 99 with 400 to 500 parking stalls;

(b) Situated on Interstate 405 with 500 to 900 parking stalls; or

(c) Located in the southern portion of a county with a population over 2,000,000 with between 300 to 1,000 parking stalls.

(3) For the purpose of the pilot program under this section, the department:

(a) May release any covenant imposed for highway purposes and replace it with a covenant requiring affordable housing;

(b) May not seek a reversionary interest in the property but may enact other remedies enforceable by law.

Sec. 7. RCW 43.21C.229 and 2023 c 368 s 1 are each amended to read as follows:

(1) The purpose of this section is to accommodate infill and housing development and thereby realize the goals and policies of comprehensive plans adopted according to chapter 36.70A RCW.

(2) A city or county planning under RCW 36.70A.040 is authorized by this section to establish categorical exemptions from the requirements of this chapter. An exemption may be adopted by a city or county under this subsection if it meets the following criteria:

(a) It categorically exempts government action related to development proposed to fill in an urban growth area, designated according to RCW 36.70A.110, where current density and intensity of use in the area is roughly equal to or lower than called for in the goals and policies of the applicable comprehensive plan and the development is either:

(i) Residential development;

(ii) Mixed-use development; or

(iii) Commercial development up to 65,000 square feet, excluding retail development;

(b) It does not exempt government action related to development that is inconsistent with the applicable comprehensive plan or would clearly exceed the density or intensity of use called for in the goals and policies of the applicable comprehensive plan;

(c) The local government considers the specific probable adverse environmental impacts of the proposed action and determines that these specific impacts are adequately addressed by the development regulations or other applicable requirements of the comprehensive plan, subarea plan element of the comprehensive plan, planned action ordinance, or other local, state, or federal rules or laws; and

(d)(i) The city or county's applicable comprehensive plan was previously subjected to environmental analysis through an environmental impact statement under the requirements of this chapter prior to adoption; or

(ii) The city or county has prepared an environmental impact statement that considers the proposed use or density and intensity of use in the area proposed for an exemption under this section.

(3) All project actions that propose to develop one or more residential housing units within the incorporated areas in an urban growth area designated pursuant to RCW 36.70A.110 or middle housing within the unincorporated areas in an urban growth area designated pursuant to RCW 36.70A.110, and that meet the criteria identified in (a) and (b) of this subsection, are categorically exempt from the requirements of this chapter. For purposes of this section, "middle housing" has the same meaning as in RCW 36.70A.030 as amended by chapter 332, Laws of 2023. Jurisdictions shall satisfy the following criteria prior to the adoption of the categorical exemption under this subsection (3):

(a) The city or county shall find that the proposed development is consistent with all development regulations implementing an applicable comprehensive plan adopted according to chapter 36.70A RCW by the jurisdiction in which the development is proposed, with the exception of any development regulation that is inconsistent with applicable provisions of chapter 36.70A RCW; and

(b) The city or county has prepared environmental analysis that considers the proposed use or density and intensity of use in the area proposed for an exemption under this section and analyzes multimodal transportation impacts, including impacts to neighboring jurisdictions, transit facilities, and the state transportation system.

(i) Such environmental analysis shall include documentation that the requirements for environmental analysis, protection, and mitigation for impacts to elements of the environment have been adequately addressed for the development exempted. The requirements may be addressed in locally adopted comprehensive plans, subarea plans, adopted development regulations, other applicable local ordinances and regulations, or applicable state and federal regulations. The city or county must document its consultation with the department of transportation on impacts to state-owned transportation facilities including consideration of whether mitigation is necessary for impacts to transportation facilities.

(ii) Before finalizing the environmental analysis pursuant to (b)(i) of this subsection (3), the city or county shall provide a minimum of 60 days' notice to affected tribes, relevant state agencies, other jurisdictions that may be impacted, and the public. If a city or county identifies that mitigation measures are necessary to address specific probable adverse impacts, the city or county must address those impacts by requiring mitigation identified in the environmental

analysis pursuant to this subsection (3)(b) through locally adopted comprehensive plans, subarea plans, development regulations, or other applicable local ordinances and regulations. Mitigation measures shall be detailed in an associated environmental determination.

(iii) The categorical exemption is effective 30 days following action by a city or county pursuant to (b)(ii) of this subsection (3).

(4) Until September 30, 2025, all project actions that propose to develop one or more residential housing or middle housing units within a city west of the crest of the Cascade mountains with a population of 700,000 or more are categorically exempt from the requirements of this chapter. After September 30, 2025, project actions that propose to develop one or more residential housing or middle housing units within the city may utilize the categorical exemption in subsection (3) of this section.

(5) All project actions that propose to develop residential or mixed-use development within a station area are categorically exempt from the requirements of this chapter, subject to the rules of the department adopted according to RCW 43.21C.110(1)(a) that provide exceptions to the use of categorical exemptions adopted by the department. For the purpose of this subsection:

(a) "Mixed-use development" has the same meaning as provided in section 3 of this act; and

(b) "Station area" has the same meaning as provided in RCW 36.70A.030.

(6) Any categorical exemption adopted by a city or county under this section applies even if it differs from the categorical exemptions adopted by rule of the department under RCW 43.21C.110(1)(a). Nothing in this section shall invalidate categorical exemptions or environmental review procedures adopted by a city or county under a planned action pursuant to RCW 43.21C.440. However, any categorical exemption adopted by a city or county under this section shall be subject to the rules of the department adopted according to RCW 43.21C.110(1)(a) that provide exceptions to the use of categorical exemptions adopted by the department.

<u>NEW SECTION.</u> Sec. 8. A new section is added to chapter 64.38 RCW to read as follows:

(1) Governing documents created after the effective date of this section and applicable to associations located fully or partially within a station area as defined in RCW 36.70A.030 may not prohibit the construction or development of multifamily housing or transit-oriented development density that must be permitted by cities under section 3 of this act or require off-street parking inconsistent or in conflict with section 5 of this act.

(2) This section expires January 1, 2028.

<u>NEW SECTION.</u> Sec. 9. A new section is added to chapter 64.90 RCW to read as follows:

Declarations and governing documents created after the effective date of this section and applicable to a common interest community located fully or partially within a station area as defined in RCW 36.70A.030 may not prohibit the construction or development of multifamily housing or transit-oriented development density that must be permitted by cities under section 3 of this act or require off-street parking inconsistent or in conflict with section 5 of this act.

<u>NEW SECTION.</u> Sec. 10. A new section is added to chapter 64.34 RCW to read as follows:

(1) A declaration created after the effective date of this section and applicable to an association located fully or partially within a station area as defined in RCW 36.70A.030 may not prohibit the construction or development of multifamily housing or transit-oriented development density that must be permitted by cities under section 3 of this act or require off-street parking inconsistent or in conflict with section 5 of this act.

(2) This section expires January 1, 2028.

<u>NEW SECTION.</u> Sec. 11. A new section is added to chapter 64.32 RCW to read as follows:

(1) A declaration created after the effective date of this section and applicable to an association of apartment owners located fully or partially within a station area as defined in RCW 36.70A.030 may not prohibit the construction or development of multifamily housing or transit-oriented development density that must be permitted by cities under section 3 of this act or require off-street parking inconsistent or in conflict with section 5 of this act.

(2) This section expires January 1, 2028.

Sec. 12. RCW 84.14.010 and 2024 c 332 s 17 are each amended to read as follows:

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

(1) "Affordable housing" means residential housing that is rented by a person or household whose monthly housing costs, including utilities other than telephone, do not exceed thirty percent of the household's monthly income. For the purposes of housing intended for owner occupancy, "affordable housing" means residential housing that is within the means of low or moderate-income households.

(2) "Campus facilities master plan" means the area that is defined by the University of Washington as necessary for the future growth and development of its campus facilities for campuses authorized under RCW 28B.45.020.

(3) "City" means either (a) a city or town with a population of at least fifteen thousand, (b) the largest city or town, if there is no city or town with a population of at least fifteen thousand, located in a county planning under the growth management act, (c) a city or town with a population of at least five thousand located in a county subject to the provisions of RCW 36.70A.215, ((or)) (d) any city that otherwise does not meet the qualifications under (a) through (c) of this subsection, until December 31. 2031. that complies with RCW 84.14.020(1)(a)(iii) or 84.14.021(1)(b), or (e) for the exemption authorized in RCW 84.14.020(1)(a)(ii)(D), a city or town with a station area.

(4) "Conversion" means the conversion of a nonresidential building, in whole or in part, to multiple-unit housing under this chapter.

(5) "County" means a county with an unincorporated population of at least 170,000.

(6) "Governing authority" means the local legislative authority of a city or a county having jurisdiction over the property for which an exemption may be applied for under this chapter.

(7) "Growth management act" means chapter 36.70A RCW.

(8) "Household" means a single person, family, or unrelated persons living together.

(9) "Low-income household" means a single person, family, or unrelated persons living together whose adjusted income is at or below eighty percent of the median family income adjusted for family size, for the county, city, or metropolitan statistical area, where the project is located, as reported by the United States department of housing and urban development.

(10) "Moderate-income household" means a single person, family, or unrelated persons living together whose adjusted income is more than eighty percent but is at or below one hundred fifteen percent of the median family income adjusted for family size, for the county, city, or metropolitan statistical area, where the project is located, as reported by the United States department of housing and urban development.

(11) "Multiple-unit housing" means a building or a group of buildings having four or more dwelling units not designed or used as transient accommodations and not including hotels and motels. Multifamily units may result from new construction or rehabilitated or conversion of vacant, underutilized, or substandard buildings to multifamily housing.

(12) "Owner" means the property owner of record.

(13) "Permanent residential occupancy" means multiunit housing that provides either rental or owner occupancy on a nontransient basis. This includes owner-occupied or rental accommodation that is leased for a period of at least one month. This excludes hotels and motels that predominately offer rental accommodation on a daily or weekly basis.

(14) "Rehabilitation improvements" means modifications to existing structures, that are vacant for twelve months or longer, that are made to achieve a condition of substantial compliance with existing building codes or modification to existing occupied structures which increase the number of multifamily housing units.

(15) "Residential targeted area" means an area within an urban center or urban growth area that has been designated by the governing authority as a residential targeted area in accordance with this chapter. With respect to designations after July 1, 2007, "residential targeted area" may not include a campus facilities master plan.

(16) "Rural county" means a county with a population between fifty thousand and seventy-one thousand and bordering Puget Sound.

(17) "Station area" has the same meaning as defined in RCW 36.70A.030.

(18) "Substantial compliance" means compliance with local building or housing code requirements that are typically required for rehabilitation as opposed to new construction.

(((18))) (19) "Urban center" means a compact identifiable district where urban residents may obtain a variety of products and services. An urban center must contain:

(a) Several existing or previous, or both, business establishments that may include but are not limited to shops, offices, banks, restaurants, governmental agencies;

(b) Adequate public facilities including streets, sidewalks, lighting, transit, domestic water, and sanitary sewer systems; and

(c) A mixture of uses and activities that may include housing, recreation, and cultural activities in association with either commercial or office, or both, use.

Sec. 13. RCW 84.14.020 and 2021 c 187 s 3 are each amended to read as follows:

(1)(a) The value of new housing construction, conversion, and rehabilitation improvements qualifying under this chapter is exempt from ad valorem property taxation, as follows:

(i) For properties for which applications for certificates of tax exemption eligibility are submitted under this chapter before July 22, 2007, the value is exempt for ten successive years beginning January 1 of the year immediately following the calendar year of issuance of the certificate;

(ii) For properties for which applications for certificates of tax exemption eligibility are submitted under this chapter on or after July 22, 2007, the value is exempt:

(A) For eight successive years beginning January 1st of the year immediately following the calendar year of issuance of the certificate;

(B) For twelve successive years beginning January 1st of the year immediately following the calendar year of issuance of the certificate, if the property otherwise qualifies for the exemption under this chapter and meets the conditions in this subsection (1)(a)(ii)(B). For the property to qualify for the twelve-year exemption under this subsection, the applicant must commit to renting or selling at least twenty percent of the multifamily housing units as affordable housing units to low and moderate-income households, and the property must satisfy that commitment and any additional affordability and income eligibility conditions adopted by the local government under this chapter. In the case of projects intended exclusively for owner occupancy, the minimum requirement of this subsection (1)(a)(ii)(B) may be satisfied solely through housing affordable to moderate-income households; ((or))

(C) For 20 successive years beginning January 1st of the year immediately following the calendar year of issuance of the certificate, if the property otherwise qualifies for the exemption under this chapter and meets the conditions in this subsection (1)(a)(ii)(C). For the property to qualify for the 20year exemption under this subsection, the project must be located within one mile of high capacity transit of at least 15 minute scheduled frequency, in a city that has implemented, as of July 25, 2021, a mandatory inclusionary zoning requirement for affordable housing that ensures affordability of housing units for a period of at least 99 years and that has a population of no more than 65,000 as measured on July 25, 2021. To qualify for the exemption provided in this subsection (1)(a)(ii)(C), the applicant must commit to renting at least 20 percent of the dwelling units as affordable to low-income households for a term of at least 99 years, and the property must satisfy that commitment and all required affordability and income eligibility conditions adopted by the local government under this chapter. A city must require the applicant to record a covenant or deed restriction that ensures the continuing rental of units subject to these affordability requirements consistent with the conditions in this subsection (1)(a)(ii)(C) for a period of no less than 99 years. The covenant or deed restriction must also address criteria and policies to maintain public benefit if the property is converted to a use other than which continues to provide for permanently affordable low-income housing consistent with this subsection (1)(a)(ii)(C); or

(D) For 20 successive years beginning January 1st of the year immediately following the calendar year of issuance of the certificate, if the property is located fully or partially with a station area of a city and meets the affordability requirements in section 3(7)(a) of this act. A county may approve an exemption under this subsection for multifamily residential housing within a station area if the property otherwise qualifies for the exemption under this chapter and meets the density requirements in section 3(2)(a) of this act. A city or county must require the applicant to record a covenant or deed restriction that ensures the continuing rental or ownership of units subject to the affordability requirements in section 3(7)(a) of no less than 50 years. The covenant or deed restriction must also address criteria and policies to maintain public benefit if the property is converted to a use other than one which continues to provide for permanently affordable low-income housing consistent with section 3(7)(a) of this act; and

(iii) Until December 31, 2026, for a city as defined in RCW 84.14.010(3)(d), for 12 successive years beginning January 1st of the year immediately following the calendar year of issuance of the certificate, if the property otherwise qualifies for the exemption under this chapter and meets the conditions in this subsection (1)(a)(iii). For the property to qualify for the 12year exemption under this subsection, the applicant must commit to renting or selling at least 20 percent of the multifamily housing units as affordable housing units to low and moderate-income households, the property must satisfy that commitment and any additional affordability and income eligibility conditions adopted by the local government under this chapter, and the area must be zoned to have an average minimum density equivalent to 15 dwelling units or more per gross acre, or for cities with a population over 20,000, the area must be zoned to have an average minimum density equivalent to 25 dwelling units or more per gross acre. In the case of projects intended exclusively for owner occupancy, the minimum requirement of this subsection (1)(a)(iii) may be satisfied solely through housing affordable to low-income or moderate-income households.

(b) The exemptions provided in (a)(i) through (iii) of this subsection do not include the value of land or nonhousing-related improvements not qualifying under this chapter.

(c) For properties receiving an exemption as provided in (a)(ii)(B) of this subsection that are in compliance with existing contracts and where the certificate of tax exemption is set to expire after June 11, 2020, but before December 31, 2021, the exemption is extended until December 31, 2021, provided that the property must satisfy any eligibility criteria or limitations provided in this chapter as a condition to the existing exemption for a given property continue to be met. For all properties eligible to receive an extension pursuant to this subsection (1)(c), the city or county that issued the initial certificate of tax exemption, as required in RCW 84.14.090, must notify the county assessor and the applicant of the extension of the certificate of tax exemption.

(2) When a local government adopts guidelines pursuant to RCW 84.14.030(2) and includes conditions that must be satisfied with respect to

individual dwelling units, rather than with respect to the multiple-unit housing as a whole or some minimum portion thereof, the exemption may, at the local government's discretion, be limited to the value of the qualifying improvements allocable to those dwelling units that meet the local guidelines.

(3) In the case of rehabilitation of existing buildings, the exemption does not include the value of improvements constructed prior to the submission of the application required under this chapter. The incentive provided by this chapter is in addition to any other incentives, tax credits, grants, or other incentives provided by law.

(4) This chapter does not apply to increases in assessed valuation made by the assessor on nonqualifying portions of building and value of land nor to increases made by lawful order of a county board of equalization, the department of revenue, or a county, to a class of property throughout the county or specific area of the county to achieve the uniformity of assessment or appraisal required by law.

(5) At the conclusion of the exemption period, the value of the new housing construction, conversion, or rehabilitation improvements must be considered as new construction for the purposes of chapters 84.55 and 36.21 RCW as though the property was not exempt under this chapter.

(6) For properties that qualified for, satisfied the conditions of, and utilized the exemption under subsection (1)(a)(ii)(A) or (B) of this section, following the initial exemption period or the extension period authorized in subsection (1)(c) of this section, the exemption period may be extended for an additional 12 years for projects that are within 18 months of expiration contingent on city or county approval. For the property to qualify for an extension under this subsection (6), the applicant must meet at a minimum the locally adopted requirements for the property to qualify for an exemption application, and the applicant commits to renting or selling at least 20 percent of the multifamily housing units as affordable housing units for low-income households.

(7) At the end of both the tenth and eleventh years of an extension, for twelve-year extensions of the exemption, applicants must provide tenants of rent-restricted units with notification of intent to provide the tenant with rental relocation assistance as provided in subsection (8) of this section.

(8)(a) Except as provided in (b) of this subsection, for any 12-year exemption authorized under subsection (1)(a)(ii)(B) or (iii) of this section after July 25, 2021, or for any 12-year exemption extension authorized under subsection (6) of this section, at the expiration of the exemption the applicant must provide tenant relocation assistance in an amount equal to one month's rent to a qualified tenant within the final month of the qualified tenant's lease. To be eligible for tenant relocation assistance under this subsection, the tenant must occupy an income-restricted unit at the time the exemption expires and must qualify as a low-income household under this chapter at the time relocation assistance is sought.

(b) If affordability requirements consistent, at a minimum, with those required under subsection (1)(a)(ii)(B) or (iii) of this section remain in place for the unit after the expiration of the exemption, relocation assistance in an amount equal to one month's rent must be provided to a qualified tenant within the final

month of a qualified tenant's lease who occupies an income-restricted unit at the time those additional affordability requirements cease to apply to the unit.

(9) No new exemptions may be provided under this section beginning on or after January 1, 2032. No extensions may be granted under subsection (6) of this section on or after January 1, 2046.

Sec. 14. RCW 84.14.030 and 2021 c 187 s 9 are each amended to read as follows:

An owner of property making application under this chapter must meet the following requirements:

(1) The new or rehabilitated multiple-unit housing must be ((located)):

(a) Located in a residential targeted area as designated by the city or county: or

(b) Be located fully or partially within a station area if applying under RCW <u>84.14.020(1)(a)(ii)(D);</u>

(2) The multiple-unit housing must meet guidelines as adopted by the governing authority that may include height, density, public benefit features, number and size of proposed development, parking, income limits for occupancy, limits on rents or sale prices, and other adopted requirements indicated necessary by the city or county. The required amenities should be relative to the size of the project and tax benefit to be obtained;

(3) The new, converted, or rehabilitated multiple-unit housing must provide for a minimum of fifty percent of the space for permanent residential occupancy. In the case of existing occupied multifamily development, the multifamily housing must also provide for a minimum of four additional multifamily units. Existing multifamily vacant housing that has been vacant for twelve months or more does not have to provide additional multifamily units;

(4) New construction multifamily housing and rehabilitation improvements must be completed within three years from the date of approval of the application, plus any extension authorized under RCW 84.14.090(5);

(5) Property proposed to be rehabilitated must fail to comply with one or more standards of the applicable state or local building or housing codes on or after July 23, 1995. If the property proposed to be rehabilitated is not vacant, an applicant must provide each existing tenant housing of comparable size, quality, and price and a reasonable opportunity to relocate; and

(6) The applicant must enter into a contract with the city or county approved by the governing authority, or an administrative official or commission authorized by the governing authority, under which the applicant has agreed to the implementation of the development on terms and conditions satisfactory to the governing authority.

Sec. 15. RCW 84.14.060 and 2014 c 96 s 5 are each amended to read as follows:

(1) The duly authorized administrative official or committee of the city or county may approve the application if it finds that:

(a) A minimum of four new units are being constructed or in the case of occupied rehabilitation or conversion a minimum of four additional multifamily units are being developed;

(b) If applicable, the proposed multiunit housing project meets the affordable housing requirements as described in ((RCW - 84.14.020)) this chapter;

(c) The proposed project is or will be, at the time of completion, in conformance with all local plans and regulations that apply at the time the application is approved;

(d) The owner has complied with all standards and guidelines adopted by the city or county under this chapter and, if applicable, section 3 of this act; and

(e) The site is located in a residential targeted area of an urban center or urban growth area that has been designated by the governing authority in accordance with procedures and guidelines indicated in RCW 84.14.040. or is located fully or partially within a station area if applying under RCW 84.14.020(1)(a)(ii)(D).

(2) An application may not be approved after July 1, 2007, if any part of the proposed project site is within a campus facilities master plan, except as provided in RCW 84.14.040(1)(d).

(3) An application may not be approved for a residential targeted area in a rural county on or after January 1, 2020.

Sec. 16. RCW 84.14.090 and 2021 c 187 s 10 are each amended to read as follows:

(1) Upon completion of rehabilitation or new construction for which an application for a limited tax exemption under this chapter has been approved and after issuance of the certificate of occupancy, the owner must file with the city or county the following:

(a) A statement of the amount of rehabilitation or construction expenditures made with respect to each housing unit and the composite expenditures made in the rehabilitation or construction of the entire property;

(b) A description of the work that has been completed and a statement that the rehabilitation improvements or new construction on the owner's property qualify the property for limited exemption under this chapter;

(c) If applicable, a statement that the project meets the affordable housing requirements as described in ((RCW 84.14.020)) this chapter; and

(d) A statement that the work has been completed within three years of the issuance of the conditional certificate of tax exemption.

(2) Within ((thirty)) <u>30</u> days after receipt of the statements required under subsection (1) of this section, the authorized representative of the city or county must determine whether the work completed, and the affordability of the units, is consistent with the application and the contract approved by the city or county and is qualified for a limited tax exemption under this chapter. The city or county must also determine which specific improvements completed meet the requirements and required findings.

(3) If the rehabilitation, conversion, or construction is completed within three years of the date the application for a limited tax exemption is filed under this chapter, or within an authorized extension of this time limit, and the authorized representative of the city or county determines that improvements were constructed consistent with the application and other applicable requirements, including if applicable, affordable housing requirements, and the owner's property is qualified for a limited tax exemption under this chapter, the city or county must file the certificate of tax exemption with the county assessor within ((ten)) <u>10</u> days of the expiration of the ((thirty)) <u>30</u>-day period provided under subsection (2) of this section.

(4) The authorized representative of the city or county must notify the applicant that a certificate of tax exemption is not going to be filed if the authorized representative determines that:

(a) The rehabilitation or new construction was not completed within three years of the application date, or within any authorized extension of the time limit;

(b) The improvements were not constructed consistent with the application or other applicable requirements;

(c) If applicable, the affordable housing requirements as described in ((RCW 84.14.020)) this chapter were not met; or

(d) The owner's property is otherwise not qualified for limited exemption under this chapter.

(5) If the authorized representative of the city or county finds that construction or rehabilitation of multiple-unit housing was not completed within the required time period due to circumstances beyond the control of the owner and that the owner has been acting and could reasonably be expected to act in good faith and with due diligence, the governing authority or the city or county official authorized by the governing authority may extend the deadline for completion of construction or rehabilitation for a period not to exceed ((twenty-four)) 24 consecutive months. For preliminary or final applications submitted on or before February 15, 2020, with any outstanding application requirements, such as obtaining a temporary certificate of occupancy, the city or county may choose to extend the deadline for completion for an additional five years. The five-year extension begins immediately following the completion of any outstanding applications or previously authorized extensions, whichever is later.

(6) The governing authority may provide by ordinance for an appeal of a decision by the deciding officer or authority that an owner is not entitled to a certificate of tax exemption to the governing authority, a hearing examiner, or other city or county officer authorized by the governing authority to hear the appeal in accordance with such reasonable procedures and time periods as provided by ordinance of the governing authority. The owner may appeal a decision by the deciding officer or authority that is not subject to local appeal or a decision by the local appeal authority that the owner is not entitled to a certificate of tax exemption in superior court under RCW 34.05.510 through 34.05.598, if the appeal is filed within ((thirty)) 30 days of notification by the city or county to the owner of the decision being challenged.

Sec. 17. RCW 84.14.100 and 2021 c 187 s 5 are each amended to read as follows:

(1) Thirty days after the anniversary of the date of the certificate of tax exemption and each year for the tax exemption period, the owner of the rehabilitated or newly constructed property, or the qualified nonprofit or local government that will assure permanent affordable homeownership for at least 25 percent of the units for properties receiving an exemption under RCW 84.14.021, must file with a designated authorized representative of the city or county an annual report indicating the following:

(a) A statement of occupancy and vacancy of the rehabilitated or newly constructed property during the twelve months ending with the anniversary date;

(b) A certification by the owner that the property has not changed use and, if applicable, that the property has been in compliance with the affordable housing requirements as described in ((RCW 84.14.020)) this chapter since the date of the certificate approved by the city or county;

(c) A description of changes or improvements constructed after issuance of the certificate of tax exemption; and

(d) Any additional information requested by the city or county in regards to the units receiving a tax exemption.

(2) All cities or counties, which issue certificates of tax exemption for multiunit housing that conform to the requirements of this chapter, must report annually by April 1st of each year, beginning in 2007, to the department of commerce. A city or county must be in compliance with the reporting requirements of this section to offer certificates of tax exemption for multiunit housing authorized in this chapter. The report must include the following information:

(a) The number of tax exemption certificates granted;

(b) The total number and type of units produced or to be produced;

(c) The number, size, and type of units produced or to be produced meeting affordable housing requirements;

(d) The actual development cost of each unit produced;

(e) The total monthly rent or total sale amount of each unit produced;

(f) The annual household income and household size for each of the affordable units receiving a tax exemption and a summary of these figures for the city or county; and

(g) The value of the tax exemption for each project receiving a tax exemption and the total value of tax exemptions granted.

(3)(a) The department of commerce must adopt and implement a program to effectively audit or review that the owner or operator of each property for which a certificate of tax exemption has been issued, except for those properties receiving an exemption that are owned or operated by a nonprofit or for those properties receiving an exemption from a city or county that operates an independent audit or review program, is offering the number of units at rents as committed to in the approved application for an exemption and that the tenants are being properly screened to be qualified for an income-restricted unit. The audit or review program must be adopted in consultation with local governments and other stakeholders and may be based on auditing a percentage of income-restricted units or properties annually. A private owner or operator of a property for which a certificate of tax exemption has been issued under this chapter, must be audited at least once every five years.

(b) If the review or audit required under (a) of this subsection for a given property finds that the owner or operator is not offering the number of units at rents as committed to in the approved application or is not properly screening tenants for income-restricted units, the department of commerce must notify the city or county and the city or county must impose and collect a sliding scale penalty not to exceed an amount calculated by subtracting the amount of rents that would have been collected had the owner or operator complied with their commitment from the amount of rents collected by the owner or operator for the income-restricted units, with consideration of the severity of the noncompliance. If a subsequent review or audit required under (a) of this subsection for a given property finds continued substantial noncompliance with the program requirements, the exemption certificate must be canceled pursuant to RCW 84.14.110.

(c) The department of commerce may impose and collect a fee, not to exceed the costs of the audit or review, from the owner or operator of any property subject to an audit or review required under (a) of this subsection.

(4) The department of commerce must provide guidance to cities and counties, which issue certificates of tax exemption for multiunit housing that conform to the requirements of this chapter, on best practices in managing and reporting for the exemption programs authorized under this chapter, including guidance for cities and counties to collect and report demographic information for tenants of units receiving a tax exemption under this chapter.

(5) This section expires January 1, 2058.

Sec. 18. RCW 84.14.110 and 2012 c 194 s 10 are each amended to read as follows:

(1) If improvements have been exempted under this chapter, the improvements continue to be exempted for the applicable period under RCW 84.14.020, so long as they are not converted to another use and continue to satisfy all applicable conditions. If the owner intends to convert the multifamily development to another use, or if applicable, if the owner intends to discontinue compliance with the affordable housing requirements as described in ((RCW 84.14.020)) this chapter or any other condition to exemption, the owner must notify the assessor within sixty days of the change in use or intended discontinuance. If, after a certificate of tax exemption has been filed with the county assessor, the authorized representative of the governing authority discovers that a portion of the property is changed or will be changed to a use that is other than residential or that housing or amenities no longer meet the requirements, including, if applicable, affordable housing requirements, as previously approved or agreed upon by contract between the city or county and the owner and that the multifamily housing, or a portion of the housing, no longer qualifies for the exemption, the tax exemption must be canceled and the following must occur:

(a) Additional real property tax must be imposed upon the value of the nonqualifying improvements in the amount that would normally be imposed, plus a penalty must be imposed amounting to twenty percent. This additional tax is calculated based upon the difference between the property tax paid and the property tax that would have been paid if it had included the value of the nonqualifying improvements dated back to the date that the improvements were converted to a nonmultifamily use;

(b) The tax must include interest upon the amounts of the additional tax at the same statutory rate charged on delinquent property taxes from the dates on which the additional tax could have been paid without penalty if the improvements had been assessed at a value without regard to this chapter; and

(c) The additional tax owed together with interest and penalty must become a lien on the land and attach at the time the property or portion of the property is removed from multifamily use or the amenities no longer meet applicable requirements, and has priority to and must be fully paid and satisfied before a recognizance, mortgage, judgment, debt, obligation, or responsibility to or with which the land may become charged or liable. The lien may be foreclosed upon expiration of the same period after delinquency and in the same manner provided by law for foreclosure of liens for delinquent real property taxes. An additional tax unpaid on its due date is delinquent. From the date of delinquency until paid, interest must be charged at the same rate applied by law to delinquent ad valorem property taxes.

(2) Upon a determination that a tax exemption is to be canceled for a reason stated in this section, the governing authority or authorized representative must notify the record owner of the property as shown by the tax rolls by mail, return receipt requested, of the determination to cancel the exemption. The owner may appeal the determination to the governing authority or authorized representative, within thirty days by filing a notice of appeal with the clerk of the governing authority, which notice must specify the factual and legal basis on which the determination of cancellation is alleged to be erroneous. The governing authority or a hearing examiner or other official authorized by the governing authority may hear the appeal. At the hearing, all affected parties may be heard and all competent evidence received. After the hearing, the deciding body or officer must either affirm, modify, or repeal the decision of cancellation of the decision of the decision of the decision of the superior court under RCW 34.05.510 through 34.05.598.

(3) Upon determination by the governing authority or authorized representative to terminate an exemption, the county officials having possession of the assessment and tax rolls must correct the rolls in the manner provided for omitted property under RCW 84.40.080. The county assessor must make such a valuation of the property and improvements as is necessary to permit the correction of the rolls. The value of the new housing construction, conversion, and rehabilitation improvements added to the rolls is considered as new construction for the purposes of chapter 84.55 RCW. The owner may appeal the valuation to the county board of equalization under chapter 84.48 RCW and according to the provisions of RCW 84.40.038. If there has been a failure to comply with this chapter, the property must be listed as an omitted assessment for assessment years beginning January 1 of the calendar year in which the noncompliance first occurred, but the listing as an omitted assessment may not be for a period more than three calendar years preceding the year in which the failure to comply was discovered.

<u>NEW SECTION.</u> Sec. 19. A new section is added to chapter 84.14 RCW to read as follows:

The governing authority of a city with a station area must adopt and implement standards and guidelines to be used in considering applications and making the determinations required under RCW 84.14.060. The standards and guidelines must establish basic requirements for both new construction and rehabilitation, which must include:

(1) Application process and procedures;

(2) Income and rent standards for affordable units that meet the requirements of section 3(7)(a) of this act;

(3) Requirements that address demolition of existing structures and site utilization; and

(4) Building requirements that comply with this act.

Sec. 20. RCW 82.02.060 and 2023 c 337 s 10 are each amended to read as follows:

The local ordinance by which impact fees are imposed:

(1) Shall include a schedule of impact fees which shall be adopted for each type of development activity that is subject to impact fees, specifying the amount of the impact fee to be imposed for each type of system improvement. The schedule shall be based upon a formula or other method of calculating such impact fees. The schedule shall reflect the proportionate impact of new housing units, including multifamily and condominium units, based on the square footage, number of bedrooms, or trips generated, in the housing unit in order to produce a proportionally lower impact fee for smaller housing units. In determining proportionate share, the formula or other method of calculating impact fees shall incorporate, among other things, the following:

(a) The cost of public facilities necessitated by new development;

(b) An adjustment to the cost of the public facilities for past or future payments made or reasonably anticipated to be made by new development to pay for particular system improvements in the form of user fees, debt service payments, taxes, or other payments earmarked for or proratable to the particular system improvement;

(c) The availability of other means of funding public facility improvements;

(d) The cost of existing public facilities improvements; and

(e) The methods by which public facilities improvements were financed;

(2) May provide an exemption for low-income housing, and other development activities with broad public purposes, including development of an early learning facility, from these impact fees, provided that the impact fees for such development activity shall be paid from public funds other than impact fee accounts;

(3)(a) May not impose an impact fee on development activities of an early learning facility greater than that imposed on commercial retail or commercial office development activities that generate a similar number, volume, type, and duration of vehicle trips;

(b) When a facility or development has more than one use, the limitations in this subsection (3) or the exemption applicable to an early learning facility in subsections (2) and (4) of this section only apply to that portion that is developed as an early learning facility. The impact fee assessed on an early learning facility in such a development or facility may not exceed the least of the impact fees assessed on comparable businesses in the facility or development;

(4) May provide an exemption from impact fees for low-income housing or for early learning facilities. Local governments that grant exemptions for low-income housing or for early learning facilities under this subsection (4) may either: Grant a partial exemption of not more than ((eighty)) <u>80</u> percent of impact fees, in which case there is no explicit requirement to pay the exempted portion of the fee from public funds other than impact fee accounts; or provide a full waiver, in which case the remaining percentage of the exempted fee must be paid from public funds other than impact fee accounts, except as provided in (b) of this subsection. These exemptions are subject to the following requirements:

(a) An exemption for low-income housing granted under subsection (2) of this section or this subsection (4) must be conditioned upon requiring the developer to record a covenant that, except as provided otherwise by this subsection, prohibits using the property for any purpose other than for lowincome housing. At a minimum, the covenant must address price restrictions and household income limits for the low-income housing, and that if the property is converted to a use other than for low-income housing, the property owner must pay the applicable impact fees in effect at the time of conversion;

(b) An exemption for early learning facilities granted under subsection (2) of this section or this subsection (4) may be a full waiver without an explicit requirement to pay the exempted portion of the fee from public funds other than impact fee accounts if the local government requires the developer to record a covenant that requires that at least 25 percent of the children and families using the early learning facility qualify for state subsidized child care, including early childhood education and assistance under chapter 43.216 RCW, and that provides that if the property is converted to a use other than for an early learning facility, the property owner must pay the applicable impact fees in effect at the time of conversion, and that also provides that if at no point during a calendar year does the early learning facility achieve the required percentage of children and families qualified for state subsidized child care using the early learning facility, the property owner must pay 20 percent of the impact fee that would have been imposed on the development had there not been an exemption within 90 days of the local government notifying the property owner of the breach, and any balance remaining thereafter shall be a lien on the property; and

(c) Covenants required by (a) and (b) of this subsection must be recorded with the applicable county auditor or recording officer. A local government granting an exemption under subsection (2) of this section or this subsection (4) for low-income housing or an early learning facility may not collect revenue lost through granting an exemption by increasing impact fees unrelated to the exemption. A school district who receives school impact fees must approve any exemption under subsection (2) of this section or this subsection (4);

(5) Shall provide a credit for the value of any dedication of land for, improvement to, or new construction of any system improvements provided by the developer, to facilities that are identified in the capital facilities plan and that are required by the county, city, or town as a condition of approving the development activity;

(6) Shall allow the county, city, or town imposing the impact fees to adjust the standard impact fee at the time the fee is imposed to consider unusual circumstances in specific cases to ensure that impact fees are imposed fairly;

(7) Shall include a provision for calculating the amount of the fee to be imposed on a particular development that permits consideration of studies and data submitted by the developer to adjust the amount of the fee;

(8) Shall establish one or more reasonable service areas within which it shall calculate and impose impact fees for various land use categories per unit of development;

(9) May provide for the imposition of an impact fee for system improvement costs previously incurred by a county, city, or town to the extent that new growth and development will be served by the previously constructed improvements provided such fee shall not be imposed to make up for any system improvement deficiencies; ((and))

(10) <u>Shall provide a 50 percent reduction of the impact fees specified in the</u> schedule of impact fees for system improvements under RCW 82.02.090(7)(a) if the project is within a station area and claiming a multiple-unit housing property tax exemption under RCW 84.14.020(1)(a)(ii)(D); and

(11) Must adopt or amend by ordinance, and incorporate into their development regulations, zoning regulations, and other official controls the requirements of this section to take effect six months after the jurisdiction's next periodic comprehensive plan update required under RCW 36.70A.130.

For purposes of this section, "low-income housing" means housing with a monthly housing expense, that is no greater than ((thirty)) <u>30</u> percent of ((eighty)) <u>80</u> percent of the median family income adjusted for family size, for the county where the project is located, as reported by the United States department of housing and urban development.

For the purposes of this section, "early learning facility" has the same meaning as in RCW 43.31.565.

Sec. 21. RCW 82.02.090 and 2023 c 121 s 2 are each amended to read as follows:

The definitions in this section apply throughout this section and RCW 82.02.050 through 82.02.080 unless the context clearly requires otherwise.

(1) "Development activity" means any construction or expansion of a building, structure, or use, any change in use of a building or structure, or any changes in the use of land, that creates additional demand and need for public facilities. "Development activity" does not include:

(a) Buildings or structures constructed by a regional transit authority; or

(b) Buildings or structures constructed as shelters that provide emergency housing for people experiencing homelessness, or emergency shelters for victims of domestic violence, as defined in RCW 70.123.020.

(2) "Development approval" means any written authorization from a county, city, or town which authorizes the commencement of development activity.

(3) "Impact fee" means a payment of money imposed upon development as a condition of development approval to pay for public facilities needed to serve new growth and development, and that is reasonably related to the new development that creates additional demand and need for public facilities, that is a proportionate share of the cost of the public facilities, and that is used for facilities that reasonably benefit the new development. "Impact fee" does not include a reasonable permit or application fee.

(4) "Owner" means the owner of record of real property, although when real property is being purchased under a real estate contract, the purchaser is considered the owner of the real property if the contract is recorded.

(5) "Project improvements" mean site improvements and facilities that are planned and designed to provide service for a particular development project and that are necessary for the use and convenience of the occupants or users of the project, and are not system improvements. An improvement or facility included in a capital facilities plan approved by the governing body of the county, city, or town is not considered a project improvement.

(6) "Proportionate share" means that portion of the cost of public facility improvements that are reasonably related to the service demands and needs of new development.

(7) "Public facilities" means the following capital facilities owned or operated by government entities: (a) Public streets, roads, and bicycle and pedestrian facilities that were designed with multimodal commuting as an intended use; (b) publicly owned parks, open space, and recreation facilities; (c) school facilities; and (d) fire protection facilities.

(8) "Service area" means a geographic area defined by a county, city, town, or intergovernmental agreement in which a defined set of public facilities provide service to development within the area. Service areas must be designated on the basis of sound planning or engineering principles.

(9) "Station area" has the same meaning as defined in RCW 36.70A.030.

(10) "System improvements" mean public facilities that are included in the capital facilities plan and are designed to provide service to service areas within the community at large, in contrast to project improvements.

<u>NEW SECTION.</u> Sec. 22. Sections 12 through 19 of this act apply to property taxes levied for collection in 2026 and thereafter.

<u>NEW SECTION.</u> Sec. 23. If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2025, in the omnibus appropriations act, this act is null and void.

Passed by the House April 22, 2025.

Passed by the Senate April 15, 2025.

Approved by the Governor May 13, 2025.

Filed in Office of Secretary of State May 14, 2025.

CHAPTER 268

[Substitute House Bill 1621] HOUSING COURT COMMISSIONERS

AN ACT Relating to addressing court capacity for unlawful detainer actions by authorizing superior courts to appoint housing court commissioners; adding new sections to chapter 59.18 RCW; adding a new section to chapter 59.20 RCW; creating a new section; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> Sec. 1. The legislature finds that nearly 40 percent of Washington households are renter households. Washington is one of the most expensive rental markets in the country. Rent increases are outpacing incomes, disproportionately impacting: Seniors; Black, indigenous, and people of color households; and families with children, and are a significant cause of homelessness. As of November 2024, Washington was experiencing the highest eviction filing count on record, with 23,000 filings and with nine counties already breaking records, including Clark, Grant, Jefferson, King, Klickitat, Okanogan, Spokane, Thurston, and Whitman. Seven additional counties were also on track to break records in 2024, including Asotin, Columbia, Douglas, Kittitas, Pend Oreille, Skagit and Walla Walla.

A significant surge in unlawful detainer filings has contributed to delays in court proceedings and case resolutions, creating additional burdens for both landlords and tenants.

The legislature further finds that the right to counsel program in eviction proceedings provides a vital safety net for low-income renters, providing access to attorneys to ensure procedural fairness in court and significantly reducing the risk of housing loss and evictions into homelessness. Since January 2022, every tenant screened and found eligible has been assigned an attorney through an eviction defense provider contracted by the office of civil legal aid. Of the clients served, 39 percent had a disability and 45 percent were Black, indigenous, and people of color.

It is the intent of the legislature to address delays in court proceedings by authorizing superior courts, with the consent of the county legislative authority, to appoint well-trained and unbiased court commissioners who can hear unlawful detainer cases.

The legislature respectfully requests that superior courts continue to closely coordinate their dockets with right to counsel assignments for eligible defendants in unlawful detainer cases, and encourages the courts to give consideration to the availability of right to counsel attorneys when expanding their dockets.

<u>NEW SECTION.</u> Sec. 2. A new section is added to chapter 59.18 RCW to read as follows:

(1) Except as provided in subsection (2) of this section, in each county the superior court may appoint the following persons to assist the superior court in disposing of its business related to unlawful detainer actions for residential tenancies covered by this chapter and chapter 59.20 RCW:

(a) One or more attorneys to act as housing court commissioners; and

(b) Such investigators, stenographers, and clerks as the court finds necessary to carry on the work of the housing court commissioners.

(2) The position of a housing court commissioner may not be created without prior consent of the county legislative authority.

(3) The appointments provided for in this section are made by a majority vote of the judges of the superior court of the county and may be in addition to all other appointments of commissioners and other judicial attaches otherwise authorized by law.

(4) The appointments may be full-time or part-time positions. A person appointed as a housing court commissioner may also be appointed to any other commissioner position authorized by law.

(5) Housing court commissioners and investigators serve at the pleasure of the judges appointing them and receive such compensation as the county legislative authority shall determine.

(6) A person appointed as a housing court commissioner shall comply with the fairness and impartiality standards established in RCW 3.34.110.

(7)(a) A person appointed as a housing court commissioner will receive training as soon as reasonably practicable but no sooner than July 26, 2025, from the administrative office of the courts on the following topics:

(i) The residential landlord-tenant act, this chapter;

(ii) The manufactured/mobile home landlord-tenant act, chapter 59.20 RCW;

(iii) Show cause hearing processes in the context of evictions and unlawful detainer actions; and

(iv) Unlawful detainer procedures, chapter 59.16 RCW.

(b) The administrative office of the courts may coordinate with the office of civil legal aid to develop and deliver the training described in (a) of this subsection.

<u>NEW SECTION.</u> Sec. 3. A new section is added to chapter 59.18 RCW to read as follows:

(1) By majority vote, the judges of the superior court of the county may authorize housing court commissioners appointed pursuant to section 2 of this act to perform any and all of the following duties in an unlawful detainer action under this chapter:

(a) Receive all applications, petitions, and proceedings filed in the superior court related to unlawful detainer actions for residential tenancies covered by this chapter;

(b) Order investigation and reporting of facts upon which to base warrants, subpoenas, orders, or directions in actions or proceedings related to unlawful detainer actions for residential tenancies covered by this chapter;

(c) For the purpose of this chapter, exercise all powers and perform all the duties of a court commissioner appointed pursuant to RCW 2.24.010(1);

(d) Hold hearings in proceedings related to unlawful detainer cases for residential tenancies covered by this chapter and make written reports of all such proceedings, which shall become a part of the record of the superior court;

(e) Provide such supervision in connection with the exercise of its jurisdiction as may be ordered by the presiding judge; and

(f) Cause the orders and findings to be entered in the same manner as orders and findings are entered in cases in the superior court.

(2) All acts and proceedings of a housing court commissioner are subject to revision by the superior court as provided in RCW 2.24.050.

<u>NEW SECTION.</u> Sec. 4. A new section is added to chapter 59.20 RCW to read as follows:

(1) By majority vote, the judges of the superior court of the county may authorize housing court commissioners appointed pursuant to section 2 of this act to perform any and all of the following duties in an unlawful detainer action under this chapter:

(a) Receive all applications, petitions, and proceedings filed in the superior court related to unlawful detainer actions for residential tenancies covered by this chapter;

(b) Order investigation and reporting of facts upon which to base warrants, subpoenas, orders, or directions in actions or proceedings related to unlawful detainer actions for residential tenancies covered by this chapter;

(c) For the purpose of this chapter, exercise all powers and perform all the duties of a court commissioner appointed pursuant to RCW 2.24.010(1);

(d) Hold hearings in proceedings related to unlawful detainer cases for residential tenancies covered by this chapter and make written reports of all such proceedings, which shall become a part of the record of the superior court;

(e) Provide such supervision in connection with the exercise of its jurisdiction as may be ordered by the presiding judge; and

(f) Cause the orders and findings to be entered in the same manner as orders and findings are entered in cases in the superior court.

(2) All acts and proceedings of a housing court commissioner are subject to revision by the superior court as provided in RCW 2.24.050.

<u>NEW SECTION.</u> Sec. 5. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

Passed by the House April 21, 2025. Passed by the Senate March 26, 2025. Approved by the Governor May 13, 2025. Filed in Office of Secretary of State May 14, 2025.

CHAPTER 269

[Engrossed Second Substitute Senate Bill 5148] GROWTH MANAGEMENT ACT—HOUSING ELEMENT—COMPLIANCE

AN ACT Relating to ensuring compliance with the housing element requirements of the growth management act; amending RCW 36.70A.290, 36.70A.320, and 36.70A.130; reenacting and amending RCW 36.70A.280 and 43.21C.495; adding new sections to chapter 36.70A RCW; and creating a new section.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> Sec. 1. A new section is added to chapter 36.70A RCW to read as follows:

(1) A county or city that is required or chooses to plan under RCW 36.70A.040 may submit their housing element required under RCW 36.70A.070(2) and any housing development regulations adopted or amended on or after the effective date of this section to the department for review to determine whether the housing element or housing development regulations comply with the laws and regulations identified in subsection (7) of this section.

(2)(a) Not less than 120 days prior to applying for approval of a housing element, the county or city must notify the department in writing that it intends to apply for approval under subsection (1) of this section. The department shall review proposed housing elements prior to final adoption and advise the county or city of the actions necessary to receive approval.

(b) Prior to advising the county or city of the actions necessary to receive approval under (a) of this subsection, the department, along with the county or city, may consult with other relevant state agencies in making its determination.

(c) Prior to advising the county or city of the actions necessary to receive approval under (a) of this subsection, the department, along with the county or city, may consult with housing providers, developers, and builders that are located in or have completed work in the county or city.

(d) The department shall publish notice in the Washington state register that a city or county has notified the department of its intent to apply for approval and the department shall post a copy of the notice on the department website.

(3)(a) A county or city submitting a housing element or housing development regulation for review under subsection (1) of this section must submit its application to the department within 10 days after any final action to amend, repeal, or replace the housing element or housing development regulations.

(b) Notwithstanding subsection (1) of this section, the department may review housing development regulations adopted or amended before the effective date of this section if amendments to those regulations are necessary to implement the housing element or any laws and regulations identified in subsection (7) of this section.

(4) Notwithstanding RCW 36.70A.320(1), a housing element or housing development regulation subject to review under this section does not take effect until the department issues a final decision determining that the housing element or housing development regulation complies with the laws and regulations identified in subsection (7) of this section.

(5)(a) An application for review must include, at a minimum, the following:

(i) A cover letter from the legislative authority requesting review of the housing element or housing development regulations;

(ii) A copy of the adopted ordinance or resolution taking the legislative action or actions required to adopt the housing element or housing development regulations;

(iii) A statement explaining how the adopted housing element or housing development regulations comply with the laws and regulations identified in subsection (7) of this section; and

(iv) A copy of the record developed by the city or county at any public meeting or public hearing at which action was taken on the housing element or housing development regulations.

(b) For the purposes of this subsection, "action" and "meeting" have the same meanings as in RCW 42.30.020.

(6)(a) Within 90 days of the date of receipt of an application, the department shall issue a decision determining whether the housing element and any housing development regulations comply with the laws and regulations identified in subsection (7) of this section. The department may extend the review period with written agreement of the city or county.

(b) The department must issue its decision in the form of a written statement, including findings of fact and conclusions, and noting the date of the issuance of its decision. The department's issued decision must conspicuously and plainly state that it is the department's final decision. In issuing a decision that finds that a city's or county's housing element and any housing development regulations are not in compliance with the laws and regulations identified in subsection (7) of this section, the department must demonstrate that the city's or county's housing element or development regulations are clearly erroneous.

(c) The department shall promptly publish its decision as follows:

(i) Notify the city or county in writing of its decision;

(ii) Publish a notice of action in the Washington state register;

(iii) Post a notice of its decision on the agency website; and

(iv) Notify other relevant state agencies regarding the decision.

(7)(a) The department shall issue a determination of compliance for a housing element or housing development regulation unless it finds that the housing element or housing development regulation is not consistent with any of the following laws and regulations:

(i) The housing planning goal set forth in RCW 36.70A.020(4);

(ii) The housing element requirements set forth in RCW 36.70A.070(2);

(iii) Any relevant rules adopted by the department;

(iv) Any relevant state environmental policy act requirements in chapter 43.21C RCW;

(v) The county's or city's comprehensive plan;

(vi) Emergency shelters, transitional housing, emergency housing, and permanent supportive housing requirements in RCW 35.21.683 and 35A.21.430;

(vii) Co-living housing requirements in RCW 36.70A.535;

(viii) Density bonuses required in RCW 36.70A.545;

(ix) Parking requirements in RCW 36.70A.620 and 36.70A.622; or

(x) Housing requirements in RCW 36.70A.115, 36.70A.635, 36.70A.636, 36.70A.637, 36.70A.638, 36.70A.680, 36.70A.681, 36.70A.682, 36.70A.696, 36.70A.697, 36.70A.698, and 36.70A.699.

(b) Within six months of the effective date of this section, the department shall publish a defined set of minimum objective standards that jurisdictions must meet in order to comply with this section.

(8)(a) The department shall publish and regularly update a local government compliance list that includes, at minimum, the following information for each city or county:

(i) Whether the city or county is subject to a targeted review under subsection (9) of this section;

(ii) Whether the city or county has applied for a determination of compliance and, if so, the date of the application; and

(iii) Whether the department has issued a decision on compliance for the city or county and, if so, the nature of the decision, the date that the decision was issued, and the status or outcome of any appeals.

(b) The local government compliance list must be made publicly available on the department's website.

(9)(a)(i) A city or county that is required or chooses to plan under RCW 36.70A.040 must submit its housing element required under RCW 36.70A.070(2) and any housing development regulations adopted or amended on or after the effective date of this section to the department for review in accordance with this section if the department selects the city or county for targeted review under this subsection. The department may select up to 10 cities or counties for targeted review each calendar year and must prioritize selections for review based on criteria including, but not limited to, the following:

(A) The city or county has not planned for and accommodated for its portion of the countywide housing need determined by the county;

(B) The city's or county's housing production is less than 50 percent of the annual housing being produced within the county or regional council area, as applicable, adjusted by population;

(C) The city's or county's housing production consists of greater than 80 percent single-family homes aimed at primarily households whose income is at or greater than 120 percent of the median household income adjusted for household size for the city or county where the household is located.

(ii) Upon selection for review, the department must notify any selected cities or counties within 10 days.

(iii) During review of a city or county under this subsection, the department may consult with housing developers and builders that are located in or have completed work in the city or county.

(b)(i) If the department determines that a city or county subject to targeted review under this subsection is not in compliance with the laws and regulations identified in subsection (7) of this section, the department shall notify the city or county of the deficiencies identified and propose amendments to correct any deficiencies. The city or county has 120 days to amend its housing element and any relevant housing development regulations to address any deficiencies noted by the department in its decision issued under subsection (6)(a) of this section and must submit any amendments to its housing element or housing development regulations to the department in the same manner of the initial application for review under subsection (5)(a) of this section. The department may extend the 120-day correction period with written agreement of the city or county.

(ii) If the department determines that a housing element or housing development regulation amended under (b)(i) of this subsection does not comply with the laws and regulations identified in subsection (7) of this section, the city or county is subject to the requirements of subsection (11) of this section.

(10) The department's decision on compliance, including subsequent reviews under subsection (9)(b) of this section, and any housing element or housing development regulations subject to review under this section, may be appealed to the growth management hearings board by filing a petition as provided in RCW 36.70A.290.

(11)(a) A noncompliant city or county may not deny an affordable or moderate-income housing development, or approve an affordable or moderateincome housing development with conditions or restrictions that have a substantial adverse impact on the viability of the development or the degree of affordability of the development unless at least one of the following conditions is met:

(i) The city or county has received a final decision from the department determining that its housing element and any housing development regulations comply with the laws and regulations identified in subsection (7) of this section;

(ii) The denial of the affordable or moderate-income housing development, or the approval of the affordable or moderate-income housing development with conditions or restrictions that have a substantial adverse impact on the viability of the development or the degree of affordability of the development, is required in order to comply with specific state or federal law;

(iii) The affordable or moderate-income housing development or proposed development site is located outside an urban growth area, in a critical area, in a critical area buffer, or in an area where residential uses are not allowed by the applicable shoreline master program; or

(iv) The affordable or moderate-income housing development or proposed development site is located in an area where neither the local jurisdiction's comprehensive plan nor zoning ordinance permits residential or mixed uses.

(b) The county or city must require the developer of an affordable or moderate-income housing development to include legally binding, enforceable restrictions on the development, recorded as a covenant or deed restriction, to ensure that the following measures of affordability are met for a minimum 25year period:

(i) At least 20 percent of the units are affordable housing as defined in RCW 36A.70A.030;

(ii) At least 50 percent of the units are workforce housing; or

(iii) All of the units are moderate-income housing as defined in RCW 36.70A.030.

(c) The county or city must periodically audit compliance with the restrictions or provide another mechanism to ensure that the units committed to affordable or workforce housing meet the measures of affordability described in (b) of this subsection during the agreed term.

(d) For the purposes of this subsection, "noncompliant city or county" means a city or county subject to targeted review under subsection (9) of this section that:

(i) Does not take amendatory actions under subsection (9)(b)(i) of this section following a determination from the department that the city's or county's housing element or housing development regulations do not comply with the laws and regulations identified in subsection (7) of this section; or

(ii) Has a housing element or housing development regulation that does not comply with the laws and regulations identified in subsection (7) of this section as determined by the department under subsection (9)(b)(ii) of this section or, if appealed, the board under RCW 36.70A.290(3)(b).

(12) A city or county may not be required to submit their housing element or housing development regulations for department review and compliance under this section as a condition of eligibility or prioritization for funds or other programs and opportunities unless a city or county is required to submit their housing element or housing development regulations under subsection (9)(a)(i) of this section.

(13) The department may adopt any rules necessary to implement this section.

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

(a) "Affordable housing" has the same meaning as in RCW 36.70A.030.

(b) "Workforce housing" means housing with monthly costs, including utilities other than telephone, that do not exceed 30 percent of the monthly income of a household whose income is:

(i) For a rental: At or below 80 percent of the median household income adjusted for household size, for the county where the household is located, as reported by the United States department of housing and urban development;

(ii) For ownership: At or below 100 percent of the median household income adjusted for household size, for the county where the household is located, as reported by the United States department of housing and urban development.

(c) "Moderate-income housing" has the same meaning as "moderate-income household" in RCW 36.70A.030.

(d) "Housing development regulations" means any development regulations related to the housing element requirements under RCW 36.70A.070(2) including, but not limited to, development regulations related to affordable housing, middle housing, co-living housing, accessory dwelling units, emergency shelters, transitional housing, emergency housing, permanent supportive housing, conversions of nonresidential buildings to residential use, and any zoning maps and zoning districts.

Sec. 2. RCW 36.70A.280 and 2023 c 334 s 7, 2023 c 332 s 6, and 2023 c 228 s 7 are each reenacted and amended to read as follows:

(1) The growth management hearings board shall hear and determine only those petitions alleging either:

(a) That, except as provided otherwise by this subsection, a state agency, county, or city planning under this chapter is not in compliance with the requirements of this chapter, chapter 90.58 RCW as it relates to the adoption of shoreline master programs or amendments thereto, or chapter 43.21C RCW as it relates to plans, development regulations, or amendments, adopted under RCW 36.70A.040 or chapter 90.58 RCW. Nothing in this subsection authorizes the board to hear petitions alleging noncompliance based on a city or county's actions taken to implement the requirements of RCW 36.70A.680 and 36.70A.681 within an urban growth area;

(b) That the 20-year growth management planning population projections adopted by the office of financial management pursuant to RCW 43.62.035 should be adjusted;

(c) That the approval of a work plan adopted under RCW 36.70A.735(1)(a) is not in compliance with the requirements of the program established under RCW 36.70A.710;

(d) That regulations adopted under RCW 36.70A.735(1)(b) are not regionally applicable and cannot be adopted, wholly or partially, by another jurisdiction;

(e) That a department certification under RCW 36.70A.735(1)(c) is erroneous;

(f) That the department's final decision to approve or reject a proposed greenhouse gas emissions reduction subelement or amendments by a local government planning under RCW 36.70A.040 was not in compliance with the joint guidance issued by the department pursuant to RCW 70A.45.120; ((or))

(g) That the department's final decision to approve or reject actions by a city implementing RCW 36.70A.635 is clearly erroneous: or

(h) That the department's determination of compliance of a housing element and any related housing development regulations under section 1 of this act is clearly erroneous.

(2) A petition may be filed only by: (a) The state, or a county or city that plans under this chapter; (b) a person who has participated orally or in writing before the county or city regarding the matter on which a review is being requested; (c) a person who is certified by the governor within 60 days of filing the request with the board; or (d) a person qualified pursuant to RCW 34.05.530.

(3) For purposes of this section, "person" means any individual, partnership, corporation, association, state agency, governmental subdivision or unit thereof, or public or private organization or entity of any character.

(4) To establish participation standing under subsection (2)(b) of this section, a person must show that his or her participation before the county or city was reasonably related to the person's issue as presented to the board.

(5) When considering a possible adjustment to a growth management planning population projection prepared by the office of financial management, the board shall consider the implications of any such adjustment to the population forecast for the entire state.

The rationale for any adjustment that is adopted by the board must be documented and filed with the office of financial management within ten working days after adoption.

If adjusted by the board, a county growth management planning population projection shall only be used for the planning purposes set forth in this chapter and shall be known as the "board adjusted population projection." None of these changes shall affect the official state and county population forecasts prepared by the office of financial management, which shall continue to be used for state budget and planning purposes.

Sec. 3. RCW 36.70A.290 and 2011 c 277 s 1 are each amended to read as follows:

(1) All requests for review to the growth management hearings board shall be initiated by filing a petition that includes a detailed statement of issues presented for resolution by the board. The board shall render written decisions articulating the basis for its holdings. The board shall not issue advisory opinions on issues not presented to the board in the statement of issues, as modified by any prehearing order.

(2) All petitions relating to whether or not an adopted comprehensive plan, development regulation, or permanent amendment thereto, is in compliance with the goals and requirements of this chapter or chapter 90.58 or 43.21C RCW must be filed within sixty days after publication as provided in (a) through (((e))) (d) of this subsection.

(a) Except as provided in (c) <u>and (d)</u> of this subsection, the date of publication for a city shall be the date the city publishes the ordinance, or summary of the ordinance, adopting the comprehensive plan or development regulations, or amendment thereto, as is required to be published.

(b) Promptly after adoption, a county shall publish a notice that it has adopted the comprehensive plan or development regulations, or amendment thereto.

Except as provided in (c) and (d) of this subsection, for purposes of this section the date of publication for a county shall be the date the county publishes the notice that it has adopted the comprehensive plan or development regulations, or amendment thereto.

(c) For local governments planning under RCW 36.70A.040, promptly after approval or disapproval of a local government's shoreline master program or amendment thereto by the department of ecology as provided in RCW 90.58.090, the department of ecology shall publish a notice that the shoreline master program or amendment thereto has been approved or disapproved. For purposes of this section, the date of publication for the adoption or amendment of a shoreline master program is the date the department of ecology publishes notice that the shoreline master program or amendment thereto has been approved or disapproved.

(d) For purposes of this section, the date of publication for a housing element and any housing development regulations submitted to the department for review under section 1 of this act is the date the department publishes its final decision on compliance in the Washington State Register or on the department's website, whichever is later.

(3)(a) All petitions relating to whether the department's final decision under section 1 of this act is clearly erroneous must be filed within 60 days after the department publishes its final decision in the Washington State Register or on the department's website, whichever is later.

(b) A decision of the board concerning an appeal of the department's final decision under section 1 of this act must be based solely on whether the relevant

housing element or housing development regulations comply with the laws and regulations identified in section 1(7) of this act.

(4) Unless the board dismisses the petition as frivolous or finds that the person filing the petition lacks standing, or the parties have filed an agreement to have the case heard in superior court as provided in RCW 36.70A.295, the board shall, within ten days of receipt of the petition, set a time for hearing the matter.

(((4))) (5) The board shall base its decision on the record developed by the city, county, or the state and supplemented with additional evidence if the board determines that such additional evidence would be necessary or of substantial assistance to the board in reaching its decision.

(((5))) (6) The board, shall consolidate, when appropriate, all petitions involving the review of the same comprehensive plan or the same development regulation or regulations.

Sec. 4. RCW 36.70A.320 and 2023 c 228 s 8 are each amended to read as follows:

(1) Except as provided in subsections (5) $\left(\left(\frac{\text{and } (6)}{6}\right)\right)$ through (7) of this section, comprehensive plans and development regulations, and amendments thereto, adopted under this chapter are presumed valid upon adoption.

(2) Except as otherwise provided in subsection (4) of this section, the burden is on the petitioner to demonstrate that any action taken by a state agency, county, or city under this chapter is not in compliance with the requirements of this chapter.

(3) In any petition under this chapter, the board, after full consideration of the petition, shall determine whether there is compliance with the requirements of this chapter. In making its determination, the board shall consider the criteria adopted by the department under RCW 36.70A.190(4). The board shall find compliance unless it determines that the action by the state agency, county, or city is clearly erroneous in view of the entire record before the board and in light of the goals and requirements of this chapter.

(4) A county or city subject to a determination of invalidity made under RCW 36.70A.300 or 36.70A.302 has the burden of demonstrating that the ordinance or resolution it has enacted in response to the determination of invalidity will no longer substantially interfere with the fulfillment of the goals of this chapter under the standard in RCW 36.70A.302(1).

(5) The shoreline element of a comprehensive plan and the applicable development regulations adopted by a county or city shall take effect as provided in chapter 90.58 RCW.

(6) The greenhouse gas emissions reduction subelement required by RCW 36.70A.070 shall take effect as provided in RCW 36.70A.096.

(7) Any housing element and any housing development regulations subject to review under section 1 of this act take effect as provided in section 1 of this act.

Sec. 5. RCW 36.70A.130 and 2024 c 17 s 1 are each amended to read as follows:

(1)(a) Each comprehensive land use plan and development regulations shall be subject to continuing review and evaluation by the county or city that adopted them. Except as otherwise provided, a county or city shall take legislative action to review and, if needed, revise its comprehensive land use plan and development regulations to ensure the plan and regulations comply with the requirements of this chapter according to the deadlines in subsections (4) and (5) of this section.

(b)(i) A city or town located within a county planning under RCW 36.70A.040 may opt out of a full review and revisions of its comprehensive plan established in this section if the city or town meets the following criteria:

(A) Has a population fewer than 500;

(B) Is not located within 10 miles of a city with a population over 100,000;

(C) Experienced a population growth rate of fewer than 10 percent in the preceding 10 years; and

(D) Has provided the department with notice of its intent to participate in a partial review and revision of its comprehensive plan.

(ii) The department shall review the population growth rate for a city or town participating in the partial review and revision of its comprehensive plan process at least three years before the periodic update is due as outlined in subsection (4) of this section and notify cities of their eligibility.

(iii) A city or town that opts out of a full review and revision of its comprehensive plan must update its critical areas regulations and its capital facilities element and its transportation element.

(c) Except as otherwise provided, a county or city not planning under RCW 36.70A.040 shall take action to review and, if needed, revise its policies and development regulations regarding critical areas and natural resource lands adopted according to this chapter to ensure these policies and regulations comply with the requirements of this chapter according to the deadlines in subsections (4) and (5) of this section. Legislative action means the adoption of a resolution or ordinance following notice and a public hearing indicating at a minimum, a finding that a review and evaluation has occurred and identifying the revisions made, or that a revision was not needed and the reasons therefor.

(d) The review and evaluation required by this subsection shall include, but is not limited to, consideration of critical area ordinances and, if planning under RCW 36.70A.040, an analysis of the population allocated to a city or county from the most recent 10-year population forecast by the office of financial management.

(e) Any amendment of or revision to a comprehensive land use plan shall conform to this chapter. Any amendment of or revision to development regulations shall be consistent with and implement the comprehensive plan.

(2)(a) Each county and city shall establish and broadly disseminate to the public a public participation program consistent with RCW 36.70A.035 and 36.70A.140 that identifies procedures and schedules whereby updates, proposed amendments, or revisions of the comprehensive plan are considered by the governing body of the county or city no more frequently than once every year. "Updates" means to review and revise, if needed, according to subsection (1) of this section, and the deadlines in subsections (4) and (5) of this section or in accordance with the provisions of subsection (6) of this section. Amendments may be considered more frequently than once per year under the following circumstances:

(i) The initial adoption of a subarea plan. Subarea plans adopted under this subsection (2)(a)(i) must clarify, supplement, or implement jurisdiction-wide comprehensive plan policies, and may only be adopted if the cumulative impacts

of the proposed plan are addressed by appropriate environmental review under chapter 43.21C RCW;

(ii) The development of an initial subarea plan for economic development located outside of the 100 year floodplain in a county that has completed a statefunded pilot project that is based on watershed characterization and local habitat assessment;

(iii) The adoption or amendment of a shoreline master program under the procedures set forth in chapter 90.58 RCW;

(iv) The amendment of the capital facilities element of a comprehensive plan that occurs concurrently with the adoption or amendment of a county or city budget; ((or))

(v) The adoption of comprehensive plan amendments necessary to enact a planned action under RCW 43.21C.440, provided that amendments are considered in accordance with the public participation program established by the county or city under this subsection (2)(a) and all persons who have requested notice of a comprehensive plan update are given notice of the amendments and an opportunity to comment; or

(vi) The adoption or amendment of any housing element necessary to receive a determination of compliance under section 1 of this act.

(b) Except as otherwise provided in (a) of this subsection, all proposals shall be considered by the governing body concurrently so the cumulative effect of the various proposals can be ascertained. However, after appropriate public participation a county or city may adopt amendments or revisions to its comprehensive plan that conform with this chapter whenever an emergency exists or to resolve an appeal of a comprehensive plan filed with the growth management hearings board or with the court.

(3)(a) Each county that designates urban growth areas under RCW 36.70A.110 shall review, according to the schedules established in subsections (4) and (5) of this section, its designated urban growth area or areas, patterns of development occurring within the urban growth area or areas, and the densities permitted within both the incorporated and unincorporated portions of each urban growth area. In conjunction with this review by the county, each city located within an urban growth area shall review the densities permitted within its boundaries, and the extent to which the urban growth occurring within the county has located within each city and the unincorporated portions of the urban growth areas.

(b) The county comprehensive plan designating urban growth areas, and the densities permitted in the urban growth areas by the comprehensive plans of the county and each city located within the urban growth areas, shall be revised to accommodate the urban growth projected to occur in the county for the succeeding 20-year period. The review required by this subsection may be combined with the review and evaluation required by RCW 36.70A.215.

(c) If, during the county's review under (a) of this subsection, the county determines revision of the urban growth area is not required to accommodate the urban growth projected to occur in the county for the succeeding 20-year period, but does determine that patterns of development have created pressure in areas that exceed available, developable lands within the urban growth area, the urban growth area or areas may be revised to accommodate identified patterns of

development and likely future development pressure for the succeeding 20-year period if the following requirements are met:

(i) The revised urban growth area may not result in an increase in the total surface areas of the urban growth area or areas;

(ii) The areas added to the urban growth area are not or have not been designated as agricultural, forest, or mineral resource lands of long-term commercial significance;

(iii) Less than 15 percent of the areas added to the urban growth area are critical areas;

(iv) The areas added to the urban growth areas are suitable for urban growth;

(v) The transportation element and capital facility plan element have identified the transportation facilities, and public facilities and services needed to serve the urban growth area and the funding to provide the transportation facilities and public facilities and services;

(vi) The urban growth area is not larger than needed to accommodate the growth planned for the succeeding 20-year planning period and a reasonable land market supply factor;

(vii) The areas removed from the urban growth area do not include urban growth or urban densities; and

(viii) The revised urban growth area is contiguous, does not include holes or gaps, and will not increase pressures to urbanize rural or natural resource lands.

(4) Except as otherwise provided in subsections (6) and (8) of this section, counties and cities shall take action to review and, if needed, revise their comprehensive plans and development regulations to ensure the plan and regulations comply with the requirements of this chapter as follows:

(a) On or before June 30, 2015, for King, Pierce, and Snohomish counties and the cities within those counties;

(b) On or before June 30, 2016, for Clallam, Clark, Island, Jefferson, Kitsap, Mason, San Juan, Skagit, Thurston, and Whatcom counties and the cities within those counties;

(c) On or before June 30, 2017, for Benton, Chelan, Cowlitz, Douglas, Kittitas, Lewis, Skamania, Spokane, and Yakima counties and the cities within those counties; and

(d) On or before June 30, 2018, for Adams, Asotin, Columbia, Ferry, Franklin, Garfield, Grant, Grays Harbor, Klickitat, Lincoln, Okanogan, Pacific, Pend Oreille, Stevens, Wahkiakum, Walla Walla, and Whitman counties and the cities within those counties.

(5) Except as otherwise provided in subsections (6) and (8) of this section, following the review of comprehensive plans and development regulations required by subsection (4) of this section, counties and cities shall take action to review and, if needed, revise their comprehensive plans and development regulations to ensure the plan and regulations comply with the requirements of this chapter as follows:

(a) Except as provided in subsection (10) of this section, on or before December 31, 2024, with the following review and, if needed, revision on or before June 30, 2034, and then every 10 years thereafter, for King, Kitsap, Pierce, and Snohomish counties and the cities within those counties;

(b) On or before December 31, 2025, with the following review and, if needed, revision on or before June 30, 2035, and then every 10 years thereafter, for Clallam, Clark, Island, Jefferson, Lewis, Mason, San Juan, Skagit, Thurston, and Whatcom counties and the cities within those counties;

(c) On or before June 30, 2026, and every 10 years thereafter, for Benton, Chelan, Cowlitz, Douglas, Franklin, Kittitas, Skamania, Spokane, Walla Walla, and Yakima counties and the cities within those counties; and

(d) On or before June 30, 2027, and every 10 years thereafter, for Adams, Asotin, Columbia, Ferry, Garfield, Grant, Grays Harbor, Klickitat, Lincoln, Okanogan, Pacific, Pend Oreille, Stevens, Wahkiakum, and Whitman counties and the cities within those counties.

(6)(a) Nothing in this section precludes a county or city from conducting the review and evaluation required by this section before the deadlines established in subsections (4) and (5) of this section. Counties and cities may begin this process early and may be eligible for grants from the department, subject to available funding, if they elect to do so.

(b) A county that is subject to a deadline established in subsection (5)(b) through (d) of this section and meets the following criteria may comply with the requirements of this section at any time within the 24 months following the deadline established in subsection (5) of this section: The county has a population of less than 50,000 and has had its population increase by no more than 17 percent in the 10 years preceding the deadline established in subsection (5) of this section as of that date.

(c) A city that is subject to a deadline established in subsection (5)(b) through (d) of this section and meets the following criteria may comply with the requirements of this section at any time within the 24 months following the deadline established in subsection (5) of this section: The city has a population of no more than 5,000 and has had its population increase by the greater of either no more than 100 persons or no more than 17 percent in the 10 years preceding the deadline established in subsection (5) of this section as of that date.

(d) State agencies are encouraged to provide technical assistance to the counties and cities in the review of critical area ordinances, comprehensive plans, and development regulations.

(7)(a) The requirements imposed on counties and cities under this section shall be considered "requirements of this chapter" under the terms of RCW 36.70A.040(1). Only those counties and cities that meet the following criteria may receive grants, loans, pledges, or financial guarantees under chapter 43.155 or 70A.135 RCW:

(i) ((Complying)) The county or city is in compliance with the deadlines in this section; ((or))

(ii) ((Demonstrating)) The county or city demonstrates substantial progress towards compliance with the ((schedules)) deadlines in this section for development regulations that protect critical areas. (((b) A)) For the purposes of this subsection (7)(a)(ii), a county or city that is fewer than 12 months out of compliance with the ((schedules)) deadlines in this section for development regulations that protect critical areas is making substantial progress towards compliance with the deadlines in this section; or

(iii) The county or city demonstrates substantial progress towards compliance with the deadlines in this section for any housing element and any housing development regulations required to be submitted to the department for review under section 1 of this act. For the purposes of this subsection (7)(a)(iii), a county or city that applies to the department for review within the timelines specified under section 1 of this act demonstrates substantial progress towards compliance with the deadlines in this section and is eligible for grants, loans, pledges, or financial guarantees under chapter 43.155 or 70A.135 RCW until the department or the growth management hearings board issues a final decision determining that the county's or city's housing element or any related housing development regulations are not in compliance with the laws and regulations identified in section 1(7) of this act.

(b) Only those counties and cities in compliance with the schedules in this section may receive preference for grants or loans subject to the provisions of RCW 43.17.250.

(8)(a) Except as otherwise provided in (c) of this subsection, if a participating watershed is achieving benchmarks and goals for the protection of critical areas functions and values, the county is not required to update development regulations to protect critical areas as they specifically apply to agricultural activities in that watershed.

(b) A county that has made the election under RCW 36.70A.710(1) may only adopt or amend development regulations to protect critical areas as they specifically apply to agricultural activities in a participating watershed if:

(i) A work plan has been approved for that watershed in accordance with RCW 36.70A.725;

(ii) The local watershed group for that watershed has requested the county to adopt or amend development regulations as part of a work plan developed under RCW 36.70A.720;

(iii) The adoption or amendment of the development regulations is necessary to enable the county to respond to an order of the growth management hearings board or court;

(iv) The adoption or amendment of development regulations is necessary to address a threat to human health or safety; or

(v) Three or more years have elapsed since the receipt of funding.

(c) Beginning 10 years from the date of receipt of funding, a county that has made the election under RCW 36.70A.710(1) must review and, if necessary, revise development regulations to protect critical areas as they specifically apply to agricultural activities in a participating watershed in accordance with the review and revision requirements and timeline in subsection (5) of this section. This subsection (8)(c) does not apply to a participating watershed that has determined under RCW 36.70A.720(2)(c)(ii) that the watershed's goals and benchmarks for protection have been met.

(9)(a) Counties subject to planning deadlines established in subsection (5) of this section that are required or that choose to plan under RCW 36.70A.040 and that meet either criteria of (a)(i) or (ii) of this subsection, and cities with a population of more than 6,000 as of April 1, 2021, within those counties, must provide to the department an implementation progress report detailing the progress they have achieved in implementing their comprehensive plan five years after the review and revision of their comprehensive plan. Once a county

meets the criteria in (a)(i) or (ii) of this subsection, the implementation progress report requirements remain in effect thereafter for that county and the cities therein with populations greater than 6,000 as of April 1, 2021, even if the county later no longer meets either or both criteria. A county is subject to the implementation progress report requirement if it meets either of the following criteria on or after April 1, 2021:

(i) The county has a population density of at least 100 people per square mile and a population of at least 200,000; or

(ii) The county has a population density of at least 75 people per square mile and an annual growth rate of at least 1.75 percent as determined by the office of financial management.

(b) The department shall adopt guidelines for indicators, measures, milestones, and criteria for use by counties and cities in the implementation progress report that must cover:

(i) The implementation of previously adopted changes to the housing element and any effect those changes have had on housing affordability and availability within the jurisdiction;

(ii) Permit processing timelines; and

(iii) Progress toward implementing any actions required to achieve reductions to meet greenhouse gas and vehicle miles traveled requirements as provided for in any element of the comprehensive plan under RCW 36.70A.070.

(c) If a city or county required to provide an implementation progress report under this subsection (9) has not implemented any specifically identified regulations, zoning and land use changes, or taken other legislative or administrative action necessary to implement any changes in the most recent periodic update in their comprehensive plan by the due date for the implementation progress report, the city or county must identify the need for such action in the implement any necessary regulations, zoning and land use changes, or take other legislative or administrative action identified in the implementation progress report and complete all work necessary for implementation within two years of submission of the implementation progress report.

(10) Any county or city that is required by RCW 36.70A.095 to include in its comprehensive plan a climate change and resiliency element and that is also required by subsection (5)(a) of this section to review and, if necessary, revise its comprehensive plan on or before December 31, 2024, must update its transportation element and incorporate a climate change and resiliency element into its comprehensive plan as part of the first implementation progress report required by subsection (9) of this section if funds are appropriated and distributed by December 31, 2027, as required under RCW 36.70A.070(10).

Sec. 6. RCW 43.21C.495 and 2023 c 334 s 6 and 2023 c 332 s 8 are each reenacted and amended to read as follows:

(1) 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 246, Laws of 2022 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), 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.

(2) Amendments to development regulations and other nonproject actions taken by a city to implement the requirements under RCW 36.70A.635 pursuant to RCW 36.70A.636(3)(b) are not subject to administrative or judicial appeals under this chapter.

(3) Adoption of ordinances, development regulations and amendments to such regulations, and other nonproject actions taken by a city or county consistent with the requirements of RCW 36.70A.680 and 36.70A.681 are not subject to administrative or judicial appeals under this chapter.

(4) Adoption of ordinances, development regulations and amendments to such regulations, and other nonproject actions by a city or county to implement the housing element requirements set forth in RCW 36.70A.070(2) are not subject to administrative or judicial appeals under this chapter.

<u>NEW SECTION.</u> Sec. 7. A new section is added to chapter 36.70A RCW to read as follows:

The state, through the department and the attorney general, shall represent its interest before agencies of the United States, interstate agencies, and the courts with regard to comprehensive plans, regulations, activities, or uses approved under this act. Where federal or interstate agency plans, activities, or procedures conflict with state policies, all reasonable steps available shall be taken by the state to preserve the integrity of its policies.

<u>NEW SECTION.</u> Sec. 8. This act may be known and cited as the housing accountability act.

<u>NEW SECTION.</u> Sec. 9. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

Passed by the Senate April 17, 2025. Passed by the House April 14, 2025. Approved by the Governor May 13, 2025. Filed in Office of Secretary of State May 14, 2025.

CHAPTER 270

[Senate Bill 5571]

EXTERIOR CLADDING MATERIALS—CITIES

AN ACT Relating to regulating exterior cladding materials; adding a new section to chapter 35.21 RCW; adding a new section to chapter 35A.21 RCW; and adding a new section to chapter 36.01 RCW.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> Sec. 1. A new section is added to chapter 35.21 RCW to read as follows:

(1) Except as provided in subsection (3) of this section, a city is prohibited from requiring or excluding exterior cladding materials that are in compliance with the state building code.

(2) "Exterior cladding" means a nonload-bearing material attached to the exterior of a building.

(3) The limitation in this section does not apply to homeowners' associations governed by chapter 64.38 RCW, plat communities governed by chapter 64.90 RCW, structures in an area designated as a local historic district, structures located in an area designated as a historic district on the national register of historic places, structures designated as a local, state, or national historic landmark, areas subject to provisions of the international wildland urban interface code adopted by a city or town, and any city or town with old world Bavarian architectural themed building requirements in law. Furthermore, a city or town that adopts building codes requiring fire-resistant siding materials as protection from wildfire is not in violation of the provisions of this section.

<u>NEW SECTION.</u> Sec. 2. A new section is added to chapter 35A.21 RCW to read as follows:

(1) Except as provided in subsection (3) of this section, a code city is prohibited from requiring or excluding exterior cladding materials that are in compliance with the state building code.

(2) "Exterior cladding" means a nonload-bearing material attached to the exterior of a building.

(3) The limitation in this section does not apply to homeowners' associations governed by chapter 64.38 RCW, plat communities governed by chapter 64.90 RCW, structures in an area designated as a local historic district, structures located in an area designated as a historic district on the national register of historic places, structures designated as a local, state, or national historic landmark, areas subject to provisions of the international wildland urban interface code adopted by a code city, and any code city with old world Bavarian architectural themed building requirements in law. Furthermore, a code city that adopts building codes requiring fire-resistant siding materials as protection from wildfire is not in violation of the provisions of this section.

<u>NEW SECTION.</u> Sec. 3. A new section is added to chapter 36.01 RCW to read as follows:

(1) Except as provided in subsection (3) of this section, a county is prohibited from requiring or excluding exterior cladding materials that are in compliance with the state building code.

(2) "Exterior cladding" means a nonload-bearing material attached to the exterior of a building.

(3) The limitation in this section does not apply to homeowners' associations governed by chapter 64.38 RCW, plat communities governed by chapter 64.90 RCW, structures in an area designated as a local historic district, structures located in an area designated as a historic district on the national register of historic places, structures designated as a local, state, or national historic landmark, areas subject to provisions of the international wildland urban interface code adopted by a county, and any structures in a county that are adjacent to a city or code city with old world Bavarian architectural themed building requirements in law. Furthermore, a county that adopts building codes requiring fire-resistant siding materials as protection from wildfire is not in violation of the provisions of this section.

Passed by the Senate April 24, 2025. Passed by the House April 23, 2025. Approved by the Governor May 13, 2025. Filed in Office of Secretary of State May 14, 2025.

CHAPTER 271

[Engrossed Senate Bill 5559]

UNIT LOT SUBDIVISIONS—LOCAL GOVERNMENT PROCEDURES

AN ACT Relating to streamlining the subdivision process inside urban growth areas; and amending RCW 58.17.020 and 58.17.060.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 58.17.020 and 2002 c 262 s 1 are each amended to read as follows:

As used in this chapter, unless the context or subject matter clearly requires otherwise, the words or phrases defined in this section shall have the indicated meanings.

(1) "Subdivision" is the division or redivision of land into five or more lots, tracts, parcels, sites, or divisions for the purpose of sale, lease, or transfer of ownership, except as provided in subsection (6) of this section.

(2) "Plat" is a map or representation of a subdivision, showing thereon the division of a tract or parcel of land into lots, blocks, streets and alleys, or other divisions and dedications.

(3) "Dedication" is the deliberate appropriation of land by an owner for any general and public uses, reserving to himself or herself no other rights than such as are compatible with the full exercise and enjoyment of the public uses to which the property has been devoted. The intention to dedicate shall be evidenced by the owner by the presentment for filing of a final plat or short plat showing the dedication thereon; and, the acceptance by the public shall be evidenced by the approval of such plat for filing by the appropriate governmental unit.

A dedication of an area of less than two acres for use as a public park may include a designation of a name for the park, in honor of a deceased individual of good character.

(4) "Preliminary plat" is a neat and approximate drawing of a proposed subdivision showing the general layout of streets and alleys, lots, blocks, and other elements of a subdivision consistent with the requirements of this chapter. The preliminary plat shall be the basis for the approval or disapproval of the general layout of a subdivision.

(5) "Final plat" is the final drawing of the subdivision and dedication prepared for filing for record with the county auditor and containing all elements and requirements set forth in this chapter and in local regulations adopted under this chapter.

(6) "Short subdivision" is the division or redivision of land into four or fewer lots, tracts, parcels, sites, or divisions for the purpose of sale, lease, or transfer of ownership. However, the legislative authority of any city or town may by local ordinance increase the number of lots, tracts, or parcels to be regulated as short subdivisions to a maximum of nine. The legislative authority of any county planning under RCW 36.70A.040 that has adopted a comprehensive plan and development regulations in compliance with chapter 36.70A RCW may by ordinance increase the number of lots, tracts, or parcels to be regulated as short subdivisions to a maximum of nine in any urban growth area.

(7) "Binding site plan" means a drawing to a scale specified by local ordinance which: (a) Identifies and shows the areas and locations of all streets, roads, improvements, utilities, open spaces, and any other matters specified by local regulations; (b) contains inscriptions or attachments setting forth such appropriate limitations and conditions for the use of the land as are established by the local government body having authority to approve the site plan; and (c) contains provisions making any development be in conformity with the site plan.

(8) "Short plat" is the map or representation of a short subdivision.

(9) "Lot" is a fractional part of divided lands having fixed boundaries, being of sufficient area and dimension to meet minimum zoning requirements for width and area. The term shall include tracts or parcels.

(10) "Block" is a group of lots, tracts, or parcels within well defined and fixed boundaries.

(11) "County treasurer" shall be as defined in chapter 36.29 RCW or the office or person assigned such duties under a county charter.

(12) "County auditor" shall be as defined in chapter 36.22 RCW or the office or person assigned such duties under a county charter.

(13) "County road engineer" shall be as defined in chapter 36.40 RCW or the office or person assigned such duties under a county charter.

(14) "Planning commission" means that body as defined in chapter 36.70, 35.63, or 35A.63 RCW as designated by the legislative body to perform a planning function or that body assigned such duties and responsibilities under a city or county charter.

(15) "County commissioner" shall be as defined in chapter 36.32 RCW or the body assigned such duties under a county charter.

(16) "Parent lot" means a residential lot that is subdivided into unit lots through the unit lot subdivision process.

(17) "Unit lot" means a subdivided lot within a residential development as created from a parent lot and approved through the unit lot subdivision process.

(18) "Unit lot subdivision" means a subdivision or short subdivision proposed as part of a residential development project that meets the development standards applicable to the parent lot at the time the application is vested, but which may result in development on one or more individual unit lots becoming nonconforming as to specified land use and development standards based on the analysis of the individual unit lot. By June 30, 2026, all unit lot subdivisions shall require notification to purchasers of their legal status as further described in RCW 58.17.060.

(19) "Clear and objective design and development standards" means locally adopted development regulations that involve no personal or subjective judgment by a public official, and are ascertainable by reference to measurable written or graphic criteria available and knowable to the permit applicant, the public, and public officials prior to submittal. Sec. 2. RCW 58.17.060 and 2023 c 337 s 11 are each amended to read as follows:

(1) The legislative body of a city, town, or county shall adopt regulations and procedures, and appoint administrative personnel for the summary approval of short plats and short subdivisions or alteration or vacation thereof. When an alteration or vacation involves a public dedication, the alteration or vacation shall be processed as provided in RCW 58.17.212 or 58.17.215. Such regulations shall be adopted by ordinance and shall provide that a short plat and short subdivision may be approved only if written findings that are appropriate, as provided in RCW 58.17.110, are made by the administrative personnel, and may contain wholly different requirements than those governing the approval of preliminary and final plats of subdivisions and may require surveys and monumentations and shall require filing of a short plat, or alteration or vacation thereof, for record in the office of the county auditor: PROVIDED, That such regulations must contain a requirement that land in short subdivisions may not be further divided in any manner within a period of five years without the filing of a final plat, except that when the short plat contains fewer than four parcels, nothing in this section shall prevent the owner who filed the short plat from filing an alteration within the five-year period to create up to a total of four lots within the original short plat boundaries: PROVIDED FURTHER, That such regulations are not required to contain a penalty clause as provided in RCW 36.32.120 and may provide for wholly injunctive relief.

An ordinance requiring a survey shall require that the survey be completed and filed with the application for approval of the short subdivision.

(2) Cities, towns, and counties shall include in their short plat regulations and procedures pursuant to subsection (1) of this section provisions for considering sidewalks and other planning features that assure safe walking conditions for students who walk to and from school.

(3) All cities(($_{5}$)) and towns((, and counties shall include in their short plat regulations)) located in a county planning under RCW 36.70A.040 shall adopt or enact procedures for unit lot subdivisions ((allowing division of a parent lot into separately owned unit lots)). Portions of the parent lot not subdivided for individual unit lots shall be owned in common by the owners of the individual unit lots, or by a homeowners' association comprised of the owners of the individual unit lots.

(a) These procedures shall include, at a minimum, the requirement that prominent informational notes be placed on the unit lot subdivision's plat, and recorded in the county or counties in which such land is located, to acknowledge each of the following:

(i) Approval of the design and layout of the unit lot's housing development project was granted based on detailed review of that specified project, as a whole, on the parent lot, including specific reference to the applicable permit or file number for that specified project;

(ii) Subsequent subdivision actions, additions, or modifications to the unit lot housing development project's structures may not create or increase any nonconformity of the parent lot as a whole, and shall conform to the approved unit lot housing development project or to the land use and development standards in effect at the time of the proposed actions, additions, or modifications; (iii) If a structure or portion of a structure within the unit lot housing development project has been damaged or destroyed, any repair, reconstruction, or replacement of any structure shall conform to the approved unit lot housing development project or to the land use and development standards in effect at the time the proposed repair, reconstruction, or replacement project's permit application becomes vested; and

(iv) Additional development or redevelopment of the individual unit lots may be limited as a result of the application of development standards to the parent lot.

(b) These procedures shall also:

(i) Not require any public predecision meeting or hearing, nor any design review other than administrative design review, except for those required to comply with state law, including chapter 90.58 RCW. A city must ensure that the community and property owners within 250 feet of the unit lot to be subdivided are provided notice consistent with RCW 36.70B.110 of how to provide written comments to the administrative decision maker, including through notice posted on the closest public sidewalk or roadway;

(ii) Apply only clear and objective design and development standards;

(iii) Be logically integrated with the application, review, and approval procedures that apply to the underlying unit lot housing development project to the greatest extent feasible; and

(iv) Be specifically subject to the maximum time period for local government actions as set forth in RCW 36.70B.080, unless extended pursuant to project-specific mutual agreement as permitted by RCW 36.70B.080.

(c) After the deadlines in (e) of this subsection, no city or town subject to this section may decline to accept, process, or approve an application for a unit lot subdivision, consistent with the procedural requirements of (a) and (b) of this subsection, solely because that city or town has not completed adoption or enactment of the procedures required under this section.

(d) Nothing in this section:

(i) Prohibits a city or county from applying public health, safety, building code, and environmental permitting requirements to a development project that is subject to or integrated with a unit lot subdivision process;

(ii) Requires a city or county to authorize a development project or a unit lot subdivision in a location where development is restricted under other laws, rules, or ordinances, such as in locations where development is limited as a result of physical proximity to on-site sewage system infrastructure, critical areas, or other unsuitable physical characteristics of a property.

(e) Cities and towns that are required to submit their next comprehensive plan update in 2027 pursuant to RCW 36.70A.130 must adopt or amend by ordinance, and incorporate into their development regulations, zoning regulations, and other official controls, the requirements of this section in their next comprehensive plan update. All other cities and towns must implement the requirements of this section within two years of the effective date of this section.

(f) Nothing in this subsection alters the vesting requirements set forth in <u>RCW 58.17.033.</u>

Passed by the Senate April 21, 2025. Passed by the House April 10, 2025. Approved by the Governor May 13, 2025. Filed in Office of Secretary of State May 14, 2025.

CHAPTER 272

[Engrossed House Bill 1014] CHILD SUPPORT SCHEDULE—VARIOUS PROVISIONS

AN ACT Relating to implementing recommendations of the 2023 child support schedule work group; amending RCW 26.19.065, 26.19.071, 26.19.080, 26.09.170, 26.23.050, 74.20A.055, 74.20A.056, 74.20A.059, and 26.19.020; reenacting and amending RCW 26.09.004; adding new sections to chapter 26.09 RCW; creating new sections; providing effective dates; and providing an expiration date.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 26.19.065 and 2018 c 150 s 401 are each amended to read as follows:

(1) Limit at ((forty-five)) <u>45</u> percent of a parent's net income. Neither parent's child support obligation owed for all his or her biological or legal children may exceed ((forty-five)) <u>45</u> percent of net income except for good cause shown.

(a) Each child is entitled to a pro rata share of the income available for support, but the court only applies the pro rata share to the children in the case before the court.

(b) Before determining whether to apply the ((forty-five)) <u>45</u> percent limitation, the court must consider whether it would be unjust to apply the limitation after considering the best interests of the child and the circumstances of each parent. Such circumstances include, but are not limited to, leaving insufficient funds in the custodial parent's household to meet the basic needs of the child, comparative hardship to the affected households, assets or liabilities, and any involuntary limits on either parent's earning capacity including incarceration, disabilities, or incapacity.

(c) Good cause includes, but is not limited to, possession of substantial wealth, children with day care expenses, special medical need, educational need, psychological need, and larger families.

(2) **Presumptive minimum support obligation.** (a) When a parent's monthly net income is below ((one hundred twenty five)) 180 percent of the federal poverty guideline for a one-person family, a support order of not less than ((fifty dollars)) \$50 per child per month shall be entered unless the obligor parent establishes that it would be unjust to do so in that particular case. The decision whether there is a sufficient basis to deviate below the presumptive minimum payment must take into consideration the best interests of the child and the circumstances of each parent. Such circumstances can include leaving insufficient funds in the custodial parent's household to meet the basic needs of the child, comparative hardship to the affected households, assets or liabilities, and earning capacity.

(b) The basic support obligation of the parent making the transfer payment, excluding health care, day care, and special child-rearing expenses, shall not reduce his or her net income below the self-support reserve of ((one hundred))

twenty-five)) <u>180</u> percent of the federal poverty level for a one-person family, except for the presumptive minimum payment of ((fifty dollars)) <u>\$50</u> per child per month or when it would be unjust to apply the self-support reserve limitation after considering the best interests of the child and the circumstances of each parent. Such circumstances include, but are not limited to, leaving insufficient funds in the custodial parent's household to meet the basic needs of the child, comparative hardship to the affected households, assets or liabilities, and earning capacity. This section shall not be construed to require monthly substantiation of income.

(c)(i) When a parent's income is greater than the self-support reserve of 180 percent of the federal poverty level for a one-person household, neither parent's basic child support obligation owed for all of the parent's biological or legal children may reduce that parent's income below the self-support reserve of 180 percent of the federal poverty guideline for a one-person household except for the presumptive minimum of \$50 per child per month.

(ii) Each child is entitled to a pro rata share of the income available for support but the court only applies the pro rata share to the children in the case before the court. Before determining whether to apply this limitation, the court should consider whether it would be unjust to apply the limitation after considering the best interests of the child and the circumstances of each parent. Such circumstances may include leaving insufficient funds in the custodial parent's household to meet the basic needs of the child, comparative hardship to the affected households, assets or liabilities, and earning capacity.

(3) Income above ((twelve thousand dollars)) <u>\$50,000</u>. The economic table is presumptive for combined monthly net incomes up to and including ((twelve thousand dollars)) <u>\$50,000</u>. When combined monthly net income exceeds ((twelve thousand dollars)) <u>\$50,000</u>, the court may exceed the presumptive amount of support set for combined monthly net incomes of ((twelve thousand dollars)) <u>\$50,000</u> upon written findings of fact.

Sec. 2. RCW 26.19.071 and 2020 c 227 s 2 are each amended to read as follows:

(1) **Consideration of all income.** All income and resources of each parent's household shall be disclosed and considered by the court when the court determines the child support obligation of each parent. Only the income of the parents of the children whose support is at issue shall be calculated for purposes of calculating the basic support obligation. Income and resources of any other person shall not be included in calculating the basic support obligation.

(2) Verification of income. Tax returns for the preceding two years and current paystubs shall be provided to verify income and deductions. Other sufficient verification shall be required for income and deductions which do not appear on tax returns or paystubs.

(3) **Income sources included in gross monthly income.** Except as specifically excluded in subsection (4) of this section, monthly gross income shall include income from any source, including:

- (a) Salaries;
- (b) Wages;
- (c) Commissions;
- (d) Deferred compensation;

(e) Overtime, except as excluded for income in subsection (4)(i) of this section;

(f) Contract-related benefits;

(g) Income from second jobs, except as excluded for income in subsection (4)(i) of this section;

(h) Dividends;

(i) Interest;

(j) Trust income;

(k) Severance pay;

(l) Annuities;

(m) Capital gains;

(n) Pension retirement benefits;

(o) Workers' compensation;

(p) Unemployment benefits;

(q) Maintenance actually received;

(r) Bonuses;

(s) Social security benefits;

(t) Disability insurance benefits; and

(u) Income from self-employment, rent, royalties, contracts, proprietorship of a business, or joint ownership of a partnership or closely held corporation.

(4) **Income sources excluded from gross monthly income.** The following income and resources shall be disclosed but shall not be included in gross income:

(a) Income of a new spouse or new domestic partner or income of other adults in the household;

(b) Child support received from other relationships;

(c) Gifts and prizes;

(d) Temporary assistance for needy families;

(e) Supplemental security income;

(f) Aged, blind, or disabled assistance benefits;

(g) Pregnant women assistance benefits;

(h) Food stamps; and

(i) Overtime or income from second jobs beyond ((forty)) 40 hours per week averaged over a ((twelve)) 12-month period worked to provide for a current family's needs, to retire past relationship debts, or to retire child support debt, when the court finds the income will cease when the party has paid off his or her debts.

Receipt of income and resources from temporary assistance for needy families, supplemental security income, aged, blind, or disabled assistance benefits, and food stamps shall not be a reason to deviate from the standard calculation.

(5) **Determination of net income.** The following expenses shall be disclosed and deducted from gross monthly income to calculate net monthly income:

(a) Federal and state income taxes;

(b) Federal insurance contributions act deductions;

(c) Mandatory pension plan payments;

(d) Mandatory union or professional dues;

(e) <u>Other mandatory state deductions</u>, such as mandatory state insurance premiums actually paid, including for the paid family and medical leave program and long-term services and supports trust program;

(f) State industrial insurance premiums;

(((f))) (g) Court-ordered maintenance to the extent actually paid;

(((g))) (h) Up to ((five thousand dollars)) <u>\$5,000</u> per year in voluntary retirement contributions actually made if the contributions show a pattern of contributions during the one-year period preceding the action establishing the child support order unless there is a determination that the contributions were made for the purpose of reducing child support; and

(((h))) (i) Normal business expenses and self-employment taxes for self-employed persons. Justification shall be required for any business expense deduction about which there is disagreement.

Items deducted from gross income under this subsection shall not be a reason to deviate from the standard calculation.

(6) Imputation of income. The court shall impute income to a parent when the parent is voluntarily unemployed or voluntarily underemployed. The court shall determine whether the parent is voluntarily underemployed or voluntarily unemployed based upon that parent's assets, residence, employment and earnings history, job skills, educational attainment, literacy, health, age, criminal record, dependency court obligations, and other employment barriers, record of seeking work, the local job market, the availability of employers willing to hire the parent, the prevailing earnings level in the local community, or any other relevant factors. A court shall not impute income to a parent who is gainfully employed on a full-time basis, unless the court finds that the parent is voluntarily underemployed and finds that the parent is purposely underemployed to reduce the parent's child support obligation. Income shall not be imputed for an unemployable parent. Income shall not be imputed to a parent to the extent the parent is unemployed or significantly underemployed due to the parent's efforts to comply with court-ordered reunification efforts under chapter 13.34 RCW or under a voluntary placement agreement with an agency supervising the child.

(a) Except as provided in (b) of this subsection, in the absence of records of a parent's actual earnings, the court shall impute a parent's income in the following order of priority:

(i) Full-time earnings at the current rate of pay;

(ii) Full-time earnings at the historical rate of pay based on reliable information, such as employment security department data;

(iii) Full-time earnings at a past rate of pay where information is incomplete or sporadic;

(iv) Earnings of ((thirty-two)) $\underline{32}$ hours per week at minimum wage in the jurisdiction where the parent resides if the parent is on or recently coming off temporary assistance for needy families or recently coming off aged, blind, or disabled assistance benefits, pregnant women assistance benefits, essential needs and housing support, supplemental security income, or disability, has recently been released from incarceration, or is a recent high school graduate. Imputation of earnings at ((thirty-two)) $\underline{32}$ hours per week under this subsection is a rebuttable presumption;

(v) Full-time earnings at minimum wage in the jurisdiction where the parent resides if the parent has a recent history of minimum wage earnings, has never been employed and has no earnings history, or has no significant earnings history;

(vi) Median net monthly income of year-round full-time workers as derived from the United States bureau of census, current population reports, or such replacement report as published by the bureau of census.

(b) When a parent is currently enrolled in high school full-time, the court shall consider the totality of the circumstances of both parents when determining whether each parent is voluntarily unemployed or voluntarily underemployed. If a parent who is currently enrolled in high school is determined to be voluntarily unemployed or voluntarily underemployed, the court shall impute income at earnings of ((twenty)) 20 hours per week at minimum wage in the jurisdiction where that parent resides. Imputation of earnings at ((twenty)) 20 hours per week under this subsection is a rebuttable presumption.

Sec. 3. RCW 26.19.080 and 2009 c 84 s 5 are each amended to read as follows:

(1) The basic child support obligation derived from the economic table shall be allocated between the parents based on each parent's share of the combined monthly net income.

(2) Health care costs are not included in the economic table. Monthly health care costs shall be shared by the parents in the same proportion as the basic child support obligation. Health care costs shall include, but not be limited to, medical, dental, orthodontia, vision, chiropractic, mental health treatment, prescription medications, and other similar costs for care and treatment.

(3) Day care and special child rearing expenses, such as tuition and longdistance transportation costs to and from the parents for visitation purposes, are not included in the economic table. These expenses shall be shared by the parents in the same proportion as the basic child support obligation. If an obligor pays court or administratively ordered day care or special child rearing expenses that are not actually incurred, the obligee must reimburse the obligor for the overpayment if the overpayment amounts to at least ((twenty)) 20 percent of the obligor's annual day care or special child rearing expenses. The obligor may institute an action in the superior court or file an application for an adjudicative hearing with the department of social and health services for reimbursement of day care and special child rearing expense overpayments that amount to ((twenty)) 20 percent or more of the obligor's annual day care and special child rearing expenses. Any ordered overpayment reimbursement shall be applied first as an offset to child support arrearages of the obligor. If the obligor does not have child support arrearages, the reimbursement may be in the form of a direct reimbursement by the obligee or a credit against the obligor's future support payments. If the reimbursement is in the form of a credit against the obligor's future child support payments, the credit shall be spread equally over a ((twelve)) 12-month period. Absent agreement of the obligee, nothing in this section entitles an obligor to pay more than his or her proportionate share of day care or other special child rearing expenses in advance and then deduct the overpayment from future support transfer payments.

(4) The court may exercise its discretion to determine the necessity for and the reasonableness of all amounts ordered in excess of the basic child support obligation. **Sec. 4.** RCW 26.09.004 and 2009 c 502 s 1 are each reenacted and amended to read as follows:

The definitions in this section apply throughout this chapter.

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

(2) "Incapacitation" or "incapacitated" means the inability to pay child support due to participation in court-ordered treatment for a behavioral health disorder issued under chapter 71.05 RCW.

(3) "Military duties potentially impacting parenting functions" means those obligations imposed, voluntarily or involuntarily, on a parent serving in the armed forces that may interfere with that parent's abilities to perform his or her parenting functions under a temporary or permanent parenting plan. Military duties potentially impacting parenting functions include, but are not limited to:

(a) "Deployment," which means the temporary transfer of a service member serving in an active-duty status to another location in support of a military operation, to include any tour of duty classified by the member's branch of the armed forces as "remote" or "unaccompanied";

(b) "Activation" or "mobilization," which means the call-up of a national guard or reserve service member to extended active-duty status. For purposes of this definition, "mobilization" does not include national guard or reserve annual training, inactive duty days, or drill weekends; or

(c) "Temporary duty," which means the transfer of a service member from one military base or the service member's home to a different location, usually another base, for a limited period of time to accomplish training or to assist in the performance of a noncombat mission.

(((2))) (4) "Parenting functions" means those aspects of the parent-child relationship in which the parent makes decisions and performs functions necessary for the care and growth of the child. Parenting functions include:

(a) Maintaining a loving, stable, consistent, and nurturing relationship with the child;

(b) Attending to the daily needs of the child, such as feeding, clothing, physical care and grooming, supervision, health care, and day care, and engaging in other activities which are appropriate to the developmental level of the child and that are within the social and economic circumstances of the particular family;

(c) Attending to adequate education for the child, including remedial or other education essential to the best interests of the child;

(d) Assisting the child in developing and maintaining appropriate interpersonal relationships;

(e) Exercising appropriate judgment regarding the child's welfare, consistent with the child's developmental level and the family's social and economic circumstances; and

(f) Providing for the financial support of the child.

(((3))) (5) "Permanent parenting plan" means a plan for parenting the child, including allocation of parenting functions, which plan is incorporated in any final decree or decree of modification in an action for dissolution of marriage or domestic partnership, declaration of invalidity, or legal separation.

(((4))) (6) "Temporary parenting plan" means a plan for parenting of the child pending final resolution of any action for dissolution of marriage or

domestic partnership, declaration of invalidity, or legal separation which is incorporated in a temporary order.

<u>NEW SECTION.</u> Sec. 5. A new section is added to chapter 26.09 RCW to read as follows:

(1) When a child support order contains language providing for abatement based on incapacitation of the person required to pay child support, there is a rebuttable presumption that an incapacitated person is unable to pay the child support obligation. The presumption may be rebutted by evidence demonstrating that the person required to pay support has possession of, or access to, income or assets available to provide support while incapacitated. Unless the presumption is rebutted, the provisions of subsection (3) of this section apply.

(2)(a) If the child support order does not contain language providing for abatement based on incapacitation of the person required to pay support, the department, the person required to pay support, the payee under the order, or the person entitled to receive support may commence an action in the appropriate forum to:

(i) Modify or amend the support order to contain abatement language; and

(ii) Abate the person's child support obligation due to current incapacitation for a maximum of six months.

(b) In a proceeding brought under this subsection, there is a rebuttable presumption that an incapacitated person is unable to pay the child support obligation. The department, the payee under the order, or the person entitled to receive support, may rebut the presumption by demonstrating that the person required to pay support has possession of, or access to, income or assets available to provide support while incapacitated.

(c) Unless the presumption is rebutted, the provisions of subsection (3) of this section apply.

(3) If the court or administrative forum determines that abatement of support is appropriate:

(a) The child support obligation under the order in front of the court will be abated to \$50 per month per child while the person required to pay support is undergoing court-ordered behavioral health treatment.

(b) Abatement of the support obligation to \$50 per month per child will remain in place until the earlier of: The last day of the month in which the person is discharged from court-ordered behavioral health treatment; or the last day of the sixth month after the effective date of the abatement.

(c) After abatement of support is terminated, the support obligation of the person required to pay support under the order is automatically reinstated at 100 percent of the support amount provided in the underlying order.

(4) The effective date of abatement of a child support obligation based on incapacitation to \$50 per month per child is the date on which the court order for treatment for a behavioral health disorder is entered. However:

(a) The person required to pay support is not entitled to a refund of any support collections or payments that were received by the department prior to the date on which the department is notified of the incapacitation; and

(b) The department, the payee under the order, or the person entitled to receive support is not required to refund any support collections or payments that were received by the department prior to the date on which the department is notified of incapacitation.

(5) Abatement of a child support obligation based on incapacitation of the person required to pay support does not constitute modification or adjustment of the order.

(6) Abatement of a child support obligation based on incapacitation of the person required to pay support shall only be approved one time in a person's lifetime, regardless of whether the abatement lasted the full six months.

<u>NEW SECTION.</u> Sec. 6. A new section is added to chapter 26.09 RCW to read as follows:

(1) When a child support order contains language regarding abatement to \$50 per month per child based on incapacitation of the person required to pay support, and the department is notified that the person is currently undergoing court-ordered behavioral health treatment, the department must:

(a) Review the support order for abatement once the department receives notice from the person required to pay support or someone acting on the person's behalf that the person may qualify for abatement of support;

(b) Review its records and other available information to determine if the person required to pay support has possession of, or access to, income or assets available to provide support while incapacitated; and

(c) Decide whether abatement of the person's support obligation is appropriate.

(2) If the department decides that abatement of the person's support obligation is appropriate, the department must notify the person required to pay support, and the payee under the order or the person entitled to receive support, that the person's support obligation has been abated and that the abatement will continue while the person is undergoing court-ordered behavioral health treatment for a maximum of six months. The department, the person required to pay support, and the payee under the order or the person entitled to receive support, have the right to an administrative hearing under chapter 34.05 RCW regarding the determination.

(3) If the department decides that abatement of the person's support obligation is not appropriate, the department must notify the person required to pay support and the payee under the order or the person entitled to receive support, that the department does not believe that abatement of the support obligation should occur. The department, the person required to pay support, and the payee under the order or the person entitled to receive support, have the right to an administrative hearing under chapter 34.05 RCW regarding the determination.

<u>NEW SECTION.</u> Sec. 7. A new section is added to chapter 26.09 RCW to read as follows:

When a court or administrative order does not contain language regarding abatement based on incapacitation of the person required to pay support and the department receives notice that the person is currently undergoing court-ordered behavioral health treatment, the department must refer the case to the appropriate forum for a determination of whether the order should be modified or amended to:

(1) Contain abatement language as provided in section 5 of this act; and

(2) Abate the person's child support obligation due to current incapacitation in accordance with section 5 of this act.

Sec. 8. RCW 26.09.170 and 2020 c 227 s 13 are each amended to read as follows:

(1) Except as otherwise provided in RCW 26.09.070(7), the provisions of any decree respecting maintenance or support may be modified: (a) Only as to installments accruing subsequent to the petition for modification or motion for adjustment except motions to compel court-ordered adjustments, which shall be effective as of the first date specified in the decree for implementing the adjustment; and, (b) except as otherwise provided in this section, only upon a showing of a substantial change of circumstances. The provisions as to property disposition may not be revoked or modified, unless the court finds the existence of conditions that justify the reopening of a judgment under the laws of this state.

(2) Unless otherwise agreed in writing or expressly provided in the decree the obligation to pay future maintenance is terminated upon the death of either party or the remarriage of the party receiving maintenance or registration of a new domestic partnership of the party receiving maintenance.

(3) Unless otherwise agreed in writing or expressly provided in the decree, provisions for the support of a child are terminated by emancipation of the child or by the death of the person required to pay support for the child.

(4) Unless expressly provided by an order of the superior court or a court of comparable jurisdiction, provisions for the support of a child are terminated upon the marriage or registration of a domestic partnership to each other of parties to a paternity or parentage order, or upon the remarriage or registration of a domestic partnership to each other of parties to a decree of dissolution. The remaining provisions of the order, including provisions establishing parentage, remain in effect.

(5)(a) A party to an order of child support may petition for a modification based upon a showing of substantially changed circumstances at any time.

(b) The voluntary unemployment or voluntary underemployment of the person required to pay support, by itself, is not a substantial change of circumstances.

(6) An order of child support may be modified at any time to add language regarding abatement to ((ten - dollars)) <u>\$10</u> per month per order due to the incarceration of the person required to pay support, as provided in RCW 26.09.320, or abatement to \$50 per month per child due to incapacitation of the person required to pay support, as provided in section 5 of this act.

(a) The department of social and health services, the person entitled to receive support or the payee under the order, or the person required to pay support may petition for a prospective modification of a child support order if ((the)): (i) The person required to pay support is currently confined in a jail, prison, or correctional facility for at least six months or is serving a sentence greater than six months in a jail, prison, or correctional facility, and the support order does not contain language regarding abatement due to incarceration: or (ii) the person required to pay support is currently undergoing court-ordered behavioral health treatment and the support order does not contain language regarding abatement due to incarceration language regarding abatement due to incarceration.

(b) The petition may only be filed if the person required to pay support is currently incarcerated <u>or incapacitated</u>.

(c) As part of the petition for modification, the petitioner may also request that the support obligation be abated to ((ten dollars)) per month per order

due to incarceration, as provided in RCW 26.09.320, or abated to \$50 per month per child due to incapacitation, as provided in section 5 of this act.

(7) An order of child support may be modified without showing a substantial change of circumstances if the requested modification is to ((modify)): (a) Modify an existing order when the person required to pay support has been released from incarceration, as provided in RCW 26.09.320(3)(d): or (b) modify an existing order when the person required to pay support has been discharged from court-ordered behavioral health treatment, as provided in section 5 of this act.

(8) An order of child support may be modified one year or more after it has been entered without a showing of substantially changed circumstances:

(a) If the order in practice works a severe economic hardship on either party or the child;

(b) If a child is still in high school, upon a finding that there is a need to extend support beyond the eighteenth birthday to complete high school; or

(c) To add an automatic adjustment of support provision consistent with RCW 26.09.100.

(9)(a) If ((twenty-four)) $\underline{24}$ months have passed from the date of the entry of the order or the last adjustment or modification, whichever is later, the order may be adjusted without a showing of substantially changed circumstances based upon:

(i) Changes in the income of the person required to pay support, or of the payee under the order or the person entitled to receive support who is a parent of the child or children covered by the order; or

(ii) Changes in the economic table or standards in chapter 26.19 RCW.

(b) Either party may initiate the adjustment by filing a motion and child support worksheets.

(c) If the court adjusts or modifies a child support obligation pursuant to this subsection by more than $((\frac{\text{thirty}})) \underline{30}$ percent and the change would cause significant hardship, the court may implement the change in two equal increments, one at the time of the entry of the order and the second six months from the entry of the order. Twenty-four months must pass following the second change before a motion for another adjustment under this subsection may be filed.

(10)(a) The department of social and health services may file an action to modify or adjust an order of child support if public assistance money is being paid to or for the benefit of the child and the department has determined that the child support order is at least ((fifteen)) 15 percent above or below the appropriate child support amount set forth in the standard calculation as defined in RCW 26.19.011.

(b) The department of social and health services may file an action to modify or adjust an order of child support in a nonassistance case if:

(i) The department has determined that the child support order is at least ((fifteen)) <u>15</u> percent above or below the appropriate child support amount set forth in the standard calculation as defined in RCW 26.19.011;

(ii) The department has determined the case meets the department's review criteria; and

(iii) A party to the order or another state or jurisdiction has requested a review.

(c) If incarceration of the person required to pay support is the basis for the difference between the existing child support order amount and the proposed amount of support determined as a result of a review, the department may file an action to modify or adjust an order of child support even if:

(i) There is no other change of circumstances; and

(ii) The change in support does not meet the ((fifteen)) <u>15</u> percent threshold.

(d) The determination of whether the child support order is at least $((\frac{\text{fifteen}}{1000})) \frac{15}{15}$ percent above or below the appropriate child support amount must be based on the current income of the parties.

(11) The department of social and health services may file an action to modify or adjust an order of child support under subsections (5) through (9) of this section if:

(a) Public assistance money is being paid to or for the benefit of the child;

(b) A party to the order in a nonassistance case has requested a review; or

(c) Another state or jurisdiction has requested a modification of the order.

(12) If testimony other than affidavit is required in any proceeding under this section, a court of this state shall permit a party or witness to be deposed or to testify under penalty of perjury by telephone, audiovisual means, or other electronic means, unless good cause is shown.

Sec. 9. RCW 26.23.050 and 2022 c 243 s 4 are each amended to read as follows:

(1) If the division of child support is providing support enforcement services under RCW 26.23.045, or if a party is applying for support enforcement services by signing the application form on the bottom of the support order, the superior court shall include in all court orders that establish or modify a support obligation:

(a) A provision that orders and directs the person required to pay support to make all support payments to the Washington state support registry;

(b) A statement that withholding action may be taken against wages, earnings, assets, or benefits, and liens enforced against real and personal property under the child support statutes of this or any other state, without further notice to the person required to pay support at any time after entry of the court order, unless:

(i) One of the parties demonstrates, and the court finds, that there is good cause not to require immediate income withholding and that withholding should be delayed until a payment is past due; or

(ii) The parties reach a written agreement that is approved by the court that provides for an alternate arrangement;

(c) A statement that the payee under the order or the person entitled to receive support might be required to submit an accounting of how the support, including any cash medical support, is being spent to benefit the child;

(d) A statement that a party to the support order who is required to provide health care coverage for the child or children covered by the order must notify the division of child support and the other party to the support order when the coverage terminates;

(e) A statement that any privilege of the person required to pay support to obtain and maintain a license, as defined in RCW 74.20A.320, may not be renewed, or may be suspended if the person is not in compliance with a support order as provided in RCW 74.20A.320; ((and))

(f) A statement that the support obligation under the order may be abated as provided in RCW 26.09.320 if the person required to pay support is confined in a jail, prison, or correctional facility for at least six months, or is serving a sentence greater than six months in a jail, prison, or correctional facility; and

(g) A statement that the support obligation under the order may be abated as provided in section 5 of this act if the person required to pay support is undergoing court-ordered behavioral health treatment issued under chapter 71.05 RCW.

As used in this subsection and subsection (3) of this section, "good cause not to require immediate income withholding" means a written determination of why implementing immediate wage withholding would not be in the child's best interests and, in modification cases, proof of timely payment of previously ordered support.

(2) In all other cases not under subsection (1) of this section, the court may order the person required to pay support to make payments directly to the person entitled to receive the payments, to the Washington state support registry, or may order that payments be made in accordance with an alternate arrangement agreed upon by the parties.

(a) The superior court shall include in all orders under this subsection that establish or modify a support obligation:

(i) A statement that withholding action may be taken against wages, earnings, assets, or benefits, and liens enforced against real and personal property under the child support statutes of this or any other state, without further notice to the person required to pay support at any time after entry of the court order, unless:

(A) One of the parties demonstrates, and the court finds, that there is good cause not to require immediate income withholding and that withholding should be delayed until a payment is past due; or

(B) The parties reach a written agreement that is approved by the court that provides for an alternate arrangement;

(ii) A statement that the payee under the order or the person entitled to receive support may be required to submit an accounting of how the support is being spent to benefit the child;

(iii) A statement that any party to the order required to provide health care coverage for the child or children covered by the order must notify the division of child support and the other party to the order when the coverage terminates; and

(iv) A statement that a party to the order seeking to enforce the other party's obligation to provide health care coverage may:

(A) File a motion in the underlying superior court action; or

(B) If there is not already an underlying superior court action, initiate an action in the superior court.

As used in this subsection, "good cause not to require immediate income withholding" is any reason that the court finds appropriate.

(b) The superior court may order immediate or delayed income withholding as follows:

(i) Immediate income withholding may be ordered if the person required to pay support has earnings. If immediate income withholding is ordered under this subsection, all support payments shall be paid to the Washington state support registry. The superior court shall issue a mandatory wage assignment order as set forth in chapter 26.18 RCW when the support order is signed by the court. The payee under the order or the person entitled to receive the transfer payment is responsible for serving the employer with the order and for its enforcement as set forth in chapter 26.18 RCW.

(ii) If immediate income withholding is not ordered, the court shall require that income withholding be delayed until a payment is past due. The support order shall contain a statement that withholding action may be taken against wages, earnings, assets, or benefits, and liens enforced against real and personal property under the child support statutes of this or any other state, without further notice to the person required to pay support, after a payment is past due.

(c) If a mandatory income withholding order under chapter 26.18 RCW is issued under this subsection and the division of child support provides support enforcement services under RCW 26.23.045, the existing wage withholding assignment is prospectively superseded upon the division of child support's subsequent service of an income withholding order.

(3) The office of administrative hearings and the department of social and health services shall require that all support obligations established as administrative orders include a provision which orders and directs that the person required to pay support shall make all support payments to the Washington state support registry. All administrative orders shall also state that any privilege of the person required to pay support to obtain and maintain a license, as defined in RCW 74.20A.320, may not be renewed, or may be suspended if the person is not in compliance with a support order as provided in RCW 74.20A.320. All administrative orders shall also state that withholding action may be taken against wages, earnings, assets, or benefits, and liens enforced against real and personal property under the child support statutes of this or any other state without further notice to the person required to pay support at any time after entry of the order, unless:

(a) One of the parties demonstrates, and the presiding officer finds, that there is good cause not to require immediate income withholding; or

(b) The parties reach a written agreement that is approved by the presiding officer that provides for an alternate agreement.

(4) If the support order does not include the provision ordering and directing that all payments be made to the Washington state support registry and a statement that withholding action may be taken against wages, earnings, assets, or benefits if a support payment is past due or at any time after the entry of the order, or that licensing privileges of the person required to pay support may not be renewed, or may be suspended, the division of child support may serve a notice on the person stating such requirements and authorizations. Service may be by personal service or any form of mail requiring a return receipt.

(5) Every support order shall state:

(a) The address where the support payment is to be sent;

(b) That withholding action may be taken against wages, earnings, assets, or benefits, and liens enforced against real and personal property under the child support statutes of this or any other state, without further notice to the person required to pay support at any time after entry of a support order, unless:

(i) One of the parties demonstrates, and the court finds, that there is good cause not to require immediate income withholding; or

(ii) The parties reach a written agreement that is approved by the court that provides for an alternate arrangement;

(c) The income of the parties, if known, or that their income is unknown and the income upon which the support award is based;

(d) The support award as a sum certain amount;

(e) The specific day or date on which the support payment is due;

(f) The names and ages of the dependent children;

(g) A provision requiring both the person required to pay support, and the payee under the order or the person entitled to receive support who is a parent of the child or children covered by the order, to keep the Washington state support registry informed of whether he or she has access to health care coverage at reasonable cost and, if so, the health care coverage information;

(h) That either or both the person required to pay support, and the payee under the order or the person entitled to receive support who is a parent of the child or children covered by the order, shall be obligated to provide medical support for a child or children covered by the order through health care coverage if:

(i) The person obligated to provide medical support provides accessible coverage for the child or children through private or public health care coverage; or

(ii) Coverage that can be extended to cover the child or children is or becomes available to the person obligated to provide medical support through employment or is union-related; or

(iii) In the absence of such coverage, through an additional sum certain amount, as that obligated person's monthly payment toward the premium as provided under RCW 26.09.105;

(i) That a person obligated to provide medical support who is providing health care coverage must notify both the division of child support and the other party to the order when coverage terminates;

(j) That if proof of health care coverage or proof that the coverage is unavailable is not provided within ((twenty)) 20 days, the person seeking enforcement or the department may seek direct enforcement of the coverage through the employer or union of the person required to provide medical support without further notice to the person as provided under chapter 26.18 RCW;

(k) The reasons for not ordering health care coverage if the order fails to require such coverage;

(1) That any privilege of the person required to pay support to obtain and maintain a license, as defined in RCW 74.20A.320, may not be renewed, or may be suspended if the person is not in compliance with a support order as provided in RCW 74.20A.320;

(m) That each party to the support order must:

(i) Promptly file with the court and update as necessary the confidential information form required by subsection (7) of this section; and

(ii) Provide the state case registry and update as necessary the information required by subsection (7) of this section; and

(n) That parties to administrative support orders shall provide to the state case registry and update as necessary their residential addresses and the address of the employer of the person required to pay support. The division of child support may adopt rules that govern the collection of parties' current residence and mailing addresses, telephone numbers, dates of birth, social security numbers, the names of the children, social security numbers of the children, dates of birth of the children, driver's license numbers, and the names, addresses, and telephone numbers of the parties' employers to enforce an administrative support order. The division of child support shall not release this information if the division of child support determines that there is reason to believe that release of the information may result in physical or emotional harm to the party or to the child, or a restraining order or protective order is in effect to protect one party from the other party.

(6) After the person required to pay support has been ordered or notified to make payments to the Washington state support registry under this section, that person shall be fully responsible for making all payments to the Washington state support registry and shall be subject to payroll deduction or other income-withholding action. The person required to pay support shall not be entitled to credit against a support obligation for any payments made to a person or agency other than to the Washington state support registry except as provided under RCW 74.20.101. A civil action may be brought by the person required to pay support to received and retained support moneys paid contrary to the provisions of this section.

(7) All petitioners and parties to all court actions under chapters 26.09, 26.12, 26.18, 26.21A, 26.23, 26.26A, 26.26B, and 26.27 RCW and minor guardianships under chapter 11.130 RCW shall complete to the best of their knowledge a verified and signed confidential information form or equivalent that provides the parties' current residence and mailing addresses, telephone numbers, dates of birth, social security numbers, driver's license numbers, and the names, addresses, and telephone numbers of the parties' employers, to ensure that the parties' information is added to the judicial information system's person database. The clerk of the court shall not accept petitions, except in parentage actions initiated by the state, orders of child support, decrees of dissolution, or parentage orders for filing in such actions unless accompanied by the confidential information form or equivalent, or unless the confidential information form or equivalent is already on file with the court clerk. In lieu of or in addition to requiring the parties to complete a separate confidential information form, the clerk may collect the information in electronic form. The clerk of the court shall transmit the confidential information form or its data to the division of child support with a copy of the order of child support or parentage order, and may provide copies of the confidential information form or its data and any related findings, decrees, parenting plans, orders, or other documents to the state administrative agency that administers Title IV-A, IV-D, IV-E, or XIX of the federal social security act. In state initiated parentage actions, the parties adjudicated the parents of the child or children shall complete the confidential information form or equivalent or the state's attorney of record may complete that form to the best of the attorney's knowledge.

(8) The department has rule-making authority to enact rules consistent with 42 U.S.C. Sec. 652(f) and 42 U.S.C. Sec. 666(a)(19) as amended by section 7307 of the deficit reduction act of 2005. Additionally, the department has rule-making authority to implement regulations required under 45 C.F.R. Parts 302, 303, 304, 305, and 308.

Sec. 10. RCW 74.20A.055 and 2020 c 227 s 10 are each amended to read as follows:

(1) The secretary may, if there is no order that establishes a person's support obligation or specifically relieves the person required to pay support of a support obligation or pursuant to an establishment of parentage under chapter 26.26A or 26.26B RCW, serve on the person or persons required to pay support and the person entitled to receive support a notice and finding of financial responsibility requiring those persons to appear and show cause in an adjudicative proceeding why the finding of responsibility and/or the amount thereof is incorrect, should not be finally ordered, but should be rescinded or modified. This notice and finding shall relate to the support debt accrued and/or accruing under this chapter and/or RCW 26.16.205, including periodic payments to be made in the future. The hearing shall be held pursuant to this section, chapter 34.05 RCW, the Administrative Procedure Act, and the rules of the department. A person who has physical custody of a child has the same rights under this section as a parent with whom the child resides.

(2) The notice and finding of financial responsibility shall be served in the same manner prescribed for the service of a summons in a civil action or may be served on the person required to pay support by certified mail, return receipt requested. The receipt shall be prima facie evidence of service. The notice shall be served upon the person required to pay support within ((sixty)) 60 days from the date the state assumes responsibility for the support of the dependent child or children on whose behalf support is sought. If the notice is not served within ((sixty)) 60 days from such date, the department shall lose the right to reimbursement of payments made after the ((sixty)) 60-day period and before the date of notification: PROVIDED, That if the department exercises reasonable efforts to locate the person required to pay support and is unable to do so the entire ((sixty)) 60-day period is tolled until such time as the person can be located. The notice may be served upon the person entitled to receive support who is the nonassistance applicant or public assistance recipient by first-class mail to the last known address. If the person entitled to receive support is not the nonassistance applicant or public assistance recipient, service shall be in the same manner as for the person required to pay support.

(3) The notice and finding of financial responsibility shall set forth the amount the department has determined the person required to pay support owes, the support debt accrued and/or accruing, and periodic payments to be made in the future. The notice and finding shall also include:

(a) A statement of the name of the person entitled to receive support and the name of the child or children for whom support is sought;

(b) A statement of the amount of periodic future support payments as to which financial responsibility is alleged;

(c) A statement that the person required to pay support or the person entitled to receive support may object to all or any part of the notice and finding, and file an application for an adjudicative proceeding to show cause why the terms set forth in the notice should not be ordered;

(d) A statement that, if neither the person required to pay support nor the person entitled to receive support files in a timely fashion an application for an adjudicative proceeding, the support debt and payments stated in the notice and finding, including periodic support payments in the future, shall be assessed and

determined and ordered by the department and that this debt and amounts due under the notice shall be subject to collection action;

(e) A statement that the property of the person required to pay support, without further advance notice or hearing, will be subject to lien and foreclosure, distraint, seizure and sale, order to withhold and deliver, notice of payroll deduction or other collection action to satisfy the debt and enforce the support obligation established under the notice;

(f) A statement that the person required to pay support, and the payee under the order or the person entitled to receive support who is a parent of the child or children covered by the order, are responsible for either:

(i) Providing health care coverage for the child if accessible coverage that can cover the child:

(A) Is available through health insurance or public health care coverage; or

(B) Is or becomes available to the obligated person through that person's employment or union; or

(ii) Paying a monthly payment toward the premium if no such coverage is available, as provided under RCW 26.09.105; ((and))

(g) A statement that the support obligation under the order may be abated to ten dollars per month per order as provided in RCW 26.09.320 if the person required to pay support is confined in a jail, prison, or correctional facility for at least six months, or is serving a sentence greater than six months in a jail, prison, or correctional facility; and

(h) A statement that the support obligation under the order may be abated to \$50 per month per child as provided in section 5 of this act if the person required to pay support is undergoing court-ordered behavioral health treatment issued under chapter 71.05 RCW.

(4) A person required to pay support or a person entitled to receive support who objects to the notice and finding of financial responsibility may file an application for an adjudicative proceeding within ((twenty)) 20 days of the date of service of the notice or thereafter as provided under this subsection.

(a) If the person required to pay support or the person entitled to receive support files the application within ((twenty)) <u>20</u> days, the office of administrative hearings shall schedule an adjudicative proceeding to hear the party's or parties' objection and determine the support obligation for the entire period covered by the notice and finding of financial responsibility. The filing of the application stays collection action pending the entry of a final administrative order;

(b) If both the person required to pay support and the person entitled to receive support fail to file an application within ((twenty)) 20 days, the notice and finding shall become a final administrative order. The amounts for current and future support and the support debt stated in the notice are final and subject to collection, except as provided under (c) and (d) of this subsection;

(c) If the person required to pay support or the person entitled to receive support files the application more than $((\frac{\text{twenty}}{\text{wenty}})) \frac{20}{20}$ days after, but within one year of the date of service, the office of administrative hearings shall schedule an adjudicative proceeding to hear the party's or parties' objection and determine the support obligation for the entire period covered by the notice and finding of financial responsibility. The filing of the application does not stay further

collection action, pending the entry of a final administrative order, and does not affect any prior collection action;

(d) If the person required to pay support or the person entitled to receive support files the application more than one year after the date of service, the office of administrative hearings shall schedule an adjudicative proceeding at which the party who requested the late hearing must show good cause for failure to file a timely application. The filing of the application does not stay future collection action and does not affect prior collection action:

(i) If the presiding officer finds that good cause exists, the presiding officer shall proceed to hear the party's objection to the notice and determine the support obligation;

(ii) If the presiding officer finds that good cause does not exist, the presiding officer shall treat the application as a petition for prospective modification of the amount for current and future support established under the notice and finding. In the modification proceeding, the presiding officer shall set current and future support under chapter 26.19 RCW. The petitioning party need show neither good cause nor a substantial change of circumstances to justify modification of current and future support;

(e) If the support obligation was based upon imputed median net income, the grant standard, or the family need standard, the division of child support may file an application for adjudicative proceeding more than ((twenty)) 20 days after the date of service of the notice. The office of administrative hearings shall schedule an adjudicative proceeding and provide notice of the hearing to the person required to pay support and the person entitled to receive support. The presiding officer shall determine the support obligation for the entire period covered by the notice, based upon credible evidence presented by the division of child support, the person required to pay support, or the person entitled to receive support, or may determine that the support obligation set forth in the notice is correct. The division of child support demonstrates good cause by showing that the support obligation was based upon imputed median net income, the grant standard, or the family need standard. The filing of the application by the division of child support does not stay further collection action, pending the entry of a final administrative order, and does not affect any prior collection action:

(f) The department shall retain and/or shall not refund support money collected more than (($\frac{1}{1}$ days after the date of service of the notice. Money withheld as the result of collection action shall be delivered to the department. The department shall distribute such money, as provided in published rules.

(5) If an application for an adjudicative proceeding is filed, the presiding or reviewing officer shall determine the past liability and responsibility, if any, of the person required to pay support and shall also determine the amount of periodic payments to be made in the future, which amount is not limited by the amount of any public assistance payment made to or for the benefit of the child. If deviating from the child support schedule in making these determinations, the presiding or reviewing officer shall apply the standards contained in the child support schedule and enter written findings of fact supporting the deviation.

(6) If either the person required to pay support or the person entitled to receive support fails to attend or participate in the hearing or other stage of an

adjudicative proceeding, upon a showing of valid service, the presiding officer shall enter an order of default against each party who did not appear and may enter an administrative order declaring the support debt and payment provisions stated in the notice and finding of financial responsibility to be assessed and determined and subject to collection action. The parties who appear may enter an agreed settlement or consent order, which may be different than the terms of the department's notice. Any party who appears may choose to proceed to the hearing, after the conclusion of which the presiding officer or reviewing officer may enter an order that is different than the terms stated in the notice, if the obligation is supported by credible evidence presented by any party at the hearing.

(7) The final administrative order establishing liability and/or future periodic support payments shall be superseded upon entry of a superior court order for support to the extent the superior court order is inconsistent with the administrative order.

(8) Debts determined pursuant to this section, accrued and not paid, are subject to collection action under this chapter without further necessity of action by a presiding or reviewing officer.

(9) The department has rule-making authority to enact rules consistent with 42 U.S.C. Sec. 652(f) and 42 U.S.C. Sec. 666(a)(19) as amended by section 7307 of the deficit reduction act of 2005. Additionally, the department has rule-making authority to implement regulations required under 45 C.F.R. Parts 302, 303, 304, 305, and 308.

Sec. 11. RCW 74.20A.056 and 2020 c 227 s 11 are each amended to read as follows:

(1)(a) If an acknowledged parent has signed an acknowledgment of parentage that has been filed with the state registrar of vital statistics:

(i) The division of child support may serve a notice and finding of financial responsibility under RCW 74.20A.055 based on the acknowledgment. The division of child support shall attach a copy of the acknowledgment or certification of the birth record information advising of the existence of a filed acknowledgment of parentage to the notice;

(ii) The notice shall include a statement that the acknowledged parent or any other signatory may commence a proceeding in court to rescind or challenge the acknowledgment or denial of parentage under RCW 26.26A.235 and 26.26A.240;

(iii) A statement that the person required to pay support, and the payee under the order or the person entitled to receive support who is a parent of the child or children covered by the order, are responsible for providing health care coverage for the child if accessible coverage that can be extended to cover the child is or becomes available to the obligated person through employment or is union-related as provided under RCW 26.09.105;

(iv) The party commencing the action to rescind or challenge the acknowledgment or denial must serve notice on the division of child support and the office of the prosecuting attorney in the county in which the proceeding is commenced. Commencement of a proceeding to rescind or challenge the acknowledgment or denial stays the establishment of the notice and finding of financial responsibility, if the notice has not yet become a final order; ((and))

(v) A statement that the support obligation under the order may be abated to ((ten dollars)) \$10 per month per order as provided in RCW 26.09.320 if the person required to pay support is confined in a jail, prison, or correctional facility for at least six months, or is serving a sentence greater than six months in a jail, prison, or correctional facility; and

(vi) A statement that the support obligation under the order may be abated to \$50 per month per child as provided in section 5 of this act if the person required to pay support is undergoing court-ordered behavioral health treatment issued under chapter 71.05 RCW.

(b) If neither party to the notice files an application for an adjudicative proceeding or the signatories to the acknowledgment or denial do not commence a proceeding to rescind or challenge the acknowledgment of parentage, the amount of support stated in the notice and finding of financial responsibility becomes final, subject only to a subsequent determination under RCW 26.26A.400 through 26.26A.515 that the parent-child relationship does not exist. The division of child support does not refund nor return any amounts collected under a notice that becomes final under this section or RCW 74.20A.055, even if a court later determines that the acknowledgment is void.

(c) An acknowledged parent or other party to the notice who objects to the amount of support requested in the notice may file an application for an adjudicative proceeding up to ((twenty)) 20 days after the date the notice was served. An application for an adjudicative proceeding may be filed within one year of service of the notice and finding of parental responsibility without the necessity for a showing of good cause or upon a showing of good cause thereafter. An adjudicative proceeding under this section shall be pursuant to RCW 74.20A.055. The only issues shall be the amount of the accrued debt and the amount of the current and future support obligation.

(i) If the application for an adjudicative proceeding is filed within ((twenty)) <u>20</u> days of service of the notice, collection action shall be stayed pending a final decision by the department.

(ii) If the application for an adjudicative proceeding is not filed within $((\frac{\text{twenty}})) \underline{20}$ days of the service of the notice, any amounts collected under the notice shall be neither refunded nor returned if the person required to pay support under the notice is later found not to be required to pay support.

(d) If neither the acknowledged parent nor the person entitled to receive support requests an adjudicative proceeding, or if no timely action is brought to rescind or challenge the acknowledgment or denial after service of the notice, the notice of financial responsibility becomes final for all intents and purposes and may be overturned only by a subsequent superior court order entered under RCW 26.26A.400 through 26.26A.515.

(2) Acknowledgments of parentage are subject to requirements of chapters 26.26A, 26.26B, and 70.58A RCW.

(3) The department and the department of health may adopt rules to implement the requirements under this section.

(4) The department has rule-making authority to enact rules consistent with 42 U.S.C. Sec. 652(f) and 42 U.S.C. Sec. 666(a)(19) as amended by section 7307 of the deficit reduction act of 2005. Additionally, the department has rule-making authority to implement regulations required under 45 C.F.R. Parts 302, 303, 304, 305, and 308.

Sec. 12. RCW 74.20A.059 and 2020 c 227 s 12 are each amended to read as follows:

(1) The department, the payee under the order or the person entitled to receive support, or the person required to pay support may petition for a prospective modification of a final administrative order if:

(a) The administrative order has not been superseded by a superior court order; and

(b) There has been a substantial change of circumstances, except as provided under RCW 74.20A.055(4)(d) or subsection (2) of this section.

(2) The department, the person entitled to receive support, the payee under the order, or ((the)): (a) The person required to pay support may petition for a prospective modification of a final administrative order if the person required to pay support is currently confined in a jail, prison, or correctional facility for at least six months or is serving a sentence greater than six months in a jail, prison, or correctional facility, and the support order does not contain language regarding abatement due to incarceration; or (b) the person required to pay support is currently undergoing court-ordered behavioral health treatment issued under chapter 71.05 RCW and the support order does not contain language regarding abatement due to incapacitation.

(((a))) (i) The petition may be filed at any time after the administrative support order became a final order, as long as the person required to pay support is currently incarcerated <u>or undergoing court-ordered behavioral health</u> treatment.

(((b))) (ii) As part of the petition for modification, the petitioner may also request that the support obligation be abated to ((ten dollars)) <u>\$10</u> per month per order due to incarceration, as provided in RCW 26.09.320, or abated to <u>\$50 per month per child due to incapacitation</u>, as provided in section 5 of this act.

(3) An order of child support may be modified at any time without a showing of substantially changed circumstances if incarceration of the person required to pay support is the basis for the inconsistency between the existing child support order amount and the amount of support determined as a result of a review.

(4) An order of child support may be modified one year or more after it has been entered without showing a substantial change of circumstances:

(a) If the order in practice works a severe economic hardship on either party or the child; or

(b) If a child is a full-time student and reasonably expected to complete secondary school or the equivalent level of vocational or technical training before the child becomes ((nineteen)) <u>19</u> years of age upon a finding that there is a need to extend support beyond the eighteenth birthday.

(5) An order may be modified without showing a substantial change of circumstances if the requested modification is to:

(a) Require medical support under RCW 26.09.105 for a child covered by the order;

(b) Modify an existing order for health care coverage; or

(c) Modify an existing order when the person required to pay support has been released from incarceration, as provided in RCW 26.09.320(3)(d), or when the person has been discharged from court-ordered behavioral health treatment issued under chapter 71.05 RCW, as provided in section 5 of this act.

[1529]

(6) Support orders may be adjusted once every (($\frac{1}{1}$ months)) <u>24</u> months based upon changes in the income of the parties to the order without a showing of substantially changed circumstances. This provision does not mean that the income of a person entitled to receive support who is not a parent of the child or children covered by the order must be disclosed or be included in the calculations under chapter 26.19 RCW when determining the support obligation.

(7)(a) All administrative orders entered on, before, or after September 1, 1991, may be modified based upon changes in the child support schedule established in chapter 26.19 RCW without a substantial change of circumstances. The petition may be filed based on changes in the child support schedule after ((twelve)) 12 months has expired from the entry of the administrative order or the most recent modification order setting child support, whichever is later. However, if a party is granted relief under this provision, ((twenty-four)) 24 months must pass before another petition for modification may be filed pursuant to subsection (6) of this section.

(b) If, pursuant to subsection (6) of this section or (a) of this subsection, the order modifies a child support obligation by more than ((thirty)) <u>30</u> percent and the change would cause significant hardship, the change may be implemented in two equal increments, one at the time of the entry of the order and the second six months from the entry of the order. Twenty-four months must pass following the second change before a petition for modification under subsection (6) of this section may be filed.

(8) An increase in the wage or salary of the person entitled to receive the support transfer payments is not a substantial change in circumstances for purposes of modification under subsection (1)(b) of this section. The voluntary unemployment or voluntary underemployment of the person required to pay support, by itself, is not a substantial change of circumstances. The income of the person entitled to receive support is only disclosed or considered if that person is a parent of the child or children covered by the order.

(9) The department shall file the petition and a supporting affidavit with the office of administrative hearings when the department petitions for modification.

(10) The person required to pay support or the payee under the order or the person entitled to receive support shall follow the procedures in this chapter for filing an application for an adjudicative proceeding to petition for modification.

(11) Upon the filing of a proper petition or application, the office of administrative hearings shall issue an order directing each party to appear and show cause why the order should not be modified.

(12) If the presiding or reviewing officer finds a modification is appropriate, the officer shall modify the order and set current and future support under chapter 26.19 RCW.

<u>NEW SECTION.</u> Sec. 13. (1) By January 1, 2026, the administrative office of the courts shall revise the child support worksheets and instructions to clarify language regarding how parties should round up income amounts consistent with the recommendations of the 2023 child support schedule work group.

(2) This section expires August 1, 2026.

Sec. 14. RCW 26.19.020 and 2018 c 150 s 301 are each amended to read as follows:

ECONOMIC TABLE MONTHLY BASIC SUPPORT OBLIGATION PER CHILD

COMBINED		
MONTHLY	ONE	TWO
NET	CHILD	CHILDREN
INCOME	FAMILY	FAMILY
For income less that based upon the reso household. Minimu child per month exc 26.19.065(2).	urces and living exp m support may not l	penses of each be less than \$50 per
((1000	216	167
1100	238	184
1200	260	200
1300	281	217
1400	303	234
1500	325	251
1600	346	267
1700	368	284
1800	390	301
1900	412	317
2000	433	334
2100	455	350))
2200	477	367
2300	499	384
2400	521	400
2500	543	417
2600	565	433
2700	587	450
2800	609	467
2900	630	483
3000	652	500
3100	674	516
3200	696	533
3300	718	550
3400	740	566
3500	762	583

ECONOMIC TABLE MONTHLY BASIC SUPPORT OBLIGATION PER CHILD

COMBINED		
MONTHLY	ONE	TWO
NET	CHILD	CHILDREN
INCOME	FAMILY	FAMILY
3600	784	599
3700	803	614
3800	816	624
3900	830	634
4000	843	643
4100	857	653
4200	867	660
4300	877	668
4400	887	675
4500	896	682
4600	906	689
4700	916	697
4800	927	705
4900	939	714
5000	951	723
5100	963	732
5200	975	741
5300	987	750
5400	999	759
5500	1011	768
5600	1023	777
5700	1030	782
5800	1036	786
5900	1042	791
6000	1048	795
6100	1054	800
6200	1061	804
6300	1067	809
6400	1073	813
6500	1075	819
6600	1096	830
0000	1070	0.50

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COMBINED		
MONTHLY	ONE	TWO
NET	CHILD	CHILDREN
INCOME	FAMILY	FAMILY
6700	1111	842
6800	1126	853
6900	1141	864
7000	1156	875
7100	1170	886
7200	1185	898
7300	1200	909
7400	1212	918
7500	1222	925
7600	1231	932
7700	1241	939
7800	1251	946
7900	1261	953
8000	1270	960
8100	1280	968
8200	1290	975
8300	1299	981
8400	1308	987
8500	1316	994
8600	1325	1000
8700	1334	1007
8800	1343	1013
8900	1352	1019
9000	1361	1026
9100	1370	1032
9200	1379	1040
9300	1387	1047
9400	1396	1055
9500	1405	1062
9600	1414	1069
9700	1423	1077

ECONOMIC TABLE MONTHLY BASIC SUPPORT OBLIGATION PER CHILD

COMBINED		
MONTHLY	ONE	TWO
NET	CHILD	CHILDREN
INCOME	FAMILY	FAMILY
9800	1432	1084
9900	1441	1092
10000	1451	1099
10100	1462	1107
10200	1473	1114
10300	1484	1122
10400	1495	1129
10500	1507	1136
10600	1518	1144
10700	1529	1151
10800	1539	1159
10900	1542	1161
11000	1545	1164
11100	1548	1166
11200	1551	1169
11300	1554	1172
11400	1556	1174
11500	1559	1177
11600	1562	1179
11700	1565	1182
11800	1568	1184
11900	1571	1187
12000	1573	1190
<u>12100</u>	<u>1584</u>	<u>1199</u>
12200	1594	1207
12300	1605	1216
12400	1616	1225
12500	1626	1233
12600	1637	1242
12700	1647	1251
<u>12800</u>	1657	<u>1251</u> 1259
12000	1007	1407

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PER CHILD

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COMBINED		
MONTHLY	ONE	TWO
NET	CHILD	CHILDREN
INCOME	FAMILY	FAMILY
<u>12900</u>	<u>1668</u>	<u>1268</u>
<u>13000</u>	<u>1678</u>	<u>1276</u>
<u>13100</u>	<u>1688</u>	<u>1285</u>
<u>13200</u>	<u>1699</u>	<u>1293</u>
<u>13300</u>	<u>1709</u>	<u>1302</u>
<u>13400</u>	<u>1719</u>	<u>1310</u>
<u>13500</u>	<u>1729</u>	<u>1319</u>
<u>13600</u>	<u>1739</u>	<u>1327</u>
<u>13700</u>	<u>1749</u>	<u>1335</u>
<u>13800</u>	<u>1759</u>	<u>1344</u>
<u>13900</u>	1769	<u>1352</u>
<u>14000</u>	<u>1779</u>	<u>1360</u>
<u>14100</u>	<u>1789</u>	<u>1369</u>
<u>14200</u>	<u>1799</u>	<u>1377</u>
<u>14300</u>	<u>1809</u>	<u>1385</u>
<u>14400</u>	<u>1818</u>	<u>1393</u>
<u>14500</u>	1828	1402
14600	<u>1838</u>	<u>1410</u>
<u>14700</u>	<u>1848</u>	<u>1418</u>
<u>14800</u>	1857	<u>1426</u>
<u>14900</u>	1867	<u>1434</u>
<u>15000</u>	<u>1876</u>	<u>1443</u>
<u>15100</u>	<u>1886</u>	<u>1451</u>
<u>15200</u>	<u>1895</u>	<u>1459</u>
<u>15300</u>	<u>1905</u>	<u>1467</u>
<u>15400</u>	<u>1914</u>	<u>1475</u>
<u>15500</u>	<u>1923</u>	<u>1483</u>
15600	1933	1491
15700	1942	1499
15800	1951	1507
15900	1960	1515

ECONOMIC TABLE MONTHLY BASIC SUPPORT OBLIGATION PER CHILD

COMBINED		
MONTHLY	ONE	TWO
NET	CHILD	CHILDREN
INCOME	FAMILY	FAMILY
<u>16000</u>	<u>1969</u>	<u>1523</u>
<u>16100</u>	<u>1978</u>	<u>1531</u>
<u>16200</u>	<u>1987</u>	<u>1538</u>
<u>16300</u>	<u>1996</u>	<u>1546</u>
<u>16400</u>	<u>2005</u>	<u>1554</u>
<u>16500</u>	<u>2014</u>	<u>1562</u>
<u>16600</u>	2023	<u>1570</u>
<u>16700</u>	2032	<u>1578</u>
<u>16800</u>	2041	<u>1585</u>
<u>16900</u>	<u>2050</u>	<u>1593</u>
<u>17000</u>	<u>2058</u>	<u>1601</u>
<u>17100</u>	<u>2067</u>	<u>1609</u>
<u>17200</u>	2076	<u>1616</u>
<u>17300</u>	<u>2084</u>	<u>1624</u>
<u>17400</u>	<u>2093</u>	<u>1632</u>
<u>17500</u>	<u>2101</u>	<u>1639</u>
<u>17600</u>	<u>2110</u>	<u>1647</u>
<u>17700</u>	<u>2118</u>	<u>1654</u>
<u>17800</u>	<u>2127</u>	<u>1662</u>
<u>17900</u>	<u>2135</u>	<u>1669</u>
<u>18000</u>	<u>2143</u>	<u>1677</u>
<u>18100</u>	<u>2152</u>	<u>1685</u>
<u>18200</u>	<u>2160</u>	<u>1692</u>
<u>18300</u>	<u>2168</u>	<u>1699</u>
<u>18400</u>	<u>2176</u>	<u>1707</u>
<u>18500</u>	<u>2185</u>	<u>1714</u>
<u>18600</u>	<u>2193</u>	<u>1722</u>
<u>18700</u>	2201	1729
18800	2209	1736
18900	2217	1744
19000	2225	1751

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ECONOMIC TABLE MONTHLY BASIC SUPPORT OBLIGATION PER CHILD

	T Dit enning	
COMBINED		
MONTHLY	ONE	TWO
NET	CHILD	CHILDREN
INCOME	FAMILY	FAMILY
<u>19100</u>	<u>2232</u>	<u>1758</u>
<u>19200</u>	<u>2240</u>	<u>1766</u>
<u>19300</u>	<u>2248</u>	<u>1773</u>
<u>19400</u>	<u>2256</u>	<u>1780</u>
<u>19500</u>	<u>2264</u>	<u>1788</u>
<u>19600</u>	<u>2271</u>	<u>1795</u>
<u>19700</u>	<u>2279</u>	1802
<u>19800</u>	2287	<u>1809</u>
<u>19900</u>	<u>2294</u>	<u>1816</u>
20000	<u>2302</u>	<u>1823</u>
20100	<u>2310</u>	<u>1830</u>
<u>20200</u>	<u>2318</u>	<u>1838</u>
<u>20300</u>	<u>2326</u>	<u>1845</u>
<u>20400</u>	2334	<u>1852</u>
<u>20500</u>	2342	<u>1859</u>
<u>20600</u>	<u>2350</u>	1866
<u>20700</u>	2358	<u>1873</u>
<u>20800</u>	<u>2366</u>	<u>1880</u>
<u>20900</u>	<u>2374</u>	<u>1887</u>
<u>21000</u>	2382	<u>1893</u>
<u>21100</u>	<u>2389</u>	<u>1900</u>
<u>21200</u>	<u>2396</u>	1907
<u>21300</u>	<u>2403</u>	<u>1914</u>
<u>21400</u>	<u>2410</u>	<u>1921</u>
<u>21500</u>	<u>2417</u>	<u>1928</u>
<u>21600</u>	<u>2424</u>	<u>1935</u>
<u>21700</u>	<u>2431</u>	<u>1941</u>
<u>21800</u>	<u>2438</u>	<u>1948</u>
<u>21900</u>	<u>2445</u>	<u>1955</u>
<u>22000</u>	<u>2452</u>	<u>1962</u>
<u>22100</u>	<u>2459</u>	<u>1968</u>

ECONOMIC TABLE MONTHLY BASIC SUPPORT OBLIGATION PER CHILD

COMBINED		
MONTHLY	ONE	TWO
NET	CHILD	CHILDREN
INCOME	FAMILY	FAMILY
<u>22200</u>	<u>2466</u>	<u>1975</u>
<u>22300</u>	<u>2473</u>	<u>1982</u>
<u>22400</u>	<u>2480</u>	<u>1988</u>
<u>22500</u>	<u>2487</u>	<u>1995</u>
<u>22600</u>	<u>2494</u>	2002
<u>22700</u>	<u>2501</u>	<u>2008</u>
<u>22800</u>	<u>2508</u>	<u>2015</u>
<u>22900</u>	<u>2515</u>	<u>2021</u>
<u>23000</u>	<u>2522</u>	<u>2028</u>
<u>23100</u>	<u>2529</u>	<u>2034</u>
<u>23200</u>	<u>2536</u>	<u>2041</u>
<u>23300</u>	<u>2543</u>	2047
<u>23400</u>	<u>2550</u>	<u>2054</u>
<u>23500</u>	<u>2557</u>	<u>2060</u>
<u>23600</u>	2564	<u>2067</u>
<u>23700</u>	2571	<u>2073</u>
<u>23800</u>	<u>2578</u>	<u>2079</u>
<u>23900</u>	<u>2585</u>	<u>2086</u>
<u>24000</u>	<u>2592</u>	<u>2092</u>
<u>24100</u>	<u>2599</u>	<u>2098</u>
<u>24200</u>	<u>2606</u>	<u>2105</u>
<u>24300</u>	<u>2613</u>	<u>2111</u>
<u>24400</u>	<u>2620</u>	<u>2117</u>
<u>24500</u>	<u>2627</u>	<u>2123</u>
<u>24600</u>	<u>2634</u>	<u>2130</u>
<u>24700</u>	<u>2641</u>	<u>2136</u>
<u>24800</u>	<u>2648</u>	<u>2142</u>
<u>24900</u>	<u>2655</u>	<u>2148</u>
<u>25000</u>	<u>2662</u>	<u>2154</u>
25100	<u>2669</u>	<u>2160</u>
<u>25200</u>	<u>2676</u>	<u>2166</u>

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MONTHLY BASIC SUPPORT OBLIGATION PER CHILD

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COMBINED		
MONTHLY	ONE	TWO
NET	CHILD	CHILDREN
INCOME	FAMILY	FAMILY
<u>25300</u>	<u>2683</u>	<u>2172</u>
<u>25400</u>	<u>2690</u>	<u>2178</u>
<u>25500</u>	<u>2696</u>	<u>2184</u>
<u>25600</u>	<u>2702</u>	<u>2191</u>
<u>25700</u>	2708	<u>2196</u>
<u>25800</u>	<u>2714</u>	2202
<u>25900</u>	<u>2720</u>	2208
<u>26000</u>	<u>2726</u>	<u>2214</u>
<u>26100</u>	<u>2732</u>	<u>2220</u>
<u>26200</u>	<u>2738</u>	<u>2226</u>
26300	2744	2232
26400	<u>2750</u>	2238
<u>26500</u>	<u>2756</u>	2244
<u>26600</u>	<u>2762</u>	<u>2249</u>
<u>26700</u>	<u>2768</u>	<u>2255</u>
<u>26800</u>	2774	2261
<u>26900</u>	<u>2780</u>	2267
<u>27000</u>	<u>2786</u>	<u>2272</u>
27100	<u>2792</u>	2278
27200	<u>2798</u>	2284
27300	<u>2804</u>	<u>2290</u>
27400	<u>2810</u>	<u>2295</u>
<u>27500</u>	<u>2816</u>	<u>2301</u>
27600	<u>2822</u>	2306
27700	<u>2828</u>	2312
<u>27800</u>	<u>2834</u>	<u>2318</u>
<u>27900</u>	<u>2840</u>	<u>2323</u>
<u>28000</u>	<u>2846</u>	<u>2329</u>
<u>28100</u>	<u>2852</u>	<u>2334</u>
28200	2858	2340
28300	2864	2345

ECONOMIC TABLE MONTHLY BASIC SUPPORT OBLIGATION PER CHILD

COMBINED		
MONTHLY	ONE	TWO
NET	CHILD	CHILDREN
INCOME	FAMILY	FAMILY
<u>28400</u>	<u>2870</u>	<u>2351</u>
<u>28500</u>	<u>2876</u>	<u>2356</u>
<u>28600</u>	<u>2882</u>	<u>2361</u>
<u>28700</u>	<u>2888</u>	<u>2367</u>
<u>28800</u>	<u>2894</u>	<u>2372</u>
<u>28900</u>	<u>2900</u>	<u>2378</u>
<u>29000</u>	<u>2906</u>	<u>2383</u>
<u>29100</u>	<u>2912</u>	<u>2388</u>
<u>29200</u>	<u>2918</u>	<u>2393</u>
<u>29300</u>	<u>2924</u>	<u>2399</u>
<u>29400</u>	<u>2930</u>	2404
<u>29500</u>	<u>2936</u>	<u>2409</u>
<u>29600</u>	<u>2942</u>	<u>2414</u>
<u>29700</u>	<u>2948</u>	<u>2420</u>
<u>29800</u>	<u>2954</u>	<u>2425</u>
<u>29900</u>	<u>2960</u>	<u>2430</u>
<u>30000</u>	<u>2966</u>	<u>2435</u>
<u>30100</u>	<u>2972</u>	<u>2440</u>
<u>30200</u>	<u>2978</u>	<u>2445</u>
<u>30300</u>	<u>2984</u>	<u>2450</u>
<u>30400</u>	<u>2990</u>	<u>2455</u>
<u>30500</u>	<u>2996</u>	<u>2460</u>
<u>30600</u>	<u>3002</u>	2465
<u>30700</u>	<u>3008</u>	<u>2470</u>
<u>30800</u>	<u>3014</u>	<u>2475</u>
<u>30900</u>	<u>3020</u>	<u>2480</u>
<u>31000</u>	<u>3026</u>	<u>2485</u>
<u>31100</u>	<u>3032</u>	<u>2490</u>
<u>31200</u>	<u>3038</u>	<u>2495</u>
<u>31300</u>	<u>3044</u>	<u>2500</u>
<u>31400</u>	<u>3050</u>	<u>2505</u>

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COMBINED		
MONTHLY	ONE	TWO
NET	CHILD	CHILDREN
INCOME	FAMILY	FAMILY
<u>31500</u>	<u>3056</u>	<u>2509</u>
<u>31600</u>	<u>3062</u>	<u>2514</u>
<u>31700</u>	<u>3068</u>	<u>2519</u>
<u>31800</u>	<u>3074</u>	<u>2524</u>
<u>31900</u>	<u>3080</u>	<u>2529</u>
<u>32000</u>	<u>3086</u>	<u>2533</u>
<u>32100</u>	<u>3092</u>	<u>2538</u>
<u>32200</u>	<u>3098</u>	<u>2543</u>
<u>32300</u>	<u>3104</u>	2547
<u>32400</u>	<u>3110</u>	<u>2552</u>
<u>32500</u>	<u>3116</u>	<u>2557</u>
<u>32600</u>	<u>3122</u>	<u>2561</u>
<u>32700</u>	<u>3128</u>	<u>2566</u>
<u>32800</u>	<u>3134</u>	<u>2570</u>
<u>32900</u>	<u>3140</u>	<u>2575</u>
<u>33000</u>	<u>3146</u>	<u>2579</u>
<u>33100</u>	<u>3152</u>	<u>2584</u>
<u>33200</u>	<u>3158</u>	<u>2588</u>
<u>33300</u>	<u>3164</u>	<u>2593</u>
<u>33400</u>	<u>3170</u>	<u>2597</u>
<u>33500</u>	<u>3176</u>	<u>2602</u>
<u>33600</u>	<u>3182</u>	<u>2606</u>
<u>33700</u>	<u>3188</u>	<u>2611</u>
<u>33800</u>	<u>3194</u>	<u>2615</u>
<u>33900</u>	<u>3200</u>	<u>2619</u>
<u>34000</u>	<u>3206</u>	<u>2624</u>
<u>34100</u>	<u>3212</u>	2628
34200	<u>3218</u>	<u>2632</u>
<u>34300</u>	<u>3224</u>	<u>2637</u>
<u>34400</u>	<u>3230</u>	<u>2641</u>
<u>34500</u>	<u>3236</u>	<u>2645</u>

ECONOMIC TABLE MONTHLY BASIC SUPPORT OBLIGATION PER CHILD

COMBINED		
MONTHLY	ONE	TWO
NET	CHILD	CHILDREN
INCOME	FAMILY	FAMILY
<u>34600</u>	<u>3242</u>	<u>2649</u>
<u>34700</u>	<u>3248</u>	<u>2653</u>
<u>34800</u>	<u>3253</u>	<u>2658</u>
<u>34900</u>	<u>3258</u>	<u>2662</u>
<u>35000</u>	<u>3263</u>	<u>2666</u>
<u>35100</u>	<u>3268</u>	<u>2670</u>
<u>35200</u>	<u>3273</u>	<u>2674</u>
<u>35300</u>	<u>3278</u>	<u>2678</u>
<u>35400</u>	<u>3283</u>	<u>2682</u>
<u>35500</u>	<u>3288</u>	<u>2686</u>
<u>35600</u>	<u>3293</u>	<u>2690</u>
<u>35700</u>	<u>3298</u>	<u>2694</u>
<u>35800</u>	<u>3303</u>	<u>2698</u>
<u>35900</u>	<u>3308</u>	<u>2702</u>
<u>36000</u>	<u>3313</u>	<u>2706</u>
<u>36100</u>	<u>3318</u>	<u>2710</u>
<u>36200</u>	<u>3323</u>	<u>2714</u>
<u>36300</u>	<u>3328</u>	<u>2718</u>
<u>36400</u>	<u>3333</u>	<u>2722</u>
<u>36500</u>	<u>3338</u>	<u>2725</u>
36600	3343	2729
<u>36700</u>	<u>3348</u>	2733
<u>36800</u>	<u>3353</u>	<u>2737</u>
36900	3358	2740
37000	3363	2744
37100	3368	2748
37200	3373	2752
37300	3378	2755
37400	3383	2759
37500	3388	2762
<u>37600</u>	<u>3393</u>	2766

PER CHILD

	I ER CIIIED	
COMBINED		
MONTHLY	ONE	TWO
NET	CHILD	CHILDREN
INCOME	FAMILY	FAMILY
<u>37700</u>	<u>3398</u>	<u>2770</u>
<u>37800</u>	<u>3403</u>	<u>2773</u>
<u>37900</u>	<u>3408</u>	<u>2777</u>
<u>38000</u>	<u>3413</u>	<u>2780</u>
<u>38100</u>	<u>3418</u>	<u>2784</u>
<u>38200</u>	<u>3423</u>	<u>2787</u>
<u>38300</u>	<u>3428</u>	<u>2791</u>
<u>38400</u>	<u>3433</u>	<u>2794</u>
<u>38500</u>	<u>3438</u>	<u>2798</u>
<u>38600</u>	<u>3443</u>	<u>2801</u>
<u>38700</u>	<u>3448</u>	<u>2804</u>
<u>38800</u>	<u>3453</u>	<u>2808</u>
<u>38900</u>	<u>3458</u>	<u>2811</u>
<u>39000</u>	<u>3463</u>	<u>2814</u>
<u>39100</u>	<u>3468</u>	<u>2818</u>
<u>39200</u>	<u>3473</u>	<u>2821</u>
<u>39300</u>	<u>3478</u>	2824
<u>39400</u>	<u>3483</u>	<u>2828</u>
<u>39500</u>	<u>3488</u>	2831
<u>39600</u>	<u>3493</u>	2834
<u>39700</u>	<u>3498</u>	2837
<u>39800</u>	<u>3503</u>	2840
<u>39900</u>	<u>3508</u>	2844
40000	<u>3513</u>	2847
<u>40100</u>	<u>3518</u>	<u>2850</u>
<u>40200</u>	<u>3523</u>	<u>2853</u>
<u>40300</u>	<u>3528</u>	<u>2856</u>
40400	<u>3533</u>	2859
40500	3538	2862
40600	3543	2865
40700	3548	2868

ECONOMIC TABLE MONTHLY BASIC SUPPORT OBLIGATION PER CHILD

COMBINED		
MONTHLY	ONE	TWO
NET	CHILD	CHILDREN
INCOME	FAMILY	FAMILY
<u>40800</u>	<u>3553</u>	<u>2871</u>
<u>40900</u>	<u>3558</u>	<u>2874</u>
<u>41000</u>	<u>3563</u>	<u>2877</u>
<u>41100</u>	<u>3568</u>	<u>2880</u>
<u>41200</u>	<u>3573</u>	<u>2883</u>
<u>41300</u>	<u>3578</u>	<u>2885</u>
<u>41400</u>	<u>3583</u>	<u>2888</u>
<u>41500</u>	<u>3588</u>	<u>2891</u>
<u>41600</u>	<u>3593</u>	<u>2894</u>
<u>41700</u>	<u>3598</u>	<u>2897</u>
<u>41800</u>	<u>3603</u>	<u>2900</u>
<u>41900</u>	<u>3607</u>	<u>2902</u>
<u>42000</u>	<u>3611</u>	<u>2905</u>
<u>42100</u>	<u>3615</u>	<u>2908</u>
<u>42200</u>	<u>3619</u>	<u>2910</u>
<u>42300</u>	<u>3623</u>	<u>2913</u>
<u>42400</u>	<u>3627</u>	<u>2916</u>
<u>42500</u>	<u>3631</u>	<u>2918</u>
<u>42600</u>	<u>3635</u>	<u>2921</u>
<u>42700</u>	<u>3639</u>	<u>2924</u>
<u>42800</u>	<u>3643</u>	<u>2926</u>
<u>42900</u>	<u>3647</u>	<u>2929</u>
<u>43000</u>	<u>3651</u>	<u>2931</u>
43100	<u>3655</u>	<u>2934</u>
43200	<u>3659</u>	<u>2936</u>
<u>43300</u>	<u>3663</u>	<u>2939</u>
<u>43400</u>	<u>3667</u>	<u>2941</u>
<u>43500</u>	<u>3671</u>	<u>2943</u>
<u>43600</u>	<u>3675</u>	<u>2946</u>
<u>43700</u>	<u>3679</u>	<u>2948</u>
43800	3683	2951

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COMBINED		
MONTHLY	ONE	TWO
NET	CHILD	CHILDREN
INCOME	FAMILY	FAMILY
<u>43900</u>	<u>3687</u>	<u>2953</u>
<u>44000</u>	<u>3691</u>	<u>2955</u>
<u>44100</u>	<u>3695</u>	<u>2958</u>
44200	<u>3699</u>	<u>2960</u>
<u>44300</u>	<u>3703</u>	<u>2962</u>
<u>44400</u>	<u>3707</u>	<u>2964</u>
<u>44500</u>	<u>3711</u>	<u>2967</u>
<u>44600</u>	<u>3715</u>	<u>2969</u>
<u>44700</u>	<u>3719</u>	<u>2971</u>
<u>44800</u>	<u>3723</u>	<u>2973</u>
<u>44900</u>	<u>3727</u>	<u>2975</u>
<u>45000</u>	<u>3731</u>	<u>2977</u>
<u>45100</u>	<u>3735</u>	<u>2980</u>
<u>45200</u>	<u>3739</u>	<u>2982</u>
<u>45300</u>	<u>3743</u>	<u>2984</u>
<u>45400</u>	<u>3747</u>	<u>2986</u>
<u>45500</u>	<u>3751</u>	<u>2988</u>
<u>45600</u>	<u>3755</u>	<u>2990</u>
<u>45700</u>	<u>3759</u>	<u>2992</u>
<u>45800</u>	<u>3763</u>	<u>2994</u>
<u>45900</u>	<u>3767</u>	<u>2996</u>
<u>46000</u>	<u>3771</u>	<u>2998</u>
<u>46100</u>	<u>3775</u>	<u>3000</u>
<u>46200</u>	<u>3779</u>	<u>3001</u>
<u>46300</u>	<u>3783</u>	<u>3003</u>
<u>46400</u>	<u>3787</u>	<u>3005</u>
<u>46500</u>	<u>3791</u>	<u>3007</u>
<u>46600</u>	<u>3795</u>	<u>3009</u>
<u>46700</u>	<u>3799</u>	<u>3011</u>
<u>46800</u>	<u>3803</u>	<u>3012</u>
<u>46900</u>	<u>3807</u>	<u>3014</u>

ECONOMIC TABLE MONTHLY BASIC SUPPORT OBLIGATION PER CHILD

COMBINED		
MONTHLY	ONE	TWO
NET	CHILD	CHILDREN
INCOME	FAMILY	FAMILY
<u>47000</u>	<u>3811</u>	<u>3016</u>
<u>47100</u>	<u>3815</u>	<u>3018</u>
<u>47200</u>	<u>3819</u>	<u>3019</u>
<u>47300</u>	<u>3823</u>	<u>3021</u>
<u>47400</u>	<u>3827</u>	<u>3023</u>
<u>47500</u>	<u>3831</u>	<u>3024</u>
<u>47600</u>	<u>3835</u>	<u>3026</u>
<u>47700</u>	<u>3839</u>	<u>3027</u>
<u>47800</u>	<u>3843</u>	<u>3029</u>
<u>47900</u>	<u>3847</u>	<u>3030</u>
48000	<u>3851</u>	<u>3032</u>
48100	<u>3855</u>	<u>3034</u>
48200	<u>3859</u>	<u>3035</u>
48300	<u>3863</u>	<u>3036</u>
48400	<u>3867</u>	<u>3038</u>
<u>48500</u>	<u>3871</u>	<u>3039</u>
48600	<u>3874</u>	<u>3041</u>
48700	<u>3877</u>	<u>3042</u>
<u>48800</u>	<u>3880</u>	<u>3043</u>
<u>48900</u>	<u>3883</u>	<u>3045</u>
<u>49000</u>	<u>3886</u>	<u>3046</u>
<u>49100</u>	<u>3889</u>	<u>3047</u>
<u>49200</u>	<u>3892</u>	<u>3049</u>
<u>49300</u>	<u>3895</u>	3050
<u>49400</u>	<u>3898</u>	3051
<u>49500</u>	<u>3901</u>	3052
<u>49600</u>	<u>3904</u>	3054
49700	3907	3055
49800	3910	3056
49900	3913	3057
50000	3916	3058

COMBINED			
MONTHLY	THREE	FOUR	FIVE
NET	CHILDREN	CHILDREN	CHILDREN
INCOME	FAMILY	FAMILY	FAMILY
	s than ((\$1000))		
based upon the	resources and l	living expense	s of each
household. Min	nimum support i h except when a	may not be les	s than \$50 per
26.19.065(2).	ii except when a	lilowed by KC	vv
((1000	136	114	-100
1100	150	125	110
1200	163	137	120
1300	177	148	130
1400	191	160	141
1500	204	171	151
1600	218	182	161
1700	231	194	171
1800	245	205	180
1900	258	216	190
2000	271	227	200
2100	285	239	210))
2200	298	250	220
2300	311	261	230
2400	325	272	239
2500	338	283	249
2600	351	294	259
2700	365	305	269
2800	378	317	279
2900	391	328	288
3000	405	339	298
3100	418	350	308
3200	431	361	318
3300	444	372	328
3400	458	384	337
3500	471	395	347
3600	484	406	357
3700	496	416	366
3800	503	422	371

COMBINED MONTHLY	THREE	FOUR	FIVE
NET	CHILDREN	CHILDREN	CHILDREN
INCOME	FAMILY	FAMILY	FAMILY
3900	511	428	377
4000	518	434	382
4100	526	440	388
4200	531	445	392
4300	537	450	396
4400	543	455	400
4500	548	459	404
4600	554	464	408
4700	559	469	412
4800	566	474	417
4900	573	480	422
5000	580	486	428
5100	587	492	433
5200	594	498	438
5300	602	504	443
5400	609	510	449
5500	616	516	454
5600	623	522	459
5700	627	525	462
5800	630	528	465
5900	634	531	467
6000	637	534	470
6100	641	537	472
6200	644	540	475
6300	648	543	477
6400	651	545	480
6500	656	549	483
6600	665	557	490
6700	674	564	497
6800	683	572	503
6900	692	579	510
7000	701	587	516
7100	710	594	523

COMBINED			
MONTHLY	THREE	FOUR	FIVE
NET	CHILDREN	CHILDREN	CHILDREN
INCOME	FAMILY	FAMILY	FAMILY
7200	719	602	530
7300	727	609	536
7400	734	615	541
7500	740	620	545
7600	745	624	549
7700	751	629	554
7800	756	634	558
7900	762	638	562
8000	767	643	566
8100	773	647	570
8200	778	652	574
8300	783	656	577
8400	788	660	581
8500	793	664	584
8600	797	668	588
8700	802	672	591
8800	807	676	595
8900	812	680	599
9000	817	684	602
9100	822	689	606
9200	828	694	611
9300	835	699	616
9400	841	705	620
9500	848	710	625
9600	854	716	630
9700	861	721	635
9800	867	727	639
9900	874	732	644
10000	879	737	648
10100	885	741	652
10200	890	745	656
10300	895	750	660
10400	900	754	664

COMBINED			
MONTHLY	THREE	FOUR	FIVE
NET	CHILDREN	CHILDREN	CHILDREN
INCOME	FAMILY	FAMILY	FAMILY
10500	906	759	668
10600	911	763	672
10700	916	767	675
10800	921	772	679
10900	924	774	681
11000	926	776	683
11100	928	778	684
11200	931	780	686
11300	933	782	688
11400	936	784	690
11500	938	786	692
11600	940	788	693
11700	943	790	695
11800	945	792	697
11900	948	794	699
12000	950	796	700
<u>12100</u>	<u>957</u>	<u>802</u>	<u>705</u>
<u>12200</u>	<u>964</u>	<u>808</u>	<u>711</u>
<u>12300</u>	<u>971</u>	<u>814</u>	716
<u>12400</u>	<u>978</u>	<u>820</u>	<u>721</u>
<u>12500</u>	<u>985</u>	<u>826</u>	<u>727</u>
<u>12600</u>	<u>992</u>	<u>832</u>	<u>732</u>
<u>12700</u>	<u>999</u>	<u>838</u>	<u>737</u>
<u>12800</u>	<u>1007</u>	<u>844</u>	<u>743</u>
<u>12900</u>	<u>1014</u>	<u>850</u>	748
<u>13000</u>	<u>1021</u>	<u>856</u>	<u>753</u>
<u>13100</u>	<u>1027</u>	<u>862</u>	<u>758</u>
<u>13200</u>	<u>1034</u>	<u>868</u>	<u>764</u>
<u>13300</u>	<u>1041</u>	<u>874</u>	<u>769</u>
<u>13400</u>	<u>1048</u>	<u>879</u>	<u>774</u>
<u>13500</u>	<u>1055</u>	<u>885</u>	<u>779</u>
<u>13600</u>	<u>1062</u>	<u>891</u>	<u>785</u>
13700	<u>1069</u>	<u>897</u>	<u>790</u>

COMBINED			
MONTHLY	THREE	FOUR	FIVE
NET	CHILDREN	CHILDREN	CHILDREN
INCOME	FAMILY	FAMILY	FAMILY
<u>13800</u>	<u>1076</u>	<u>903</u>	<u>795</u>
<u>13900</u>	<u>1083</u>	<u>909</u>	<u>800</u>
<u>14000</u>	<u>1090</u>	<u>915</u>	<u>805</u>
<u>14100</u>	<u>1097</u>	<u>920</u>	<u>811</u>
<u>14200</u>	<u>1103</u>	<u>926</u>	<u>816</u>
<u>14300</u>	<u>1110</u>	<u>932</u>	<u>821</u>
<u>14400</u>	<u>1117</u>	<u>938</u>	<u>826</u>
<u>14500</u>	<u>1124</u>	<u>944</u>	<u>831</u>
<u>14600</u>	<u>1131</u>	<u>949</u>	<u>836</u>
<u>14700</u>	<u>1137</u>	<u>955</u>	<u>842</u>
<u>14800</u>	<u>1144</u>	<u>961</u>	<u>847</u>
<u>14900</u>	<u>1151</u>	<u>967</u>	<u>852</u>
<u>15000</u>	<u>1158</u>	<u>973</u>	<u>857</u>
<u>15100</u>	<u>1164</u>	<u>978</u>	<u>862</u>
<u>15200</u>	<u>1171</u>	<u>984</u>	<u>867</u>
<u>15300</u>	<u>1178</u>	<u>990</u>	<u>872</u>
<u>15400</u>	<u>1184</u>	<u>995</u>	<u>877</u>
<u>15500</u>	<u>1191</u>	<u>1001</u>	<u>882</u>
<u>15600</u>	<u>1198</u>	1007	<u>888</u>
<u>15700</u>	<u>1204</u>	<u>1012</u>	<u>893</u>
<u>15800</u>	<u>1211</u>	<u>1018</u>	<u>898</u>
<u>15900</u>	<u>1217</u>	<u>1024</u>	<u>903</u>
<u>16000</u>	<u>1224</u>	<u>1029</u>	<u>908</u>
<u>16100</u>	<u>1231</u>	<u>1035</u>	<u>913</u>
<u>16200</u>	<u>1237</u>	<u>1041</u>	<u>918</u>
<u>16300</u>	<u>1244</u>	<u>1046</u>	<u>923</u>
<u>16400</u>	<u>1250</u>	<u>1052</u>	<u>928</u>
<u>16500</u>	<u>1257</u>	<u>1057</u>	<u>933</u>
<u>16600</u>	<u>1263</u>	<u>1063</u>	<u>938</u>
<u>16700</u>	<u>1270</u>	1069	<u>943</u>
<u>16800</u>	<u>1276</u>	<u>1074</u>	<u>948</u>
<u>16900</u>	<u>1283</u>	<u>1080</u>	<u>953</u>
1 = 0 0 0	1000	1005	0.50

<u>1085</u>

<u>958</u>

<u>1289</u>

<u>17000</u>

COMBINED			
MONTHLY	THREE	FOUR	FIVE
NET	CHILDREN	CHILDREN	CHILDREN
INCOME	FAMILY	FAMILY	FAMILY
<u>17100</u>	<u>1296</u>	<u>1091</u>	<u>963</u>
<u>17200</u>	<u>1302</u>	<u>1096</u>	<u>968</u>
<u>17300</u>	<u>1308</u>	<u>1102</u>	<u>972</u>
<u>17400</u>	<u>1315</u>	<u>1107</u>	<u>977</u>
<u>17500</u>	<u>1321</u>	<u>1113</u>	<u>982</u>
17600	<u>1328</u>	<u>1118</u>	<u>987</u>
<u>17700</u>	<u>1334</u>	<u>1124</u>	<u>992</u>
<u>17800</u>	<u>1340</u>	<u>1129</u>	<u>997</u>
<u>17900</u>	<u>1347</u>	<u>1135</u>	1002
<u>18000</u>	<u>1353</u>	<u>1140</u>	<u>1007</u>
<u>18100</u>	<u>1359</u>	<u>1145</u>	1012
<u>18200</u>	<u>1366</u>	<u>1151</u>	<u>1017</u>
<u>18300</u>	<u>1372</u>	<u>1156</u>	<u>1021</u>
<u>18400</u>	<u>1378</u>	<u>1162</u>	<u>1026</u>
<u>18500</u>	<u>1384</u>	<u>1167</u>	<u>1031</u>
<u>18600</u>	<u>1391</u>	<u>1172</u>	<u>1036</u>
<u>18700</u>	<u>1397</u>	<u>1178</u>	<u>1041</u>
<u>18800</u>	<u>1403</u>	<u>1183</u>	<u>1046</u>
<u>18900</u>	<u>1409</u>	<u>1188</u>	<u>1050</u>
<u>19000</u>	<u>1416</u>	<u>1194</u>	<u>1055</u>
<u>19100</u>	<u>1422</u>	<u>1199</u>	<u>1060</u>
<u>19200</u>	<u>1428</u>	<u>1204</u>	<u>1065</u>
<u>19300</u>	<u>1434</u>	<u>1210</u>	<u>1069</u>
<u>19400</u>	<u>1440</u>	<u>1215</u>	<u>1074</u>
<u>19500</u>	<u>1446</u>	<u>1220</u>	<u>1079</u>
<u>19600</u>	<u>1452</u>	<u>1226</u>	<u>1084</u>
<u>19700</u>	<u>1458</u>	<u>1231</u>	<u>1088</u>
<u>19800</u>	1465	1236	<u>1093</u>
<u>19900</u>	<u>1471</u>	<u>1241</u>	<u>1098</u>
20000	<u>1477</u>	<u>1247</u>	<u>1103</u>
<u>20100</u>	<u>1483</u>	<u>1252</u>	<u>1107</u>
<u>20200</u>	<u>1489</u>	<u>1257</u>	<u>1112</u>
<u>20300</u>	<u>1495</u>	<u>1262</u>	<u>1117</u>

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COMBINED			
MONTHLY	THREE	FOUR	FIVE
NET	CHILDREN	CHILDREN	CHILDREN
INCOME	FAMILY	FAMILY	FAMILY
<u>20400</u>	<u>1501</u>	<u>1268</u>	<u>1121</u>
<u>20500</u>	<u>1507</u>	<u>1273</u>	<u>1126</u>
<u>20600</u>	<u>1513</u>	<u>1278</u>	<u>1131</u>
<u>20700</u>	<u>1519</u>	<u>1283</u>	<u>1135</u>
<u>20800</u>	<u>1525</u>	<u>1288</u>	<u>1140</u>
<u>20900</u>	<u>1531</u>	<u>1293</u>	<u>1145</u>
<u>21000</u>	<u>1537</u>	<u>1299</u>	<u>1149</u>
<u>21100</u>	<u>1542</u>	1304	<u>1154</u>
<u>21200</u>	<u>1548</u>	1309	<u>1159</u>
<u>21300</u>	<u>1554</u>	1314	<u>1163</u>
<u>21400</u>	<u>1560</u>	<u>1319</u>	<u>1168</u>
<u>21500</u>	<u>1566</u>	1324	<u>1172</u>
<u>21600</u>	<u>1572</u>	<u>1329</u>	<u>1177</u>
<u>21700</u>	<u>1578</u>	<u>1334</u>	<u>1182</u>
<u>21800</u>	<u>1583</u>	<u>1339</u>	<u>1186</u>
<u>21900</u>	<u>1589</u>	<u>1344</u>	<u>1191</u>
<u>22000</u>	<u>1595</u>	<u>1349</u>	<u>1195</u>
<u>22100</u>	<u>1601</u>	<u>1354</u>	<u>1200</u>
<u>22200</u>	<u>1607</u>	<u>1359</u>	<u>1204</u>
<u>22300</u>	<u>1612</u>	1364	<u>1209</u>
<u>22400</u>	<u>1618</u>	<u>1369</u>	<u>1213</u>
<u>22500</u>	<u>1624</u>	<u>1374</u>	1218
<u>22600</u>	<u>1629</u>	<u>1379</u>	1223
<u>22700</u>	<u>1635</u>	<u>1384</u>	1227
<u>22800</u>	<u>1641</u>	<u>1389</u>	1232
<u>22900</u>	<u>1647</u>	<u>1394</u>	1236
<u>23000</u>	<u>1652</u>	<u>1399</u>	1240
<u>23100</u>	<u>1658</u>	1404	1245
<u>23200</u>	<u>1663</u>	1409	<u>1249</u>
<u>23300</u>	<u>1669</u>	1414	1254
<u>23400</u>	<u>1675</u>	<u>1419</u>	1258
23500	<u>1680</u>	1424	1263
<u>23600</u>	<u>1686</u>	<u>1429</u>	<u>1267</u>

COMBINED			
MONTHLY	THREE	FOUR	FIVE
NET	CHILDREN	CHILDREN	CHILDREN
INCOME	FAMILY	FAMILY	FAMILY
<u>23700</u>	<u>1691</u>	<u>1433</u>	<u>1272</u>
<u>23800</u>	<u>1697</u>	<u>1438</u>	<u>1276</u>
<u>23900</u>	<u>1702</u>	<u>1443</u>	<u>1280</u>
<u>24000</u>	<u>1708</u>	<u>1448</u>	<u>1285</u>
<u>24100</u>	<u>1714</u>	<u>1453</u>	<u>1289</u>
<u>24200</u>	<u>1719</u>	<u>1458</u>	<u>1294</u>
<u>24300</u>	<u>1724</u>	1462	<u>1298</u>
<u>24400</u>	<u>1730</u>	1467	<u>1302</u>
<u>24500</u>	<u>1735</u>	1472	<u>1307</u>
<u>24600</u>	<u>1741</u>	<u>1477</u>	<u>1311</u>
<u>24700</u>	<u>1746</u>	<u>1482</u>	<u>1315</u>
<u>24800</u>	<u>1752</u>	<u>1486</u>	<u>1320</u>
<u>24900</u>	<u>1757</u>	<u>1491</u>	<u>1324</u>
<u>25000</u>	<u>1762</u>	<u>1496</u>	<u>1328</u>
<u>25100</u>	1768	<u>1501</u>	<u>1333</u>
<u>25200</u>	<u>1773</u>	<u>1505</u>	<u>1337</u>
<u>25300</u>	<u>1779</u>	<u>1510</u>	<u>1341</u>
<u>25400</u>	<u>1784</u>	<u>1515</u>	<u>1346</u>
<u>25500</u>	<u>1789</u>	<u>1519</u>	<u>1350</u>
<u>25600</u>	<u>1795</u>	<u>1524</u>	<u>1354</u>
<u>25700</u>	<u>1800</u>	<u>1529</u>	<u>1358</u>
<u>25800</u>	<u>1805</u>	<u>1533</u>	<u>1363</u>
<u>25900</u>	<u>1810</u>	<u>1538</u>	<u>1367</u>
<u>26000</u>	<u>1816</u>	<u>1543</u>	<u>1371</u>
<u>26100</u>	<u>1821</u>	<u>1547</u>	<u>1375</u>
<u>26200</u>	<u>1826</u>	1552	<u>1380</u>
<u>26300</u>	<u>1831</u>	1557	<u>1384</u>
<u>26400</u>	<u>1837</u>	<u>1561</u>	<u>1388</u>
<u>26500</u>	<u>1842</u>	<u>1566</u>	<u>1392</u>
<u>26600</u>	<u>1847</u>	<u>1570</u>	<u>1396</u>
<u>26700</u>	<u>1852</u>	<u>1575</u>	<u>1401</u>
<u>26800</u>	<u>1857</u>	<u>1579</u>	<u>1405</u>
<u>26900</u>	<u>1862</u>	<u>1584</u>	<u>1409</u>

COMBINED			
MONTHLY	THREE	FOUR	FIVE
NET	CHILDREN	CHILDREN	CHILDREN
INCOME	FAMILY	FAMILY	FAMILY
<u>27000</u>	<u>1867</u>	<u>1589</u>	<u>1413</u>
<u>27100</u>	<u>1873</u>	<u>1593</u>	<u>1417</u>
<u>27200</u>	<u>1878</u>	<u>1598</u>	<u>1421</u>
<u>27300</u>	<u>1883</u>	<u>1602</u>	<u>1425</u>
<u>27400</u>	<u>1888</u>	<u>1607</u>	<u>1430</u>
<u>27500</u>	<u>1893</u>	<u>1611</u>	<u>1434</u>
<u>27600</u>	<u>1898</u>	<u>1616</u>	<u>1438</u>
<u>27700</u>	<u>1903</u>	<u>1620</u>	<u>1442</u>
<u>27800</u>	<u>1908</u>	1624	<u>1446</u>
<u>27900</u>	<u>1913</u>	<u>1629</u>	<u>1450</u>
<u>28000</u>	<u>1918</u>	<u>1633</u>	<u>1454</u>
<u>28100</u>	<u>1923</u>	<u>1638</u>	<u>1458</u>
<u>28200</u>	<u>1928</u>	<u>1642</u>	<u>1462</u>
<u>28300</u>	<u>1933</u>	<u>1647</u>	<u>1466</u>
<u>28400</u>	<u>1938</u>	<u>1651</u>	<u>1470</u>
<u>28500</u>	<u>1943</u>	<u>1655</u>	<u>1474</u>
28600	<u>1948</u>	<u>1660</u>	<u>1478</u>
<u>28700</u>	<u>1953</u>	<u>1664</u>	<u>1482</u>
<u>28800</u>	<u>1957</u>	<u>1668</u>	<u>1486</u>
<u>28900</u>	<u>1962</u>	1673	<u>1490</u>
<u>29000</u>	<u>1967</u>	1677	<u>1494</u>
<u>29100</u>	<u>1972</u>	<u>1681</u>	<u>1498</u>
<u>29200</u>	<u>1977</u>	<u>1686</u>	<u>1502</u>
<u>29300</u>	<u>1982</u>	<u>1690</u>	<u>1506</u>
<u>29400</u>	<u>1986</u>	<u>1694</u>	<u>1510</u>
<u>29500</u>	<u>1991</u>	<u>1699</u>	<u>1514</u>
<u>29600</u>	<u>1996</u>	<u>1703</u>	<u>1518</u>
<u>29700</u>	<u>2001</u>	1707	<u>1522</u>
<u>29800</u>	<u>2006</u>	<u>1712</u>	1526
<u>29900</u>	<u>2010</u>	<u>1716</u>	<u>1530</u>
<u>30000</u>	2015	<u>1720</u>	<u>1534</u>
<u>30100</u>	<u>2020</u>	1724	1538
<u>30200</u>	<u>2024</u>	<u>1728</u>	<u>1542</u>

COMBINED			
MONTHLY	THREE	FOUR	FIVE
NET	CHILDREN	CHILDREN	CHILDREN
INCOME	FAMILY	FAMILY	FAMILY
<u>30300</u>	<u>2029</u>	<u>1733</u>	<u>1546</u>
<u>30400</u>	<u>2034</u>	<u>1737</u>	<u>1550</u>
<u>30500</u>	<u>2038</u>	<u>1741</u>	<u>1553</u>
<u>30600</u>	<u>2043</u>	<u>1745</u>	<u>1557</u>
<u>30700</u>	<u>2048</u>	<u>1749</u>	<u>1561</u>
<u>30800</u>	<u>2052</u>	<u>1754</u>	1565
<u>30900</u>	<u>2057</u>	<u>1758</u>	<u>1569</u>
<u>31000</u>	<u>2061</u>	1762	<u>1573</u>
<u>31100</u>	2066	1766	<u>1577</u>
<u>31200</u>	<u>2071</u>	<u>1770</u>	<u>1580</u>
<u>31300</u>	<u>2075</u>	<u>1774</u>	<u>1584</u>
<u>31400</u>	<u>2080</u>	<u>1778</u>	<u>1588</u>
<u>31500</u>	<u>2084</u>	<u>1782</u>	<u>1592</u>
<u>31600</u>	<u>2089</u>	<u>1786</u>	<u>1596</u>
<u>31700</u>	<u>2093</u>	<u>1791</u>	<u>1599</u>
<u>31800</u>	<u>2098</u>	<u>1795</u>	<u>1603</u>
<u>31900</u>	<u>2102</u>	<u>1799</u>	<u>1607</u>
<u>32000</u>	2107	<u>1803</u>	<u>1611</u>
<u>32100</u>	<u>2111</u>	1807	<u>1614</u>
<u>32200</u>	<u>2116</u>	<u>1811</u>	<u>1618</u>
<u>32300</u>	<u>2120</u>	<u>1815</u>	<u>1622</u>
<u>32400</u>	<u>2124</u>	<u>1819</u>	<u>1626</u>
<u>32500</u>	<u>2129</u>	<u>1823</u>	<u>1629</u>
<u>32600</u>	<u>2133</u>	<u>1827</u>	1633
<u>32700</u>	<u>2137</u>	<u>1831</u>	<u>1637</u>
<u>32800</u>	<u>2142</u>	<u>1835</u>	1640
<u>32900</u>	<u>2146</u>	<u>1839</u>	1644
<u>33000</u>	<u>2150</u>	<u>1843</u>	<u>1648</u>
<u>33100</u>	<u>2155</u>	<u>1846</u>	<u>1651</u>
<u>33200</u>	<u>2159</u>	<u>1850</u>	<u>1655</u>
<u>33300</u>	<u>2163</u>	1854	<u>1659</u>
<u>33400</u>	<u>2168</u>	<u>1858</u>	1662
<u>33500</u>	<u>2172</u>	<u>1862</u>	<u>1666</u>

COMBINED			
MONTHLY	THREE	FOUR	FIVE
NET	CHILDREN	CHILDREN	CHILDREN
INCOME	FAMILY	FAMILY	FAMILY
<u>33600</u>	<u>2176</u>	<u>1866</u>	<u>1670</u>
<u>33700</u>	<u>2180</u>	<u>1870</u>	<u>1673</u>
<u>33800</u>	<u>2185</u>	<u>1874</u>	<u>1677</u>
<u>33900</u>	<u>2189</u>	<u>1877</u>	<u>1681</u>
<u>34000</u>	<u>2193</u>	<u>1881</u>	<u>1684</u>
<u>34100</u>	<u>2197</u>	<u>1885</u>	<u>1688</u>
<u>34200</u>	<u>2201</u>	<u>1889</u>	<u>1691</u>
<u>34300</u>	<u>2205</u>	<u>1893</u>	<u>1695</u>
<u>34400</u>	<u>2210</u>	<u>1897</u>	<u>1698</u>
<u>34500</u>	<u>2214</u>	<u>1900</u>	<u>1702</u>
<u>34600</u>	<u>2218</u>	<u>1904</u>	<u>1706</u>
<u>34700</u>	<u>2222</u>	<u>1908</u>	<u>1709</u>
<u>34800</u>	2226	<u>1912</u>	<u>1713</u>
<u>34900</u>	<u>2230</u>	<u>1915</u>	<u>1716</u>
35000	2234	<u>1919</u>	<u>1720</u>
<u>35100</u>	2238	<u>1923</u>	1723
<u>35200</u>	<u>2242</u>	<u>1927</u>	1727
<u>35300</u>	2246	<u>1930</u>	<u>1730</u>
<u>35400</u>	2250	<u>1934</u>	1734
<u>35500</u>	<u>2254</u>	<u>1938</u>	<u>1737</u>
<u>35600</u>	<u>2258</u>	<u>1941</u>	<u>1741</u>
<u>35700</u>	<u>2262</u>	<u>1945</u>	<u>1744</u>
<u>35800</u>	2266	<u>1949</u>	<u>1748</u>
<u>35900</u>	2270	<u>1952</u>	<u>1751</u>
<u>36000</u>	<u>2274</u>	<u>1956</u>	<u>1754</u>
<u>36100</u>	<u>2278</u>	<u>1960</u>	<u>1758</u>
<u>36200</u>	<u>2282</u>	<u>1963</u>	1761
<u>36300</u>	<u>2286</u>	<u>1967</u>	<u>1765</u>
<u>36400</u>	<u>2290</u>	<u>1970</u>	<u>1768</u>
<u>36500</u>	<u>2293</u>	<u>1974</u>	<u>1771</u>
<u>36600</u>	<u>2297</u>	<u>1978</u>	<u>1775</u>
<u>36700</u>	<u>2301</u>	<u>1981</u>	<u>1778</u>
<u>36800</u>	<u>2305</u>	<u>1985</u>	<u>1782</u>

COMBINED			
MONTHLY	THREE	FOUR	FIVE
NET	CHILDREN	CHILDREN	CHILDREN
INCOME	FAMILY	FAMILY	FAMILY
<u>36900</u>	2309	<u>1988</u>	<u>1785</u>
<u>37000</u>	<u>2312</u>	<u>1992</u>	<u>1788</u>
<u>37100</u>	<u>2316</u>	<u>1995</u>	<u>1792</u>
<u>37200</u>	<u>2320</u>	<u>1999</u>	<u>1795</u>
<u>37300</u>	<u>2324</u>	<u>2002</u>	<u>1798</u>
<u>37400</u>	<u>2328</u>	<u>2006</u>	<u>1802</u>
<u>37500</u>	<u>2331</u>	<u>2009</u>	<u>1805</u>
<u>37600</u>	<u>2335</u>	<u>2013</u>	<u>1808</u>
<u>37700</u>	<u>2339</u>	<u>2016</u>	<u>1812</u>
<u>37800</u>	<u>2342</u>	<u>2020</u>	<u>1815</u>
<u>37900</u>	2346	<u>2023</u>	<u>1818</u>
<u>38000</u>	2350	<u>2027</u>	<u>1821</u>
<u>38100</u>	<u>2353</u>	<u>2030</u>	<u>1825</u>
<u>38200</u>	2357	2034	<u>1828</u>
<u>38300</u>	2361	2037	<u>1831</u>
<u>38400</u>	2364	<u>2040</u>	<u>1834</u>
<u>38500</u>	2368	<u>2044</u>	<u>1838</u>
<u>38600</u>	<u>2371</u>	<u>2047</u>	<u>1841</u>
<u>38700</u>	2375	<u>2050</u>	<u>1844</u>
<u>38800</u>	<u>2378</u>	<u>2054</u>	<u>1847</u>
<u>38900</u>	<u>2382</u>	<u>2057</u>	<u>1851</u>
<u>39000</u>	<u>2385</u>	<u>2061</u>	<u>1854</u>
<u>39100</u>	<u>2389</u>	2064	<u>1857</u>
<u>39200</u>	<u>2393</u>	2067	<u>1860</u>
<u>39300</u>	<u>2396</u>	<u>2070</u>	<u>1863</u>
<u>39400</u>	<u>2399</u>	2074	<u>1867</u>
<u>39500</u>	<u>2403</u>	2077	<u>1870</u>
<u>39600</u>	<u>2406</u>	<u>2080</u>	<u>1873</u>
<u>39700</u>	<u>2410</u>	<u>2084</u>	<u>1876</u>
<u>39800</u>	<u>2413</u>	<u>2087</u>	<u>1879</u>
<u>39900</u>	<u>2417</u>	<u>2090</u>	<u>1882</u>
<u>40000</u>	<u>2420</u>	<u>2093</u>	<u>1885</u>
<u>40100</u>	<u>2423</u>	<u>2097</u>	<u>1888</u>

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COMBINED			
MONTHLY	THREE	FOUR	FIVE
NET	CHILDREN	CHILDREN	CHILDREN
INCOME	FAMILY	FAMILY	FAMILY
<u>40200</u>	<u>2427</u>	<u>2100</u>	<u>1892</u>
<u>40300</u>	<u>2430</u>	<u>2103</u>	<u>1895</u>
<u>40400</u>	<u>2433</u>	<u>2106</u>	<u>1898</u>
<u>40500</u>	2437	<u>2109</u>	<u>1901</u>
<u>40600</u>	2440	<u>2113</u>	<u>1904</u>
<u>40700</u>	<u>2443</u>	<u>2116</u>	<u>1907</u>
<u>40800</u>	<u>2447</u>	<u>2119</u>	<u>1910</u>
<u>40900</u>	<u>2450</u>	<u>2122</u>	<u>1913</u>
<u>41000</u>	<u>2453</u>	<u>2125</u>	<u>1916</u>
<u>41100</u>	<u>2456</u>	<u>2128</u>	<u>1919</u>
<u>41200</u>	2460	<u>2131</u>	<u>1922</u>
<u>41300</u>	2463	<u>2135</u>	<u>1925</u>
<u>41400</u>	2466	<u>2138</u>	<u>1928</u>
<u>41500</u>	<u>2469</u>	<u>2141</u>	<u>1931</u>
<u>41600</u>	<u>2472</u>	<u>2144</u>	<u>1934</u>
<u>41700</u>	2476	<u>2147</u>	<u>1937</u>
<u>41800</u>	<u>2479</u>	<u>2150</u>	<u>1940</u>
<u>41900</u>	<u>2482</u>	<u>2153</u>	<u>1943</u>
<u>42000</u>	<u>2485</u>	<u>2156</u>	<u>1946</u>
<u>42100</u>	<u>2488</u>	<u>2159</u>	<u>1949</u>
<u>42200</u>	<u>2491</u>	<u>2162</u>	<u>1952</u>
<u>42300</u>	<u>2494</u>	2165	<u>1955</u>
<u>42400</u>	<u>2497</u>	2168	<u>1958</u>
<u>42500</u>	<u>2500</u>	<u>2171</u>	<u>1961</u>
<u>42600</u>	<u>2503</u>	<u>2174</u>	<u>1964</u>
<u>42700</u>	2506	2177	<u>1966</u>
<u>42800</u>	<u>2510</u>	<u>2180</u>	<u>1969</u>
<u>42900</u>	<u>2513</u>	<u>2183</u>	<u>1972</u>
<u>43000</u>	<u>2515</u>	<u>2186</u>	<u>1975</u>
<u>43100</u>	<u>2518</u>	<u>2189</u>	<u>1978</u>
<u>43200</u>	<u>2521</u>	<u>2192</u>	<u>1981</u>
<u>43300</u>	<u>2524</u>	<u>2195</u>	<u>1984</u>
<u>43400</u>	<u>2527</u>	<u>2197</u>	<u>1987</u>

COMBINED			
MONTHLY	THREE	FOUR	FIVE
NET	CHILDREN	CHILDREN	CHILDREN
INCOME	FAMILY	FAMILY	FAMILY
<u>43500</u>	<u>2530</u>	<u>2200</u>	<u>1989</u>
<u>43600</u>	<u>2533</u>	<u>2203</u>	<u>1992</u>
<u>43700</u>	<u>2536</u>	<u>2206</u>	<u>1995</u>
<u>43800</u>	<u>2539</u>	<u>2209</u>	<u>1998</u>
<u>43900</u>	<u>2542</u>	<u>2212</u>	<u>2001</u>
<u>44000</u>	<u>2545</u>	2215	<u>2003</u>
<u>44100</u>	<u>2548</u>	2217	<u>2006</u>
44200	<u>2550</u>	<u>2220</u>	<u>2009</u>
<u>44300</u>	<u>2553</u>	2223	<u>2012</u>
44400	<u>2556</u>	2226	<u>2015</u>
<u>44500</u>	<u>2559</u>	<u>2229</u>	<u>2017</u>
<u>44600</u>	<u>2562</u>	<u>2231</u>	<u>2020</u>
<u>44700</u>	<u>2564</u>	<u>2234</u>	<u>2023</u>
<u>44800</u>	<u>2567</u>	2237	<u>2026</u>
<u>44900</u>	<u>2570</u>	2240	<u>2028</u>
<u>45000</u>	<u>2572</u>	<u>2243</u>	<u>2031</u>
<u>45100</u>	<u>2575</u>	2245	<u>2034</u>
<u>45200</u>	<u>2578</u>	2248	<u>2036</u>
<u>45300</u>	<u>2581</u>	2251	<u>2039</u>
<u>45400</u>	<u>2583</u>	<u>2253</u>	<u>2042</u>
<u>45500</u>	<u>2586</u>	2256	<u>2044</u>
<u>45600</u>	<u>2589</u>	<u>2259</u>	<u>2047</u>
<u>45700</u>	<u>2591</u>	<u>2261</u>	<u>2050</u>
<u>45800</u>	<u>2594</u>	2264	<u>2052</u>
<u>45900</u>	<u>2596</u>	<u>2267</u>	<u>2055</u>
<u>46000</u>	<u>2599</u>	<u>2269</u>	<u>2058</u>
<u>46100</u>	<u>2602</u>	<u>2272</u>	<u>2060</u>
<u>46200</u>	<u>2604</u>	<u>2275</u>	<u>2063</u>
<u>46300</u>	<u>2607</u>	<u>2277</u>	<u>2066</u>
<u>46400</u>	<u>2609</u>	<u>2280</u>	<u>2068</u>
<u>46500</u>	<u>2612</u>	<u>2282</u>	<u>2071</u>
<u>46600</u>	<u>2614</u>	<u>2285</u>	<u>2073</u>
<u>46700</u>	<u>2617</u>	<u>2288</u>	<u>2076</u>

COMBINED MONTHLY NET

INCOME

SHII(0101(LAWS; 2025					
THREE	FOUR	FIVE			
CHILDREN	CHILDREN	CHILDREN			
FAMILY	FAMILY	FAMILY			
<u>2619</u>	<u>2290</u>	<u>2079</u>			
<u>2622</u>	<u>2293</u>	<u>2081</u>			
<u>2624</u>	<u>2295</u>	<u>2084</u>			
<u>2627</u>	<u>2298</u>	<u>2086</u>			
<u>2629</u>	<u>2300</u>	<u>2089</u>			

INCOME	FAMILI	FAMIL I	FAMIL I
<u>46800</u>	<u>2619</u>	<u>2290</u>	<u>2079</u>
<u>46900</u>	<u>2622</u>	<u>2293</u>	<u>2081</u>
<u>47000</u>	<u>2624</u>	<u>2295</u>	<u>2084</u>
<u>47100</u>	2627	<u>2298</u>	<u>2086</u>
<u>47200</u>	<u>2629</u>	<u>2300</u>	<u>2089</u>
<u>47300</u>	<u>2631</u>	<u>2303</u>	<u>2091</u>
<u>47400</u>	<u>2634</u>	<u>2305</u>	<u>2094</u>
<u>47500</u>	<u>2636</u>	<u>2308</u>	<u>2096</u>
<u>47600</u>	<u>2639</u>	<u>2310</u>	<u>2099</u>
<u>47700</u>	<u>2641</u>	<u>2313</u>	<u>2101</u>
<u>47800</u>	<u>2643</u>	<u>2315</u>	<u>2104</u>
<u>47900</u>	<u>2646</u>	<u>2318</u>	<u>2106</u>
<u>48000</u>	<u>2648</u>	<u>2320</u>	<u>2109</u>
<u>48100</u>	<u>2650</u>	2322	<u>2111</u>
<u>48200</u>	<u>2653</u>	<u>2325</u>	<u>2114</u>
<u>48300</u>	<u>2655</u>	2327	<u>2116</u>
<u>48400</u>	<u>2657</u>	<u>2330</u>	<u>2119</u>
<u>48500</u>	<u>2659</u>	2332	<u>2121</u>
<u>48600</u>	<u>2662</u>	<u>2334</u>	<u>2123</u>
<u>48700</u>	<u>2664</u>	<u>2337</u>	<u>2126</u>
<u>48800</u>	<u>2666</u>	<u>2339</u>	<u>2128</u>
<u>48900</u>	<u>2668</u>	<u>2341</u>	<u>2131</u>
<u>49000</u>	<u>2670</u>	<u>2344</u>	<u>2133</u>
<u>49100</u>	<u>2673</u>	<u>2346</u>	<u>2136</u>
<u>49200</u>	<u>2675</u>	<u>2348</u>	<u>2138</u>
<u>49300</u>	<u>2677</u>	<u>2351</u>	<u>2140</u>
<u>49400</u>	<u>2679</u>	<u>2353</u>	<u>2143</u>
<u>49500</u>	<u>2681</u>	<u>2355</u>	<u>2145</u>
<u>49600</u>	<u>2683</u>	<u>2358</u>	<u>2147</u>
<u>49700</u>	<u>2685</u>	<u>2360</u>	<u>2150</u>
<u>49800</u>	<u>2688</u>	<u>2362</u>	<u>2152</u>
<u>49900</u>	<u>2690</u>	<u>2364</u>	<u>2154</u>
<u>50000</u>	<u>2692</u>	<u>2367</u>	<u>2157</u>

The economic table is presumptive for combined monthly net incomes up to and including ((twelve thousand dollars)) \$50,000. When combined monthly net income exceeds ((twelve thousand dollars)) \$50,000, the court may exceed the presumptive amount of support set for combined monthly net incomes of ((twelve thousand dollars)) \$50,000 upon written findings of fact.

<u>NEW SECTION.</u> Sec. 15. The department of social and health services is granted rule-making authority to adopt rules necessary for the implementation of this act.

<u>NEW SECTION.</u> Sec. 16. Sections 1 through 3 and 14 of this act take effect January 1, 2026.

<u>NEW SECTION.</u> Sec. 17. Sections 4 through 12 of this act take effect April 1, 2027.

Passed by the House March 11, 2025.

Passed by the Senate April 16, 2025.

Approved by the Governor May 13, 2025.

Filed in Office of Secretary of State May 14, 2025.

CHAPTER 273

[Substitute House Bill 1308] ACCESS TO PERSONNEL RECORDS

AN ACT Relating to access to personnel records; amending RCW 49.12.240 and 49.12.250; adding a new section to chapter 49.12 RCW; and prescribing penalties.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 49.12.240 and 1985 c 336 s 1 are each amended to read as follows:

(1) Every employer shall, at least annually, upon the request of an employee, permit that employee to inspect any or all of ((his or her)) the employee's own personnel file(s) within the time required under RCW 49.12.250.

(2) For the purposes of this section and RCW 49.12.250, 49.12.260, and section 3 of this act, "personnel file" includes the following records, if the employer creates such records:

(a) All job application records;

(b) All performance evaluations;

(c) All nonactive or closed disciplinary records;

(d) All leave and reasonable accommodation records;

(e) All payroll records; and

(f) All employment agreements.

(3) This section and RCW 49.12.250 may not be construed to:

(a) Create a retention schedule for records;

(b) Require an employer to create personnel records; or

(c) Supersede Washington state or federal privacy statutes regarding nondisclosure.

Sec. 2. RCW 49.12.250 and 1985 c 336 s 2 are each amended to read as follows:

(1) ((Each)) For any employer other than those specified under subsection (2) of this section:

(a) The employer shall ((make such)) provide a copy of personnel file(s) ((available locally)) within ((a reasonable period of time)) <u>21 calendar days</u> after the employee, former employee, or their designee requests the file(s) at no cost to the employee, former employee, or their designee.

(b) The employer shall, within 21 calendar days of receiving a written request from a former employee or their designee, furnish a signed written statement to the former employee or their designee stating the effective date of discharge, whether the employer had a reason for the discharge, and if so, the reasons.

(2) Any employer subject to the requirements under chapter 42.56 RCW shall provide a copy of personnel file(s) when requested by the employee, former employee, or their designee in accordance with the procedures and requirements set forth in chapter 42.56 RCW. This subsection (2) does not limit or modify disclosure requirements under chapter 42.56 RCW.

 $((\frac{2}{2}))$ (3)(a) An employee annually may petition that the employer <u>under</u> <u>subsection (1) or (2) of this section</u> review all information in the employee's personnel file(s) that are regularly maintained by the employer as a part of $((\frac{his}{bis}))$ the employer's business records or are subject to reference for information given to persons outside of the company. The employer shall determine if there is any irrelevant or erroneous information in the file(s), and shall remove all such information from the file(s). If an employee does not agree with the employer's determination, the employee may at (($\frac{his or her}{bis}$)) the employee's request have placed in the employee's personnel file a statement containing the employee's rebuttal or correction. Nothing in this subsection prevents the employer from removing information more frequently.

(((3))) (b) A former employee shall retain the right of rebuttal or correction for a period not to exceed two years.

(4) For the purposes of this section, "former employee" means a person who separated from the employer within three years of the date of the person's request.

<u>NEW SECTION.</u> Sec. 3. A new section is added to chapter 49.12 RCW to read as follows:

(1)(a) An employee or former employee may enforce RCW 49.12.250(1) through a private cause of action in superior court and for each violation will be entitled to equitable relief, statutory damages, and reasonable attorneys' fees and costs.

(b) Prior to enforcing through a private cause of action, the employee or former employee shall give a notice of intent to sue to the employer. The notice of intent to sue must reference that the employee or former employee has the right to bring a legal action under Washington state law. The notice of intent to sue may be provided to the employer with the initial request for a copy of the personnel file or anytime thereafter. No cause of action arising from the failure to provide the complete personnel file may be commenced until five calendar days have elapsed after the notice of intent to sue is provided to the employer.

(2) The statutory damages for each violation are:

(a) \$250 if the complete personnel file or the statement required under RCW 49.12.250(1) is not provided within 21 calendar days of the request;

(b) \$500 if the complete personnel file or the statement required under RCW 49.12.250(1) is not provided within 28 calendar days of the request;

(c) \$1,000 if the complete personnel file or the statement required under RCW 49.12.250(1) is provided later than 35 calendar days of the request; and (d) \$500 for any other violations.

Passed by the House April 17, 2025. Passed by the Senate April 9, 2025. Approved by the Governor May 13, 2025. Filed in Office of Secretary of State May 14, 2025.

CHAPTER 274

[Engrossed Substitute House Bill 1562] BABY DIAPER CHANGING STATIONS—PUBLIC BUILDINGS

AN ACT Relating to increasing the availability of baby diaper changing stations; adding a new section to chapter 70.54 RCW; and prescribing penalties.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> Sec. 1. A new section is added to chapter 70.54 RCW to read as follows:

(1) A public building in which a public restroom is required must provide a baby diaper changing station in at least one restroom that is accessible to women and one restroom that is accessible to men, or in one gender-neutral restroom. If multiple restrooms accessible to women, restrooms accessible to men, or gender-neutral restrooms exist, each restroom that does not include a baby diaper changing station must contain clear and conspicuous signage indicating where a restroom with a baby diaper changing station is located.

(2)(a) Except as provided in (b) and (c) of this subsection, the requirements in subsection (1) of this section apply to any public building constructed after the effective date of this section, and to any existing public building upon the issuance of a permit for a remodel or renovation of a public restroom within the building with an estimated cost of \$15,000 or more.

(b) The requirements in subsection (1) of this section do not apply to an existing public building at the time of the issuance of a permit for the remodel or renovation of a public restroom if the local government issuing the permit or a building inspector determine that the installation of a baby diaper changing station in the building is not feasible or would result in a failure to comply with applicable building standards governing the right of access for persons with disabilities.

(c) The requirements in subsection (1) of this section do not apply to a restroom located in a health care facility if the restroom is intended for the use of one patient or resident at a time and is not available for public use.

(3) For a first violation of this section, the city or county attorney shall issue a warning letter to the owner or operator of the public building. An owner or operator of a public building that violates this section after receiving a warning letter is guilty of a class 2 civil infraction under chapter 7.80 RCW, except when the baby diaper changing station has been removed in compliance with subsection (4) of this section, in which case no penalty may be issued.

(4) A building owner or operator that has installed a baby diaper changing station in compliance with this section that is not used consistent with the

standards established by the manufacturer may remove the baby diaper changing station.

(5) For the purposes of this section:

(a) "Baby diaper changing station" means a table or other device suitable for changing the diaper of a child weighing less than 50 pounds that is in compliance with the international building code standards as amended and adopted by the state building code council.

(b) "Gender-neutral restroom" means a restroom that is not restricted by gender including, but not limited to, restrooms available for use by families.

(c) "Health care facility" has the same meaning as in RCW 70.02.010.

(d) "Public building" is any building required to have a public restroom by the state building code or local regulations. "Public building" does not include an industrial building or commercial building that does not permit anyone who is under 18 years of age to enter the premises.

Passed by the House April 19, 2025. Passed by the Senate April 15, 2025. Approved by the Governor May 13, 2025. Filed in Office of Secretary of State May 14, 2025.

CHAPTER 275

[Substitute Senate Bill 5365]

PARK AND RECREATION DISTRICTS-LIBRARIES

AN ACT Relating to alternate funding for libraries; and amending RCW 36.69.010.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 36.69.010 and 1991 c 363 s 79 are each amended to read as follows:

Park and recreation districts are hereby authorized to be formed as municipal corporations for the purpose of providing leisure time activities and facilities and recreational facilities, of a nonprofit nature as a public service to the residents of the geographical areas included within their boundaries.

The term "recreational facilities" means parks, playgrounds, gymnasiums, swimming pools, field houses, bathing beaches, stadiums, golf courses, automobile racetracks and drag strips, coliseums for the display of spectator sports, public campgrounds, boat ramps and launching sites, public hunting and fishing areas, arboretums, bicycle and bridle paths, senior citizen centers, <u>or</u> community centers, <u>including community centers</u> which could include public libraries within less than 50 percent of the usable space, provided that any public library is operated in accordance with chapter 27.12 RCW, and other recreational facilities.

Passed by the Senate April 18, 2025. Passed by the House April 11, 2025. Approved by the Governor May 13, 2025. Filed in Office of Secretary of State May 14, 2025.

WASHINGTON LAWS, 2025

CHAPTER 276

[Engrossed Substitute Senate Bill 5509] CHILD CARE CENTERS—ZONING

AN ACT Relating to the siting of child care centers; adding a new section to chapter 35.21 RCW; and adding a new section to chapter 35A.21 RCW.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> Sec. 1. A new section is added to chapter 35.21 RCW to read as follows:

(1) Cities and towns must allow child care centers, and the conversion of existing buildings for use as child care centers, as an outright permitted use in all zones except industrial zones, light industrial zones, and open space zones.

(2) Cities may impose reasonable restrictions on the permit, including pickup and drop-off areas.

(3) Cities that plan under the growth management act and that are required to submit their next comprehensive plan update in 2027 pursuant to RCW 36.70A.130 must adopt or amend by ordinance, and incorporate into their development regulations, zoning regulations, and other official controls, the requirements of this section in their next comprehensive plan update. All other cities must implement the requirements of this section within two years of the effective date of this section.

(4) Nothing in this section limits a city from allowing child care centers in other zones, including industrial zones or light industrial zones. A city must provide for a conditional use approval of an on-site child care center in industrial or light industrial zones, except in or around high hazard facilities.

(5) For the purposes of this section, "child care centers" has the same meaning as in RCW 43.216.010.

<u>NEW SECTION.</u> Sec. 2. A new section is added to chapter 35A.21 RCW to read as follows:

(1) Code cities and towns must allow child care centers, and the conversion of existing buildings for use as child care centers, as an outright permitted use in all zones except industrial zones, light industrial zones, and open space zones.

(2) Code cities may impose reasonable restrictions on the permit, including pickup and drop-off areas.

(3) Code cities that plan under the growth management act and that are required to submit their next comprehensive plan update in 2027 pursuant to RCW 36.70A.130 must adopt or amend by ordinance, and incorporate into their development regulations, zoning regulations, and other official controls, the requirements of this section in their next comprehensive plan update. All other code cities must implement the requirements of this section within two years of the effective date of this section.

(4) Nothing in this section limits a code city from allowing child care centers in other zones, including industrial zones or light industrial zones. A code city must provide for a conditional use approval of an on-site child care center in industrial or light industrial zones, except in or around high hazard facilities.

(5) For the purposes of this section, "child care centers" has the same meaning as in RCW 43.216.010.

Passed by the Senate March 6, 2025. Passed by the House April 10, 2025. Approved by the Governor May 13, 2025. Filed in Office of Secretary of State May 14, 2025.

CHAPTER 277

[Engrossed Substitute Senate Bill 5525] MASS LAYOFFS AND BUSINESS CLOSINGS—ADVANCE NOTICE

AN ACT Relating to protecting workers facing employment loss due to businesses closing or mass layoffs; adding a new chapter to Title 49 RCW; and prescribing penalties.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> Sec. 1. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Affected employee" means an employee who may reasonably expect to experience an employment loss because of a proposed business closing or mass layoff by an employer.

(2) "Aggrieved employee" means an employee who has worked for the employer ordering the business closing or mass layoff and who, because of the employer's failure to comply with the requirements of this act, did not receive timely notice either directly or through the employee's representative.

(3) "Bargaining representative" means an exclusive representative of employees under the national labor relations act, 29 U.S.C. Sec. 151 et seq., or the railway labor act, 45 U.S.C. Sec. 151 et seq.

(4) "Business closing" means the permanent or temporary shutdown of a single site of employment of one or more facilities or operating units that will result in an employment loss for 50 or more employees, excluding part-time employees.

(5) "Commissioner" means the commissioner of the employment security department.

(6) "Department" means the employment security department.

(7) "Employee" means a person employed in this state by an employer. "Employee" includes part-time employees.

(8) "Employer" means a person who employs 50 or more employees in this state, excluding part-time employees. "Employer" does not include the state or any political subdivision thereof, including any unit of local government.

(9)(a) "Employment loss" means:

(i) An employment termination, other than a discharge for cause, voluntary separation, or retirement;

(ii) A layoff exceeding six months; or

(iii) A reduction in hours of more than 50 percent of work of individual employees during each month of a six-month period.

(b) "Employment loss" does not include instances when a business closing or mass layoff is the result of the relocation or consolidation of part or all of the employer's business and, before the business closing or mass layoff, the employer offers to transfer the employee to a different site of employment within a reasonable commuting distance, as defined by the department, with no more than a six-month break in employment. (10) "Mass layoff" means a reduction in employment force that is not the result of a business closing and results in an employment loss during any 30-day period of 50 or more employees, excluding part-time employees.

(11) "Part-time employee" means an employee who is employed for an average of fewer than 20 hours per week, or an employee who has been employed for fewer than six of the twelve months preceding the date on which notice is required. However, if an applicable collective bargaining agreement defines a part-time employee, such definition shall supersede the definition in this subsection.

(12) "Single site of employment" means a single location or a group of contiguous locations, such as a group of structures that form a campus or business park or separate facilities across the street from each other.

<u>NEW SECTION.</u> Sec. 2. (1)(a) Subject to section 3 of this act, an employer may not order a business closing or a mass layoff until the end of a 60-day period that begins after the employer, pursuant to this section, serves written notice of such action to the department and to the affected employee or, if the employee is represented by a union, to the employee's bargaining representative.

(b) An employer who has previously announced and carried out a short-term mass layoff of three months or less that is extended beyond three months due to business circumstances not reasonably foreseeable at the time of the initial mass layoff is required to give notice when it becomes reasonably foreseeable that the extension is required. A mass layoff extending beyond three months from the date the mass layoff commenced for any other reason must be treated as an employment loss from the date of commencement of the initial mass layoff.

(c) In the case of the sale of part or all of a business, the seller is responsible for providing notice of any business closing or mass layoff which will take place up to and on the effective date of the sale. The buyer is responsible for providing notice of any business closing or mass layoff that will take place thereafter.

(2) Notice from the employer to the department or affected employees or, if the employees are represented, the employees' bargaining representative must be in written form, include the elements required, as they exist on the effective date of this section, by the federal worker adjustment and retraining notification act, 29 U.S.C. Sec. 2101 et seq., and include the following:

(a) The name and address of the employment site where the business closing or mass layoff will occur, and the name and contact information of a company official to contact for further information;

(b) A statement whether the planned action is expected to be permanent or temporary and, if the entire business is to be closed, a statement to that effect. If the planned action is expected to be temporary, the statement must also include whether the planned action is expected to last longer or shorter than three months;

(c) The expected date of the first employment loss and the anticipated schedule for employment losses;

(d) The job titles of positions to be affected and the names of the employees currently holding the affected jobs. The notice to the department must also include the addresses of the affected employees; and

(e) Whether the mass layoff or business closing is the result of, or will result in, the relocation or contracting out of the employer's operations or the employees' positions. (3) The employer must provide additional notice of the date or schedule of dates of a planned business closing or mass layoff extended beyond the date of any period announced in the original notice.

<u>NEW SECTION.</u> Sec. 3. (1) An employer is not required to comply with the notice requirements under section 2 of this act if:

(a)(i) At the time the notice would have been required, the employer was actively seeking capital or business;

(ii) The capital or business sought, if obtained, would have enabled the employer to avoid or postpone the business closing or mass layoff; and

(iii) The employer reasonably and in good faith believed that giving the notice required by section 2 of this act would have precluded the employer from obtaining the needed capital or business;

(b) The mass layoff or business closing is caused by business circumstances that were not reasonably foreseeable at the time the notice would have been required. The unforeseeable business circumstances must be caused by a sudden, dramatic, and unexpected action or condition outside of the employer's control;

(c) The mass layoff or business closing is due to a natural disaster, such as a flood, earthquake, drought, storm, tornado, or similar effects of nature; or

(d) The mass layoff occurs at:

(i) A construction project and the affected employees were hired with the understanding that their employment was limited to the duration of a particular portion of that construction project; or

(ii) A multiemployer construction project and the only affected employees are subject to a full union referral or dispatch system.

(2) If an exception under this section applies for only part of the 60-day notice window, notice is required at the time the exception no longer applies. If notice is not provided, the employer is liable for each day notice is not provided pursuant to sections 4 and 5 of this act.

(3) The department may not determine an exception under this section applies unless the employer meets the documentation and other requirements established by the department pursuant to section 7 of this act.

<u>NEW SECTION.</u> Sec. 4. (1) An employer that orders a business closing or mass layoff without providing a notice required by section 2 of this act is liable to each aggrieved employee who suffers an employment loss because of the closing or layoff for:

(a) Back pay for each day of violation not less than the higher of:

(i) The average regular rate of compensation received by the employee during the last three years of the employee's employment; or

(ii) The employee's final rate of compensation; and

(b) The value of the cost of any benefits to which the employee would have been entitled had their employment not been lost, including the cost of any medical expenses incurred by the employee that would have been covered under an employee benefit plan.

(2) Liability under this section must be calculated for the period of the employer's violation up to a maximum of 60 days.

(3) The amount for which an employer is liable under this section must be reduced by:

(a) Any wages paid by the employer to the employee during the period of the violation;

(b) Any voluntary and unconditional payment by the employer to the employee that is not required by any legal obligation;

(c) The amount paid to the employee pursuant to the federal worker adjustment and retraining notification act, 29 U.S.C. Sec. 2101 et seq.; and

(d) Any payment by the employer to a third party or trustee, such as premiums for health benefits or payments to a defined contribution pension plan, on behalf and attributable to the employee for the period of the violation.

(4)(a) The department, an aggrieved employee, or the bargaining representative of the aggrieved employee may bring a civil action on behalf of the person, other persons similarly situated, or both, in any court of competent jurisdiction within three years of the alleged violation. The court may award reasonable attorneys' fees as part of costs to any plaintiff who prevails in a civil action brought under this chapter.

(b) If the court determines that an employer conducted a reasonable investigation in good faith and had reasonable grounds to believe that its conduct was not a violation of this chapter, the court may reduce the amount of any penalty it would otherwise impose against the employer under this chapter.

(c) This chapter does not grant any court the authority to enjoin a mass layoff or business closing.

<u>NEW SECTION.</u> Sec. 5. (1) An employer who fails to give the notice required by section 2 of this act to the department is subject to a civil penalty of not more than \$500 for each day of the employer's violation. However, the employer is not subject to a civil penalty under this section if the employer pays to all applicable employees the amounts for which the employer is liable under section 4 of this act within three weeks from the date the employer orders the mass layoff, relocation, or termination.

(2) Any civil penalty paid by the employer under the federal worker adjustment and retraining notification act, 29 U.S.C. Sec. 2101 et seq., must be considered a payment of the civil penalty under this section.

(3) All penalties recovered under this section must be paid into the state treasury and credited to the general fund.

<u>NEW SECTION.</u> Sec. 6. Except in the cases exempted under section 3(1) (b) through (d) of this act, an employer may not include an employee in an order of a mass layoff if the employee is currently on paid family or medical leave under Title 50A RCW.

<u>NEW SECTION.</u> Sec. 7. The department shall administer and enforce the provisions of this chapter and may adopt rules to carry out its purpose. Rules adopted pursuant to this section must include documentation requirements for the exceptions in section 3 of this act.

<u>NEW SECTION.</u> Sec. 8. This act may be known and cited as the securing timely notification and benefits for laid-off employees act.

<u>NEW SECTION.</u> Sec. 9. Sections 1 through 8 of this act constitute a new chapter in Title 49 RCW.

<u>NEW SECTION.</u> Sec. 10. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

Passed by the Senate April 22, 2025. Passed by the House April 9, 2025. Approved by the Governor May 13, 2025. Filed in Office of Secretary of State May 14, 2025.

CHAPTER 278

[Senate Bill 5189]

COMPETENCY-BASED EDUCATION

AN ACT Relating to supporting the implementation of competency-based education; amending RCW 28A.230.125; adding a new chapter to Title 28A RCW; creating a new section; and repealing RCW 28A.300.810.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> Sec. 1. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Competencies" mean the rigorous, shared expectations for learning that encompass knowledge, skills, and abilities across grade levels. Competencies are broader than learning standards and may encompass multiple learning standards. Competencies are transparent, measurable, relevant, and transferable to multiple contexts.

(2)(a) "Competency-based education" means education that includes the following elements:

(i) Students are empowered daily to make important decisions about their learning experiences, how they will create and apply knowledge, and how they will demonstrate their learning;

(ii) Assessment is a meaningful, positive, and empowering learning experience for students that yields timely, relevant, and actionable evidence;

(iii) Students receive timely, differentiated support based on their individual learning needs;

(iv) Students progress based on evidence of mastery, not seat time;

(v) Students learn actively using different pathways and varied pacing;

(vi) Strategies to ensure equity for all students are embedded in the culture, structure, and pedagogy of schools and education systems; and

(vii) Rigorous, common expectations for learning, including knowledge, skills, and dispositions, are explicit, transparent, measurable, and transferable.

(b) "Mastery-based learning" has the same meaning as "competency-based education."

<u>NEW SECTION.</u> Sec. 2. (1) By September 1, 2025, the office of the superintendent of public instruction shall adopt rules to authorize full-time enrollment funding for students enrolled in competency-based education programs identified by the state board of education based on:

(a) School membership in the mastery-based learning collaborative established in section 502(2), chapter 334, Laws of 2021 or the school having a current waiver from credit-based graduation requirements granted by the state board of education under RCW 28A.300.750; or

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(b) The process developed by the state board of education under section 3 of this act.

(2) Rules adopted pursuant to this section must permit school districts to report full-time equivalent students in eligible competency-based education programs for general apportionment funding.

<u>NEW SECTION.</u> Sec. 3. (1) The state board of education shall design and recommend a process to identify and designate schools and school districts that are implementing competency-based education and identify costs associated with this process. This process must consider the extent to which competency-based education is being implemented as compared to the seven elements of the definition in section 1 of this act. The office of the superintendent of public instruction shall consult with the state board of education on how this designation can be displayed on the Washington state report card website.

(2) The office of the superintendent of public instruction, in consultation with the state board of education, shall develop and recommend a process for the office of the superintendent of public instruction to create competencies aligned with the state learning standards and identify costs associated with this process. This process must incorporate relevant materials and guidance developed through the mastery-based learning collaborative established in section 502(2), chapter 334, Laws of 2021. The office of the superintendent of public instruction shall submit the recommendations and associated costs developed in accordance with this subsection to the state board of education by December 1, 2025.

(3) The state board of education shall include the recommendations and associated costs developed in accordance with this section in the report required by section 502(2), chapter 475, Laws of 2023 that is due December 31, 2025.

<u>NEW SECTION.</u> Sec. 4. The Washington interscholastic activities association shall include in its rule adoption process a review of whether the rule would create any potential barriers related to students participating in competency-based education in order to ensure continued equitable access to interscholastic activities for those students.

Sec. 5. RCW 28A.230.125 and 2024 c 202 s 5 are each amended to read as follows:

(1) ((The)) (a) Before the 2026-27 school year, the superintendent of public instruction, in consultation with the four-year institutions as defined in RCW 28B.76.020, the state board for community and technical colleges, the state board of education, and the workforce training and education coordinating board, shall develop and update for use by all public school districts a standardized high school transcript. The superintendent shall establish clear definitions for the terms "credits" and "hours" so that school programs operating on the quarter, semester, or trimester system can be compared.

(((2))) (b) The standardized high school transcript must include a notation of whether the student has earned the Washington state seal of biliteracy established under RCW 28A.300.575.

(2) Before the 2026-27 school year, the state board of education, in consultation with the four-year institutions as defined in RCW 28B.76.020, the state board for community and technical colleges, the office of the superintendent of public instruction, the Washington student achievement council, and the workforce training and education coordinating board, shall

develop or identify and recommend to the office of the superintendent of public instruction a format for a competency-based education high school transcript that can be used by all public school districts as part of, or as an alternative to, the standardized high school transcript developed under subsection (1) of this section.

(3) The office of the superintendent of public instruction must inform public school districts of updates to the transcripts developed under this section.

(4) For the purposes of this section, "competency-based education" has the same meaning as in section 1 of this act.

<u>NEW SECTION.</u> Sec. 6. Sections 1 through 4 of this act constitute a new chapter in Title 28A RCW.

<u>NEW SECTION.</u> Sec. 7. RCW 28A.300.810 (Innovative learning pilot program) and 2020 c 353 s 2 are each repealed.

<u>NEW SECTION.</u> Sec. 8. If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2025, in the omnibus appropriations act, this act is null and void.

Passed by the Senate April 17, 2025.

Passed by the House April 15, 2025.

Approved by the Governor May 13, 2025.

Filed in Office of Secretary of State May 14, 2025.

CHAPTER 279

[Substitute House Bill 1253]

CONSUMER-OWNED ELECTRIC UTILITIES—JOINT AGREEMENTS

AN ACT Relating to expanding the ability of consumer-owned utilities to enter into joint use agreements; and amending RCW 35.92.052, 54.44.020, 54.16.090, and 43.52.300.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 35.92.052 and 1997 c 230 s 1 are each amended to read as follows:

(1) ((Except as provided in subsection (3) of this section, cities)) Cities of the first class which operate electric generating facilities and distribution systems shall have power and authority to participate and enter into agreements for the <u>development</u>, use, or ((undivided)) ownership of high voltage transmission facilities and capacity rights in those facilities and for the ((undivided)) development, use, or ownership of any type of electric generating plants and facilities, including, but not limited to, nuclear and other thermal power generating plants and facilities, renewable energy facilities, energy storage facilities, and transmission facilities including, but not limited to, related transmission facilities, all to be called "common facilities"; and for the planning, financing, acquisition, construction, operation, and maintenance with: (a) Each other; (b) electrical companies which are subject to the jurisdiction of the Washington utilities and transportation commission or the regulatory commission of any other state, to be called "regulated utilities"; (c) rural electric cooperatives, including generation and transmission cooperatives in any state; (d) municipal corporations, utility districts, or other political subdivisions in any state; ((and)) (e) any agency of the United States authorized to generate or

transmit electrical energy; and (f) any other persons or entities. Agreements under this section include, but are not limited to, joint venture agreements and limited liability company agreements. It shall be provided in such agreements that each city shall use or own a percentage of any common facility <u>at least</u> equal to the percentage of the money furnished or the value of property supplied by it for the acquisition and construction of or additions or improvements to the facility and shall own and control or provide for the use of a like percentage of the electrical transmission or output.

(2) A city using or owning common facilities under this section may issue revenue bonds or other obligations to finance the city's share of the use or ownership of the common facilities.

(3) ((Cities of the first class shall have the power and authority to participate and enter into agreements for the use or undivided ownership of a coal-fired thermal electric generating plant and facility placed in operation before July 1, 1975, including related common facilities, and for the planning, financing, acquisition, construction, operation, and maintenance of the plant and facility. It shall be provided in such agreements that each city shall use or own a percentage of any common facility equal to the percentage of the money furnished or the value of property supplied by the city for the acquisition and construction of or additions or improvements to the facility and shall own and control or provide for the use of a like percentage of the electrical transmission or output of the facility. Cities may enter into agreements under this subsection with each other, with regulated utilities, with rural electric cooperatives, with utility districts, with electric companies subject to the jurisdiction of the regulatory commission of any other state, and with any power marketer subject to the jurisdiction of the federal energy regulatory commission.

(4))) The agreement must provide that each participant shall defray its own interest and other payments required to be made or deposited in connection with any financing undertaken by it to pay its percentage of the money furnished or value of property supplied by it for the planning, acquisition, and construction of any common facility, or any additions or betterments. The agreement shall provide a uniform method of determining and allocating operation and maintenance expenses of a common facility.

(((5))) (4) Each city participating in the ownership, use, or operation of a common facility shall pay all taxes chargeable to its share of the common facility and the electric energy generated under any applicable statutes and may make payments during preliminary work and construction for any increased financial burden suffered by any county or other existing taxing district in the county in which the common facility is located, under agreement with such county or taxing district.

(((6))) (5) In carrying out the powers granted in this section, each such city shall be severally liable only for its own acts and not jointly or severally liable for the acts, omissions, or obligations of others. No money or property supplied by any such city for the planning, financing, acquisition, construction, operation, or maintenance of, or addition or improvement to any common facility shall be credited or otherwise applied to the account of any other participant therein, nor shall the ((undivided)) share of any city in any common facility be charged, directly or indirectly, with any debt or obligation of any other participant or be subject to any lien as a result thereof. No action in connection with a common

facility shall be binding upon any city unless authorized or approved by resolution or ordinance of its governing body.

(((7))) (6) Any city acting jointly outside the state of Washington, by mutual agreement with any participant under authority of this section, shall not acquire properties owned or operated by any public utility district, by any regulated utility, or by any public utility owned by a municipality without the consent of the utility owning or operating the property, and shall not participate in any condemnation proceeding to acquire such properties.

Sec. 2. RCW 54.44.020 and 2010 c 167 s 2 are each amended to read as follows:

(1) Except as provided in ((subsections)) subsection (2) ((and (3))) of this section, cities of the first class, ((public utility districts organized under chapter 54.08 RCW, and joint operating agencies organized under chapter 43.52 RCW, any such eities and)) public utility districts organized under chapter 54.08 RCW, which operate electric generating facilities or distribution systems, and any joint operating agency organized under chapter 43.52 RCW shall have power and authority to participate and enter into agreements with each other and with electrical companies which are subject to the jurisdiction of the Washington utilities and transportation commission or the ((public utility commissioner of Oregon)) regulatory commission of any other state, hereinafter called "regulated utilities", and with rural electric cooperatives, including generation and transmission cooperatives, with any other person or entities for the ((undivided)) development, use, and ownership of any type of electric generating plants and facilities, including, but not limited to, nuclear and other thermal power generating plants and facilities, renewable energy facilities, energy storage facilities, and transmission facilities including, but not limited to, related transmission facilities, hereinafter called "common facilities", and for the planning, financing, acquisition, construction, operation and maintenance thereof. Agreements under this section include, but are not limited to, joint venture agreements and limited liability company agreements. It shall be provided in such agreements that each city, public utility district, or joint operating agency shall own a percentage of any common facility at least equal to the percentage of the money furnished or the value of property supplied by it for the acquisition and construction thereof and shall own and control a like percentage of the electrical output thereof.

(2) ((Cities of the first class, public utility districts organized under chapter 54.08 RCW, and joint operating agencies organized under chapter 43.52 RCW, shall have the power and authority to participate and enter into agreements for the undivided ownership of a coal-fired thermal electric generating plant and facility placed in operation before July 1, 1975, including related common facilities, and for the planning, financing, acquisition, construction, operation, and maintenance of the plant and facility. It shall be provided in such agreements that each city, public utility district, or joint operating agency shall own a percentage of any common facility equal to the percentage of the money furnished or the value of property supplied by the city, district, or agency, for the acquisition and construction of the facility, and shall own and control a like percentage of the electrical output thereof. Cities of the first class, public utility districts, and joint operating agencies may enter into agreements under this subsection with each other, with regulated utilities, with rural electric

cooperatives, with electric companies subject to the jurisdiction of the regulatory commission of any other state, and with any power marketer subject to the jurisdiction of the federal energy regulatory commission.

(3))(a) Except as provided in ((subsections)) subsection (1) ((and (2))) of this section, cities of the first class, counties with a biomass facility authorized under RCW 36.140.010, public utility districts organized under chapter 54.08 RCW, any cities that operate electric generating facilities or distribution systems, any joint operating agency organized under chapter 43.52 RCW, or any separate legal entity comprising two or more thereof organized under chapter 39.34 RCW shall, either directly or as co-owners of a separate legal entity, have power and authority to participate and enter into agreements described in (b) and (c) of this subsection with each other, and with any of the following, either directly or as co-owners of a separate legal entity:

(i) Any public agency, as that term is defined in RCW 39.34.020;

(ii) Electrical companies that are subject to the jurisdiction of the Washington utilities and transportation commission or the regulatory commission of any state; ((and))

(iii) Rural electric cooperatives and generation and transmission cooperatives or any wholly owned subsidiaries of either rural electric cooperatives or generation and transmission cooperatives; and

(iv) Any other persons or entities.

(b) Except as provided in (b)(i)(B) of this subsection (((3))) (2), agreements including, but not limited to, joint venture agreements and limited liability company agreements, may provide for:

(i)(A) The ((undivided)) <u>development, use, or</u> ownership, or indirect ownership in the case of a separate legal entity, of common facilities that include any type of electric generating plant generating an eligible renewable resource, as defined in RCW 19.285.030, <u>energy storage facilities</u>, and transmission facilities including, but not limited to, related transmission facilities, and for the planning, financing, acquisition, construction, operation, and maintenance thereof;

(B) For counties with a biomass facility authorized under RCW 36.140.010, the provisions in (b)(i)(A) of this subsection (((3))) (2) are limited to the purposes of RCW 36.140.010; and

(ii) The formation, operation, and ownership of a separate legal entity that may own the common facilities.

(c) Agreements must provide that each city, county, public utility district, or joint operating agency:

(i) Owns a percentage of any common facility or a percentage of any separate legal entity <u>at least</u> equal to the percentage of the money furnished or the value of property supplied by it for the acquisition and construction thereof; and

(ii) Owns and controls, or has a right to own and control in the case of a separate legal entity, a like percentage of the electrical output thereof.

(d) Any entity in which a public utility district participates, either directly or as co-owner of a separate legal entity, in constructing or developing a common facility pursuant to this subsection shall comply with the provisions of chapter 39.12 RCW.

(((4))) (3) Each participant shall defray its own interest and other payments required to be made or deposited in connection with any financing undertaken by it to pay its percentage of the money furnished or value of property supplied by it for the planning, acquisition and construction of any common facility, or any additions or betterments thereto. The agreement shall provide a uniform method of determining and allocating operation and maintenance expenses of the common facility.

(((5))) (4) Each city, county acting under RCW 36.140.010, public utility district, joint operating agency, regulated utility, and cooperatives participating in the direct or indirect ownership or operation of a common facility described in subsections (1) ((through (3))) and (2) of this section shall pay all taxes chargeable to its share of the common facility and the electric energy generated thereby under applicable statutes as now or hereafter in effect, and may make payments during preliminary work and construction for any increased financial burden suffered by any county or other existing taxing district in the county in which the common facility is located, pursuant to agreement with such county or taxing district.

Sec. 3. RCW 54.16.090 and 1969 c 106 s 7 are each amended to read as follows:

A district may enter into any contract or agreement with the United States, or any state, municipality, or other utility district, or any department of those entities, or with any cooperative, mutual, consumer-owned utility, or with any investor-owned utility or with an association of any of such utilities, for carrying out any of the powers authorized by this title.

It may acquire by gift, devise, bequest, lease, or purchase, real and personal property necessary or convenient for its purposes, or for any local district therein.

It may make contracts, employ engineers, attorneys, and other technical or professional assistance; print and publish information or literature; advertise or promote the sale and distribution of electricity or water and do all other things necessary to carry out the provisions of this title.

It may advance funds, jointly fund or jointly advance funds for surveys, plans, investigations, or studies as set forth in RCW 54.16.010, including costs of investigations, design and licensing of properties and rights of the type described in RCW 54.16.020, including the cost of technical and professional assistance, and for the advertising and promotion of the sale and distribution of electricity or water.

In accordance with RCW 54.44.020, districts that operate electric generating facilities or distribution systems shall have power and authority to participate and enter into agreements with each other and with electrical companies which are subject to the jurisdiction of the Washington utilities and transportation commission or the regulatory commission of any other state, and with rural electric cooperatives, including generation and transmission cooperatives, with any other person or entities for the development, use, and ownership of any type of electric generating plants and facilities including, but not limited to, related transmission facilities, hereinafter called "common facilities," and for the planning, financing, acquisition, construction,

operation and maintenance thereof. Agreements under this section include, but are not limited to, joint venture agreements and limited liability company agreements. It shall be provided in such agreements that each district shall own a percentage of any common facility at least equal to the percentage of the money furnished or the value of property supplied by it for the acquisition and construction thereof and shall own and control a like percentage of the electrical output thereof.

Sec. 4. RCW 43.52.300 and 1977 ex.s. c 184 s 4 are each amended to read as follows:

An operating agency formed under RCW 43.52.360 shall have authority:

(1) To generate, produce, transmit, deliver, exchange, purchase or sell electric energy and to enter into contracts for any or all such purposes.

(2) To construct, condemn, purchase, lease, acquire, add to, extend, maintain, improve, operate, develop and regulate plants, works and facilities for the generation and/or transmission of electric energy, either within or without the state of Washington, and to take, condemn, purchase, lease and acquire any real or personal, public or private property, franchise and property rights, including but not limited to state, county and school lands and properties, for any of the purposes herein set forth and for any facilities or works necessary or convenient for use in the construction, maintenance or operation of any such works, plants and facilities; provided that an operating agency shall not be authorized to acquire by condemnation any plants, works and facilities or purchase from the United States or any of its agencies, any plants, works or facilities for the generation and transmission of electricity and any real or personal property necessary or convenient for use in connection therewith.

(3) To negotiate and enter into contracts with the United States or any of its agencies, with any state or its agencies, with Canada or its agencies or with any district or city of this state, for the lease, purchase, construction, extension, betterment, acquisition, operation and maintenance of all or any part of any electric generating and transmission plants and reservoirs, works and facilities or rights necessary thereto, either within or without the state of Washington, and for the marketing of the energy produced therefrom. Such negotiations or contracts shall be carried on and concluded with due regard to the position and laws of the United States in respect to international agreements.

(4) To negotiate and enter into contracts for the purchase, sale, exchange, transmission or use of electric energy or falling water with any person, firm or corporation, including political subdivisions and agencies of any state, of Canada, or of the United States, at fair and nondiscriminating rates.

(5) To apply to the appropriate agencies of the state of Washington, the United States or any thereof, and to Canada and/or to any other proper agency for such permits, licenses or approvals as may be necessary, and to construct, maintain and operate works, plants and facilities in accordance with such licenses or permits, and to obtain, hold and use such licenses and permits in the same manner as any other person or operating unit.

(6) To establish rates for electric energy sold or transmitted by the operating agency. When any revenue bonds or warrants are outstanding the operating agency shall have the power and shall be required to establish and maintain and

collect rates or charges for electric energy, falling water and other services sold, furnished or supplied by the operating agency which shall be fair and nondiscriminatory and adequate to provide revenues sufficient for the payment of the principal and interest on such bonds or warrants and all payments which the operating agency is obligated to set aside in any special fund or funds created for such purposes, and for the proper operation and maintenance of the public utility owned by the operating agency and all necessary repairs, replacements and renewals thereof.

(7) To act as agent for the purchase and sale at wholesale of electricity for any city or district whenever requested so to do by such city or district.

(8) To contract for and to construct, operate and maintain fishways, fish protective devices and facilities and hatcheries as necessary to preserve or compensate for projects operated by the operating agency.

(9) To construct, operate and maintain channels, locks, canals and other navigational, reclamation, flood control and fisheries facilities as may be necessary or incidental to the construction of any electric generating project, and to enter into agreements and contracts with any person, firm or corporation, including political subdivisions of any state, of Canada or the United States for such construction, operation and maintenance, and for the distribution and payment of the costs thereof.

(10) To employ legal, engineering and other professional services and fix the compensation of a managing director and such other employees as the operating agency may deem necessary to carry on its business, and to delegate to such manager or other employees such authority as the operating agency shall determine. Such manager and employees shall be appointed for an indefinite time and be removable at the will of the operating agency.

(11) To study, analyze and make reports concerning the development, utilization and integration of electric generating facilities and requirements within the state and without the state in that region which affects the electric resources of the state.

(12) To acquire any land bearing coal, uranium, geothermal, or other energy resources, within or without the state, or any rights therein, for the purpose of assuring a long-term, adequate supply of coal, uranium, geothermal, or other energy resources to supply its needs, both actual and prospective, for the generation of power and may make such contracts with respect to the extraction, sale, or disposal of such energy resources that it deems proper.

(13) To participate and enter into agreements in accordance with RCW 54.44.020. Joint operating agencies that operate electric generating facilities or distribution systems shall have power and authority to participate and enter into agreements with each other and with electrical companies which are subject to the jurisdiction of the Washington utilities and transportation commission or the regulatory commission of any other state, and with rural electric cooperatives, including generation and transmission cooperatives, with any other person or entities for the development, use, and ownership of any type of electric generating plants and facilities including, but not limited to, nuclear and other thermal power generating plants and facilities including, but not limited to, related transmission facilities, hereinafter called "common facilities," and for the planning, financing, acquisition, construction, operation and maintenance

thereof. Agreements under this section include, but are not limited to, joint venture agreements and limited liability company agreements. It shall be provided in such agreements that each joint operating agency shall own a percentage of any common facility at least equal to the percentage of the money furnished or the value of property supplied by it for the acquisition and construction thereof and shall own and control a like percentage of the electrical output thereof.

Passed by the House April 19, 2025. Passed by the Senate April 4, 2025. Approved by the Governor May 15, 2025. Filed in Office of Secretary of State May 19, 2025.

CHAPTER 280

[Engrossed Substitute House Bill 1258] REGIONAL 911 EMERGENCY COMMUNICATIONS SYSTEM—FUNDING—CERTAIN MUNICIPALITIES

AN ACT Relating to providing funding for municipalities participating in the regional 911 emergency communications system; and adding a new section to chapter 82.14B RCW.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> Sec. 1. A new section is added to chapter 82.14B RCW to read as follows:

(1) A county located east of the crest of the Cascade mountains with a population between 530,000 and 1,500,000 receiving tax revenues under this chapter that operates a regional 911 emergency communications system must transfer a portion of the county 911 excise tax revenues received under RCW 82.14B.030 (1), (2), and (3) to the corresponding local government operating a municipal public safety answering point or receiving calls transferred from the regional 911 emergency communications system for disposition and dispatch. The portion of the county 911 excise tax to be transferred by a county operating a regional 911 communications system is the same percentage used for the tax imposed pursuant to RCW 82.14.420 (7) and (8).

(2) Beginning in calendar year 2026, the amount calculated in subsection (1) of this section must be transferred quarterly by the county operating the regional 911 emergency communications system to the corresponding local government operating a municipal public safety answering point or receiving calls transferred from the regional 911 emergency communications system to a municipal public safety answering point for disposition and dispatch for the quarter.

(3) For the purposes of this section, "regional 911 emergency communications system" means a 911 emergency communications system operated by a county that is responsible for receiving incoming 911 emergency calls for multiple local government law enforcement and fire response agencies.

Passed by the House April 19, 2025. Passed by the Senate April 9, 2025. Approved by the Governor May 15, 2025. Filed in Office of Secretary of State May 19, 2025.

CHAPTER 281

[Engrossed Second Substitute House Bill 1648] CHILD CARE PROVIDERS—QUALIFICATIONS

AN ACT Relating to child care provider qualifications; amending RCW 43.216.755; adding a new section to chapter 43.216 RCW; creating new sections; and providing an expiration date.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> Sec. 1. (1) The legislature finds that the COVID-19 pandemic had a dramatic impact on all people, but had a particularly dramatic impact on child care and the child care industry. Many child care facilities closed during the COVID-19 pandemic and providers left the child care field. It became clear during the COVID-19 pandemic how critical child care is to the success of every industry as parents need child care to work.

(2) The legislature further finds that because of the unprecedented impact of the COVID-19 pandemic on the child care industry, the plans of many child care providers to receive education were put on hold as efforts were focused on addressing the immediate needs of child care providers and families. Additionally, the current market-based funding model results in wages so low that affording college tuition is often impossible for child care providers. The limited availability of college courses in multiple languages and the scarcity of early childhood education college programs further hinders access to required training and certification. Similar to the mixed delivery system of early learning, child care providers should also have access to a mix of pathways to meet staff qualification requirements.

(3) For those reasons, the legislature intends to delay the requirement for child care providers to meet certification and training qualification conditions and honor the experience of child care providers by extending the timeline for licensed child care providers to demonstrate experience-based competency. Extending these timelines will support child care providers in their professional journey.

Sec. 2. RCW 43.216.755 and 2020 c 342 s 2 are each amended to read as follows:

(1) By July 1, 2021, the department shall implement a noncredit-bearing, community-based training pathway for licensed child care providers to meet professional education requirements associated with child care licensure. The community-based training pathway must be offered as an alternative to existing credit-bearing pathways available to providers.

(2) ((The department shall consult with the following stakeholders in the development and implementation of the community-based training pathway: The statewide child care resource and referral network, a community-based training organization that provides training to licensed family day care providers, a statewide organization that represents the interests of family day eare providers, a statewide organization that represents the interests of licensed child day care centers, an organization that represents the interests of refugee and immigrant communities, a bilingual child care provider whose first language is not English, an organization that advocates for early learning, an organization representing private and independent schools, and the state board for community and technical colleges.

(3))) The community-based training pathway must:

(a) Align with adopted core competencies for early learning professionals;

(b) Be made available to providers in multiple languages;

(c) Include culturally relevant practices; ((and))

(d) Be made available at low cost to providers and at prices comparable to the cost of similar community-based trainings, not to exceed ((two hundred and fifty dollars)) \$250 per person; and

(e) Be accessible to providers in rural and urban settings.

(((4))) (3) The department shall allow licensed child care providers until at least August 1, ((2026)) 2030, to:

(a) Comply with child care licensing rules that require a provider to hold an early childhood education initial certificate or an early childhood education short certificate; or

(b) Complete <u>the</u> community-based training((s)) <u>pathway</u>.

(((5) For the purposes of this section, "demonstrated competence" means an individual has shown that he or she has the skills to complete the required work independently.)) (4) Nothing prohibits the department from adopting rules that provide timelines beyond August 1, 2030, to allow providers additional time to meet staff qualification requirements based on their date of licensure, hire, or promotion, which can be no more than five years.

<u>NEW SECTION.</u> Sec. 3. A new section is added to chapter 43.216 RCW to read as follows:

(1) Except as provided in subsection (2) of this section, the department shall allow licensed child care providers until August 1, 2030, to demonstrate experience-based competency as an alternative means to comply with child care licensing rules that require a provider to hold an early childhood education initial, short, or state certificate, when the provider has all of the following documented in the department's electronic workforce registry:

(a) Active employment in a position that requires an early childhood education initial, short, or state certificate;

(b) Employment in a licensed or certified child care center or licensed family home provider without a break in service since August 1, 2021, as of the effective date of this section or a cumulative five years of employment in a licensed or certified child care center or licensed family home provider; and

(c) Completion of and maintained compliance with all health and safety and child care or school-age care basics training required by the department.

(2) Nothing in this section prohibits the department from establishing more restrictive requirements for providers serving the early childhood education and assistance program including, but not limited to, excluding experience-based competency as an alternative means to fulfill staff qualification requirements, nor does it prohibit the department from excluding experience-based competency from the calculation of early achievers professional development points.

<u>NEW SECTION.</u> Sec. 4. (1) The department of children, youth, and families shall convene a stakeholder group to assist the department in identifying strategies to improve early learning and school-age staff qualification requirements and verification processes including, but not limited to:

(a) Identifying measures to streamline and clarify relevant administrative rules and department policies;

(b) Defining criteria and methods by which to honor equivalent out-of-state education and training; and

(c) Identifying options for offering the community-based training pathway in an online format.

(2) At a minimum, the stakeholder group must include:

(a) Family home and child care center providers, including at least one provider from a child care center that is part of a national chain or has 10 or more sites; and

(b) Representation from the following organizations:

(i) The statewide child care resource and referral network;

(ii) A community-based training organization that provides training to licensed family day care providers;

(iii) A statewide organization that represents the interests of family day care providers;

(iv) A statewide organization that represents the interests of licensed child day care centers;

(v) The statewide out-of-school time intermediary organization;

(vi) An organization that represents the interests of refugee and immigrant communities;

(vii) A bilingual child care provider whose first language is not English;

(viii) An organization that advocates for early learning;

(ix) An organization representing private and independent schools; and

(x) The state board for community and technical colleges.

(3) The department of children, youth, and families shall report to the legislature by December 1, 2026, in compliance with RCW 43.01.036, on strategies identified by the stakeholder group and the department's plans and timelines under which to carry out those strategies.

(4) The department of children, youth, and families must convene the stakeholder group and produce the report as required in this section within existing resources.

(5) This section expires July 1, 2028.

Passed by the House April 22, 2025.

Passed by the Senate April 8, 2025.

Approved by the Governor May 15, 2025.

Filed in Office of Secretary of State May 19, 2025.

CHAPTER 282

[Engrossed Second Substitute House Bill 1912]

AGRICULTURAL FUEL USE-CLIMATE COMMITMENT ACT EXEMPTIONS

AN ACT Relating to the exemption for fuels used for agricultural purposes in the climate commitment act; amending RCW 70A.65.080; adding a new section to chapter 70A.65 RCW; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> Sec. 1. A new section is added to chapter 70A.65 RCW to read as follows:

(1) By October 1, 2025, the department must post and periodically update on its website a directory tool, by county and, if applicable, city, of the name and

address of each retail fuel seller of exempt agricultural fuel under RCW 70A.65.080(7)(e) that has notified the department under subsection (3) of this section including, but not limited to, retail fuel sellers that rely on a cardholder or membership program and exempt fuel purchase aggregators. The department may only identify in the directory entities that make available exempt agricultural fuel under RCW 70A.65.080(7)(e) for purchase at a price that is different than the price of fuel that is not exempt under RCW 70A.65.080(7)(e). The directory tool must allow a user to use a simple search function to find a retail seller of exempt agricultural fuel in a specific jurisdiction within the state.

(2)(a) By October 1, 2025, the department must publish on its website a guide for potentially eligible users of exempt agricultural fuel under RCW 70A.65.080(7)(e) that describes:

(i) In consultation with the department of licensing, the mechanisms by which the exempt fuel user may obtain a remittance; or

(ii) The mechanisms by which the exempt fuel user may purchase exempt fuel including, but not limited to, exempt fuel purchase aggregators and cardholder or membership-based payment options offered by private parties. The information that the department is required to publish under this subsection is limited to information that is voluntarily disclosed by retail fuel sellers or exempt fuel purchase aggregators.

(b) This guide must include a description of the information submission and procedural requirements associated with obtaining a remittance payment under the remittance program implemented by the department of licensing.

(3) A retail fuel seller including, but not limited to, an exempt fuel purchase aggregator or cardholder or membership-based payment option, may voluntarily notify the department of locations where exempt agricultural fuel under RCW 70A.65.080(7)(e) is available for purchase, including contact information for the location, types of exempt fuel for sale, and the address and latitude and longitude of each location.

(4) Nothing in this section establishes, limits, or otherwise alters the obligation of a person to be a covered or opt-in entity under RCW 70A.65.080, an opt-in entity under RCW 70A.65.090(3), or to report emissions under RCW 70A.15.2200. Nothing in this section makes a fuel seller that is not a covered entity under this chapter subject to the penalties provided in RCW 70A.65.200(5).

(5) It is the intent of the legislature to pair the activities described in this section with a continuation, through the 2025-2027 biennium of the payment program for exempt fuel specified in RCW 70A.65.080(7)(e) implemented by the department of licensing as required by the 2024 supplemental omnibus operating appropriations act, ESSB 5950. It is the intent of the legislature that the department of licensing's remittance program include payments to farm fuel users who purchased kerosene or natural gas for agricultural purposes.

(6) For purposes of this section "exempt fuel purchase aggregator" means a for-profit or nonprofit entity that makes exempt agricultural fuel available to customers for purchase at a differential rate than the rate charged for nonexempt fuels, and that has established procedures for verifying that the fuel purchased qualifies as exempt, as well as procedures for tracking and reporting the volumes of exempt fuel sales to covered or opt-in entities from which the aggregator purchases fuel.

Sec. 2. RCW 70A.65.080 and 2024 c 352 s 4 are each amended to read as follows:

(1) A person is a covered entity as of the beginning of the first compliance period and all subsequent compliance periods if the person reported emissions under RCW 70A.15.2200 for any calendar year from 2015 through 2019, or if additional data provided as required by this chapter indicates that emissions for any calendar year from 2015 through 2019 equaled or exceeded any of the following thresholds, or if the person is a first jurisdictional deliverer and imports electricity into the state during the compliance period:

(a) Where the person owns or operates a facility and the facility's emissions equal or exceed 25,000 metric tons of carbon dioxide equivalent;

(b) Where the person is a first jurisdictional deliverer and generates electricity in the state and emissions associated with this generation equals or exceeds 25,000 metric tons of carbon dioxide equivalent;

(c)(i) Where the person is a first jurisdictional deliverer importing electricity into the state and:

(A) For specified sources, the cumulative annual total of emissions associated with the imported electricity exceeds 25,000 metric tons of carbon dioxide equivalent;

(B) For unspecified sources, the cumulative annual total of emissions associated with the imported electricity exceeds 0 metric tons of carbon dioxide equivalent; or

(C) For electricity purchased from a federal power marketing administration pursuant to section 5(b) of the Pacific Northwest electric power planning and conservation act of 1980, P.L. 96-501, if the department determines such electricity is not from a specified source, the cumulative annual total of emissions associated with the imported electricity exceeds 25,000 metric tons of carbon dioxide equivalent.

(ii) In consultation with any linked jurisdiction to the program created by this chapter, by October 1, 2026, the department, in consultation with the department of commerce and the utilities and transportation commission, shall adopt by rule a methodology for addressing imported electricity associated with a centralized electricity market;

(d) Where the person is a supplier of fossil fuel other than natural gas and from that fuel 25,000 metric tons or more of carbon dioxide equivalent emissions would result from the full combustion or oxidation, excluding the amounts for fuel products that are produced or imported with a documented final point of delivery outside of Washington and combusted outside of Washington; and

(e)(i) Where the person supplies natural gas in amounts that would result in exceeding 25,000 metric tons of carbon dioxide equivalent emissions if fully combusted or oxidized, excluding the amounts for fuel products that are produced or imported with a documented final point of delivery outside of Washington and combusted outside of Washington, and excluding the amounts: (A) Supplied to covered entities under (a) through (d) of this subsection; and (B) delivered to opt-in entities;

(ii) Where the person who is not a natural gas company and has a tariff with a natural gas company to deliver to an end-use customer in the state in amounts that would result in exceeding 25,000 metric tons of carbon dioxide equivalent

emissions if fully combusted or oxidized, excluding the amounts: (A) Supplied to covered entities under (a) through (d) of this subsection; and (B) the amounts delivered to opt-in entities;

(iii) Where the person is an end-use customer in the state who directly purchases natural gas from a person that is not a natural gas company and has the natural gas delivered through an interstate pipeline to a distribution system owned by the purchaser in amounts that would result in exceeding 25,000 metric tons of carbon dioxide equivalent emissions if fully combusted or oxidized, excluding the amounts: (A) Supplied to covered entities under (a) through (d) of this subsection; and (B) delivered to opt-in entities.

(2) A person is a covered entity as of the beginning of the second compliance period and all subsequent compliance periods if the person reported emissions under RCW 70A.15.2200 or provided emissions data as required by this chapter for any calendar year from 2023 through 2025, where the person owns or operates a waste to energy facility utilized by a county and city solid waste management program and the facility's emissions equal or exceed 25,000 metric tons of carbon dioxide equivalent.

(3) A person is a covered entity as of the beginning of the third compliance period, and all subsequent compliance periods if the person reported emissions under RCW 70A.15.2200 or provided emissions data as required by this chapter for 2027 or 2028, where the person owns or operates a railroad company, as that term is defined in RCW 81.04.010, and the railroad company's emissions equal or exceed 25,000 metric tons of carbon dioxide equivalent.

(4) When a covered entity reports, during a compliance period, emissions from a facility under RCW 70A.15.2200 that are below the thresholds specified in subsection (1) or (2) of this section, the covered entity continues to have a compliance obligation through the current compliance period. When a covered entity reports emissions below the threshold for each year during an entire compliance period, or has ceased all processes at the facility requiring reporting under RCW 70A.15.2200, the entity is no longer a covered entity as of the beginning of the subsequent compliance period unless the department provides notice at least 12 months before the end of the compliance period that the facility's emissions were within 10 percent of the threshold and that the person will continue to be designated as a covered entity in order to ensure equity among all covered entities. Whenever a covered entity ceases to be a covered entity, the department shall notify the appropriate policy and fiscal committees of the legislature of the name of the entity and the reason the entity is no longer a covered entity.

(5) For types of emission sources described in subsection (1) of this section that begin or modify operation after January 1, 2023, and types of emission sources described in subsection (2) of this section that begin or modify operation after 2027, coverage under the program starts in the calendar year in which emissions from the source exceed the applicable thresholds in subsection (1) or (2) of this section, or upon formal notice from the department that the source is expected to exceed the applicable emissions threshold, whichever happens first. Sources meeting these conditions are required to transfer their first allowances on the first transfer deadline of the year following the year in which their emissions were equal to or exceeded the emissions threshold. (6) For emission sources described in subsection (1) of this section that are in operation or otherwise active between 2015 and 2019 but were not required to report emissions for those years under RCW 70A.15.2200 for the reporting periods between 2015 and 2019, coverage under the program starts in the calendar year following the year in which emissions from the source exceed the applicable thresholds in subsection (1) of this section as reported pursuant to RCW 70A.15.2200 or provided as required by this chapter, or upon formal notice from the department that the source is expected to exceed the applicable emissions threshold for the first year that source is required to report emissions, whichever happens first. Sources meeting these criteria are required to transfer their first allowances on the first transfer deadline of the year following the year in which their emissions, as reported under RCW 70A.15.2200 or provided as required by this chapter, were equal to or exceeded the emissions threshold.

(7) The following emissions are exempt from coverage in the program, regardless of the emissions reported under RCW 70A.15.2200 or provided as required by this chapter:

(a) Emissions from the combustion of aviation fuels;

(b) Emissions from watercraft fuels supplied in Washington that are combusted outside of Washington;

(c) Emissions from a coal-fired electric generation facility exempted from additional greenhouse gas limitations, requirements, or performance standards under RCW 80.80.110;

(d) Carbon dioxide emissions from the combustion of biomass or biofuels;

(e)(i) Motor vehicle fuel or special fuel that is used exclusively for agricultural purposes by a farm fuel user. This exemption is available only if a buyer of motor vehicle fuel or special fuel provides the seller with an exemption certificate in a form and manner prescribed by the department. ((For the purposes of this subsection, "agricultural purposes" and "farm fuel user" have the same meanings as provided in RCW 82.08.865.)) Prior to January 1, 2030, this exemption is available whether motor vehicle fuel or special fuel is used to propel a motor vehicle or not, but beginning January 1, 2030, this exemption only applies to motor vehicle fuel or special fuel that the farm fuel user uses to propel a motor vehicle.

(ii) The department must determine a method for expanding the exemption provided under (e)(i) of this subsection to include fuels used for the purpose of transporting agricultural products on public highways. The department must maintain this expanded exemption ((for a period of five years)) until December 31, 2029, in order to provide the agricultural sector with a feasible transition period.

(iii) For the purposes of this subsection:

(A) "Agricultural purposes" and "farm fuel user" have the same meanings as provided in RCW 82.08.865;

(B) "Motor vehicle fuel" means gasoline, the chief use of which is as a fuel for the propulsion of motor vehicles or vessels; and

(C) "Special fuel" means diesel, liquefied petroleum gas (also called propane), and biodiesel;

(f) Emissions from facilities with North American industry classification system code 92811 (national security); and

(g) Emissions from municipal solid waste landfills that are subject to, and in compliance with, chapter 70A.540 RCW.

(8) The department shall not require multiple covered entities to have a compliance obligation for the same emissions. The department may by rule authorize refineries, fuel suppliers, facilities using natural gas, and natural gas utilities to provide by agreement for the assumption of the compliance obligation for fuel or natural gas supplied and combusted in the state. The department must be notified of such an agreement at least 12 months prior to the compliance obligation period for which the agreement is applicable.

(9)(a) The legislature intends to promote a growing and sustainable economy and to avoid leakage of emissions from manufacturing to other locations. The legislature further intends to see innovative new businesses locate and grow in Washington that contribute to Washington's prosperity and environmental objectives.

(b) Consistent with the intent of the legislature to avoid the leakage of emissions to other jurisdictions, in achieving the state's greenhouse gas limits in RCW 70A.45.020, the state, including lead agencies under chapter 43.21C RCW, shall pursue the limits in a manner that recognizes that the siting and placement of new or expanded best-in-class facilities with lower carbon emitting processes is in the economic and environmental interests of the state of Washington.

(c) In conducting a life-cycle analysis, if required, for new or expanded facilities that require review under chapter 43.21C RCW, a lead agency must evaluate and attribute any potential net cumulative greenhouse gas emissions resulting from the project as compared to other existing facilities or best available technology including best-in-class facilities and emerging lower carbon processes that supply the same product or end use. The department may adopt rules to determine the appropriate threshold for applying this analysis.

(d) Covered emissions from an entity that is or will be a covered entity under this chapter may not be the basis for denial of a permit for a new or expanded facility. Covered emissions must be included in the analysis undertaken pursuant to (c) of this subsection. Nothing in this subsection requires a lead agency or a permitting agency to approve or issue a permit to a permit applicant, including to a new or expanded fossil fuel project.

(e) A lead agency under chapter 43.21C RCW or a permitting agency shall allow a new or expanded facility that is a covered entity or opt-in entity to satisfy a mitigation requirement for its covered emissions under this chapter and under any greenhouse gas emission mitigation requirements for covered emissions under chapter 43.21C RCW by submitting to the department the number of compliance instruments equivalent to its covered emissions during a compliance period.

<u>NEW SECTION.</u> Sec. 3. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

Passed by the House April 24, 2025. Passed by the Senate April 16, 2025. Approved by the Governor May 15, 2025. Filed in Office of Secretary of State May 19, 2025.

CHAPTER 283

[House Bill 1934] PUBLIC RECORDS ACT EXEMPTION—EMPLOYMENT INVESTIGATIONS— MODIFICATION

AN ACT Relating to the disclosure of information pertaining to complainants, accusers, and witnesses in an employment investigation; and reenacting and amending RCW 42.56.250.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 42.56.250 and 2023 c 458 s 1, 2023 c 361 s 15, and 2023 c 45 s 1 are each reenacted and amended to read as follows:

(1) The following employment and licensing information is exempt from public inspection and copying under this chapter:

(a) Test questions, scoring keys, and other examination data used to administer a license, employment, or academic examination;

(b) All applications for public employment other than for vacancies in elective office, including the names of applicants, resumes, and other related materials submitted with respect to an applicant;

(c) Professional growth plans (PGPs) in educator license renewals submitted through the eCert system in the office of the superintendent of public instruction;

(d) The following information held by any public agency in personnel records, public employment related records, volunteer rosters, or included in any mailing list of employees or volunteers of any public agency: Residential addresses, residential telephone numbers, personal wireless telephone numbers, personal email addresses, social security numbers, driver's license numbers, identicard numbers, payroll deductions including the amount and identification of the deduction, and emergency contact information of employees or volunteers of a public agency, and the names, dates of birth, residential addresses, residential telephone numbers, personal wireless telephone numbers, personal email addresses, social security numbers, and emergency contact information of dependents of employees or volunteers of a public agency. For purposes of this subsection (1)(d), "employees" includes independent provider home care workers as defined in RCW 74.39A.240;

(e) Information that identifies a person who, while an agency employee: (i) Seeks advice, under an informal process established by the employing agency, in order to ascertain his or her rights in connection with a possible unfair practice under chapter 49.60 RCW against the person; and (ii) requests his or her identity or any identifying information not be disclosed;

(f) ((Investigative)) (i) Except as provided in (f)(ii) of this subsection, investigative records compiled by an employing agency in connection with an investigation of a possible unfair practice under chapter 49.60 RCW or of a possible violation of other federal, state, or local laws or an employing agency's internal policies prohibiting discrimination or harassment in employment. Records are exempt in their entirety while the investigation is active and ongoing. After the agency has notified the complaining employee of the outcome of the investigation, the records may be disclosed only if the names, images, employee agency job titles, email addresses, and phone numbers of complainants, other accusers, and witnesses are redacted and their voices on any audio recording taken during the course of the investigation have been altered while retaining inflection and tone, ((unless)) except to the extent that such a complainant, other accuser, or witness has consented to the disclosure of ((his or her name)) such information. The employing agency must inform a complainant, other accuser, or witness that his or her name, image, agency job title, email address, and phone number will be redacted from the investigation records and their voice on any audio recording taken during the course of the investigation will be altered in accordance with this subsection unless he or she consents to disclosure;

(ii) After the investigation is complete and the complainant has been notified of the outcome of the investigation, if an elected government official is a complainant, the name and title of such elected government official shall not be redacted from the investigatory records;

(g) Criminal history records checks for board staff finalist candidates conducted pursuant to RCW 43.33A.025;

(h) Photographs and month and year of birth in the personnel files of employees or volunteers of a public agency, including employees and workers of criminal justice agencies as defined in RCW 10.97.030. The news media, as defined in RCW 5.68.010(5), shall have access to the photographs and full date of birth. For the purposes of this subsection (1)(h), news media does not include any person or organization of persons in the custody of a criminal justice agency as defined in RCW 10.97.030;

(i)(i) Any employee's name or other personally identifying information, including but not limited to birthdate, job title, addresses of work stations and locations, work email address, work phone number, bargaining unit, or other similar information, maintained by an agency in personnel-related records or systems, or responsive to a request for a list of individuals subject to the commercial purpose prohibition under RCW 42.56.070(8), if the employee ((has provided)):

(A) ((A)) <u>Has provided a</u> sworn statement, signed under penalty of perjury and verified by the director of the employing agency or director's designee, that the employee or a dependent of the employee is a survivor of domestic violence as defined in RCW 10.99.020 or 7.105.010, sexual assault as defined in RCW 70.125.030 or sexual abuse as defined in RCW 7.105.010, stalking as described in RCW 9A.46.110 or defined in RCW 7.105.010, or harassment as described in RCW 9A.46.020 or defined in RCW 7.105.010, and notifying the agency as to why the employee has a reasonable basis to believe that the risk of domestic violence, sexual assault, sexual abuse, stalking, or harassment continues to exist. A sworn statement under this subsection expires after two years, but may be subsequently renewed by providing a new sworn statement to the employee's employing agency; or

(B) Provides proof to the employing agency of the employee's participation or the participation of a dependent in the address confidentiality program under chapter 40.24 RCW. (ii) Any documentation maintained by an agency to administer this subsection (1)(i) is exempt from disclosure under this chapter and is confidential and may not be disclosed without consent of the employee who submitted the documentation. Agencies may provide information to their employees on how to submit a request to anonymize their work email address.

(iii) For purposes of this subsection (1)(i), "verified" means that the director of the employing agency or director's designee confirmed that the sworn statement identifies the alleged perpetrator or perpetrators by name and, if possible, image or likeness, or that the director or designee obtained from the employee a police report, protection order petition, or other documentation of allegations related to the domestic violence, sexual assault or abuse, stalking, or harassment.

(iv) The exemption in this subsection (1)(i) does not apply to public records requests from the news media as defined in RCW 5.68.010(5);

(j) The global positioning system data that would indicate the location of the residence of a public employee or volunteer using the global positioning system recording device;

(k) Information relating to a future voter, as provided in RCW 29A.08.725;

(l) Voluntarily submitted information collected and maintained by a state agency or higher education institution that identifies an individual state employee's personal demographic details. "Personal demographic details" means race or ethnicity, sexual orientation as defined by RCW 49.60.040(((27))), immigration status, national origin, or status as a person with a disability. This exemption does not prevent the release of state employee demographic information in a deidentified or aggregate format; and

(m) Benefit enrollment information collected and maintained by the health care authority through its authority as director of the public employees' benefits board and school employees' benefits board programs as authorized by chapter 41.05 RCW. This subsection (1)(m) does not prevent the release of benefit enrollment information in a deidentified or aggregate format. "Benefit enrollment information" means:

(i) Information listed in (d) of this subsection;

(ii) Personal demographic details as defined in (l) of this subsection;

(iii) Benefit elections;

(iv) Date of birth;

(v) Documents provided for verification of dependency, such as tax returns or marriage or birth certificates;

(vi) Marital status;

(vii) Primary language spoken;

(viii) Tobacco use status; and

(ix) Tribal affiliation.

(2) Upon receipt of a request for information located exclusively in an employee's personnel, payroll, supervisor, or training file, the agency must provide notice to the employee, to any union representing the employee, and to the requestor. The notice must state:

(a) The date of the request;

(b) The nature of the requested record relating to the employee;

(c) That the agency will release any information in the record which is not exempt from the disclosure requirements of this chapter at least ten days from the date the notice is made; and

(d) That the employee may seek to enjoin release of the records under RCW 42.56.540.

Passed by the House April 22, 2025. Passed by the Senate April 8, 2025. Approved by the Governor May 15, 2025. Filed in Office of Secretary of State May 19, 2025.

CHAPTER 284

[House Bill 1936]

SCHOOLS—POSTRETIREMENT EMPLOYMENT—EXTENSION

AN ACT Relating to extending the expiration of certain school employee postretirement employment restrictions; amending RCW 41.32.570, 41.32.802, 41.32.862, 41.35.060, and 41.40.037; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 41.32.570 and 2022 c 110 s 1 are each amended to read as follows:

(1)(a) If a retiree enters employment with an employer sooner than one calendar month after his or her accrual date, the retiree's monthly retirement allowance will be reduced by five and one-half percent for every seven hours worked during that month. This reduction will be applied each month until the retiree remains absent from employment with an employer for one full calendar month.

(b) The benefit reduction provided in (a) of this subsection will accrue for a maximum of one hundred forty hours per month. Any monthly benefit reduction over one hundred percent will be applied to the benefit the retiree is eligible to receive in subsequent months.

(2) Any retired teacher or retired administrator who enters service in any public educational institution in Washington state at least one calendar month after his or her accrual date shall cease to receive pension payments while engaged in such service, after the retiree has rendered service for more than eight hundred sixty-seven hours in a school year.

(3)(a) Between March 23, 2022, and ((July 1, 2025)) January 1, 2030, a retiree who reenters employment more than one calendar month after his or her accrual date, and who enters service in a school district in a nonadministrative position shall continue to receive pension payments while engaged in such service, until the retiree has rendered service for more than 1,040 hours in a school year.

(b) Between March 23, 2022, and ((July 1, 2025)) January 1, 2030, a retiree that retired before January 1, 2022, and who enters service in a second-class school district, as defined in RCW 28A.300.065, as either a district superintendent or an in-school administrator shall continue to receive pension payments while engaged in such service, until the retiree has rendered service for more than 1,040 hours in a school year.

(4) The department shall collect and provide the state actuary with information relevant to the use of this section for the select committee on pension policy.

(5) The legislature reserves the right to amend or repeal this section in the future and no member or beneficiary has a contractual right to be employed for more than five hundred twenty-five hours per year without a reduction of his or her pension.

Sec. 2. RCW 41.32.802 and 2023 c 410 s 3 are each amended to read as follows:

(1)(a) If a retiree enters employment with an employer sooner than one calendar month after his or her accrual date, the retiree's monthly retirement allowance will be reduced by five and one-half percent for every seven hours worked during that month. This reduction will be applied each month until the retiree remains absent from employment with an employer for one full calendar month.

(b) The benefit reduction provided in (a) of this subsection will accrue for a maximum of one hundred forty hours per month. Any benefit reduction over one hundred percent will be applied to the benefit the retiree is eligible to receive in subsequent months.

(2)(a) A retiree who has satisfied the break in employment requirement of subsection (1) of this section, may work up to eight hundred sixty-seven hours per calendar year in an eligible position, as defined in RCW 41.32.010, 41.35.010, 41.37.010, or 41.40.010, or as a firefighter or law enforcement officer, as defined in RCW 41.26.030, or in a position covered by annuity and retirement income plans offered by institutions of higher education pursuant to RCW 28B.10.400, without suspension of his or her benefit.

(b)(i) Between March 23, 2022, and ((July 1, 2025)) January 1, 2030, a retiree who reenters employment more than one month after his or her accrual date, and who enters service in a school district in a nonadministrative position shall continue to receive pension payments while engaged in such service, until the retiree has rendered service for more than 1,040 hours in a calendar year.

(ii) Between March 23, 2022, and ((July 1, 2025)) January 1, 2030, a retiree that retired before January 1, 2022, and who enters service in a second-class school district, as defined in RCW 28A.300.065, as either a district superintendent or an in-school administrator shall continue to receive pension payments while engaged in such service, until the retiree has rendered service for more than 1,040 hours in a calendar year.

(iii) The legislature reserves the right to amend or repeal this subsection (2)(b) in the future and no member or beneficiary has a contractual right to be employed for more than 867 hours in a calendar year without a reduction of his or her pension.

(3) If the retiree opts to reestablish membership under RCW 41.32.044, he or she terminates his or her retirement status and immediately becomes a member. Retirement benefits shall not accrue during the period of membership and the individual shall make contributions and receive membership credit. Such a member shall have the right to again retire if eligible.

Sec. 3. RCW 41.32.862 and 2023 c 410 s 4 are each amended to read as follows:

(1)(a) If a retiree enters employment with an employer sooner than one calendar month after his or her accrual date, the retiree's monthly retirement allowance will be reduced by five and one-half percent for every seven hours worked during that month. This reduction will be applied each month until the retiree remains absent from employment with an employer for one full calendar month.

(b) The benefit reduction provided in (a) of this subsection will accrue for a maximum of one hundred forty hours per month. Any benefit reduction over one hundred percent will be applied to the benefit the retiree is eligible to receive in subsequent months.

(2)(a) A retiree who has satisfied the break in employment requirement of subsection (1) of this section, may work up to eight hundred sixty-seven hours per calendar year in an eligible position, as defined in RCW 41.32.010, 41.35.010, 41.37.010, or 41.40.010, or as a firefighter or law enforcement officer, as defined in RCW 41.26.030, or in a position covered by annuity and retirement income plans offered by institutions of higher education pursuant to RCW 28B.10.400, without suspension of his or her benefit.

(b)(i) Between March 23, 2022, and ((July 1, 2025)) January 1, 2030, a retired teacher or retired administrator who reenters employment more than one month after his or her accrual date, and who enters service in a school district in a nonadministrative position shall continue to receive pension payments while engaged in such service, until the retiree has rendered service for more than 1,040 hours in a calendar year.

(ii) Between March 23, 2022, and ((July 1, 2025)) January 1, 2030, a retiree that retired before January 1, 2022, and who enters service in a second-class school district, as defined in RCW 28A.300.065, as either a district superintendent or an in-school administrator shall continue to receive pension payments while engaged in such service, until the retiree has rendered service for more than 1,040 hours in a calendar year.

(iii) The legislature reserves the right to amend or repeal this subsection (2)(b) in the future and no member or beneficiary has a contractual right to be employed for more than 867 hours in a calendar year without a reduction of his or her pension.

(3) If the retiree opts to reestablish membership under RCW 41.32.044, he or she terminates his or her retirement status and immediately becomes a member. Retirement benefits shall not accrue during the period of membership and the individual shall make contributions and receive membership credit. Such a member shall have the right to again retire if eligible.

Sec. 4. RCW 41.35.060 and 2023 c 410 s 6 are each amended to read as follows:

(1)(a) If a retiree enters employment with an employer sooner than one calendar month after his or her accrual date, the retiree's monthly retirement allowance will be reduced by five and one-half percent for every eight hours worked during that month. This reduction will be applied each month until the retiree remains absent from employment with an employer for one full calendar month.

(b) The benefit reduction provided in (a) of this subsection will accrue for a maximum of one hundred sixty hours per month. Any benefit reduction over one hundred percent will be applied to the benefit the retiree is eligible to receive in subsequent months.

(2)(a) A retiree who has satisfied the break in employment requirement of subsection (1) of this section may work up to eight hundred sixty-seven hours per calendar year in an eligible position, as defined in RCW 41.32.010, 41.35.010, 41.37.010, or 41.40.010, or as a firefighter or law enforcement officer, as defined in RCW 41.26.030, or in a position covered by annuity and retirement income plans offered by institutions of higher education pursuant to RCW 28B.10.400, without suspension of his or her benefit.

(b) Between March 23, 2022, and ((July 1, 2025)) January 1, 2030, a retiree, including a retiree who has retired under the alternate early retirement provisions of RCW 41.35.420(3)(b) or 41.35.680(3)(b), who reenters employment more than one month after his or her accrual date, and who enters service in a school district in a nonadministrative position shall continue to receive pension payments while engaged in such service, until the retiree has rendered service for more than 1,040 hours in a calendar year. The legislature reserves the right to amend or repeal this subsection (2)(b) in the future and no member or beneficiary has a contractual right to be employed for more than 867 hours in a calendar year without a reduction of his or her pension.

(3) If the retiree opts to reestablish membership under RCW 41.35.030, he or she terminates his or her retirement status and becomes a member. Retirement benefits shall not accrue during the period of membership and the individual shall make contributions and receive membership credit. Such a member shall have the right to again retire if eligible in accordance with RCW 41.35.420 or 41.35.680. However, if the right to retire is exercised to become effective before the member has rendered two uninterrupted years of service, the retirement formula and survivor options the member had at the time of the member's previous retirement shall be reinstated.

Sec. 5. RCW 41.40.037 and 2023 c 99 s 2 are each amended to read as follows:

(1)(a) If a retiree enters employment with an employer sooner than one calendar month after his or her accrual date, the retiree's monthly retirement allowance will be reduced by five and one-half percent for every eight hours worked during that month. This reduction will be applied each month until the retiree remains absent from employment with an employer for one full calendar month.

(b) The benefit reduction provided in (a) of this subsection will accrue for a maximum of one hundred sixty hours per month. Any benefit reduction over one hundred percent will be applied to the benefit the retiree is eligible to receive in subsequent months.

(2)(a) A retiree from plan 1, plan 2, or plan 3 who has satisfied the break in employment requirement of subsection (1) of this section may work up to eight hundred sixty-seven hours per calendar year in an eligible position, as defined in RCW 41.32.010, 41.35.010, 41.37.010, or 41.40.010, or as a firefighter or law enforcement officer, as defined in RCW 41.26.030, or in a position covered by annuity and retirement income plans offered by institutions of higher education pursuant to RCW 28B.10.400, without suspension of his or her benefit.

(b) Between March 23, 2022, and ((July 1, 2025)) January 1, 2030, a retiree, including a retiree who has retired under the alternate early retirement provisions of RCW 41.40.630(3)(b) or 41.40.820(3)(b), who reenters employment more than 100 days after his or her accrual date, and who enters service in a school district in a nonadministrative position shall continue to receive pension payments while engaged in such service, until the retiree has rendered service for more than 1,040 hours in a calendar year.

(c) Between April 14, 2023, and July 1, 2026, a retiree, including a retiree who has retired under the alternate early retirement provisions of RCW 41.40.630(3)(b) or 41.40.820(3)(b), and who enters service in a nonadministrative position as a licensed nurse for a state agency, shall continue to receive pension payments while engaged in such service, until the retiree has rendered service for more than 1,040 hours in a calendar year.

(3) If the retiree opts to reestablish membership under RCW 41.40.023(12), he or she terminates his or her retirement status and becomes a member. Retirement benefits shall not accrue during the period of membership and the individual shall make contributions and receive membership credit. Such a member shall have the right to again retire if eligible in accordance with RCW 41.40.180. However, if the right to retire is exercised to become effective before the member has rendered two uninterrupted years of service, the retirement formula and survivor options the member had at the time of the member's previous retirement shall be reinstated.

(4) The department shall collect and provide the state actuary with information relevant to the use of this section for the select committee on pension policy.

(5) The legislature reserves the right to amend or repeal this section in the future and no member or beneficiary has a contractual right to be employed for more than five months in a calendar year without a reduction of his or her pension.

<u>NEW SECTION.</u> Sec. 6. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

Passed by the House April 24, 2025. Passed by the Senate April 16, 2025. Approved by the Governor May 15, 2025. Filed in Office of Secretary of State May 19, 2025.

CHAPTER 285

[Engrossed Substitute Senate Bill 5303] YAKIMA RIVER BASIN INTEGRATED PLAN—WATER SUPPLY MILESTONE— EXTENSION

AN ACT Relating to extending the water supply milestone for the Yakima river basin integrated plan to 2035; amending RCW 90.38.010, 90.38.110, 90.38.120, and 90.38.130; providing an effective date; providing an expiration date; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 90.38.010 and 2013 2nd sp.s. c 11 s 2 are each amended to read as follows:

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

(1) "Department" means the department of ecology.

(2) "Integrated plan" means the Yakima river basin integrated water resource management plan developed through a consensus-based approach by a diverse work group of representatives of the Yakama Nation, federal, state, county, and city governments, environmental organizations, and irrigation districts, which is to be implemented consistent with congressional Yakima river basin water enhancement project enactments and for which the final programmatic environmental impact statement was made available for review through public notice published in the federal register (77 FR 12076 (2012)).

(3) "Net water savings" means the amount of water that through hydrological analysis is determined to be conserved and usable for other purposes without impairing existing water rights, reducing the ability to deliver water, or reducing the supply of water that otherwise would have been available to other water users.

(4) "Trust water right" means that portion of an existing water right, constituting net water savings, that is no longer required to be diverted for beneficial use due to the installation of a water conservation project that improves an existing system. The term "trust water right" also applies to any other water right acquired by the department under this chapter for management in the Yakima river basin trust water rights program.

(5) "Water conservation project" means any project funded to further the purposes of this chapter and that achieves physical or operational improvements of efficiency in existing systems for diversion, conveyance, or application of water under existing water rights.

(6) "Water supply facility permit and funding milestone" means a date prior to June 30, ((2025)) 2035, when required permits have been approved, and funding has been secured to begin construction on one or more water supply facilities designed to provide at least ((two hundred fourteen thousand)) 214,000 acre feet of water to be used for instream and out-of-stream uses.

(7) "Yakima river basin water enhancement project" means a series of congressional enactments, originally initiated by the United States congress in 1979 under P.L. 96-162, with subsequent federal implementing legislation being passed in 1984 under section 109 of P.L. 98-381 to promote fish passage improvements, and in 1994 under P.L. 103-434, as amended by P.L. 105-62 in 1997 and P.L. 106-372 in 2000, to promote water conservation, water supply, habitat, and stream enhancement improvements in the Yakima river basin.

Sec. 2. RCW 90.38.110 and 2013 2nd sp.s. c 11 s 10 are each amended to read as follows:

(1) Prior to the appropriation of funding for the construction of a water supply project proposed in the integrated plan with a cost of greater than ((one hundred million dollars)) \$100,000,000, the state of Washington water research center shall review, evaluate, and prepare comments on the cost-benefit analysis prepared for the project by the department and the United States bureau of reclamation.

(2) To the greatest extent possible, the center must use information from existing studies, supplemented by primary research, to measure and evaluate each project's benefits and costs.

(3) The center must measure and report the economic benefits of each project subject to subsection (1) of this section, so that it is clear the extent to which an individual project is expected to result in increases in fish populations, increases in the reliability of irrigation water during severe drought years, and improvements in municipal and domestic water supply.

(4) The center may enter into agreements with other state universities and with private consultants as needed to accomplish the scope of work.

(5) The center may consult, as necessary, with the department of ecology and the Yakima river basin water enhancement project work group.

(6) No more than ((twelve)) <u>12</u> percent of any appropriations provided for the implementation of this section may be retained for administrative overhead expenses.

(7) This section expires July 1, ((2025)) <u>2035</u>.

Sec. 3. RCW 90.38.120 and 2013 2nd sp.s. c 11 s 11 are each amended to read as follows:

(1)(a) It is the intent of the legislature for the state to pay its fair share of the cost to implement the integrated plan. At least one-half of the total costs to finance the implementation of the integrated plan must be funded through federal, private, and other nonstate sources, including a significant contribution of funding from local project beneficiaries. This section applies to the total costs of the integrated plan and not to individual projects within the plan.

(b) The state's continuing support for the integrated plan shall be formally reevaluated independently by the governor and the legislature if, after December 31, 2021, and periodically thereafter, the actual funding provided through nonstate sources is less than one-half of all costs and if funding from local project beneficiaries does not comprise a significant portion of the nonstate sources.

(2) The department shall deliver, consistent with the intent of this section, a cost estimate and financing plan that addresses the total estimated cost to implement the integrated plan and analyzes various financing options. The cost estimate and financing plan must include a description of state expenditures as of September 28, 2013, incurred implementing the integrated plan and proposed state expenditures in the 2015-2017 biennium and beyond with proposed financing sources for each project.

(3) In addition, the <u>department, with assistance from the</u> office of the state treasurer, shall prepare supplementary chapters to the cost estimate and financing plan for the department that:

(a) Identifies and evaluates potential new state financing sources to pay for the state's contribution towards the overall costs of the Yakima integrated plan's implementation;

(b) Identifies and evaluates potential new local financing sources to pay for a significant local contribution towards the overall costs of the Yakima integrated plan's implementation;

(c) Considers the viability, and evaluates the advantages and disadvantages of various financing mechanisms such as revenue bonds, general obligation bonds, and other financing models;

(d) Identifies past, current, and anticipated future costs that will be, or are anticipated to be, paid by nonstate sources such as federal sources, private sources, and local sources; and (e) Considers how cost overruns of projects associated with the integrated plan could affect long-term financing of the overall integrated plan and provides options for how cost overruns can be addressed.

(4) The department may, in the sole discretion of the department, contract with state universities or private consultants for any part of the cost estimate and financing plan required under this section.

(5) The initial cost estimate and financing plan required by this section must be provided to the governor and the legislature, consistent with RCW 43.01.036, by no later than December 15, 2014, for consideration in preparing the 2015-2017 biennial budget and future budgets. The cost estimate and financing plan must be updated by September 1st of each successive even-numbered year.

Sec. 4. RCW 90.38.130 and 2013 2nd sp.s. c 11 s 12 are each amended to read as follows:

(1) Subject to the availability of amounts appropriated for this specific purpose, the department of natural resources is authorized to purchase land to be held in the community forest trust under RCW 79.155.040 to serve the purposes of the community forest trust including the protection of Yakima river basin functioning, without complying with the requirements of RCW 79.155.030(1), 79.155.060, or 79.155.070, relating to the identification, prioritization, local commitment, and financial contribution normally prerequisite to nominating and acquiring community forest trust lands. The purchase must be reviewed and approved by the board of natural resources. In its evaluation of this acquisition pursuant to RCW 79.155.040(3), the board is relieved from considering the criteria for identifying and prioritizing land set forth in RCW 79.155.050. Once purchased, the land must be managed by the department of natural resources in consultation with the department of fish and wildlife. Any investment in the land purchase with funds belonging to the common school trust constitutes a loan from the irreducible principal of the common school trust and may only be made if first determined to be a prudent investment by the board of natural resources. An annual interest payment on the loan of nine percent must be paid, with six percent deposited into the common school construction account and three percent deposited into the real property replacement account. Interest begins to accrue on the date the land purchase is completed and is due and payable July 1st following the completion of the state fiscal year. The principal of the loan must be repaid in accordance with the provisions of subsection (3) of this section.

(2) The land purchased under this authority must be managed under a transitional postacquisition management plan during the period between the date of purchase and the water supply facility permit and funding milestone or until June 30, ((2025)) 2035, whichever is sooner. The plan must be consistent with RCW 79.155.080(1), provided that the lands acquired as community forest trust lands are not required to generate financial support for their management as would otherwise be required by RCW 79.155.020(2), 79.155.030(2)(d), and 79.155.080(3), and provided further that the authority granted to the department to divest of the property under RCW 79.155.080(4) does not apply to these lands. The department of natural resources must develop the transitional postacquisition management plan in consultation with the department of fish and wildlife.

(a) The plan must ensure that the land is managed in a manner that is consistent with the Yakima basin integrated plan principles for forestland acquisitions, including the following:

(i) To protect and enhance the water supply and protect the watershed;

(ii) To maintain working lands for forestry and grazing while protecting key watershed functions and aquatic habitat;

(iii) To maintain and where possible expand recreational opportunities consistent with watershed protection, for activities such as hiking, fishing, hunting, horseback riding, camping, birding, and snowmobiling;

(iv) To conserve and restore vital habitat for fish, including steelhead, spring chinook, and bull trout, and wildlife, including deer, elk, large predators, and spotted owls; and

(v) To support a strong community partnership, in which the Yakama Nation, residents, business owners, local governments, conservation groups, and others provide advice about ongoing land management.

(b) The department of natural resources, in consultation with the department of fish and wildlife, must establish the Teanaway community forest advisory committee that includes representatives from the department of ecology, the local community, land conservation organizations, the Yakama Nation, the Kittitas county commission, and local agricultural interests.

(c) By June 30, 2015, the department of natural resources must complete the transitional postacquisition management plan with a public process that involves interested stakeholders, particularly residents from Kittitas county, friends of the Teanaway, back country horsemen, off-road vehicle and snowmobile users, a representative from Kittitas field and stream, hikers and wildlife watchers, and ranchers who graze cattle.

(3) After the water supply facility permit and funding milestone or June 30, $((\frac{2025}{2035}))$ 2035, whichever is sooner, the land must be disposed of in the following manner:

(a) If the water supply facility permit and funding milestone conditions have been met, the land remains in the community forest trust and the transitional postacquisition management plan must be converted to a permanent postacquisition management plan with whatever updates and amendments are periodically adopted. Under these conditions, the remaining principal of any investment in the land purchased with funds belonging to the common school trust must be repaid to the real property replacement account.

(b) If the water supply facility permit and funding milestone conditions have not been met, the board of natural resources must decide between the following dispositions of the land:

(i) Deposit of the entire amount of land purchased into the ownership of the common school trust for management or disposition for the benefit of the common schools; or

(ii) Disposition under the terms of (a) of this subsection.

<u>NEW SECTION.</u> Sec. 5. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect June 30, 2025.

Passed by the Senate April 17, 2025. Passed by the House April 10, 2025. Approved by the Governor May 15, 2025. Filed in Office of Secretary of State May 19, 2025.

CHAPTER 286

[Substitute Senate Bill 5323]

PROPERTY STOLEN FROM FIRST RESPONDERS—PENALTIES

AN ACT Relating to the penalties for theft and possession of stolen property from first responders; amending RCW 9A.56.150 and 9A.56.030; and prescribing penalties.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 9A.56.150 and 2009 c 431 s 12 are each amended to read as follows:

(1) A person is guilty of possessing stolen property in the first degree if he or she possesses stolen property, other than a firearm as defined in RCW 9.41.010 or a motor vehicle, which ((exceeds)):

(a) Exceeds five thousand dollars in value; or

(b) Was property or equipment used by firefighters or emergency medical service providers that is critical to their work in an emergency setting and taken from a fire station, fire department vehicle, or emergency medical services building, facility, structure, or vehicle; and

(i) The loss of the property or equipment significantly hindered or delayed the firefighter's or emergency medical service provider's ability to respond to an ongoing emergency; or

(ii) The property or equipment exceeds \$1,000 in value.

(2) Possessing stolen property in the first degree is a class B felony.

Sec. 2. RCW 9A.56.030 and 2017 c 266 s 10 are each amended to read as follows:

(1) Except as provided in RCW 9A.56.400, a person is guilty of theft in the first degree if he or she commits theft of:

(a) Property or services which exceed(s) five thousand dollars in value other than a firearm as defined in RCW 9.41.010;

(b) Property of any value, other than a firearm as defined in RCW 9.41.010 or a motor vehicle, taken from the person of another;

(c) A search and rescue dog, as defined in RCW 9.91.175, while the search and rescue dog is on duty; ((or))

(d) Commercial metal property, nonferrous metal property, or private metal property, ((as those terms are defined in RCW 19.290.010,)) and the costs of the damage to the owner's property exceed five thousand dollars in value; or

(e) Property or equipment used by firefighters or emergency medical service providers that is critical to their work in an emergency setting and taken from a fire station, fire department vehicle, or emergency medical services building, facility, structure, or vehicle; and

(i) The loss of the property or equipment significantly hindered or delayed the firefighter's or emergency medical service provider's ability to respond to an ongoing emergency; or

(ii) The property or equipment exceeds \$1,000 in value.

(2) Theft in the first degree is a class B felony.

Passed by the Senate April 21, 2025. Passed by the House April 14, 2025. Approved by the Governor May 15, 2025. Filed in Office of Secretary of State May 19, 2025.

CHAPTER 287

[Senate Bill 5485]

LIVESTOCK IDENTIFICATION PROGRAM AND INSPECTION FEES-EXTENSION

AN ACT Relating to livestock identification; amending RCW 16.57.460; amending 2023 c 46 ss 7, 8, and 9 (uncodified); and providing an expiration date.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 16.57.460 and 2023 c 46 s 4 are each amended to read as follows:

(1) The department shall submit a livestock inspection program report pursuant to RCW 43.01.036 by November 1, 2023, and annually thereafter, to the appropriate committees of the legislature having oversight over agriculture and fiscal matters. The report must also be submitted to the livestock identification advisory committee created in RCW 16.57.015. The report must include amounts collected, a report on program expenditures, and any recommendations for making the program more efficient, improving the program, or modifying livestock inspection fees to cover the costs of the program. The report must also address the financial status of the program, including whether there is a need to review fees so that the program continues to be supported by fees.

(2) This section expires July 1, ((2026)) 2030.

Sec. 2. 2023 c 46 s 7 (uncodified) is amended to read as follows: Sections 1, 5, 8, and 11 of this act expire July 1, $((\frac{2026}{2})) 2030$.

Sec. 3. 2023 c 46 s 8 (uncodified) is amended to read as follows: Sections 1, 3, 5, and 6 of this act expire July 1, ((2026)) 2030.

Sec. 4. 2023 c 46 s 9 (uncodified) is amended to read as follows: Section 2 of this act takes effect July 1, ((2026)) 2030.

Passed by the Senate February 25, 2025.

Passed by the House April 14, 2025.

Approved by the Governor May 15, 2025.

Filed in Office of Secretary of State May 19, 2025.

CHAPTER 288

[Senate Bill 5543]

COLLEGE BOUND SCHOLARSHIP—ELIGIBILITY—HIGH SCHOOL EQUIVALENCY

CERTIFICATES

AN ACT Relating to equity in eligibility for the college bound scholarship; and amending RCW 28B.118.010.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 28B.118.010 and 2024 c 323 s 2 are each amended to read as follows:

The office of student financial assistance shall design the Washington college bound scholarship program in accordance with this section and in alignment with the Washington college grant program in chapter 28B.92 RCW unless otherwise provided in this section. The right of an eligible student to receive a college bound scholarship vest upon enrollment in the program that is earned by meeting the requirements of this section as it exists at the time of the student's enrollment under subsection (2) of this section.

(1) "Eligible students" are those students who:

(a) Qualify for free or reduced-price lunches.

(i) If a student qualifies in the seventh or eighth grade, the student remains eligible even if the student does not receive free or reduced-price lunches thereafter.

(ii) Beginning in the 2019-20 academic year, if a student qualifies for free or reduced-price lunches in the ninth grade and was previously ineligible during the seventh or eighth grade while he or she was a student in Washington, the student is eligible for the college bound scholarship program;

(b) Are dependent pursuant to chapter 13.34 RCW and:

(i) In grade seven through 12; or

(ii) Are between the ages of 18 and 21 and have not graduated from high school; or

(c) Were dependent pursuant to chapter 13.34 RCW and were adopted between the ages of 14 and 18 with a negotiated adoption agreement that includes continued eligibility for the Washington state college bound scholarship program pursuant to RCW 74.13A.025.

(2)(a) Every eligible student shall be automatically enrolled by the office of student financial assistance, with no action necessary by the student, student's family, or student's guardians.

(b) Eligible students and the students' parents or guardians shall be notified of the student's enrollment in the Washington college bound scholarship program and the requirements for award of the scholarship by the office of student financial assistance. To the maximum extent practicable, an eligible student must acknowledge enrollment in the college bound scholarship program and receipt of the requirements for award of the scholarship.

(c) The office of the superintendent of public instruction and the department of children, youth, and families must provide the office of student financial assistance with a list of eligible students when requested. The office of student financial assistance must determine the most effective methods, including timing and frequency, to notify eligible students of enrollment in the Washington college bound scholarship program. The office of student financial assistance must take reasonable steps to ensure that eligible students acknowledge enrollment in the college bound scholarship program and receipt of the requirements for award of the scholarship. The office of student financial assistance shall also make available to every school district information, brochures, and posters to increase awareness and to enable school districts to notify eligible students directly or through school teachers, counselors, or school activities. (3) Except as provided in subsection (4) of this section, an eligible student must:

(a)(i) Graduate from a public high school under RCW 28A.150.010((;)) or an approved private high school under chapter 28A.195 RCW in Washington, <u>have received a high school equivalency certificate under RCW 28B.50.536</u>, or have received home-based instruction under chapter 28A.200 RCW; and

(ii) For eligible students enrolling in a postsecondary educational institution for the first time beginning with the 2023-24 academic year, graduate with at least a "C" average for consideration of direct admission to a public or private four-year institution of higher education;

(b) Have no felony convictions;

(c) Be a resident student as defined in RCW 28B.15.012(2) (a) through (e); and

(d) Have a family income that does not exceed 65 percent of the state median family income at the time of high school graduation.

(4)(((a))) An eligible student who is a resident student under RCW 28B.15.012(2)(e) must also provide the institution, as defined in RCW 28B.15.012, an affidavit indicating that the individual will file an application to become a permanent resident at the earliest opportunity the individual is eligible to do so and a willingness to engage in any other activities necessary to acquire citizenship, including but not limited to citizenship or civics review courses.

(((b) For eligible students as defined in subsection (1)(b) and (c) of this section, a student may also meet the requirement in subsection (3)(a) of this section by receiving a high school equivalency certificate as provided in RCW 28B.50.536.))

(5)(a) For students attending two or four-year institutions of higher education as defined in RCW 28B.10.016, the value of the award shall be (i) the difference between the student's tuition and required fees, less the value of any state-funded grant, scholarship, or waiver assistance the student receives; (ii) plus five hundred dollars for books and materials.

(b) For students attending private four-year institutions of higher education in Washington, the award amount shall be the representative average of awards granted to students in public research universities in Washington or the representative average of awards granted to students in public research universities in Washington in the 2014-15 academic year, whichever is greater.

(c) For students attending private vocational schools in Washington, the award amount shall be the representative average of awards granted to students in public community and technical colleges in Washington or the representative average of awards granted to students in public community and technical colleges in Washington in the 2014-15 academic year, whichever is greater.

(6) Eligible students must enroll no later than the fall term, as defined by the institution of higher education, one academic year following high school graduation. College bound scholarship eligibility may not extend beyond six years or 150 percent of the published length of the program in which the student is enrolled or the credit or clock-hour equivalent.

(7) Institutions of higher education shall award the student all need-based and merit-based financial aid for which the student would otherwise qualify. The Washington college bound scholarship is intended to replace unmet need, loans, and, at the student's option, work-study award before any other grants or scholarships are reduced.

(8) The first scholarships shall be awarded to students graduating in 2012.

(9) The eligible student has a property right in the award, but the state of Washington retains legal ownership of tuition units awarded as scholarships under this chapter until the tuition units are redeemed. These tuition units shall remain separately held from any tuition units owned under chapter 28B.95 RCW by a Washington college bound scholarship recipient.

(10) Should the recipient terminate his or her enrollment for any reason during the academic year, the unused portion of the scholarship tuition units shall revert to the Washington college bound scholarship account.

Passed by the Senate March 7, 2025. Passed by the House April 10, 2025. Approved by the Governor May 15, 2025. Filed in Office of Secretary of State May 19, 2025.

CHAPTER 289

[Senate Bill 5682]

CUSTOMIZED EMPLOYMENT TRAINING PROGRAM TAX CREDIT-EXTENSION

AN ACT Relating to the Washington customized employment training program; amending RCW 82.04.449; creating new sections; and providing an expiration date.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> Sec. 1. The legislature finds that affordable employerspecific worker training not only helps businesses but also improves the quality of life for workers and communities. The legislature also finds that 75 percent of participating businesses completed customized training under the program created in RCW 28B.67.020 and repaid the customized employment training program training allowance, a performance threshold identified by the 67th legislature as satisfactory to extend the expiration date of the tax credit established in RCW 82.04.449. It is the intent of the legislature to aid in attracting and retaining jobs in Washington by extending the expiration of the customized employment training program tax credit to July 1, 2031.

Sec. 2. RCW 82.04.449 and 2021 c 116 s 3 are each amended to read as follows:

(1) In computing the tax imposed under this chapter, a credit is allowed for participants in the Washington customized employment training program created in RCW 28B.67.020. The credit allowed under this section is equal to 50 percent of the value of a participant's payments to the employment training finance account created in RCW 28B.67.030. If a participant in the program does not meet the requirements of RCW 28B.67.020(2)(b)(ii), the participant must remit to the department the value of any credits taken plus interest. The credit earned by a participant in one calendar year may be carried over to be credited against taxes incurred in a subsequent calendar year. No credit may be allowed for repayment of training allowances received from the Washington customized employment training program on or after July 1, (($\frac{2026}{2031}$).

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

(3) By December 31, ((2024)) 2028, the college board, as defined in RCW 28B.50.030, shall submit to the higher education committees of the legislature a report on:

(a) ((Industries supported by the program;

(b) The geographical location of companies utilizing the program;

(c) The number of employees trained;

(d) The types of occupations included in the training;

(e) The wages of employees trained prior to program entrance and the wage growth one year after training;

(f) Retention of employees for a period of one year after training; and

(g) Credential attainment of employees upon completion of the training, if applicable)) The distribution of credit eligibility by county, as indicated by participants in the Washington customized employment training program created in RCW 28B.67.020;

(b) The distribution of qualified training institutions that provided trainings under the Washington customized employment training program, by county; and

(c) Efforts taken by the college board to encourage use of the credit by a greater variety of industries and participation of a greater variety of qualified training institutions, as defined in RCW 28B.67.010.

(4) This section expires July 1, 2033.

<u>NEW SECTION.</u> Sec. 3. (1) This section is the tax preference performance statement for the tax preference contained in section 2, chapter . . ., Laws of 2025 (section 2 of this act). This performance statement is only intended to be used for subsequent evaluation of the tax preference. 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 this tax preference as one intended to accomplish a general purpose, as indicated in RCW 82.32.808(2)(f), which is to provide customized workforce development and skill development training that enhances worker skill sets.

(3) It is the legislature's specific public policy objective to provide customized training assistance that retains and expands existing businesses in Washington.

(4) If a review finds that 75 percent of participating businesses complete the training and repay the customized employment training program loan, then the legislature intends to extend the expiration date of this tax preference.

(5) In order to obtain the data necessary to perform the review in subsection (4) of this section, the joint legislative audit and review committee may refer to any data collected by the state.

Passed by the Senate March 11, 2025. Passed by the House April 16, 2025. Approved by the Governor May 15, 2025. Filed in Office of Secretary of State May 19, 2025.

CHAPTER 290

[Senate Bill 5435]

PUBLIC EMPLOYEES' COLLECTIVE BARGAINING-STATUTE REORGANIZATION

AN ACT Relating to reorganizing and adding subchapter headings to public employees' collective bargaining statutes; adding new sections to chapter 41.56; creating new sections; recodifying RCW 41.56.010, 41.56.030, 41.56.035, 41.56.037, 41.56.040, 41.56.090, 41.56.110, 41.56.113, 41.56.120, 41.56.140, 41.56.150, 41.56.160, 41.56.165, 41.56.210, 41.56.220, 41.56.230, 41.56.520, 41.56.510, 41.56.025, 41.56.0251, 41.56.026, 41.56.027, 41.56.028, 41.56.029, 41.56.500, 41.56.510, 41.56.510, 41.56.020, 41.56.021, 41.56.027, 41.56.028, 41.56.029, 41.56.500, 41.56.510, 41.56.612, 41.56.021, 41.56.021, 41.56.021, 41.56.025, 41.56.024, 41.56.021, 41.56.025, 41.56.025, 41.56.021, 41.56.021, 41.56.025, 41.56.024, 41.56.513, 41.56.203, 41.56.425, 41.56.430, 41.56.420, 41.56.515, 41.56.452, 41.56.452, 41.56.452, 41.56.452, 41.56.452, 41.56.450, 41.56.470, 41.56.473, 41.56.475, 41.56.480, 41.56.490, 41.56.492, 41.56.490, 41.56.490, 41.56.900, 41.56.900, 41.56.900, 41.56.900, 41.56.900, 41.56.900, 41.56.907, and 41.56.913; and repealing RCW 41.56.130 and 41.56.915.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> Sec. 1. It is the intent of the legislature to reorganize chapter 41.56 RCW into subchapters to simplify navigation of the statute. The legislature does not intend to make, and no provision of this act may be construed as making, a substantive change to the provisions of chapter 41.56 RCW. Additionally, the subchapter headings and captions used in this act may not be construed as any part of the law.

<u>NEW SECTION.</u> Sec. 2. The following sections are each recodified as sections in chapter 41.56 RCW to be added under the subchapter headings provided:

(1) GENERAL PROVISIONS. RCW 41.56.010, 41.56.030, 41.56.035, 41.56.037, 41.56.040, 41.56.090, 41.56.110, 41.56.113, 41.56.120, 41.56.140, 41.56.150, 41.56.160, 41.56.165, 41.56.210, 41.56.220, 41.56.230, 41.56.520, and 41.56.914.

(2) APPLICATION AND SCOPE OF BARGAINING. RCW 41.56.020, 41.56.025, 41.56.0251, 41.56.026, 41.56.027, 41.56.028, 41.56.029, 41.56.500, 41.56.510, and 41.56.515.

(3) REPRESENTATION DETERMINATIONS. RCW 41.56.050, 41.56.060, 41.56.070, 41.56.080, and 41.56.095.

(4) NEGOTIATIONS AND ARBITRATION. RCW 41.56.100, 41.56.122, 41.56.123, 41.56.125, and 41.56.950.

(5) INSTITUTIONS OF HIGHER EDUCATION. RCW 41.56.021, 41.56.0215, 41.56.022, 41.56.024, 41.56.513, 41.56.203, and 41.56.205.

(6) INTEREST ARBITRATION. RCW 41.56.430, 41.56.440, 41.56.450, 41.56.452, 41.56.465, 41.56.470, 41.56.473, 41.56.475, 41.56.480, 41.56.490, 41.56.492, 41.56.496, and 41.56.516.

(7) CHAPTER CONSTRUCTION AND LIMITATIONS. RCW 41.56.900, 41.56.905, 41.56.906, 41.56.907, and 41.56.913.

<u>NEW SECTION.</u> Sec. 3. The following acts or parts of acts are each repealed:

(1) RCW 41.56.130 (Rules and regulations of Washington state personnel resources board—Mandatory subjects); and

(2) RCW 41.56.915 (Effective date—2006 c 54) and 2006 c 54 s 13.

<u>NEW SECTION.</u> Sec. 4. The code reviser shall correct any cross-references to sections recodified by this act.

Passed by the Senate February 12, 2025. Passed by the House April 15, 2025. Approved by the Governor May 16, 2025. Filed in Office of Secretary of State May 19, 2025.

CHAPTER 291

[Substitute Senate Bill 5556] ADOPT-A-HIGHWAY PROGRAM—VARIOUS PROVISIONS

AN ACT Relating to modernizing the adopt-a-highway program to improve its ability to meet its original purpose within existing fiscal limitations; amending RCW 47.40.100 and 47.36.400; adding a new section to chapter 47.40 RCW; creating a new section; and providing an effective date.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> Sec. 1. (1) The legislature recognizes that the state's adopt-a-highway program has enabled individuals, groups, and businesses to participate in keeping the state's highways clean and that the program has been successful for over 30 years in helping to reduce litter in Washington. The legislature further finds that the program requires a modernization to ensure the original purpose of providing volunteers and businesses an opportunity to contribute to a cleaner environment, enhanced roadsides, and protection of wildlife habitats is fulfilled.

(2) The legislature further finds that transportation funding resources are limited and the needs are great. Therefore, the legislature intends to add additional accountability to the program and ensure that the department of transportation's limited resources can be directed to areas with the greatest need.

(3) To that end, the legislature intends to (a) prioritize funding for the program in alignment with priorities for the transportation system as a whole, and (b) ensure that volunteers and businesses participating as volunteers and/or sponsors are committed to the goals of the program and are provided the opportunity to participate, to the extent funds are available.

Sec. 2. RCW 47.40.100 and 2019 c 353 s 11 are each amended to read as follows:

(1)(a) ((The)) Subject to the availability of amounts appropriated for this specific purpose in an omnibus transportation appropriations act, the department of transportation shall establish a statewide adopt-a-highway program. The purpose of the program is to provide volunteers and businesses an opportunity to contribute to a cleaner environment, enhanced roadsides, and protection of wildlife habitats. Participating volunteers and businesses shall adopt department-designated sections of state highways, rest areas, park and ride lots, intermodal facilities, and any other facilities the department deems appropriate, in accordance with rules adopted by the department. The department may elect to coordinate a consortium of participants for adopt-a-highway projects.

(b) The adopt-a-highway program shall include, at a minimum, litter control for the adopted section, and may include additional responsibilities such as planting and maintaining vegetation, controlling weeds, graffiti removal, and any other roadside improvement or clean-up activities the department deems appropriate. Whenever possible, when planting and maintaining vegetation, volunteers and businesses should use native forage plants that are pollen-rich or nectar-rich and beneficial for all pollinators, including honey bees, in order to develop habitat beneficial for the feeding, nesting, and reproduction of pollinators. The department shall not accept adopt-a-highway proposals that would have the effect of terminating classified employees or classified employee positions.

(2) A volunteer group ((or)), business, or sponsor choosing to participate in the adopt-a-highway program must submit a proposal to the department. The department shall review the proposal for consistency with departmental policy and rules. The department may accept, reject, or modify an applicant's proposal.

(3) The department shall seek partnerships with volunteer groups and businesses to facilitate the goals of this section. The department may solicit funding for the adopt-a-highway program that allows private entities to undertake all or a portion of financing for the initiatives. The department shall develop guidelines regarding the cash, labor, and in-kind contributions to be performed by the participants.

(4) An organization whose name: (a) Endorses or opposes a particular candidate for public office, (b) advocates a position on a specific political issue, initiative, referendum, or piece of legislation, or (c) includes a reference to a political party shall not be eligible to participate in the adopt-a-highway program.

(5) In administering the adopt-a-highway program, the department shall:

(a) Provide a standardized application form, registration form, and contractual agreement for all participating groups. The forms shall notify the prospective participants of the <u>reporting requirements of subsection (7) of this</u> section and the risks and responsibilities to be assumed by the department and the participants;

(b) Require all participants to be at least fifteen years of age;

(c) Require parental consent for all minors;

(d) Require at least one adult supervisor for every eight minors;

(e) Require one designated leader for each participating organization, unless the department chooses to coordinate a consortium of participants;

(f) Assign each participating organization a section or sections of state highway, or other state-owned transportation facilities, for a specified period of time;

(g) ((Recognize)) Subject to the availability of amounts appropriated for this specific purpose in an omnibus transportation appropriations act, recognize the efforts of a participating organization by erecting and maintaining signs with the organization's name on both ends of the organization's section of highway;

(h) Provide appropriate safety equipment. Safety equipment issued to participating groups must be returned to the department upon termination of the applicable adopt-a-highway agreement;

(i) Provide safety training for all participants;

(j) Pay any and all premiums or assessments required under RCW 51.12.035 to secure medical aid benefits under chapter 51.36 RCW for all volunteers participating in the program;

(k) Require participating businesses to pay all employer premiums or assessments required to secure medical aid benefits under chapter 51.36 RCW for all employees or agents participating in the program;

(1) Maintain records of all injuries and accidents that occur;

(m) Adopt rules that establish a process to resolve any question of an organization's eligibility to participate in the adopt-a-highway program;

(n) Obtain permission from property owners who lease right-of-way before allowing an organization to adopt a section of highway on such leased property; and

(o) Establish procedures and guidelines for the adopt-a-highway program.

(6) Nothing in this section affects the rights or activities of, or agreements with, adjacent landowners, including the use of rights-of-way and crossings, nor impairs these rights and uses by the placement of signs.

(7) The department shall submit annually by December 1st to the transportation committees of the legislature and the office of financial management a list in excel or similar electronic format that includes: (a) Each participating organization and program applicant; (b) whether the participant or applicant partners with a paid contractor or acts solely as a volunteer; (c) the location of each highway section adopted; (d) whether the participant has met the obligations of its contractual agreement during the last year; and (e) any contextual information the department deems relevant.

Sec. 3. RCW 47.36.400 and 1998 c 180 s 1 are each amended to read as follows:

((The)) <u>Subject to the availability of amounts appropriated for this specific</u> <u>purpose in an omnibus transportation appropriations act, the</u> department may install adopt-a-highway signs, with the following restrictions:

(1) Signs shall be designed by the department and may only include the words "adopt-a-highway litter control facility" or "adopt-a-highway litter control next XX miles" and the name of the litter control area sponsor. The sponsor's name shall not be displayed more predominantly than the remainder of the sign message. Trademarks or business logos may be displayed;

(2) Signs may be placed along interstate, primary, and scenic system highways;

(3) Signs may be erected at other state-owned transportation facilities in accordance with RCW 47.40.100(1);

(4) For each litter control area designated by the department, one sign may be placed visible to traffic approaching from each direction;

(5) Signs shall be located so as not to detract from official traffic control signs installed pursuant to the manual on uniform traffic control devices adopted by the department;

(6) Signs shall be located so as not to restrict sight distance on approaches to intersections or interchanges;

(7) The department may charge reasonable fees to defray the cost of manufacture, installation, and maintenance of adopt-a-highway signs.

<u>NEW SECTION.</u> Sec. 4. A new section is added to chapter 47.40 RCW to read as follows:

By December 1, 2025, the department shall report to the transportation committees of the legislature and the office of financial management with a list in excel or similar electronic format that includes the following information for each current participant in the adopt-a-highway program established in RCW 47.40.100:

(1) Name of the participating or applying volunteer group or sponsor;

(2) Whether the participant or applicant partners with a paid contractor or acts solely as a volunteer;

(3) The location of each highway section adopted;

(4) The participant's record of compliance with the obligations of its contractual agreement since becoming a program participant; and

(5) Any contextual information the department deems relevant.

<u>NEW SECTION.</u> Sec. 5. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

<u>NEW SECTION.</u> Sec. 6. Sections 2 and 3 of this act take effect July 1, 2026.

Passed by the Senate April 22, 2025. Passed by the House April 11, 2025.

Approved by the House April 11, 2025.

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Filed in Office of Secretary of State May 19, 2025.

CHAPTER 292

[Engrossed Substitute Senate Bill 5627]

UNDERGROUND UTILITIES-EXCAVATION PRACTICES-VARIOUS PROVISIONS

AN ACT Relating to improving safe excavation practices and preventing damage to underground utilities; amending RCW 19.122.010, 19.122.020, 19.122.027, 19.122.030, 19.122.031, 19.122.040, 19.122.050, 19.122.055, 19.122.090, 19.122.100, 19.122.130, and 19.122.150; and prescribing penalties.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 19.122.010 and 2011 c 263 s 1 are each amended to read as follows:

In this chapter, the underground utility damage prevention act, the legislature intends to protect public health and safety and prevent disruption of vital utility services through a comprehensive damage prevention program that includes:

(1) Assigning responsibility for providing notice of proposed excavation, <u>free</u> locating and marking underground utilities, and reporting and repairing damage;

(2) Setting safeguards for construction and excavation near hazardous liquid and gas pipelines;

(3) Improving worker safety and public knowledge of safe practices;

(4) Collecting and analyzing damage data;

(5) Reviewing alleged violations; and

(6) Enforcing this chapter.

Sec. 2. RCW 19.122.020 and 2020 c 162 s 1 are each amended to read as follows:

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

(1) "Bar hole" means a hole made in the soil or pavement with a handoperated bar for the specific purpose of testing the subsurface atmosphere with a combustible gas indicator. (2) "Business day" means any day other than Saturday, Sunday, or a legal local, state, or federal holiday.

(3) "Commission" means the utilities and transportation commission.

(4) "Damage" includes the substantial weakening of structural or lateral support of an underground facility, penetration, impairment, or destruction of any underground protective coating, housing, or other protective device, or the severance, partial or complete, of any underground facility to the extent that the project owner or the affected facility operator determines that repairs are required.

(5) "Emergency" means any condition constituting a clear and present danger to life. <u>health</u>, or property, or a customer service outage <u>due to an unplanned utility outage that requires immediate action where an excavator or facility operator has a crew on-site or en route</u>.

(6) "End user" means any utility customer or consumer of utility services or commodities provided by a facility operator.

(7) "Equipment operator" means an individual conducting an excavation.

(8) "Excavation" and "excavate" means any operation, including the installation of signs, in which earth, rock, or other material on or below the ground is moved or otherwise displaced by any means.

(9) "Excavation confirmation code" means a code or ticket issued by a onenumber locator service for the site where an excavation is planned. The code must be accompanied by the date and time it was issued <u>and the work-to-begin</u> <u>date on the notice as provided in RCW 19.122.030(2)</u>. The excavation confirmation code is not valid until the work-to-begin date.

(10) "Excavator" means any person who engages directly in excavation.

(11) "Facility operator" means any person who owns an underground facility or is in the business of supplying any utility service or commodity for compensation. "Facility operator" does not include a utility customer who owns a service lateral that terminates at a facility operator's main utility line.

(12) "Gas" means natural gas, flammable gas, or toxic or corrosive gas.

(13) "Hazardous liquid" means:

(a) Petroleum, petroleum products, or anhydrous ammonia as those terms are defined in 49 C.F.R. Part 195 as in effect on March 1, 1998;

(b) Carbon dioxide; and

(c) Other substances designated as hazardous by the secretary of transportation and incorporated by reference by the commission by rule.

(14) "Identified but unlocatable underground facility" means an underground facility which has been identified but cannot be located with reasonable accuracy.

(15) "Large project" means a project that exceeds seven hundred linear feet.

(16) "Locatable underground facility" means an underground facility which can be marked with reasonable accuracy.

(17) "Marking" means the use of stakes, paint, or other clearly identifiable materials to show the field location of underground facilities, in accordance with the current color code standard of the American public works association. Markings shall include identification letters indicating the specific type, best known width, and identification of the operator of the underground facility. Locate marks are not required to indicate the depth of the underground facility given the potential change of topography over time.

(18) "Notice" or "notify" means contact in person or by telephone or other electronic method, and, with respect to contact of a one-number locator service, also results in the receipt of ((a valid)) an excavation confirmation code.

(19) "One-number locator service" means a service through which a person can notify facility operators and request marking of underground facilities <u>and</u> includes the web-based platform required under RCW 19.122.027(1).

(20) "Person" means an individual, partnership, franchise holder, association, corporation, the state, a city, a county, a town, or any subdivision or instrumentality of the state, including any unit of local government, and its employees, agents, or legal representatives.

(21) "Pipeline" or "pipeline system" means all or parts of a pipeline facility through which hazardous liquid or gas moves in transportation, including, but not limited to, line pipe, valves, and other appurtenances connected to line pipe, pumping units, fabricated assemblies associated with pumping or compressor units, metering and delivery stations and fabricated assemblies therein, and breakout tanks. "Pipeline" or "pipeline system" does not include process or transfer pipelines.

(22) "Pipeline company" means a person or entity constructing, owning, or operating a pipeline for transporting hazardous liquid or gas. "Pipeline company" does not include:

(a) Distribution systems owned and operated under franchise for the sale, delivery, or distribution of natural gas at retail; or

(b) Excavation contractors or other contractors that contract with a pipeline company.

(23) "Reasonable accuracy" means location within twenty-four inches of the outside dimensions of both sides of an underground facility.

(24) "Service lateral" means an underground water, stormwater, or sewer facility located in a public right-of-way or utility easement that connects an end user's building or property to a facility operator's underground facility, and terminates beyond the public right-of-way or utility easement.

(25) "Transfer pipeline" means a buried or aboveground pipeline used to carry hazardous liquid between a tank vessel or transmission pipeline and the first valve inside secondary containment at a facility, provided that any discharge on the facility side of the first valve will not directly impact waters of the state. "Transfer pipeline" includes valves and other appurtenances connected to the pipeline, pumping units, and fabricated assemblies associated with pumping units. "Transfer pipeline" does not include process pipelines, pipelines carrying ballast or bilge water, transmission pipelines, or tank vessel or storage tanks.

(26) "Transmission pipeline" means a pipeline that transports hazardous liquid or gas within a storage field, or transports hazardous liquid or gas from an interstate pipeline or storage facility to a distribution main or a large volume hazardous liquid or gas user, or operates at a hoop stress of twenty percent or more of the specified minimum yield strength.

(27) "Underground facility" means any item buried or placed below ground for use in connection with the storage or conveyance of water, sewage, electronic, telephonic or telegraphic communications, cablevision, electric energy, petroleum products, gas, gaseous vapors, hazardous liquids, or other substances and including but not limited to pipes, sewers, conduits, cables, valves, lines, wires, manholes, attachments, and those parts of poles or anchors that are below ground. This definition does not include pipelines as defined in subsection (21) of this section, but does include distribution systems owned and operated under franchise for the sale, delivery, or distribution of natural gas at retail.

(28) "Unlocatable underground facility" means, subject to the provisions of RCW 19.122.030, an underground facility that cannot be marked with reasonable accuracy using available information to designate the location of an underground facility. "Unlocatable underground facility" includes, but is not limited to, service laterals, storm drains, and nonconductive and nonmetallic underground facilities that do not contain trace wires.

(29) "Utility easement" means a right held by a facility operator to install, maintain, and access an underground facility or pipeline.

(30) "Blind boring" means engaging in directional underground boring without potholing the underground facility, relying on surface markings only to approximate the location of underground utilities in three dimensions.

(31) "Design locating" means locating for planning purposes. "Design locating" does not include locating for excavation purposes.

(32) "Force majeure" means: Natural disasters, including fire, flood, earthquake, windstorm, avalanche, mudslide, and other similar events; acts of war or civil unrest when an emergency has been declared by appropriate governmental officials; acts of civil or military authority; embargoes; epidemics; terrorist acts; riots; insurrections; explosions; and nuclear accidents.

(33) "General contractor" has the same meaning as defined in RCW 18.27.010.

(34) "Hard surface" means an area covered with asphalt, concrete, interlocking brick or block solid stone, wood, or any similar impervious or nonporous material on the surface of the ground.

(35) "Physical exposure" means processes, such as potholing or daylighting.

(36) "Positive response" means a notification from the owner or operator of the underground facility, or the owner's or operator's authorized locating contractor, to the one-number locator service confirming that the facility owner, operator, or contracted locator has completed marking or provided location information regarding unlocatable facilities in response to a notice.

(37) "Potholing" means an excavation process that involves making a series of small test holes to accurately locate underground lines. Potholing is also known as daylighting.

(38) "Safe and careful work methods" means methods of excavation, including pot holing, hand digging when practical, vacuum excavation methods, pneumatic hand tools, or other technical methods that may be developed.

(39) "White lining" means the use of any white paint, flags, stakes, whiskers, or other locally accepted method that is distinguishable from the surrounding area.

(40) "Work-to-begin date" means an identified date not less than two full business days and not more than 10 full business days, not including Saturdays, Sundays, legal local, state, or federal holidays, from the date notice is given to a one-number locator service. Sec. 3. RCW 19.122.027 and 2011 c 263 s 3 are each amended to read as follows:

(1) The commission must establish a single statewide toll-free telephone number to be used for referring excavators to the appropriate one-number locator service. The one-number locator service shall maintain a web-based platform that provides the same services as the toll-free telephone number online. The web-based platform must meet the requirements outlined in RCW 19.122.030 (1) and (2). The web-based platform must be free of charge to those requesting location of underground facilities and operated in the same manner as the toll-free telephone number. The one-number locator service must require that an excavator provide a work-to-begin date in the notice. The one-number locator service must allow an option for the submission of a notice that generates multiple unique and individual excavation confirmation codes in accordance with RCW 19.122.030(1). This notice option does not alter any duties, obligations, or liabilities of excavators or facility operators.

(2) The commission, in consultation with the ((Washington utilities coordinating council)) entity administering the one-number locator service, must establish minimum standards and best management practices for one-number locator services.

(3) One-number locator services must be operated by nongovernmental agencies.

(4) All facility operators within a one-number locator service area must subscribe to the service.

(5) Failure to subscribe to a one-number locator service constitutes willful intent to avoid compliance with this chapter.

Sec. 4. RCW 19.122.030 and 2011 c 263 s 4 are each amended to read as follows:

(1)(a) Unless exempted under RCW 19.122.031, before commencing any excavation, an excavator must mark the boundary of the excavation area with white ((paint)) lining or, when necessary, white pin flags, applied on the ground of the worksite, then provide notice of the scheduled commencement of excavation to all facility operators through a one-number locator service. An excavator shall provide the work-to-begin date in the notice provided to the one-number locator service.

(b) If boundary marking required by (a) of this subsection is infeasible, an excavator must ((communicate directly with affected facility operators to ensure that the boundary of the excavation area is accurately identified)) provide notice electronically to a one-number locator service.

(c) An excavator may use a third-party entity, including a general contractor, to provide the required notice of the scheduled commencement of excavation to all facility operators through a one-number locator service as required in this subsection. An excavator that uses a third-party entity to provide such required notice retains all legal duties and responsibilities for compliance with this chapter.

(d) Excavators and facility operators are encouraged to incorporate best practices for underground damage prevention, improve worker safety, protect vital underground infrastructure, and ensure public safety during excavation activities conducted in the vicinity of existing underground facilities. (2) An excavator must provide the notice required by subsection (1) of this section to a one-number locator service not less than two <u>full</u> business days and not more than ((ten)) <u>10 full</u> business days before the scheduled <u>work-to-begin</u> date ((for commencement of excavation)), unless otherwise agreed by the excavator and facility operators <u>in writing</u>. If an excavator intends to work at multiple sites or at a large project, the excavator must take reasonable steps to confer with facility operators to enable them to locate underground facilities reasonably in advance of the start of excavation for each phase of the work.

(3) Upon receipt of the notice provided for in subsection (1) of this section, a facility operator must, with respect to:

(a)(i) The facility operator's locatable underground facilities, provide the excavator with reasonably accurate information by marking ((their)) facility location. Hazardous liquid and gas pipeline operators are required to locate all facilities in accordance with Title 49 C.F.R. Secs. 195.442(c)(4) through (6) and 192.614(c)(4) through (6) as they existed on the effective date of this section, or such subsequent date as may be provided by the commission by rule, consistent with the purpose of this section. This information must be provided free of charge subject to the limitations in subsections (6)(b) and (8) of this section, and the grant of authority in subsection (11) of this section;

(ii) In the event of force majeure, the facility operator's deadline to mark underground facilities as provided in subsection (4)(a) of this section, must be extended by an agreement in writing between the affected parties. The facility operator shall notify the excavator of the need for extension of the deadline as soon as reasonable, but no later than the expiration of the deadline established in subsection (4)(a) of this section;

(b) The facility operator's unlocatable or identified but unlocatable underground facilities, provide the excavator with available information as to their location prior to the work-to-begin date provided in the notice under subsection (1) of this section. For any gas or hazardous liquid pipeline, locate all facilities in accordance with Title 49 C.F.R. Secs. 195.442(c)(4) through (6) and 192.614(c)(4) through (6) as they existed on the effective date of this section, or such subsequent date as may be provided by the commission by rule, consistent with the purpose of this section; and

(c) Service laterals, designate their presence or location, if the service laterals:

(i) Connect end users to the facility operator's main utility line; and

(ii) Are within a public right-of-way or utility easement and the boundary of the excavation area identified under subsection (1) of this section.

(4)(a) A facility operator must provide information to an excavator pursuant to subsection (3) of this section no later than ((two business days after the receipt of the notice provided for in subsection (1) of this section or before excavation ecommences, at the option of the facility operator, unless otherwise agreed by the parties)) the work-to-begin date on the notice provided for in subsections (1) and (2) of this section, unless otherwise agreed by written agreement between the facility operator and excavator.

(b) A facility operator complying with subsection (3)(b) and (c) of this section may do so in a manner that includes any of the following methods:

(i) Placing within a proposed excavation area a triangular mark at the main utility line pointing at the building, structure, or property in question, indicating the presence of an unlocatable or identified but unlocatable underground facility, including a service lateral;

(ii) Arranging to meet an excavator at a worksite to provide available information about the location of service laterals; or

(iii) Providing copies of the best reasonably available records by electronic message, mail, facsimile, or other delivery method.

(c) A facility operator's good faith attempt to comply with subsection (3)(b) and (c) of this section:

(i) Constitutes full compliance with the requirements of this section, and no person may be found liable for damages or injuries that may result from such compliance, apart from liability for arranging for repairs or relocation as provided in RCW 19.122.050(2); and

(ii) Does not constitute any assertion of ownership or operation of a service lateral by the facility operator.

(d) An end user is responsible for determining the location of a service lateral on their property or a service lateral that they own. An end user is responsible for locating on their own property the underground facilities that they own. The one-number locator service shall maintain a list of private-line locate service providers who may be hired at the cost of the end user for the location of service laterals. Nothing in this section may be interpreted to require an end user to subscribe to a one-number locator service or to locate a service lateral within a right-of-way or utility easement.

(e) Facility operators may direct the one-number locator service to send notices provided for in subsection (1) of this section to a contract locator. The facility operator retains all legal responsibility for compliance with this section.

(5) An excavator must not excavate until all known facility operators have marked ((or provided information regarding)) their locatable underground facilities or, in the case of nonhazardous liquid or nongas pipeline facilities, provided information regarding their unlocatable underground facilities as provided in this section. On and after January 1, 2026, an excavator may not commence excavation until the excavator has received positive response from all operators with underground facilities in the area identified in the notice.

(6)(a) Once marked by a facility operator, an excavator is responsible for maintaining the accuracy of the facility operator's markings of underground facilities for the lesser of:

(i) Forty-five calendar days from the date that the excavator provided notice to a one-number locator service pursuant to subsection (1) of this section; or

(ii) The duration of the excavation portion of the project.

(b) An excavator that makes repeated requests for location of underground facilities due to its failure to maintain the accuracy of a facility operator's markings as required by this subsection (6) may be charged by the facility operator for services provided.

(c) A facility operator's markings of underground utilities expire forty-five calendar days from the date that the excavator provided notice to a one-number locator service pursuant to subsection (1) of this section. For excavation occurring after that date, an excavator must provide additional notice to a one-number locator service pursuant to subsection (1) of this section.

(7) An excavator has the right to receive reasonable compensation from a facility operator for costs incurred by the excavator if the facility operator does

not locate its underground facilities in accordance with the requirements specified in this section.

(8) A facility operator has the right to receive reasonable compensation from an excavator for costs incurred by the facility operator if the excavator does not comply with the requirements specified in this section.

(9) A facility operator is not required to comply with subsection (4) of this section with respect to service laterals conveying only water if their presence can be determined from other visible water facilities, such as water meters, water valve covers, and junction boxes in or adjacent to the boundary of an excavation area identified under subsection (1) of this section.

(10) If an excavator discovers underground facilities that are not identified, the excavator must cease excavating in the vicinity of the underground facilities and immediately notify the facility operator $((\sigma r))$ through a one-number locator service. If an excavator discovers identified but unlocatable underground facilities, the excavator must notify the facility operator through a one-number locator service. Upon notification by a one-number locator service or an excavator, a facility operator must allow for location of the uncovered portion of an underground facility identified by the excavator, and may accept location information from the excavator for marking of the underground facility.

(11) Each facility operator shall provide to a one-number locator service directions on how a requestor may obtain, for design locating, information regarding the location of underground facilities. For the purpose of this subsection, a "requestor" is any person seeking the location of underground facilities for design locating. Facility operators may attach fees for design locating. However, the fees under this subsection may not be imposed on the department of transportation.

(12) Design locating is required whenever any individual applies for a development permit of any type within 700 feet of a transmission pipeline.

(a) Prior to any activity that involves grade modification, excavation, or additional loading of the soil on property within 700 feet of a transmission pipeline, the requestor must contact the transmission pipeline operator and provide documentation detailing the proposed activity.

(b) The transmission pipeline operator must respond to the requestor within 30 days to confirm a review of the documents describing the proposed activity and indicate any potential impacts from the activity on the transmission line.

(c) If after 30 days, the transmission pipeline operator does not respond to the requestor, then development activity may resume without violation.

(13) Except as provided in subsections (6)(b), (8), and (11) of this section, facility operators are prohibited from charging a fee for locating and marking their underground facilities.

(14) Nothing in this section limits a facility operator regulated by the commission from seeking recovery of costs for locating and marking its underground facilities as part of rates.

Sec. 5. RCW 19.122.031 and 2011 c 263 s 5 are each amended to read as follows:

(1) The requirements specified in RCW 19.122.030 do not apply to any of the following activities:

(a) An emergency excavation, but only with respect to ((boundary marking)) white lining and notice requirements specified in RCW 19.122.030

(1) and (2), and provided that the excavator provides notice to a one-number locator service at the earliest practicable opportunity. Facility operators must promptly respond to a notice of emergency excavation. Prompt means to dispatch locating personnel without undue delay;

(b) An excavation of less than twelve inches in depth on private noncommercial property, if the excavation is performed by the person or an employee of the person who owns or occupies the property on which the excavation is being performed;

(c) The tilling of soil for agricultural purposes less than:

(i) Twelve inches in depth within a utility easement; and

(ii) Twenty inches in depth outside of a utility easement;

(d) The replacement of an official traffic sign installed prior to January 1, 2013, no deeper than the depth at which it was installed;

(e) Road maintenance activities involving excavation less than six inches in depth below the original road grade and ditch maintenance activities involving excavation less than six inches in depth below the original ditch flowline, or alteration of the original ditch horizontal alignment;

(f) The creation of bar holes less than twelve inches in depth, or of any depth during emergency leak investigations, provided that the excavator takes reasonable measures to eliminate electrical arc hazards; ((or))

(g) Construction, operation, or maintenance activities by an irrigation district on rights-of-way, easements, or facilities owned by the federal bureau of reclamation in federal reclamation projects; or

(h) Any facility operator using safe and careful work methods to physically expose an unlocatable facility in response to a one-call notification.

(2) Any activity described in subsection (1) of this section is subject to the requirements specified in RCW 19.122.050.

Sec. 6. RCW 19.122.040 and 2011 c 263 s 8 are each amended to read as follows:

(1) Project owners shall indicate in bid or contract documents the existence of underground facilities known by the project owner to be located within the proposed area of excavation. The following are deemed to be changed or differing site conditions:

(a) An underground facility not identified as required by this chapter or other provision of law; or

(b) An underground facility not located, as required by this chapter or other provision of law, by the project owner, facility operator, or excavator if the project owner or excavator is also a facility operator.

(2) An excavator shall use reasonable care to avoid damaging underground facilities. An excavator must:

(a) Determine the precise location of underground facilities which have been marked <u>pursuant to RCW 19.122.030</u>;

(b) Plan the excavation to avoid damage to or minimize interference with underground facilities in and near the excavation area; ((and))

(c) Provide such support for underground facilities in and near the construction area, including during backfill operations, as may be reasonably necessary for the protection of such facilities:

(d) Use safe and careful work methods, taking into consideration the known and unknown underground facilities and the surface and subsurface to be excavated. If the marking is on a hard surface, methods of excavation may include pneumatic hand tools or other excavation methods that are commonly accepted as permissible for the type of surface encountered; and

(e) When directional boring will be implemented as a method of underground excavation, supplement white lining with physical exposure to avoid blind boring.

(3) If an underground facility is damaged and such damage is the consequence of the failure to fulfill an obligation under this chapter, the party failing to perform that obligation is liable for any damages. Any clause in an excavation contract which attempts to allocate liability, or requires indemnification to shift the economic consequences of liability, that differs from the provisions of this chapter is against public policy and unenforceable. Nothing in this chapter prevents the parties to an excavation contract from contracting with respect to the allocation of risk for changed or differing site conditions.

(4) In any action brought under this section, the prevailing party is entitled to reasonable attorneys' fees.

Sec. 7. RCW 19.122.050 and 2020 c 162 s 2 are each amended to read as follows:

(1) An excavator who, in the course of excavation, contacts or damages an underground facility shall notify the facility operator <u>directly</u>, if the facility <u>operator is known</u>, and a one-number locator service, and report the damage as required under RCW 19.122.053. If the damage causes an emergency condition, the excavator causing the damage shall also call 911 to alert the appropriate local public safety agencies and take all appropriate steps to ensure the public safety. No damaged underground facility may be buried until it is repaired or relocated.

(2) A facility operator notified in accordance with subsection (1) of this section shall arrange for repairs or relocation as soon as is practical, or permit the excavator to do necessary repairs or relocation at a mutually acceptable price.

Sec. 8. RCW 19.122.055 and 2011 c 263 s 10 are each amended to read as follows:

(1)(a) Any excavator who ((fails to notify a one-number locator service)) violates any provision of this chapter and causes damage to a hazardous liquid or gas underground facility is subject to a civil penalty of not more than ((ten thousand dollars)) §25,000 for each violation.

(b) The civil penalty in this subsection may also be imposed on any excavator who violates RCW 19.122.090.

(2) Any hazardous liquid or gas pipeline operator who (a): (i) Fails to accurately locate the underground facility as required under RCW 19.122.030 (3) and (4); or (ii) fails to mark its underground facilities as required under RCW 19.122.030(1), and (b) whose underground facility is damaged as a result of the failure in (a) of this subsection is subject to a civil penalty of not more than \$25,000 for each violation.

(3) A civil penalty of up to \$5,000 for each violation may be imposed on any excavator or facility operator that violates any provision of this chapter involving an underground pipeline facility, but does not cause damage to an underground pipeline facility.

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the damage prevention account created in RCW 19.122.160.

Sec. 9. RCW 19.122.090 and 2005 c 448 s 5 are each amended to read as follows:

(1) Any excavator who excavates, without ((a - valid)) an excavation confirmation code when required under this chapter, within ((thirty five)) 35 feet of a transmission pipeline is guilty of a misdemeanor.

(2) Any excavator who excavates within 35 feet of a transmission pipeline, prior to the work-to-begin date on the notice when required under this chapter, is guilty of a misdemeanor.

(3) Any excavator who excavates within 35 feet of a transmission pipeline, prior to receiving positive response from the facility operator of the transmission pipeline when required under this chapter, is guilty of a misdemeanor.

Sec. 10. RCW 19.122.100 and 2011 c 263 s 16 are each amended to read as follows:

If charged with a violation of RCW 19.122.090, an equipment operator is deemed to have established an affirmative defense to such charges if:

(1) The equipment operator was provided ((a valid)) an excavation confirmation code;

(2) The excavation was performed in an emergency situation;

(3) The equipment operator was provided a false confirmation code by an identifiable third party; or

(4) Notice of the excavation was not required under this chapter.

Sec. 11. RCW 19.122.130 and 2020 c 162 s 3 are each amended to read as follows:

(1) The commission must contract with a statewide, nonprofit entity whose purpose is to reduce damages to underground and above ground facilities, promote safe excavation practices, and review complaints of alleged violations of this chapter. The contract must not obligate funding by the commission for activities performed by the nonprofit entity or the safety committee under this section.

(2) The contracting entity must create a safety committee to:

(a) Advise the commission and other state agencies, the legislature, and local governments on best practices and training to prevent damage to underground utilities, and policies to enhance worker and public safety; and

(b) Review complaints alleging violations of this chapter involving practices related to underground facilities.

(3)(a) The safety committee will consist of thirteen members, who must be nominated by represented groups and appointed by the contracting entity to staggered three-year terms. The safety committee must include representatives of:

(i) Local governments;

(ii) A natural gas utility subject to regulation under Titles 80 and 81 RCW;

(iii) Contractors;

(iv) Excavators;

(v) An electric utility subject to regulation under Title 80 RCW;

(vi) A consumer-owned utility, as defined in RCW 19.27A.140;

(vii) A pipeline company;

(viii) A water-sewer district subject to regulation under Title 57 RCW;

(ix) The commission; ((and))

(x) A telecommunications company; and

(xi) A labor organization that historically represents workers who perform underground utility or excavation work.

(b) The safety committee may pass bylaws and provide for those organizational processes that are necessary to complete the safety committee's tasks.

(4) The safety committee must meet at least once every three months.

(5) The safety committee may review complaints of alleged violations of this chapter involving practices related to underground facilities, except for those complaints relating to damage to pipeline facilities or which involve violations of RCW 19.122.075 or 19.122.090. Any person may bring a complaint to the safety committee regarding an alleged violation occurring on or after January 1, 2013.

(6) To review complaints of alleged violations, the safety committee must <u>first receive sufficient evidence that a probable violation occurred. Once sufficient evidence has been received, the safety committee must appoint at least three and not more than five members as a review committee. The review committee must be a balanced group, including at least one excavator and one facility operator.</u>

(7) Before reviewing a complaint alleging a violation of this chapter, the review committee must ((notify the person making the complaint and the alleged violator of its review and of)) provide all complaint forms, materials, and supporting evidence that will be presented or used by the person or company making the complaint, to the alleged violator no less than 30 days prior to the scheduled date of review. Both parties must be notified of the review and be provided the opportunity to participate.

(8) The safety committee may provide written notification to the commission, with supporting documentation, that a person has likely committed a violation of this chapter, and recommend remedial action that may include a penalty amount, training, or education to improve public safety, or some combination thereof.

Sec. 12. RCW 19.122.150 and 2017 c 20 s 3 are each amended to read as follows:

(1) The commission may investigate and enforce violations of ((RCW 19.122.055, 19.122.075, and 19.122.090)) any provision of this chapter relating to pipeline facilities without initial referral to the safety committee created under RCW 19.122.130.

(2) If the commission's investigation of notifications received pursuant to RCW 19.122.140 or subsection (1) of this section substantiates violations of this chapter, the commission may impose penalties authorized by RCW 19.122.055, 19.122.070, 19.122.075, and 19.122.090, and require training, education, or any combination thereof.

(3) With respect to referrals from the safety committee, the commission must consider any recommendation by the committee regarding enforcement and remedial actions involving an alleged violator.

(4) In an action to impose a penalty initiated by the commission under subsection (1) or (2) of this section, the penalty is due and payable when the

person incurring the penalty receives a notice of penalty in writing from the commission describing the violation and advising the person that the penalty is due. The person incurring the penalty has fifteen days from the date the person receives the notice of penalty to file with the commission a request for mitigation or a request for a hearing. The commission must include this time limit information in the notice of penalty. After receiving a timely request for mitigation or hearing, the commission must suspend collection of the penalty until it issues a final order concerning the penalty or mitigation of that penalty. A person aggrieved by the commission's final order may seek judicial review, subject to provisions of the administrative procedure act, chapter 34.05 RCW.

(5) If a penalty imposed by the commission is not paid, the attorney general may, on the commission's behalf, file a civil action in superior court to collect the penalty.

Passed by the Senate April 22, 2025. Passed by the House April 11, 2025. Approved by the Governor May 16, 2025. Filed in Office of Secretary of State May 19, 2025.

CHAPTER 293

[Senate Bill 5702]

TRANSPORTATION COMMISSION—TOLL RATE SETTING—PROCESS

AN ACT Relating to streamlining the toll rate setting process at the transportation commission; amending RCW 34.05.030, 47.56.850, 47.56.165, 47.56.795, 47.46.100, and 47.46.105; adding a new section to chapter 47.56 RCW; creating a new section; and providing an effective date.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> Sec. 1. The legislature finds that most tolling facilities in Washington state are subject to strict bond covenants and financial requirements, requiring swift action in response to changing circumstances. However, the current process for setting or adjusting toll rates or toll rate policies takes an average of 160 days to complete due to requirements in the administrative procedure act, chapter 34.05 RCW. The legislature further finds that this process lacks the flexibility that is necessary to quickly adjust tolls to meet legally mandated revenue and performance requirements in response to unforeseen circumstances. Therefore, in order to address the challenges with the current toll rate setting process, it is the intent of the legislature to exempt toll setting from the administrative procedure act and to instead establish a toll setting process that can be carried out efficiently and expeditiously while maintaining public transparency.

Sec. 2. RCW 34.05.030 and 2021 c 314 s 24 are each amended to read as follows:

(1) This chapter shall not apply to:

(a) The state militia((,)); or

(b) The ((board of)) clemency and pardons (([clemency and pardons board],)) <u>board;</u> or

(c) The department of corrections or the indeterminate sentencing review board with respect to persons who are in their custody or are subject to the jurisdiction of those agencies; or

(d) The transportation commission when exercising its powers as the state tolling authority under RCW 47.56.850 and section 4 of this act.

(2) The provisions of RCW 34.05.410 through 34.05.598 shall not apply:

(a) To adjudicative proceedings of the board of industrial insurance appeals except as provided in RCW 7.68.110 and 51.48.131;

(b) Except for actions pursuant to chapter 46.29 RCW, to the denial, suspension, or revocation of a driver's license by the department of licensing;

(c) To the department of labor and industries where another statute expressly provides for review of adjudicative proceedings of a department action, order, decision, or award before the board of industrial insurance appeals;

(d) To actions of the Washington personnel resources board, the director of financial management, and the department of enterprise services when carrying out their duties under chapter 41.06 RCW;

(e) To adjustments by the department of revenue of the amount of the surcharge imposed under RCW 82.04.261;

(f) To actions to implement the provisions of chapter 70A.02 RCW, except as specified in RCW 70A.02.130; or

(g) To the extent they are inconsistent with any provisions of chapter 43.43 RCW.

(3) Unless a party makes an election for a formal hearing pursuant to RCW 82.03.140 or 82.03.190, RCW 34.05.410 through 34.05.598 do not apply to a review hearing conducted by the board of tax appeals.

(4) The rule-making provisions of this chapter do not apply to:

(a) Reimbursement unit values, fee schedules, arithmetic conversion factors, and similar arithmetic factors used to determine payment rates that apply to goods and services purchased under contract for clients eligible under chapter 74.09 RCW; and

(b) Adjustments by the department of revenue of the amount of the surcharge imposed under RCW 82.04.261.

(5) All other agencies, whether or not formerly specifically excluded from the provisions of all or any part of the administrative procedure act, shall be subject to the entire act.

Sec. 3. RCW 47.56.850 and 2009 c 498 s 15 are each amended to read as follows:

(1) Unless these powers are otherwise delegated by the legislature, the transportation commission is the tolling authority for the state. The tolling authority shall:

(a) ((Set)) <u>Consistent with the process described in section 4 of this act, set</u> toll rates, establish appropriate exemptions, <u>including discounts</u>, if any, and make adjustments as conditions warrant on eligible toll facilities;

(b) Review toll collection policies, toll operations policies, and toll revenue expenditures on the eligible toll facilities and report annually on this review to the legislature.

(2) The tolling authority, in determining toll rates, shall consider the policy guidelines established in RCW 47.56.830.

(3) Unless otherwise directed by the legislature, in setting and periodically adjusting toll rates, the tolling authority must ensure that toll rates will generate revenue sufficient to:

(a) Meet the operating costs of the eligible toll facilities, including necessary maintenance, preservation, renewal, replacement, administration, and toll enforcement by public law enforcement;

(b) Meet obligations for the timely payment of debt service on bonds issued for eligible toll facilities, and any other associated financing costs including, but not limited to, required reserves, minimum debt coverage or other appropriate contingency funding, insurance, and compliance with all other financial and other covenants made by the state in the bond proceedings;

(c) Meet obligations to reimburse the motor vehicle fund for excise taxes on motor vehicle and special fuels applied to the payment of bonds issued for eligible toll facilities; and

(d) Meet any other obligations of the tolling authority to provide its proportionate share of funding contributions for any projects or operations of the eligible toll facilities.

(4) The established toll rates may include variable pricing, and should be set to optimize system performance, recognizing necessary trade-offs to generate revenue for the purposes specified in subsection (3) of this section. Tolls may vary for type of vehicle, time of day, traffic conditions, or other factors designed to improve performance of the system.

(5) In fixing and adjusting toll rates under this section, the only toll revenue to be taken into account must be toll revenue pledged to bonds that includes toll receipts, and the only debt service requirements to be taken into account must be debt service on bonds payable from and secured by toll revenue that includes toll receipts.

(6) The legislature pledges to appropriate toll revenue as necessary to carry out the purposes of this section. When the legislature has specifically identified and designated an eligible toll facility and authorized the issuance of bonds for the financing of the eligible toll facility that are payable from and secured by a pledge of toll revenue, the legislature further agrees for the benefit of the owners of outstanding bonds issued by the state for eligible toll facilities to continue in effect and not to impair or withdraw the authorization of the tolling authority to fix and adjust tolls as provided in this section. The state finance committee shall pledge the state's obligation to impose and maintain tolls, together with the application of toll revenue as described in this section, to the owners of any bonds.

<u>NEW SECTION.</u> Sec. 4. A new section is added to chapter 47.56 RCW under the subchapter heading "TOLL FACILITIES CREATED AFTER July 1, 2008" to read as follows:

(1) When setting or adjusting toll rates on eligible toll facilities, or establishing or adjusting appropriate exemptions, including discounts, the transportation commission shall:

(a) Issue written notice to the public that the commission intends to set or adjust toll rates on a given facility. At a minimum, the notice must be published on the commission's website at least 30 days before any proposed rates would take effect;

(b) Carry out a public outreach process on a possible toll rate option or options under consideration by the commission;

(c) After review of options and public input, if any, the commission shall select the applicable toll rates and may adopt the rates as soon as needed; however, adopting toll rates is deemed to be an action as defined in RCW 42.30.020 and must occur at an open public meeting of the commission; and

(d) Within one week of adopting toll rates, the commission shall notify the public and stakeholder agencies, including the department of transportation, of the toll rates, and provide the updated information on its website.

(2) If the commission determines that immediate adoption of a toll change is necessary in order to comply with the legal or financial obligations of the state including, but not limited to, state or federal law, federal rule, federal grant conditions, or the bond covenants of the state, then the commission may adopt a toll change on an emergency basis, without observing the notice and public outreach and input requirements of subsection (1) of this section. However, notice and public outreach and input requirements must be observed to the greatest extent practicable as the emergency circumstances allow.

(3) The commission shall establish administrative fees as appropriate for toll collection processes using the same process described in subsection (1) of this section.

(4) The commission shall post all current toll rates and toll policies on its website.

(5) All open public meetings conducted under this section must include an option for the public to participate remotely through electronic means.

(6) The commission shall adopt rules that establish further detail around the toll rate setting process and where relevant information will be provided.

(7) This section does not apply to any rule making regarding toll rate setting in progress by the commission on the effective date of this section, which shall be completed under chapter 34.05 RCW.

Sec. 5. RCW 47.56.165 and 2022 c 223 s 1 are each amended to read as follows:

A special account to be known as the Tacoma Narrows toll bridge account is created in the motor vehicle fund in the state treasury.

(1) Deposits to the account must include:

(a) All proceeds of bonds issued for construction of the Tacoma Narrows public-private initiative project, including any capitalized interest;

(b) All of the toll charges and other revenues received from the operation of the Tacoma Narrows bridge as a toll facility, to be deposited at least monthly;

(c) Any interest that may be earned from the deposit or investment of those revenues;

(d) Notwithstanding RCW 47.12.063, proceeds from the sale of any surplus real property acquired for the purpose of building the second Tacoma Narrows bridge;

(e) All liquidated damages collected under any contract involving the construction of the second Tacoma Narrows bridge; and

(f) Beginning with September 2022 and ending July 1, 2032, by the last day of September, December, March, and June of each year, the state treasurer shall transfer from the general fund to the account the sum of \$3,250,000. The total amount that may be transferred pursuant to this subsection is \$130,000,000.

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(2) Proceeds of bonds shall be used consistent with RCW 47.46.130, including the reimbursement of expenses and fees incurred under agreements entered into under RCW 47.46.040 as required by those agreements.

(3) Toll charges, other revenues, and interest may only be used to:

(a) Pay required costs that contribute directly to the financing, operation, maintenance, management, and necessary repairs of the tolled facility(($\frac{1}{2}$, as determined by rule by the transportation commission)); and

(b) Repay amounts to the motor vehicle fund as required under RCW 47.46.140.

(4) Toll charges, other revenues, and interest may not be used to pay for costs that do not contribute directly to the financing, operation, maintenance, management, and necessary repairs of the tolled facility((, as determined by rule by the transportation commission)).

(5) The department shall make detailed quarterly expenditure reports available to the transportation commission and to the public on the department's website using current department resources.

(6) When repaying the motor vehicle fund under RCW 47.46.140, the state treasurer shall transfer funds from the Tacoma Narrows toll bridge account to the motor vehicle fund on or before each debt service date for bonds issued for the Tacoma Narrows public-private initiative project in an amount sufficient to repay the motor vehicle fund for amounts transferred from that fund to the highway bond retirement fund to provide for any bond principal and interest due on that date. The state treasurer may establish subaccounts for the purpose of segregating toll charges, bond sale proceeds, and other revenues.

Sec. 6. RCW 47.56.795 and 2015 c 292 s 2 are each amended to read as follows:

(1) A toll collection system may include, but is not limited to, electronic toll collection and photo tolling.

(2)(a) A photo toll system may take photographs, digital photographs, microphotographs, videotapes, or other recorded images of the vehicle and vehicle license plate only.

(b) Notwithstanding any other provision of law, all photographs, digital photographs, microphotographs, videotape, other recorded images, or other records identifying a specific instance of travel prepared under this chapter are for the exclusive use of the tolling agency for toll collection and enforcement purposes and are not open to the public and may not be used in a court in a pending action or proceeding unless the action or proceeding relates to a civil penalty under RCW 46.63.160. No photograph, digital photograph, microphotograph, videotape, other recorded image, or other record identifying a specific instance of travel may be used for any purpose other than toll collection or enforcement of civil penalties under RCW 46.63.160. Records identifying a specific instance of travel by a specific person or vehicle must be retained only as required to ensure payment and enforcement of tolls and to comply with state records retention policies. Aggregate records that do not identify an individual, vehicle, or account may be maintained.

(3) The department and its agents shall only use electronic toll collection system technology for toll collection purposes.

(4) Tolls may be collected and paid by the following methods:

(a) A customer may pay an electronic toll through an electronic toll collection account;

(b) A customer may pay a photo toll either through a customer-initiated payment or in response to a toll bill; or

(c) A customer may pay with cash on toll facilities that have a manual cash collection system.

(5) To the extent practicable, the department shall adopt electronic toll collection options, which allow for anonymous customer accounts and anonymous accounts that are not linked to a specific vehicle.

(6) The transportation commission shall ((adopt rules, in accordance with chapter 34.05 RCW, to)), consistent with the process described in section 4 of this act, assess administrative fees as appropriate for toll collection processes. Administrative fees must not exceed toll collection costs. All administrative fees collected under this section must be deposited into the toll facility account of the facility on which the toll was assessed.

(7) Failure to pay a photo toll by the toll payment due date is a violation for which a notice of civil penalty may be issued under RCW 46.63.160.

(8) For an electronic toll collection system that uses an in-vehicle device, such as a transponder, to identify a particular customer for the purposes of paying an electronic toll from that customer's toll collection account, the department must allow such in-vehicle devices to be offered for sale at vehicle dealers.

Sec. 7. RCW 47.46.100 and 2002 c 114 s 7 are each amended to read as follows:

(1) ((The)) <u>Consistent with the process described in section 4 of this act, the</u> commission shall fix the rates of toll and other charges for all toll bridges built under this chapter that are financed primarily by bonds issued by the state. Subject to RCW 47.46.090, the commission may impose and modify toll charges from time to time as conditions warrant.

(2) In establishing toll charges, the commission shall give due consideration to any required costs for operating and maintaining the toll bridge or toll bridges, including the cost of insurance, and to any amount required by law to meet the redemption of bonds and interest payments on them.

(3) The toll charges must be imposed in amounts sufficient to:

(a) Provide annual revenue sufficient to provide for annual operating and maintenance expenses, except as provided in RCW 47.56.245;

(b) Make payments required under RCW 47.56.165 and 47.46.140, including insurance costs and the payment of principal and interest on bonds issued for any particular toll bridge or toll bridges; and

(c) Repay the motor vehicle fund under RCW 47.46.110, 47.56.165, and 47.46.140.

(4) The bond principal and interest payments, including repayment of the motor vehicle fund for amounts transferred from that fund to provide for such principal and interest payments, constitute a first direct and exclusive charge and lien on all tolls and other revenues from the toll bridge concerned, subject to operating and maintenance expenses.

Sec. 8. RCW 47.46.105 and 2010 c 249 s 4 are each amended to read as follows:

(1) A toll collection system may include, but is not limited to, electronic toll collection and photo tolling.

(2)(a) A photo toll system may take photographs, digital photographs, microphotographs, videotapes, or other recorded images of the vehicle and vehicle license plate only.

(b) Notwithstanding any other provision of law, all photographs, digital photographs, microphotographs, videotape, other recorded images, or other records identifying a specific instance of travel prepared under this chapter are for the exclusive use of the tolling agency for toll collection and enforcement purposes and are not open to the public and may not be used in a court in a pending action or proceeding unless the action or proceeding relates to a civil penalty under RCW 46.63.160. No photograph, digital photograph, microphotograph, videotape, other recorded image, or other record identifying a specific instance of travel may be used for any purpose other than toll collection or enforcement of civil penalties under RCW 46.63.160. Records identifying a specific instance of travel by a specific person or vehicle must be retained only as required to ensure payment and enforcement of tolls and to comply with state records retention policies.

(3) The department and its agents shall only use electronic toll collection system technology for toll collection purposes.

(4) Tolls may be collected and paid by the following methods:

(a) A customer may pay an electronic toll through an electronic toll collection account;

(b) A customer who does not have an electronic toll collection account may pay a photo toll either through a customer-initiated payment or in response to a toll bill; or

(c) A customer who does not have an electronic toll collection account may pay with cash on toll facilities that have a manual cash collection system.

(5) To the extent practicable, the department shall adopt electronic toll collection options, which allow for anonymous customer accounts and anonymous accounts that are not linked to a specific vehicle.

(6) The transportation commission shall ((adopt rules, in accordance with chapter 34.05 RCW, to)), consistent with the process described in section 4 of this act, assess administrative fees as appropriate for toll collection processes. Administrative fees must not exceed toll collection costs. All administrative fees collected under this section must be deposited into the toll facility account of the facility on which the toll was assessed.

(7) Failure to pay a photo toll by the toll payment due date is a violation for which a notice of civil penalty may be issued under RCW 46.63.160.

<u>NEW SECTION.</u> Sec. 9. This act takes effect January 1, 2026.

Passed by the Senate March 10, 2025. Passed by the House April 15, 2025. Approved by the Governor May 16, 2025. Filed in Office of Secretary of State May 19, 2025.

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CHAPTER 294

[Engrossed Second Substitute House Bill 1102] VETERANS—ACCESS TO SERVICES

AN ACT Relating to increasing support and services for veterans; amending RCW 43.60A.230; adding a new section to chapter 43.60A RCW; creating a new section; and providing an effective date.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION</u>. Sec. 1. The legislature finds that veterans are eligible for state and federal benefits, but may be unaware of those benefits or the process to apply for them. Veterans service officers serve a critical role in assisting veterans and their families with identifying and applying for federal benefits, including health care, service-connected disability, nonservice-connected pension, employment, education, housing, burial, and survival benefits. The federal department of veterans affairs provides over \$6.5 billion per year in benefits to veterans in Washington. The average veteran receiving service-connected disability compensation benefits receives over \$1,700 per month.

The legislature further finds that nationwide, approximately 32 percent of veterans receive federal disability compensation. Washington currently has approximately 530,000 resident veterans, but only 158,000 veterans are receiving federal benefits. Currently, veterans in 15 Washington counties receive benefits at or above the national average, 21 counties are within 10 percent of the national average, and three counties are more than 10 percent below the national average.

Therefore, the legislature intends to expand the veterans service officer program started in 2019 to increase the number of veterans applying for and receiving federal benefits. The program's first veterans service officer assisting veterans in the identification of benefits and filing of claims increased the number of veterans applying for benefits from 13 in the first year to 323 in the third year, and from no annual disability payments to \$2,696,524 in federal benefits each year. The Washington state department of veterans affairs' September 30, 2024, veterans service officer program report estimates the cost to expand the program is \$160,000 per year for each additional county. The legislature intends to expand the program by one to two veterans service officers per biennium beginning with the counties with the lowest percentage of benefits received, until all counties are at or above the national average.

<u>NEW SECTION.</u> Sec. 2. A new section is added to chapter 43.60A RCW to read as follows:

The department must support veterans by providing information regarding available veterans services. Subject to the availability of amounts appropriated for the specific purposes provided in this section, the department must:

(1) Contact veterans within 90 days of receipt of a discharge notice from the department of defense and provide information about veterans benefits and services; and

(2) Beginning December 1, 2028, and every two years thereafter, report to the governor and the appropriate standing committees of the legislature regarding veterans services. The report must include, at a minimum:

(a) The number of veterans residing in each county;

(b) The number and type of veterans services available in each county;

(c) The number of veterans served in the reporting period by the department, veterans service officer program, and counties contracting with the department for veterans services, including the number of veterans served who reside in an adjacent county;

(d) The number of claims filed in the reporting period by veterans service organizations contracting with the department;

(e) The percentage of veterans served in the reporting period who received service-related disability and nonservice-connected veterans' pensions; and

(f) Identification of:

(i) Each county where the percentage of the veteran population receiving service-related disability and nonservice-connected veterans' pensions is below the national average; and

(ii) Each county that does not provide access to a veterans service officer through the veterans' assistance program defined in RCW 73.08.005, through a contract with the department, through the veterans service officer program described in RCW 43.60A.230, or directly through the department.

Sec. 3. RCW 43.60A.230 and 2019 c 223 s 1 are each amended to read as follows:

(1) There is created in the department the veterans service officer program. The purpose of the veterans service officer program is to provide funding to underserved eligible counties to establish and maintain a veterans service officer within the county. "Eligible counties," for the purposes of this section, means counties ((with a population of one hundred thousand or less)) where the percentage of the veteran population receiving federal disability or pension compensation is below the national average.

(2) Subject to the availability of amounts appropriated ((in the veterans service officer fund under RCW 43.60A.235)) for the specific purposes provided in this section, the department must:

(a) Establish a process to educate local governments, veterans, and those still serving in the national guard or armed forces reserve of the veterans service officer program;

(b) Develop partnerships with local governments to assist in establishing and maintaining local veterans service officers in eligible counties who elect to have a veterans service officer; and

(c) Provide funding to support eligible counties in establishing and maintaining local accredited veterans service officers. ((Funding is provided on a first come, first served basis. Funding may only be provided to support the equivalent of one full time veterans service officer per eligible county.)) The department shall prioritize additional funding to eligible counties with the lowest percentage of the veteran population receiving federal disability or pension compensation, and then to eligible counties without a veterans service officer.

(3) The application process for the veterans service officer program must be prescribed as to manner and form by the department.

(4) The department may adopt rules necessary to implement this section. The department shall include a requirement that any county that participates in the veterans service officer program must allow any veteran residing in an adjacent county access to the county's veterans service officer. <u>NEW SECTION.</u> Sec. 4. This act takes effect July 1, 2028.

Passed by the House April 21, 2025. Passed by the Senate April 14, 2025. Approved by the Governor May 17, 2025. Filed in Office of Secretary of State May 19, 2025.

CHAPTER 295

[Substitute House Bill 1371] VETERANS—DISABILITY—PARKING PRIVILEGES

AN ACT Relating to parking privileges for veterans; amending RCW 46.19.010, 46.19.040, and 41.04.007; adding a new section to chapter 46.19 RCW; providing an effective date; and providing expiration dates.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 46.19.010 and 2020 c 80 s 32 are each amended to read as follows:

(1) A natural person who has a disability that meets one of the following criteria may apply for special parking privileges:

(a) Cannot walk ((two hundred)) 200 feet without stopping to rest;

(b) Is severely limited in ability to walk due to arthritic, neurological, or orthopedic condition;

(c) Has such a severe disability that the person cannot walk without the use of or assistance from a brace, cane, another person, prosthetic device, wheelchair, or other assistive device;

(d) Uses portable oxygen;

(e) Is restricted by lung disease to an extent that forced expiratory respiratory volume, when measured by spirometry, is less than one liter per second or the arterial oxygen tension is less than $((sixty)) \frac{60}{10}$ mm/hg on room air at rest;

(f) Impairment by cardiovascular disease or cardiac condition to the extent that the person's functional limitations are classified as class III or IV under standards accepted by the American heart association;

(g) Has a disability resulting from an acute sensitivity to automobile emissions that limits or impairs the ability to walk. The personal physician, advanced registered nurse practitioner, or physician assistant of the applicant shall document that the disability is comparable in severity to the others listed in this subsection;

(h) Has limited mobility and has no vision or whose vision with corrective lenses is so limited that the person requires alternative methods or skills to do efficiently those things that are ordinarily done with sight by persons with normal vision;

(i) Has an eye condition of a progressive nature that may lead to blindness; ((or))

(j) Is restricted by a form of porphyria to the extent that the applicant would significantly benefit from a decrease in exposure to light; or

(k) Is a veteran, as defined in RCW 41.04.007, who has a 70 percent or higher disability rating from the United States armed forces or United States

department of veterans affairs and uses a service animal as defined in 28 C.F.R. 35.104.

(2) The disability in subsection (1)(a) through (j) of this section must be determined by either:

(a) A licensed physician;

(b) An advanced registered nurse practitioner licensed under chapter 18.79 RCW; or

(c) A physician assistant licensed under chapter 18.71A RCW.

(3) A health care practitioner listed under subsection (2) of this section who is authorizing a parking permit for purposes of this chapter must provide a signed written authorization: On a prescription pad or paper, as defined in RCW 18.64.500; on office letterhead; or by electronic means, as described by the director in rule.

(((4) The application for special parking privileges for persons with disabilities must contain:

(a) The following statement immediately below the physician's, advanced registered nurse practitioner's, or physician assistant's signature: "A parking permit for a person with disabilities may be issued only for a medical necessity that severely affects mobility or involves acute sensitivity to light (RCW 46.19.010). An applicant or health care practitioner who knowingly provides false information on this application is guilty of a gross misdemeanor. The penalty is up to three hundred sixty-four days in jail and a fine of up to \$5,000 or both. In addition, the health care practitioner may be subject to sanctions under chapter 18.130 RCW, the Uniform Disciplinary Act"; and

(b) Other information as required by the department.

(5) A natural person who has a disability described in subsection (1) of this section and is expected to improve within twelve months may be issued a temporary placard for a period not to exceed twelve months. If the disability exists after twelve months, a new temporary placard must be issued upon receipt of a new application with certification from the person's physician as prescribed in subsections (3) and (4) of this section. Special license plates for persons with disabilities may not be issued to a person with a temporary disability.

(6) A natural person who qualifies for special parking privileges under this section must receive an identification card showing the name and date of birth of the person to whom the parking privilege has been issued and the serial number of the placard.

(7) A natural person who qualifies for permanent special parking privileges under this section may receive one of the following:

(a) Up to two parking placards;

(b) One set of special license plates for persons with disabilities if the person with the disability is the registered owner of the vehicle on which the license plates will be displayed;

(c) One parking placard and one set of special license plates for persons with disabilities if the person with the disability is the registered owner of the vehicle on which the license plates will be displayed; or

(d) One special parking year tab for persons with disabilities and one parking placard.

(8) Parking placards and identification cards described in this section must be issued free of charge.

(9) The parking placard and identification card must be immediately returned to the department upon the placard holder's death.))

<u>NEW SECTION.</u> Sec. 2. A new section is added to chapter 46.19 RCW to read as follows:

(1) The application for special parking privileges for persons with disabilities must contain:

(a) The following statement immediately below the physician's, advanced registered nurse practitioner's, or physician assistant's signature: "A parking permit for a person with disabilities may be issued only for a medical necessity that severely affects mobility or involves acute sensitivity to light (RCW 46.19.010). An applicant or health care practitioner who knowingly provides false information on this application is guilty of a gross misdemeanor. The penalty is up to 364 days in jail and a fine of up to \$5,000 or both. In addition, the health care practitioner may be subject to sanctions under chapter 18.130 RCW, the Uniform Disciplinary Act"; and

(b) Other information as required by the department.

(2) A natural person who has a disability described in RCW 46.19.010(1) and is expected to improve within 12 months may be issued a temporary placard for a period not to exceed 12 months. If the disability exists after 12 months, a new temporary placard must be issued upon receipt of a new application with certification from the person's physician as prescribed in RCW 46.19.010(3) and subsection (1) of this section. Special license plates for persons with disabilities may not be issued to a person with a temporary disability.

(3) A natural person or veteran who qualifies for special parking privileges under this section must receive an identification card showing the name and date of birth of the person to whom the parking privilege has been issued and the serial number of the placard.

(4) A natural person or veteran who qualifies for permanent special parking privileges under RCW 46.19.010 may receive one of the following:

(a) Up to two parking placards;

(b) One set of special license plates for persons with disabilities if the person with the disability is the registered owner of the vehicle on which the license plates will be displayed;

(c) One parking placard and one set of special license plates for persons with disabilities if the person with the disability is the registered owner of the vehicle on which the license plates will be displayed; or

(d) One special parking year tab for persons with disabilities and one parking placard.

(5) Parking placards and identification cards described in this section must be issued free of charge.

(6) The parking placard and identification card must be immediately returned to the department upon the placard holder's death.

(7) This section expires October 1, 2035.

Sec. 3. RCW 46.19.040 and 2014 c 124 s 5 are each amended to read as follows:

(1) Parking privileges for persons with disabilities must be renewed at least every five years, as required by the director, by satisfactory proof of the right to continued use of the privileges. Satisfactory proof must include a signed written authorization from a health care practitioner as required in RCW 46.19.010(3) <u>or</u> proof that the applicant satisfies the criteria of RCW 46.19.010(1)(k). Parking privileges for qualifying veterans issued pursuant to RCW 46.19.010(1)(k) or renewed under this subsection, between October 1, 2030, and October 1, 2035, are valid for the entire five-year period.

(2) The department shall match and purge its database of parking permits issued to persons with disabilities with available death record information at least every ((twelve)) $\underline{12}$ months.

(3) The department shall adopt rules to administer the parking privileges for persons with disabilities program, including any documentation or materials required for a veteran to satisfy the criteria under RCW 46.19.010(1)(k).

(4) The department shall report to the appropriate committees of the legislature the number of veterans who qualify and apply for special parking privileges under RCW 46.19.010(1)(k) and receive an identification card and parking placards, special license plates, or tabs as described under section 2 (3) or (4) of this act by December 31, 2026, and by December 31, 2034.

Sec. 4. RCW 41.04.007 and 2024 c 146 s 3 are each amended to read as follows:

"Veteran" includes every person who, at the time he or she seeks the benefits of RCW 46.18.212, 46.18.235, <u>46.19.010</u>, 72.36.030, 41.04.010, 73.04.090, or 43.180.250, has received a qualifying discharge as defined in RCW 73.04.005, and who has served in at least one of the following capacities:

(1) As a member in any branch of the armed forces of the United States, including the national guard and armed forces reserves, and has fulfilled his or her initial military service obligation;

(2) As a member of the women's air forces service pilots;

(3) As a member of the armed forces reserves, national guard, or coast guard, and has been called into federal service by a presidential select reserve call up for at least one hundred eighty cumulative days;

(4) As a civil service crewmember with service aboard a U.S. army transport service or U.S. naval transportation service vessel in oceangoing service from December 7, 1941, through December 31, 1946;

(5) As a member of the Philippine armed forces/scouts during the period of armed conflict from December 7, 1941, through August 15, 1945; or

(6) A United States documented merchant mariner with service aboard an oceangoing vessel operated by the department of defense, or its agents, from both June 25, 1950, through July 27, 1953, in Korean territorial waters and from August 5, 1964, through May 7, 1975, in Vietnam territorial waters, and who received a military commendation.

<u>NEW SECTION.</u> Sec. 5. This act takes effect October 1, 2025.

<u>NEW SECTION.</u> Sec. 6. Sections 1, 3, and 4 of this act expire October 1, 2035.

Passed by the House April 22, 2025. Passed by the Senate March 26, 2025. Approved by the Governor May 17, 2025. Filed in Office of Secretary of State May 19, 2025.

WASHINGTON LAWS, 2025

CHAPTER 296

[Substitute House Bill 1264] FERRY EMPLOYEES—SALARIES AND BENEFITS

AN ACT Relating to making the salaries of ferry system collective bargaining units more competitive through salary survey comparisons; and amending RCW 47.64.006, 47.64.170, and 47.64.320.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 47.64.006 and 1989 c 327 s 1 are each amended to read as follows:

The legislature declares that it is the public policy of the state of Washington to: (1) Provide continuous operation of the Washington state ferry system at reasonable cost to users; (2) efficiently provide levels of ferry service consistent with trends and forecasts of ferry usage; (3) promote harmonious and cooperative relationships between the ferry system and its employees by permitting ferry employees to organize and bargain collectively; (4) protect the citizens of this state by assuring effective and orderly operation of the ferry system in providing for their health, safety, and welfare; (5) prohibit and prevent all strikes or work stoppages by ferry employees; (6) protect the rights of ferry employees with respect to employee organizations; and (7) promote just and fair compensation, benefits, and working conditions for ferry system employees as compared with public and private sector employees ((in states along the west eoast of the United States, including Alaska, and in British Columbia)) in directly comparable but not necessarily identical positions.

Sec. 2. RCW 47.64.170 and 2015 3rd sp.s. c 1 s 305 are each amended to read as follows:

(1) Any ferry employee organization certified as the bargaining representative shall be the exclusive representative of all ferry employees in the bargaining unit and shall represent all such employees fairly.

(2) A ferry employee organization or organizations and the governor may each designate any individual as its representative to engage in collective bargaining negotiations.

(3) Negotiating sessions, including strategy meetings of the employer or employee organizations, mediation, and the deliberative process of arbitrators are exempt from the provisions of chapter 42.30 RCW. Hearings conducted by arbitrators may be open to the public by mutual consent of the parties.

(4) Terms of any collective bargaining agreement may be enforced by civil action in Thurston county superior court upon the initiative of either party.

(5) Ferry system employees or any employee organization shall not negotiate or attempt to negotiate directly with anyone other than the person who has been appointed or authorized a bargaining representative for the purpose of bargaining with the ferry employees or their representative.

(6)(a) Within ((ten)) <u>10</u> working days after the first Monday in September of every odd-numbered year, the parties shall attempt to agree on an interest arbitrator to be used if the parties are not successful in negotiating a comprehensive collective bargaining agreement. If the parties cannot agree on an arbitrator within the ((ten)) <u>10</u>-day period, either party may request a list of seven arbitrators from the federal mediation and conciliation service. The parties shall select an interest arbitrator using the coin toss/alternate strike method

within $((\frac{\text{thirty}}))$ <u>30</u> calendar days of receipt of the list. Immediately upon selecting an interest arbitrator, the parties shall cooperate to reserve dates with the arbitrator for potential arbitration between August 1st and September 15th of the following even-numbered year. The parties shall also prepare a schedule of at least five negotiation dates for the following year, absent an agreement to the contrary. The parties shall execute a written agreement before November 1st of each odd-numbered year setting forth the name of the arbitrator and the dates reserved for bargaining and arbitration. This subsection (6)(a) imposes minimum obligations only and is not intended to define or limit a party's full, good faith bargaining obligation under other sections of this chapter.

(b) The negotiation of a proposed collective bargaining agreement by representatives of the employer and a ferry employee organization shall commence on or about February 1st of every even-numbered year.

(c) For negotiations covering the 2009-2011 biennium and subsequent biennia, the time periods specified in this section, and in RCW 47.64.210 and 47.64.300 through 47.64.320, must ensure conclusion of all agreements on or before October 1st of the even-numbered year next preceding the biennial budget period during which the agreement should take effect. These time periods may only be altered by mutual agreement of the parties in writing. Any such agreement and any impasse procedures agreed to by the parties under RCW 47.64.200 must include an agreement regarding the new time periods that will allow final resolution by negotiations or arbitration by October 1st of each even-numbered year.

(7) It is the intent of this section that the collective bargaining agreement or arbitrator's award shall commence on July 1st of each odd-numbered year and shall terminate on June 30th of the next odd-numbered year to coincide with the ensuing biennial budget year, as defined by RCW 43.88.020(((7))) (9), to the extent practical. It is further the intent of this section that all collective bargaining agreements be concluded by October 1st of the even-numbered year before the commencement of the biennial budget year during which the agreements are to be in effect. After the expiration date of a collective bargaining agreement negotiated under this chapter, except to the extent provided in ((subsection (11) of this section and))) RCW 47.64.270(4), all of the terms and conditions specified in the collective bargaining agreement, not to exceed one year from the expiration date stated in the agreement. Thereafter, the employer may unilaterally implement according to law.

(8) ((The office of financial management shall conduct a salary survey, for use in collective bargaining and arbitration)) (a) The salary and fringe benefits paid to ferry employees must be competitive with those in the applicable category of external public and private sector employees described in (b)(i) through (v) of this subsection that is appropriate for each work group, guided by the results of a survey undertaken in the collective bargaining process during each biennium. Salary and fringe benefits include direct wage compensation, vacation, holidays and other paid excused time, pensions, insurance, and benefits received.

(b) The office of financial management shall conduct a comprehensive salary and fringe benefit survey, for maritime employees for use in collective bargaining and arbitration, by contracting with a nationally recognized firm that has expertise in conducting compensation surveys that involve comparisons of wages, hours, benefits, and conditions of employment. To accomplish this, the office of financial management may pursue a sole source contract under RCW 39.26.140. Salary and fringe benefit survey information collected from private employers, which identifies a specific employer with the salary and fringe benefit rates, which that employer pays to its employees, is not subject to public disclosure under chapter 42.56 RCW. The salary survey must be conducted as follows:

(i) The salary survey for the deck department and terminal department employees must consist of a comparison of wages, hours, employee benefits, and conditions of employment of the involved ferry employees with those of public and private sector employees in states along the west coast of the United States, including Alaska, and in British Columbia doing directly comparable but not necessarily identical work, giving consideration to factors peculiar to the area and the classifications involved;

(ii) The salary survey for the masters and mates must consist of a comparison of wages, hours, employee benefits, and conditions of employment of the involved ferry employees with those of public and private sector employees, including business entities whose operations include the movement of unlimited tonnage vessels, in the designated pilotage waters of the states along the west coast of the United States, including Alaska, doing directly comparable but not necessarily identical work. When considering whether work is directly comparable but not necessarily identical, consideration must be given to factors peculiar to the area and the classifications involved and whether there are United States coast guard licensing requirements, including the holding of first-class pilot endorsements as described in 46 U.S.C. Sec. 8502;

(iii) The salary survey for the engine room employees must consist of a comparison of wages, hours, employee benefits, and conditions of employment of the involved ferry employees with those of private sector shipping employees and public and private sector employees in states along the west coast of the United States, including Alaska, and in British Columbia, and public sector employers on the east coast who operate double-ended vessels with similar horsepower that carry more than 2,000 passengers, doing directly comparable but not necessarily identical work, giving consideration to factors peculiar to the area and the classifications involved;

(iv) The salary survey for the trades employees at the Eagle Harbor shipyard facility must consist of a comparison of wages, hours, employee benefits, and conditions of employment of the involved ferry employees with those of public and private sector employees in the Puget Sound region and must include the Port of Seattle maintenance facility, the Port of Tacoma maintenance facility, the King county maintenance facility, rates required to be paid under chapter 39.12 RCW to workers performing construction, maintenance, and repair on vessels and structures under publicly funded projects within King, Pierce, Snohomish, Skagit, San Juan, and Kitsap counties, doing directly comparable but not necessarily identical work, giving consideration to factors peculiar to the area and the classifications involved;

(v) The salary survey for all other covered employees must consist of a comparison of wages, hours, employee benefits, and conditions of employment of the involved ferry employees with those of public and private sector

employees in states along the west coast of the United States, including Alaska, and in British Columbia doing directly comparable but not necessarily identical work, giving consideration to factors peculiar to the area and the classifications involved.

(9) The entity contracted to complete the survey shall seek the input of the employee organizations in gathering information.

(10) The office of financial management shall make the final salary survey available to all bargaining parties by April 1st of the even-numbered year. For 2026 only, should the office of financial management not be able to complete the survey by April 1st, the parties shall agree to a new completion date.

(((9) Except as provided in subsection (11) of this section:))

(11)(a) The governor shall submit a request either for funds necessary to implement the collective bargaining agreements including, but not limited to, the compensation and fringe benefit provisions or for legislation necessary to implement the agreement, or both. Requests for funds necessary to implement the collective bargaining agreements shall not be submitted to the legislature by the governor unless such requests:

(i) Have been submitted to the director of the office of financial management by October 1st before the legislative session at which the requests are to be considered; and

(ii) Have been certified by the director of the office of financial management as being feasible financially for the state.

(b) The governor shall submit a request either for funds necessary to implement the arbitration awards or for legislation necessary to implement the arbitration awards, or both. Requests for funds necessary to implement the arbitration awards shall not be submitted to the legislature by the governor unless such requests:

(i) Have been submitted to the director of the office of financial management by October 1st before the legislative session at which the requests are to be considered; and

(ii) Have been certified by the director of the office of financial management as being feasible financially for the state.

(c) The legislature shall approve or reject the submission of the request for funds necessary to implement the collective bargaining agreements or arbitration awards as a whole for each agreement or award. The legislature shall not consider a request for funds to implement a collective bargaining agreement or arbitration award unless the request is transmitted to the legislature as part of the governor's budget document submitted under RCW 43.88.030 and 43.88.060. If the legislature rejects or fails to act on the submission, either party may reopen all or part of the agreement and award or the exclusive bargaining representative may seek to implement the procedures provided for in RCW 47.64.210 and 47.64.300.

 $((\frac{(10)}{12}))$ If, after the compensation and fringe benefit provisions of an agreement are approved by the legislature, a significant revenue shortfall occurs resulting in reduced appropriations, as declared by proclamation of the governor or by resolution of the legislature, both parties shall immediately enter into collective bargaining for a mutually agreed upon modification of the agreement.

 $((\frac{11}{a})$ For the collective bargaining agreements negotiated for the 2011-2013 fiscal biennium, the legislature may consider a request for funds to implement a collective bargaining agreement even if the request for funds was not received by the office of financial management by October 1st and was not transmitted to the legislature as part of the governor's budget document

submitted under RCW 43.88.030 and 43.88.060. (b) For the 2013-2015 fiscal biennium, a collective bargaining agreement related to employee health care benefits negotiated between the employer and coalition pursuant to RCW 41.80.020(3) regarding the dollar amount expended on behalf of each employee must be a separate agreement for which the governor may request funds necessary to implement the agreement. The legislature may act upon a 2013-2015 collective bargaining agreement related to employee health care benefits if an agreement is reached and submitted to the office of financial management and legislative budget committees before final legislative action on the biennial or supplemental operating budget by the sitting legislature.

(c) For the collective bargaining agreements negotiated for the 2013-2015 fiscal biennium, the legislature may consider a request for funds to implement a collective bargaining agreement reached after October 1st after a determination of financial infeasibility by the director of the office of financial management if the request for funds is transmitted to the legislature as part of the governor's budget document submitted under RCW 43.88.030 and 43.88.060.))

Sec. 3. RCW 47.64.320 and 2010 c 283 s 15 are each amended to read as follows:

(1) The mediator, arbitrator, or arbitration panel may consider only matters that are subject to bargaining under this chapter, except that health care benefits are not subject to interest arbitration.

(2) The decision of an arbitrator or arbitration panel is not binding on the legislature and, if the legislature does not approve the funds necessary to implement provisions pertaining to compensation and fringe benefit provisions of an arbitrated collective bargaining agreement, is not binding on the state, the department of transportation, or the ferry employee organization.

(3) In making its determination, the arbitrator or arbitration panel shall be mindful of the legislative purpose under RCW 47.64.005 and 47.64.006 and, as additional standards or guidelines to aid it in reaching a decision, shall take into consideration the following factors:

(a) The financial ability of the department to pay for the compensation and fringe benefit provisions of a collective bargaining agreement;

(b) Past collective bargaining contracts between the parties including the bargaining that led up to the contracts;

(c) The constitutional and statutory authority of the employer;

(d) Stipulations of the parties;

(e) The results of the salary survey as required in RCW 47.64.170(8);

(f) Comparison of wages, hours, employee benefits, and conditions of employment of the involved ferry employees with ((those of public and private sector employees in states along the west coast of the United States, including Alaska, and in British Columbia doing directly comparable but not necessarily identical work, giving consideration to factors peculiar to the area and the elassifications involved)) the appropriate public and private sector employees in the described geographical areas, as specified under RCW 47.64.170(8)(b) (i) through (v);

(g) Changes in any of the foregoing circumstances during the pendency of the proceedings;

(h) The limitations on ferry toll increases and operating subsidies as may be imposed by the legislature;

(i) The ability of the state to retain ferry employees;

(j) The overall compensation presently received by the ferry employees, including direct wage compensation, vacations, holidays and other paid excused time, pensions, insurance benefits, and all other direct or indirect monetary benefits received; and

(k) Other factors that are normally or traditionally taken into consideration in the determination of matters that are subject to bargaining under this chapter.

(4) This section applies to any matter before the respective mediator, arbitrator, or arbitration panel.

Passed by the House April 21, 2025. Passed by the Senate April 15, 2025. Approved by the Governor May 17, 2025. Filed in Office of Secretary of State May 19, 2025.

CHAPTER 297

[Substitute House Bill 1733]

AGENCY DISPLACEMENT—MOVING AND RELOCATION EXPENSES—MODIFICATION

AN ACT Relating to increasing the reimbursement cap for moving and relocation expenses incurred by persons affected by agency displacements; and amending RCW 8.26.035.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 8.26.035 and 2017 c 12 s 1 are each amended to read as follows:

(1) Whenever a program or project to be undertaken by a displacing agency will result in the displacement of any person, the displacing agency shall provide for the payment to the displaced person of:

(a) Actual reasonable expenses in moving himself or herself, or his or her family, business, farm operation, or other personal property;

(b) Actual direct losses of tangible personal property as a result of moving or discontinuing a business or farm operation, but not to exceed an amount equal to the reasonable expenses that would have been required to relocate the property, in accordance with criteria established by the lead agency;

(c) Actual reasonable expenses in searching for a replacement business or farm; ((and))

(d) ((Aetual)) Except as provided in (e) of this subsection, actual reasonable expenses necessary to reestablish a displaced farm, nonprofit organization, or small business at its new site, in accordance with criteria established by the lead agency, but not to exceed ((fifty thousand dollars or the)):

(i) \$200,000; or

(ii) The dollar amount allowed under 42 U.S.C. Sec. 4622 as it existed on July 23, 2017, or such subsequent date as may be provided by the displacing agency by rule or regulation, consistent with the purposes of this section, whichever is greater: and

(e) Until August 1, 2030, if the displacing agency is a state agency, actual reasonable expenses necessary to reestablish a displaced farm, nonprofit organization, or small business at its new site, in accordance with criteria established by the lead agency, but not to exceed:

(i) \$100,000; or

(ii) The dollar amount allowed under 42 U.S.C. Sec. 4622 as it existed on July 23, 2017, or such subsequent date as may be provided by the displacing agency by rule or regulation, consistent with the purposes of this section, whichever is greater.

(2) A displaced person eligible for payments under subsection (1) of this section who is displaced from a dwelling and who elects to accept the payments authorized by this subsection in lieu of the payments authorized by subsection (1) of this section may receive an expense and dislocation allowance determined according to a schedule established by the lead agency.

(3) A displaced person eligible for payments under subsection (1) of this section who is displaced from the person's place of business or farm operation and who is eligible under criteria established by the lead agency may elect to accept the payment authorized by this subsection in lieu of the payment authorized by subsection. The payment shall consist of a fixed payment in an amount to be determined according to criteria established by the lead agency, except that the payment shall be not less than the dollar amount allowed under 42 U.S.C. Sec. 4622 as it existed on July 23, 2017, or such subsequent date as may be provided by the displacing agency by rule or regulation, consistent with the purposes of this section. A person whose sole business at the displacement dwelling is the rental of that property to others does not qualify for a payment under this subsection.

(4) Beginning August 1, 2025, and annually thereafter, the lead agency shall adjust the dollar amounts specified in subsection (1)(d)(i) and (e)(i) of this section for inflation by increasing the previous year's dollar amount by two percent.

Passed by the House April 24, 2025. Passed by the Senate April 16, 2025. Approved by the Governor May 17, 2025. Filed in Office of Secretary of State May 19, 2025.

CHAPTER 298

[Substitute House Bill 1774]

UNUSED HIGHWAY LAND-LEASE AGREEMENTS-COMMUNITY PURPOSES

AN ACT Relating to modifying allowable terms for the lease of unused highway land; amending RCW 47.12.120; and creating a new section.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> Sec. 1. The legislature recognizes that certain property owned by the state of Washington under the jurisdiction of the department of transportation that is not presently needed for highway purposes could be used to serve pressing community purposes. The legislature believes that the department should be enabled to execute lease agreements with governmental entities and nonprofit organizations that can help serve these community purposes using lease terms that take into account the community benefit these leases will provide. Therefore, the legislature is establishing a framework for the department to use in developing lease agreements in this context. The legislature intends for the department to consider the authorization of these lease agreements urgent in light of the compelling needs that can be served by the leasing of certain properties under the jurisdiction of the department, and encourages the department to move forward developing the lease agreements it determines are appropriate, based on the factors provided below, as expeditiously as possible.

Sec. 2. RCW 47.12.120 and 2022 c 59 s 1 are each amended to read as follows:

The department may rent or lease any lands, improvements, or air space above or below any lands that are held for highway purposes but are not presently needed. The rental or lease:

(1) Must be upon such terms and conditions as the department may determine;

(2) Is subject to the provisions and requirements of zoning ordinances of political subdivisions of government;

(3) Includes lands used or to be used for both limited access and conventional highways that otherwise meet the requirements of this section;

(4) In the case of bus shelters provided by a local transit authority that include commercial advertising, may charge the transit authority only for commercial space; ((and))

(5) In the case of the project for community purposes established in RCW 47.12.380, must be consistent with the provisions of that section<u>: and</u>

(6)(a)(i) In the case of a lease agreement with a public agency, special purpose district, federally recognized tribe, state historical society under chapter 27.34 RCW, or community-based nonprofit organization, the department's process for determining adequate consideration for renting or leasing lands, improvements, or air space, may incorporate identified social, environmental, or economic benefits to be provided by the lessee for community purposes as a component of the consideration to be provided by the lessee when the use of the property by the lessee is for a community purpose. Use of this methodology is at the department's discretion. The following factors shall be considered by the department in its evaluation of a potential lease agreement under this methodology:

(A) The extent to which the community purpose will benefit overburdened communities and vulnerable populations, as these terms are defined in RCW 70A.02.010;

(B) The benefit of the community purpose to a broad number of members of the public;

(C) The likelihood that, during the term of the potential lease agreement being considered, the property has practical and economically feasible uses for which the department could obtain economic rent during this period; and

(D) The lessee's qualifications to perform the community purpose and to fulfill its terms of the lease agreement, through consideration of factors that include, but are not limited to, the lessee's prior performance related to the community purpose and the financial feasibility of the lessee performing the obligations required under the lease agreement.

(ii)(A) To the extent the department finds all or a portion of costs associated with the leasing process to be undertaken for community purpose projects identified under this subsection (6) cannot reasonably be assumed by the lessee, the department may use funds specifically appropriated for this purpose for these costs.

(B) To the extent specifically appropriated funds are unavailable, the department shall include a budget request to the legislature during the next legislative session for sufficient funds the department determines are necessary to complete a leasing process under (a)(ii)(A) of this subsection.

(b) As part of the consideration to the department, a lease agreement under (a) of this subsection must require the lessee to maintain and secure the premises.

(c) A lease agreement under (a) of this subsection must include:

(i) A requirement that the use of the premises shall be limited to the designated community purposes;

(ii) Remedies that apply if the lessee of the property fails to use it for the designated community purposes or ceases to use it for these purposes;

(iii) To the extent applicable, a requirement that the lessee assumes liability for the lessee's uses of the property to which the requirements of 23 U.S.C. Sec. 138 and 49 U.S.C. Sec. 303, commonly known as section 4(f) of the department of transportation act of 1966, or 54 U.S.C. Sec. 200305, commonly known as section 6(f) of the land and water conservation fund act of 1965, apply; and

(iv) Evidence of commercial or self-insurance at levels deemed sufficient by the department, as well as appropriate indemnification.

(d) Leases under this subsection (6) may not be undertaken by the department for the community purposes described in (g)(i)(A) or (B) of this subsection (6) on the right-of-way of a state highway or in places that would place infrastructure or the traveling public in jeopardy.

(e) The department must provide an annual report to the transportation committees of the legislature by December 1st of each year with information on the active lease agreements authorized under this subsection, including the community purposes being served and a summary of relevant lease terms.

(f) In the case of a lease agreement with a community-based nonprofit organization, the proposed lease must first be presented to the transportation committees of the legislature as part of the department's budget submittal and then approved in an omnibus transportation appropriations act. However, this subsection (6)(f) does not apply to lease agreements regarding the temporary use of department property. For purposes of this subsection (6)(f), "temporary use" means lease agreements lasting no longer than five years in duration, inclusive of lease renewals.

(g) For the purposes of this subsection (6):

(i) "Community purposes" means providing one or more of the following for public benefit purposes:

(A) Housing, housing assistance, and related services;

(B) Shelter programs including, but not limited to, indoor emergency shelters; transitional housing; emergency housing; supportive housing; and safe spaces, such as tiny home villages, pallet home villages, and recreational vehicle lots;

(C) Parks;

(D) Enhanced public spaces including, but not limited to, public plazas; (E) Public recreation;

(F) Salmon habitat restoration, defined as the process of repairing, enhancing, or recreating natural environments that support salmon populations; or

(G) Public transportation uses.

(ii)(A) "Adequate consideration" means consideration that is comprised of:

(I) The performance of activities that fulfill the community purpose designated in the lease agreement;

(II) Maintenance and security of the premises to be provided under the lease agreement; and

(III) May include additional monetary or nonmonetary consideration as provided in (g)(ii)(B) of this subsection.

(B) The department may require additional monetary or nonmonetary consideration be provided to the extent it determines that consideration to be provided under (g)(ii)(A)(I) and (II) of this subsection are insufficient consideration for use of the property and that additional consideration is necessary.

Passed by the House April 22, 2025.

Passed by the Senate April 15, 2025.

Approved by the Governor May 17, 2025.

Filed in Office of Secretary of State May 19, 2025.

CHAPTER 299

[Engrossed Substitute House Bill 1878]

YOUNG DRIVERS—EDUCATION—VARIOUS PROVISIONS

AN ACT Relating to improving young driver safety; amending RCW 46.20.100, 46.20.075, 46.20.181, 46.82.420, 46.82.280, 46.20.120, 46.20.055, 46.68.041, 46.17.025, 46.68.220, and 46.63.200; reenacting and amending RCW 28A.220.020, 43.84.092, and 43.84.092; adding new sections to chapter 46.20 RCW; adding new sections to chapter 46.82 RCW; adding a new section to chapter 42.56 RCW; creating a new section; providing effective dates; and providing expiration dates.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> Sec. 1. The legislature finds that young adults under the age of 25 who obtain their initial driver's license after turning 18 years of age and are therefore not required to complete some form of driver training education are statistically more likely to be involved in or cause serious injury or fatal crashes than their peers who completed driver training education before the age of 18. The legislature also finds that the demographic of young drivers 18 to 24 years of age are more likely to engage in unsafe driving practices through a combination of inexperience and high-risk behaviors. The legislature intends with this act to require young adults under the age of 25 to complete driver training education before obtaining an initial driver's license, when appropriate, and implement other driver training courses when necessary to ensure they become better drivers and ensure our roads are safer for everyone.

<u>NEW SECTION.</u> Sec. 2. A new section is added to chapter 46.20 RCW to read as follows:

(1)(a) To obtain an initial driver's license under this section, except as provided in subsection (4) of this section, the following persons must, in addition to other skills and examination requirements as prescribed by the department, satisfactorily complete a driver training education course as defined in RCW 28A.220.020 or a driver training education course as defined by the department and offered by a driver training school licensed under chapter 46.82 RCW:

(i) A person at least 18 years of age but under 19 years of age, beginning January 1, 2027;

(ii) A person at least 18 years of age but under 20 years of age, beginning January 1, 2028;

(iii) A person at least 18 years of age but under 21 years of age, beginning January 1, 2029;

(iv) A person at least 18 years of age but under 22 years of age, beginning January 1, 2030.

(b) The course offered by a school district or an approved private school must be part of a traffic safety education program authorized by the office of the superintendent of public instruction and certified under chapter 28A.220 RCW. The course offered by a driver training school must meet the standards established by the department under chapter 46.82 RCW. A school district, approved private school, or driver training school may offer the behind-the-wheel instruction for up to four hours in a single day in cases of hardship, such as a student needing to travel a great distance to receive the behind-the-wheel instruction.

(c) Driver training schools licensed under chapter 46.82 RCW are encouraged to include a self-paced online course, or components of a self-paced online course, in the classroom instruction portion of driver training education courses, as authorized and certified by the department, to the extent feasible, and to focus teaching resources on the behind-the-wheel portion of driver training education.

(d) Eligibility to enroll in a driver training education course as defined in RCW 28A.220.020 under this section is limited to students who are enrolled in a public school, as defined in RCW 28A.150.010; enrolled in an approved private school under RCW 28A.305.130; or receiving home-based instruction in accordance with chapter 28A.200 RCW.

(2) To meet the traffic safety education requirement for a motorcycle endorsement under this section, the applicant must successfully complete a motorcycle safety education course that meets the standards established by the department.

(3) Beginning May 1, 2026, until January 1, 2031, an applicant for an initial driver's license under the age of 25 must pass an online course approved by the department on driver work zone and first responder safety. The department may waive the requirement in this subsection if the department finds the online course is not available at the time of application. The department must contract with a provider of an online driver work zone and first responder safety course to host an online course that satisfies the requirement in this subsection to be made available at no cost to initial driver's license applicants under the age of 25.

(4) An applicant who was licensed to drive a motor vehicle or motorcycle from a reciprocal jurisdiction outside this state is exempt from the driver training education requirements under subsections (1) and (2) of this section.

(5)(a) The department may waive the driver training education course requirement for a driver's license under subsection (1) of this section if the applicant demonstrates to the department's satisfaction that:

(i) The applicant was unable to take or complete a driver training education course;

(ii) A need exists for the applicant to operate a motor vehicle; and

(iii) The applicant has the ability to operate a motor vehicle in such a manner as not to jeopardize the safety of persons or property.

(b) The department may adopt rules to implement this subsection (5) in coordination with the supervisor of the traffic safety education section of the office of the superintendent of public instruction.

(6) The department may waive the driver training education course requirement under subsection (1) of this section if the applicant provides proof that they have had education, from a reciprocal jurisdiction, equivalent to that required under subsection (1) of this section.

(7) Beginning by January 1, 2026, and annually thereafter until January 1, 2031, the department must report on the implementation of the driver's education requirement under subsection (1) of this section, including the readiness of the driver education school system to accommodate additional growth, to the transportation committees of the legislature.

(8) The department may, by rule, pause or delay the requirements under subsection (1) of this section if, upon an internal review, the department finds that there is an insufficient number of driver education and traffic safety education courses or instructors available for the pending age cohort under subsection (1) of this section.

(9)(a) Beginning January 1, 2027, any initial driver's license holder who is at least 18 years of age but under 22 years of age, and who has been found to have committed a traffic infraction for a moving violation on two occasions, must complete a safe driving course. If such person does not complete a safe driving course within 180 days of notice from the department, the department must suspend the person's driver's license until the safe driving course is completed.

(b)(i) Beginning January 1, 2027, until January 1, 2031, any initial driver's license holder who is at least 22 years of age but under 25 years of age, and who has been found to have committed a traffic infraction for a moving violation on two occasions, must complete a safe driving course. If such person does not complete a safe driving course within 180 days of notice from the department, the department must suspend the person's driver's license until the safe driving course is completed.

(ii) Beginning January 1, 2031, any initial driver's license holder who is at least 22 years of age but under 25 years of age, and who has been found to have committed a traffic infraction for a moving violation on two occasions, must complete a condensed traffic safety education course, as determined by the department in rule. If such person does not complete the condensed traffic safety education course within 180 days of notice from the department, the department

must suspend the person's driver's license until the condensed traffic safety education course is completed.

(c) For purposes of this subsection (9), multiple traffic infractions issued during or as the result of a single traffic stop constitute one occasion.

(10) Beginning January 1, 2031, every initial driver's license for a person under the age of 21 expires on the latter of the licensee's 21st birthdate following issuance of the license or the licensee's second birthdate after the license issuance date. A person may not renew the person's driver's license under this subsection until satisfactorily completing a driver training education refresher course, as determined by the department in rule.

(11) For purposes of subsections (3), (9), and (10) of this section, "initial driver's license" means a driver's license issued to a driver who has not previously been issued a driver's license in this state.

Sec. 3. RCW 46.20.100 and 2024 c 162 s 2 are each amended to read as follows:

(1) **Application**. The application of a person under the age of 18 years for a driver's license or a motorcycle endorsement must be signed by a parent, guardian, employer, or responsible adult as defined in RCW 46.20.075.

(2) **Traffic safety education requirement**. For a person under the age of 18 years to obtain a driver's license, ((he or she)) the person must meet the traffic safety education requirements of this subsection.

(a) To meet the traffic safety education requirement for a driver's license((, the)):

(i) The applicant must satisfactorily complete a driver training education course as defined in RCW 28A.220.020 for a course offered by a school district or approved private school, or <u>a driver training education course</u> as defined by the department of licensing for a course offered by a driver training school licensed under chapter 46.82 RCW. The course offered by a school district or an approved private school must be part of a traffic safety education program authorized by the office of the superintendent of public instruction and certified under chapter 28A.220 RCW. The course offered by a driver training school must meet the standards established by the department of licensing under chapter 46.82 RCW. <u>A school district, approved private school, or driver training school may offer the behind-the-wheel instruction portion for up to four hours in a single day in cases of hardship, such as a student needing to travel a great distance to receive the behind-the-wheel instruction. The driver training education course may be provided by:</u>

(((i))) (A) A secondary school within a school district or approved private school that establishes and maintains an approved and certified traffic safety education program under chapter 28A.220 RCW; or

(((ii))) (B) A driver training school licensed under chapter 46.82 RCW that is annually approved by the department of licensing: and

(ii) Beginning May 1, 2026, until January 1, 2031, the applicant must satisfactorily complete the applicable driver work zone and first responder safety course required under section 2(3) of this act.

(b) Driver training schools licensed under chapter 46.82 RCW are encouraged to include a self-paced online course, or components of a self-paced online course, in the classroom instruction portion of driver training education courses, as authorized and certified by the department, to the extent feasible, and to focus teaching resources on the behind-the-wheel portion of driver training education.

 (\underline{c}) To meet the traffic safety education requirement for a motorcycle endorsement, the applicant must successfully complete a motorcycle safety education course that meets the standards established by the department of licensing.

(((e))) (d) The department may waive the driver training education course requirement for a driver's license if the applicant demonstrates to the department's satisfaction that:

(i) ((He or she)) <u>The applicant</u> was unable to take or complete a driver training education course;

(ii) A need exists for the applicant to operate a motor vehicle; and

(iii) ((He or she)) <u>The applicant</u> has the ability to operate a motor vehicle in such a manner as not to jeopardize the safety of persons or property. The department may adopt rules to implement this subsection (2)(((e))) (d) in ((eoneert)) <u>collaboration</u> with the supervisor of the traffic safety education section of the office of the superintendent of public instruction.

(((d))) (c) The department may waive the driver training education course requirement if the applicant was licensed to drive a motor vehicle or motorcycle from a reciprocal jurisdiction outside this state ((and)) or provides proof that he or she has had education equivalent, from a reciprocal jurisdiction, to that required under this subsection.

Sec. 4. RCW 46.20.075 and 2024 c 162 s 1 are each amended to read as follows:

(1) An intermediate license authorizes the holder to drive a motor vehicle under the conditions specified in this section. An applicant for an intermediate license must be at least 16 years of age and:

(a) Have possessed a valid instruction permit for a period of not less than six months;

(b) Have passed a driver licensing examination administered by the department;

(c) Have passed a course of driver's education in accordance with the standards established in RCW 46.20.100;

(d) <u>Until January 1, 2031, have met the applicable driver work zone and first</u> responder safety course requirement under section 2(3) of this act;

(e) Present certification by his or her parent, guardian, employer, or responsible adult to the department stating (i) that the applicant has had at least 50 hours of driving experience, 10 of which were at night, during which the driver was supervised by a person at least 21 years of age who has had a valid driver's license for at least three years, and (ii) that the applicant has not been issued a notice of traffic infraction or cited for a traffic violation that is pending at the time of the application for the intermediate license;

(((e))) (f) Not have been convicted of or found to have committed a traffic violation within the last six months before the application for the intermediate license; and

(((f))) (g) Not have been adjudicated for an offense involving the use of alcohol or drugs during the period the applicant held an instruction permit.

(2) For the first six months after the issuance of an intermediate license or until the holder reaches 18 years of age, whichever occurs first, the holder of the license may not operate a motor vehicle that is carrying any passengers under the age of 20 who are not members of the holder's immediate family. For the remaining period of the intermediate license, the holder may not operate a motor vehicle that is carrying more than three passengers who are under the age of 20 who are not members of the holder's immediate family.

(3) The holder of an intermediate license may not operate a motor vehicle between the hours of 1 a.m. and 5 a.m. except (a) when the holder is accompanied by a licensed driver who is at least 25 years of age, or (b) for school, religious, or employment activities for the holder or a member of the holder's immediate family as defined in this section.

(4) The holder of an intermediate license may not operate a moving motor vehicle while using a wireless communications device unless the holder is using the device to report illegal activity, summon medical or other emergency help, or prevent injury to a person or property.

(5) It is a traffic infraction for the holder of an intermediate license to operate a motor vehicle in violation of the restrictions imposed under this section.

(6) Except for a violation of subsection (4) of this section, enforcement of this section by law enforcement officers may be accomplished only as a secondary action when a driver of a motor vehicle has been detained for a suspected violation of this title or an equivalent local ordinance or some other offense.

(7) An intermediate licensee may drive at any hour without restrictions on the number of passengers in the vehicle if necessary for agricultural purposes.

(8) An intermediate licensee may drive at any hour without restrictions on the number of passengers in the vehicle if, for the 12-month period following the issuance of the intermediate license, he or she:

(a) Has not been involved in an accident involving only one motor vehicle;

(b) Has not been involved in an accident where he or she was cited in connection with the accident or was found to have caused the accident;

(c) Has not been involved in an accident where no one was cited or was found to have caused the accident; and

(d) Has not been convicted of or found to have committed a traffic offense described in chapter 46.61 RCW or violated restrictions placed on an intermediate licensee under this section.

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

(a) "Immediate family" means an individual's spouse or domestic partner, child, stepchild, grandchild, parent, stepparent, grandparent, brother, halfbrother, sister, or half-sister of the individual, including foster children living in the household, and the spouse or the domestic partner of any such person, and a child, stepchild, grandchild, parent, stepparent, grandparent, brother, halfbrother, sister, or half-sister of the individual's spouse or domestic partner, and the spouse or the domestic partner of any such person.

(b) "Responsible adult" means a person specifically authorized by the department who is over the age of 21 and:

(i) Has a familial, kinship, or caretaker relationship to a minor;

(ii) Is an educational, medical, legal, social service, or Washington state licensed mental health professional who provides support directly to a minor in a professional capacity; or (iii) Is an employee of a government entity and provides support to a minor in a professional capacity.

Sec. 5. RCW 46.20.181 and 2021 c 158 s 8 are each amended to read as follows:

(1) Except as provided in subsection (4) or (5) of this section <u>or section</u> 2(10) of this act, every driver's license expires on the eighth anniversary of the licensee's birthdate following the issuance of the license.

(2) A person may renew a license on or before the expiration date by submitting an application as prescribed by the department and paying a fee of ((seventy-two-dollars)) \$72. This fee includes the fee for the required photograph.

(3) A person renewing a driver's license more than $((sixty)) \underline{60}$ days after the license has expired shall pay a penalty fee of $((ten dollars)) \underline{\$10}$ in addition to the renewal fee, unless the license expired when:

(a) The person was outside the state and the licensee renews the license within ((sixty)) 60 days after returning to this state; or

(b) The person was incapacitated and the licensee renews the license within $((sixty)) \underline{60}$ days after the termination of the incapacity.

(4) The department may issue or renew a driver's license for a period other than eight years, or may extend by mail or electronic commerce a license that has already been issued. The fee for a driver's license issued or renewed for a period other than eight years, or that has been extended by mail or electronic commerce, is nine dollars for each year that the license is issued, renewed, or extended. The department must offer the option to issue or renew a driver's license for six years in addition to the eight year issuance. The department may adopt any rules as are necessary to carry out this subsection.

(5) A driver's license that includes a hazardous materials endorsement under chapter 46.25 RCW may expire on an anniversary of the licensee's birthdate other than the eighth year following issuance or renewal of the license in order to match, as nearly as possible, the validity of certification from the federal transportation security administration that the license has been determined not to pose a security risk. The fee for a driver's license issued or renewed for a period other than eight years is ((nine dollars)) <u>\$9</u> for each year that the license is issued or renewed, not including any endorsement fees. The department may adjust the expiration date of a driver's license that has previously been issued to conform to the provisions of this subsection if a hazardous materials endorsement is added to the license subsequent to its issuance. If the validity of the driver's license is extended, the licensee must pay a fee of ((nine dollars)) <u>\$9</u> for each year that the license is extended.

(6) The department may adopt any rules as are necessary to carry out this section.

Sec. 6. RCW 46.82.420 and 2023 c 32 s 1 are each amended to read as follows:

(1) The department and the office of the superintendent of public instruction shall jointly develop and maintain a required curriculum as specified in RCW 28A.220.035. The department shall furnish to each qualifying applicant for an instructor's license or a driver training school license a copy of such curriculum.

(2) In addition to information on the safe, lawful, and responsible operation of motor vehicles on the state's highways, the required curriculum shall include information on:

(a) Intermediate driver's license issuance, passenger and driving restrictions and sanctions for violating the restrictions, and the effect of traffic violations and collisions on the driving privileges;

(b) The effects of alcohol and drug use on motor vehicle operators, including information on drug and alcohol related traffic injury and mortality rates in the state of Washington and the current penalties for driving under the influence of drugs or alcohol;

(c) Motorcycle awareness, approved by the director, to ensure new operators of motor vehicles have been instructed in the importance of safely sharing the road with motorcyclists;

(d) Bicycle safety, to ensure that operators of motor vehicles have been instructed in the importance of safely sharing the road with bicyclists;

(e) Pedestrian safety, to ensure that operators of motor vehicles have been instructed in the importance of safely sharing the road with pedestrians; ((and))

(f) Commercial vehicle, bus, and other large vehicle awareness, to ensure new operators of motor vehicles have been instructed in the importance of sharing the road with large vehicles; and

(g) Work zone and first responder safety awareness, to ensure new operators of motor vehicles have been instructed in the importance of sharing the road with workers in roadway work zones and first responder vehicles and personnel.

(3) Should the director be presented with acceptable proof that any licensed instructor or driver training school is not showing proper diligence in teaching the required curriculum, the instructor or school shall be required to appear before the director and show cause why the license of the instructor or school should not be revoked for such negligence. If the director does not accept such reasons as may be offered, the director may revoke the license of the instructor or school, or both.

<u>NEW SECTION.</u> Sec. 7. A new section is added to chapter 46.20 RCW to read as follows:

The department may approve the use of electronic translation devices to support the driver's license application and issuance process, including for: Driver training education purposes, including for behind-the-wheel instruction; driver's license examination purposes; and assessment purposes.

Sec. 8. RCW 46.82.280 and 2023 c 445 s 3 are each amended to read as follows:

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

(1) "Behind-the-wheel instruction" means instruction in an approved driver training school instruction vehicle according to and inclusive of the required curriculum. Behind-the-wheel instruction is characterized by driving experience.

(2) "Classroom" means a space dedicated to and used exclusively by a driver training instructor for the instruction of students. With prior department approval, a branch office classroom may be located within alternative facilities, such as a public or private library, school, community college, college or university, or a business training facility.

(3) "Classroom instruction" means that portion of a traffic safety education course that is characterized by in-person classroom-based student instruction or virtual classroom-based student instruction with a live instructor using the required curriculum conducted by or under the direct supervision of a licensed instructor or licensed instructors. Classroom instruction may include <u>a</u> self-paced(($_{5}$)) online <u>course</u>, or components <u>of a self-paced online course</u>, as authorized and certified by the department of licensing.

(4) <u>"Condensed traffic safety education course" means a course of instruction in traffic safety education approved and licensed by the department that consists of at least eight hours of classroom instruction and three hours of behind-the-wheel instruction that follows the approved curriculum as determined in rule.</u>

(5) "Director" means the director of the department of licensing of the state of Washington.

(((5))) (6) "Driver training education course" means a course of instruction in traffic safety education approved and licensed by the department of licensing that consists of classroom and behind-the-wheel instruction that follows the approved curriculum.

(((6))) (7) "Driver training education refresher course" means a course of instruction in traffic safety education approved and licensed by the department that follows the approved curriculum as determined in rule and includes, but is not limited to, a focus on driver risk management and hazard perception.

(8) "Driver training school" means a commercial driver training school engaged in the business of giving instruction, for a fee, in the operation of automobiles.

(((7))) (9) "Enrollment" means the collecting of a fee or the signing of a contract for a driver training education course. "Enrollment" does not include the collecting of names and contact information for enrolling students once a driver training school is licensed to instruct.

(((8))) (10) "Fraudulent practices" means any conduct or representation on the part of a driver training school owner or instructor including:

(a) Inducing anyone to believe, or to give the impression, that a license to operate a motor vehicle or any other license granted by the director may be obtained by any means other than those prescribed by law, or furnishing or obtaining the same by illegal or improper means, or requesting, accepting, or collecting money for such purposes;

(b) Operating a driver training school without a license, providing instruction without an instructor's license, verifying enrollment prior to being licensed, misleading or false statements on applications for a commercial driver training school license or instructor's license or on any required records or supporting documentation;

(c) Failing to fully document and maintain all required driver training school records of instruction, school operation, and instructor training;

(d) Issuing a driver training course certificate without requiring completion of the necessary behind-the-wheel and classroom instruction.

 $((\frac{(9)}{)})$ (11) "Instructor" means any person employed by or otherwise associated with a driver training school to instruct persons in the operation of an automobile.

(((10))) (12) "Owner" means an individual, partnership, corporation, association, or other person or group that holds a substantial interest in a driver training school.

(((11))) (13) "Person" means any individual, firm, corporation, partnership, or association.

(((12))) (14) "Place of business" means a designated location at which the business of a driver training school is transacted or its records are kept.

(((13))) (15) "Student" means any person enrolled in an approved driver training course.

(((14))) (16) "Substantial interest holder" means a person who has actual or potential influence over the management or operation of any driver training school. Evidence of substantial interest includes, but is not limited to, one or more of the following:

(a) Directly or indirectly owning, operating, managing, or controlling a driver training school or any part of a driver training school;

(b) Directly or indirectly profiting from or assuming liability for debts of a driver training school;

(c) Is an officer or director of a driver training school;

(d) Owning 10 percent or more of any class of stock in a privately or closely held corporate driver training school, or five percent or more of any class of stock in a publicly traded corporate driver training school;

(e) Furnishing 10 percent or more of the capital, whether in cash, goods, or services, for the operation of a driver training school during any calendar year; or

(f) Directly or indirectly receiving a salary, commission, royalties, or other form of compensation from the activity in which a driver training school is or seeks to be engaged.

Sec. 9. RCW 28A.220.020 and 2017 c 197 s 2 are each reenacted and amended to read as follows:

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

(1) "Appropriate course delivery standards" means the classroom and behind-the-wheel student learning experiences considered acceptable to the superintendent of public instruction under RCW 28A.220.030 that must be satisfactorily accomplished by the student in order to successfully complete the driver training education course.

(2) "Approved private school" means a private school approved by the board of education under chapter 28A.195 RCW.

(3) "Director" means the director of the department of licensing.

(4) "Driver training education course" means a course of instruction in traffic safety education (a) offered as part of a traffic safety education program authorized by the superintendent of public instruction and certified by the department of licensing and (b) taught by a qualified teacher of driver training education that consists of classroom and behind-the-wheel instruction using curriculum that meets joint superintendent of public instruction and department of licensing standards and the course requirements established by the superintendent of public instruction under RCW 28A.220.030. Behind-the-wheel instruction

is characterized by in-person classroom-based student instruction or virtual classroom-based student instruction with a live instructor.

(5) "Qualified teacher of driver training education" means an instructor who:

(a) Is certificated under chapter 28A.410 RCW and has obtained a traffic safety endorsement or a letter of approval to teach traffic safety education from the superintendent of public instruction or is certificated by the superintendent of public instruction to teach a driver training education course; or

(b) Is an instructor provided by a driver training school that has contracted with a school district's or districts' board of directors under RCW 28A.220.030(3) to teach driver education for the school district.

(6) "Superintendent" or "state superintendent" means the superintendent of public instruction.

(7) "Traffic safety education program" means the administration and provision of driver training education courses offered by secondary schools of a school district or vocational-technical schools that are conducted by such schools in a like manner to their other regular courses.

<u>NEW SECTION.</u> Sec. 10. A new section is added to chapter 46.82 RCW to read as follows:

(1) Subject to the availability of amounts appropriated in the omnibus transportation appropriations act for this specific purpose, the department must establish a program to expand education opportunities for driver training school instructors, specifically certification training programs.

(2) As part of the program, the department must:

(a) Implement a comprehensive traffic safety education program to train driver training school instructors;

(b) Establish mentorship programs and offer specialized grant programs or financial incentives to encourage diversity within the driver training school industry;

(c) Collaborate with the office of the superintendent of public instruction to align instructor requirements under the department and office of the superintendent of public instruction rules to streamline the process of obtaining a driver training school instructor certification; and

(d) Facilitate partnerships between private driver training schools and high schools, vocational-technical schools, colleges, or universities to enable private driver training school instructors to teach driver training education courses in school facilities. Such courses are not eligible for school credit.

(3) The department must submit an annual report to the appropriate committees of the legislature every July 1st, beginning July 1, 2026, detailing program activities. The report due July 1, 2030, must also provide a programmatic and funding needs assessment and any recommendations to support the program.

<u>NEW SECTION.</u> Sec. 11. A new section is added to chapter 46.82 RCW to read as follows:

(1) Beginning January 1, 2027, and subject to the availability of funds appropriated in the omnibus transportation appropriations act for this specific purpose, the department must establish a program to provide vouchers for individuals at least 15 years of age but under 25 years of age to cover up to the average cost of driver training education courses for drivers who reside in lowincome households, with the goal of assisting as many people as possible with the greatest need, measured both by income and mobility needs otherwise unserved, to access driver training education. A voucher may be applied to the cost of a course offered by a school district or an approved private school under chapter 28A.220 RCW, the cost of a course offered by a driver training school under this chapter, the cost of a driver training education refresher course, the cost of a safe driving course if required under section 2(9) of this act, or the cost of a condensed traffic safety education course. A voucher may not be provided more than once for any of the eligible courses under this subsection.

(2) In consultation with the Washington traffic safety commission, the department shall adopt rules establishing eligibility criteria and application and award procedures, and any other necessary rules, for implementing this section.

(3) An applicant who has previously received financial support to complete a driver training program under RCW 74.13.338(2)(b) or 49.04.290 is deemed ineligible for a voucher under this section.

(4) Driver training education course costs or fees may not be inflated to offset any voucher amounts provided by applicants. The department may evaluate such course pricing to determine if costs or fees have been inflated for this purpose.

(5) By December 1, 2025, the department, in consultation with the Washington traffic safety commission and the department of social and health services, shall provide to the appropriate committees of the legislature a policy framework and guidelines for the voucher program, to include the following considerations:

(a) Targeted demographics, including individuals or families who are cost burdened or eligible to receive funds under economic and community services programs;

(b) Consideration of the need for a vehicle by geography, taking into account mobility needs and other mobility options available in a community;

(c) An approach to reach young adults over the age of 18, especially for those enrolled in community or technical colleges; and

(d) Recommended voucher funding levels for projected or anticipated eligible individuals.

(6) Beginning January 1, 2028, the department shall annually report to the transportation committees of the legislature the following:

(a) The income criteria used to determine voucher awards for driver training education courses;

(b) The number of applicants for driver training education vouchers annually by county;

(c) The number of vouchers awarded annually by county;

(d) The number of vouchers redeemed annually by county;

(e) The dollar amount of vouchers redeemed annually by county;

(f) The community average income of voucher recipients during the reporting period; and

(g) The number of eligible applicants who did not receive or could not use a voucher.

(7) This section does not create an entitlement to receive voucher program funds.

<u>NEW SECTION.</u> Sec. 12. A new section is added to chapter 42.56 RCW to read as follows:

Any recipient income data collected by the department of licensing as part of the driver training education course voucher program established under section 11 of this act is exempt from disclosure under this chapter.

<u>NEW SECTION.</u> Sec. 13. A new section is added to chapter 46.82 RCW to read as follows:

(1) Beginning July 1, 2026, and subject to the availability of funds appropriated in the omnibus transportation appropriations act for this specific purpose, the department must establish a program to partner with tribal governments to provide young driver education and training in tribal communities.

(2) By January 1, 2026, the department must provide to the appropriate committees of the legislature an implementation plan for the program. On a biennial basis beginning July 1, 2027, the department must report to the appropriate committees of the legislature on program activities.

Sec. 14. RCW 46.20.120 and 2021 c 158 s 6 are each amended to read as follows:

An applicant for a new or renewed driver's license must successfully pass a driver licensing examination to qualify for a driver's license. The department must ensure that examinations are given at places and times reasonably available to the people of this state. If the department does not administer driver licensing examinations as a routine part of its licensing services within a department region because adequate testing sites are provided by driver training schools or school districts within that region, the department shall, at a minimum, administer driver licensing examinations by appointment to applicants ((eighteen)) <u>18</u> years of age and older in at least one licensing office within that region.

(1) Waiver. The department may waive:

(a) All or any part of the examination of any person applying for the renewal of a driver's license unless the department determines that the applicant is not qualified to hold a driver's license under this title; or

(b) All or any part of the examination involving operating a motor vehicle if the applicant:

(i) Surrenders a valid driver's license issued by the person's previous home state; or

(ii) Provides for verification a valid driver's license issued by a foreign driver licensing jurisdiction with which the department has an informal agreement under RCW 46.20.125; and

(iii) Is otherwise qualified to be licensed.

(2) Fee. ((Each)) Prior to January 1, 2026, each applicant for a new license must pay an ((examination)) application fee of ((thirty-five dollars)) \$35. On or after January 1, 2026, each applicant for a new license must pay an application fee of \$50.

(a) The ((examination)) application fee is in addition to the fee charged for issuance of the license.

(b) "New license" means a license issued to a driver:

(i) Who has not been previously licensed in this state; or

(ii) Whose last previous Washington license has been expired for more than eight years.

(3) An application for driver's license renewal may be submitted by means of:

(a) Personal appearance before the department;

(b) Mail or electronic commerce, if permitted by rule of the department and if the applicant did not renew the license by mail or by electronic commerce when it last expired; or

(c) From January 1, 2022, to June 30, 2024, electronic commerce, if permitted by rule of the department.

(4) A person whose license expired or will expire while the licensee is living outside the state, may:

(a) Apply to the department to extend the validity of the license for no more than ((twelve)) <u>12</u> months. If the person establishes to the department's satisfaction that the license is unable to return to Washington before the date the license expires, the department shall extend the person's license. The department may grant consecutive extensions, but in no event may the cumulative total of extensions exceed ((twelve)) <u>12</u> months. An extension granted under this section does not change the expiration date of the license for purposes of RCW 46.20.181. The department shall charge a fee of ((time - dollars)) <u>\$5</u> for each license extension;

(b) Apply to the department to renew the license by mail or, if permitted by rule of the department, by electronic commerce even if subsection (3)(b) of this section would not otherwise allow renewal by that means. If the person establishes to the department's satisfaction that the licensee is unable to return to Washington within ((twelve)) 12 months of the date that the license expires, the department shall renew the person's license by mail or, if permitted by rule of the department, by electronic commerce.

(5)(a) If a qualified person submits an application for renewal under subsection (3)(b) or (c) or (4)(b) of this section, the applicant is not required to pass an examination and only needs to provide an updated photograph:

(i) At least every 16 years, except that persons under 30 must provide an updated photograph every eight years; and

(ii) Beginning January 1, 2023, persons renewing through electronic commerce must provide an updated photograph in a form and manner approved by the department with each renewal unless they are unable to provide a photograph that meets the department's requirements and the most recent photograph on file with the department is not more than 10 years old at the time of renewal.

(b) A license renewed by mail or by electronic commerce that does not include a photograph of the licensee must be labeled "not valid for identification purposes."

(6) Driver training schools licensed by the department under chapter 46.82 RCW may administer the portions of the driver licensing examination that test the applicant's knowledge of traffic laws and ability to safely operate a motor vehicle.

(7) School districts that offer a traffic safety education program under chapter 28A.220 RCW may administer the portions of the driver licensing examination that test the applicant's knowledge of traffic laws and ability to safely operate a motor vehicle.

Sec. 15. RCW 46.20.055 and 2021 c 158 s 3 are each amended to read as follows:

(1) **Driver's instruction permit**. The department may issue a driver's instruction permit online or in person with or without a photograph to an applicant who has successfully passed all parts of the examination other than the driving test, provided the information required by RCW 46.20.091, paid an application fee of ((twenty-five dollars)) <u>\$25 prior to January 1, 2026, and \$35 on or after January 1, 2026</u>, and meets the following requirements:

(a) Is at least ((fifteen and one-half)) <u>15.5</u> years of age; or

(b) Is at least ((fifteen)) 15 years of age and:

(i) Has submitted a proper application; and

(ii) Is enrolled in a driver training education course offered as part of a traffic safety education program authorized by the office of the superintendent of public instruction and certified under chapter 28A.220 RCW or offered by a driver training school licensed and inspected by the department of licensing under chapter 46.82 RCW, that includes practice driving.

(2) Waiver of written examination for instruction permit. The department may waive the written examination, if, at the time of application, an applicant is enrolled in a driver training education course as defined in RCW 46.82.280 or 28A.220.020.

The department may require proof of registration in such a course as it deems necessary.

(3) **Effect of instruction permit**. A person holding a driver's instruction permit may drive a motor vehicle, other than a motorcycle, upon the public highways if:

(a) The person has immediate possession of the permit;

(b) The person is not using a wireless communications device, unless the person is using the device to report illegal activity, summon medical or other emergency help, or prevent injury to a person or property; and

(c) A driver training education course instructor who meets the qualifications of chapter 46.82 or 28A.220 RCW, or a licensed driver with at least five years of driving experience, occupies the seat beside the driver.

(4) **Term of instruction permit**. A driver's instruction permit is valid for one year from the date of issue.

(a) The department may issue one additional one-year permit.

(b) The department may issue a third driver's <u>instruction</u> permit if it finds after an investigation that the permittee is diligently seeking to improve driving proficiency.

(c) A person applying for an additional instruction permit must submit the application to the department and pay an application fee of (($\frac{1}{1}$ twenty-five dollars)) <u>\$25</u> for each issuance.

Sec. 16. RCW 46.68.041 and 2022 c 182 s 210 are each amended to read as follows:

(1) Except as provided in subsections (2) ((and (3))) through (4) of this section, the department must forward all funds accruing under the provisions of chapter 46.20 RCW together with a proper identifying, detailed report to the

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state treasurer who must deposit such moneys to the credit of the highway safety fund.

(2) Fifty-six percent of each fee collected by the department under RCW 46.20.311 (1)(e)(ii), (2)(b)(ii), and (3)(b) must be deposited in the impaired driving safety account.

(3) Fifty percent of the revenue from the fees imposed under RCW 46.20.200(2) must be deposited in the move ahead WA flexible account created in RCW 46.68.520.

(4)(a) Beginning January 1, 2026, \$15 of the driver's application fee imposed under RCW 46.20.120(2) must be deposited into the driver education safety improvement account created in section 20 of this act.

(b) Beginning January 1, 2026, \$10 of the driver's instruction permit application fee imposed under RCW 46.20.055(1) must be deposited into the driver education safety improvement account created in section 20 of this act.

Sec. 17. RCW 46.17.025 and 2023 c 431 s 3 are each amended to read as follows:

(1) A person who applies for a vehicle registration or for any other right to operate a vehicle on the highways of this state shall pay a ((50)) <u>75</u> cent license service fee in addition to any other fees and taxes required by law. ((The)) <u>Except as provided in subsection (3) of this section, the</u> license service fee must be distributed under RCW 46.68.220.

(2) A vehicle registered under RCW 46.16A.455 or 46.17.330 is not subject to the license service fee, except for a vehicle subject to the fee under RCW 46.17.355.

(3) ((The)) (a) Two-thirds of the revenue generated from subsection (2) of this section must be deposited in the move ahead WA account created in RCW 46.68.510.

(b) One-third of the revenue generated from subsections (1) and (2) of this section must be deposited into the driver education safety improvement account created in section 20 of this act.

Sec. 18. RCW 46.68.220 and 2011 c 367 s 719 are each amended to read as follows:

The department of licensing services account is created in the motor vehicle fund. ((All)) Except as provided in RCW 46.17.025, all receipts from service fees received under RCW 46.17.025 must be deposited into the account. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for:

(1) Information and service delivery systems for the department;

(2) Reimbursement of county licensing activities; and

(3) County auditor or other agent and subagent support including, but not limited to, the replacement of department-owned equipment in the possession of county auditors or other agents and subagents appointed by the director. ((During the 2011-2013 fiscal biennium, the legislature may transfer from the department of licensing services account such amounts as reflect the excess fund balance of the account.))

Sec. 19. RCW 46.63.200 and 2024 c 308 s 4 are each amended to read as follows:

(1) This section applies to the use of speed safety camera systems in state highway work zones.

(2) Nothing in this section prohibits a law enforcement officer from issuing a notice of infraction to a person in control of a vehicle at the time a violation occurs under RCW 46.63.030(1) (a), (b), or (c).

(3)(a) The department of transportation is responsible for all actions related to the operation and administration of speed safety camera systems in state highway work zones including, but not limited to, the procurement and administration of contracts necessary for the implementation of speed safety camera systems, the mailing of notices of infraction, and the development and maintenance of a public-facing website for the purpose of educating the traveling public about the use of speed safety camera systems in state highway work zones. Prior to the use of a speed safety camera system to capture a violation established in this section for enforcement purposes, the department of transportation, in consultation with the Washington state patrol, department of licensing, office of administrative hearings, Washington traffic safety commission, and other organizations committed to protecting civil rights, must adopt rules addressing such actions and take all necessary steps to implement this section.

(b) The Washington state patrol is responsible for all actions related to the enforcement and adjudication of speed violations under this section including, but not limited to, notice of infraction verification and issuance authorization, and determining which types of emergency vehicles are exempt from being issued notices of infraction under this section. Prior to the use of a speed safety camera system to capture a violation established in this section for enforcement purposes, the Washington state patrol, in consultation with the department of transportation, department of licensing, office of administrative hearings, Washington traffic safety commission, and other organizations committed to protecting civil rights, must adopt rules addressing such actions and take all necessary steps to implement this section.

(c) When establishing rules under this subsection (3), the department of transportation and the Washington state patrol may also consult with other public and private agencies that have an interest in the use of speed safety camera systems in state highway work zones.

(4)(a) No person may drive a vehicle in a state highway work zone at a speed greater than that allowed by traffic control devices.

(b) A notice of infraction may only be issued under this section if a speed safety camera system captures a speed violation in a state highway work zone when workers are present.

(5) The penalty for a speed safety camera system violation is: (a) 0 for the first violation; and (b) 248 for the second violation, and for each violation thereafter.

(6) During the 30-day period after the first speed safety camera system is put in place, the department is required to conduct a public awareness campaign to inform the public of the use of speed safety camera systems in state highway work zones.

(7)(a) A notice of infraction issued under this section may be mailed to the registered owner of the vehicle within 30 days of the violation, or to the renter of a vehicle within 30 days of establishing the renter's name and address. The law enforcement officer issuing the notice of infraction shall include with it a certificate or facsimile thereof, based upon inspection of photographs, microphotographs, or electronic images produced by a speed safety camera stating the facts supporting the notice of infraction. This certificate or facsimile is prima facie evidence of the facts contained in it and is admissible in a proceeding charging a violation under this section. The photographs, microphotographs, or electronic images evidencing the violation must be available for inspection and admission into evidence in a proceeding to adjudicate the liability for the violation.

(b) A notice of infraction represents a determination that an infraction has been committed, and the determination will be final unless contested as provided under this section.

(c) A person receiving a notice of infraction based on evidence detected by a speed safety camera system must, within 30 days of receiving the notice of infraction: (i) Except for a first violation under subsection (5)(a) of this section, remit payment in the amount of the penalty assessed for the violation; (ii) contest the determination that the infraction occurred by following the instructions on the notice of infraction; or (iii) admit to the infraction but request a hearing to explain mitigating circumstances surrounding the infraction.

(d) If a person fails to respond to a notice of infraction, a final order shall be entered finding that the person committed the infraction and assessing monetary penalties required under subsection (5)(b) of this section.

(e) If a person contests the determination that the infraction occurred or requests a mitigation hearing, the notice of infraction shall be referred to the office of administrative hearings for adjudication consistent with chapter 34.05 RCW.

(f) At a hearing to contest an infraction, the agency issuing the infraction has the burden of proving, by a preponderance of the evidence, that the infraction was committed.

(g) A person may request a payment plan at any time for the payment of any penalty or other monetary obligation associated with an infraction under this section. The agency issuing the infraction shall provide information about how to submit evidence of inability to pay, how to obtain a payment plan, and that failure to pay or enter into a payment plan may result in collection action or nonrenewal of the vehicle registration. The office of administrative hearings may authorize a payment plan if it determines that a person is not able to pay the monetary obligation, and it may modify a payment plan at any time.

(8)(a) Speed safety camera systems may only take photographs, microphotographs, or electronic images of the vehicle and vehicle license plate and only while a speed violation is occurring. The photograph, microphotograph, or electronic image must not reveal the face of the driver or any passengers in the vehicle. The department of transportation shall consider installing speed safety camera systems in a manner that minimizes the impact of camera flash on drivers.

(b) The registered owner of a vehicle is responsible for a traffic infraction under RCW 46.63.030 unless the registered owner overcomes the presumption

in RCW 46.63.075 or, in the case of a rental car business, satisfies the conditions under (f) of this subsection. If appropriate under the circumstances, a renter identified under (f)(i) of this subsection is responsible for the traffic infraction.

(c) Notwithstanding any other provision of law, all photographs, microphotographs, or electronic images, or any other personally identifying data prepared under this section are for the exclusive use of the Washington state patrol and department of transportation in the discharge of duties under this section and are not open to the public and may not be used in court in a pending action or proceeding unless the action or proceeding relates to a speed violation under this section. This data may be used in administrative appeal proceedings relative to a violation under this section.

(d) All locations where speed safety camera systems are used must be clearly marked before activation of the camera system by placing signs in locations that clearly indicate to a driver that they are entering a state highway work zone where posted speed limits are monitored by a speed safety camera system. Additionally, where feasible and constructive, radar speed feedback signs will be placed in advance of the speed safety camera system to assist drivers in complying with posted speed limits. Signs placed in these locations must follow the specifications and guidelines under the manual of uniform traffic control devices for streets and highways as adopted by the department of transportation under chapter 47.36 RCW.

(e) Imposition of a penalty for a speed violation detected through the use of speed safety camera systems shall not be deemed a conviction as defined in RCW 46.25.010, and shall not be part of the registered owner's driving record under RCW 46.52.101 and 46.52.120. Additionally, infractions generated by the use of speed safety camera systems under this section shall be processed in the same manner as parking infractions, including for the purposes of RCW 46.16A.120 and 46.20.270(2).

(f) If the registered owner of the vehicle is a rental car business, the department of transportation shall, before a notice of infraction may be issued under this section, provide a written notice to the rental car business that a notice of infraction may be issued to the rental car business if the rental car business does not, within 30 days of receiving the written notice, provide to the issuing agency by return mail:

(i)(A) A statement under oath stating the name and known mailing address of the individual driving or renting the vehicle when the speed violation occurred;

(B) A statement under oath that the business is unable to determine who was driving or renting the vehicle at the time the speed violation occurred because the vehicle was stolen at the time of the violation. A statement provided under this subsection (8)(f)(i)(B) must be accompanied by a copy of a filed police report regarding the vehicle theft; or

(C) In lieu of identifying the vehicle operator, payment of the applicable penalty.

(ii) Timely mailing of a statement to the department of transportation relieves a rental car business of any liability under this chapter for the notice of infraction.

(9) Revenue generated from the deployment of speed safety camera systems must be deposited into the highway safety fund and first used exclusively for the

operating and administrative costs under this section. The operation of speed safety camera systems is intended to increase safety in state highway work zones by changing driver behavior. ((Consequently, any)) Any revenue generated that exceeds the operating and administrative costs under this section must be ((distributed for the purpose of traffic safety including, but not limited to, driver training education and local DUI emphasis patrols)) transferred to the driver education safety improvement account created in section 20 of this act as designated in the omnibus transportation appropriations act.

(10) The Washington state patrol and department of transportation, in collaboration with the Washington traffic safety commission, must report to the transportation committees of the legislature by July 1, 2025, and biennially thereafter, on the data and efficacy of speed safety camera system use in state highway work zones. The final report due on July 1, 2029, must include a recommendation on whether or not to continue such speed safety camera system use beyond June 30, 2030.

(11) For the purposes of this section:

(a) "Speed safety camera system" means employing the use of speed measuring devices and cameras synchronized to automatically record one or more sequenced photographs, microphotographs, or other electronic images of a motor vehicle that exceeds a posted state highway work zone speed limit as detected by the speed measuring devices.

(b) "State highway work zone" means an area of any highway with construction, maintenance, utility work, or incident response activities authorized by the department of transportation. A state highway work zone is identified by the placement of temporary traffic control devices that may include signs, channelizing devices, barriers, pavement markings, and/or work vehicles with warning lights. It extends from the first warning sign or high intensity rotating, flashing, oscillating, or strobe lights on a vehicle to the end road work sign or the last temporary traffic control device or vehicle.

(12) This section expires June 30, 2030.

<u>NEW SECTION.</u> Sec. 20. A new section is added to chapter 46.20 RCW to read as follows:

The driver education safety improvement account is created in the state treasury. The portion of the driver's application fee prescribed under RCW 46.68.041(4)(a), the portion of the driver's instruction permit application fee prescribed under RCW 46.68.041(4)(b), and the portion of the license service fee prescribed under RCW 46.63.041(4)(b), and the portion of the license service fee prescribed under RCW 46.63.200(9). Moneys in the account may be spent only after appropriation. Expenditures from the account may only be used for expanding and improving driver's education programs and activities including, but not limited to, the online work zone and first responder safety course under section 2(3) of this act, the driver training school instructor education opportunities program established in section 11 of this act, and the tribal partnership program established in section 13 of this act.

Sec. 21. RCW 43.84.092 and 2024 c 210 s 4 and 2024 c 168 s 12 are each reenacted and amended to read as follows:

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

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

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

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

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

water assistance account, the administrative subaccount of the drinking water assistance account, the driver education safety improvement account, the early learning facilities development account, the early learning facilities revolving account, the Eastern Washington University capital projects account, the education construction fund, the education legacy trust account, the election account, the electric vehicle account, the energy freedom account, the energy recovery act account, the essential rail assistance account, The Evergreen State College capital projects account, the fair start for kids account, the family medicine workforce development account, the ferry bond retirement fund, the fish, wildlife, and conservation account, the freight mobility investment account, the freight mobility multimodal account, the grade crossing protective fund, the higher education retirement plan supplemental benefit fund, the Washington student loan account, the highway bond retirement fund, the highway infrastructure account, the highway safety fund, the hospital safety net assessment fund, the Interstate 5 bridge replacement project account, the Interstate 405 and state route number 167 express toll lanes account, the judges' retirement account, the judicial retirement administrative account, the judicial retirement principal account, the limited fish and wildlife account, the local leasehold excise tax account, the local real estate excise tax account, the local sales and use tax account, the marine resources stewardship trust account, the medical aid account, the money-purchase retirement savings administrative account, the money-purchase retirement savings principal account, the motor vehicle fund, the motorcycle safety education account, the move ahead WA account, the move ahead WA flexible account, the multimodal transportation account, the multiuse roadway safety account, the municipal criminal justice assistance account, the oyster reserve land account, the pension funding stabilization account, the perpetual surveillance and maintenance account, the pilotage account, the pollution liability insurance agency underground storage tank revolving account, the public employees' retirement system plan 1 account, the public employees' retirement system combined plan 2 and plan 3 account, the public facilities construction loan revolving account, the public health supplemental account, the public works assistance account, the Puget Sound capital construction account, the Puget Sound ferry operations account, the Puget Sound Gateway facility account, the Puget Sound taxpayer accountability account, the real estate appraiser commission account, the recreational vehicle account, the regional mobility grant program account, the reserve officers' relief and pension principal fund, the resource management cost account, the rural arterial trust account, the rural mobility grant program account, the rural Washington loan fund, the second injury fund, the sexual assault prevention and response account, the site closure account, the skilled nursing facility safety net trust fund, the small city pavement and sidewalk account, the special category C account, the special wildlife account, the state hazard mitigation revolving loan account, the state investment board expense account, the state investment board commingled trust fund accounts, the state patrol highway account, the state reclamation revolving account, the state route number 520 civil penalties account, the state route number 520 corridor account, the statewide broadband account, the statewide tourism marketing account, the supplemental pension account, the Tacoma Narrows toll bridge account, the teachers' retirement system plan 1 account, the teachers' retirement system combined plan 2 and plan

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

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

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

Sec. 22. RCW 43.84.092 and 2024 c 210 s 5 and 2024 c 168 s 13 are each reenacted and amended to read as follows:

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

(2) The treasury income account shall be utilized to pay or receive funds associated with federal programs as required by the federal cash management improvement act of 1990. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for refunds or allocations of interest earnings required by the cash management improvement act. Refunds of interest to the federal treasury required under the cash management improvement act fall under RCW 43.88.180 and shall not require appropriation. The office of financial management shall determine the amounts due to or from the federal government pursuant to the cash management improvement act. The

office of financial management may direct transfers of funds between accounts as deemed necessary to implement the provisions of the cash management improvement act, and this subsection. Refunds or allocations shall occur prior to the distributions of earnings set forth in subsection (4) of this section.

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

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

(a) The following accounts and funds shall receive their proportionate share of earnings based upon each account's and fund's average daily balance for the period: The abandoned recreational vehicle disposal account, the aeronautics account, the Alaskan Way viaduct replacement project account, the budget stabilization account, the capital vessel replacement account, the capitol building construction account, the Central Washington University capital projects account, the charitable, educational, penal and reformatory institutions account, the Chehalis basin account, the Chehalis basin taxable account, the clean fuels credit account, the clean fuels transportation investment account, the cleanup settlement account, the climate active transportation account, the climate transit programs account, the Columbia river basin water supply development account, the Columbia river basin taxable bond water supply development account, the Columbia river basin water supply revenue recovery account, 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account, the Washington school employees' retirement system combined plan 2 and 3 account, the Washington state patrol retirement account, the Washington State University building account, the Washington State University bond retirement fund, the water pollution control revolving administration account, the water pollution control revolving fund, the Western Washington University capital projects account, the Yakima integrated plan implementation account, the Yakima integrated plan implementation revenue recovery account, and the Yakima integrated plan implementation taxable bond account. Earnings derived from investing balances of the agricultural permanent fund, the normal school permanent fund, the permanent common school fund, the scientific permanent fund, and the state university permanent fund shall be allocated to their respective beneficiary accounts.

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

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

<u>NEW SECTION.</u> Sec. 23. Section 4 of this act takes effect May 1, 2026.

<u>NEW SECTION.</u> Sec. 24. Sections 17 and 18 of this act take effect January 1, 2026.

<u>NEW SECTION.</u> Sec. 25. Section 6 of this act takes effect January 1, 2031.

NEW SECTION. Sec. 26. Section 21 of this act expires July 1, 2028.

<u>NEW SECTION.</u> Sec. 27. Section 22 of this act takes effect July 1, 2028.

Passed by the House April 21, 2025.

Passed by the Senate April 10, 2025.

Approved by the Governor May 17, 2025.

Filed in Office of Secretary of State May 19, 2025.

CHAPTER 300

[Engrossed Senate Bill 5595] SHARED STREETS

AN ACT Relating to establishing shared streets; amending RCW 46.61.250, 46.61.415, 46.61.110, 46.61.240, and 46.61.770; and adding a new section to chapter 46.61 RCW.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> Sec. 1. A new section is added to chapter 46.61 RCW to read as follows:

(1)(a) A local authority may designate a nonarterial highway, except as provided in (b) of this subsection, to be a shared street under this section, if the local authority has developed procedures for establishing shared streets.

(b) Nonarterial highways that are state highways may not be designated shared streets unless they are the primary roads through a central business district.

(2) Vehicular traffic traveling along a shared street shall yield the right-ofway to any pedestrian, bicyclist, or operator of a micromobility device on the shared street.

(3) A bicyclist or operator of a micromobility device shall yield the right-ofway to any pedestrian on a shared street.

(4) Any local authority that designates a nonarterial highway to be a shared street as provided by this section must post an annual report on the local authority's website of the number of traffic accidents, including those that involve a pedestrian, bicyclist, or operator of a micromobility device, that occurred on the designated shared street. The report must also include the number of speeding violations and driving under the influence violations that occurred on the designated street.

(5) For purposes of this section:

(a) "Micromobility device" means personal or shared nonmotorized scooters, "motorized foot scooters" as defined in RCW 46.04.336, and "electric personal assistive mobility devices" (EPAMD) as defined in RCW 46.04.1695; and

(b) "Shared street" means a city street designated by placement of official traffic control devices where pedestrians, bicyclists, and vehicular traffic share a portion or all of the same street.

Sec. 2. RCW 46.61.250 and 2022 c 235 s 3 are each amended to read as follows:

(1) Where sidewalks are provided and are accessible, it is unlawful for any pedestrian to walk or otherwise move along and upon an adjacent roadway. Where sidewalks are provided but wheelchair access is not available, persons with disabilities who require such access may walk or otherwise move along and upon an adjacent roadway until they reach an access point in the sidewalk.

(2) Where sidewalks are not provided or are inaccessible, a pedestrian walking or otherwise moving along and upon a highway, and any personal delivery device moving along and upon a highway, shall:

(a) When shoulders are provided and are accessible, walk or move on the shoulder of the roadway as far as is practicable from the edge of the roadway, facing traffic when a shoulder is available in this direction; or

(b) When shoulders are not provided or are inaccessible, walk or move as near as is practicable to the outside edge of the roadway facing traffic, and when practicable, move clear of the roadway upon meeting an oncoming vehicle.

(3) A pedestrian traveling to the nearest emergency reporting device on a one-way roadway of a controlled access highway is not required to travel facing traffic as otherwise required by subsection (2) of this section.

(4) When walking or otherwise moving along and upon an adjacent roadway, a pedestrian shall exercise due care to avoid colliding with any vehicle upon the roadway.

(5) Subsections (1) and (2) of this section do not apply when the roadway is duly closed to vehicular traffic by placement of official traffic control devices for the sole purposes of pedestrian and bicyclist use of the roadway.

(6) Subsections (1), (2), and (4) of this section do not apply on a shared street as defined in section 1 of this act.

Sec. 3. RCW 46.61.415 and 2022 c 235 s 1 are each amended to read as follows:

(1) Whenever local authorities in their respective jurisdictions determine on the basis of an engineering and traffic investigation that the maximum speed permitted under RCW 46.61.400 or 46.61.440 is greater or less than is reasonable and safe under the conditions found to exist upon a highway or part of a highway, the local authority may determine and declare a reasonable and safe maximum limit thereon which

(a) Decreases the limit at intersections; or

(b) Increases the limit but not to more than 60 miles per hour; or

(c) Decreases the limit but not to less than 20 miles per hour.

(2) Local authorities in their respective jurisdictions shall determine by an engineering and traffic investigation the proper maximum speed for all arterial streets and shall declare a reasonable and safe maximum limit thereon, which may be greater or less than the maximum speed permitted under RCW 46.61.400(2) but shall not exceed 60 miles per hour.

(3)(a) Local authorities in their respective jurisdictions may establish a maximum speed limit of 20 miles per hour on a nonarterial highway or part of a nonarterial highway <u>or a maximum speed limit of 10 miles per hour on a shared street as defined in section 1 of this act</u>.

(b) A speed limit established under this subsection by a local authority does not need to be determined on the basis of an engineering and traffic investigation if the local authority has developed procedures regarding establishing a maximum speed limit under this subsection. Any speed limit established under this subsection may be canceled within one year of its establishment, and the previous speed limit reestablished, without an engineering and traffic investigation. This subsection does not otherwise affect the requirement that local authorities conduct an engineering and traffic investigation to determine whether to increase speed limits.

(c) When establishing speed limits under this subsection, local authorities shall consult the manual on uniform traffic control devices as adopted by the Washington state department of transportation.

(4) The secretary of transportation is authorized to establish speed limits on county roads and city and town streets as shall be necessary to conform with any federal requirements, which are a prescribed condition for the allocation of federal funds to the state.

(5) Any altered limit established as hereinbefore authorized shall be effective when appropriate signs giving notice thereof are erected. Such maximum speed limit may be declared to be effective at all times or at such times as are indicated upon such signs; and differing limits may be established for different times of day, different types of vehicles, varying weather conditions, and other factors bearing on safe speeds, which shall be effective when posted upon appropriate fixed or variable signs.

(6) Any alteration of maximum limits on state highways within incorporated cities or towns by local authorities shall not be effective until such alteration has been approved by the secretary of transportation.

Sec. 4. RCW 46.61.110 and 2023 c 471 s 4 are each amended to read as follows:

The following rules shall govern the overtaking and passing of vehicles proceeding in the same direction:

(1)(a) The driver of a vehicle overtaking other traffic proceeding in the same direction shall pass to the left of it at a safe distance and shall not again drive to the right side of the roadway until safely clear of the overtaken traffic.

(b)(i) When the vehicle being overtaken is a motorcycle, motor-driven cycle, or moped, a driver of a motor vehicle found to be in violation of (a) of this subsection must be assessed an additional fine equal to the base penalty assessed under RCW 46.63.110(3). This fine may not be waived, reduced, or suspended, unless the court finds the offender to be indigent, and is not subject to the additional fees and assessments that the base penalty for this violation is subject to under RCW 2.68.040, 3.62.090, and 46.63.110.

(ii) The additional fine imposed under (b)(i) of this subsection must be deposited into the vulnerable roadway user education account created in RCW 46.61.145.

(2)(a) The driver of a vehicle approaching an individual who is traveling as a pedestrian or on a bicycle, riding an animal, or using a farm tractor or implement of husbandry without an enclosed shell, and who is traveling in the right lane of a roadway or on the right-hand shoulder or bicycle lane of the roadway, shall:

(i) On a roadway with two lanes or more for traffic moving in the direction of travel, before passing and until safely clear of the individual, move completely into a lane to the left of the right lane when it is safe to do so;

(ii) On a roadway with only one lane for traffic moving in the direction of travel:

(A) When there is sufficient room to the left of the individual in the lane for traffic moving in the direction of travel, before passing and until safely clear of the individual:

(I) Reduce speed to a safe speed for passing relative to the speed of the individual; and

(II) Pass at a safe distance, where practicable of at least three feet, to clearly avoid coming into contact with the individual or the individual's vehicle or animal; or

(B) When there is insufficient room to the left of the individual in the lane for traffic moving in the direction of travel to comply with (a)(ii)(A) of this subsection, before passing and until safely clear of the individual, move completely into the lane for traffic moving in the opposite direction when it is safe to do so and in compliance with RCW 46.61.120 and 46.61.125.

(b) A driver of a motor vehicle found to be in violation of this subsection (2) must be assessed an additional fine equal to the base penalty assessed under RCW 46.63.110(3). This fine may not be waived, reduced, or suspended, unless the court finds the offender to be indigent, and is not subject to the additional fees and assessments that the base penalty for this violation is subject to under RCW 2.68.040, 3.62.090, and 46.63.110.

(c) The additional fine imposed under (b) of this subsection must be deposited into the vulnerable roadway user education account created in RCW 46.61.145.

(d) For the purposes of this section, "vulnerable user of a public way" has the same meaning as provided in RCW 46.61.5259.

(e) This subsection (2) does not apply on a shared street as defined in section 1 of this act.

(3) Except when overtaking and passing on the right is permitted, overtaken traffic shall give way to the right in favor of an overtaking vehicle on audible signal and shall not increase speed until completely passed by the overtaking vehicle.

Sec. 5. RCW 46.61.240 and 2019 c 214 s 13 are each amended to read as follows:

(1) Every pedestrian or personal delivery device crossing a roadway at any point other than within a marked crosswalk or within an unmarked crosswalk at an intersection shall yield the right-of-way to all vehicles upon the roadway.

(2) Where curb ramps exist at or adjacent to intersections or at marked crosswalks in other locations, persons with disabilities or personal delivery devices may enter the roadway from the curb ramps and cross the roadway within or as closely as practicable to the crosswalk. All other pedestrian rights and duties as defined elsewhere in this chapter remain applicable.

(3) Any pedestrian crossing a roadway at a point where a pedestrian tunnel or overhead pedestrian crossing has been provided shall yield the right-of-way to all vehicles upon the roadway.

(4) Between adjacent intersections at which traffic-control signals are in operation pedestrians shall not cross at any place except in a marked crosswalk.

(5) No pedestrian or personal delivery device shall cross a roadway intersection diagonally unless authorized by official traffic-control devices; and, when authorized to cross diagonally, pedestrians and personal delivery devices shall cross only in accordance with the official traffic-control devices pertaining to such crossing movements.

(6) No pedestrian or personal delivery device shall cross a roadway at an unmarked crosswalk where an official sign prohibits such crossing.

(7) This section does not apply on a shared street as defined in section 1 of this act.

Sec. 6. RCW 46.61.770 and 2019 c 403 s 10 are each amended to read as follows:

(1) Every person operating a bicycle upon a roadway at a rate of speed less than the normal flow of traffic at the particular time and place shall ride as near to the right side of the right through lane as is safe except:

(a) While preparing to make or while making turning movements at an intersection or into a private road or driveway;

(b) When approaching an intersection where right turns are permitted and there is a dedicated right turn lane, in which case a person may operate a bicycle in this lane even if the operator does not intend to turn right;

(c) While overtaking and passing another bicycle or vehicle proceeding in the same direction; and

(d) When reasonably necessary to avoid unsafe conditions including, but not limited to, fixed or moving objects, parked or moving vehicles, bicyclists, pedestrians, animals, and surface hazards.

(2) A person operating a bicycle upon a roadway or highway other than a limited access highway, which roadway or highway carries traffic in one direction only and has two or more marked traffic lanes, may ride as near to the left side of the left through lane as is safe.

(3) A person operating a bicycle upon a roadway may use the shoulder of the roadway or any specially designated bicycle lane.

(4) When the operator of a bicycle is using the travel lane of a roadway with only one lane for traffic moving in the direction of travel and it is wide enough for a bicyclist and a vehicle to travel safely side-by-side within it, the bicycle operator shall operate far enough to the right to facilitate the movement of an overtaking vehicle unless other conditions make it unsafe to do so or unless the bicyclist is preparing to make a turning movement or while making a turning movement.

(5) Persons riding bicycles upon a roadway shall not ride more than two abreast except on paths or parts of roadways set aside for the exclusive use of bicycles.

(6) This section does not apply on a shared street as defined in section 1 of this act.

Passed by the Senate April 17, 2025. Passed by the House April 11, 2025. Approved by the Governor May 17, 2025. Filed in Office of Secretary of State May 19, 2025.

CHAPTER 301

[Engrossed Second Substitute House Bill 1096] RESIDENTIAL LOT SPLITTING

AN ACT Relating to increasing housing options through lot splitting; amending RCW 36.70A.635; adding a new section to chapter 58.17 RCW; and creating new sections.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> Sec. 1. The legislature finds that allowing an existing residential lot to be split to create a new residential lot through a simple, administrative process can offer many advantages to both the existing homeowner and to prospective homebuyers. The legislature further finds that administrative lot splitting can provide current owners the opportunity to maintain homeownership in changing life circumstances while facilitating development of middle housing to provide homebuyers, including first-time homebuyers, with more affordable ownership opportunities. The legislature also finds that lot splitting can be combined with the review of a residential building permit application to create a single integrated process benefiting both homeowners and cities. Therefore, it is the intent of the legislature to ease restrictions on, and expand opportunities for, lot splitting in cities.

<u>NEW SECTION.</u> Sec. 2. A new section is added to chapter 58.17 RCW to read as follows:

(1) Cities shall include in their development regulations a process through which an applicant can seek review and approval of an administrative lot split, which may be combined with concurrent review of a residential building permit to create new middle housing, as defined in RCW 36.70A.030, or single-family housing. The application process for a residential lot to be split may require only an administrative decision, through which the application is reviewed, approved, or denied by the planning director or other designee based on applicable clear and objective development standards, with neither a predecision public hearing, nor any design review other than administrative design review. A new buildable residential lot and residential building permit or permits must be administratively approved and are not subject to administrative appeal if they comply with applicable development standards and the following conditions are met:

(a) No more than one newly created lot is created through the administrative lot split;

(b) Both the parent lot and the newly created lot meet the minimum lot size allowed under applicable development regulations;

(c) The parent lot was not created through the splitting of a residential lot authorized by this section;

(d) The parent lot is located in a residential zone and not in an exclusively nonresidential zone including, but not limited to, zones that are exclusively commercial, retail, agricultural, or industrial;

(e) If the lot split would require demolition or alteration of any existing housing that would displace a renter, the applicant must recommend a displacement mitigation strategy that may include, but is not limited to, relocation assistance;

(f) The applicable sewer and water purveyors have issued certificates of availability to serve the newly created lot and dwelling units;

(g) Access and utility rights are granted or conveyed as necessary on or before recording of the lot split survey to provide access for the maximum number of dwelling units that could be developed on the newly created lot, provided such access rights may be reduced consistent with a city's adopted codes, regulations, or design standards as applicable through review of a subsequent application for a building permit, short subdivision, unit lot subdivision, subdivision application, or short subdivision if less than the maximum number of dwelling units are built on the newly created lot;

(h) The planning director or other designee determines that the application follows all applicable development regulations; and

(i) The lot split survey has been approved by the planning director or other designee and includes a condition on the face of the survey that further lot splits of the parent lot and newly created lot are not authorized by this section.

(2) A proposed lot split may be conditioned upon dedication of right-of-way on the parent lot to the extent such dedication is required under applicable codes, regulations, and design standards for the development, short plat, or subdivision of the parent lot absent an administrative lot split.

(3) Development of dwelling units on the newly created lot may be conditioned upon construction of frontage improvements to a right-of-way adjacent to either the parent lot or the newly created lot to the extent required under applicable codes, regulations, and design standards.

(4) Any construction on the newly created lot is subject to all existing state and local laws including those specified in this section. Nothing in this section modifies the requirements for approval of residential building permits in chapter 19.27 RCW. (5) A city subject to the requirements of this section may not impose a limit on the total number of dwelling units allowed on the parent lot or newly created lot that is less than the number of dwelling units allowed by the underlying zoning of the parent lot prior to the administrative lot split.

(6) Notwithstanding the provisions of this section, lots that are not buildable according to locally adopted development regulations including, but not limited to, critical areas, shorelines, stormwater, setbacks, impervious surface areas, and building coverage standards, are not eligible for a lot split under this section.

(7) If a lot split results in a lot of a size that would allow for further land division, the lot is not eligible for a lot split but may be divided under other applicable land subdivision processes.

(8) The newly created lot must meet any locally adopted minimum density requirements.

(9) Cities are immune from any liability, loss, or other damage suffered by another that is related to the city's approval of a lot split under this act, including if the lot split creates a lot that is later determined to not be buildable.

(10) Parent lots and newly created lots approved under this section must have a lot split survey recorded with the county auditor with a notation that future lot splits are not allowed on the lot.

(11) An application process or a residential lot to be split under this section is subject to the maximum time period for local government actions as set forth in RCW 36.70B.080, unless extended pursuant to project-specific mutual agreement as permitted by RCW 36.70B.080.

(12) Ordinances adopted to comply with this section are not subject to administrative or judicial appeal under chapter 43.21C RCW.

(13) The department of commerce must develop guidance for cities in implementing the lot splitting requirements.

(14) A city required to comply with the requirements of this section that has its next comprehensive plan update due in 2027, pursuant to RCW 36.70A.130, must adopt or amend by ordinance, and incorporate into its development regulations, zoning regulations, and other official controls, the requirements of this section in its next comprehensive plan update. All other cities required to comply with this section must implement the requirements within two years of the effective date of this section.

(15) For the purposes of this section, the following definitions apply unless the context clearly requires otherwise:

(a) "Lot split" means the administrative process of dividing an existing lot into two lots for the purpose of sale, lease, or transfer of ownership pursuant to this section.

(b) "Lot split survey" means the final survey prepared for filing for record with the county auditor and containing all elements and requirements for a lot split under this section and any local regulations.

(c) "Newly created lot" means a lot that was created by a lot split under this section.

(d) "Parent lot" means a lot that is subjected to a lot split under this section.

(16) The provisions of this section do not apply to areas designated as solesource aquifers by the United States environmental protection agency on islands in the Puget Sound. Sec. 3. RCW 36.70A.635 and 2024 c 152 s 2 are each amended to read as follows:

(1) Except as provided in subsection (4) of this section, any city that is required or chooses to plan under RCW 36.70A.040 must provide by ordinance and incorporate into its development regulations, zoning regulations, and other official controls, authorization for the following:

(a) For cities with a population of at least 25,000 but less than 75,000 based on office of financial management population estimates:

(i) The development of at least two units per lot on all lots zoned predominantly for residential use, unless zoning permitting higher densities or intensities applies;

(ii) The development of at least four units per lot on all lots zoned predominantly for residential use, unless zoning permitting higher densities or intensities applies, within one-quarter mile walking distance of a major transit stop; and

(iii) The development of at least four units per lot on all lots zoned predominantly for residential use, unless zoning permitting higher densities or intensities applies, if at least one unit is affordable housing.

(b) For cities with a population of at least 75,000 based on office of financial management population estimates:

(i) The development of at least four units per lot on all lots zoned predominantly for residential use, unless zoning permitting higher densities or intensities applies;

(ii) The development of at least six units per lot on all lots zoned predominantly for residential use, unless zoning permitting higher densities or intensities applies, within one-quarter mile walking distance of a major transit stop; and

(iii) The development of at least six units per lot on all lots zoned predominantly for residential use, unless zoning permitting higher densities or intensities applies, if at least two units are affordable housing.

(c) For cities with a population of less than 25,000, that are within a contiguous urban growth area with the largest city in a county with a population of more than 275,000, based on office of financial management population estimates the development of at least two units per lot on all lots zoned predominantly for residential use, unless zoning permitting higher densities or intensities applies.

(2)(a) To qualify for the additional units allowed under subsection (1) of this section, the applicant must commit to renting or selling the required number of units as affordable housing. The units must be maintained as affordable for a term of at least 50 years, and the property must satisfy that commitment and all required affordability and income eligibility conditions adopted by the local government under this chapter. A city must require the applicant to record a covenant or deed restriction that ensures the continuing rental of units subject to these affordability requirements consistent with the conditions in chapter 84.14 RCW for a period of no less than 50 years. The covenant or deed restriction must also address criteria and policies to maintain public benefit if the property is converted to a use other than which continues to provide for permanently affordable housing.

(b) The units dedicated as affordable must be provided in a range of sizes comparable to other units in the development. To the extent practicable, the number of bedrooms in affordable units must be in the same proportion as the number of bedrooms in units within the entire development. The affordable units must generally be distributed throughout the development and have substantially the same functionality as the other units in the development.

(c) If a city has enacted a program under RCW 36.70A.540, the terms of that program govern to the extent they vary from the requirements of this subsection.

(3) If a city has enacted a program under RCW 36.70A.540, subsection (1) of this section does not preclude the city from requiring any development, including development described in subsection (1) of this section, to provide affordable housing, either on-site or through an in-lieu payment, nor limit the city's ability to expand such a program or modify its requirements.

(4)(a) As an alternative to the density requirements in subsection (1) of this section, a city may implement the density requirements in subsection (1) of this section for at least 75 percent of lots in the city that are primarily dedicated to single-family detached housing units.

(b) The 25 percent of lots for which the requirements of subsection (1) of this section are not implemented must include but are not limited to:

(i) Any areas within the city for which the department has certified an extension of the implementation timelines under RCW 36.70A.637 due to the risk of displacement;

(ii) Any areas within the city for which the department has certified an extension of the implementation timelines under RCW 36.70A.638 due to a lack of infrastructure capacity;

(iii) Any lots, parcels, and tracts designated with critical areas or their buffers that are exempt from the density requirements as provided in subsection (8) of this section;

(iv) Any portion of a city within a one-mile radius of a commercial airport with at least 9,000,000 annual enplanements that is exempt from the parking requirements under subsection (7)(b) of this section; and

(v) Any areas subject to sea level rise, increased flooding, susceptible to wildfires, or geological hazards over the next 100 years.

(c) Unless identified as at higher risk of displacement under RCW 36.70A.070(2)(g), the 25 percent of lots for which the requirements of subsection (1) of this section are not implemented may not include:

(i) Any areas for which the exclusion would further racially disparate impacts or result in zoning with a discriminatory effect;

(ii) Any areas within one-half mile walking distance of a major transit stop; or

(iii) Any areas historically covered by a covenant or deed restriction excluding racial minorities from owning property or living in the area, as known to the city at the time of each comprehensive plan update.

(5) A city subject to the requirements of subsection (1)(a) or (b) of this section must allow at least six of the nine types of middle housing to achieve the unit density required in subsection (1) of this section. A city may allow accessory dwelling units to achieve the unit density required in subsection (1) of this section. Cities are not required to allow accessory dwelling units or middle

housing types beyond the density requirements in subsection (1) of this section. A city must also allow zero lot line short subdivision where the number of lots created is equal to the unit density required in subsection (1) of this section.

(6) Any city subject to the requirements of this section:

(a) If applying design review for middle housing, only administrative design review shall be required;

(b) Except as provided in (a) of this subsection, shall not require through development regulations any standards for middle housing that are more restrictive than those required for detached single-family residences, but may apply any objective development regulations that are required for detached single-family residences, including, but not limited to, set-back, lot coverage, stormwater, clearing, and tree canopy and retention requirements;

(c) Shall apply to middle housing the same development permit and environmental review processes that apply to detached single-family residences, unless otherwise required by state law including, but not limited to, shoreline regulations under chapter 90.58 RCW, building codes under chapter 19.27 RCW, energy codes under chapter 19.27A RCW, or electrical codes under chapter 19.28 RCW;

(d) Shall not require off-street parking as a condition of permitting development of middle housing within one-half mile walking distance of a major transit stop;

(e) Shall not require more than one off-street parking space per unit as a condition of permitting development of middle housing on lots no greater than 6,000 square feet before any zero lot line subdivisions or lot splits;

(f) Shall not require more than two off-street parking spaces per unit as a condition of permitting development of middle housing on lots greater than 6,000 square feet before any zero lot line subdivisions or lot splits; and

(g) Are not required to achieve the per unit density under chapter 332, Laws of 2023 on lots after subdivision below 1,000 square feet unless the city chooses to enact smaller allowable lot sizes.

(7) The provisions of subsection (6)(d) through (f) of this section do not apply:

(a) If a local government submits to the department an empirical study prepared by a credentialed transportation or land use planning expert that clearly demonstrates, and the department finds and certifies, that the application of the parking limitations of subsection (6)(d) through (f) of this section for middle housing will be significantly less safe for vehicle drivers or passengers, pedestrians, or bicyclists than if the jurisdiction's parking requirements were applied to the same location for the same number of detached houses. The department must develop guidance to assist cities on items to include in the study; or

(b) To portions of cities within a one-mile radius of a commercial airport in Washington with at least 9,000,000 annual enplanements.

(8) The provisions of this section do not apply to:

(a) Portions of a lot, parcel, or tract designated with critical areas designated under RCW 36.70A.170 or their buffers as required by RCW 36.70A.170, except for critical aquifer recharge areas where a single-family detached house is an allowed use provided that any requirements to maintain aquifer recharge are met;

(b) Areas designated as sole-source aquifers by the United States environmental protection agency on islands in the Puget Sound;

(c) A watershed serving a reservoir for potable water if that watershed is or was listed, as of July 23, 2023, as impaired or threatened under section 303(d) of the federal clean water act (33 U.S.C. Sec. 1313(d));

(d) Lots that have been designated urban separators by countywide planning policies as of July 23, 2023; or

(e) A lot that was created through the splitting of a single residential lot <u>pursuant to section 2 of this act</u>.

(9) Nothing in this section prohibits a city from permitting detached single-family residences.

(10) Nothing in this section requires a city to issue a building permit if other federal, state, and local requirements for a building permit are not met.

(11) A city must comply with the requirements of this section on the latter of:

(a) Six months after its next periodic comprehensive plan update required under RCW 36.70A.130 if the city meets the population threshold based on the 2020 office of financial management population data; or

(b) 12 months after their next implementation progress report required under RCW 36.70A.130 after a determination by the office of financial management that the city has reached a population threshold established under this section.

(12) A city complying with this section and not granted a timeline extension under RCW 36.70A.638 does not have to update its capital facilities plan element required by RCW 36.70A.070(3) to accommodate the increased housing required by chapter 332, Laws of 2023 until the first periodic comprehensive plan update required for the city under RCW 36.70A.130(5) that occurs on or after June 30, 2034.

(13) Until June 30, 2026, for cities subject to a growth target adopted under RCW 36.70A.210 that limit the maximum residential capacity of the jurisdiction, any additional residential capacity required by this section for lots, parcels, and tracts with critical areas or critical area buffers outside of critical areas or their buffers may not be considered an inconsistency with the countywide planning policies, multicounty planning policies, or growth targets adopted under RCW 36.70A.210.

<u>NEW SECTION.</u> Sec. 4. If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2025, in the omnibus appropriations act, this act is null and void.

Passed by the House April 27, 2025.

Passed by the Senate April 14, 2025.

Approved by the Governor May 17, 2025.

Filed in Office of Secretary of State May 19, 2025.

CHAPTER 302

[House Bill 1109]

PUBLIC FACILITIES DISTRICTS—LOCAL SALES AND USE TAXES—DURATION

AN ACT Relating to public facilities districts; and amending RCW 82.14.390 and 82.14.485.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 82.14.390 and 2017 c 164 s 1 are each amended to read as follows:

(1) Except as provided in subsection (7) of this section, the governing body of a public facilities district (a) created before July 31, 2002, under chapter 35.57 or 36.100 RCW that commenced construction of at least one new regional center, or improvement or rehabilitation of an existing new regional center, before January 1, 2004; (b) created before July 1, 2006, under chapter 35.57 RCW in a county or counties in which there are no other public facilities districts on June 7, 2006, and in which the total population in the public facilities district is greater than ninety thousand that commenced construction of a new regional center before February 1, 2007; (c) created under the authority of RCW 35.57.010(1)(d); or (d) created before September 1, 2007, under chapter 35.57 or 36.100 RCW, in a county or counties in which there are no other public facilities districts on July 22, 2007, and in which the total population in the public facilities district is greater than seventy thousand, that commenced construction of a new regional center before January 1, 2009, or before January 1, 2011, in the case of a new regional center in a county designated by the president as a disaster area in December 2007, may impose a sales and use tax in accordance with the terms of this chapter. The tax is in addition to other taxes authorized by law and must be collected from those persons who are taxable by the state under chapters 82.08 and 82.12 RCW upon the occurrence of any taxable event within the public facilities district. The rate of tax may not exceed 0.033 percent of the selling price in the case of a sales tax or value of the article used in the case of a use tax.

(2)(a) The governing body of a public facilities district imposing a sales and use tax under the authority of this section may increase the rate of tax up to 0.037 percent if, within three fiscal years of July 1, 2008, the department determines that, as a result of RCW 82.14.490 and the chapter 6, Laws of 2007 amendments to RCW 82.14.020, a public facilities district's sales and use tax collections for fiscal years after July 1, 2008, have been reduced by a net loss of at least 0.50 percent from the fiscal year before July 1, 2008. The fiscal year in which this section becomes effective is the first fiscal year after July 1, 2008.

(b) The department must determine sales and use tax collection net losses under this section ((as provided in RCW 82.14.500 (2) and (3))). The department must provide written notice of its determinations to public facilities districts. Determinations by the department of a public facilities district's sales and use tax collection net losses as a result of RCW 82.14.490 and the chapter 6, Laws of 2007 amendments to RCW 82.14.020 are final and not appealable.

(c) A public facilities district may increase its rate of tax after it has received written notice from the department as provided in (b) of this subsection. The increase in the rate of tax must be made in 0.001 percent increments and must be the least amount necessary to mitigate the net loss in sales and use tax collections as a result of RCW 82.14.490 and the chapter 6, Laws of 2007

amendments to RCW 82.14.020. The increase in the rate of tax is subject to RCW 82.14.055.

(3) The tax imposed under subsection (1) of this section must be deducted from the amount of tax otherwise required to be collected or paid over to the department of revenue under chapter 82.08 or 82.12 RCW. The department of revenue must perform the collection of such taxes on behalf of the county at no cost to the public facilities district. During the 2011-2013 fiscal biennium, distributions by the state to a public facilities district based on the additional rate authorized in subsection (2) of this section must be reduced by 3.4 percent.

(4) No tax may be collected under this section before August 1, 2000. The tax imposed in this section expires when bonds issued to finance or refinance the construction, improvement, rehabilitation, or expansion of ((the)) <u>a</u> regional center and related parking facilities are retired, but not more than ((forty)) <u>55</u> years after the tax is first collected.

(5) Moneys collected under this section may only be used for the purposes set forth in RCW 35.57.020 and must be matched with an amount from other public or private sources equal to thirty-three percent of the amount collected under this section; however, amounts generated from nonvoter approved taxes authorized under chapter 35.57 RCW or nonvoter approved taxes authorized under chapter 36.100 RCW do not constitute a public or private source. For the purpose of this section, public or private sources includes, but is not limited to cash or in-kind contributions used in all phases of the development or improvement of the regional center, land that is donated and used for the siting of the regional center, cash or in-kind contributions from public or private foundations, or amounts attributed to private sector partners as part of a public and private partnership agreement negotiated by the public facilities district.

(6) The combined total tax levied under this section may not be greater than 0.037 percent. If both a public facilities district created under chapter 35.57 RCW and a public facilities district created under chapter 36.100 RCW impose a tax under this section, the tax imposed by a public facilities district created under chapter 35.57 RCW must be credited against the tax imposed by a public facilities district created under chapter 36.100 RCW.

(7) A public facilities district created under chapter 36.100 RCW is not eligible to impose the tax under this section if the legislative authority of the county where the public facilities district is located has imposed a sales and use tax under RCW 82.14.0485 or 82.14.0494.

Sec. 2. RCW 82.14.485 and 2017 c 164 s 2 are each amended to read as follows:

(1) In a county with a population under three hundred thousand, the governing body of a public facilities district, which is created before August 1, 2001, under chapter 35.57 RCW or before January 1, 2000, under chapter 36.100 RCW, in which the total population in the public facilities district is greater than ninety thousand and less than one hundred thousand that commences improvement or rehabilitation of an existing regional center, to be used for community events, and artistic, musical, theatrical, or other cultural exhibitions, presentations, or performances and having two thousand or fewer permanent seats, before January 1, 2009, may impose a sales and use tax in accordance with the terms of this chapter. The tax is in addition to other taxes authorized by law and must be collected from those persons who are taxable by the state under

chapters 82.08 and 82.12 RCW upon the occurrence of any taxable event within the public facilities district. The rate of tax for a public facilities district created prior to August 1, 2001, under chapter 35.57 RCW, may not exceed 0.025 percent of the selling price in the case of a sales tax or value of the article used in the case of a use tax. The rate of tax, for a public facilities district created prior to January 1, 2000, under chapter 36.100 RCW, may not exceed 0.020 percent of the selling price in the case of a sales tax or the value of the article used in the case of a use tax.

(2) The tax imposed under subsection (1) of this section must be deducted from the amount of tax otherwise required to be collected or paid over to the department under chapter 82.08 or 82.12 RCW. The department must perform the collection of such taxes on behalf of the county at no cost to the public facilities district.

(3) The tax imposed in this section expires when bonds issued to finance or refinance the construction, improvement, rehabilitation, or expansion of ((the)) <u>a</u> regional center and related parking facilities are retired, but not more than ((forty)) <u>55</u> years after the tax is first collected.

(4) Moneys collected under this section may only be used for the purposes set forth in RCW 35.57.020 and must be matched with an amount from other public or private sources equal to thirty-three percent of the amount collected under this section, provided that amounts generated from nonvoter-approved taxes authorized under chapter 35.57 RCW may not constitute a public or private source. For the purpose of this section, public or private sources include, but are not limited to cash or in-kind contributions used in all phases of the development or improvement of the regional center, land that is donated and used for the siting of the regional center, cash or in-kind contributions from public or private foundations, or amounts attributed to private sector partners as part of a public and private partnership agreement negotiated by the public facilities district.

Passed by the House April 21, 2025. Passed by the Senate April 14, 2025. Approved by the Governor May 17, 2025. Filed in Office of Secretary of State May 19, 2025.

CHAPTER 303

[Second Substitute House Bill 1162] HEALTH CARE WORKPLACE VIOLENCE

AN ACT Relating to preventing workplace violence in health care settings; amending RCW 49.19.020; adding a new section to chapter 49.19 RCW; creating a new section; and providing an effective date.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 49.19.020 and 2019 c 430 s 2 are each amended to read as follows:

(1) ((Every three years, each)) (a) Each health care setting shall develop and implement a workplace violence prevention plan ((to prevent and protect)) for the purposes of preventing violence and protecting employees from violence ((at)) in the setting.

(b) In a health care setting with a safety committee established pursuant to RCW 49.17.050 and related rules, or workplace violence committee that is comprised of employee-elected and employer-selected members where the number of employee-elected members equal or exceed the number of employer-selected members, ((that)) the committee shall develop, implement, and monitor progress on the workplace violence prevention plan.

(2) The <u>workplace violence prevention</u> plan ((developed under subsection (1) of this section shall)) <u>must</u> outline strategies aimed at addressing security considerations and factors that may contribute to or prevent the risk of violence, including but not limited to the following:

(a) The physical attributes of the health care setting, including security systems, alarms, emergency response, and security personnel available;

(b) Staffing, including staffing patterns, patient classifications, and procedures to mitigate employees time spent alone working in areas at high risk for workplace violence;

(c) Job design, equipment, and facilities;

(d) First aid and emergency procedures;

(e) The reporting of violent acts;

(f) Employee education and training requirements and implementation strategy;

(g) Security risks associated with specific units, areas of the facility with uncontrolled access, late night or early morning shifts, and employee security in areas surrounding the facility such as employee parking areas; and

(h) Processes and expected interventions to provide assistance to an employee directly affected by a violent act.

(((2) [(3)] Each health care setting shall annually review the frequency of incidents of workplace violence including identification of the causes for and consequences of, violent acts at the setting and any emerging issues that contribute to workplace violence. The health care setting shall adjust the plan developed under subsection (1) of this section as necessary based on this annual review.))

(3) $((\frac{1}{4}))$ In developing ((the plan required by subsection (1) of this section)) and updating the workplace violence prevention plan, the health care setting shall consider $((\frac{1}{4}))$:

(a) Any guidelines on violence in the workplace or in health care settings issued by the department of health, the department of social and health services, the department of labor and industries, the federal occupational safety and health administration, medicare, and health care setting accrediting organizations; and

(b) The findings and recommendations in the summaries required by section 2 of this act.

(4) The health care setting or, if applicable, the committee under subsection (1) of this section must conduct a comprehensive review and update of the workplace violence prevention plan at least once per calendar year. <u>NEW SECTION.</u> Sec. 2. A new section is added to chapter 49.19 RCW to read as follows:

(1) Every health care setting must conduct a timely investigation of every workplace violence incident.

(2) In each investigation required by this section, the health care setting must review the incident for purposes of identifying factors contributing to or causing workplace violence, including but not limited to an assessment of:

(a) The details of the incident, such as the date, time, location, and nature of the conduct and harm;

(b) The details of any response and related remediation to prevent future incidents; and

(c) If applicable, a comparison of the actual staffing levels to the planned staffing levels at the time of incident.

(3)(a) The health care setting must submit to the committee identified under RCW 49.19.020(1)(b) a summary of the following:

(i) The data required by RCW 49.19.040 and the findings of investigations required by this section during the relevant time period, with any personal information deidentified in compliance with the federal and state law;

(ii) An analysis of any systemic and common causes of the workplace violence incidents; and

(iii) Any relevant recommendations for modifying the plan under RCW 49.19.020 and other practices in order to prevent future incidents of workplace violence.

(b)(i) The summary must be submitted at least twice per year for any of the following health care settings:

(A) A critical access hospital under 42 U.S.C. Sec. 1395i-4;

(B) A hospital with fewer than 25 acute care beds in operation;

(C) A hospital certified by the centers for medicare and medicaid services as a sole community hospital that is not owned or operated by a health system that owns or operates more than one acute hospital licensed under chapter 70.41 RCW; or

(D) A hospital located on an island operating within a public hospital district in Skagit county.

(ii) The summary must be submitted at least quarterly for all other health care settings.

(4) This section does not affect or supersede any other state or federal law that prohibits or limits the disclosure of personally identifiable information.

NEW SECTION. Sec. 3. This act takes effect January 1, 2026.

<u>NEW SECTION.</u> Sec. 4. If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2025, in the omnibus appropriations act, this act is null and void.

Passed by the House April 22, 2025.

Passed by the Senate April 16, 2025.

Approved by the Governor May 17, 2025.

Filed in Office of Secretary of State May 19, 2025.

CHAPTER 304

[Engrossed Second Substitute House Bill 1213]

PAID FAMILY AND MEDICAL LEAVE—EMPLOYERS—VARIOUS PROVISIONS

AN ACT Relating to expanding protections for workers in the state paid family and medical leave program; amending RCW 50A.05.020, 50A.05.050, 50A.10.030, 50A.15.020, 50A.20.010, 50A.20.020, 50A.30.010, 50A.24.010, 50A.35.010, and 50A.35.020; adding new sections to chapter 50A.24 RCW; creating a new section; and providing an effective date.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 50A.05.020 and 2019 c 13 s 30 are each amended to read as follows:

(1) The department shall establish and administer the family and medical leave program and pay family and medical leave benefits as specified in this title. The department shall adopt government efficiencies to improve administration and reduce costs. These efficiencies shall include, to the extent feasible, combined reporting and payment, with a single return, of premiums under this title and contributions under chapter 50.24 RCW.

(2) The department shall establish procedures and forms for filing applications for benefits under this title. The department shall notify the employer within five business days of an application being filed.

(3) The department shall use information sharing and integration technology to facilitate the disclosure of relevant information or records by the department, so long as an employee consents to the disclosure as required under RCW 50A.15.040.

(4) Information contained in the files and records pertaining to an employee under this chapter are confidential and not open to public inspection, other than to public employees in the performance of their official duties, except as provided in chapter 50A.25 RCW.

(5) The department shall develop and implement an outreach program to ensure that employees who may be qualified to receive family and medical leave benefits under this title are made aware of these benefits. Outreach information shall explain, in an easy to understand format, eligibility requirements, the application process, weekly benefit amounts, maximum benefits payable, notice and certification requirements, reinstatement and nondiscrimination rights, confidentiality, voluntary plans, and the relationship between employment protection, leave from employment, and wage replacement benefits under this title and other laws, collective bargaining agreements, and employer policies. Outreach information shall be available in English and other primary languages as defined in RCW 74.04.025.

(6)(a) The department shall conduct regular outreach to employers regarding employer responsibilities under this title, which must include but is not limited to providing information on premium collection under chapter 50A.10 RCW, notice requirements under chapter 50A.20 RCW, employment protection under chapter 50A.35 RCW, and the availability of grants to certain employers under RCW 50A.24.010 and section 9 of this act.

(b) The department is authorized to inspect and audit employer files and records relating to the family and medical leave program, including employer voluntary plans. The department may conduct periodic audits of employer files and records for the purposes of assisting with and otherwise enforcing compliance with this title.

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Sec. 2. RCW 50A.05.050 and 2022 c 233 s 7 are each amended to read as follows:

(1) Beginning December 1, 2020, and annually thereafter, the department shall report to the legislature on the entire program, including:

(a) Projected and actual program participation;

(b) Premium rates;

(c) Fund balances;

(d) Benefits paid;

(e) Demographic information on program participants, including income, gender, race, ethnicity, geographic distribution by county and legislative district, and employment sector;

(f) Costs of providing benefits;

(g) Elective coverage participation;

(h) Voluntary plan participation;

(i) Outreach efforts; and

(j) Small business assistance.

(2)(a) Beginning January 1, 2023, the office of actuarial services ((ereated)) in RCW 50A.05.130 must annually report, by November 1st, to the advisory committee in RCW 50A.05.030 on the experience and financial condition of the family and medical leave insurance account, and the lowest future premium rates necessary to maintain solvency of the family and medical leave insurance account in the next four years while limiting fluctuation in premium rates.

(b) For calendar years 2023 through 2028, the annual reports in (a) of this subsection must be submitted to the appropriate committees of the legislature in compliance with RCW 43.01.036.

(c) Beginning the effective date of this section, the office of actuarial services in RCW 50A.05.130 shall submit a report within 10 business days to the advisory committee in RCW 50A.05.030 and the appropriate committees of the legislature in compliance with RCW 43.01.036 if the office projects that a deficit in the family and medical leave insurance account will not be recovered through the next quarterly premium collections.

(3) Beginning October 1, 2023, the department must report quarterly to the advisory committee in RCW 50A.05.030 on premium collections, benefit payments, the family and medical leave insurance account balance, and other program expenditures.

Sec. 3. RCW 50A.10.030 and 2023 c 116 s 1 are each amended to read as follows:

(1) The department shall assess for each individual in employment with an employer and for each individual electing coverage a premium based on the amount of the individual's wages subject to subsection (4) of this section.

(2) The commissioner shall determine the percentage of paid claims related to family leave benefits and the percentage of paid claims related to medical leave benefits and set the family leave premium and the medical leave premium by applying the proportional share of paid claims for each type of leave to the total premium rate set in subsection (6) of this section.

(3)(a) For family leave premiums, an employer may deduct from the wages of each employee up to the full amount of the premium required.

(b) For medical leave premiums, an employer may deduct from the wages of each employee up to 45 percent of the full amount of the premium required.

(c) An employer may elect to pay all or any portion of the employee's share of the premium for family leave or medical leave benefits, or both.

(4) The commissioner must annually set a maximum limit on the amount of wages that is subject to a premium assessment under this section that is equal to the maximum wages subject to taxation for social security as determined by the social security administration.

(5)(a) Employers with fewer than 50 employees employed in the state are not required to pay the employer portion of premiums for family and medical leave.

(b) If an employer with fewer than 50 employees elects to pay the premiums, the employer is then eligible for assistance under (($\frac{\text{RCW}}{50A.24.010}$)) section 9 of this act.

(6)(a) On or around October 20th of each year, the commissioner must calculate the total premium rate as follows:

(i) Calculate an amount that equals 140 percent of the prior fiscal year's expenses, including the total amount of benefits paid and the department's administrative costs;

(ii) Subtract the balance of the family and medical leave insurance account created in RCW 50A.05.070 as of September 30th from the amount determined in (a)(i) of this subsection (6); and

(iii) Divide the difference in (a)(ii) of this subsection (6) by the prior fiscal year's taxable wages. The quotient must be carried to the fourth decimal place and then rounded up to the nearest one hundredth of one percent.

(b) The commissioner must set the total premium rate at the rate calculated in (a) of this subsection (6) subject to the following conditions:

(i) If the commissioner determines the total premium rate calculated in (a) of this subsection exceeds a rate necessary to maintain a three-month reserve at the end of the following rate collection year, the commissioner must set the total premium rate at the minimum rate necessary to close the rate collection year with a three-month reserve; and

(ii) The total premium rate must not exceed 1.20 percent.

(c) For the purposes of this subsection (6):

(i) "Taxable wages" means the total amount of wages subject to a premium assessment under this section for all individuals in employment with an employer and all individuals electing coverage.

(ii) "Three-month reserve" means the average monthly expenses, including the total amount of benefits paid and the department's administrative costs, in the prior 12 calendar months from the date of the calculation in this subsection multiplied by three.

(7)(a) The employer must collect from the employees the premiums provided under this section through payroll deductions and remit the amounts collected to the department.

(b) In collecting employee premiums through payroll deductions, the employer shall act as the agent of the employees and shall remit the amounts to the department as required by this title.

(c) On September 30th of each year, the department shall average the number of employees reported by an employer <u>on the last day of each quarter</u> over the last four completed calendar quarters to determine the size of the

employer for the next calendar year for the purposes of this section ((and)), RCW 50A.24.010, and section 9 of this act.

(8) Premiums shall be collected in the manner and at such intervals as provided in this title and directed by the department.

(9) Premiums collected under this section are placed in trust for the employees and employers that the program is intended to assist.

(10) A city, code city, town, county, or political subdivision may not enact a charter, ordinance, regulation, rule, or resolution:

(a) Creating a paid family or medical leave insurance program that alters or amends the requirements of this title for any private employer;

(b) Providing for local enforcement of the provisions of this title; or

(c) Requiring private employers to supplement duration of leave or amount of wage replacement benefits provided under this title.

Sec. 4. RCW 50A.15.020 and 2022 c 233 s 3 are each amended to read as follows:

(1) Beginning January 1, 2020, family and medical leave are available and benefits are payable to a qualified employee under this section.

(a) Following a waiting period consisting of the first seven consecutive calendar days, benefits are payable when family or medical leave is required. However, no waiting period is required for leave for the birth or placement of a child, or for leave because of any qualifying exigency as defined under RCW 50A.05.010(10)(c). The waiting period begins the previous Sunday of the week when an otherwise eligible employee takes leave for the minimum claim duration under subsection (2)(c) of this section. Eligible employees may satisfy the waiting period.

(b) Benefits may continue during the continuance of the need for family or medical leave, subject to the maximum and minimum weekly benefits, duration, and other conditions and limitations established in this title.

(2) The weekly benefit shall be prorated by the percentage of hours on leave compared to the number of hours provided as the typical workweek hours as defined in RCW 50A.05.010.

(a) The benefits in this section, if not a multiple of one dollar, shall be reduced to the next lower multiple of one dollar.

(b) Hours on leave claimed for benefits under this title, if not a multiple of one hour, shall be reduced to the next lower multiple of one hour.

(c) The minimum claim duration payment is for ((eight)) four consecutive hours of leave.

(3)(a) The maximum duration of paid family leave may not exceed $((\frac{welve}{12}))$ <u>12</u> times the typical workweek hours during a period of $((\frac{fifty-two}{12}))$ <u>52</u> consecutive calendar weeks.

(b) The maximum duration of paid medical leave may not exceed (($\frac{\text{twelve}}{12}$)) <u>12</u> times the typical workweek hours during a period of (($\frac{\text{fifty-two}}{12}$)) <u>52</u> consecutive calendar weeks. This leave may be extended an additional two times the typical workweek hours if the employee experiences a serious health condition with a pregnancy that results in incapacity.

(c) An employee is not entitled to paid family and medical leave benefits under this title that exceeds a combined total of ((sixteen)) <u>16</u> times the typical workweek hours. The combined total of family and medical leave may be

extended to ((eighteen)) <u>18</u> times the typical workweek hours if the employee experiences a serious health condition with a pregnancy that results in incapacity.

(4)(a) Any paid leave benefits under this chapter used in the postnatal period by an employee eligible for benefits under RCW 50A.05.010(23)(a)(ii)(B) must be medical leave, subject to the maximum and minimum weekly benefits, duration, and other conditions and limitations established in this title, unless the employee chooses to use family leave during the postnatal period.

(b) Certification of a serious health condition is not required for paid leave benefits used in the postnatal period by an employee eligible for benefits under RCW 50A.05.010(23)(a)(ii)(B).

(5) The weekly benefit for family and medical leave shall be determined as follows: If the employee's average weekly wage is: (a) Equal to or less than one-half of the state average weekly wage, then the benefit amount is equal to $((\frac{ninety}{)}) \frac{90}{20}$ percent of the employee's average weekly wage; or (b) greater than one-half of the state average weekly wage, then the benefit amount is the sum of: (i) Ninety percent of one-half of the state average weekly wage; and (ii) $((\frac{fifty}{)}) \frac{50}{20}$ percent of the difference of the employee's average weekly wage and one-half of the state average weekly wage.

(6)(a) The maximum weekly benefit for family and medical leave that occurs on or after January 1, 2020, shall be ((one thousand dollars)) \$1,000. By September 30, 2020, and by each subsequent September 30th, the commissioner shall adjust the maximum weekly benefit amount to ((ninety)) 90 percent of the state average weekly wage. The adjusted maximum weekly benefit amount takes effect on the following January 1st.

(b) The minimum weekly benefit shall not be less than ((one hundred dollars)) \$100 per week except that if the employee's average weekly wage at the time of family or medical leave is less than ((one hundred dollars)) \$100 per week, the weekly benefit shall be the employee's full wage.

Sec. 5. RCW 50A.20.010 and 2019 c 13 s 12 are each amended to read as follows:

(1) Whenever an employee of an employer who is qualified for benefits under this title is absent from work to provide family leave, or take medical leave for more than seven consecutive days, the employer shall provide the employee with a written statement of the employee's rights under this title in a form prescribed by the commissioner. The statement must be provided to the employee within five business days after the employee's seventh consecutive day of absence due to family or medical leave, or within five business days after the employer has received notice that the employee's absence is due to family or medical leave, whichever is later.

(2) The commissioner shall develop the written statement of employee rights to be distributed by an employer under this section. At a minimum, the statement must explain, in an easy to understand format, eligibility requirements, possible weekly benefits, application processes, employment protection rights, and nondiscrimination rights, and direct the employee to appropriate contacts and portals for more information.

Sec. 6. RCW 50A.20.020 and 2019 c 13 s 13 are each amended to read as follows:

Each employer shall post and keep posted, in conspicuous places on the premises of the employer where notices to employees and applicants for employment are customarily posted, a notice, to be prepared or approved by the commissioner, setting forth excerpts from, or summaries of, the pertinent provisions of this title, including, but not limited to: Eligibility requirements, possible weekly benefits, application processes, employment protection rights, nondiscrimination rights, and other protections, and information pertaining to the filing of a complaint. Any employer that willfully violates this section may be subject to a civil penalty of not more than ((one hundred dollars)) §100 for each separate offense. Any penalties collected by the department under this section shall be deposited into the family and medical leave enforcement account.

Sec. 7. RCW 50A.30.010 and 2020 c 125 s 9 are each amended to read as follows:

(1) An employer may apply to the commissioner for approval of a voluntary plan for the payment of either family leave benefits or medical leave benefits, or both. The application must be submitted on a form and in the manner as prescribed by the commissioner in rule. The fee for the department's review of each application for approval of a voluntary plan is ((two hundred fifty dollars)) \$250.

(2) The benefits payable as indemnification for loss of wages under any voluntary plan must be separately stated and designated separately and distinctly in the plan from other benefits, if any.

(3) Neither an employee nor his or her employer are liable for any premiums for benefits covered by an approved voluntary plan.

(4) An employee may only receive payment of benefits for family leave, medical leave, or both from one approved plan at a time. An employee who qualifies for benefits and is simultaneously covered by more than one plan under this title will receive benefits under the plan for which the employee has worked the most hours during the employee's qualifying period. The commissioner must adopt rules to allow benefits or prevent duplication of benefits to employees simultaneously covered by one or more approved voluntary plans and the state program.

(5) The commissioner must approve any voluntary plan as to which the commissioner finds that there is at least one employee in employment and all of the following exist:

(a) The benefits afforded to the employees must be at least equivalent to the benefits the employees are entitled to as part of the state's family and medical leave program, including but not limited to the duration of leave. The employer must offer at least one-half of the length of leave as provided in RCW 50A.15.020(3) with pay and provide a monetary payment in an amount equal to or higher than the total amount of monetary benefits the employee would be entitled to receive as part of the state-run program. The employer may offer the same duration of leave and monetary benefits as offered under the state program.

(b) The sick leave an employee is entitled to under RCW 49.46.210 is in addition to the employer's provided benefits and is in addition to any family or medical leave benefits.

(c) The plan is available to all of the eligible employees of the employer employed in this state, including future employees.

(d) The employer has agreed to make all required payroll deductions, including that:

(i) In the case of plan termination or withdrawal, the employer must remit to the department all required moneys under RCW 50A.30.045 and 50A.30.065(3); and

(ii) If the employer has an approved voluntary plan for either medical leave or family leave but not both, the employer is still obligated to remit to the department premiums owed to the state plan for the portions not covered by the employer's approved voluntary plan.

(e) The plan will be in effect for a period of not less than one year and, thereafter, continuously unless the commissioner finds that the employer has given notice of withdrawal from the plan in a manner specified by the commissioner in rule. The plan may be withdrawn by the employer on the date of any law increasing the benefit amounts or the date of any change in the rate of employee premiums, if notice of the withdrawal from the plan is transmitted to the commissioner not less than ((thirty)) <u>30</u> days prior to the date of that law or change. If the plan is not withdrawn, it must be amended to conform to provide the increased benefit amount or change in the rate of the employee's premium on the date of the increase or change.

(f) The amount of payroll deductions from the wages of an employee in effect for any voluntary plan may not exceed the maximum payroll deduction for that employee as authorized under RCW 50A.10.030. The deductions may not be increased on other than an anniversary of the effective date of the plan, except to the extent that any increase in the deductions from the wages of an employee do not exceed the maximum rate authorized under the state program.

(g) The voluntary plan provides that an employee of an employer with a voluntary plan for either family leave or medical leave, or both, is eligible for the plan benefits if the employee meets the requirements of RCW 50A.15.010 and has worked at least ((three hundred forty)) 340 hours for the employer during the ((twelve)) 12 months immediately preceding the date leave will commence.

(h) The voluntary plan provides that an employee of an employer with a voluntary plan for either family leave or medical leave, or both, who takes leave under the voluntary plan is entitled to ((the)) employment protection ((provisions)) in accordance with the requirements contained in RCW 50A.35.010 ((if the employee has worked for the employer for at least nine months and nine hundred sixty-five hours during the twelve months immediately preceding the date leave will commence)).

(i) The voluntary plan provides that the employer maintains the employee's existing health benefits as provided under RCW 50A.35.020.

(6)(a) The department must conduct a review of the expenses incurred in association with the administration of the voluntary plans during the first three years after implementation and report its findings to the legislature.

(b) The review must include an analysis of the adequacy of the fee in subsection (1) of this section to cover the department's administrative expenses related to reviewing and approving or denying the applications and administering appeals related to voluntary plans. The review must include an estimate of the next year's projected administrative costs related to the voluntary plans. The legislature shall adjust the fee in subsection (1) of this section as needed to ensure the department's administrative expenses related to the voluntary plans are covered by the fee.

(c) If the current receipts from the fee in subsection (1) of this section are inadequate to cover the department's administrative expenses related to the voluntary plans, the department may use funds from the family and medical leave insurance account under RCW 50A.05.070 to pay for these expenses.

Sec. 8. RCW 50A.24.010 and 2019 c 13 s 36 are each amended to read as follows:

(1) The legislature recognizes that while family leave and medical leave benefit both employees and employers, there may be costs that disproportionately impact small businesses. To equitably balance the risks among employers, the legislature intends to assist small businesses with the costs of an employee's use of family or medical leave <u>as provided in this chapter</u>.

(2) Employers with ((one hundred fifty or fewer)) <u>50 to 150</u> employees ((and employers with fifty or fewer employees who are assessed all premiums under RCW 50A.10.030(5)(b))) may apply to the department for ((a grant)) grants under this section, subject to the requirements of this section.

(3)(a) An employer may receive a grant of three thousand dollars if the employer hires a temporary worker to replace an employee on family or medical leave for a period of seven days or more.

(b) For an employee's family or medical leave, an employer may receive a grant of up to one thousand dollars as reimbursement for significant additional wage-related costs due to the employee's leave.

(c) An employer may receive a grant under (a) or (b) of this subsection, but not both, except that an employer who received a grant under (b) of this subsection may receive a grant of the difference between the grant awarded under (b) of this subsection and three thousand dollars if the employee on leave extended the leave beyond the leave initially planned and the employer hired a temporary worker for the employee on leave.

(4) An employer may ((apply for)) receive a grant under this section no more than ten times per calendar year and no more than once for each employee on leave.

(5) To be eligible for a grant, the employer must provide the department written documentation showing the temporary worker hired or significant wage-related costs incurred are due to an employee's use of family or medical leave.

(6) ((The department must assess an employer with fewer than fifty employees who receives a grant under this section for all premiums for three years from the date of receipt of a grant.

(7) The grants under this section shall be funded from the family and medical leave insurance account.

(8) The commissioner shall adopt rules as necessary to implement this section.

(9)) For the purposes of this section, the number of employees must be calculated as provided in RCW 50A.10.030.

(((10))) (7) An employer who has an approved voluntary plan is not eligible to receive a grant under this section.

<u>NEW SECTION.</u> Sec. 9. A new section is added to chapter 50A.24 RCW to read as follows:

(1) Employers with fewer than 50 employees may apply to the department for grants under this section, subject to the requirements of this section.

(2)(a) An employer may receive a grant of \$3,000 if the employer hires a temporary worker to replace an employee on family or medical leave for a period of seven days or more, or if the employer incurs significant additional wage-related costs due to the employee's leave. To be eligible for a grant, the employer must provide the department a written statement attesting that the employer hired a temporary worker or incurred other significant wage-related costs due to an employee's use of family or medical leave.

(b) An employer may receive a grant under this subsection no more than 10 times per calendar year and no more than once for each employee on leave.

(3) The department must assess any employer who receives a grant under this section for all premiums for three years from the date of receipt of a grant.

(4) For the purposes of this section, the number of employees must be calculated as provided in RCW 50A.10.030.

(5) An employer who has an approved voluntary plan is not eligible to receive a grant under this section.

<u>NEW SECTION.</u> Sec. 10. A new section is added to chapter 50A.24 RCW to read as follows:

(1) The grants under this chapter must be funded from the family and medical leave insurance account.

(2) An application for a grant under this chapter must be submitted no later than 12 months after the employee's first day of leave under this title. A thirdparty administrator or other agent authorized by the employer may submit an application on the employer's behalf.

(3) The department shall submit payment to the employer within 14 calendar days after the qualifying employer's completed application is received by the department.

(4) The department shall:

(a) Promptly notify an employer with fewer than 50 employees of the grants under this chapter if one or more of its employees receives benefits under this title;

(b) Make available on its website information on the grants under this chapter and include a link to grant applications within the existing website portal; and

(c) Include information on the grants under this chapter when notifying employers and employees of changes to the premium rate under RCW 50A.10.030.

(5) The commissioner shall adopt rules as necessary to implement this chapter.

Sec. 11. RCW 50A.35.010 and 2019 c 13 s 4 are each amended to read as follows:

(1)(<u>a</u>) Except as provided in RCW 50A.30.010(5) and subsections (6) <u>and</u> (7) of this section, ((any)) <u>an</u> employee ((who takes family)) <u>is entitled to</u> <u>employment restoration upon returning from:</u>

(i) Family or medical leave under this title, regardless of whether the employee also qualifies for and receives concurrent leave under the federal family and medical leave act of 1993 (Act Feb. 5, 1993, P.L. 103-3, 107 Stat. 6, as it existed on the effective date of this section), as provided under RCW 50A.15.110; or

(ii) Unpaid leave protected by the federal family and medical leave act of 1993 (Act Feb. 5, 1993, P.L. 103-3, 107 Stat. 6, as it existed on the effective date of this section) during a period in which the employee was eligible for benefits under this title but did not apply for and receive those benefits, excluding unpaid sick leave or temporary disability taken for pregnancy or childbirth under chapter 49.60 RCW or as an accommodation under RCW 43.10.005, subject to the notice requirements in subsection (8) of this section.

(b) For purposes of this section, "employment restoration" and "employment protection" mean that the employee is entitled, on return from the leave:

(((a))) (i) To be restored by the employer to the position of employment held by the employee when the leave commenced; or

(((b))) (ii) To be restored by the employer to an equivalent position with equivalent employment benefits, pay, and other terms and conditions of employment.

(2) The taking of leave under this title may not result in the loss of any employment benefits accrued before the date on which the leave commenced.

(3) Nothing in this section shall be construed to entitle any restored employee to:

(a) The accrual of any seniority or employment benefits during any period of leave; or

(b) Any right, benefit, or position of employment other than any right, benefit, or position to which the employee would have been entitled had the employee not taken the leave.

(4) As a condition of restoration under subsection (1) of this section for an employee who has taken medical leave, the employer may have a uniformly applied practice or policy that requires each such employee to receive certification from the employee's health care provider that the employee is able to resume work.

(5) Nothing in this section shall be construed to prohibit an employer from requiring an employee on leave to report periodically to the employer on the status and intention of the employee to return to work.

(6)(a) This section does not apply unless the employee:

(i) Works for an employer with ((fifty or more employees; (ii) has been employed by the current employer for twelve months or more; and (iii) has worked for the current employer for at least one thousand two hundred fifty hours during the twelve months immediately preceding the date on which leave will commence. For the purposes of this subsection, an employer shall be considered to employ fifty or more employees if the employer employs fifty or more employees for each working day during each of twenty or more calendar workweeks in the current or preceding calendar year)) the following number of employees:

(A) 25 or more employees beginning January 1, 2026, until December 31, 2026;

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(B) 15 or more employees beginning January 1, 2027, until December 31, 2027; and

(C) Eight or more employees beginning January 1, 2028, and thereafter; and

(ii) Began employment with the current employer at least 180 calendar days before taking the leave.

(b) An employer may deny restoration under this section to any salaried employee who is among the highest paid ((ten)) <u>10</u> percent of the employees employed by the employer within ((seventy-five)) <u>75</u> miles of the facility at which the employee is employed if:

(i) Denial is necessary to prevent substantial and grievous economic injury to the operations of the employer;

(ii) The employer notifies the employee of the intent of the employer to deny restoration on such basis at the time the employer determines that the injury would occur; and

(iii) The leave has commenced and the employee elects not to return to employment after receiving the notice.

(7)(a) Except by written agreement between the employer and employee or between the employer and an employee bargaining unit, the employee forfeits the right to employment restoration under this section if the employee does not exercise it upon the earlier of:

(i) The first scheduled work day following the period of leave under subsection (1)(a) of this section; or

(ii) The first scheduled work day following a continuous period of, or combined intermittent periods of a total of, 16 typical workweeks of leave under subsection (1)(a) of this section taken during a period of 52 consecutive calendar weeks, except this period is extended to 18 typical workweeks of leave under subsection (1)(a) of this section taken during a period of 52 consecutive calendar weeks if any of the leave was taken as a result of a serious health condition with a pregnancy resulting in incapacity.

(b) For any continuous period of leave exceeding two typical workweeks or any combined intermittent periods of leave exceeding 14 typical work days, the employer must provide at least five business days advance written notice to the employee, in a language understood by the employee and transmitted by a method reasonably certain to be received promptly by the employee, regarding the estimated expiration of the right of employment restoration and the date of the employee's first scheduled work day under this subsection. For combined intermittent periods of leave, the employer may estimate the expiration of the right of employment restoration based on information provided to the employer by the department and employee.

(c) The expiration of the periods under (a)(ii) of this subsection does not affect an employee's eligibility for paid family and medical leave benefits under this title.

(8)(a) In order for unpaid leave under subsection (1)(a)(ii) of this section to qualify for employment restoration rights under this section and count towards the maximum periods in subsection (7)(a)(ii) of this section, the employer must provide written notice to the employee, in a language understood by the employee and transmitted by a method reasonably certain to be received promptly by the employee, of the following: (i) That the employer is designating and counting the employee's unpaid leave against the employee's entitlement under the federal family and medical leave act of 1993 (Act Feb. 5, 1993, P.L. 103-3, 107 Stat. 6, as it existed on the effective date of this section), including specifying the amount of the entitlement used and remaining, as estimated by the employer based on information provided by the department and employee;

(ii) The start and end dates of the employer's designated 12-month leave year under the federal family and medical leave act of 1993 (Act Feb. 5, 1993, P.L. 103-3, 107 Stat. 6, as it existed on the effective date of this section);

(iii) Since the employee is eligible for paid family or medical leave under this title but is not applying for and receiving benefits, that the employer is counting the unpaid leave towards the maximum periods in subsection (7)(a)(ii) of this section, including specifying the start and end dates of the unpaid leave, and the total amount of the unpaid leave counting toward those maximum periods, as estimated by the employer based on information provided by the department and employee; and

(iv) That the use of unpaid leave counting against the periods in subsection (7)(a)(ii) of this section does not affect the employee's eligibility for paid family or medical leave benefits under this title.

(b) The employer must provide the written notice required by this subsection:

(i) Within five business days of the earlier of either the employee's initial request for or use of unpaid leave protected by the federal family and medical leave act of 1993 (Act Feb. 5, 1993, P.L. 103-3, 107 Stat. 6, as it existed on the effective date of this section); and

(ii) At least monthly for the remainder of the employer's designated 12month leave year.

(9) For purposes of auditing compliance or otherwise enforcing this chapter, the department may require the employer to collect and report information on the exercise of employment restoration rights under this section.

(10) This section does not alter or limit the rights and protections available to employees under other state or federal laws, including but not limited to sick leave or temporary disability taken for pregnancy or childbirth under chapter 49.60 RCW or as an accommodation under RCW 43.10.005, sick leave taken under RCW 49.46.210, or leave protected by the federal family and medical leave act of 1993 (Act Feb. 5, 1993, P.L. 103-3, 107 Stat. 6, as it existed on the effective date of this section).

Sec. 12. RCW 50A.35.020 and 2019 c 13 s 39 are each amended to read as follows:

((If required by the federal family and medical leave act, as it existed on October 19, 2017)) (1) Except as provided under subsection (2) of this section, during any period of family or medical leave taken under this title, the employer shall maintain any existing health benefits of the employee in force for the duration of such leave as if the employee had continued to work from the date the employee commenced family or medical leave until the date the employee returns to employment. If the employee remains responsible for the employee's share of the cost.

(2) This section does not apply ((to an)) if:

(b) An employee is not entitled to employment protection under RCW 50A.35.010; or

(c) The employee did not exercise the right to employment protection within the time periods provided under RCW 50A.35.010(7).

NEW SECTION. Sec. 13. This act takes effect January 1, 2026.

<u>NEW SECTION.</u> Sec. 14. If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2025, in the omnibus appropriations act, this act is null and void.

Passed by the House April 19, 2025.

Passed by the Senate April 15, 2025.

Approved by the Governor May 17, 2025.

Filed in Office of Secretary of State May 19, 2025.

CHAPTER 305

[Engrossed House Bill 1382]

ALL-PAYER HEALTH CARE CLAIMS DATABASE-MODIFICATION

AN ACT Relating to modernizing the all payers claims database by updating reporting requirements, data disclosure standards, and lead organization requirements; amending RCW 43.371.010, 43.371.020, 43.371.020, 43.371.050, 43.371.060, 43.371.070, and 43.371.090; creating a new section; providing an effective date; and providing an expiration date.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 43.371.010 and 2019 c 319 s 2 are each amended to read as follows:

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

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

(2) "Carrier" and "health carrier" have the same meaning as in RCW 48.43.005.

(3) "Claims data" means the data required by RCW 43.371.030 to be submitted to the database, including billed, allowed and paid amounts, and such additional information as defined by the director in rule.

(4) "Data supplier" means: (a) A carrier, third-party administrator, or a public program identified in RCW 43.371.030 that provides claims data; and (b) a carrier or any other entity that provides claims data to the database at the request of an employer-sponsored self-funded health plan or Taft-Hartley trust health plan pursuant to RCW 43.371.030(1).

(5) "Data vendor" means an entity contracted to perform data collection, processing, aggregation, extracts, analytics, and reporting.

(6) "Database" means the statewide all-payer health care claims database established in RCW 43.371.020.

(7) "Direct patient identifier" means a data variable that directly identifies an individual, including: Names; telephone numbers; fax numbers; social security number; medical record numbers; health plan beneficiary numbers; account numbers; certificate or license numbers; vehicle identifiers and serial numbers, including license plate numbers; device identifiers and serial numbers; web universal resource locators; internet protocol address numbers; biometric identifiers, including finger and voice prints; and full face photographic images and any comparable images.

(8) "Director" means the director of the authority.

(9) "Indirect patient identifier" means a data variable that may identify an individual when combined with other information.

(10) "Lead organization" means the organization selected under RCW 43.371.020.

(11) "Office" means the office of financial management.

(12) (("Proprietary financial information" means claims data or reports that disclose or would allow the determination of specific terms of contracts, discounts, or fixed reimbursement arrangements or other specific reimbursement arrangements between an individual health care facility or health care provider, as those terms are defined in RCW 48.43.005, and a specific payer, or internal fee schedule or other internal pricing mechanism of integrated delivery systems owned by a carrier.

(13)) "Unique identifier" means an obfuscated identifier assigned to an individual represented in the database to establish a basis for following the individual longitudinally throughout different payers and encounters in the data without revealing the individual's identity.

Sec. 2. RCW 43.371.020 and 2024 c 54 s 54 are each amended to read as follows:

(1) The office shall establish a statewide all-payer health care claims database. On January 1, 2020, the office must transfer authority and oversight for the database to the authority. The office and authority must develop a transition plan that sustains operations by July 1, 2019. The database shall support transparent public reporting of health care information. The database must improve transparency to: Assist patients, providers, and hospitals to make informed choices about care; enable providers, hospitals, and communities to improve by benchmarking their performance against that of others by focusing on best practices; enable purchasers to identify value, build expectations into their purchasing strategy, and reward improvements over time; and promote competition based on quality and cost. The database must systematically collect all medical claims and pharmacy claims from private and public payers, with data from all settings of care that permit the systematic analysis of health care delivery.

(2) The authority ((shall use)) may act as the lead organization, or select a lead organization from among the best potential bidders using a competitive procurement process, in accordance with chapter 39.26 RCW, ((to select a lead organization from among the best potential bidders)) to coordinate and manage the database.

(a)(i) In conducting the competitive procurement, the authority must ensure that no state officer or state employee participating in the procurement process:

(A) Has a current relationship or had a relationship within the last three years with any organization that bids on the procurement that would constitute a conflict with the proper discharge of official duties under chapter 42.52 RCW; or

(B) Is a compensated or uncompensated member of a bidding organization's board of directors, advisory committee, or has held such a position in the past three years.

(ii) If any relationship or interest described in (a)(i) of this subsection is discovered during the procurement process, the officer or employee with the prohibited relationship must withdraw from involvement in the procurement process.

(b) Due to the complexities of the all-payer claims database and the unique privacy, quality, and financial objectives, the authority must give strong consideration to the following elements in determining the appropriate lead organization contractor: (i) The organization's degree of experience in health care data collection, analysis, analytics, and security; (ii) whether the organization has a long-term self-sustainable financial model; (iii) the organization's experience in convening and effectively engaging stakeholders to develop reports, especially among groups of health providers, carriers, and self-insured purchasers; (iv) the organization's experience in meeting budget and timelines for report generations; and (v) the organization's ability to combine cost and quality data to assess total cost of care.

(c) The successful lead organization must apply to be certified as a qualified entity pursuant to 42 C.F.R. Sec. 401.703(a) by the centers for medicare and medicaid services.

(d) The authority may not select a lead organization that:

(i) Is a health plan as defined by and consistent with the definitions in RCW 48.43.005;

(ii) Is a hospital as defined in RCW 70.41.020;

(iii) Is a provider regulated under Title 18 RCW;

(iv) Is a third-party administrator as defined in RCW 70.290.010; or

(v) Is an entity with a controlling interest in any entity covered in (d)(i) through (iv) of this subsection.

(3) As part of the competitive procurement process referenced in subsection (2) of this section, the lead organization shall enter into a contract with a data vendor or multiple data vendors to perform data collection, processing, aggregation, extracts, and analytics. A data vendor must:

(a) Establish a secure data submission process with data suppliers;

(b) Review data submitters' files according to standards established by the authority;

(c) Assess each record's alignment with established format, frequency, and consistency criteria;

(d) Maintain responsibility for quality assurance, including, but not limited to: (i) The accuracy and validity of data suppliers' data; (ii) accuracy of dates of service spans; (iii) maintaining consistency of record layout and counts; and (iv) identifying duplicate records;

(e) Assign unique identifiers, as defined in RCW 43.371.010, to individuals represented in the database;

(f) Ensure that direct patient identifiers, indirect patient identifiers, and proprietary financial information are released only in compliance with the terms of this chapter;

(g) Demonstrate internal controls and affiliations with separate organizations as appropriate to ensure safe data collection, security of the data with state of the art encryption methods, actuarial support, and data review for accuracy and quality assurance;

(h) Store data on secure servers that are compliant with the federal health insurance portability and accountability act and regulations, with access to the data strictly controlled and limited to staff with appropriate training, clearance, and background checks; and

(i) Maintain state of the art security standards for transferring data to approved data requestors.

(4) The lead organization and data vendor must submit detailed descriptions to Washington technology solutions to ensure robust security methods are in place. Washington technology solutions must report its findings to the authority and the appropriate committees of the legislature.

(5) The lead organization is responsible for internal governance, management, funding, and operations of the database. At the direction of the authority, the lead organization shall work with the data vendor to:

(a) Collect claims data from data suppliers as provided in RCW 43.371.030;

(b) Design data collection mechanisms with consideration for the time and cost incurred by data suppliers and others in submission and collection and the benefits that measurement would achieve, ensuring the data submitted meet quality standards and are reviewed for quality assurance;

(c) Ensure protection of collected data and store and use any data in a manner that protects patient privacy and complies with this section. All patient-specific information must be deidentified with an up-to-date industry standard encryption algorithm;

(d) Consistent with the requirements of this chapter, make information from the database available as a resource for public and private entities, including carriers, employers, providers, hospitals, and purchasers of health care;

(e) Report performance on cost and quality pursuant to RCW 43.371.060 using, but not limited to, the performance measures developed under RCW 41.05.690;

(f) Develop protocols and policies, including prerelease peer review by data suppliers, to ensure the quality of data releases and reports;

(g) Develop a plan for the financial sustainability of the database as may be reasonable and customary as compared to other states' databases and charge fees for reports and data files as needed to fund the database. Any fees must be approved by the authority and should be comparable, accounting for relevant differences across data requests and uses. The lead organization may not charge providers or data suppliers fees other than fees directly related to requested reports and data files; and

(h) Convene advisory committees with the approval and participation of the authority, including: (i) A committee on data policy development; and (ii) a committee to establish a data release process consistent with the requirements of this chapter and to provide advice regarding formal data release requests. The advisory committees must include in-state representation from key provider, hospital, public health, health maintenance organization, large and small private purchasers, consumer organizations, and the two largest carriers supplying claims data to the database.

(6) The lead organization governance structure and advisory committees for this database must include representation of the third-party administrator of the uniform medical plan. A payer, health maintenance organization, or third-party administrator must be a data supplier to the all-payer health care claims database to be represented on the lead organization governance structure or advisory committees.

(7) This section expires July 1, 2026.

Sec. 3. RCW 43.371.020 and 2024 c 54 s 54 are each amended to read as follows:

(1) The office shall establish a statewide all-payer health care claims database. On January 1, 2020, the office must transfer authority and oversight for the database to the authority. The office and authority must develop a transition plan that sustains operations by July 1, 2019. The database shall support transparent public reporting of health care information. The database must improve transparency to: Assist patients, providers, and hospitals to make informed choices about care; enable providers, hospitals, and communities to improve by benchmarking their performance against that of others by focusing on best practices; enable purchasers, providers, hospitals, carriers, and statewide associations representing providers, hospitals, or carriers to identify value, build expectations into their purchasing strategy, and reward improvements over time; and promote competition based on quality and cost. The database must systematically collect all medical claims and pharmacy claims from private and public payers, with data from all settings of care that permit the systematic analysis of health care delivery.

(2) The authority ((shall use)) may act as the lead organization, or select a lead organization from among the best potential bidders using a competitive procurement process, in accordance with chapter 39.26 RCW, ((to select a lead organization from among the best potential bidders)) to coordinate and manage the database.

(a)(i) In conducting the competitive procurement, the authority must ensure that no state officer or state employee participating in the procurement process:

(A) Has a current relationship or had a relationship within the last three years with any organization that bids on the procurement that would constitute a conflict with the proper discharge of official duties under chapter 42.52 RCW; or

(B) Is a compensated or uncompensated member of a bidding organization's board of directors, advisory committee, or has held such a position in the past three years.

(ii) If any relationship or interest described in (a)(i) of this subsection is discovered during the procurement process, the officer or employee with the prohibited relationship must withdraw from involvement in the procurement process.

(b) Due to the complexities of the all-payer claims database and the unique privacy, quality, and financial objectives, the authority must give strong consideration to the following elements in determining the appropriate lead organization contractor: (i) The organization's degree of experience in health care data collection, analysis, analytics, and security; (ii) whether the organization has a long-term self-sustainable financial model; (iii) the organization's experience in convening and effectively engaging stakeholders to develop reports, especially among groups of health providers, carriers, and self-insured purchasers; (iv) the organization's experience in meeting budget and timelines for report generations; and (v) the organization's ability to combine cost and quality data to assess total cost of care.

(c) The successful lead organization must apply to be certified as a qualified entity pursuant to 42 C.F.R. Sec. 401.703(a) by the centers for medicare and medicaid services.

(d) The authority may not select a lead organization that:

(i) Is a health plan as defined by and consistent with the definitions in RCW 48.43.005;

(ii) Is a hospital as defined in RCW 70.41.020;

(iii) Is a provider regulated under Title 18 RCW;

(iv) Is a third-party administrator as defined in RCW 70.290.010; or

(v) Is an entity with a controlling interest in any entity covered in (d)(i) through (iv) of this subsection.

(3) As part of the competitive procurement process referenced in subsection (2) of this section, the lead organization shall enter into a contract with a data vendor or multiple data vendors to perform data collection, processing, aggregation, extracts, and analytics. A data vendor must:

(a) Establish a secure data submission process with data suppliers;

(b) Review data submitters' files according to standards established by the authority;

(c) Assess each record's alignment with established format, frequency, and consistency criteria;

(d) Maintain responsibility for quality assurance, including, but not limited to: (i) The accuracy and validity of data suppliers' data; (ii) accuracy of dates of service spans; (iii) maintaining consistency of record layout and counts; and (iv) identifying duplicate records;

(e) Assign unique identifiers, as defined in RCW 43.371.010, to individuals represented in the database;

(f) Ensure that direct patient identifiers((z)) and indirect patient identifiers((z) and proprietary financial information)) are released only in compliance with the terms of this chapter;

(g) Demonstrate internal controls and affiliations with separate organizations as appropriate to ensure safe data collection, security of the data with state of the art encryption methods, actuarial support, and data review for accuracy and quality assurance;

(h) Store data on secure servers that are compliant with the federal health insurance portability and accountability act and regulations, with access to the data strictly controlled and limited to staff with appropriate training, clearance, and background checks; and

(i) Maintain state of the art security standards for transferring data to approved data requestors.

(4) The lead organization and data vendor must submit detailed descriptions to Washington technology solutions to ensure robust security methods are in place. Washington technology solutions must report its findings to the authority and the appropriate committees of the legislature.

(5) The lead organization is responsible for internal governance, management, funding, and operations of the database. At the direction of the authority, the lead organization shall work with the data vendor to:

(a) Collect claims data from data suppliers as provided in RCW 43.371.030;

(b) Design data collection mechanisms with consideration for the time and cost incurred by data suppliers and others in submission and collection and the

benefits that measurement would achieve, ensuring the data submitted meet quality standards and are reviewed for quality assurance;

(c) Ensure protection of collected data and store and use any data in a manner that protects patient privacy and complies with this section. All patient-specific information must be deidentified with an up-to-date industry standard encryption algorithm;

(d) Consistent with the requirements of this chapter, make information from the database available as a resource for public and private entities, including carriers, employers, providers, hospitals, and purchasers of health care;

(e) Report performance on cost and quality pursuant to RCW 43.371.060 using, but not limited to, the performance measures developed under RCW 41.05.690;

(f) Develop protocols and policies, including prerelease peer review by data suppliers, to ensure the quality of data releases and reports;

(g) Develop a plan for the financial sustainability of the database as may be reasonable and customary as compared to other states' databases and charge fees for reports and data files as needed to fund the database. Any fees must be approved by the authority and should be comparable, accounting for relevant differences across data requests and uses. The lead organization may not charge providers or data suppliers fees other than fees directly related to requested reports and data files; and

(h) Convene advisory committees with the approval and participation of the authority, including: (i) A committee on data policy development; and (ii) a committee to establish a data release process consistent with the requirements of this chapter and to provide advice regarding formal data release requests. The advisory committees must include in-state representation from key provider, hospital, public health, health maintenance organization, large and small private purchasers, consumer organizations, and the two largest carriers supplying claims data to the database.

(6) The lead organization governance structure and advisory committees for this database must include representation of the third-party administrator of the uniform medical plan. A payer, health maintenance organization, or third-party administrator must be a data supplier to the all-payer health care claims database to be represented on the lead organization governance structure or advisory committees.

Sec. 4. RCW 43.371.050 and 2019 c 319 s 5 are each amended to read as follows:

(1) Except as otherwise required by law, claims or other data from the database shall only be available for retrieval in processed form to public and private requesters pursuant to this section and shall be made available within a reasonable time after the request. Each request for claims data must include, at a minimum, the following information:

(a) The identity of any entities that will analyze the data in connection with the request;

(b) The stated purpose of the request and an explanation of how the request supports the goals of this chapter set forth in RCW 43.371.020(1);

(c) A description of the proposed methodology;

(d) The specific variables requested and an explanation of how the data is necessary to achieve the stated purpose described pursuant to (b) of this subsection;

(e) How the requester will ensure all requested data is handled in accordance with the privacy and confidentiality protections required under this chapter and any other applicable law;

(f) The method by which the data will be destroyed at the conclusion of the data use agreement;

(g) The protections that will be utilized to keep the data from being used for any purposes not authorized by the requester's approved application; and

(h) Consent to the penalties associated with the inappropriate disclosures or uses of direct patient identifiers((;)) <u>or</u> indirect patient identifiers((;, or proprietary financial information)) adopted under RCW 43.371.070(1).

(2) The lead organization may decline a request that does not include the information set forth in subsection (1) of this section that does not meet the criteria established by the lead organization's data release advisory committee, or for reasons established by rule.

(3) Except as otherwise required by law, the authority shall direct the lead organization and the data vendor to maintain the confidentiality of claims or other data it collects for the database that include ((proprietary financial information,)) direct patient identifiers, indirect patient identifiers, or any combination thereof. Any entity that receives claims or other data must also maintain confidentiality, including by agreeing to not reidentify any deidentified patient information, and may only release such claims data or any part of the claims data if:

(a) The claims data does not contain ((proprietary financial information,)) direct patient identifiers, indirect patient identifiers, or any combination thereof; and

(b) The release is described and approved as part of the request in subsection (1) of this section.

(4) The lead organization shall, in conjunction with the authority and the data vendor, create and implement a process to govern levels of access to and use of data from the database consistent with the following:

(a) Claims or other data that include ((proprietary financial information,)) direct patient identifiers, indirect patient identifiers, unique identifiers, or any combination thereof may be released only to the extent such information is necessary to achieve the goals of this chapter set forth in RCW 43.371.020(1) to researchers with approval of an institutional review board upon receipt of a signed data use and confidentiality agreement with the lead organization. A researcher or research organization that obtains claims data pursuant to this subsection must agree in writing not to disclose such data or parts of the data set to any other party, including affiliated entities, and must consent to the penalties associated with the inappropriate disclosures or uses of direct patient identifiers(($_{7}$) or indirect patient identifiers(($_{7}$, or proprietary financial information)) adopted under RCW 43.371.070(1).

(b) Claims or other data that do not contain direct patient identifiers, but that may contain ((proprietary financial information,)) indirect patient identifiers, unique identifiers, or any combination thereof may be released to:

(i) Federal, state, tribal, and local government agencies upon receipt of a signed data use agreement with the authority and the lead organization((Federal, state, tribal, and local government agencies that obtain claims data pursuant to this subsection are prohibited from using such data in the purchase or procurement of health benefits for their employees));

(ii) <u>Providers who practice a profession identified in RCW 18.130.040</u>, <u>hospitals licensed under chapter 70.41 or 71.12 RCW</u>, carriers licensed under chapter 48.43 or 41.05 RCW, managed care organizations, and statewide associations representing hospitals, carriers, or providers upon receipt of a signed data use agreement with the authority and the lead organization. For entities within this class, the following purposes support the goals of this chapter set forth in RCW 43.371.020(1):

(A) Promoting informed choices and understanding of health care access, quality, or affordability, including related barriers;

(B) Benchmarking value and efficiency against that of others;

(C) Validating and assessing third-party analysis and reports based on claims data; and

(D) Performing quality improvement activities;

(iii) Any entity when functioning as the lead organization under the terms of this chapter; ((and))

(((iii))) (iv) The Washington health benefit exchange established under chapter 43.71 RCW, upon receipt of a signed data use agreement with the authority and the lead organization as directed by rules adopted under this chapter: and

(v) Agencies, researchers, and other entities as approved by the lead organization upon receipt of a signed data use agreement with the authority and the lead organization.

(c) ((Claims or other data that do not contain proprietary financial information, direct patient identifiers, or any combination thereof, but that may contain indirect patient identifiers, unique identifiers, or a combination thereof may be released to agencies, researchers, and other entities as approved by the lead organization upon receipt of a signed data use agreement with the lead organization.

(d))) Claims or other data that do not contain direct patient identifiers, indirect patient identifiers, ((proprietary financial information,)) or any combination thereof may be released upon request.

(5) Reports utilizing data obtained under this section may not contain ((proprietary financial information,)) direct patient identifiers, indirect patient identifiers, or any combination thereof. Nothing in this subsection (5) may be construed to prohibit the use of geographic areas with a sufficient population size or aggregate gender, age, medical condition, or other characteristics in the generation of reports, so long as they cannot lead to the identification of an individual.

(6) ((Reports issued by the lead organization at the request of providers, facilities, employers, health plans, and other entities as approved by the lead organization may utilize proprietary financial information to calculate aggregate eost data for display in such reports. The authority shall approve by rule a format for the calculation and display of aggregate cost data consistent with this chapter that will prevent the disclosure or determination of proprietary financial

information. In developing the rule, the authority shall solicit feedback from the stakeholders, including those listed in RCW 43.371.020(5)(h), and must consider, at a minimum, data presented as proportions, ranges, averages, and medians, as well as the differences in types of data gathered and submitted by data suppliers.

(7))) Recipients of claims or other data under subsection (4) of this section must agree in a data use agreement or a confidentiality agreement to, at a minimum:

(a) Take steps to protect data containing direct patient identifiers, indirect patient identifiers, ((proprietary financial information,)) or any combination thereof as described in the agreement;

(b) Not redisclose the claims data except pursuant to subsection (3) of this section;

(c) Not attempt to determine the identity of any person whose information is included in the data set or use the claims or other data in any manner that identifies any individual or their family or attempt to locate information associated with a specific individual;

(d) Destroy claims data at the conclusion of the data use agreement; and

(e) Consent to the penalties associated with the inappropriate disclosures or uses of direct patient identifiers((;)) <u>or</u> indirect patient identifiers((; or proprietary financial information)) adopted under RCW 43.371.070(1).

Sec. 5. RCW 43.371.060 and 2020 c 131 s 1 are each amended to read as follows:

(1)(a) Under the supervision of and through contract with the authority, the lead organization shall prepare health care data reports using the database and the statewide health performance and quality measure set. Prior to the lead organization releasing any health care data reports that use claims data, the lead organization must submit the reports to the authority for review.

(b) By October 31st of each year, the lead organization shall submit to the director a list of reports it anticipates producing during the following calendar year. The director may establish a public comment period not to exceed thirty days, and shall submit the list and any comment to the appropriate committees of the legislature for review.

(2)(a) Health care data reports that use claims data prepared by the lead organization for the legislature and the public should promote awareness and transparency in the health care market by reporting on:

(i) Whether providers and health systems deliver efficient, high quality care; and

(ii) Geographic and other variations in medical care and costs as demonstrated by data available to the lead organization.

(b) Measures in the health care data reports should be stratified by demography, income, language, health status, and geography when feasible with available data to identify disparities in care and successful efforts to reduce disparities.

(c) Comparisons of costs among providers and health care systems must account for differences in the case mix and severity of illness of patients and populations, as appropriate and feasible, and must take into consideration the cost impact of subsidization for uninsured and government-sponsored patients, as well as teaching expenses, when feasible with available data. (3) The lead organization may not publish any data or health care data reports that:

(a) Directly or indirectly identify individual patients;

(b) ((Disclose a carrier's proprietary financial information;

(e))) Compare performance in a report generated for the general public that includes any provider in a practice with fewer than four providers; or

(((d))) (c) Contain medicaid data that is in direct conflict with the biannual medicaid forecast.

(4) The lead organization may not release a report that compares and identifies providers, hospitals, or data suppliers unless:

(a) It allows the data supplier, the hospital, or the provider to verify the accuracy of the information submitted to the data vendor, comment on the reasonableness of conclusions reached, and submit to the lead organization and data vendor any corrections of errors with supporting evidence and comments within thirty days of receipt of the report;

(b) It corrects data found to be in error within a reasonable amount of time; and

(c) The report otherwise complies with this chapter.

(5) The authority and the lead organization may use claims data to identify and make available information on payers, providers, and facilities, but may not use claims data to recommend or incentivize direct contracting between providers and employers.

(6) The lead organization shall make information about claims data related to the provision of air ambulance service available on a website that is accessible to the public in a searchable format by geographic region, provider, and other relevant information.

(7)(a) The lead organization shall distinguish in advance to the authority when it is operating in its capacity as the lead organization and when it is operating in its capacity as a private entity. Where the lead organization acts in its capacity as a private entity, it may only access data pursuant to RCW 43.371.050(4) (b)($_{(7)}$) (v) or (c)(($_{(7)}$ or (d))).

(b) Except as provided in RCW 43.371.050(4), claims or other data that contain direct patient identifiers ((or proprietary financial information)) must remain exclusively in the custody of the data vendor and may not be accessed by the lead organization.

Sec. 6. RCW 43.371.070 and 2019 c 319 s 7 are each amended to read as follows:

(1) The director shall adopt any rules necessary to implement this chapter, including:

(a) Definitions of claim and data files that data suppliers must submit to the database, including: Files for covered medical services, pharmacy claims, and dental claims; member eligibility and enrollment data; and provider data with necessary identifiers;

(b) Deadlines for submission of claim files;

(c) Penalties for failure to submit claim files as required;

(d) Procedures for ensuring that all data received from data suppliers are securely collected and stored in compliance with state and federal law;

(e) Procedures for ensuring compliance with state and federal privacy laws;

(f) Procedures for establishing appropriate fees;

(g) Procedures for data release;

(h) Penalties associated with the inappropriate disclosures or uses of direct patient identifiers((;)) and indirect patient identifiers((; and proprietary financial information)); and

(i) A minimum reporting threshold below which a data supplier is not required to submit data.

(2) The director may not adopt rules, policies, or procedures beyond the authority granted in this chapter.

Sec. 7. RCW 43.371.090 and 2024 c 54 s 50 are each amended to read as follows:

(1) To ensure the database is meeting the needs of state agencies and other data users, the authority shall convene a state agency coordinating structure, consisting of state agencies with related data needs and the Washington health benefit exchange to ensure effectiveness of the database and the agencies' programs. The coordinating structure must collaborate in a private/public manner with the lead organization and other partners key to the broader success of the database. The coordinating structure shall advise the authority and lead organization on the development of any database policies and rules relevant to agency data needs.

(2) The office must participate as a key part of the coordinating structure and evaluate progress towards meeting the goals of the database, and, as necessary, recommend strategies for maintaining and promoting the progress of the database in meeting the intent of this section, and report its findings ((biennially)) every five years to the governor and the legislature. The authority shall facilitate the office obtaining the information needed to complete the report in a manner that is efficient and not overly burdensome for the parties. The authority must provide the office with access to database processes, procedures, nonproprietary methodologies, and outcomes to conduct the review and issue the ((biennial)) five-year report. The ((biennial)) five-year review shall assess, at a minimum the following:

(a) The list of approved agency use case projects and related data requirements under RCW 43.371.050(4);

(b) Successful and unsuccessful data requests and outcomes related to agency and nonagency health researchers pursuant to RCW 43.371.050(4);

(c) Online data portal access and effectiveness related to research requests and data provider review and reconsideration;

(d) Adequacy of data security and policy consistent with the policy of Washington technology solutions; and

(e) Timeliness, adequacy, and responsiveness of the database with regard to requests made under RCW 43.371.050(4) and for potential improvements in data sharing, data processing, and communication.

(3) To promote the goal of improving health outcomes through better cost and quality information, the authority, in consultation with the agency coordinating structure, the office, lead organization, and data vendor shall make recommendations to the Washington state performance measurement coordinating committee as necessary to improve the effectiveness of the state common measure set as adopted under RCW 70.320.030. <u>NEW SECTION.</u> Sec. 8. By December 31, 2025, the health care authority shall review all Washington state and federal transparency programs and tools related to health care pricing and provide an update to the appropriate committees of the legislature summarizing the existing data reporting requirements and the types of data that are available to the public and policymakers.

<u>NEW SECTION.</u> Sec. 9. Sections 1 and 3 through 7 of this act take effect July 1, 2026.

Passed by the House April 19, 2025. Passed by the Senate April 16, 2025. Approved by the Governor May 17, 2025. Filed in Office of Secretary of State May 19, 2025.

CHAPTER 306

[Engrossed Second Substitute House Bill 1440] CIVIL ASSET FORFEITURE

AN ACT Relating to seizure and forfeiture procedures and reporting; amending RCW 9.68A.120, 9A.88.150, 9A.83.030, 10.105.010, 19.290.230, 46.61.5058, 70.74.400, and 38.42.020; reenacting and amending RCW 69.50.505; adding a new chapter to Title 7 RCW; creating a new section; prescribing penalties; and providing an effective date.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> Sec. 1. This chapter provides standard procedures governing civil asset forfeiture and is applicable to laws of this state that authorize civil forfeiture of property and that indicate the provisions of this chapter apply.

<u>NEW SECTION.</u> Sec. 2. (1)(a) Except with respect to contraband items, which shall be seized and summarily forfeited, proceedings for forfeiture are deemed commenced by the seizure. The agency under whose authority the seizure was made shall cause notice to be served within 15 days following the seizure on the owner of the property seized and the person in charge thereof and any person having any known right or interest therein, including any community property interest, of the seizure and intended forfeiture of the seized property. Service of notice of seizure must be made according to the rules of civil procedure, except that service by mail shall be by certified mail, return receipt requested. However, a default judgment with respect to real property may not be obtained against a party who is served by substituted service absent an affidavit stating that a good faith effort has been made to ascertain if the defaulted party is incarcerated within the state, and that there is no present basis to believe that the party is incarcerated within the state. Notice of seizure in the case of property subject to a security interest that has been perfected by filing a financing statement in accordance with chapter 62A.9A RCW, or a certificate of title, must be made by service upon the secured party or the secured party's assignee at the address shown on the financing statement or the certificate of title.

(b) The notice must include information indicating that if the property owner or other person claiming a right or interest in the property contests the forfeiture, the person has the right to move the matter to a court of competent jurisdiction, and if the person substantially prevails in a forfeiture proceeding, the person is entitled to reimbursement for reasonable attorneys' fees.

(2) If no person notifies the seizing agency in writing of the person's claim of ownership or right to possession of an item seized within 60 days of the service of notice from the seizing agency in the case of personal property and 120 days in the case of real property, the item seized is deemed forfeited. The community property interest in real property of a person whose spouse or domestic partner committed a violation giving rise to seizure of the real property may not be forfeited if the person did not participate in the violation.

(3) If any person notifies the seizing agency in writing of the person's claim of ownership or right to possession of an item seized within 60 days of the service of notice from the seizing agency in the case of personal property and 120 days in the case of real property, the person or persons must be afforded a reasonable opportunity to be heard as to the claim or right. The notice of claim may be served by any method authorized by law or court rule including, but not limited to, service by first-class mail. Service by mail is deemed complete upon mailing within the 60-day period following service of the notice of seizure in the case of personal property and within the 120-day period following service of the notice of seizure in the case of real property.

(4) The hearing must be before the chief law enforcement officer of the seizing agency or the chief law enforcement officer's designee, except that where the seizing agency is a state agency as defined in RCW 34.12.020(4), the hearing must be before the chief law enforcement officer of the seizing agency or an administrative law judge appointed under chapter 34.12 RCW. Such a hearing and any appeal therefrom must be under Title 34 RCW.

(5) Any person asserting a claim or right may remove the matter to a court of competent jurisdiction. Removal of any matter involving personal property may only be accomplished according to the rules of civil procedure. The person seeking removal of the matter must serve process against the state, county, political subdivision, or municipality that operates the seizing agency, and any other party of interest, in accordance with RCW 4.28.080 or 4.92.020, within 45 days after the person seeking removal has notified the seizing agency of the person's claim of ownership or right to possession. The court to which the matter is to be removed must be the district court, or the municipal court for the jurisdiction in which the property was seized, when the aggregate value of personal property is within the jurisdictional limit set forth in RCW 3.66.020.

(6)(a) Whether the matter is heard under Title 34 RCW pursuant to subsection (4) of this section or removed to court pursuant to subsection (5) of this section, the burden of proof is upon the seizing agency to establish, by clear, cogent, and convincing evidence, that the property is subject to forfeiture.

(b) No personal property may be forfeited to the extent of the interest of an owner, by reason of any act or omission committed or omitted without the owner's knowledge or consent;

(c) No real property may be forfeited to the extent of the interest of an owner, by reason of any act or omission committed or omitted without the owner's knowledge or consent.

(d) A forfeiture of real property encumbered by a bona fide security interest is subject to the interest of the secured party if the secured party, at the time the security interest was created, neither had knowledge of nor consented to the act or omission.

(7) The seizing agency shall promptly return seized items, in a substantially similar condition as when they were seized, to the claimant upon a determination by the administrative law judge or court that the claimant is the present lawful owner or is lawfully entitled to possession thereof.

(8) In any proceeding to forfeit property under this chapter, where the claimant substantially prevails, the claimant is entitled to reasonable attorneys' fees reasonably incurred by the claimant.

(9) The protections afforded by the service members' civil relief act, chapter 38.42 RCW, are applicable to proceedings under this chapter.

<u>NEW SECTION.</u> Sec. 3. (1) Upon the entry of an order of forfeiture of real property, the court shall forward a copy of the order to the assessor of the county in which the property is located. Orders for the forfeiture of real property shall be entered by the superior court, subject to court rules. Such an order shall be filed by the seizing agency in the county auditor's records in the county in which the real property is located.

(2)(a) Å landlord may assert a claim against proceeds from the sale of assets seized and forfeited only if:

(i) An employee, agent, or officer of the seizing agency, while acting in his or her official capacity, directly caused damage to the complaining landlord's property while executing a search of a tenant's residence; and

(ii) The landlord has applied any funds remaining in the tenant's deposit, to which the landlord has a right under chapter 59.18 RCW, to cover the damage directly caused by the employee, agent, or officer of the seizing agency prior to asserting a claim under the provisions of this section;

(A) Only if the funds applied under (a)(ii) of this subsection are insufficient to satisfy the damage directly caused by the employee, agent, or officer of the seizing agency, may the landlord seek compensation for the damage by filing a claim against the governmental entity under whose authority the seizing agency operates within 30 days after the search;

(B) Only if the governmental entity denies or fails to respond to the landlord's claim within 60 days of the date of filing, may the landlord collect damages under this subsection by filing within 30 days of denial or the expiration of the 60-day period, whichever occurs first, a claim with the seizing agency. The seizing agency must notify the landlord of the status of the claim by the end of the 30-day period. Nothing in this section requires the claim to be paid by the end of the 60-day or 30-day period.

(b) For any claim filed under (a)(ii) of this subsection, the seizing agency shall pay the claim unless the agency provides substantial proof that the landlord either:

(i) Knew or consented to actions of the tenant in violation of this chapter or the chapter pursuant to which the seizure was made; or

(ii) Failed to respond to a notification of the illegal activity, provided by a law enforcement agency under RCW 59.18.075, within seven days of receipt of notification of the illegal activity.

(3) The landlord's claim for damages under subsection (2) of this section may not include a claim for loss of business and is limited to:

(a) Damage to tangible property and clean-up costs;

(b) The lesser of the cost of repair or fair market value of the damage directly caused by the employee, agent, or officer of the seizing agency;

(c) The proceeds from the sale of the specific tenant's property seized and forfeited; and

(d) The proceeds available after the seizing law enforcement agency satisfies any bona fide security interest in the tenant's property and costs related to sale of the tenant's property.

(4) Subsections (2) and (3) of this section do not limit any other rights a landlord may have against a tenant to collect for damages. However, if a seizing agency satisfies a landlord's claim under subsection (2) of this section, the rights the landlord has against the tenant for damages directly caused by an employee, agent, or officer of the seizing agency under the terms of the landlord and tenant's contract are subrogated to the seizing agency.

<u>NEW SECTION.</u> Sec. 4. When property is forfeited under this chapter, the seizing agency may:

(1) Retain it for official use or upon application by any law enforcement agency of this state release such property to such agency to be used in enforcement;

(2) Sell that which is not required to be destroyed by law and which is not harmful to the public;

(3) Request the appropriate sheriff or director of public safety to take custody of the property and remove it for disposition in accordance with law;

(4) Forward it to an appropriate entity, such as the drug enforcement administration, for disposition;

(5) Satisfy any known court-ordered restitution owed by the person from whom the property was forfeited; or

(6) Take any other action allowed by statute.

<u>NEW SECTION.</u> Sec. 5. (1)(a)(i) Except as provided in (a)(i) of this subsection, by January 31st of each year, each seizing agency shall remit to the state treasurer an amount equal to 10 percent of the net proceeds of any property forfeited during the preceding calendar year. Money remitted shall be deposited in the state general fund unless otherwise provided in statute.

(ii) By January 31st of each year, each seizing agency shall remit to the state an amount equal to 10 percent of the net proceeds of any property forfeited under RCW 10.105.010 and 46.61.5058 during the preceding calendar year for deposit into the behavioral health loan repayment program account created in RCW 28B.115.135 through June 30, 2027, and into the state general fund thereafter.

(b) The net proceeds of forfeited property is the value of the forfeitable interest in the property after deducting the cost of satisfying any bona fide security interest to which the property is subject at the time of seizure; and in the case of sold property, after deducting the cost of sale, including reasonable fees or commissions paid to independent selling agents, and the cost of any valid landlord's claim for damages under section 3 of this act.

(c) The value of sold forfeited property is the sale price. The value of retained forfeited property is the fair market value of the property at the time of seizure, determined when possible by reference to an applicable commonly used index, such as the index used by the department of licensing for valuation of

motor vehicles. A seizing agency may use, but need not use, an independent qualified appraiser to determine the value of retained property. If an appraiser is used, the value of the property appraised is net of the cost of the appraisal. The value of destroyed property and retained firearms or illegal property is zero.

(2) Forfeited property and net proceeds not required to be paid to the state shall be retained by the seizing agency exclusively for the expansion and improvement of related enforcement activities. Money retained under this section may not be used to supplant preexisting funding sources.

Sec. 6. RCW 9.68A.120 and 2022 c 162 s 4 are each amended to read as follows:

The following are subject to seizure and forfeiture:

(1) All visual or printed matter that depicts a minor engaged in sexually explicit conduct.

(2) All raw materials, equipment, and other tangible personal property of any kind used or intended to be used to manufacture or process any visual or printed matter that depicts a minor engaged in sexually explicit conduct, and all conveyances, including aircraft, vehicles, or vessels that are used or intended for use to transport, or in any manner to facilitate the transportation of, visual or printed matter in violation of RCW 9.68A.050 or 9.68A.060, but:

(a) No conveyance used by any person as a common carrier in the transaction of business as a common carrier is subject to forfeiture under this section unless it appears that the owner or other person in charge of the conveyance is a consenting party or privy to a violation of this chapter;

(b) No property is subject to forfeiture under this section by reason of any act or omission ((established by the owner of the property to have been)) committed or omitted without the owner's knowledge or consent;

(c) A forfeiture of property encumbered by a bona fide security interest is subject to the interest of the secured party if the secured party neither had knowledge of nor consented to the act or omission; and

(d) When the owner of a conveyance has been arrested under this chapter the conveyance may not be subject to forfeiture unless it is seized or process is issued for its seizure within ten days of the owner's arrest.

(3) All personal property, moneys, negotiable instruments, securities, or other tangible or intangible property furnished or intended to be furnished by any person in exchange for visual or printed matter depicting a minor engaged in sexually explicit conduct, or constituting proceeds traceable to any violation of this chapter.

(4) Property subject to forfeiture under this chapter may be seized by any law enforcement officer of this state upon process issued by any superior court having jurisdiction over the property. Seizure without process may be made if:

(a) The seizure is incident to an arrest or a search under a search warrant or an inspection under an administrative inspection warrant;

(b) The property subject to seizure has been the subject of a prior judgment in favor of the state in a criminal injunction or forfeiture proceeding based upon this chapter;

(c) A law enforcement officer has probable cause to believe that the property is directly or indirectly dangerous to health or safety; or

(d) The law enforcement officer has probable cause to believe that the property was used or is intended to be used in violation of this chapter.

(5) In the event of seizure under subsection (4) of this section, proceedings for forfeiture ((shall be deemed commenced by the seizure. The law enforcement agency under whose authority the seizure was made shall cause notice to be served within fifteen days following the seizure on the owner of the property seized and the person in charge thereof and any person having any known right or interest therein, of the seizure and intended forfeiture of the seized property. The notice may be served by any method authorized by law or court rule including but not limited to service by certified mail with return receipt requested. Service by mail shall be deemed complete upon mailing within the fifteen day period following the seizure.

(6) If no person notifies the seizing law enforcement agency in writing of the person's claim of ownership or right to possession of seized items within forty five days of the seizure, the item seized shall be deemed forfeited.

(7) If any person notifies the seizing law enforcement agency in writing of the person's claim of ownership or right to possession of seized items within forty-five days of the seizure, the person or persons shall be afforded a reasonable opportunity to be heard as to the claim or right. The hearing shall be before an administrative law judge appointed under chapter 34.12 RCW, except that any person asserting a claim or right may remove the matter to a court of competent jurisdiction if the aggregate value of the article or articles involved is more than five hundred dollars. The hearing before an administrative law judge and any appeal therefrom shall be under Title 34 RCW. In a court hearing between two or more claimants to the article or articles involved, the prevailing party shall be entitled to a judgment for costs and reasonable attorney's fees. The burden of producing evidence shall be upon the person claiming to be the lawful owner or the person claiming to have the lawful right to possession of the seized items. The seizing law enforcement agency shall promptly return the article or articles to the claimant upon a determination by the administrative law judge or court that the claimant is lawfully entitled to possession thereof of the seized items.

(8) If property is sought to be forfeited on the ground that it constitutes proceeds traceable to a violation of this chapter, the seizing law enforcement agency must prove by a preponderance of the evidence that the property constitutes proceeds traceable to a violation of this chapter.

(9) When property is forfeited under this chapter the seizing law enforcement agency may:

(a) Retain it for official use or upon application by any law enforcement agency of this state release the property to that agency for the exclusive use of enforcing this chapter or chapter 9A.88 RCW;

(b) Sell that which is not required to be destroyed by law and which is not harmful to the public; or

(c) Request the appropriate sheriff or director of public safety to take eustody of the property and remove it for disposition in accordance with law.

(10)(a) By January 31st of each year, each seizing agency shall remit to the state an amount equal to ten percent of the net proceeds of any property forfeited during the preceding calendar year. Money remitted shall be deposited in the prostitution prevention and intervention account under RCW 43.63A.740.

(b) The net proceeds of forfeited property is the value of the forfeitable interest in the property after deducting the cost of satisfying any bona fide

security interest to which the property is subject at the time of seizure; and in the ease of sold property, after deducting the cost of sale, including reasonable fees or commissions paid to an independent selling agency.

(c) The value of sold forfeited property is the sale price. The value of retained forfeited property is the fair market value of the property at the time of seizure determined when possible by reference to an applicable commonly used index. A seizing agency may use, but need not use, an independent qualified appraiser to determine the value of retained property. If an appraiser is used, the value of the property appraised is net of the cost of the appraisal. The value of destroyed property and retained firearms or illegal property is zero.

(11) Forfeited property and net proceeds not required to be remitted to the state under this chapter shall be used for payment of all proper expenses of the investigation leading to the seizure, including any money delivered to the subject of the investigation by the law enforcement agency, and of the proceedings for forfeiture and sale, including expenses of seizure, maintenance of custody, advertising, actual costs of the prosecuting or city attorney, and court costs. Money remaining after payment of these expenses shall be retained by the seizing law enforcement agency for the exclusive use of enforcing the provisions of this chapter or chapter 9A.88 RCW) are governed by chapter 7.--- RCW (the new chapter created in section 15 of this act).

Sec. 7. RCW 9A.88.150 and 2022 c 162 s 5 are each amended to read as follows:

(1) The following are subject to seizure and forfeiture and no property right exists in them:

(a) Any property or other interest acquired or maintained in violation of RCW 9.68A.100, 9.68A.101, or 9A.88.070 to the extent of the investment of funds, and any appreciation or income attributable to the investment, from a violation of RCW 9.68A.100, 9.68A.101, or 9A.88.070;

(b) All conveyances, including aircraft, vehicles, or vessels, which are used, or intended for use, in any manner to facilitate a violation of RCW 9.68A.100, 9.68A.101, or 9A.88.070, except that:

(i) No conveyance used by any person as a common carrier in the transaction of business as a common carrier is subject to forfeiture under this section unless it appears that the owner or other person in charge of the conveyance is a consenting party or privy to a violation of RCW 9.68A.100, 9.68A.101, or 9A.88.070;

(ii) No conveyance is subject to forfeiture under this section by reason of any act or omission ((established by the owner thereof to have been)) committed or omitted without the owner's knowledge or consent;

(iii) A forfeiture of a conveyance encumbered by a bona fide security interest is subject to the interest of the secured party if the secured party neither had knowledge of nor consented to the act or omission; and

(iv) When the owner of a conveyance has been arrested for a violation of RCW 9.68A.100, 9.68A.101, or 9A.88.070, the conveyance in which the person is arrested may not be subject to forfeiture unless it is seized or process is issued for its seizure within ten days of the owner's arrest;

(c) Any property, contractual right, or claim against property used to influence any enterprise that a person has established, operated, controlled,

conducted, or participated in the conduct of, in violation of RCW 9.68A.100, 9.68A.101, or 9A.88.070;

(d) All proceeds traceable to or derived from an offense defined in RCW 9.68A.100, 9.68A.101, or 9A.88.070 and all moneys, negotiable instruments, securities, and other things of value significantly used or intended to be used significantly to facilitate commission of the offense;

(e) All books, records, and research products and materials, including formulas, microfilm, tapes, and data which are used, or intended for use, in violation of RCW 9.68A.100, 9.68A.101, or 9A.88.070;

(f) All moneys, negotiable instruments, securities, or other tangible or intangible property of value furnished or intended to be furnished by any person in exchange for a violation of RCW 9.68A.100, 9.68A.101, or 9A.88.070, all tangible or intangible personal property, proceeds, or assets acquired in whole or in part with proceeds traceable to an exchange or series of exchanges in violation of RCW 9.68A.100, 9.68A.101, or 9A.88.070, and all moneys, negotiable instruments, and securities used or intended to be used to facilitate any violation of RCW 9.68A.100, 9.68A.101, or 9A.88.070. A forfeiture of money, negotiable instruments, securities, or other tangible or intangible property encumbered by a bona fide security interest is subject to the interest of the secured party if, at the time the security interest was created, the secured party neither had knowledge of nor consented to the act or omission. No personal property may be forfeited under this subsection (1)(f), to the extent of the interest of an owner, by reason of any act or omission((, which that owner establishes was)) committed or omitted without the owner's knowledge or consent; and

(g) All real property, including any right, title, and interest in the whole of any lot or tract of land, and any appurtenances or improvements which are being used with the knowledge of the owner for a violation of RCW 9.68A.100, 9.68A.101, or 9A.88.070, or which have been acquired in whole or in part with proceeds traceable to an exchange or series of exchanges in violation of RCW 9.68A.100, 9.68A.101, or 9A.88.070, if a substantial nexus exists between the violation and the real property. However:

(i) No property may be forfeited pursuant to this subsection (1)(g), to the extent of the interest of an owner, by reason of any act or omission committed or omitted without the owner's knowledge or consent;

(ii) A forfeiture of real property encumbered by a bona fide security interest is subject to the interest of the secured party if the secured party, at the time the security interest was created, neither had knowledge of nor consented to the act or omission.

(2) Real or personal property subject to forfeiture under this section may be seized by any law enforcement officer of this state upon process issued by any superior court having jurisdiction over the property. Seizure of real property shall include the filing of a lis pendens by the seizing agency. Real property seized under this section shall not be transferred or otherwise conveyed until ninety days after seizure or until a judgment of forfeiture is entered, whichever is later: PROVIDED, That real property seized under this section may be transferred or conveyed to any person or entity who acquires title by foreclosure or deed in lieu of foreclosure of a security interest. Seizure of personal property without process may be made if:

(a) The seizure is incident to an arrest or a search under a search warrant;

(b) The property subject to seizure has been the subject of a prior judgment in favor of the state in a criminal injunction or forfeiture proceeding; or

(c) The law enforcement officer has probable cause to believe that the property was used or is intended to be used in violation of RCW 9.68A.100, 9.68A.101, or 9A.88.070.

(3) In the event of seizure pursuant to subsection (2) of this section, proceedings for forfeiture ((shall be deemed commenced by the seizure. The law enforcement agency under whose authority the seizure was made shall eause notice to be served within fifteen days following the seizure on the owner of the property seized and the person in charge thereof and any person having any known right or interest therein, including any community property interest, of the seizure and intended forfeiture of the seized property. Service of notice of seizure of real property shall be made according to the rules of civil procedure. However, the state may not obtain a default judgment with respect to real property against a party who is served by substituted service absent an affidavit stating that a good faith effort has been made to ascertain if the defaulted party is incarcerated within the state, and that there is no present basis to believe that the party is incarcerated within the state. Notice of seizure in the case of property subject to a security interest that has been perfected by filing a financing statement, or a certificate of title, shall be made by service upon the secured party or the secured party's assignee at the address shown on the financing statement or the certificate of title. The notice of seizure in other cases may be served by any method authorized by law or court rule including, but not limited to, service by certified mail with return receipt requested. Service by mail shall be deemed complete upon mailing within the fifteen day period following the seizure.

(4) If no person notifies the seizing law enforcement agency in writing of the person's claim of ownership or right to possession of items specified in subsection (1) of this section within forty five days of the service of notice from the seizing agency in the case of personal property and ninety days in the case of real property, the item seized shall be deemed forfeited. The community property interest in real property of a person whose spouse or domestic partner committed a violation giving rise to seizure of the real property may not be forfeited if the person did not participate in the violation.

(5) If any person notifies the seizing law enforcement agency in writing of the person's claim of ownership or right to possession of items specified in subsection (1) of this section within forty five days of the service of notice from the seizing agency in the case of personal property and ninety days in the case of real property, the person or persons shall be afforded a reasonable opportunity to be heard as to the claim or right. The notice of claim may be served by any method authorized by law or court rule including, but not limited to, service by first-class mail. Service by mail shall be deemed complete upon mailing within the forty five day period following service of the notice of seizure in the case of personal property and within the ninety day period following service of the notice of seizure in the case of real property. The hearing shall be before the chief law enforcement officer of the seizing agency or the chief law enforcement officer's designee, except where the seizing agency is a state agency as defined in RCW 34.12.020(4), the hearing shall be before the chief law enforcement officer of the seizing agency or an administrative law judge appointed under ehapter 34.12 RCW, except that any person asserting a claim or right may remove the matter to a court of competent jurisdiction. Removal of any matter involving personal property may only be accomplished according to the rules of eivil procedure. The person seeking removal of the matter must serve process against the state, county, political subdivision, or municipality that operates the seizing agency, and any other party of interest, in accordance with RCW 4.28.080 or 4.92.020, within forty five days after the person seeking removal has notified the seizing law enforcement agency of the person's claim of ownership or right to possession. The court to which the matter is to be removed shall be the district court when the aggregate value of personal property is within the jurisdictional limit set forth in RCW 3.66.020. A hearing before the seizing agency and any appeal therefrom shall be under Title 34 RCW. In all cases, the burden of proof is upon the law enforcement agency to establish, by a preponderance of the evidence, that the property is subject to forfeiture.

The seizing law enforcement agency shall promptly return the article or articles to the claimant upon a determination by the administrative law judge or court that the claimant is the present lawful owner or is lawfully entitled to possession thereof of items specified in subsection (1) of this section.

(6) In any proceeding to forfeit property under this title, where the claimant substantially prevails, the claimant is entitled to reasonable attorneys' fees reasonably incurred by the claimant. In addition, in a court hearing between two or more claimants to the article or articles involved, the prevailing party is entitled to a judgment for costs and reasonable attorneys' fees.

(7) When property is forfeited under this chapter, the seizing law enforcement agency may:

(a) Retain it for official use or upon application by any law enforcement agency of this state release the property to that agency for the exclusive use of enforcing this chapter or chapter 9.68A RCW;

(b) Sell that which is not required to be destroyed by law and which is not harmful to the public; or

(c) Request the appropriate sheriff or director of public safety to take eustody of the property and remove it for disposition in accordance with law.

(8)(a) When property is forfeited, the seizing agency shall keep a record indicating the identity of the prior owner, if known, a description of the property, the disposition of the property, the value of the property at the time of seizure, and the amount of proceeds realized from disposition of the property.

(b) Each seizing agency shall retain records of forfeited property for at least seven years.

(c) Each seizing agency shall file a report including a copy of the records of forfeited property with the state treasurer each calendar quarter.

(d) The quarterly report need not include a record of forfeited property that is still being held for use as evidence during the investigation or prosecution of a case or during the appeal from a conviction.

(9)(a) By January 31st of each year, each seizing agency shall remit to the state an amount equal to ten percent of the net proceeds of any property forfeited during the preceding calendar year. Money remitted shall be deposited in the prostitution prevention and intervention account under RCW 43.63A.740.

(b) The net proceeds of forfeited property is the value of the forfeitable interest in the property after deducting the cost of satisfying any bona fide

security interest to which the property is subject at the time of seizure; and in the ease of sold property, after deducting the cost of sale, including reasonable fees or commissions paid to independent selling agents, and the cost of any valid landlord's claim for damages under subsection (12) of this section.

(c) The value of sold forfeited property is the sale price. The value of destroyed property and retained firearms or illegal property is zero.

(10) Net proceeds not required to be remitted to the state shall be used for payment of all proper expenses of the investigation leading to the seizure, including any money delivered to the subject of the investigation by the law enforcement agency, and of the proceedings for forfeiture and sale, including expenses of seizure, maintenance of custody, advertising, actual costs of the prosecuting or city attorney, and court costs. Money remaining after payment of these expenses shall be retained by the seizing law enforcement agency for the exclusive use of enforcing the provisions of this chapter or chapter 9.68A RCW.

(11) Upon the entry of an order of forfeiture of real property, the court shall forward a copy of the order to the assessor of the county in which the property is located. Orders for the forfeiture of real property shall be entered by the superior court, subject to court rules. Such an order shall be filed by the seizing agency in the county auditor's records in the county in which the real property is located.

(12) A landlord may assert a claim against proceeds from the sale of assets seized and forfeited under subsection (9) of this section, only if:

(a) A law enforcement officer, while acting in his or her official capacity, directly caused damage to the complaining landlord's property while executing a search of a tenant's residence;

(b) The landlord has applied any funds remaining in the tenant's deposit, to which the landlord has a right under chapter 59.18 RCW, to cover the damage directly caused by a law enforcement officer prior to asserting a claim under the provisions of this section:

(i) Only if the funds applied under (b) of this subsection are insufficient to satisfy the damage directly caused by a law enforcement officer, may the landlord seek compensation for the damage by filing a claim against the governmental entity under whose authority the law enforcement agency operates within thirty days after the search;

(ii) Only if the governmental entity denies or fails to respond to the landlord's claim within sixty days of the date of filing, may the landlord collect damages under this subsection by filing within thirty days of denial or the expiration of the sixty day period, whichever occurs first, a claim with the seizing law enforcement agency. The seizing law enforcement agency must notify the landlord of the status of the claim by the end of the thirty day period. Nothing in this section requires the claim to be paid by the end of the sixty day or thirty day period; and

(c) For any claim filed under (b) of this subsection, the law enforcement agency shall pay the claim unless the agency provides substantial proof that the landlord either:

(i) Knew or consented to actions of the tenant in violation of RCW 9.68A.100, 9.68A.101, or 9A.88.070; or

(ii) Failed to respond to a notification of the illegal activity, provided by a law enforcement agency under RCW 59.18.075, within seven days of receipt of notification of the illegal activity.

(13) The landlord's claim for damages under subsection (12) of this section may not include a claim for loss of business and is limited to:

(a) Damage to tangible property and clean-up costs;

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(b) The lesser of the cost of repair or fair market value of the damage directly caused by a law enforcement officer;

(c) The proceeds from the sale of the specific tenant's property seized and forfeited under subsection (9) of this section; and

(d) The proceeds available after the seizing law enforcement agency satisfies any bona fide security interest in the tenant's property and costs related to sale of the tenant's property as provided by subsection (12) of this section.

(14) Subsections (12) and (13) of this section do not limit any other rights a landlord may have against a tenant to collect for damages. However, if a law enforcement agency satisfies a landlord's claim under subsection (12) of this section, the rights the landlord has against the tenant for damages directly caused by a law enforcement officer under the terms of the landlord and tenant's contract are subrogated to the law enforcement agency) are governed by chapter 7.--- RCW (the new chapter created in section 15 of this act).

Sec. 8. RCW 9A.83.030 and 2020 c 62 s 1 are each amended to read as follows:

(1) Proceeds traceable to or derived from specified unlawful activity or a violation of RCW 9A.83.020 are subject to seizure and forfeiture. The attorney general or county prosecuting attorney may file a civil action for the forfeiture of proceeds. Unless otherwise provided for under this section, no property rights exist in these proceeds. All right, title, and interest in the proceeds shall vest in the governmental entity of which the seizing law enforcement agency is a part upon commission of the act or omission giving rise to forfeiture under this section.

(2) Real or personal property subject to forfeiture under this chapter may be seized by any law enforcement officer of this state upon process issued by a superior court that has jurisdiction over the property. Any agency seizing real property shall file a lis pendens concerning the property. Real property seized under this section shall not be transferred or otherwise conveyed until ninety days after seizure or until a judgment of forfeiture is entered, whichever is later. Real property seized under this section may be transferred or conveyed to any person or entity who acquires title by foreclosure or deed in lieu of foreclosure of a security interest. Seizure of personal property without process may be made if:

(a) The seizure is incident to an arrest or a search under a search warrant or an inspection under an administrative inspection warrant issued pursuant to RCW 69.50.502; or

(b) The property subject to seizure has been the subject of a prior judgment in favor of the state in a criminal injunction or forfeiture proceeding based upon this chapter.

(3) A seizure under subsection (2) of this section commences proceedings for forfeiture <u>pursuant to chapter 7.--- RCW</u> (the new chapter created in section <u>15 of this act</u>). ((The law enforcement ageney under whose authority the seizure was made shall cause notice of the seizure and intended forfeiture of the seized proceeds to be served within fifteen days after the seizure on the owner of the property seized and the person in charge thereof and any person who has a

known right or interest therein, including a community property interest. Service of notice of seizure of real property shall be made according to the rules of civil procedure. However, the state may not obtain a default judgment with respect to real property against a party who is served by substituted service absent an affidavit stating that a good faith effort has been made to ascertain if the defaulted party is incarcerated within the state, and that there is no present basis to believe that the party is incarcerated within the state. The notice of seizure in other cases may be served by any method authorized by law or court rule including but not limited to service by certified mail with return receipt requested. Service by mail is complete upon mailing within the fifteen-day period after the seizure.

(4) If no person notifies the seizing law enforcement agency in writing of the person's claim of ownership or right to possession of the property within forty-five days of the seizure in the case of personal property and ninety days in the case of real property, the property seized shall be deemed forfeited. The community property interest in real property of a person whose spouse or domestic partner committed a violation giving rise to seizure of the real property may not be forfeited if the person did not participate in the violation.

(5) If a person notifies the seizing law enforcement agency in writing of the person's claim of ownership or right to possession of property within forty-five days of the seizure in the case of personal property and ninety days in the case of real property, the person or persons shall be afforded a reasonable opportunity to be heard as to the claim or right. The provisions of RCW 69.50.505(5) shall apply to any such hearing. The seizing law enforcement agency shall promptly return property to the claimant upon the direction of the administrative law judge or court.

(6) Disposition of forfeited property shall be made in the manner provided for in RCW 69.50.505 (8) through (10) and (14) or 9.46.231 (6) through (8) and (10).)

Sec. 9. RCW 10.105.010 and 2022 c 162 s 3 are each amended to read as follows:

(1) The following are subject to seizure and forfeiture and no property right exists in them: All personal property, including, but not limited to, any item, object, tool, substance, device, weapon, machine, vehicle of any kind, money, security, or negotiable instrument, which has been or was actually employed as an instrumentality in the commission of, or in aiding or abetting in the commission of any felony, or which was furnished or was intended to be furnished by any person in the commission of, as a result of, or as compensation for the commission of, any felony, or which was acquired in whole or in part with proceeds traceable to the commission of a felony. No property may be forfeited under this section until after there has been a superior court conviction of the owner of the property for the felony in connection with which the property was employed, furnished, or acquired.

A forfeiture of property encumbered by a bona fide security interest is subject to the interest of the secured party if at the time the security interest was created, the secured party neither had knowledge of nor consented to the commission of the felony.

(2) Personal property subject to forfeiture under this chapter may be seized by any law enforcement officer of this state upon process issued by any superior court having jurisdiction over the property. Seizure of personal property without process may be made if:

(a) The seizure is incident to an arrest or a search under a search warrant;

(b) The property subject to seizure has been the subject of a prior judgment in favor of the state in a criminal injunction or forfeiture proceeding;

(c) A law enforcement officer has probable cause to believe that the property is directly dangerous to health or safety; or

(d) The law enforcement officer has probable cause to believe that the property was used or is intended to be used in the commission of a felony.

(3) In the event of seizure pursuant to this section, proceedings for forfeiture ((shall be deemed commenced by the seizure. The law enforcement agency under whose authority the seizure was made shall cause notice to be served within fifteen days following the seizure on the owner of the property seized and the person in charge thereof and any person having any known right or interest therein, including any community property interest, of the seizure and intended forfeiture of the seized property. The notice of seizure may be served by any method authorized by law or court rule including but not limited to service by certified mail with return receipt requested. Service by mail shall be deemed complete upon mailing within the fifteen day period following the seizure. Notice of seizure in the case of property subject to a security interest that has been perfected by filing a financing statement in accordance with chapter 62A.9A RCW, or a certificate of title shall be made by service upon the secured party's assignee at the address shown on the financing statement or the certificate of title.

(4) If no person notifies the seizing law enforcement agency in writing of the person's claim of ownership or right to possession of items specified in subsection (1) of this section within forty-five days of the seizure, the item seized shall be deemed forfeited.

(5) If a person notifies the seizing law enforcement agency in writing of the person's claim of ownership or right to possession of the seized property within forty-five days of the seizure, the law enforcement agency shall give the person or persons a reasonable opportunity to be heard as to the claim or right. The hearing shall be before the chief law enforcement officer of the seizing agency or the chief law enforcement officer's designee, except where the seizing agency is a state agency as defined in RCW 34.12.020(4), the hearing shall be before the chief law enforcement officer of the seizing agency or an administrative law judge appointed under chapter 34.12 RCW, except that any person asserting a elaim or right may remove the matter to a court of competent jurisdiction. Removal may only be accomplished according to the rules of civil procedure. The person seeking removal of the matter must serve process against the state, county, political subdivision, or municipality that operates the seizing agency, and any other party of interest, in accordance with RCW 4.28.080 or 4.92.020, within forty-five days after the person seeking removal has notified the seizing law enforcement agency of the person's claim of ownership or right to possession. The court to which the matter is to be removed shall be the district court when the aggregate value of the property is within the jurisdictional limit set forth in RCW 3.66.020. A hearing before the seizing agency and any appeal therefrom shall be under Title 34 RCW. In a court hearing between two or more elaimants to the property involved, the prevailing party shall be entitled to a judgment for costs and reasonable attorney's fees. The burden of producing evidence shall be upon the person claiming to be the lawful owner or the person elaiming to have the lawful right to possession of the property. The seizing law enforcement agency shall promptly return the property to the claimant upon a determination by the administrative law judge or court that the claimant is the present lawful owner or is lawfully entitled to possession of the property.

(6) When property is forfeited under this chapter, after satisfying any courtordered victim restitution, the seizing law enforcement agency may:

(a) Retain it for official use or upon application by any law enforcement agency of this state release such property to such agency for the exclusive use of enforcing the criminal law;

(b) Sell that which is not required to be destroyed by law and which is not harmful to the public.

(7) By January 31st of each year, each seizing agency shall remit to the state an amount equal to ten percent of the net proceeds of any property forfeited during the preceding calendar year for deposit into the behavioral health loan repayment program account created in RCW 28B.115.135 through June 30, 2027, and into the state general fund thereafter.

(a) The net proceeds of forfeited property is the value of the forfeitable interest in the property after deducting the cost of satisfying any bona fide security interest to which the property is subject at the time of seizure; and in the case of sold property, after deducting the cost of sale, including reasonable fees or commissions paid to independent selling agents.

(b) The value of sold forfeited property is the sale price. The value of retained forfeited property is the fair market value of the property at the time of seizure, determined when possible by reference to an applicable commonly used index, such as the index used by the department of licensing for valuation of motor vehicles. A seizing agency may use, but need not use, an independent qualified appraiser to determine the value of retained property. If an appraiser is used, the value of the property appraised is net of the cost of the appraisal. The value of destroyed property and retained firearms or illegal property is zero.

(c) Retained property and net proceeds not required to be remitted to the state, or otherwise required to be spent under this section, shall be retained by the seizing law enforcement agency exclusively for the expansion and improvement of law enforcement activity. Money retained under this section may not be used to supplant preexisting funding sources)) are governed by chapter 7.--- RCW (the new chapter created in section 15 of this act).

(4) When property is seized under this chapter and forfeited pursuant to chapter 7.--- RCW (the new chapter created in section 15 of this act), the seizing agency must use or dispose of the property as permitted under section 4 of this act.

Sec. 10. RCW 19.290.230 and 2013 c 322 s 27 are each amended to read as follows:

(1) The following personal property is subject to seizure and forfeiture and no property right exists in them: All personal property including, but not limited to, any item, object, tool, substance, device, weapon, machine, vehicle of any kind, money, security, or negotiable instrument, which the seizing agency proves by ((a preponderance of the)) clear, cogent, and convincing evidence was used or intended to be used by its owner or the person in charge to knowingly or intentionally facilitate the commission of, or to knowingly or intentionally abet the commission of, a crime involving theft, trafficking, or unlawful possession of commercial metal property, or which the seizing agency proves by ((a preponderance of the)) clear, cogent, and convincing evidence was knowingly or intentionally furnished or was intended to be furnished by any person in the commission of, as a result of, or as compensation for the commission of, a crime involving theft, trafficking, or the unlawful possession of commercial metal property, or which the property owner acquired in whole or in part with proceeds traceable to a knowing or intentional commission of a crime involving the theft, trafficking, or unlawful possession of commercial metal property provided that such activity is not less than a class C felony; except that:

(a) No vehicle used by any person as a common carrier in the transaction of business as a common carrier is subject to forfeiture under this section unless the seizing agency proves by ((a preponderance of the)) clear, cogent, and convincing evidence that the owner or other person in charge of the vehicle is a consenting party or is privy to any crime involving theft, trafficking, or the unlawful possession of commercial metal property;

(b) A forfeiture of property encumbered by a bona fide security interest is subject to the interest of the secured party if the secured party neither had actual or constructive knowledge of nor consented to the commission of any crime involving the theft, trafficking, or unlawful possession of commercial metal property; and

(c) A property owner's property is not subject to seizure if an employee or agent of that property owner uses the property owner's property to knowingly or intentionally facilitate the commission of, or to knowingly or intentionally aid and abet the commission of, a crime involving theft, trafficking, or unlawful possession of commercial metal property, in violation of that property owner's instructions or policies against such activity, and without the property owner's knowledge or consent.

(2) The following real property is subject to seizure and forfeiture and no property right exists in them: All real property, including any right, title, and interest in the whole of any lot or tract of land, and any appurtenances or improvements, that the seizing agency proves by ((a preponderance of the)) clear, cogent, and convincing evidence are being used with the knowledge of the owner for the intentional commission of any crime involving the theft, trafficking, or unlawful possession of commercial metal property, or which have been acquired in whole or in part with proceeds traceable to the commission of any crime involving the trafficking, theft, or unlawful possession of commercial metal, if such activity is not less than a class C felony and a substantial nexus exists between the commission of the violation or crime and the real property. However:

(a) No property may be forfeited pursuant to this subsection (2), to the extent of the interest of an owner, by reason of any act or omission committed or omitted without the owner's actual or constructive knowledge; and further, a property owner's real property is not subject to seizure if an employee or agent of that property owner uses the property owner's real property to knowingly or intentionally facilitate the commission of, or to knowingly or intentionally aid and abet the commission of, a crime involving theft, trafficking, or unlawful possession of commercial metal property, in violation of that property owner's

instructions or policies against such activity, and without the property owner's knowledge or consent; and

(b) A forfeiture of real property encumbered by a bona fide security interest is subject to the interest of the secured party if the secured party, neither had actual or constructive knowledge, nor consented to the act or omission.

(3) Property subject to forfeiture under this chapter may be seized by any law enforcement officer of this state upon process issued by any superior court having jurisdiction over the property. Seizure of real property shall include the filing of a lis pendens by the seizing agency. Real property seized under this section shall not be transferred or otherwise conveyed until ninety days after seizure or until a judgment of forfeiture is entered, whichever is later: PROVIDED, That real property seized under this section may be transferred or conveyed to any person or entity who acquires title by foreclosure or deed in lieu of foreclosure of a security interest. Seizure of personal property without process may be made if:

(a) The seizure is incident to an arrest or a search under a search warrant; or

(b) The property subject to seizure has been the subject of a prior judgment in favor of the state in a criminal injunction or forfeiture proceeding.

(4) In the event of seizure pursuant to this section, proceedings for forfeiture ((shall be)) are deemed commenced by the seizure and governed by chapter 7.---RCW (the new chapter created in section 15 of this act). ((The law enforcement agency under whose authority the seizure was made shall cause notice to be served within fifteen days following the seizure on the owner of the property seized and the person in charge thereof and any person having any known right or interest therein, including any community property interest, of the seizure and intended forfeiture of the seized property. Service of notice of seizure of real property shall be made according to the rules of civil procedure. However, the state may not obtain a default judgment with respect to real property against a party who is served by substituted service absent an affidavit stating that a good faith effort has been made to ascertain if the defaulted party is incarcerated within the state, and that there is no present basis to believe that the party is incarcerated within the state. The notice of seizure of personal property may be served by any method authorized by law or court rule including but not limited to service by certified mail with return receipt requested. Service by mail shall be deemed complete upon mailing within the fifteen-day period following the seizure. Notice of seizure in the case of property subject to a security interest that has been perfected by filing a financing statement in accordance with chapter 62A.9A RCW, or a certificate of title shall be made by service upon the secured party or the secured party's assignee at the address shown on the financing statement or the certificate of title.

(5) If no person notifies the seizing law enforcement agency in writing of the person's claim of ownership or right to possession of items specified in subsection (1) of this section within forty-five days of the seizure in the case of personal property and ninety days in the case of real property, the item seized shall be deemed forfeited. The community property interest in real property of a person whose spouse or domestic partner committed a violation giving rise to seizure of the real property may not be forfeited if the person did not participate in the violation.

(6) If a person notifies the seizing law enforcement agency in writing of the person's claim of ownership or right to possession of the seized property within forty-five days of the seizure in the case of personal property and ninety days in the case of real property, the law enforcement agency shall give the person or persons a reasonable opportunity to be heard as to the claim or right. The hearing shall be before the chief law enforcement officer of the seizing agency or the ehief law enforcement officer's designee, except where the seizing agency is a state agency as defined in RCW 34.12.020(4), the hearing shall be before the chief law enforcement officer of the seizing agency or an administrative law judge appointed under chapter 34.12 RCW, except that any person asserting a elaim or right may remove the matter to a court of competent jurisdiction. Removal may only be accomplished according to the rules of civil procedure. The person seeking removal of the matter must serve process against the state, county, political subdivision, or municipality that operates the seizing agency, and any other party of interest, in accordance with RCW 4.28.080 or 4.92.020, within forty-five days after the person seeking removal has notified the seizing law enforcement agency of the person's claim of ownership or right to possession. The court to which the matter is to be removed shall be the district court when the aggregate value of the property is within the jurisdictional limit set forth in RCW 3.66.020. A hearing before the seizing agency and any appeal therefrom shall be under Title 34 RCW. In a court hearing between two or more elaimants to the property involved, the prevailing party shall be entitled to a judgment for costs and reasonable attorneys' fees. The burden of producing evidence shall be upon the person claiming to be the lawful owner or the person elaiming to have the lawful right to possession of the property.

(7) At the hearing, the seizing agency has the burden of proof to establish by a preponderance of the evidence that seized property is subject to forfeiture, and that the use or intended use of the seized property in connection with a crime pursuant to this section occurred with the owner's actual or constructive knowledge or consent. The person claiming to be the lawful owner or the person claiming to have the lawful right to possession of the property has the burden of proof to establish by a preponderance of the evidence that the person owns or has a right to possess the seized property. The possession of bare legal title is not sufficient to establish ownership of seized property if the seizing agency proves by a preponderance of the evidence that the person claiming ownership or right to possession is a nominal owner and did not actually own or exert a controlling interest in the property.

The seizing law enforcement agency shall promptly return the property to the claimant upon a determination by the administrative law judge or court that the claimant is the present lawful owner or is lawfully entitled to possession of the property.

(8) When property is forfeited under this chapter, after satisfying any courtordered victim restitution, the seizing law enforcement agency may:

(a) Retain it for official use or, upon application by any law enforcement agency of this state, release such property to such agency; or

(b) Sell that which is not required to be destroyed by law and which is not harmful to the public.

(9)(a) Within one hundred twenty days after the entry of an order of forfeiture, each seizing agency shall remit to, if known, the victim of the crime

involving the seized property, an amount equal to fifty percent of the net proceeds of any property forfeited.

(b) Retained property and net proceeds not required to be paid to victims shall be retained by the seizing law enforcement agency exclusively for the expansion and improvement of law enforcement activity. Money retained under this section may not be used to supplant preexisting funding sources.

(c) The net proceeds of forfeited property is the value of the forfeitable interest in the property after deducting the cost of satisfying any bona fide security interest to which the property is subject at the time of seizure; and in the ease of sold property, after deducting the cost of sale, including reasonable fees or commissions paid to independent selling agents, and the cost of any valid landlord's claim for damages.

(d) The value of sold forfeited property is the sale price. The value of retained forfeited property is the fair market value of the property at the time of seizure, determined when possible by reference to an applicable commonly used index, such as the index used by the department of licensing for valuation of motor vehicles. A seizing agency may use, but need not use, an independent qualified appraiser to determine the value of retained property. If an appraiser is used, the value of the property appraised is net of the cost of the appraisal. The value of destroyed property and retained firearms or illegal property is zero.

(10) Upon the entry of an order of forfeiture of real property, the court shall forward a copy of the order to the assessor of the county in which the property is located. Orders for the forfeiture of real property shall be entered by the superior court, subject to court rules. Such an order shall be filed by the seizing agency in the county auditor's records in the county in which the real property is located.)

(5)(a) When property is seized under this chapter and forfeited pursuant to chapter 7.--- RCW (the new chapter created in section 15 of this act), the seizing agency must use or dispose of the property as permitted under section 4 of this act.

(b) Within 120 days after the entry of an order of forfeiture, each seizing agency shall remit to, if known, the victim of the crime involving the seized property, an amount equal to 50 percent of the net proceeds of any property forfeited.

Sec. 11. RCW 46.61.5058 and 2022 c 162 s 2 are each amended to read as follows:

(1) Upon the arrest of a person or upon the filing of a complaint, citation, or information in a court of competent jurisdiction, based upon probable cause to believe that a person has violated RCW 46.20.740, 46.61.502, or 46.61.504 or any similar municipal ordinance, if such person has a prior offense within seven years as defined in RCW 46.61.5055, and where the person has been provided written notice that any transfer, sale, or encumbrance of such person's interest in the vehicle over which that person was actually driving or had physical control when the violation occurred, is unlawful pending either acquittal, dismissal, sixty days after conviction, or other termination of the charge, such person shall be prohibited from encumbering, selling, or transferring his or her interest in such vehicle, except as otherwise provided in (a), (b), and (c) of this subsection, until either acquittal, dismissal, sixty days after conviction, or other termination of the charge. The prohibition against transfer of title shall not be stayed pending the determination of an appeal from the conviction.

(a) A vehicle encumbered by a bona fide security interest may be transferred to the secured party or to a person designated by the secured party;

(b) A leased or rented vehicle may be transferred to the lessor, rental agency, or to a person designated by the lessor or rental agency; and

(c) A vehicle may be transferred to a third party or a vehicle dealer who is a bona fide purchaser or may be subject to a bona fide security interest in the vehicle unless it is established that (i) in the case of a purchase by a third party or vehicle dealer, such party or dealer had actual notice that the vehicle was subject to the prohibition prior to the purchase, or (ii) in the case of a security interest, the holder of the security interest had actual notice that the vehicle was subject to the prohibition prior to the encumbrance of title.

(2) On conviction for a violation of either RCW 46.20.740, 46.61.502, or 46.61.504 or any similar municipal ordinance where the person convicted has a prior offense within seven years as defined in RCW 46.61.5055, the motor vehicle the person was driving or over which the person had actual physical control at the time of the offense, if the person has a financial interest in the vehicle, the court shall consider at sentencing whether the vehicle shall be seized and forfeited pursuant to this section if a seizure or forfeiture has not yet occurred.

(3) A vehicle subject to forfeiture under this chapter may be seized by a law enforcement officer of this state upon process issued by a court of competent jurisdiction. Seizure of a vehicle may be made without process if the vehicle subject to seizure has been the subject of a prior judgment in favor of the state in a forfeiture proceeding based upon this section.

(4) Seizure under subsection (3) of this section automatically commences proceedings for forfeiture. which proceedings are governed by chapter 7.---RCW (the new chapter created in section 15 of this act). ((The law enforcement agency under whose authority the seizure was made shall cause notice of the seizure and intended forfeiture of the seized vehicle to be served within fifteen days after the seizure on the owner of the vehicle seized, on the person in charge of the vehicle, and on any person having a known right or interest in the vehicle, including a community property interest. The notice of seizure may be served by any method authorized by law or court rule, including but not limited to service by certified mail with return receipt requested. Service by mail is complete upon mailing within the fifteen-day period after the seizure. Notice of seizure in the ease of property subject to a security interest that has been perfected on a certificate of title shall be made by service upon the secured party or the secured party's assignee at the address shown on the financing statement or the certificate of title.

(5) If no person notifies the seizing law enforcement agency in writing of the person's claim of ownership or right to possession of the seized vehicle within forty-five days of the seizure, the vehicle is deemed forfeited.

(6) If a person notifies the seizing law enforcement agency in writing of the person's claim of ownership or right to possession of the seized vehicle within forty-five days of the seizure, the law enforcement agency shall give the person or persons a reasonable opportunity to be heard as to the claim or right. The hearing shall be before the chief law enforcement officer of the seizing agency or the chief law enforcement officer's designee, except where the seizing agency is a state agency as defined in RCW 34.12.020, the hearing shall be before the

ehief law enforcement officer of the seizing agency or an administrative law judge appointed under chapter 34.12 RCW, except that any person asserting a elaim or right may remove the matter to a court of competent jurisdiction. Removal may only be accomplished according to the rules of civil procedure. The person seeking removal of the matter must serve process against the state, county, political subdivision, or municipality that operates the seizing agency, and any other party of interest, in accordance with RCW 4.28.080 or 4.92.020, within forty-five days after the person seeking removal has notified the seizing law enforcement agency of the person's claim of ownership or right to possession. The court to which the matter is to be removed shall be the district court when the aggregate value of the vehicle is within the jurisdictional limit set forth in RCW 3.66.020. A hearing before the seizing agency and any appeal therefrom shall be under Title 34 RCW. In a court hearing between two or more elaimants to the vehicle involved, the prevailing party shall be entitled to a judgment for costs and reasonable attorneys' fees. The burden of producing evidence shall be upon the person claiming to be the legal owner or the person elaiming to have the lawful right to possession of the vehicle. The seizing law enforcement agency shall promptly return the vehicle to the claimant upon a determination by the administrative law judge or court that the claimant is the present legal owner under this title or is lawfully entitled to possession of the vehicle.

(7))) (5) When a vehicle is forfeited under this chapter the seizing law enforcement agency may sell the vehicle, retain it for official use, or upon application by a law enforcement agency of this state release the vehicle to that agency for the exclusive use of enforcing this title; provided, however, that the agency shall first satisfy any bona fide security interest to which the vehicle is subject under subsection (1)(a) or (c) of this section.

(((8))) (6) When a vehicle is forfeited, the seizing agency shall keep a record indicating the identity of the prior owner, if known, a description of the vehicle, the disposition of the vehicle, the value of the vehicle at the time of seizure, and the amount of proceeds realized from disposition of the vehicle.

(((9))) (7) Each seizing agency shall retain records of forfeited vehicles for at least seven years.

 $((\frac{10}{10})$ Each seizing agency shall file a report including a copy of the records of forfeited vehicles with the state treasurer each calendar quarter.

(11) The quarterly report need not include a record of a forfeited vehicle that is still being held for use as evidence during the investigation or prosecution of a case or during the appeal from a conviction.

(12) By January 31st of each year, each seizing agency shall remit to the state an amount equal to ten percent of the net proceeds of vehicles forfeited during the preceding calendar year for deposit into the behavioral health loan repayment program account created in RCW 28B.115.135 through June 30, 2027, and into the state general fund thereafter.

(13) The net proceeds of a forfeited vehicle is the value of the forfeitable interest in the vehicle after deducting the cost of satisfying a bona fide security interest to which the vehicle is subject at the time of seizure; and in the case of a sold vehicle, after deducting the cost of sale, including reasonable fees or commissions paid to independent selling agents. (14) The value of a sold forfeited vehicle is the sale price. The value of a retained forfeited vehicle is the fair market value of the vehicle at the time of seizure, determined when possible by reference to an applicable commonly used index, such as the index used by the department of licensing. A seizing agency may, but need not, use an independent qualified appraiser to determine the value of retained vehicles. If an appraiser is used, the value of the vehicle appraised is net of the cost of the appraisal.))

Sec. 12. RCW 70.74.400 and 2002 c 370 s 3 are each amended to read as follows:

(1) Explosives, improvised devices, and components of explosives and improvised devices that are possessed, manufactured, delivered, imported, exported, stored, sold, purchased, transported, abandoned, detonated, or used, or intended to be used, in violation of a provision of this chapter are subject to seizure and forfeiture by a law enforcement agency and no property right exists in them.

(2) The law enforcement agency making the seizure shall notify the Washington state department of labor and industries of the seizure.

(3) Seizure of explosives, improvised devices, and components of explosives and improvised devices under subsection (1) of this section may be made if:

(a) The seizure is incident to arrest or a search under a search warrant;

(b) The explosives, improvised devices, or components have been the subject of a prior judgment in favor of the state in an injunction or forfeiture proceeding based upon this chapter;

(c) A law enforcement officer has probable cause to believe that the explosives, improvised devices, or components are directly or indirectly dangerous to health or safety; or

(d) The law enforcement officer has probable cause to believe that the explosives, improvised devices, or components were used or were intended to be used in violation of this chapter.

(4) A law enforcement agency shall destroy explosives seized under this chapter when it is necessary to protect the public safety and welfare. When destruction is not necessary to protect the public safety and welfare, and the explosives are not being held for evidence, a seizure pursuant to this section commences proceedings for forfeiture, which proceedings are governed by chapter 7.--- RCW (the new chapter created in section 15 of this act).

(5) ((The law enforcement agency under whose authority the seizure was made shall issue a written notice of the seizure and commencement of the forfeiture proceedings to the person from whom the explosives were seized, to any known owner of the explosives, and to any person who has a known interest in the explosives. The notice shall be issued within fifteen days of the seizure. The notice of seizure and commencement of the forfeiture proceedings shall be served in the same manner as provided in RCW 4.28.080 for service of a summons. The law enforcement agency shall provide a form by which the person or persons may request a hearing before the law enforcement agency to contest the seizure.

(6) If no person notifies the seizing law enforcement agency in writing of the person's claim of ownership or right to possession of the explosives,

improvised devices, or components within thirty days of the date the notice was issued, the seized explosives, devices, or components shall be deemed forfeited.

(7) If, within thirty days of the issuance of the notice, any person notifies the seizing law enforcement agency in writing of the person's claim of ownership or right to possession of items seized, the person or persons shall be afforded a reasonable opportunity to be heard as to the claim or right. The hearing shall be before the chief law enforcement or the officer's designee of the seizing agency, except that the person asserting the claim or right may remove the matter to a court of competent jurisdiction if the aggregate value of the items seized is more than five hundred dollars. The hearing and any appeal shall be conducted according to chapter 34.05 RCW. The seizing law enforcement agency shall bear the burden of proving that the person (a) has no lawful right of ownership or possession and (b) that the items seized were possessed, manufactured, stored, sold, purchased, transported, abandoned, detonated, or used in violation of a provision of this chapter with the person's how head according to chapter with the person's consent.

(8) The seizing law enforcement agency shall promptly return the items seized to the claimant upon a determination that the claimant is entitled to possession of the items seized.

(9))) If the items seized are forfeited under this statute, the seizing agency shall dispose of the explosives by summary destruction. However, when explosives are destroyed either to protect public safety or because the explosives were forfeited, the person from whom the explosives were seized loses all rights of action against the law enforcement agency or its employees acting within the scope of their employment, or other governmental entity or employee involved with the seizure and destruction of explosives.

(((10))) (6) This section is not intended to change the seizure and forfeiture powers, enforcement, and penalties available to the department of labor and industries pursuant to chapter 49.17 RCW as provided in RCW 70.74.390.

Sec. 13. RCW 69.50.505 and 2022 c 162 s 1 and 2022 c 16 s 98 are each reenacted and amended to read as follows:

(1) The following are subject to seizure and forfeiture and no property right exists in them:

(a) All controlled substances which have been manufactured, distributed, dispensed, acquired, or possessed in violation of this chapter or chapter 69.41 or 69.52 RCW, and all hazardous chemicals, as defined in RCW 64.44.010, used or intended to be used in the manufacture of controlled substances;

(b) All raw materials, products, and equipment of any kind which are used, or intended for use, in manufacturing, compounding, processing, delivering, importing, or exporting any controlled substance in violation of this chapter or chapter 69.41 or 69.52 RCW;

(c) All property which is used, or intended for use, as a container for property described in (a) or (b) of this subsection;

(d) All conveyances, including aircraft, vehicles, or vessels, which are used, or intended for use, in any manner to facilitate the sale, delivery, or receipt of property described in (a) or (b) of this subsection, except that:

(i) No conveyance used by any person as a common carrier in the transaction of business as a common carrier is subject to forfeiture under this section unless it appears that the owner or other person in charge of the conveyance is a consenting party or privy to a violation of this chapter or chapter 69.41 or 69.52 RCW;

(ii) No conveyance is subject to forfeiture under this section by reason of any act or omission ((established by the owner thereof to have been)) committed or omitted without the owner's knowledge or consent;

(iii) No conveyance is subject to forfeiture under this section if used in the receipt of only an amount of cannabis for which possession constitutes a misdemeanor under RCW 69.50.4014;

(iv) A forfeiture of a conveyance encumbered by a bona fide security interest is subject to the interest of the secured party if the secured party neither had knowledge of nor consented to the act or omission; and

(v) When the owner of a conveyance has been arrested under this chapter or chapter 69.41 or 69.52 RCW the conveyance in which the person is arrested may not be subject to forfeiture unless it is seized or process is issued for its seizure within ten days of the owner's arrest;

(e) All books, records, and research products and materials, including formulas, microfilm, tapes, and data which are used, or intended for use, in violation of this chapter or chapter 69.41 or 69.52 RCW;

(f) All drug paraphernalia other than paraphernalia possessed, sold, or used solely to facilitate cannabis-related activities that are not violations of this chapter;

(g) All moneys, negotiable instruments, securities, or other tangible or intangible property of value furnished or intended to be furnished by any person in exchange for a controlled substance in violation of this chapter or chapter 69.41 or 69.52 RCW, all tangible or intangible personal property, proceeds, or assets acquired in whole or in part with proceeds traceable to an exchange or series of exchanges in violation of this chapter or chapter 69.41 or 69.52 RCW, and all moneys, negotiable instruments, and securities used or intended to be used to facilitate any violation of this chapter or chapter 69.41 or 69.52 RCW. A forfeiture of money, negotiable instruments, securities, or other tangible or intangible property encumbered by a bona fide security interest is subject to the interest of the secured party if, at the time the security interest was created, the secured party neither had knowledge of nor consented to the act or omission. No personal property may be forfeited under this subsection (1)(g), to the extent of the interest of an owner, by reason of any act or omission ((which that owner establishes was)) committed or omitted without the owner's knowledge or consent: and

(h) All real property, including any right, title, and interest in the whole of any lot or tract of land, and any appurtenances or improvements which are being used with the knowledge of the owner for the manufacturing, compounding, processing, delivery, importing, or exporting of any controlled substance, or which have been acquired in whole or in part with proceeds traceable to an exchange or series of exchanges in violation of this chapter or chapter 69.41 or 69.52 RCW, if such activity is not less than a class C felony and a substantial nexus exists between the commercial production or sale of the controlled substance and the real property. However:

(i) No property may be forfeited pursuant to this subsection (1)(h), to the extent of the interest of an owner, by reason of any act or omission committed or omitted without the owner's knowledge or consent;

(ii) The bona fide gift of a controlled substance, legend drug, or imitation controlled substance shall not result in the forfeiture of real property;

(iii) The possession of cannabis shall not result in the forfeiture of real property unless the cannabis is possessed for commercial purposes that are unlawful under Washington state law, the amount possessed is five or more plants or one pound or more of cannabis, and a substantial nexus exists between the possession of cannabis and the real property. In such a case, the intent of the offender shall be determined by the preponderance of the evidence, including the offender's prior criminal history, the amount of cannabis possessed by the offender, the sophistication of the activity or equipment used by the offender, whether the offender was licensed to produce, process, or sell cannabis, or was an employee of a licensed producer, processor, or retailer, and other evidence which demonstrates the offender's intent to engage in unlawful commercial activity;

(iv) The unlawful sale of cannabis or a legend drug shall not result in the forfeiture of real property unless the sale was forty grams or more in the case of cannabis or one hundred dollars or more in the case of a legend drug, and a substantial nexus exists between the unlawful sale and the real property; and

(v) A forfeiture of real property encumbered by a bona fide security interest is subject to the interest of the secured party if the secured party, at the time the security interest was created, neither had knowledge of nor consented to the act or omission.

(2) Real or personal property subject to forfeiture under this chapter may be seized by any commission inspector or law enforcement officer of this state upon process issued by any superior court having jurisdiction over the property. Seizure of real property shall include the filing of a lis pendens by the seizing agency. Real property seized under this section shall not be transferred or otherwise conveyed until ninety days after seizure or until a judgment of forfeiture is entered, whichever is later: PROVIDED, That real property seized under this section may be transferred or conveyed to any person or entity who acquires title by foreclosure or deed in lieu of foreclosure of a security interest. Seizure of personal property without process may be made if:

(a) The seizure is incident to an arrest or a search under a search warrant or an inspection under an administrative inspection warrant;

(b) The property subject to seizure has been the subject of a prior judgment in favor of the state in a criminal injunction or forfeiture proceeding based upon this chapter;

(c) A commission inspector or law enforcement officer has probable cause to believe that the property is directly or indirectly dangerous to health or safety; or

(d) The commission inspector or law enforcement officer has probable cause to believe that the property was used or is intended to be used in violation of this chapter.

(3) In the event of seizure pursuant to subsection (2) of this section, proceedings for forfeiture shall be deemed commenced by the seizure. The law enforcement agency under whose authority the seizure was made shall cause notice to be served within fifteen days following the seizure on the owner of the property seized and the person in charge thereof and any person having any known right or interest therein, including any community property interest, of

the seizure and intended forfeiture of the seized property. Service of notice of seizure of real property shall be made according to the rules of civil procedure. However, the state may not obtain a default judgment with respect to real property against a party who is served by substituted service absent an affidavit stating that a good faith effort has been made to ascertain if the defaulted party is incarcerated within the state, and that there is no present basis to believe that the party is incarcerated within the state. Notice of seizure in the case of property subject to a security interest that has been perfected by filing a financing statement in accordance with chapter 62A.9A RCW, or a certificate of title, shall be made by service upon the secured party or the secured party's assignee at the address shown on the financing statement or the certificate of title. The notice of seizure in other cases may be served by any method authorized by law or court rule including but not limited to service by certified mail with return receipt requested. Service by mail shall be deemed complete upon mailing within the fifteen day period following the seizure.

(4) If no person notifies the seizing law enforcement agency in writing of the person's claim of ownership or right to possession of items specified in subsection (1)(d), (g), or (h) of this section within ((forty-five)) <u>60</u> days of the service of notice from the seizing agency in the case of personal property and ((ninety)) <u>120</u> days in the case of real property, the item seized shall be deemed forfeited. The community property interest in real property of a person whose spouse or domestic partner committed a violation giving rise to seizure of the real property may not be forfeited if the person did not participate in the violation.

(5) If any person notifies the seizing law enforcement agency in writing of the person's claim of ownership or right to possession of items specified in subsection (1)(b), (c), (d), (e), (f), (g), or (h) of this section within ((forty-five)) <u>60</u> days of the service of notice from the seizing agency in the case of personal property and ((ninety)) 120 days in the case of real property, the person or persons shall be afforded a reasonable opportunity to be heard as to the claim or right. The notice of claim may be served by any method authorized by law or court rule including, but not limited to, service by first-class mail. Service by mail shall be deemed complete upon mailing within the ((forty-five)) 60-day period following service of the notice of seizure in the case of personal property and within the ((ninety-day)) <u>120-day</u> period following service of the notice of seizure in the case of real property. The hearing shall be before the chief law enforcement officer of the seizing agency or the chief law enforcement officer's designee, except where the seizing agency is a state agency as defined in RCW 34.12.020(4), the hearing shall be before the chief law enforcement officer of the seizing agency or an administrative law judge appointed under chapter 34.12 RCW, except that any person asserting a claim or right may remove the matter to a court of competent jurisdiction. Removal of any matter involving personal property may only be accomplished according to the rules of civil procedure. The person seeking removal of the matter must serve process against the state, county, political subdivision, or municipality that operates the seizing agency, and any other party of interest, in accordance with RCW 4.28.080 or 4.92.020, within forty-five days after the person seeking removal has notified the seizing law enforcement agency of the person's claim of ownership or right to possession. The court to which the matter is to be removed shall be the district

court, or the municipal court for the jurisdiction in which the property was seized, when the aggregate value of personal property is within the jurisdictional limit set forth in RCW 3.66.020. A hearing before the seizing agency and any appeal therefrom shall be under Title 34 RCW. In all cases, the burden of proof is upon the law enforcement agency to establish, by ((a preponderance of the)) clear, cogent, and convincing evidence, that the property is subject to forfeiture.

The seizing law enforcement agency shall promptly return the article or articles to the claimant, in a substantially similar condition as when seized, upon a determination by the administrative law judge or court that the claimant is the present lawful owner or is lawfully entitled to possession thereof of items specified in subsection (1)(b), (c), (d), (e), (f), (g), or (h) of this section.

(6) In any proceeding to forfeit property under this title, where the claimant substantially prevails, the claimant is entitled to reasonable attorneys' fees reasonably incurred by the claimant. In addition, in a court hearing between two or more claimants to the article or articles involved, the prevailing party is entitled to a judgment for costs and reasonable attorneys' fees.

(7) When property is forfeited under this chapter the commission or seizing law enforcement agency may:

(a) Retain it for official use or upon application by any law enforcement agency of this state release such property to such agency for the exclusive use of enforcing the provisions of this chapter;

(b) Sell that which is not required to be destroyed by law and which is not harmful to the public;

(c) Request the appropriate sheriff or director of public safety to take custody of the property and remove it for disposition in accordance with law; or

(d) Forward it to the drug enforcement administration for disposition.

(8)(((a) When property is forfeited, the seizing agency shall keep a record indicating the identity of the prior owner, if known, a description of the property, the disposition of the property, the value of the property at the time of seizure, and the amount of proceeds realized from disposition of the property.

(b) Each seizing agency shall retain records of forfeited property for at least seven years.

(c) Each seizing agency shall file a report including a copy of the records of forfeited property with the state treasurer each calendar quarter.

(d) The quarterly report need not include a record of forfeited property that is still being held for use as evidence during the investigation or prosecution of a case or during the appeal from a conviction.

(9)))(a) By January 31st of each year, each seizing agency shall remit to the state an amount equal to ten percent of the net proceeds of any property forfeited during the preceding calendar year for deposit into the behavioral health loan repayment <u>and scholarship</u> program account created in RCW 28B.115.135 through June 30, 2027, and into the state general fund thereafter.

(b) The net proceeds of forfeited property is the value of the forfeitable interest in the property after deducting the cost of satisfying any bona fide security interest to which the property is subject at the time of seizure; and in the case of sold property, after deducting the cost of sale, including reasonable fees or commissions paid to independent selling agents, and the cost of any valid landlord's claim for damages under subsection ((((15)))) (14) of this section.

(c) The value of sold forfeited property is the sale price. The value of retained forfeited property is the fair market value of the property at the time of seizure, determined when possible by reference to an applicable commonly used index, such as the index used by the department of licensing for valuation of motor vehicles. A seizing agency may use, but need not use, an independent qualified appraiser to determine the value of retained property. If an appraiser is used, the value of the property appraised is net of the cost of the appraisal. The value of destroyed property and retained firearms or illegal property is zero.

(((10))) (9) Forfeited property and net proceeds not required to be remitted to the state shall be retained by the seizing law enforcement agency exclusively for the expansion and improvement of controlled substances related law enforcement activity. If the seizing agency is a port district operating an airport in a county with a population of more than one million, it may use the net proceeds not required to be remitted to the state for purposes related to controlled substances law enforcement, substance abuse education, human trafficking interdiction, and responsible gun ownership. Money retained under this section may not be used to supplant preexisting funding sources.

(((11))) (10) Controlled substances listed in Schedule I, II, III, IV, and V that are possessed, transferred, sold, or offered for sale in violation of this chapter are contraband and shall be seized and summarily forfeited to the state. Controlled substances listed in Schedule I, II, III, IV, and V, which are seized or come into the possession of the commission, the owners of which are unknown, are contraband and shall be summarily forfeited to the commission.

(((12))) (11) Species of plants from which controlled substances in Schedules I and II may be derived which have been planted or cultivated in violation of this chapter, or of which the owners or cultivators are unknown, or which are wild growths, may be seized and summarily forfeited to the commission.

(((13))) (12) The failure, upon demand by a commission inspector or law enforcement officer, of the person in occupancy or in control of land or premises upon which the species of plants are growing or being stored to produce an appropriate registration or proof that he or she is the holder thereof constitutes authority for the seizure and forfeiture of the plants.

(((14))) (13) Upon the entry of an order of forfeiture of real property, the court shall forward a copy of the order to the assessor of the county in which the property is located. Orders for the forfeiture of real property shall be entered by the superior court, subject to court rules. Such an order shall be filed by the seizing agency in the county auditor's records in the county in which the real property is located.

 $(((\frac{15})))$ (14)(a) A landlord may assert a claim against proceeds from the sale of assets seized and forfeited under subsection (7)(b) of this section, only if:

(i) A law enforcement officer, while acting in his or her official capacity, directly caused damage to the complaining landlord's property while executing a search of a tenant's residence; and

(ii) The landlord has applied any funds remaining in the tenant's deposit, to which the landlord has a right under chapter 59.18 RCW, to cover the damage directly caused by a law enforcement officer prior to asserting a claim under the provisions of this section;

(A) Only if the funds applied under (a)(ii) of this subsection are insufficient to satisfy the damage directly caused by a law enforcement officer, may the landlord seek compensation for the damage by filing a claim against the governmental entity under whose authority the law enforcement agency operates within thirty days after the search;

(B) Only if the governmental entity denies or fails to respond to the landlord's claim within sixty days of the date of filing, may the landlord collect damages under this subsection by filing within thirty days of denial or the expiration of the sixty-day period, whichever occurs first, a claim with the seizing law enforcement agency. The seizing law enforcement agency must notify the landlord of the status of the claim by the end of the thirty-day period. Nothing in this section requires the claim to be paid by the end of the sixty-day or thirty-day period.

(b) For any claim filed under (a)(ii) of this subsection, the law enforcement agency shall pay the claim unless the agency provides substantial proof that the landlord either:

(i) Knew or consented to actions of the tenant in violation of this chapter or chapter 69.41 or 69.52 RCW; or

(ii) Failed to respond to a notification of the illegal activity, provided by a law enforcement agency under RCW 59.18.075, within seven days of receipt of notification of the illegal activity.

 $((\frac{15}{15}))$ (15) The landlord's claim for damages under subsection $((\frac{15}{15}))$ (14) of this section may not include a claim for loss of business and is limited to:

(a) Damage to tangible property and clean-up costs;

(b) The lesser of the cost of repair or fair market value of the damage directly caused by a law enforcement officer;

(c) The proceeds from the sale of the specific tenant's property seized and forfeited under subsection (7)(b) of this section; and

(d) The proceeds available after the seizing law enforcement agency satisfies any bona fide security interest in the tenant's property and costs related to sale of the tenant's property as provided by subsection (((9))) (8)(b) of this section.

(((17))) (16) Subsections (((15))) (14) and (((16))) (15) of this section do not limit any other rights a landlord may have against a tenant to collect for damages. However, if a law enforcement agency satisfies a landlord's claim under subsection ((((15)))) (14) of this section, the rights the landlord has against the tenant for damages directly caused by a law enforcement officer under the terms of the landlord and tenant's contract are subrogated to the law enforcement agency.

(17) The protections afforded by the service members' civil relief act, chapter 38.42 RCW, are applicable to proceedings under this section.

Sec. 14. RCW 38.42.020 and 2014 c 65 s 2 are each amended to read as follows:

(1) Any service member who is ordered to report for military service and his or her dependents are entitled to the rights and protections of this chapter during the period beginning on the date on which the service member receives the order and ending one hundred eighty days after termination of or release from military service. (2) This chapter applies to any judicial or administrative proceeding commenced in any court or agency in Washington state in which a service member or his or her dependent is a party. <u>This chapter applies to civil asset</u> forfeiture proceedings. This chapter does not apply to criminal proceedings.

(3) This chapter shall be construed liberally so as to provide fairness and do substantial justice to service members and their dependents.

<u>NEW SECTION.</u> Sec. 15. Sections 1 through 5 of this act constitute a new chapter in Title 7 RCW.

<u>NEW SECTION.</u> Sec. 16. This act applies to seizures occurring on or after the effective date of this section.

NEW SECTION. Sec. 17. This act takes effect January 1, 2026.

Passed by the House April 24, 2025. Passed by the Senate April 23, 2025.

Approved by the Governor May 17, 2025.

Filed in Office of Secretary of State May 19, 2025.

CHAPTER 307

[House Bill 1573]

OATH OF OFFICE—CERTAIN LOCAL GOVERNMENTS—TIMING

AN ACT Relating to revising the period in which the oath of office must be taken for elective offices of counties, cities, towns, and special purpose districts; and amending RCW 29A.60.280.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 29A.60.280 and 2003 c 111 s 504 are each amended to read as follows:

(1) The legislature finds that certain laws are in conflict governing the assumption of office of various local officials. The purpose of this section is to provide a common date for the assumption of office for all the elected officials of counties, cities, towns, and special purpose districts other than school districts where the ownership of property is not a prerequisite of voting. A person elected to the office of school director begins his or her term of office at the first official meeting of the board of directors after certification of the election results. It is also the purpose of this section to remove these conflicts and delete old statutory language concerning such elections which is no longer necessary.

(2) For elective offices of counties, cities, towns, and special purpose districts other than school districts where the ownership of property is not a prerequisite of voting, the term of incumbents ends and the term of successors begins after the successor is elected and qualified, and the term commences immediately after December 31st following the election, except as follows:

(a) Where the term of office varies from this standard according to statute; and

(b) If the election results have not been certified prior to January 1st after the election, in which event the time of commencement for the new term occurs when the successor becomes qualified in accordance with RCW 29A.04.133.

(3) For elective offices governed by this section, the oath of office must be taken as the last step of qualification as defined in RCW 29A.04.133 ((but)) and may be taken ((either:

(a) Up to ten days prior to the scheduled date of assuming office; or

(b) At the last regular meeting of the governing body of the applicable eounty, city, town, or special district held before the winner is to assume office)) between the date of the final certification of the election and the day before the term of office begins.

Passed by the House April 19, 2025. Passed by the Senate April 15, 2025. Approved by the Governor May 17, 2025. Filed in Office of Secretary of State May 19, 2025.

CHAPTER 308

[House Bill 1633]

PUBLIC WORKS CONTRACTS—PRIME CONTRACTOR BIDDING SUBMISSIONS

AN ACT Relating to prime contractor bidding submission requirements on public works contracts; and amending RCW 39.30.060.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 39.30.060 and 2021 c 103 s 1 are each amended to read as follows:

(1) Every invitation to bid on a prime contract that is expected to cost \$1,000,000 or more for the construction, alteration, or repair of any public building or public work of the state or a state agency or municipality as defined under RCW 39.04.010 or an institution of higher education as defined under RCW 28B.10.016 shall require each prime contract bidder to submit:

(a) ((Within one hour after)) <u>At</u> the published bid submittal time, the names of the <u>licensed</u> subcontractors <u>and proof of license</u> with whom the bidder, if awarded the contract, will subcontract for performance of the work of: HVAC (heating, ventilation, and air conditioning); plumbing as described in chapter 18.106 RCW; and electrical as described in chapter 19.28 RCW, or to name itself for the work, if it is licensed to perform the work for which it has named itself. Errors identified by the contracting agency in the proof of license information must be corrected by the bidder within 48 hours of submission; and

(b) Within 48 hours after the published bid submittal time, the names of the subcontractors with whom the bidder, if awarded the contract, will subcontract for performance of the work of structural steel installation and rebar installation.

(2) The prime contract bidder shall not list more than one subcontractor for each category of work identified, unless subcontractors vary with bid alternates, in which case the prime contract bidder must indicate which subcontractor will be used for which alternate. Failure of the prime contract bidder to submit as part of the bid the names of such subcontractors or to name itself to perform such work or the naming of two or more subcontractors to perform the same work shall render the prime contract bidder's bid nonresponsive and, therefore, void.

(3) Substitution of a listed subcontractor in furtherance of bid shopping or bid peddling before or after the award of the prime contract is prohibited and the originally listed subcontractor is entitled to recover monetary damages from the prime contract bidder who executed a contract with the public entity and the substituted subcontractor but not from the public entity inviting the bid. It is the original subcontractor's burden to prove by a preponderance of the evidence that bid shopping or bid peddling occurred. Substitution of a listed subcontractor may be made by the prime contractor for the following reasons:

(a) Refusal of the listed subcontractor to sign a contract with the prime contractor;

(b) Bankruptcy or insolvency of the listed subcontractor;

(c) Inability of the listed subcontractor to perform the requirements of the proposed contract or the project;

(d) Inability of the listed subcontractor to obtain the necessary ((license,)) bonding, insurance, or other statutory requirements to perform the work detailed in the contract;

(e) Refusal or inability to provide a letter of bondability from a surety company; or

(f) The listed subcontractor is barred from participating in the project as a result of a court order or summary judgment.

(4) The requirement of this section to name the prime contract bidder's proposed subcontractors applies only to proposed HVAC, plumbing, electrical, structural steel installation, and rebar installation subcontractors who will contract directly with the prime contract bidder submitting the bid to the public entity.

(5) This section does not apply to design-build requests for proposals under RCW 39.10.330, to general contractor/construction manager requests for proposals under RCW 39.10.350, or to job order contract requests for proposals under RCW 39.10.420.

(((6) The legislature finds that there are hundreds of capital construction projects completed each year which include complex contracting and bidding requirements. It is the intent of the legislature to review current subcontractor listing requirements to allow fair, transparent, and competitive bidding while prohibiting bid shopping. The capital projects advisory review board must submit a report to the governor and the appropriate committees of the legislature by November 1, 2020, and a second report by November 1, 2022. The reports must:

(a) Evaluate current subcontractor listing policies and practices;

(b) Recommend appropriate expansion of the number of subcontractors that may be listed in order to improve transparency and fairness without reducing competitive bidding and access to public works by minority and women-owned businesses; and

(e) Recommend possible project threshold and time frames for purposes of subcontractor listings for all scopes of work that are not required to list under law, including: The timing of subcontractor listing, bond requirements for subcontractors, general contractors standard contract request, and general contractor/construction manager and design-build applications.))

Passed by the House April 24, 2025. Passed by the Senate April 7, 2025. Approved by the Governor May 17, 2025. Filed in Office of Secretary of State May 19, 2025.

CHAPTER 309

[Engrossed Substitute House Bill 1651]

TEACHER RESIDENCY AND APPRENTICESHIP PROGRAMS

AN ACT Relating to teacher residency and apprenticeship programs; adding new sections to chapter 28A.410 RCW; and adding a new section to chapter 49.04 RCW.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> Sec. 1. A new section is added to chapter 28A.410 RCW to read as follows:

(1) A teacher residency is a teacher preparation model that integrates a full year of collaborative hands-on classroom teaching with an experienced preservice mentor with concurrent, targeted academic coursework, designed to develop effective, community-focused teachers. This collaborative model is offered by a public elementary or secondary school and a board-approved teacher preparation program.

(2) At a minimum, a teacher residency model must meet the following requirements:

(a) It must be operated as a formal partnership between a school district, charter school, or state-tribal education compact school and a board-approved teacher preparation program;

(b) The partners must collaboratively design the coursework to align with the unique context of each resident's classroom and to the context and priorities of the elementary or secondary school, and school district if applicable;

(c) Each resident must be assigned to at least one preservice mentor, who must co-teach with the resident, throughout the resident's preservice clinical practice;

(d) Each resident must receive at least 900 hours of preservice clinical practice over the course of one school year;

(e) Each resident must be grouped into a cohort based on geography, specialty, or other relevant criteria determined by the board;

(f) Funding must be provided to each resident;

(g) A stipend must be provided to each preservice mentor; and

(h) Any state funds provided for the support of teacher residencies must be used in conformance with RCW 42.17A.550 and 29B.40.250 and be provided solely for the exclusive support and operations of the teacher residency model.

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

(a) "Board" means the Washington professional educator standards board.

(b) "Cohort" means a group of residents enrolled in the same boardapproved teacher preparation program who begin their residencies at the same time and have the same anticipated completion date.

(c) "Preservice mentor" means a teacher qualified to be a mentor for the beginning educator support team program under RCW 28A.415.265.

(d) "Resident" means a person enrolled in a board-approved teacher preparation program who is participating in a teacher residency model.

<u>NEW SECTION.</u> Sec. 2. A new section is added to chapter 28A.410 RCW to read as follows:

(1) A teacher apprenticeship model is a teacher preparation program approved by both the Washington state apprenticeship and training council under chapter 49.04 RCW and the Washington professional educator standards board

under RCW 28A.410.210. In addition to meeting other requirements, the program must provide the apprentice with 2,000 hours of on-the-job mentored teaching experience under a gradual release method. Up to 540 hours working as a paraeducator may count towards the minimum on-the-job requirement. Any state funds provided for the support of teacher apprenticeships must be used in conformance with RCW 42.17A.550 and 29B.40.250 and be provided solely for the exclusive support and operations of the registered apprenticeship program.

(2) Beginning September 1, 2025, before applying to the Washington state apprenticeship and training council to operate a teacher apprenticeship model, an entity must be approved by the Washington professional educator standards board as a teacher preparation program.

(3) Beginning September 1, 2025, before an entity approved under subsection (1) of this section may add or change a school district, charter school, or state-tribal education compact school partner, the entity must receive approval for the change or addition from the Washington professional educator standards board.

<u>NEW SECTION.</u> Sec. 3. A new section is added to chapter 49.04 RCW to read as follows:

A teacher apprenticeship program must meet the requirements in section 2 of this act.

Passed by the House April 21, 2025. Passed by the Senate April 11, 2025. Approved by the Governor May 17, 2025. Filed in Office of Secretary of State May 19, 2025.

CHAPTER 310

[Second Substitute House Bill 1990]

UTILITIES—DISASTER AND EMERGENCY COSTS—SECURITIZATION

AN ACT Relating to authorizing utility companies to securitize certain costs related to disasters or emergencies to lower costs to customers; amending RCW 80.28.005, 80.28.303, 80.28.306, 80.28.309, and 80.08.140; adding new sections to chapter 80.28 RCW; creating new sections; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> Sec. 1. (1) The purpose of this act is to allow an electrical, gas, or water company, if authorized by an order issued by the utilities and transportation commission, to use securitization financing for certain types of costs related to emergency events and approved for recovery in rates or charges. The legislature finds that:

(a) Securitized debt may lower the total rates in comparison with other methods of recovery and may benefit the citizens of this state who are electrical, gas, or water company customers;

(b) Rate recovery bonds are not a public debt or pledge of the full faith and credit of the state but require the state to provide clear and exclusive methods to create, transfer, and encumber the rate recovery assets and prohibit future impairment; and

(c) This act allowing electrical, gas, or water companies to use securitization financing for emergency-related costs does not limit, impair, or affect the utilities and transportation commission's plenary authority and jurisdiction over rates and services offered by electrical, gas, or water companies.

(2) It is the legislature's intent that when issuing an approval for recovery of expenditures under this act, the utilities and transportation commission will consider whether expenditures are broadly aligned with Washington state climate goals including, but not limited to, chapters 70A.45 and 19.405 RCW.

Sec. 2. RCW 80.28.005 and 1994 c 268 s 1 are each amended to read as follows:

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

(1) "Assignee" means a person, and any subsequent assignee, to which an electrical, gas, or water company assigns, sells, or transfers all or part of the electrical, gas, or water company's interest in or right to rate recovery assets, except as security.

(2) "Bond" includes bonds, notes, certificates of beneficial interests in a trust, or other evidences of indebtedness.

(3) "Bondable ((conservation investment)) rate recovery expenditures" means all costs and expenditures ((made)) incurred or to be incurred through the date of issuance of a financing order by an electrical, gas, or water ((companies)) company associated with ((respect to energy)):

(a) An event that is the subject of a federal or state declaration of disaster or emergency that has caused widespread loss of life, injury to person or property, human suffering, or financial loss, including those costs and expenses owed by an electrical, gas, or water company to such company's customers as a result of the event, but not including any fees, fines, penalties, or costs imposed as a result of criminal or civil enforcement actions brought against the utility, or attributable to the utility's negligence or gross negligence as determined in a finding by a court of law in causing the event; or

(b) Energy or water conservation measures and services intended to improve the efficiency of electricity, gas, or water end use, including related carrying costs if:

 $((\frac{(a)}{a}))$ (i) The conservation measures and services do not produce assets that would be bondable utility property under the general utility mortgage of the electrical, gas, or water company;

(((b))) (ii) The commission has determined that the expenditures were incurred in conformance with the terms and conditions of a conservation service tariff in effect with the commission at the time the costs were incurred, and at the time of such determination the commission finds that the company has proven that the costs were prudent, that the terms and conditions of the financing are reasonable, and that financing under this chapter is more favorable to the customer than other reasonably available alternatives;

(((e))) (iii) The commission has approved inclusion of the expenditures in rate base and has not ordered that they be currently expensed; and

(((d))) (iv) The commission has not required that the measures demonstrate that energy <u>or water</u> savings have persisted at a certain level for a certain period before approving the cost of these investments as bondable ((eonservation investment)) rate recovery expenditures.

(((2) "Conservation bonds" means bonds, notes, certificates of beneficial interests in trusts, or other evidences of indebtedness or ownership that:

(a) The commission determines at or before the time of issuance are issued to finance or refinance bondable conservation investment by an electrical, gas or water company; and

(b) Rely partly or wholly for repayment on conservation investment assets and revenues arising with respect thereto.

(3) "Conservation investment assets" means the statutory right of an electrical, gas, or water company:

(a) To have included in rate base all of its bondable conservation investment and related carrying costs; and

(b) To receive through rates revenues sufficient to recover the bondable conservation investment and the costs of equity and debt capital associated with it, including, without limitation, the payment of principal, premium, if any, and interest on conservation bonds.))

(4) "Bondholder" means a holder or owner of a rate recovery bond.

(5) "Finance subsidiary" means any corporation, <u>limited liability company</u>, company, association, joint stock association, $((\Theta r))$ trust, or other entity that is beneficially owned, directly or indirectly, by an electrical, gas, or water company, or in the case of a trust issuing ((conservation)) rate recovery bonds consisting of beneficial interests, for which an electrical, gas, or water company or a subsidiary thereof is the grantor, or an unaffiliated entity formed for the purpose of financing or refinancing approved ((conservation investment)) bondable rate recovery expenditures, and that acquires ((conservation investment)) rate recovery assets directly or indirectly from such company in a transaction approved by the commission.

(6) "Financing costs" includes the following costs related to rate recovery bonds, whether incurred and paid upon issuance or over the life of rate recovery bonds:

(a) The costs of issuing, serving, managing, repaying, or refinancing rate recovery bonds, including any fees, expenses, or charges incurred and the costs of any activities performed in connection with the rate recovery bonds, including:

(i) Information technology programming;

(ii) Obtaining a financing order;

(iii) Serving, accounting, or auditing;

(iv) Services related to trustees;

(v) Legal services;

(vi) Consulting;

(vii) Services related to financial and structuring advisors;

(viii) Administration;

(ix) Placement and underwriting;

(x) Services related to independent directors and managers;

(xi) Services related to rating agencies;

(xii) Stock exchange listing and compliance;

(xiii) Securities registration and filing; and

(xiv) Services necessary to ensure a timely payment of rate recovery bonds or other amounts or charges payable in connection with rate recovery bonds;

(b) Principal, interest and acquisition, defeasance, and redemption premiums payable on rate recovery bonds;

(c) Payments required under an ancillary agreement and any amounts required to fund or replenish a reserve or account established under the terms of an indenture, ancillary agreement, or financing document related to rate recovery bonds;

(d) Applicable federal, state, and local taxes, franchise fees, license fees, gross receipts, or other taxes or charges, whether paid, payable, or accrued; and

(e) The commission's costs in performing the commission's duties related to rate recovery bonds that are recoverable by the commission under RCW 80.24.010.

(7) "Financing order" means an order issued by the commission that authorizes one or more of the following:

(a) The recovery of bondable rate recovery expenditures and financing costs;

(b) The creation of rate recovery assets;

(c) The issuance of rate recovery bonds;

(d) The imposition, collection, and periodic adjustment of rate recovery charges; or

(e) The sale, assignment, or transfer of rate recovery assets to an assignee.

(8) "Financing party" includes:

(a) Bondholders, trustees, agents, and secured parties related to rate recovery bonds;

(b) A person acting for the benefit of bondholders, trustees, agents, or secured parties; and

(c) A party to rate recovery bond documents or an ancillary agreement.

(9) "Rate recovery asset" means the right of an electrical, gas, or water company to recover from customers bondable rate recovery expenditures and related costs and expenses approved in a financing order, including the right to:

(a) Impose, charge, bill, collect, receive, hold, and apply rate recovery charges authorized under a financing order or obtain, to the extent authorized, periodic adjustments of rate recovery charges; and

(b) All claims, accounts, revenues, payments, collections, moneys, or proceeds arising from the rights and interest specified in a financing order, regardless of whether the claims, accounts, revenues, payments, collections, moneys, or proceeds arising from the rights and interest specified in the financing order are commingled with other claims, accounts, revenues, payments, collections, moneys, or proceeds.

(10) "Rate recovery bonds" means bonds, notes, certificates of beneficial interests in trusts, or other evidences of indebtedness or ownership that:

(a) The commission determines at or before the time of issuance are issued to finance or refinance bondable rate recovery expenditures by an electrical, gas, or water company; and

(b) Rely partly or wholly for repayment on rate recovery assets and revenues arising with respect thereto.

(11) "Rate recovery charge" means charges to electrical, gas, or water company customers authorized by the commission to recover bondable rate recovery expenditures and financing costs and to be used to pay, repay, or refinance rate recovery bonds.

(12) "Secured party" means a financing party that has been granted a security interest in rate recovery assets.

<u>NEW SECTION.</u> Sec. 3. A new section is added to chapter 80.28 RCW to read as follows:

(1) It is the policy of the state of Washington to encourage the financing of certain costs and expenses by electrical, gas, and water companies at the lowest, reasonable, and prudent cost to customers of such companies including, but not limited to, bondable rate recovery expenditures.

(2) To carry out the policy described in subsection (1) of this section, the state of Washington and all agencies, instrumentalities, political subdivisions, and local governments thereof:

(a) Acknowledge that owners of rate recovery assets, bondholders, and financing parties require certainty with respect to the owners, bondholders, and financing parties' rights to enter into financing transactions that offer the lowest, reasonable, and prudent cost; and

(b) Pledge and agree with electrical, gas, and water companies; assignees; bondholders; and financing parties not to reduce, alter, or impair, in a manner that is adverse to the electrical, gas, and water companies; assignees; bondholders; or financing parties:

(i) Rate recovery assets;

(ii) Rate recovery bonds or the security for rate recovery bonds; or

(iii) Rate recovery charges or the collection of rate recovery charges.

(3) The pledge and agreement described under subsection (2)(b) of this section includes the pledge and agreement not to reduce, alter, or impair rate recovery assets, rate recovery bonds or the security for rate recovery bonds, or rate recovery charges or the collection of rate recovery charges by taking any of the following actions:

(a) Altering the provisions of this section or RCW 80.28.005, 80.28.303, 80.28.306, or 80.28.309 to the extent that those provisions authorize the commission to issue financing orders that:

(i) Create rate recovery assets;

(ii) Establish rate recovery charges that may not be avoided by electrical, gas, or water company customers, as described under section 4(4) of this act; or

(iii) Provide rights and remedies to electrical, gas, and water companies; assignees; bondholders; and financing parties;

(b) Impairing the rights or remedies of electrical, gas, and water companies; assignees; bondholders; or financing parties that are created under this section and RCW 80.28.005, 80.28.303, 80.28.306, and 80.28.309 or by a financing order, including reducing the amount of or impairing the collection of rate recovery charges until all principal, interest, premium, if any, and other amounts due on the rate recovery bonds and financing costs have been paid in full and except as provided under section 4 of this act; or

(c) Taking any action listed under section 4(5)(b) of this act.

(4) An electrical, gas, or water company or financing subsidiary that issues rate recovery bonds may include the pledge and provisions of this section in the bonds and related documentation.

<u>NEW SECTION.</u> Sec. 4. A new section is added to chapter 80.28 RCW to read as follows:

(1)(a) If an electrical, gas, or water company applies to the commission for recovery of expenditures related to a federal or state declared disaster or emergency and the commission finds some or all of the expenditures to be

reasonable and prudent, the company may petition the commission for a financing order designating all or part of such expenditures as bondable rate recovery expenditures, for the purpose of financing or refinancing the designated expenditures under RCW 80.28.306(1). A company must request this designation by the commission in a separate proceeding.

(b) A petition filed under (a) of this subsection must include a narrative description of purpose for which the electrical, gas, or water company seeks approval of a financing order. The narrative description must:

(i) Explain the event that is the subject of a federal or state declaration of disaster or emergency that gave rise to the costs and expenses that the company seeks to recover through a financing order, including those costs and expenses owed by an electrical, gas, or water company to such company's customers or other persons as a result of the event; and

(ii) In the case such costs and expenses accrued to the electrical, gas, or water company through a legal settlement, provide the total:

(A) Legal fees and costs paid by the company;

(B) Estimated legal fees and costs the company would have incurred had it elected not to settle the matter;

(C) Amount of initial claims that had been sought against the company; and

(D) Amount of the settlement.

(c) After notice and an opportunity for a hearing, the commission may approve a petition if the commission finds that:

(i) The bondable rate recovery expenditures and financing costs included in the petition are reasonable and prudent;

(ii) Financing or refinancing the bondable rate recovery expenditures through the issuance of rate recovery bonds is likely to be more favorable to electrical, gas, or water company customers for the recovery of the bondable rate recovery expenditures than other methods of cost and expenditure recovery; and

(iii) Bonds, notes, certificates of beneficial interests in a trust, and other evidences of indebtedness or ownership issued pursuant to the approval are reasonably likely to receive a determination of, at a minimum, investment grade by credit rating agencies.

(d) The commission shall issue an order within 180 days of a petition approving or denying the petition. If the commission approves the petition, the commission shall issue a financing order.

(2)(a) A financing order issued under this section shall specify the highest amount of rate recovery expenditures that qualify as bondable rate recovery expenditures.

(b) In specifying the amount for bondable rate recovery expenditures associated with an event described in RCW 80.28.005(3)(a), net of appropriate adjustments as determined by the commission to be reasonable, the commission may include, but is not limited to including, the following rate recovery expenditures:

(i) Capital and operating costs incurred or to be incurred as a result of the event;

(ii) Costs and expenses that may be recovered at a later time from third parties or insurers and returned to electrical, gas, or water company customers through a separate rate proceeding consistent with cost causation and rate design principles and statutory or regulatory requirements; and (iii) Carrying costs or charges.

(3) A financing order issued under this section must include the following provisions:

(a) Confirmation of the existence of recoverable bondable rate recovery expenditures and authorization to recover bondable rate recovery expenditures and associated financing costs, including the maximum principal amount of bondable rate recovery expenditures and financing costs that may be recovered through securitization;

(b) Authorization for the creation of rate recovery assets and imposition of rate recovery charges that allow for the recovery of rate recovery expenditures and associated financing costs, as determined by the commission;

(c) A requirement that the rate recovery charges authorized by the financing order are ongoing and may not be avoided by an electrical, gas, or water company customer, as described under subsection (4) of this section, until all principal, interest, premium, if any, and other amounts due on the rate recovery bonds and financing costs have been paid in full;

(d) A methodology for:

(i) Allocating rate recovery charges between the different classes of electrical, gas, or water company customers, which may include not allocating rate recovery charges to one or more classes of such company's customers, that is consistent with cost causation and rate design principles and statutory or regulatory requirements;

(ii) Adjusting rate recovery charges as necessary to ensure timely payment on, and payment in full of, the rate recovery bonds and associated financing costs or in response to changes to applicable customers, service territories, or collection rates; and

(iii) Providing for periodic true-up adjustments of the rate recovery charges under (d)(ii) of this subsection, as determined by the commission, to correct for any overcollection or undercollection of the rate recovery charge. The true-up adjustment shall include, but not be limited to, changing economic factors, efficiency measures, and electrification, which may impact the full and timely payment of future scheduled debt service, based on updated usage forecasts. For the purposes of this subsection, "electrification" means the installation of energy efficient electric end-use equipment that replaces end-use equipment that is fueled by gas that results in the customer no longer taking service from the gas company;

(e) Authorization for the electrical, gas, or water company to issue one or more series of rate recovery bonds with flexibility for such company to establish the terms and conditions of the rate recovery bonds, including repayment schedules, initial interest rates, and initial financing costs;

(f) Authorization to assign rate recovery assets to a financing subsidiary and grant security interests in the rate recovery assets to secured parties without limiting the rights of subsequent assignees;

(g) Authorization for the bond documentation and ancillary documents related to the rate recovery bonds, including servicing arrangements for the rate recovery charges, without requiring the authorization to be on the final forms of the documents;

(h) Authorization for the electrical, gas, or water company to earn a return, at the cost of capital authorized in such company's most recent general rate case

prior to the date of the financing order, on any moneys advanced by such company to fund advances, reserves, or capital accounts established under the terms of any indenture, ancillary agreement, or financing documents related to the rate recovery bonds;

(i) A finding that the proposed issuance of rate recovery bonds and the imposition of rate recovery charges is expected to provide the lowest possible, reasonable, and prudent cost on a net present value basis to electrical, gas, or water company customers for recovery of the bondable rate recovery expenditures as compared to other methods of financing and recovery;

(j) A date, not earlier than one year from the date that the financing order becomes final, on which the authority to issue rate recovery bonds granted in the financing order expires;

(k) A requirement that the electrical, gas, or water company notify the commission if such company recovers costs and expenses from a third party or insurer; and

(l) Any other conditions that the commission finds appropriate and that are consistent with this section.

(4) Rate recovery charges authorized by a financing order shall be collected through the charges or incorporated into rates paid by, and may not be avoided by, the electrical, gas, or water company customers located within such company's service territory, if applicable, as the territory existed on the date of the financing order or, if the financing order provides, as such service territory, if applicable, may be expanded, even if:

(a) Such company's customer receives electricity, natural gas, or water; electricity, natural gas, or water services; or ancillary services from a successor or assignee of such company;

(b) Such company's customer elects to receive electricity, natural gas, or water; electricity, natural gas, or water services; or ancillary services from another electrical, gas, or water company or service provider in the service territory; or

(c) After the date of issuance of the financing order, such company's customer changes customer class.

(5)(a) Rate recovery assets, including rate recovery charges, and the rights of electrical, gas, and water companies; assignees; bondholders; and financing parties, established by a financing order issued under this section, are irrevocable and unchangeable, except as provided in the financing order, until all principal, interest, premium, if any, and other amounts due on the rate recovery bonds and financing costs are paid in full.

(b) Until all principal, interest, premium, if any, and other amounts due on the rate recovery bonds and financing costs are paid in full, the commission, except as provided in the financing order, the state of Washington, and all agencies, instrumentalities, political subdivisions, and local governments thereof may not:

(i) Revalue the bondable rate recovery expenditures or financing costs for rate-making purposes;

(ii) Determine that the rates or revenues authorized under the financing order are unjust or unreasonable;

(iii) Reduce, alter, or impair the rate recovery assets, rate recovery charges or the collection of the rate recovery charges, or rate recovery bonds or the security for the rate recovery bonds;

(iv) Rescind, suspend, amend, or impair the financing order; or

(v) When setting other rates or charges for the electrical, gas, or water company or taking other actions pursuant to the commission's authority, consider the rate recovery bonds as debt of such company, the rate recovery assets to be revenue for such company, or the bondable rate recovery expenditures to be costs of such company.

(6) The commission may not require an electrical, gas, or water company to:

(a) Apply to the commission for a financing order designating all or part of rate recovery expenditures as bondable rate recovery expenditures; or

(b) Finance or refinance rate recovery expenditures that the commission has designated bondable rate recovery expenditures.

Sec. 5. RCW 80.28.303 and 1994 c 268 s 2 are each amended to read as follows:

(1) An electrical, gas, or water company may file a conservation service tariff with the commission. The tariff shall provide:

(a) The terms and conditions upon which the company will offer the conservation measures and services specified in the tariff;

(b) The period of time during which the conservation measures and services will be offered; and

(c) The maximum amount of expenditures to be made during a specified time period by the company on conservation measures and services specified in the tariff.

(2) The commission has the same authority with respect to a proposed conservation service tariff as it has with regard to any other schedule or classification the effect of which is to change any rate or charge, including, without limitation, the power granted by RCW 80.04.130 to conduct a hearing concerning a proposed conservation service tariff and the reasonableness and justness thereof, and pending such hearing and the decision thereon the commission may suspend the operation of the tariff for a period not exceeding ten months from the time the tariff would otherwise go into effect.

(3) ((An electrical, gas, or water company may from time to time apply to the commission for a determination that specific expenditures may under its tariff constitute bondable conservation investment. A company may request this determination by the commission in separate proceedings for this purpose or in connection with a general rate case. The commission may designate the expenditures as bondable conservation investment as defined in RCW 80.28.005(1) if it finds that such designation is in the public interest.

(4) The commission shall include in rate base all bondable conservation investment. The commission shall approve rates for service by electrical, gas, and water companies at levels sufficient to recover all of the expenditures of the bondable conservation investment included in rate base and the costs of equity and debt capital associated therewith, including, without limitation, the payment of principal, premium, if any, and interest on conservation bonds.)) The rates so determined may be included in general rate schedules or may be expressed in one or more separate rate schedules. ((The commission shall not revalue bondable conservation investment for rate-making purposes, to determine that revenues required to recover bondable conservation investment and associated equity and debt capital costs are unjust, unreasonable, or in any way impair or reduce the value of conservation investment assets or that would impair the timing or the amount of revenues arising with respect to conservation investment assets that have been pledged to secure conservation bonds.

(5))) (4) Nothing in this chapter precludes the commission from adopting or continuing other conservation policies and programs intended to provide incentives for and to encourage ((utility)) electrical, gas, or water company investment in improving the efficiency of energy or water end use. However, the policies or programs shall not impair ((conservation investment)) rate recovery assets. This chapter is not intended to be an exclusive or mandatory approach to conservation programs for electrical, gas, and water companies, and no such company is obligated to file conservation service tariffs under this chapter, to apply to the commission for a determination that conservation costs constitute bondable ((conservation investment)) rate recovery expenditures within the meaning of this chapter, or to issue ((conservation)) rate recovery bonds.

(((6))) (5)(a) If a customer of an electrical, gas, or water company for whose benefit the company made expenditures for conservation measures or services ceases to be a customer of such company for one or more of the following reasons, the commission may require that the portion of such ((conservation)) expenditures that had been included in rate base but not theretofore recovered in the rates of such company be removed from the rate base of the company:

(i) The customer ceases to be a customer of the ((supplier of energy or water)) electrical, gas, or water company, and the customer repays to the company the portion of the ((conservation)) expenditures made for the benefit of such customer that has not theretofore been recovered in rates of ((the)) such company; or

(ii) ((The)) <u>Such</u> company sells its property used to serve such customer and the customer ceases to be a customer of the company as a result of such action.

(b) An electrical, gas, or water company may include in a contract for a conservation measure or service, and the commission may by rule or order require to be included in such contracts, a provision requiring that, if the customer ceases to be a customer of that ((supplier of energy or water)) such company, the customer shall repay to the company the portion of the conservation expenditures made for the benefit of such customer that has not theretofore been recovered in rates of the company.

Sec. 6. RCW 80.28.306 and 1994 c 268 s 3 are each amended to read as follows:

(1) Electrical, gas, and water companies, or finance subsidiaries, may ((issue conservation bonds)), upon approval by the commission, finance or refinance bondable rate recovery expenditures as described in RCW 80.28.303. Bonds, notes, certificates of beneficial interests in a trust, and other evidences of indebtedness or ownership issued for this purpose are rate recovery bonds for the purposes of this section.

(2) ((Electrical)) (a) An electrical, gas, ((and)) or water ((companies, or)) company, finance ((subsidiaries)) subsidiary, or assignee may ((pledge conservation investment)) grant a security interest in rate recovery assets as collateral for ((conservation)) rate recovery bonds ((by obtaining an order of the commission approving an issue of conservation bonds and providing for a

security interest in conservation investment assets)). A security interest in ((conservation investment)) rate recovery assets is ((created and perfected only upon entry of an order by the commission approving a contract governing the granting of the security interest and the filing with the department of licensing of a UCC-1 financing statement, showing such pledgor as "debtor" and identifying such conservation investment assets and the bondable conservation investment associated therewith. The security interest is)) valid and enforceable against the debtor and ((all)) third parties, subject only to the rights of any third parties holding security interests in the ((conservation investment)) rate recovery assets attached and perfected in the manner described in this ((section,)) subsection.

(b) A security interest in rate recovery assets attaches if ((value has been)):

(i) The secured party, or a financing party that the secured party represents, has given ((by the purchasers of conservation bonds. An approved)) value; and

(ii) The debtor has signed a security agreement granting the secured party a security interest in ((conservation investment)) the rate recovery assets.

(c) A valid and enforceable security interest in rate recovery assets is perfected if: (i) The security interest has attached in the manner described in (b) of this subsection; and (ii) a financing statement has been filed in accordance with the requirements of chapter 62A.9A RCW that identifies the debtor as "debtor," the secured party as "secured party," and the rate recovery assets granted as security as the "collateral," and contains a description in the financing statement that refers to the commission's financing order creating the rate recovery assets. The financing statement is deemed sufficient under chapter 62A.9A RCW and all other relevant law for identifying the rate recovery assets granted as security.

(d) A perfected security interest in rate recovery assets is a continuously perfected security interest ((in all revenues and proceeds arising with respect to the associated bondable conservation investment)), whether or not ((such)) the related revenues have accrued((. Upon such approval, the priority of such security interest shall be as set forth in)) or the ((contract governing the conservation bonds. Conservation investment)) related rate recovery charges have been charged, billed, or collected. Rate recovery assets constitute a presently existing, fully vested property right for the purposes of contracts securing ((conservation)) the related rate recovery bonds whether or not the related revenues have accrued or the related rate recovery charges have been charged, billed, or collected. The purposes of contracts securing ((conservation)) the rate recovery bonds whether or not the related revenues have accrued or the related rate recovery charges have been charged, billed, or collected. Multiple security interests in the same rate recovery assets shall rank according to priority in time of perfection.

(((3) The)) (e) Subject to the terms of the security agreement covering the rate recovery assets, the relative priority of a security interest created or perfected under this section is not ((defeated or)) adversely affected by: (i) Any later modification of the financing order or rate recovery assets; or (ii) the commingling of ((revenues arising with respect to conservation investment)) proceeds of rate recovery assets with other ((funds of the debtor. The holders of conservation bonds shall have a perfected security interest in all cash and deposit accounts of the debtor in which revenues arising with respect to conservation investment assets pledged to such holders have been commingled with other funds, but such perfected security interest is limited to an amount not greater than the amount of such revenues received by the debtor within twelve months before (a) any default under the conservation bonds held by the holders or (b) the

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institution of insolvency proceedings by or against the debtor, less payments from such revenues to the holders during such twelve-month period. If an event of default occurs under an approved contract governing conservation bonds, the holders of conservation bonds or their authorized representatives, as secured parties, may foreclose or otherwise enforce the security interest in the conservation investment assets securing the conservation bonds, subject to the rights of any third parties holding prior security interests in the conservation investment assets perfected in the manner provided in this section.)) moneys.

(3)(a) A transfer of rate recovery assets to an assignee is perfected against all third parties if a notice of the transfer, by means of a financial statement:

(i) Is filed in accordance with the requirements of chapter 62A.9A RCW;

(ii) Specifies that the notice of transfer is filed to provide notice of the transfer of the rate recovery assets from the transferor to the assignee;

(iii) Identifies the transferor as "debtor," the assignee as "secured party," and the rate recovery asset as "collateral"; and

(iv) Contains a description that refers to the commission's financing order that created the rate recovery assets.

(b) A notice of transfer that is filed in accordance with the requirements under (a) of this subsection shall be deemed sufficient under chapter 62A.9A RCW and all other relevant laws for identifying the rate recovery assets and for providing notice that the rate recovery assets have been transferred to the assignee.

(c) A transfer is perfected against third parties on the date a notice of transfer is filed.

(d) A transfer of rate recovery assets to a financing subsidiary that is perfected under this subsection is free and clear of all claims, security interests, liens, and encumbrances of the transferring electrical, gas, or water company, except for any prior security interest perfected under subsection (2) of this section.

(e) The priority of a transfer that is perfected under this subsection is not adversely affected by:

(i) Any later modification of the financing order or rate recovery assets; or

(ii) The commingling of proceeds of rate recovery assets.

(4)(a) When proceeds of rate recovery assets are transferred to a segregated account for an assignee or secured party, any lien or security interest that may apply to those proceeds, other than a security interest perfected under subsection (2) of this section, is automatically terminated, without the need for further notice, act, or evidence.

(b) Proceeds from rate recovery assets shall be held in trust for an assignee or secured party until the proceeds have been transferred to the assignee or secured party.

(c) Any adjustment in rate recovery charges does not affect the validity, perfection, or priority of a security interest in or the transfer of rate recovery assets.

(5)(a) The rights and remedies of a secured party in enforcing a security interest in rate recovery assets do not include and are without recourse to any electrical, gas, or water company asset except for the rate recovery assets, even if the rate recovery assets are commingled with other assets.

(b) If an electrical, gas, or water company or finance subsidiary defaults on a required payment with respect to rate recovery bonds, a secured party or secured party's representatives may apply to the commission for relief. Upon application by ((the holders of [or] their)) a secured party or secured party's representatives, the commission shall order, without limiting ((their)) other remedies of the secured party or secured party's representatives, ((the commission shall order)) the sequestration and payment to the ((holders or their)) secured party or secured party's representatives of ((revenues arising with respect to)) the ((conservation investment)) proceeds of the rate recovery assets ((pledged to such holders)). ((Any such))

(c) The interest of an assignee or financing party in rate recovery assets is not subject to setoff, counterclaim, surcharge, or defense by the electrical, gas, or water company or any other person in connection with a bankruptcy, reorganization, or insolvency proceeding. However, any surplus in excess of amounts necessary to pay principal, premium, if any, interest, and other amounts due with respect to the rate recovery bonds and associated financing costs, including enforcement costs, with respect to the security agreement shall be remitted to the debtor electrical, gas, or water company for the return of such surplus as customer refunds. A company may request authorization for the return of surplus funds by the commission in separate proceedings for this purpose. The commission shall issue an order approving or denying the petition for return of surplus funds within 90 days.

(d) The commission's financing order and any order issued under (b) of this subsection shall remain in full force and effect notwithstanding any bankruptcy, reorganization, or other insolvency proceedings with respect to ((the)) an electrical, gas, or water company debtor, or transferor with respect to rate recovery assets. ((Any surplus in excess of amounts necessary to pay principal, premium, if any, interest, and expenses arising under the contract governing the eonservation bonds shall be remitted to the debtor electrical, gas, or water eompany or the debtor finance subsidiary.

(4))) (6) The granting, perfection, and enforcement of security interests in ((conservation investment)) rate recovery assets to secure ((conservation)) rate recovery bonds is ((governed by this chapter rather than by)) subject to chapter 62A.9A RCW, except that when a provision in chapter 62A.9A RCW comes in conflict with a provision in this section, the provision in this section shall control.

(((5))) (7) A transfer of ((conservation investment)) rate recovery assets by an electrical, gas, or water company to a finance subsidiary <u>or other assignee</u>, which such parties have in the governing documentation expressly stated to be a sale or other absolute transfer, in a transaction approved in ((an)) <u>a financing</u> order ((issued by the commission and in connection with the issuance by such finance subsidiary of conservation bonds)), shall be treated as a true sale, and not as a pledge or other financing, of such ((conservation investment)) <u>rate recovery</u> assets. According the holders of ((conservation)) <u>rate recovery</u> bonds a preferred right to revenues of the electrical, gas, or water company, or the provision by such company of other credit enhancement with respect to ((conservation)) <u>rate</u> <u>recovery</u> bonds, does not impair or negate the characterization of any such transfer as a true sale. $((\frac{(6)}{(0)}))$ (8) Any successor to an electrical, gas, or water company pursuant to any bankruptcy, reorganization, or other insolvency proceeding shall perform and satisfy all obligations of the company under an approved contract governing ((conservation)) rate recovery bonds, in the same manner and to the same extent as was required of such company before any such proceeding, including, without limitation, billing, collecting, and paying to the bondholders or their representatives revenues arising with respect to the ((conservation investment)) rate recovery bonds.

(9) Except for enforcement permitted under the laws of another state, the laws of this state shall govern the creation, validity, enforceability, attachment, perfection, priority, and exercise of remedies with respect to the creation or transfer of a security interest in a rate recovery asset.

Sec. 7. RCW 80.28.309 and 1994 c 268 s 4 are each amended to read as follows:

(1) Costs incurred before ((June 9, 1994,)) the effective date of this section by electrical, gas, or water companies with respect to events described in RCW 80.28.005(3)(a) or energy or water conservation measures and services ((intended to improve the efficiency of energy or water end use)) described in RCW 80.28.005(3)(b) shall constitute bondable ((conservation investment)) rate recovery expenditures for purposes of RCW 80.28.005, 80.28.303, 80.28.306, and this section, if:

(a) The commission has previously issued a rate order authorizing the inclusion of such costs in rate base; and

(b) The commission authorizes the issuance of ((conservation)) rate recovery bonds secured by ((conservation investment)) rate recovery assets associated with such costs.

(2) If costs incurred before ((June 9, 1994,)) the effective date of this section by electrical, gas, or water companies with respect to <u>events described in RCW</u> <u>80.28.005(3)(a) or</u> energy or water conservation measures ((intended to improve the efficiency of energy or water end use)) described in RCW 80.28.005(3)(b) have not previously been considered by the commission for inclusion in rate base, an electrical, gas, or water company may apply to the commission for approval of such costs. If the commission finds that the expenditures are ((a)) bondable ((conservation investment)) rate recovery expenditures, the commission shall by order designate such expenditures as bondable ((conservation investment)) rate recovery expenditures, which shall be subject to RCW 80.28.005, 80.28.303, 80.28.306, sections 3 and 4 of this act, and this section.

Sec. 8. RCW 80.08.140 and 1961 c 14 s 80.08.140 are each amended to read as follows:

No provision of this chapter, <u>RCW 80.28.005</u>, <u>80.28.303</u>, <u>80.28.306</u>, <u>80.28.309</u>, or section 3 or 4 of this act, and no deed or act done or performed under or in connection therewith, shall be held or construed to obligate the state of Washington or any agency, instrumentality, political subdivision, or local government thereof to pay or guarantee, in any manner whatsoever, any stock or stock certificate or other evidence of interest or ownership, or bond, note or other evidence of indebtedness, authorized, issued or executed under the

provisions of this chapter, <u>RCW 80.28.005</u>, 80.28.303, 80.28.306, 80.28.309, or <u>section 3 or 4 of this act</u>.

<u>NEW SECTION.</u> Sec. 9. A new section is added to chapter 80.28 RCW to read as follows:

If any provision of this section and sections 1, 3, and 4 of this act or the amendments to RCW 80.08.140, 80.28.005, 80.28.303, 80.28.306, and 80.28.309 by sections 2, 5, 6, 7, and 8 of this act is determined to be invalid, or is invalidated, superseded, replaced, repealed, or expired, such determination or occurrence does not affect the validity of any action allowed under this section and sections 1, 3, and 4 of this act or the amendments to RCW 80.08.140, 80.28.005, 80.28.303, 80.28.306, and 80.28.309 by sections 2, 5, 6, 7, and 8 of this act and taken in good faith and pursuant to a financing order issued prior to such determination or occurrence.

<u>NEW SECTION.</u> Sec. 10. Except to the extent required by section 7 of this act, this act applies prospectively only and not retroactively. Nothing in this act shall impair or affect the validity of any conservation bonds issued under RCW 80.28.303, 80.28.306, and 80.28.309 as those sections existed prior to the effective date of this section. Conservation bonds issued under those sections prior to the effective date of this section shall continue to be governed by the provisions of such sections as they existed at the time such conservation bonds were issued.

<u>NEW SECTION.</u> Sec. 11. If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2025, in the omnibus appropriations act, this act is null and void.

<u>NEW SECTION.</u> Sec. 12. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

Passed by the House April 21, 2025. Passed by the Senate April 8, 2025. Approved by the Governor May 17, 2025. Filed in Office of Secretary of State May 19, 2025.

CHAPTER 311

[Second Substitute House Bill 1154]

SOLID WASTE HANDLING FACILITIES—PERMITS AND ENFORCEMENT

AN ACT Relating to ensuring environmental and public health protection from solid waste handling facility operations; amending RCW 70A.205.125, 70A.205.130, 70A.205.135, and 70A.205.140; reenacting and amending RCW 43.21B.110; adding new sections to chapter 70A.205 RCW; creating a new section; and prescribing penalties.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 70A.205.125 and 2016 c 119 s 4 are each amended to read as follows:

(1) Applications for permits to operate a new or modified solid waste handling facility shall be on forms prescribed by the department and shall contain a description of the proposed facilities and operations at the site, plans and specifications for any new or additional facilities to be constructed, and such other information as the jurisdictional health department may deem necessary in order to determine whether the site and solid waste disposal facilities located thereon will comply with local regulations and state rules.

(2) Upon receipt of an application for a permit to establish or modify a solid waste handling facility, the jurisdictional health department shall refer one copy of the application to the department which shall report its findings to the jurisdictional health department. When the application is for a permit to establish or modify a solid waste handling facility located in an area that is not under a quarantine, as defined in RCW 17.24.007, and when the facility will receive material for composting from an area under a quarantine, the jurisdictional health department of agriculture. The department of agriculture shall review the application to determine whether it contains information demonstrating that the proposed facility presents a risk of spreading disease, plant pathogens, or pests to areas that are not under a quarantine. For the purposes of this subsection, "composting" means the biological degradation and transformation of organic solid waste under controlled conditions designed to promote aerobic decomposition.

(3) The jurisdictional health department shall investigate every application as may be necessary to determine whether a proposed or modified site and facilities meet all solid waste, air, and other applicable laws and regulations, and conforms with the approved comprehensive solid waste handling plan, and complies with all zoning requirements.

(4) When the jurisdictional health department finds that the permit should be issued, ((it)) and the department has approved the permit under RCW 70A.205.130(4), the jurisdictional health department shall issue such permit. Every application shall be approved or disapproved within ((ninety)) 90 days after its receipt by the jurisdictional health department.

(5) The jurisdictional board of health may establish reasonable fees for permits and renewal of permits. All permit fees collected by the health department shall be deposited in the treasury and to the account from which the health department's operating expenses are paid.

Sec. 2. RCW 70A.205.130 and 2020 c 20 s 1173 are each amended to read as follows:

((Every)) (1) Except as provided in subsection (4) of this section, every permit issued by a jurisdictional health department under RCW 70A.205.125 shall be reviewed by the department to ensure that the proposed site or facility conforms with:

(((1))) (a) All applicable laws and regulations including the ((minimal)) minimum functional standards for solid waste handling; and

(((2))) (b) The approved comprehensive solid waste management plan.

(2) The department shall review the permit within $((\frac{\text{thirty}}{\text{thirty}}))$ 30 days after the issuance of the permit by the jurisdictional health department. $((\frac{\text{The}}{\text{The}}))$ For solid waste handling facilities other than landfills, the department may appeal the issuance of the permit by the jurisdictional health department to the pollution control hearings board, as described in chapter 43.21B RCW, for noncompliance with subsection (1) (($\frac{\text{or}(2)}{\text{(2)}}$)) (a) or (b) of this section.

(3) No permit issued pursuant to RCW 70A.205.125 after June 7, 1984, shall be considered valid unless it has been reviewed by the department.

(4)(a) Every permit issued by a jurisdictional health department under RCW 70A.205.125 for landfilling must be reviewed and approved by the department to ensure that the proposed landfill conforms with:

(i) All applicable laws and regulations including the minimum functional standards for solid waste handling; and

(ii) The approved comprehensive solid waste management plan.

(b) The department shall review the permit prior to the issuance of the permit by the jurisdictional health department. The department may only approve a permit that ensures that the landfill conforms with all applicable laws and regulations, including the minimum functional standards for solid waste handling. The department may require a jurisdictional health department to amend the contents of a proposed permit to ensure conformance with applicable laws and regulations, including the minimum functional standards for solid waste handling.

(c) A jurisdictional health department or applicant may appeal the department's denial or amendment of a landfill permit under this section, including the denial of the renewal of a permit, to the pollution control hearings board.

(d) No permit issued under this subsection after August 1, 2027, is considered valid unless it has been approved by the department.

Sec. 3. RCW 70A.205.135 and 2020 c 20 s 1174 are each amended to read as follows:

(1) Every permit for an existing solid waste handling facility issued pursuant to RCW 70A.205.125 shall be renewed at least every five years on a date established by the jurisdictional health department having jurisdiction of the site and as specified in the permit. If a permit is to be renewed for longer than one year, the local jurisdictional health department may hold a public hearing before making such a decision. Prior to renewing a permit, the health department shall conduct a review as it deems necessary to assure that the solid waste handling facility or facilities located on the site continues to meet minimum functional standards of the department, applicable local regulations, and are not in conflict with the approved solid waste management plan. A jurisdictional health department shall approve or disapprove a permit renewal within ((fortyfive)) 45 days of conducting its review. The department shall review and may appeal the renewal of permits for solid waste handling facilities other than landfills as set forth for the approval of permits in RCW 70A.205.130(2). The department must review and approve or disapprove renewal of permits for landfill disposal facilities as set forth in RCW 70A.205.130(4).

(2) The jurisdictional board of health may establish reasonable fees for permits reviewed under this section. All permit fees collected by the health department shall be deposited in the treasury and to the account from which the health department's operating expenses are paid.

Sec. 4. RCW 70A.205.140 and 2016 c 119 s 5 are each amended to read as follows:

Any permit for a solid waste disposal site issued as provided herein shall be subject to suspension at any time the <u>department or the</u> jurisdictional health department determines that the site or the solid waste disposal facilities located on the site are being operated in violation of this chapter, the regulations of the department, the rules of the department of agriculture, or local laws and regulations.

<u>NEW SECTION.</u> Sec. 5. A new section is added to chapter 70A.205 RCW to read as follows:

(1) This section establishes a cooperative program of solid waste handling facility management between local government and the state. Local government shall have the primary responsibility for issuing the permits required by this chapter, administering the regulatory program consistent with the policy and provisions of this chapter, and imposing penalties for violations of the provisions of this chapter. The department shall act primarily in a supportive and review capacity with an emphasis on ensuring compliance with the policy and provisions of this chapter. The department shall enforce the requirements of this chapter under the following circumstances:

(a) A jurisdictional health department may send written notice to the department that it is deferring to the department's authority under this section to enforce the requirements of this chapter with respect to a solid waste handling facility in a jurisdiction.

(b) The department determines that a jurisdictional health department's enforcement action is inadequate to address violations of this chapter by a solid waste handling facility operator. A jurisdictional health department's enforcement action is inadequate when any of the following occur without successful resolution of the violation:

(i) The jurisdictional health department fails to conduct an inspection to verify a reported, credible alleged violation within 45 calendar days after receiving notification of the violation;

(ii) The jurisdictional health department fails to issue a notice of violation or corrective action order within 60 calendar days after observing a violation during an inspection or on-site visit;

(iii) The jurisdictional health department fails to take any enforcement action as authorized under this chapter within 90 calendar days after issuing a notice of violation; or

(iv) The jurisdictional health department has initiated enforcement action but the violation has continued for more than 180 days without resolution or substantial progress toward resolution.

(c) A jurisdictional health department shall notify the department within a reasonable amount of time of the dates and official communications regarding the following activities with respect to a solid waste handling facility operator:

(i) Receipt of a reported, credible alleged violation of this chapter;

(ii) Observation of a violation of this chapter during an inspection or on-site visit;

(iii) Notice of a violation of this chapter or corrective action that was sent by the jurisdictional health department to a solid waste handling operator;

(iv) Any enforcement action taken by the jurisdictional health department; and

(v) Any activities by the solid waste handling facility operator that constitute resolution or progress toward resolution of the violations of this chapter.

(2) When the department determines that a jurisdictional health department enforcement action is inadequate and that it will take enforcement action under subsection (1)(b) of this section, the department shall provide written notice of its intent to enforce to the jurisdictional health department and to the solid waste handling facility operator. The department's notice of intent to enforce must be provided no less than 30 calendar days prior to the department issuing a penalty or order under this section and section 6 of this act. The 30-day notice requirement may be waived if the violation presents an immediate and substantial endangerment to human health or the environment requiring urgent action. The department's notice of intent to enforce must be

(a) Identification of the alleged violations of the statute, regulation, or rule that are the basis for the department's enforcement action and the number of alleged violations;

(b) A description of the department's process that led to its determination that such violations existed;

(c) Which of the criteria under subsection (1)(b)(i) through (iv) of this section apply;

(d) The proposed start date and any end date of the department's enforcement action; and

(e) The proposed geographical boundaries of solid waste handling facilities at which the enforcement action is planned.

(3) If within 30 calendar days of the jurisdictional health department's receipt of the department's notice of intent to enforce, and the violation does not present an immediate and substantial endangerment to human health or the environment, the jurisdictional health department initiates an enforcement action that the department and the jurisdictional health department agree will adequately address the identified violations, the department will hold its enforcement action in abeyance.

(4) Upon receipt of an order by the jurisdictional health department or the department, a solid waste handling facility owner or operator must provide information necessary to determine compliance with the requirements of this chapter applicable to solid waste handling facilities.

(5) An applicant or permittee must allow the jurisdictional health department and department to conduct inspections and collect samples.

(6) This section does not apply to actions taken by the department under chapter 70A.305 RCW.

<u>NEW SECTION.</u> Sec. 6. A new section is added to chapter 70A.205 RCW to read as follows:

(1) In addition to the provisions of RCW 70A.205.140, and in accordance with the procedures described in section 5 of this act, for any person engaged in solid waste handling subject to permitting under this chapter, the enforcement authority may:

(a) Impose a civil penalty not to exceed \$5,000 per day for the first 14 days of violation of the requirements of this chapter or a permit issued under this chapter. If the violation is not resolved within 14 days, the agency imposing the penalty may increase the penalty not to exceed \$10,000 per day of violation of the requirements of this chapter or a permit issued under this chapter; and

(b) Issue an order requiring compliance with the requirements of this chapter or a permit issued under this chapter. A person who fails to take corrective action as specified in a compliance order is liable for a civil penalty as provided in (a) of this subsection. Before issuing a civil penalty, the enforcement

authority will attempt through education and outreach to assist the person engaged in solid waste handling with achieving compliance with the requirements of this chapter or a permit issued under this chapter.

(2) If a solid waste handling facility owner or operator pays a penalty under this section for a violation to a government entity, any penalty imposed by a different government entity for a violation based on the same incident and conduct shall be reduced by the amount of the prior penalty.

(3)(a) Penalties levied by a jurisdictional health department shall be deposited in the treasury and to the account from which such jurisdictional health department's operating expenses are paid.

(b) Penalties levied by the department under this section must be deposited in the model toxics control operating account created in RCW 70A.305.180.

(4) A person who is issued an order or incurs a penalty from:

(a) A jurisdictional health department may appeal the order or penalty to the local health officer;

(b) The department under this section may appeal the order or penalty to the pollution control hearings board created by chapter 43.21B RCW.

Sec. 7. RCW 43.21B.110 and 2024 c 347 s 5, 2024 c 340 s 4, and 2024 c 339 s 16 are each reenacted and amended to read as follows:

(1) The hearings board shall only have jurisdiction to hear and decide appeals from the following decisions of the department, the director, local conservation districts, the air pollution control boards or authorities as established pursuant to chapter 70A.15 RCW, local health departments, the department of natural resources, the department of fish and wildlife, the parks and recreation commission, and authorized public entities described in chapter 79.100 RCW:

(a) Civil penalties imposed pursuant to chapter 70A.230 RCW and RCW 18.104.155, 70A.15.3160, 70A.300.090, 70A.20.050, 70A.230.020, section 6 of this act, 70A.205.280, 70A.355.070, 70A.430.070, 70A.500.260, 70A.505.100, 70A.505.110, 70A.530.040, 70A.350.070, 70A.515.060, 70A.245.040, 70A.245.050, 70A.245.070, 70A.245.080, 70A.245.130, 70A.245.140, 70A.65.200, 70A.455.090, 70A.550.030, 70A.555.110, 70A.560.020, 77.55.440, 70A.565.030, 76.09.170, 78.44.250, 88.46.090, 90.03.600, 90.46.270, 90.48.144, 90.56.310, 90.56.330, and 90.64.102.

(b) Orders issued pursuant to RCW 18.104.043, 18.104.060, 18.104.130, 43.27A.190, 70A.15.2520, 70A.15.3010, 70A.15.4530, 70A.15.6010, section 6 of this act, 70A.205.280. 70A.214.140, 70A.300.120, 70A.350.070. 70A.245.020. 70A.65.200, 70A.505.100. 70A.555.110, 70A.560.020. 86.16.020, 88.46.070, 90.03.665, 90.14.130, 70A.565.030, 90.46.250, 90.48.120, 90.48.240, 90.56.330, and 90.64.040.

(c) Except as provided in RCW 90.03.210(2), the issuance, modification, or termination of any permit, certificate, or license by the department or any air authority in the exercise of its jurisdiction, including the issuance or termination of a waste disposal permit, the denial of an application for a waste disposal permit, the modification of the conditions or the terms of a waste disposal permit, a decision to approve or deny a solid waste management plan under RCW 70A.205.055, approval or denial of an application for a beneficial use determination under RCW 70A.205.260, an application for a change under

RCW 90.03.383, or a permit to distribute reclaimed water under RCW 90.46.220.

(d) Decisions of local health departments regarding the granting or denial of solid waste permits pursuant to chapter 70A.205 RCW, including appeals by the department as provided in RCW 70A.205.130.

(e) Decisions of local health departments regarding the issuance and enforcement of permits to use or dispose of biosolids under RCW 70A.226.090.

(f) Decisions of the department regarding waste-derived fertilizer or micronutrient fertilizer under RCW 15.54.820.

(g) Decisions of local conservation districts related to the denial of approval or denial of certification of a dairy nutrient management plan; conditions contained in a plan; application of any dairy nutrient management practices, standards, methods, and technologies to a particular dairy farm; and failure to adhere to the plan review and approval timelines in RCW 90.64.026 as provided in RCW 90.64.028.

(h) Any other decision by the department or an air authority which pursuant to law must be decided as an adjudicative proceeding under chapter 34.05 RCW.

(i) Decisions of the department of natural resources, the department of fish and wildlife, and the department that are reviewable under chapter 76.09 RCW, and the department of natural resources' appeals of county, city, or town objections under RCW 76.09.050(7).

(j) Forest health hazard orders issued by the commissioner of public lands under RCW 76.06.180.

(k) Decisions of the department of fish and wildlife to issue, deny, condition, or modify a hydraulic project approval permit under chapter 77.55 RCW, to issue a stop work order, to issue a notice to comply, to issue a civil penalty, or to issue a notice of intent to disapprove applications.

(1) Decisions of the department of natural resources that are reviewable under RCW 78.44.270.

(m) Decisions of an authorized public entity under RCW 79.100.010 to take temporary possession or custody of a vessel or to contest the amount of reimbursement owed that are reviewable by the hearings board under RCW 79.100.120.

(n) Decisions of the department of ecology that are appealable under RCW 70A.245.020 to set recycled minimum postconsumer content for covered products or to temporarily exclude types of covered products in plastic containers from minimum postconsumer recycled content requirements.

(o) Orders by the department of ecology under RCW 70A.455.080.

(2) The following hearings shall not be conducted by the hearings board:

(a) Hearings required by law to be conducted by the shorelines hearings board pursuant to chapter 90.58 RCW, except where appeals to the pollution control hearings board and appeals to the shorelines hearings board have been consolidated pursuant to RCW 43.21B.340.

(b) Hearings conducted by the department pursuant to RCW 70A.15.3010, 70A.15.3070, 70A.15.3080, 70A.15.3090, 70A.15.3100, 70A.15.3110, and 90.44.180.

(c) Appeals of decisions by the department under RCW 90.03.110 and 90.44.220.

(d) Hearings conducted by the department to adopt, modify, or repeal rules.

(3) Review of rules and regulations adopted by the hearings board shall be subject to review in accordance with the provisions of the administrative procedure act, chapter 34.05 RCW.

<u>NEW SECTION.</u> Sec. 8. If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2025, in the omnibus appropriations act, this act is null and void.

Passed by the House April 21, 2025. Passed by the Senate April 15, 2025. Approved by the Governor May 17, 2025. Filed in Office of Secretary of State May 19, 2025.

CHAPTER 312

[Engrossed Substitute House Bill 1293] LITTER—PENALTIES AND REUSABLE CARRYOUT BAGS

AN ACT Relating to litter; amending RCW 70A.200.060; reenacting and amending RCW 70A.530.020; creating a new section; and prescribing penalties.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> Sec. 1. The legislature finds that litter is a persistent challenge that sullies public spaces, damages natural habitats, and pollutes the environment. Improperly disposing of trash poses significant risks to public health, our environment, and the economy.

The legislature also finds that single-use plastic bags are one of the most commonly found items that litter state roads, beaches, and other public spaces. Plastic bag litter is known to harm animals, particularly aquatic species, and contributes to the proliferation of microplastics, which pose significant threats to human health. Encouraging the adoption of alternatives to plastic bags, such as reusable carryout bags, reduces plastic waste. While thicker plastic bags may be more durable and reusable, initial research has demonstrated that many customers may still use them as single-use bags, and consequently, thicker plastic bags contribute to more plastic waste.

The legislature also finds that when specifically tailored, penalties and fees act as effective deterrents to harmful behaviors, such as littering, and can lead to the adoption of more sustainable practices.

Therefore, the legislature intends to discourage littering and the proliferation of plastic waste by enhancing penalties for littering, delaying requirements relating to increasing the thickness of reusable plastic bags, and imposing new penalties for the sale of thicker plastic bags. The legislature also intends to direct the fees collected from the new penalties to the waste reduction, recycling, and litter control account to address the negative impacts of litter.

Sec. 2. RCW 70A.200.060 and 2024 c 231 s 2 are each amended to read as follows:

(1) It is a violation of this section to:

(a) Abandon a junk vehicle upon any property;

(b) Throw, drop, deposit, discard, or otherwise dispose of litter upon any public property in the state or upon private property in this state not owned by him or her or in the waters of this state whether from a vehicle or otherwise including but not limited to any public highway, public park, beach, Ch. 312

campground, forestland, recreational area, trailer park, highway, road, street, or alley except:

(i) When the property is designated by the state or its agencies or political subdivisions for the disposal of garbage and refuse, and the person is authorized to use such property for that purpose;

(ii) Into a litter receptacle in a manner that will prevent litter from being carried away or deposited by the elements upon any part of the private or public property or waters.

(2)(a) Except as provided in subsection (5) of this section, it is a class ((3)) <u>2</u> civil infraction as provided in RCW 7.80.120 for a person to litter in an amount less than or equal to one cubic foot. <u>This penalty is in addition to any penalty imposed for a violation of RCW 46.61.645(1)</u>.

(b) It is a misdemeanor for a person to litter in an amount greater than one cubic foot but less than 10 cubic yards. A violation of this subsection may alternatively be punished with a notice of a natural resource infraction under chapter 7.84 RCW.

(c) It is a gross misdemeanor for a person to litter more than 10 cubic yards.

(d)(i) A person found liable or guilty under this section shall, in addition to the penalties provided for misdemeanors, gross misdemeanors, or for natural resource infractions as provided in RCW 7.84.100, also pay a litter clean-up restitution payment equal to four times the actual cost of cleanup for natural resource infractions and misdemeanors and two times the actual cost of cleanup for gross misdemeanors. The court shall distribute an amount of the litter cleanup restitution payment that equals the actual cost of cleanup to the landowner where the littering incident occurred and the remainder of the restitution payment to the law enforcement agency investigating the incident.

(ii) The court may, in addition to or in lieu of part or all of the cleanup restitution payment, order the person to pick up and remove litter from the property, with prior permission of the legal owner or, in the case of public property, of the agency managing the property.

(iii) The court may suspend or modify the litter cleanup restitution payment for a first-time offender under this section, if the person cleans up and properly disposes of the litter.

(3) If a junk vehicle is abandoned in violation of this section, RCW 46.55.230 governs the vehicle's removal, disposal, and sale, and the penalties that may be imposed against the person who abandoned the vehicle.

(4) If the violation occurs in a state park, the court shall, in addition to any other penalties assessed, order the person to perform 24 hours of community restitution in the state park where the violation occurred if the state park has stated an intent to participate as provided in RCW 79A.05.050.

(5) It is a class 1 civil infraction as provided in RCW 7.80.120 for a person to discard, in violation of this section, potentially dangerous litter in any amount.

Sec. 3. RCW 70A.530.020 and 2021 c 65 s 78, 2021 c 65 s 77, and 2021 c 33 s 2 are each reenacted and amended to read as follows:

(1) Beginning January 1, 2021, except as provided in this section and RCW 70A.530.030, a retail establishment may not provide to a customer or a person at an event:

(a) A single-use plastic carryout bag;

(b) A paper carryout bag that does not meet the requirements of subsection (6)(a) of this section or a reusable carryout bag made of film plastic that does not meet recycled content requirements; or

(c) Beginning January 1, ((2026)) 2028, a reusable carryout bag made of film plastic with a thickness of less than four mils, in the event that the ((2025)) 2026 legislature does not amend this section to reflect the recommendations to the legislature made consistent with RCW 70A.530.060.

(2)(a) A retail establishment may provide a reusable carryout bag or a compliant paper carryout bag of any size to a customer at the point of sale. A retail establishment may make reusable carryout bags available to customers through sale.

(b)(i) Until December 31, 2025, a retail establishment must collect a passthrough charge of eight cents for every compliant paper carryout bag with a manufacturer's stated capacity of one-eighth barrel (eight hundred eighty-two cubic inches) or greater or reusable carryout bag made of film plastic it provides, except as provided in subsection (5) of this section and RCW 70A.530.030.

(ii) Beginning January 1, 2026, a retail establishment must collect a passthrough charge of twelve cents for reusable carryout bags made of film plastic and eight cents for compliant paper carryout bags((, in the event that the 2025 legislature does not amend this section to reflect the recommendations to the legislature made consistent with RCW 70A.530.060. It is the intent of the legislature for the 2025 legislature to reassess the amount of the pass-through charge authorized under this subsection (2)(b), taking into consideration the content of the report to the legislature under RCW 70A.530.060)).

(iii) Until December 31, 2027, a retail establishment that offers for sale a reusable carryout bag made of film plastic with a thickness equal to or greater than four mils shall collect, in addition to the 12 cent pass-through charge, a four cent penalty. The penalty shall be deposited in the waste reduction, recycling, and litter control account under RCW 70A.200.140.

(c) A retail establishment must keep all revenue from pass-through charges. not including the penalty provided under (b)(iii) of this subsection. The passthrough charge is a taxable retail sale. A retail establishment must show all passthrough charges and penalties on a receipt provided to the customer.

(3) Carryout bags provided by a retail establishment do not include:

(a) Bags used by consumers inside stores to:

(i) Package bulk items, such as fruit, vegetables, nuts, grains, candy, greeting cards, or small hardware items such as nails, bolts, or screws;

(ii) Contain or wrap items where dampness or sanitation might be a problem including, but not limited to:

(A) Frozen foods;

(B) Meat;

(C) Fish;

(D) Flowers; and

(E) Potted plants;

(iii) Contain unwrapped prepared foods or bakery goods;

(iv) Contain prescription drugs; or

(v) Protect a purchased item from damaging or contaminating other purchased items when placed in a compliant paper carryout bag or reusable carryout bag; or

(b) Newspaper bags, mailing pouches, sealed envelopes, door hanger bags, laundry/dry cleaning bags, or bags sold in packages containing multiple bags for uses such as food storage, garbage, or pet waste.

(4)(a) Any compostable film bag that a retail establishment provides to customers for products, including for products bagged in stores prior to checkout, must meet the requirements for compostable products and film bags in chapter 70A.455 RCW.

(b) A retail establishment may not use or provide polyethylene or other noncompostable plastic bags for bagging of customer products in stores, as carryout bags, or for home delivery that do not meet the requirements for noncompostable products and film bags in chapter 70A.455 RCW.

(5) Except as provided by local regulations enacted as of April 1, 2020, a retail establishment may provide a bag restricted under subsection (1) of this section from existing inventory until one year after June 11, 2020. The retail establishment, upon request by the department, must provide purchase invoices, distribution receipts, or other information documenting that the bag was acquired prior to June 11, 2020.

(6) For the purposes of this section:

(a) A compliant paper carryout bag must:

(i) Contain a minimum of forty percent postconsumer recycled materials, a minimum of 40 percent nonwood renewable fiber, or a combination of postconsumer recycled materials and nonwood renewable fiber that totals at least 40 percent;

(ii) Be capable of composting, consistent with the timeline and specifications of the entire American society of testing materials D6868 and associated test methods that must be met, as it existed as of January 1, 2020; and

(iii) Display in print on the exterior of the paper bag the minimum percentage of postconsumer content, wheat straw fiber content, or both.

(b) A reusable carryout bag must:

(i) Have a minimum lifetime of one hundred twenty-five uses, which for purposes of this subsection means the capacity to carry a minimum of twentytwo pounds one hundred twenty-five times over a distance of at least one hundred seventy-five feet;

(ii) Be machine washable or made from a durable material that may be cleaned or disinfected; and

(iii) If made of film plastic:

(A) Be made from a minimum of twenty percent postconsumer recycled content until July 1, 2022, and thereafter must be made from a minimum of forty percent postconsumer recycled content;

(B) Display in print on the exterior of the plastic bag the minimum percentage of postconsumer recycled content, the mil thickness, and that the bag is reusable; and

(C) Have a minimum thickness of no less than 2.25 mils until December 31, $((\frac{2025}{2025}))$ 2027, and beginning January 1, $((\frac{2026}{2026}))$ 2028, must have a minimum thickness of four mils.

(c) Except for the purposes of subsection (4) of this section, food banks and other food assistance programs are not retail establishments, but are encouraged to take actions to reduce the use of single-use plastic carryout bags.

Passed by the House April 27, 2025. Passed by the Senate April 26, 2025. Approved by the Governor May 17, 2025. Filed in Office of Secretary of State May 19, 2025.

CHAPTER 313

[Second Substitute House Bill 1462] HYDROFLUOROCARBONS—GREENHOUSE GAS EMISSIONS

AN ACT Relating to reducing greenhouse gas emissions associated with hydrofluorocarbons by transitioning to environmentally and economically sustainable alternatives and promoting use of reclaimed hydrofluorocarbons; amending RCW 70A.60.010; adding new sections to chapter 70A.60 RCW; creating new sections; and prescribing penalties.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> Sec. 1. (1) The legislature finds that:

(a) The Kigali amendment to the Montreal protocol and the American innovation and manufacturing act of 2020 (42 U.S.C. Sec. 7675), establish phased reductions in hydrofluorocarbon production and consumption but leave gaps in ensuring widespread use of reclaimed refrigerants and managing refrigerants at the end of their life cycle; and

(b) State action is urgently needed to complement federal and international efforts by promoting refrigerant recovery, reclamation, and the transition to climate-friendly refrigerants with lower or no global warming potential, through regulations and market-based incentives.

(2) It is the intent of the legislature to:

(a) Study feasible pathways to an expeditious transition of new equipment by 2035 to low global warming potential refrigerants of less than 150 carbon dioxide equivalents and ultra-low global warming potential refrigerants of less than 10 carbon dioxide equivalents;

(b) Support the development of robust refrigerant recovery infrastructure and foster public-private partnerships to promote the reclamation and reuse of refrigerants;

(c) Establish a clear regulatory framework for reducing emissions from refrigerants through phased limitations on high global warming potential substances and increasing recovery and use of reclaimed refrigerants; and

(d) Enhance industry compliance and stakeholder collaboration through education, training, and financial incentives, ensuring alignment with national and international climate objectives.

<u>NEW SECTION.</u> Sec. 2. A new section is added to chapter 70A.60 RCW to read as follows:

(1) It is prohibited to sell, distribute, or otherwise enter into commerce in the state newly produced bulk hydrofluorocarbons or newly produced bulk hydrofluorocarbon blends that:

(a) Have a global warming potential that exceeds 1,500, beginning January 1, 2030; and

(b) Have a global warming potential that exceeds 750, beginning January 1, 2033.

(2)(a) The department shall adopt rules to implement the requirements of this section.

(b) The department may adopt by rule lower global warming potential limits than are specified in subsection (1) of this section, or earlier dates for global warming potential limits than are specified in subsection (1) of this section, provided the department finds that an adequate supply of reclaimed refrigerant would be available in the state to accommodate any such change to the requirements of subsection (1) of this section.

(c) When adopting rules to conform to this section, the department may update the definitions of terms used in this section, including the definitions of "bulk" and "reclaim" in RCW 70A.60.010, in order to maintain consistency with federal regulations or to harmonize the department's rules with similar requirements adopted by other jurisdictions.

(d) In adopting rules to implement the provisions of this section, the department must consider and may incorporate factors that minimize or potentially eliminate disincentives and maximize or potentially incentivize the recovery of refrigerant and its reclamation or destruction including, but not limited to, prohibiting fees for destroying recovered refrigerant.

(3)(a) The prohibitions established under this section do not apply to:

(i) Hydrofluorocarbons that are reclaimed;

(ii) An application receiving application-specific allowances under subsection (e)(B) of the American innovation and manufacturing act of 2020 (42 U.S.C. Sec. 7675);

(iii) Hydrofluorocarbons and hydrofluorocarbon blends regulated for use in aircraft maintenance or on board aircraft by the federal aviation administration, department of defense, or other equivalent authorities; or

(iv) Transshipments of bulk newly produced hydrofluorocarbons and hydrofluorocarbon blends.

(b) For newly produced bulk hydrofluorocarbon blends, the global warming potential limits of this section apply to the global warming potential of the blend and not to any individual component of such a blend.

(4) The department may adopt rules to provide for:

(a)(i) A temporary exemption for a newly produced bulk hydrofluorocarbon or a newly produced bulk hydrofluorocarbon blend where the department determines complying with a requirement of this section is technically or economically infeasible.

(ii) An exemption granted by the department under (a)(i) of this subsection may not exceed three years and must be conditional upon the exemption recipient carrying out a plan, on an enforceable timeline, to meet the requirements of this section. Each exemption granted by the department shall end after three years unless, at least six months prior to the expiration of the exemption, the exemption recipient submits a request for extension with justification. The department may determine whether to renew or modify the exemption based on its review of the request for extension.

(b)(i) Up to a 30 calendar day emergency exemption to an applicant registered under RCW 70A.60.030 for purchasing a specific quantity of a newly produced bulk hydrofluorocarbon or a newly produced bulk hydrofluorocarbon blend. The department must issue this exemption within three business days of receiving an exemption application, where the applicant demonstrates:

(A) There is an emergency in which loss of refrigerating capacity in an existing system will cause substantial economic loss or risk to health;

(B) Repairs to the system will require it being recharged with hydrofluorocarbon refrigerants;

(C) The price or availability of reclaimed hydrofluorocarbons or hydrofluorocarbon blends at the time of repair makes the repair technically or economically infeasible; and

(D) It can purchase a newly produced bulk hydrofluorocarbon or newly produced bulk hydrofluorocarbon blend in a sufficient quantity to meet the emergency need.

(ii) The department may not authorize the purchase of a newly produced bulk hydrofluorocarbon or newly produced bulk hydrofluorocarbon blend in a larger quantity than the amount needed to make emergency repairs, which must not exceed the total refrigerant charge for the system.

(5) A violation of the requirements of this section are subject to penalties as provided in chapter 70A.15 RCW.

<u>NEW SECTION.</u> Sec. 3. A new section is added to chapter 70A.60 RCW to read as follows:

(1) The department must establish a refrigerant transition task force to study opportunities and barriers to transitioning to climate-friendly refrigerants and enhancing refrigerant recovery, recycling, reclamation, and destruction.

(a) By July 1, 2026, the department must appoint members of the task force. All representatives must disclose to the department all material financial interests related to the work of the task force, including funding sources for their work.

(b) Starting no later than June 1, 2027, for a period extending at least 60 days, the department must make available a draft of the task force report required in subsection (4) of this section for public input and comment.

(c) The department must submit the task force report required in subsection (4) of this section to the appropriate committees of the legislature no later than December 1, 2027.

(2) The task force must be chaired by a representative of the department and must consist of the following members appointed by the department:

(a) One representative from the private sector or a private sector trade association with expertise in installing, servicing, repairing, and decommissioning refrigeration and air conditioning equipment;

(b) One representative from the private sector or a private sector trade association with expertise in refrigerant recovery and reclamation;

(c) One representative from the private sector or a private sector trade association with expertise in manufacturing refrigeration and air conditioning equipment and the distribution and sale thereof;

(d) One Washington state representative from the private sector or a private sector trade association that installs and services either air conditioning or refrigeration equipment, or both;

(e) Three representatives from environmental nonprofit organizations with familiarity with the climate risks of hydrofluorocarbons;

(f) One representative of Washington agricultural businesses that own or operate either air conditioning or refrigeration equipment;

(g) One representative from a labor union representing workers who install and service refrigeration and heating, ventilation, and air conditioning equipment; (h) One representative of the state building code council with expertise in fire safety;

(i) One member representing tribal or indigenous organizations guiding decisions for purchase and operation of equipment using hydrofluorocarbons; and

(j) One representative of Washington businesses that own or operate refrigeration equipment containing more than 50 pounds of ultra-low global warming potential refrigerants.

(3) The department may invite the input of others with relevant expertise to work with the task force for one or more task force discussions including, but not limited to:

(a) A representative of environmental justice organizations;

(b) A representative for Washington independent, small or rural grocers;

(c) State agency staff with relevant expertise, potentially including the department of labor and industries and others; and

(d) Others valuable for informing one or more task force discussions.

(4)(a) The task force must draft and submit to the department a report assessing the opportunities, barriers, and recommendations for transitioning to refrigerants with low global warming potential and ultra-low global warming potential by 2035, accounting for distinctions among different types of equipment and appliances for hydrofluorocarbon-using sectors and subsectors and the timelines needed for each sector or subsector to complete such a transition.

(b) In drafting the report required in this section, each member of the task force must make a good faith effort to reach consensus on each point and provision in the report.

(c) Where one or more members of the task force object to a point or provision in the report, that member or members may provide a description of such an objection, with all such descriptions listed in an annex to the report.

(5)(a) The department shall provide administrative and operating support, including arrangements for virtual meetings, to the task force and may contract with a third-party facilitator or other consultants to assist in carrying out the activities of the task force.

(b) A majority of the task force constitutes a quorum. Action by the task force, including the inclusion of a point or provision in the report, requires a quorum and a majority of those present and voting.

(6) The department may disband the task force created in this section upon the submission of the report under subsection (1)(c) of this section.

<u>NEW SECTION.</u> Sec. 4. A new section is added to chapter 70A.60 RCW to read as follows:

(1) To achieve the transition to refrigerants with low global warming potential and ultra-low global warming potential by 2035, accounting for distinctions among different types of equipment and appliances for hydrofluorocarbon-using sectors and subsectors and the timelines needed for each sector or subsector to complete such a transition, the department shall adopt rules, informed by the work and the report of the task force, to require low global warming potential or ultra-low global warming potential alternatives to hydrofluorocarbons in a sector unless it is not practicable for entities in the sector to comply with the requirement.

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(2) The department may not issue a proposed rule under chapter 34.05 RCW related to subsection (1) of this section until January 1, 2028.

(3) The department may combine rule making under this section with rule making authorized under section 2 of this act for purposes of efficiency.

Sec. 5. RCW 70A.60.010 and 2021 c 315 s 2 are each amended to read as follows:

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

(1)(a) "Air conditioning" means the process of treating air to meet the requirements of a conditioned space by controlling its temperature, humidity, cleanliness, or distribution.

(b)(i) "Air conditioning" includes chillers((, except for purposes of RCW 70A.60.020)).

(ii) "Air conditioning" includes heat pumps.

(c) "Air conditioning" applies to stationary air conditioning equipment and does not apply to mobile air conditioning, including those used in motor vehicles, rail and trains, aircraft, watercraft, recreational vehicles, recreational trailers, and campers.

(2) "Class I substance" and "class II substance" means those substances listed in 42 U.S.C. Sec. 7671a, as of November 15, 1990, or those substances listed in Appendix A or B of Subpart A of 40 C.F.R. Part 82, as of January 3, 2017.

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

(4) "Hydrofluorocarbons" means a class of greenhouse gases that are saturated organic compounds containing hydrogen, fluorine, and carbon.

(5) "Ice rink" means a frozen body of water, hardened chemicals, or both, including, but not limited to, professional ice skating rinks and those used by the general public for recreational purposes.

(6) "Manufacturer" includes any person, firm, association, partnership, corporation, governmental entity, organization, or joint venture that produces any product that contains or uses hydrofluorocarbons or is an importer or domestic distributor of such a product.

(7) "Person" means an individual, partnership, franchise holder, association, corporation, a state, a city, a county, or any subdivision or instrumentality of the state.

(8) "Refrigeration equipment" or "refrigeration system" means any stationary device that is designed to contain and use refrigerant. "Refrigeration equipment" includes refrigeration equipment used in retail food, cold storage, industrial process refrigeration and cooling that does not use a chiller, ice rinks, and other refrigeration applications.

(9) "Regulated refrigerant" means a class I or class II substance as listed in Title VI of section 602 of the federal clean air act amendments of November 15, 1990.

(10) "Residential consumer refrigeration products" has the same meaning as defined in section 430.2 of Subpart A of 10 C.F.R. Part 430 (2017).

(11) "Retrofit" has the same meaning as defined in section 152 of Subpart F of 40 C.F.R. Part 82, as that section existed as of January 3, 2017.

(12) "Substitute" means a chemical, product, or alternative manufacturing process, whether existing or new, that is used to perform a function previously

performed by a class I substance or class II substance and any chemical, product, or alternative manufacturing process subsequently developed, adapted, or adopted to perform that function including, but not limited to, hydrofluorocarbons. "Substitute" does not include 2-BTP or any compound as applied to its use in aerospace fire extinguishing systems.

(13) "Bulk" means:

(a) The same as defined in 40 C.F.R. Sec. 84.3, as it existed on the effective date of this section; or

(b) An updated definition adopted by rule by the department under section 2(2)(c) of this act.

(14) "Low global warming potential" means a global warming potential of less than 150 carbon dioxide equivalents.

(15) "Newly produced refrigerant" means a refrigerant that has not been previously used, recovered, or reclaimed. Newly produced refrigerant is sometimes referred to as "virgin" refrigerant.

(16) "Reclaim" means:

(a) The reprocessing of regulated substances to all of the specifications in appendix A to 40 C.F.R. Part 82, Subpart F (based on air-conditioning, heating, and refrigeration institute standard 700-2016), as it existed on the effective date of this section, that are applicable to that regulated substance and to verify that the regulated substance meets these specifications using the analytical methodology prescribed in section 5 of appendix A to 40 C.F.R. Part 82, Subpart F, as those regulations existed on the effective date of this section, and do not contain more than 15 percent newly produced material by weight, pursuant to federal regulations at 40 C.F.R. Part 84, Subpart C, as it existed on the effective date of this section; or

(b) An updated definition adopted by rule by the department under section 2(2)(c) of this act.

(17) "Transshipment" means the shipment of a regulated substance through the state of Washington from one point outside the state of Washington to another point outside the state of Washington, as long as the shipment does not enter commerce in Washington.

(18) "Ultra-low global warming potential" means a global warming potential of less than 10 carbon dioxide equivalents.

<u>NEW SECTION.</u> Sec. 6. If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2025, in the omnibus appropriations act, this act is null and void.

<u>NEW SECTION.</u> Sec. 7. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

Passed by the House April 22, 2025.

Passed by the Senate April 15, 2025.

Approved by the Governor May 17, 2025.

Filed in Office of Secretary of State May 19, 2025.

CHAPTER 314

[Second Substitute House Bill 1497] WASTE MATERIAL MANAGEMENT—VARIOUS PROVISIONS

AN ACT Relating to improving outcomes associated with waste material management systems, including organic materials management systems; amending RCW 70A.207.050, 70A.205.540, 70A.205.545, 15.64.060, and 28A.235.180; reenacting and amending RCW 43.21B.110; adding new sections to chapter 70A.205 RCW; adding a new section to chapter 19.27 RCW; adding new sections to chapter 28A.235 RCW; adding a new section to chapter 70A.455 RCW; creating new sections; and prescribing penalties.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> Sec. 1. The legislature finds that the state has established goals for the reduction of food waste and wasted food, and management of organic materials. The legislature also finds that it has enacted significant policies in recent years that are already showing promise in helping the state to achieve its food waste, wasted food, and organic materials management goals. More work, however, remains to be done in the organic materials management space, including the refinement of policies enacted in recent years to make the envisioned programs more efficient, implementable, comprehensive, and effective. Therefore, it is the intent of the legislature to take another step forward on the path toward more environmentally and economically sustainable food and organic materials management systems by enacting additional incremental policy changes to this end.

ORGANICS GRANT PROGRAM ELIGIBILITY

Sec. 2. RCW 70A.207.050 and 2024 c 341 s 202 are each amended to read as follows:

(1) The department, through the center, must develop and administer grant programs to support the implementation of the requirements of <u>this act</u>, including the requirements of section 3 of this act, chapter 341, Laws of 2024, and chapter 180, Laws of 2022, with priority given to grants that support the implementation of RCW 70A.205.540 and 70A.205.545. Eligible recipients of grants under this section may include businesses that are subject to organic material management requirements, local governments, federally recognized Indian tribes and federally recognized Indian tribal government entities, nonprofit organizations, or organic material management facilities. Eligible expenses by grant recipients include education, outreach, technical assistance, indoor and outdoor infrastructure, transportation and processing infrastructure, and enforcement costs.

(2) The department may not require, as a condition of financial assistance under this section, that matching funds be made available by a local government recipient. The department must provide assistance to each local government that demonstrates eligibility for grant assistance under this section.

(3) An entity that is not in compliance with the requirements of section 3 of this act is not eligible to receive funding under this section.

COLLECTION BINS, LIDS, AND LABELS

<u>NEW SECTION.</u> Sec. 3. A new section is added to chapter 70A.205 RCW to read as follows:

(1)(a) Except as provided in (b) and (d) of this subsection, beginning January 1, 2028, in each jurisdiction planning under this chapter, the indoor or

outdoor containers, including lids, smaller than 101 gallons provided to customers for collection services, including multifamily, commercial, government, and other public places, institutional, and curbside residential collection services, must be provided in a color-coded manner consistent with the requirements of subsection (2) of this section in order to reduce contamination.

(b) A jurisdiction or solid waste collection company is not required to replace a functional container or lid to match the coloring requirements in subsection (2) of this section. The requirements of this subsection apply only to solid waste collection containers purchased on or after August 1, 2025, and do not apply to solid waste collection containers purchased by a jurisdiction prior to August 1, 2025.

(c) Jurisdictions and solid waste collection companies are encouraged, prior to January 1, 2028, to provide solid waste collection containers, including lids, that are consistent with subsection (2) of this section.

(d) A jurisdiction planning under this chapter may petition the department for an exemption from the requirements of subsection (2) of this section.

(i) The department must grant a petition from a jurisdiction allowing the jurisdiction to use a color inconsistent with subsection (2) of this section for the purposes of a charitable program implemented by the jurisdiction, such as for purposes of fundraising for a nonprofit organization.

(ii) The department may grant an exemption in response to a petition from a jurisdiction that demonstrates that the provision of color-coded containers consistent with subsection (2) of this section is not feasible, and the jurisdiction proposes an alternative plan to reduce contamination in the jurisdiction.

(iii) The department must grant an exemption in response to a petition from a jurisdiction that proposes an alternative plan and a timeline to transition its containers, by route, portion of service area or population, or other method, to be color-coded in a manner consistent with the requirements of subsection (2) of this section in the jurisdiction.

(2)(a)(i) In a jurisdiction where source-separated recyclable materials and source-separated organic materials are collected separately, a gray or black container may be used only for the collection of solid waste that is not a source-separated recyclable material or a source-separated organic material;

(ii) In a jurisdiction where source-separated recyclable materials or organic materials are not collected separately, a gray or black container may be used for any solid waste, including organic material or recyclable material that is not separately collected in the jurisdiction.

(b) A blue container may be used only for source-separated recyclable materials. The contents of the blue container must be intended for transport, directly or indirectly, to a facility that recovers the materials designated for collection in the blue container.

(c) A green or brown container may be used only for source-separated organic materials and the contents of green or brown-lidded containers must be intended for transport, directly or indirectly, to an organic materials management facility.

(d)(i) A color other than green, brown, blue, black, or gray may be used only in accordance with any statewide standards that the department elects to develop.

(ii) A jurisdiction may petition the department to continue the use of a dark green color for solid waste other than source-separated recyclable materials, and the department must grant the petition upon determining that the dark green color is easily distinguishable from a light green or brown color used by the jurisdiction for source-separated organic materials.

(e) The department may determine the appropriate container color to be used for materials that could conceivably be placed in multiple types of containers specified in (a) through (d) of this subsection.

(3)(a) By January 1, 2028, each container for curbside, commercial, or public place waste collection must bear a clear and conspicuous label on each container and lid, using background colors or a font that matches the coloring arrangement for containers and lids specified in subsection (2) of this section, specifying the categories of materials that are allowed to be placed in the container. The requirements of this subsection (3) may be satisfied by:

(i) A label placed on a container that includes either written text or graphic images, or both, that indicate the primary categories of materials accepted in that container; or

(ii) Imprinted text or graphic images that indicate the primary categories of materials accepted in that container.

(b) A container with a volume of at least one cubic yard must feature an area with a minimum of one foot by one foot area that contains the label required in (a) of this subsection, and label text with a font height of at least 5 inches.

(c) A container that is located indoors and does not have a lid or that contains multiple compartments must feature a visible label placed in proximity to the location in which solid waste is intended to be deposited.

(d) The requirements of this subsection (3) do not apply to a solid waste collection container that a jurisdiction plans to remove from service prior to January 1, 2030, in order to be consistent with the color-coding provisions of subsection (2) of this section.

(e) Local jurisdictions planning under this chapter are encouraged to provide labels under this subsection:

(i) In multiple languages; and

(ii) That specify the individual types of materials within each category of material that may be placed in each type of solid waste collection container.

(4) Carpets, noncompostable paper, and hazardous wood waste may not be collected in a green or brown container. The department may adopt rules to prohibit additional waste stream contaminants from being placed in a green or brown container or a blue container.

(5) Notwithstanding the applicability of an exemption under subsections (1) through (3) of this section, the contents of containers used for the collection of source-separated recyclable materials must be intended for transport to a facility that recovers the corresponding materials, and the contents of containers used for the collection of organic materials must be intended for transport, directly or indirectly, to an organic materials management facility.

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

(a)(i) "Blue container" means a container where the body of the container is blue and the lid is blue or black in color.

(ii) Hardware, such as hinges and wheels on a blue-lidded container, may be any color.

(b)(i) "Green or brown container" means a container where the body of the container is green or brown and the lid is green, brown, or black in color.

(ii) Hardware, such as hinges and wheels on a green or brown-lidded container, may be any color.

(c)(i) "Gray or black container" means a container where the body of the container is gray or black and the lid is gray or black in color.

(ii) Hardware, such as hinges and wheels on a gray or black-lidded container, may be any color.

(iii) A galvanized metal container or lid that is unpainted and gray or silver in appearance is considered to be a gray container or lid for purposes of this section.

MULTIFAMILY SERVICE OBLIGATIONS

Sec. 4. RCW 70A.205.540 and 2024 c 341 s 301 are each amended to read as follows:

(1) Except as provided in subsection (3) of this section, in each jurisdiction that implements a local solid waste plan under RCW 70A.205.040:

(a) Beginning April 1, 2027, source-separated organic solid waste collection services are required to be provided year-round to:

(i) All single-family residents; and

(ii) Nonresidential customers that generate more than .25 cubic yards per week of organic materials for management;

(b)(i) The department may, by waiver, reduce the collection frequency requirements in (a) of this subsection for the collection of dehydrated food waste or to address food waste managed through other circumstances or technologies that will reduce the volume or odor, or both, of collected food waste.

(ii) All organic solid waste collected from single-family residents and businesses under this subsection must be managed through organic materials management;

(c) Beginning April 1, 2030, the source-separated organic solid waste collection services specified in (a) of this subsection must be provided ((to eustomers)) on a nonelective basis to customers that receive other curbside solid waste services, except that a jurisdiction ((may)) must grant an exemption to a customer that certifies to the jurisdiction that the customer is managing organic material waste on-site or self-hauling its own organic material waste for organic materials management;

(d) Beginning April 1, 2030, each jurisdiction's source-separated organic solid waste collection service must include the acceptance of food waste year-round. The jurisdiction may choose to collect food waste source-separated from other organic materials or may collect food waste commingled with other organic materials; and

(e) Beginning April 1, 2030, all persons, when using curbside collection for disposal, may use only source-separated organic solid waste collection services to discard unwanted organic materials. By January 1, 2027, the department must develop guidance under which local jurisdictions ((may)) <u>must</u> exempt persons from this requirement if organic materials will be managed through an alternative mechanism that provides equal or better environmental outcomes. ((Nothing in this section precludes the ability of a person to use on-site

composting, the diversion of organic materials to animal feed, self-haul organic materials to a facility, or other means of beneficially managing unwanted organic materials.)) For the purposes of this subsection (1)(e), "person" or "persons" does not include multifamily residences, who are instead subject to the provisions of subsection (5) of this section.

(2) ((A)) (a) Except as provided in (b) of this subsection, a jurisdiction may charge and collect fees or rates for the services provided under subsection (1) of this section, consistent with the jurisdiction's authority to impose fees and rates under chapters 35.21, 35A.21, 36.58, and 36.58A RCW.

(b) A jurisdiction providing the services required in this section may not charge, or collect fees or rates from, a person managing organic materials through an alternative mechanism providing equal or better environmental outcomes, including composting, diverting organic materials to animal feed, self-hauling organic materials to an organic materials management facility, or other means of beneficially managing unwanted organic materials.

(3)(a) Except as provided in (e) of this subsection, the requirements of this section do not apply in a jurisdiction if the department determines that the following apply:

(i) The jurisdiction disposed of less than 5,000 tons of solid waste in the most recent year for which data is available; or

(ii) The jurisdiction has a total population of less than 25,000 people.

(b) The requirements of this section do not apply:

(i) In census tracts that have a population density of less than 75 people per square mile that are serviced by the jurisdiction and located in unincorporated portions of a county, as determined by the department, in counties not planning under chapter 36.70A RCW;

(ii) In census tracts that have a population density of greater than 75 people per square mile, where the census tract includes jurisdictions that meet any of the conditions in (a)(i) and (ii) of this subsection, that are serviced by the jurisdiction and located in unincorporated portions of a county, as determined by the department, in counties not planning under chapter 36.70A RCW;

(iii) Outside of urban growth areas designated pursuant to RCW 36.70A.110 in unincorporated portions of a county planning under chapter 36.70A RCW;

(iv) Inside of unincorporated urban growth areas for jurisdictions planning under chapter 36.70A RCW that meet any of the conditions in (a)(i) and (ii) of this subsection; and

(v) In unincorporated urban growth areas in counties with an unincorporated population of less than 25,000 people.

(c) A jurisdiction that collects organic materials, but that does not collect organic materials on a year-round basis as of January 1, 2024, is not required to provide year-round organic solid waste collection services if it provides those services at least 26 weeks annually.

(d) In addition to the exemptions in (a) through (c) of this subsection, the department may issue a renewable waiver to jurisdictions or portions of a jurisdiction under this subsection for up to five years, based on consideration of factors including the distance to organic materials management facilities, the sufficiency of the capacity to manage organic materials at facilities to which organic materials could feasibly and economically be delivered from the jurisdiction, and restrictions in the transport of organic materials under chapter

17.24 RCW. The department may adopt rules to specify the type of information that a waiver applicant must submit to the department and to specify the department's process for reviewing and approving waiver applications.

(e) Beginning January 1, 2030, the department may adopt a rule to require that the provisions of this section apply in the jurisdictions identified in (b) through (d) of this subsection, but only if the department determines that the goals established in RCW 70A.205.007(1) have not or will not be achieved.

(4) Any city that newly begins implementing an independent solid waste plan under RCW 70A.205.040 after July 1, 2022, must meet the requirements of subsection (1) of this section.

(5)(a) Jurisdictions planning together or independently that submit a preliminary draft solid waste management plan to the department under RCW 70A.205.040 and 70A.205.055(1) after July 1, 2026, must include programs and establish a timeline to implement a phase-in to require collection of source-separated organic materials from multifamily residences in areas subject to the organic materials management requirements of subsections (1) and (3) of this section. The programs and phase-in established under this subsection must include required collection of source-separated organic materials from all newly constructed or substantially remodeled multifamily residential buildings certified for occupancy after the local solid waste plan update takes effect.

(b) Programs established under this subsection may allow for waivers from the requirements for source-separated organic materials for an existing multifamily structure if it is determined that the structure does not have adequate storage space for collection of source-separated organic materials. In cases where space constraints are determined to exist, the feasibility of shared containers by contiguous multifamily structures or between multifamily structures and adjacent businesses shall also be evaluated before a waiver is granted.

(c) For purposes of this subsection (5), "substantially remodeled" means a remodeled building for which the total cost exceeds one-half of the assessed value of the building for property tax purposes at the time the contract for the remodel work was made.

(6) Nothing in this section affects the authority or duties of the department of agriculture related to pest and noxious weed control and quarantine measures under chapter 17.24 RCW.

(((6))) (7) No penalty may be assessed on an individual or resident for the improper disposal of organic materials under subsection (1) of this section in a noncommercial or residential setting.

(((7))) (8) The department must adopt new rules or amend existing rules adopted under this chapter establishing permit requirements for organic materials management facilities requiring a solid waste handling permit addressing contamination associated with incoming food waste feedstocks and finished products, for environmental benefit.

(9) Nothing in this section precludes the ability of a person to use on-site composting, the diversion of organic materials to animal feed, self-haul organic materials to a facility, or other means of beneficially managing unwanted organic materials.

STATE BUILDING CODE OBLIGATIONS

<u>NEW SECTION.</u> Sec. 5. A new section is added to chapter 19.27 RCW to read as follows:

The state building code must facilitate the collection of source-separated organic materials from new multifamily residential and commercial buildings, consistent with the requirements of RCW 70A.205.540 and the goals of RCW 70A.205.007, by ensuring that sufficient space is allocated for solid waste storage, including source-separated organic materials. A city or county may modify or amend the requirements established under this section in order to maintain consistency with requirements established by the city or county under section 6 of this act.

BUILDING OWNER/OPERATOR OBLIGATIONS

<u>NEW SECTION.</u> Sec. 6. A new section is added to chapter 70A.205 RCW to read as follows:

The governing body of each county or city may require the owners or operators of new or existing multifamily residential buildings to do any combination of the following:

(1) Provide adequate space for the colocation of organic materials waste and recycling collection containers with garbage containers, or if colocation is not possible, requiring the posting of signage notifying residents of where organic materials waste and recycling containers are located;

(2) Identify organic materials waste collection containers with appropriate and accurate signage and color to differentiate between organic materials waste, recycling, and garbage collection containers; or

(3) Annually provide waste sorting educational material to building residents.

BUSINESS ORGANIC MANAGEMENT

Sec. 7. RCW 70A.205.545 and 2024 c 341 s 302 are each amended to read as follows:

(1)(a) Beginning July 1, 2023, and each July 1st thereafter, the department must determine which counties and any cities preparing independent solid waste management plans:

(i) Provide for businesses to be serviced by providers that collect food waste and organic material waste for delivery to solid waste facilities that provide for the organic materials management of organic material waste and food waste; and

(ii) Are serviced by solid waste facilities that provide for the organic materials management of organic material waste and food waste and have year-round capacity to process and are willing to accept increased volumes of organic materials deliveries.

(b)(i) The department must determine and designate that the restrictions of this section apply to businesses in a jurisdiction unless the department determines that the businesses in some or all portions of the city or county have:

(A) No available businesses that collect and deliver organic materials to solid waste facilities that provide for the organic materials management of organic material waste and food waste; or

(B) No available capacity at the solid waste facilities to which businesses that collect and deliver organic materials could feasibly and economically deliver organic materials from the jurisdiction. (ii)(A) In the event that a county or city provides a written request and supporting evidence to the department determining that the criteria of (b)(i)(A) of this subsection are met, and the department confirms this determination, then the restrictions of this section apply only in those portions of the jurisdiction that have available service-providing businesses.

(B) In the event that a county or city provides a written request and supporting evidence to the department determining that the criteria of (b)(i)(B) of this subsection are met, and the department confirms this determination, then the restrictions of this section do not apply to the jurisdiction.

(c) The department must make the result of the annual determinations required under this section available on its website.

(d) The requirements of this section may be enforced by jurisdictional health departments ((consistent with this chapter)) <u>or a jurisdiction</u> <u>implementing a plan under this chapter</u>, except that:

(i) A jurisdictional health department may not charge a fee to permit holders to cover the costs of the jurisdictional health department's administration or enforcement of the requirements of this section; and

(ii) Prior to issuing a penalty under this section, a jurisdictional health department <u>or a jurisdiction implementing a plan under this chapter</u> must provide at least two written notices of noncompliance with the requirements of this section to the owner or operator of a business subject to the requirements of this section.

(2)(a)(i) Beginning January 1, 2024, a business that generates at least eight cubic yards of organic material waste per week must arrange for organic materials management services specifically for organic material waste;

(ii) Beginning January 1, 2025, a business that generates at least four cubic yards of organic material waste per week must arrange for organic materials management services specifically for organic material waste; and

(iii) Beginning January 1, 2026, a business that generates at least 96 gallons of organic material waste per week shall arrange for organic materials management services specifically for organic material waste, unless the department determines, by rule, that additional reductions in the landfilling of organic materials would be more appropriately and effectively achieved, at reasonable cost to regulated businesses, through the establishment of a different volumetric threshold of organic waste material than the threshold of 96 gallons of organic material waste per week.

(b) The following wastes do not count for purposes of determining waste volumes in (a) of this subsection:

(i) Wastes that are managed on-site by the generating business;

(ii) Wastes generated from the growth and harvest of food or fiber that are managed off-site by another business engaged in the growth and harvest of food or fiber;

(iii) Wastes that are managed by a business that enters into a voluntary agreement to sell or donate organic materials to another business for off-site use;

(iv) Wastes generated in exceptional volumes as a result of a natural disaster or other infrequent and unpreventable event; and

(v) Wastes generated as a result of a food safety event, such as a product recall, that is due to foreign material or adverse biological activity that requires landfill destruction rather than organic material management.

(3) A business may fulfill the requirements of this section by:

(a) Source separating organic material waste from other waste, subscribing to a service that includes organic material waste collection and organic materials management, and using such a service for organic material waste generated by the business;

(b) Managing its organic material waste on-site or self-hauling its own organic material waste for organic materials management;

(c) Qualifying for exclusion from the requirements of this section consistent with subsection (1)(b) of this section; or

(d) For a business engaged in the growth, harvest, or processing of food or fiber, entering into a voluntary agreement to sell or donate organic materials to another business for off-site use.

(4)(a) A business generating organic material waste shall arrange for any services required by this section in a manner that is consistent with state and local laws and requirements applicable to the collection, handling, or recycling of solid and organic material waste.

(b) Nothing in this section requires a business to dispose of materials in a manner that conflicts with federal or state public health or safety requirements. Nothing in this section requires businesses to dispose of wastes generated in exceptional volumes as a result of a natural disaster or other infrequent and unpreventable event through the options established in subsection (3) of this section. Nothing in this section prohibits a business from disposing of nonfood organic materials that are not commingled with food waste by using the services of an organic materials management facility that does not accept food waste.

(5) When arranging for gardening or landscaping services, the contract or work agreement between a business subject to this section and a gardening or landscaping service must require that the organic material waste generated by those services be managed in compliance with this chapter.

(6)(a) This section does not limit the authority of a local governmental agency to adopt, implement, or enforce a local organic material waste recycling requirement, or a condition imposed upon a self-hauler, that is more stringent or comprehensive than the requirements of this chapter.

(b) This section does not modify, limit, or abrogate in any manner any of the following:

(i) A franchise granted or extended by a city, county, city and county, or other local governmental agency;

(ii) A contract, license, certificate, or permit to collect solid waste previously granted or extended by a city, county, city and county, or other local governmental agency;

(iii) The right of a business to sell or donate its organic materials; and

(iv) A certificate of convenience and necessity issued to a solid waste collection company under chapter 81.77 RCW.

(c) Nothing in this section modifies, limits, or abrogates the authority of a local jurisdiction with respect to land use, zoning, or facility siting decisions by or within that local jurisdiction.

(d) Nothing in this section changes or limits the authority of the Washington utilities and transportation commission to regulate collection of solid waste, including curbside collection of residential recyclable materials, nor does this section change or limit the authority of a city or town to provide the service itself or by contract under RCW 81.77.020.

(7)(a) The department must create and publish on its website:

(i) The methodology used to determine the businesses that are required to manage organic materials in a manner consistent with the requirements of this section; and

(ii) A list of businesses that are likely to be required to manage organic materials in a manner consistent with the requirements of this section. This list is for purposes of outreach assistance but need not represent a complete or determinative list of businesses required to comply with the requirements of this section.

(b) The department may hire an independent third party to support the implementation of the responsibilities described in (a) of this subsection.

(c) The list created and published under (a) of this subsection must be designed in a manner that facilitates:

(i) Education and outreach by solid waste collection companies, jurisdictional health departments, and local governments; and

(ii) Enforcement by jurisdictional health departments and jurisdictions implementing a plan under this chapter.

(d)(i) In support of the creation of this list, the department may require a solid waste collection company to furnish information that will assist the department in determining the applicability of the requirements of this section to businesses that are currently receiving collection services for organic materials management from the solid waste collection company.

(ii) A solid waste collection company that submits information or records to the department under this section may request that the information or records be made available only for the confidential use of the department, the director, or the appropriate division of the department. The director shall give consideration to the request and if this action is not detrimental to the public interest and is otherwise within accord with the policies and purposes of chapter 43.21A RCW, the director must grant the request for the information to remain confidential as authorized in RCW 43.21A.160.

(8)(a) Prior to imposing a civil penalty under (b) of this subsection when a business has been determined to be in violation of the requirements of this section, a jurisdictional health department or jurisdiction implementing a plan under this chapter must issue at least:

(i) One notification letter to a business informing them of the requirements of this chapter by certified mail; and

(ii) One notice of violation by certified mail subsequent to the notification letter in (a)(i) of this subsection.

(b) After being issued at least the notification letter and at least one notice of violation without the imposition of a penalty under (a) of this subsection, beginning July 1, 2026, a business in violation of the requirements of this section is subject to a minimum civil penalty, imposed by a jurisdiction implementing a plan under this chapter or a jurisdictional health department, in an amount of:

(i) \$500 for each day of violation for a first violation by a business that results in a penalty under this section;

(ii) \$750 for each day of violation for a second violation by a business that results in a penalty under this section;

(iii) \$1,000 for each day of violation for a third or subsequent violation by a business that results in a penalty under this section.

(c) Except as provided in (d) of this subsection, a jurisdictional health department or jurisdiction enforcing the requirements of this section may adopt civil penalties that exceed the minimum penalties specified in (b) of this subsection.

(d) A small business, as defined in RCW 19.85.020, may not be assessed more than \$10,000 in penalties under this section in a single calendar year.

(e) The department may not impose a penalty on a solid waste collection company related to their obligation to disclose information to the department under subsection (7)(d) of this section.

(f) A penalty imposed under this section may be appealed to the pollution control hearings board created in chapter 43.21B RCW.

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

(a)(i) "Business" means a commercial or public entity including, but not limited to, a firm, partnership, proprietorship, joint stock company, corporation, or association that is organized as a for-profit or nonprofit entity.

(ii) "Business" does not include a multifamily residential entity.

(b) "Food waste" has the same meaning as defined in RCW 70A.205.715.

SCHOOL FOOD WASTE I

<u>NEW SECTION.</u> Sec. 8. A new section is added to chapter 28A.235 RCW to read as follows:

The office of the superintendent of public instruction shall identify or develop open educational resources for use by schools to integrate mathematics, science, social-emotional, environmental and sustainability, and social studies content standards to help support and prioritize food waste reduction in schools.

SCHOOL FOOD WASTE II

<u>NEW SECTION.</u> Sec. 9. A new section is added to chapter 28A.235 RCW to read as follows:

By January 1, 2027, the office of the superintendent of public instruction must leverage existing programs to identify food waste reduction educational best practices and ways to overcome food waste reduction barriers in schools.

SCHOOL FOOD WASTE III

Sec. 10. RCW 15.64.060 and 2015 c 225 s 9 are each amended to read as follows:

(1) A farm-to-school program is created within the department to facilitate increased procurement of Washington grown food by schools.

(2) The department, in consultation with the department of health, the office of the superintendent of public instruction, the department of enterprise services, and Washington State University, shall, in order of priority:

(a) Identify and develop policies and procedures to implement and evaluate the farm-to-school program, including coordinating with school procurement officials, buying cooperatives, and other appropriate organizations to develop uniform procurement procedures and materials, and practical recommendations to facilitate the purchase of Washington grown food by the common schools. These policies, procedures, and recommendations shall be made available to school districts to adopt at their discretion; (b) Assist food producers, distributors, and food brokers to market Washington grown food to schools by informing them of food procurement opportunities, bid procedures, school purchasing criteria, and other requirements;

(c) Assist schools in connecting with local producers by informing them of the sources and availability of Washington grown food, including food that might be going to waste including, but not limited to, grade B produce, as allowed by federal regulations and local requirements, as well as the nutritional, environmental, and economic benefits of purchasing Washington grown food;

(d) Identify and recommend mechanisms that will increase the predictability of sales for producers and the adequacy of supply for purchasers;

(e) Identify and make available existing curricula, programs and publications that educate students on the nutritional, environmental, and economic benefits of preparing and consuming locally grown food;

(f) Support efforts to advance other farm-to-school connections such as school gardens or farms and farm visits; and

(g) As resources allow, seek additional funds to leverage state expenditures.

(3) The department in cooperation with the office of the superintendent of public instruction shall collect data on the activities conducted pursuant to chapter 215, Laws of 2008 and communicate such data biennially to the appropriate committees of the legislature beginning November 15, 2009. Data collected may include the numbers of schools and farms participating and any increases in the procurement of Washington grown food by the common schools.

(4) As used in this section, RCW 28A.335.190, and 28A.235.170, "Washington grown" means grown and packed or processed in Washington.

SCHOOL FOOD WASTE IV

Sec. 11. RCW 28A.235.180 and 2018 c 8 s 8 are each amended to read as follows:

(1) Subject to the availability of amounts appropriated for this specific purpose, the office of the superintendent of public instruction may coordinate with the department of agriculture to promote and facilitate new and existing regional markets programs, including farm-to-school initiatives established in accordance with RCW 15.64.060, and small farm direct marketing assistance in accordance with RCW 15.64.050. In coordinating with the department of agriculture, the office of the superintendent of public instruction is encouraged to provide technical assistance, including outreach and best practices strategies, to school districts with farm-to-school initiatives.

(2) Subject to the availability of amounts appropriated for this specific purpose, the regional markets programs of the department of agriculture must be a centralized connection point for schools and other institutions for accessing and sharing information, tools, ideas, and best practices for purchasing Washington-grown food.

(a) In accordance with this subsection (2), program staff from the department of agriculture may provide:

(i) Scale-appropriate information and resources to farms to help them respond to the growing demand for local and direct marketed products; and

(ii) Targeted technical assistance to farmers, food businesses, and buyers, including schools, about business planning, access to markets, product

development, distribution infrastructure, and sourcing, procuring, and promoting Washington-grown foods, including food that might be going to waste.

(b) In accordance with this subsection (2), program staff from the department of agriculture may provide technical assistance to:

(i) Support new and existing farm businesses;

(ii) Maintain the economic viability of farms;

(iii) Support compliance with applicable federal, state, and local requirements; and

(iv) Support access and preparation efforts for competing in markets that are a good fit for their scale and products, including schools and public institutions, and direct-to-consumer markets that include, but are not limited to, farmers markets, local retailers, restaurants, value-added product developments, and agritourism opportunities.

(3) Subject to the availability of amounts appropriated for this specific purpose, the regional markets programs of the department of agriculture may support school districts in establishing or expanding farm-to-school initiatives by providing information and guidance to overcome barriers to purchasing Washington-grown food, including food that might be going to waste. In accordance with this subsection (3), regional markets program activities may include, but are not limited to:

(a) Connecting schools and other institutions with farmers and distribution chains;

(b) Overcoming seasonality constraints;

(c) Providing budgeting assistance;

(d) Navigating procurement requirements; ((and))

(e) <u>Reducing food waste through the purchase of Washington-grown food,</u> <u>consistent with the goals of RCW 70A.205.007 and 70A.205.715; and</u>

 (\underline{f}) Developing educational materials that can be used in cafeterias, classrooms, and in other educational environments.

(4) Subject to the availability of amounts appropriated for this specific purpose, school districts and other institutions may coordinate with the department of agriculture to promote and facilitate new and existing farm-to-school initiatives. School district representatives involved in these initiatives may include, but (([are])) are not limited to, school nutrition staff, purchasing staff, student representatives, and parent organizations.

(5) Subject to the availability of amounts appropriated for this specific purpose, the office of the superintendent of public instruction may award grants to school districts to collaborate with community-based organizations, food banks, and farms or gardens for reducing high school dropout occurrences through farm engagement projects. Projects established by school districts that receive grants in accordance with this section must:

(a) Primarily target low-income and disengaged youth who have dropped out or who are at risk of dropping out of high school; and

(b) Provide participating youth with opportunities for:

(i) Performing community service, including, but not limited to, building food gardens for low-income families, and work-based learning and employment during the school year and summer through farm or garden programs; (ii) Earning core and elective credits applied toward high school graduation, including but not limited to, science, health, and career and technical education credits;

(iii) Receiving development support and services, including social and emotional learning, counseling, leadership training, and career and college guidance; and

(iv) Improving food security for themselves and their community through the project.

COMPOSTABLE PRODUCT LABELING

<u>NEW SECTION.</u> Sec. 12. A new section is added to chapter 70A.455 RCW to read as follows:

The on-product marking requirements under this chapter, including the logo, coloring, and wording requirements of RCW 70A.455.040(2)(b), do not apply to paper-based sheets that are intended for use in the cooking process. The exemption from the requirements of this chapter does not apply to requirements other than marking requirements. Labeling consistent with the requirements of RCW 70A.455.020(2)(b) must be included on the packaging for any paper-based sheets that are exempted under this section.

Sec. 13. RCW 43.21B.110 and 2024 c 347 s 5, 2024 c 340 s 4, and 2024 c 339 s 16 are each reenacted and amended to read as follows:

(1) The hearings board shall only have jurisdiction to hear and decide appeals from the following decisions of the department, the director, local conservation districts, the air pollution control boards or authorities as established pursuant to chapter 70A.15 RCW, local health departments, the department of natural resources, the department of fish and wildlife, the parks and recreation commission, and authorized public entities described in chapter 79.100 RCW:

(a) Civil penalties imposed pursuant to chapter 70A.230 RCW and RCW				
18.104.155,	70A.15.3160,	70A.300.090,	70A.20.050,	70A.230.020,
70A.205.280,	70A.205.545,	70A.355.070,	70A.430.070,	70A.500.260,
70A.505.100,	70A.505.110,	70A.530.040,	70A.350.070,	70A.515.060,
70A.245.040,	70A.245.050,	70A.245.070,	70A.245.080,	70A.245.130,
70A.245.140,	70A.65.200,	70A.455.090,	70A.550.030,	70A.555.110,
70A.560.020,	70A.565.030, 7	6.09.170, 77.5	5.440, 78.44.25	0, 88.46.090,
90.03.600, 90.46.270, 90.48.144, 90.56.310, 90.56.330, and 90.64.102.				
(1)				

(b) Orders issued pursuant to RCW 18.104.043, 18.104.060, 18.104.130, 43.27A.190. 70A.15.2520, 70A.15.3010, 70A.15.4530, 70A.15.6010, 70A.205.280. 70A.214.140, 70A.300.120, 70A.350.070, 70A.245.020, 70A.555.110, 70A.560.020, 70A.565.030, 70A.65.200, 70A.505.100, 86.16.020, 88.46.070, 90.03.665, 90.14.130, 90.46.250, 90.48.120, 90.48.240, 90.56.330, and 90.64.040.

(c) Except as provided in RCW 90.03.210(2), the issuance, modification, or termination of any permit, certificate, or license by the department or any air authority in the exercise of its jurisdiction, including the issuance or termination of a waste disposal permit, the denial of an application for a waste disposal permit, the modification of the conditions or the terms of a waste disposal permit, a decision to approve or deny a solid waste management plan under RCW 70A.205.055, approval or denial of an application for a beneficial use

determination under RCW 70A.205.260, an application for a change under RCW 90.03.383, or a permit to distribute reclaimed water under RCW 90.46.220.

(d) Decisions of local health departments regarding the granting or denial of solid waste permits pursuant to chapter 70A.205 RCW, including appeals by the department as provided in RCW 70A.205.130.

(e) Decisions of local health departments regarding the issuance and enforcement of permits to use or dispose of biosolids under RCW 70A.226.090.

(f) Decisions of the department regarding waste-derived fertilizer or micronutrient fertilizer under RCW 15.54.820.

(g) Decisions of local conservation districts related to the denial of approval or denial of certification of a dairy nutrient management plan; conditions contained in a plan; application of any dairy nutrient management practices, standards, methods, and technologies to a particular dairy farm; and failure to adhere to the plan review and approval timelines in RCW 90.64.026 as provided in RCW 90.64.028.

(h) Any other decision by the department or an air authority which pursuant to law must be decided as an adjudicative proceeding under chapter 34.05 RCW.

(i) Decisions of the department of natural resources, the department of fish and wildlife, and the department that are reviewable under chapter 76.09 RCW, and the department of natural resources' appeals of county, city, or town objections under RCW 76.09.050(7).

(j) Forest health hazard orders issued by the commissioner of public lands under RCW 76.06.180.

(k) Decisions of the department of fish and wildlife to issue, deny, condition, or modify a hydraulic project approval permit under chapter 77.55 RCW, to issue a stop work order, to issue a notice to comply, to issue a civil penalty, or to issue a notice of intent to disapprove applications.

(1) Decisions of the department of natural resources that are reviewable under RCW 78.44.270.

(m) Decisions of an authorized public entity under RCW 79.100.010 to take temporary possession or custody of a vessel or to contest the amount of reimbursement owed that are reviewable by the hearings board under RCW 79.100.120.

(n) Decisions of the department of ecology that are appealable under RCW 70A.245.020 to set recycled minimum postconsumer content for covered products or to temporarily exclude types of covered products in plastic containers from minimum postconsumer recycled content requirements.

(o) Orders by the department of ecology under RCW 70A.455.080.

(2) The following hearings shall not be conducted by the hearings board:

(a) Hearings required by law to be conducted by the shorelines hearings board pursuant to chapter 90.58 RCW, except where appeals to the pollution control hearings board and appeals to the shorelines hearings board have been consolidated pursuant to RCW 43.21B.340.

(b) Hearings conducted by the department pursuant to RCW 70A.15.3010, 70A.15.3070, 70A.15.3080, 70A.15.3090, 70A.15.3100, 70A.15.3110, and 90.44.180.

(c) Appeals of decisions by the department under RCW 90.03.110 and 90.44.220.

(d) Hearings conducted by the department to adopt, modify, or repeal rules.

(3) Review of rules and regulations adopted by the hearings board shall be subject to review in accordance with the provisions of the administrative procedure act, chapter 34.05 RCW.

<u>NEW SECTION.</u> Sec. 14. If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2025, in the omnibus appropriations act, this act is null and void.

<u>NEW SECTION.</u> Sec. 15. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

Passed by the House April 22, 2025. Passed by the Senate April 16, 2025. Approved by the Governor May 17, 2025. Filed in Office of Secretary of State May 19, 2025.

CHAPTER 315

[Substitute House Bill 1670] SEWAGE SPILLS—PUBLIC NOTICE

AN ACT Relating to increasing transparency regarding sewage-containing spills; adding new sections to chapter 90.48 RCW; and creating a new section.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> Sec. 1. The legislature finds that municipal wastewater treatment plant owners/operators and wastewater collectors with national pollutant discharge elimination system permits are required by their water quality permits to disclose unauthorized spills or discharges containing untreated or undertreated sewage to the department of ecology, but that such notices of sewage spills are not expeditiously or easily made publicly available. Those who count on clean water quality for their jobs in fishing or aquaculture, to enjoy their recreational interests, or to pursue their cultural traditions are likely to be especially impacted by sewage spills, and would particularly benefit from a system of timely public notice in the event of a spill. A number of other states have established systems in which public notification of a spill is available in nearly real time posted by a water quality regulator, and in which alerts can be issued to those interested in the event of a spill in a particular geographic area. Therefore, it is the intent of the legislature to improve the public's ability to know about sewage spills that may impact them by establishing such a system.

<u>NEW SECTION.</u> Sec. 2. A new section is added to chapter 90.48 RCW to read as follows:

The definitions in this section apply to section 3 of this act unless the context clearly requires otherwise.

(1) "Combined sewer" means a sewer that has been designed to serve as a sanitary sewer and a storm sewer, and into which inflow is allowed by local ordinance.

(2) "Sewage spill" means the intentional or accidental discharge of untreated or undertreated wastewater that does not meet permit requirements, from any portion of a sewage treatment plant or collection system, including a combined sewer, in this state.

(3) "Sewage treatment plant or collection system" means any sewage treatment plant, water pollution control facility, related pumping system, collection system, or other public sewage works.

<u>NEW SECTION.</u> Sec. 3. A new section is added to chapter 90.48 RCW to read as follows:

(1) By July 1, 2026, the department must develop and publish a publicfacing website that includes, but is not limited to, notices of the locations where sewage spills occur that are reported to the department under individual water quality permits for discharges that contain sewage. The department must post on the website notice of the reported sewage spill. The notice on the department's website must include the following information, as reported to the department:

(a) The estimated volume or rate of discharge and, once known, the final volume discharged;

(b) The level of treatment of the discharge;

(c) The date and time the incident initiated;

(d) The location of the discharge;

(e) Once known, the estimated or actual time the discharge ceased;

(f) The geographic area potentially impacted by the discharge; and

(g) Once known, the steps taken to contain the discharge.

(2) Within a reasonable amount of time following the conclusion of a reported sewage spill under this section, the department must update the website to reflect the total estimated volume of discharges, dates, times, and duration of the spill, waters impacted by the spill, and other final spill information reported to the department.

(3) The department must design the website in a way that effectively communicates with people who have limited English proficiency.

Passed by the House April 22, 2025.

Passed by the Senate April 16, 2025.

Approved by the Governor May 17, 2025.

Filed in Office of Secretary of State May 19, 2025.

CHAPTER 316

[Engrossed Second Substitute Senate Bill 5284]

SOLID WASTE—PACKAGING AND PAPER PRODUCTS—PRODUCER RESPONSIBILITY

AN ACT Relating to improving Washington's solid waste management outcomes; amending RCW 70A.205.045, 70A.205.500, 81.77.030, 81.77.160, 81.77.185, and 70A.245.100; reenacting and amending RCW 43.21B.110, 43.21B.300, and 49.48.082; adding a new section to chapter 49.46 RCW; adding a new chapter to Title 70A RCW; creating new sections; prescribing penalties; and providing an expiration date.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> Sec. 101. FINDINGS—INTENT. (1) The legislature finds that, as of 2025:

(a) Washington's statewide waste recovery rate has been generally static since 2011 and Washington is not meeting the statewide goal of 50 percent recycling established in 1989; and

(b) Many residents, particularly those who live in rural areas and in multifamily residences, do not have access to convenient or affordable curbside recycling, and must rely on taking recyclables to drop box locations, and that extended producer responsibility programs could make curbside recycling available and affordable for most people in the state.

(2)(a) It is the intent of the legislature to require extended producer responsibility programs for consumer packaging and paper products to be implemented in a manner that involves producers in material management from design concept to end of life.

(b) It is intended that these programs be responsibly planned and funded in a manner that minimizes negative impacts to the environment and minimizes risks to public health and worker health and safety. It is also intended that these programs build and expand on the existing waste and recycling system's infrastructure and reliance on the authority of local governments and the utilities and transportation commission in solid waste management.

(c) It is the intent of the legislature that Washington should maintain the successful public-private partnership between state, local government, and solid waste and recycling service providers. The legislature does not intend to diminish or displace the primary role of the utilities and transportation commission and local governments in regulating or contracting directly with service providers for the curbside collection of residential recyclables. Local governments maintain their existing authority to collect, contract for collection with solid waste and recycling service providers, or defer to solid waste collection services regulated by the utilities and transportation commission.

(3) It is the intent of the legislature for the 2029 legislature to consider the draft plans submitted by producer responsibility organizations to the department of ecology in October 2028, prior to the approval of such plans by the department of ecology taking effect. It is the intent of the legislature for the 2029 legislature to consider the draft plans submitted in October 2028 and the independent analysis carried out by January 2029, of those submitted draft plans, in order for the 2029 legislature to determine whether to amend the requirements of this chapter, to make other recycling policy changes including the potential establishment of a bottle deposit return program, or to allow that the proposed plan and program under this chapter be implemented in full.

<u>NEW SECTION.</u> Sec. 102. DEFINITIONS. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Advisory council" means the council established in section 105 of this act.

(2) "Alternative recycling process" means a recycling process that occurs other than through purely physical means.

(3)(a) "Beverage" means a drinkable liquid intended for human oral consumption.

(b) "Beverage" does not include: (i) A drug regulated under the federal food, drug, and cosmetic act, 21 U.S.C. Sec. 301 et seq.; (ii) 100 percent fluid milk; (iii) infant formula; or (iv) a meal replacement liquid.

(4) "Beverage container" means any container in which a producer originally prepackaged and sealed a beverage.

(5) "Brand" means a name, symbol, word, logo, or mark that identifies an item and attributes the item and its components, including packaging, to the brand owner of the item.

(6) "Collection rate" means the amount of a covered material by covered materials type collected by service providers and transported for recycling or composting divided by the total amount of the type of a covered material by covered materials type introduced by the relevant unit of measurement established in the plan.

(7) "Compostable" means a product that is capable of composting in a composting system and is in compliance with the requirements for a product labeled as compostable under chapter 70A.455 RCW.

(8) "Composting" means the controlled microbial degradation of source separated compostable materials to yield a humus-like product.

(9) "Composting rate" means the amount of compostable covered material that is managed through composting, divided by the total amount of compostable covered material introduced by the relevant unit of measurement.

(10) "Composting system" means a system meeting the requirements of chapter 70A.205 RCW applicable to facilities that treat solid waste for composting.

(11) "Contamination" means:

(a) The presence of materials that are not on the list of materials collected in that material stream; or

(b) The presence of materials that are not specified or accepted as a component of the feedstock or commodity.

(12) "Covered entity" means a person or location that receives covered services for covered materials in accordance with the requirements of this chapter, including:

(a) A single-family residence;

(b) A multifamily residence; and

(c) A public place where a government entity managed recycling collection receptacles as of August 1, 2025, and any additional public place identified in an approved plan.

(13)(a) "Covered material" means packaging and paper products introduced into the state.

(b) "Covered material" does not include exempt materials.

(14) "Covered materials type" means a singular and specific type of material, such as paper, plastic, metal, or glass, that is a covered material and that:

(a) May be categorized based on distinguishing chemical or physical properties, including properties that allow a covered materials type to be aggregated into a discrete commodity category for purposes of reuse, recycling, or composting; and

(b) Is based on similar uses in the form of a product or packaging.

(15)(a) "Covered services" means collecting, transferring, transporting, sorting, processing, recovering, preparing, or otherwise managing for purposes of waste reduction, refill, reuse, recycling, composting, or disposal of contamination or residuals.

(b) Except with regard to contamination, "covered services" do not include:

(i) Resource recovery through mixed municipal solid waste composting or incineration; or

(ii) Land disposal.

(16) "De minimis producer" means a producer that:

(a) In their most recent fiscal year introduced less than one ton of covered materials;

(b) Has a global gross revenue, not including on-premises alcohol sales, for the prior fiscal year of:

(i) Until January 1, 2031, less than \$5,000,000; or

(ii) Beginning January 1, 2031, less than \$5,000,000, as adjusted for inflation. The department must use the consumer price index for urban wage earners to calculate the annual rate of inflation adjustment effective January 1st of each year, beginning January 1, 2031; or

(c) Is an agricultural employer, as defined in RCW 19.30.010, regardless of where the agricultural employer is located, with less than \$5,000,000, as adjusted for inflation as described in (b) of this subsection, in gross revenue in Washington from consumer sales of agricultural commodities sold under the brand name of the agricultural employer.

(17) "Department" means the department of ecology.

(18) "Drop-off collection site" means a physical location where covered materials are accepted from the public and that is open a minimum of 12 hours weekly throughout the year.

(19) "Exempt materials" means materials, or any portion of materials, that are:

(a) Packaging for infant formula, as defined in 21 U.S.C. Sec. 321(z);

(b) Packaging for medical food, as defined in 21 U.S.C Sec. 360ee(b)(3);

(c) Packaging for a fortified oral nutritional supplement used by persons who require supplemental or sole source nutrition to meet nutritional needs due to special dietary needs directly related to cancer, chronic kidney disease, diabetes, malnutrition, or failure to thrive, as those terms are defined by the *International Classification of Diseases*, tenth revision;

(d) Packaging for a product regulated as a drug, medical device, or dietary supplement by the United States food and drug administration, including associated components and consumable medical equipment, under the federal food, drug, and cosmetic act (21 U.S.C. Sec. 321 et seq.), or a product regulated as a biologic or vaccine by the United States food and drug administration under the public health service act (42 U.S.C. Sec. 201 et seq.);

(e) Packaging for a medical equipment or product used in medical settings that is regulated by the United States food and drug administration, including associated components and consumable medical equipment;

(f) Packaging for drugs, biological products, parasiticides, medical devices, or in vitro diagnostics that are used to treat, or that are administered to, animals and are regulated by the United States food and drug administration under the federal food, drug, and cosmetic act (21 U.S.C. Sec. 301 et seq.) and by the United States department of agriculture under the federal virus-serum-toxin act (21 U.S.C. Sec. 151 et seq.);

(g) Noncompostable film plastic packaging used in direct contact with raw meat;

(h) Packaging for products regulated by the United States environmental protection agency under the federal insecticide, fungicide, and rodenticide act (7 U.S.C. Sec. 136 et seq.);

(i) Packaging used to contain liquefied petroleum gas and are designed to be refilled;

(j) Packaging used to contain hazardous or flammable products classified by the 2012 federal occupational safety and health administration hazard communication standard, 29 C.F.R. Sec. 1910.1200 (2024), that prevent the packaging from being reduced or made reusable, recyclable, or compostable, as determined by the department;

(k) Packaging that is associated with products managed through a paint stewardship plan approved under chapter 70A.515 RCW;

(1) Excluded materials, as determined by the department under section 126 of this act;

(m) Used to protect or store a durable product for a period of at least five years;

(n) Packaging used for bulk construction materials;

(o) Covered materials that:

(i) A producer distributes to another producer;

(ii) Are subsequently used to contain a product and the product is distributed to a commercial or business entity for the production of another product; and

(iii) Are not introduced to a person other than the commercial or business entity that first received the product used for the production of another product; and

(p) Covered materials for which the producer demonstrates to the department that the covered material meets all of the following criteria:

(i) The material is not collected through a residential recycling collection service;

(ii) The material is recycled at a responsible market;

(iii) The material is intended to be used and collected within a commercial setting;

(iv)(A) The producer annually demonstrates to the department that the material has had a state recycling rate of 65 percent for three consecutive years, until December 31, 2029. Beginning January 1, 2030, the producer must demonstrate to the department every two years that the material has had a state recycling rate of at least 70 percent annually; or

(B) The producer annually demonstrates to the department that the material is directly managed by the producer and has had a reuse or recycling rate of 65 percent for three consecutive years, until December 31, 2029. Beginning January 1, 2030, the producer must demonstrate to the department every two years that the material controlled by the producer has had a reuse or recycling rate of at least 70 percent annually; and

(v) If only a portion of the material sold in or into the state by a producer meets the criteria of (p)(i) of this subsection, only the portion of the material that meets that criteria is an exempt material and any portion that does not meet the criteria is a covered material for purposes of this chapter.

(20) "Government entity" means any:

(a) County, city, town, or other local government, including any municipal corporation, quasi-municipal corporation, or special purpose district, or any

office, department, division, bureau, board, commission, or agency thereof, or other local public agency;

(b) State office, department, division, bureau, board, commission, or other state agency;

(c) Federally recognized Indian tribe whose traditional lands and territories include parts of Washington; or

(d) Federal office, department, division, bureau, board, commission, or other federal agency.

(21) "Individual plan" means a plan submitted by a producer that registers with the department as a producer responsibility organization to address the covered materials of the producer.

(22) "Introduce" means to sell, offer for sale, distribute, or ship a product within or into this state.

(23) "Material recovery facility" means any facility that receives, compacts, repackages, or sorts source separated solid waste for the purpose of recycling.

(24) "Overburdened communities" means the overburdened communities identified and prioritized by the department under RCW 70A.02.050(1)(a).

(25)(a) "Packaging" means a material, substance, or object that is used to protect, contain, transport, serve, or facilitate delivery of a product and is sold or supplied with the product to the consumer for personal, noncommercial use.

(b) "Packaging" does not include exempt materials.

(26) "Paper product" means paper sold or supplied to a consumer for personal, noncommercial use, including flyers, brochures, booklets, catalogs, magazines, printed paper, and all other paper materials except for: (a) Bound books; (b) conservation-grade and archival-grade paper; (c) newspapers, including supplements or enclosures; (d) magazines that have a circulation of fewer than 95,000 and that includes content derived from primary sources related to news and current events; (e) copy paper; (f) paper for use in building construction; and (g) paper that could reasonably be anticipated to become unsafe or unsanitary to handle.

(27)(a) "Plastic source reduction" means the reduction in the amount of covered plastic material introduced by a producer relative to a baseline year of 2023, or relative to an alternative baseline year of no earlier than 2013 where a producer submits data documenting the plastic source reduction to a producer responsibility organization. Methods of source reduction include, but are not limited to, shifting covered material to reusable or refillable packaging or a reusable product, eliminating unnecessary packaging, or reducing the packaging to product ratio. "Plastic source reduction" must include elimination, which means the removal of plastic covered materials.

(b) "Plastic source reduction" does not include either of the following:

(i) Replacing a recyclable or compostable covered material with a nonrecyclable or noncompostable covered material or a covered material that is less likely to be recycled or composted; or

(ii) Switching from virgin covered material to postconsumer recycled content, except as allowed under an alternative compliance formula in section 115(6) of this act.

(28) "Postconsumer recycled content" has the same meaning as defined in RCW 70A.245.010.

(29)(a) "Producer" means the following person responsible for compliance with requirements under this chapter for a covered material introduced into the state:

(i) For items sold in or with packaging at a physical retail location in this state:

(A) If the item is sold in or with packaging under the brand of the item manufacturer or is sold in packaging that lacks identification of a brand, the producer is the person that manufactures the item;

(B) If there is no person to which (a)(i)(A) of this subsection applies, the producer is the person that is licensed to manufacture and sell or offer for sale to consumers in this state an item with packaging under the brand or trademark of another manufacturer or person;

(C) If there is no person to which (a)(i)(A) or (B) of this subsection applies, the producer is the brand owner of the item;

(D) If there is no person described in (a)(i)(A), (B), or (C) of this subsection within the United States, the producer is the person who is the importer of record for the item into the United States for use in a commercial enterprise that sells, offers for sale, or distributes the item in this state; or

(E) If there is no person described in (a)(i)(A) through (D) of this subsection, the producer is the person that first distributes the item in or into this state;

(ii) For items sold or distributed in packaging in or into this state via ecommerce, remote sale, or distribution:

(A) For packaging used to directly protect or contain the item, the producer of the packaging is the same as the producer identified under (a)(i) of this subsection; and

(B) For packaging used to ship the item to a consumer, the producer of the packaging is the person that packages the item to be shipped to the consumer;

(iii) For packaging that is a covered material and is not included in (a)(i) and (ii) of this subsection, the producer of the packaging is the person that first distributes the item in or into this state;

(iv) For paper products that are magazines, catalogs, telephone directories, or similar publications, the producer is the publisher;

(v) For paper products not described in (a)(iv) of this subsection:

(A) If the paper product is sold under the manufacturer's own brand, the producer is the person that manufactures the paper product;

(B) If there is no person to which (a)(v)(A) of this subsection applies, the producer is the person that is the owner or licensee of a brand or trademark under which the paper product is used in a commercial enterprise, sold, offered for sale, or distributed in or into this state, whether or not the trademark is registered in this state;

(C) If there is no person to which (a)(v)(A) or (B) of this subsection applies, the producer is the brand owner of the paper product;

(D) If there is no person described in (a)(v)(A), (B), or (C) of this subsection within the United States, the producer is the person that imports the paper product into the United States for use in a commercial enterprise that sells, offers for sale, or distributes the paper product in this state; or

(E) If there is no person described in (a)(v)(A) through (D) of this subsection, the producer is the person that first distributes the paper product in or into this state;

(vi) A person is the "producer" of a covered material sold, offered for sale, or distributed in or into this state, as defined in (a)(i) through (v) of this subsection, except:

(A) Where another person has mutually signed an agreement with a producer as defined in (a)(i) through (v) of this subsection that contractually assigns responsibility to the person as the producer, and the person has joined a registered producer responsibility organization as the responsible producer for that covered material under this chapter. If another person is assigned responsibility as the producer under this subsection, the producer under (a)(i) through (v) of this subsection must provide written certification of that contractual agreement to the producer responsibility organization. The following persons are not eligible to be the assigned recipient of responsibility as a producer under the brand or trademark of another manufacturer or person; or (II) a distributor of a beverage sold in a beverage container; and

(B) If the producer described in (a)(i) through (v) of this subsection is a business operated wholly or in part as a franchise, the producer is the franchisor, if that franchisor has franchisees that have a commercial presence within the state.

(b) "Producer" does not include:

(i) Government entities;

(ii) Registered 501(c)(3) charitable organizations and 501(c)(4) social welfare organizations; or

(iii) De minimis producers.

(30) "Producer responsibility organization" means:

(a) A nonprofit organization that qualifies for a tax exemption under 26 U.S.C. Sec. 501(c)(3) of the federal internal revenue code and is designated by a producer or group of producers to fulfill the requirements of this chapter;

(b) A producer that registers with the department as a producer responsibility organization and implements an individual plan addressing the covered materials of the producer; or

(c) An organization as defined by the department by rule.

(31) "Program" means the activities conducted to implement an approved plan.

(32)(a) "Public place" means an indoor or outdoor location open to and generally used by the public and to which the public is permitted to have access including, but not limited to, streets, sidewalks, plazas, town squares, public parks, beaches, forests, or other public land open for recreation or other uses, and transportation facilities such as bus and train stations, airports, and ferry terminals.

(b) "Public place" does not include a retail establishment or industrial, commercial, or privately owned property that is not required to be accessible to the public.

(33) "Recycling" means transforming or remanufacturing covered materials into usable or marketable materials for use other than landfill disposal or incineration and does not include reuse or composting. (34) "Recycling rate" means the amount of covered materials, in aggregate or by individual covered materials type, delivered to responsible markets for recycling in a calendar year divided by the total amount of covered materials introduced by the relevant unit of measurement and excluding covered materials that are reusable or compostable.

(35) "Refill" means the continued use of a covered material by a consumer through a system that is:

(a) Intentionally designed and marketed for repeated filling of a covered material to reduce demand for new production of the covered material;

(b) Supported by adequate logistics and infrastructure to provide convenient access to consumers; and

(c) Compliant with all applicable federal, state, and local statutes, rules, ordinances, and other laws governing health and safety.

(36) "Responsible market" means an entity that:

(a) First produces and sells, transfers, or uses recycled organic product or recycled content feedstock that meets the quality standards necessary to be used in the creation of new or reconstituted products;

(b) Complies with all applicable federal, state, and local statutes, rules, ordinances, and other laws governing environmental, health, safety, and financial responsibility;

(c) If the market operates in the state, manages waste according to the state's solid waste management hierarchy established in RCW 70A.205.005; and

(d) Meets the minimum operational standards adopted under a producer responsibility organization plan to protect the environment, public health, worker health and safety, and minimize adverse impacts to socially vulnerable populations.

(37) "Responsible producer" means a producer that is not a de minimis producer.

(38) "Retail establishment" includes any person, corporation, partnership, business, facility, vendor, organization, or individual that sells or provides merchandise, goods, or materials directly to a customer.

(39) "Return rate" means the amount of reusable covered material in aggregate or by individual covered materials type, collected for reuse by a producer or service provider in a calendar year, divided by the total amount of reusable covered materials introduced by the relevant unit of measurement.

(40) "Reusable" means capable of reuse.

(41) "Reuse" means the return of a covered material to the marketplace and the continued use of the covered material by a producer or service provider when the covered material is:

(a) Intentionally designed and marketed to be used multiple times for its original intended purpose without a change in form;

(b) Designed for durability and maintenance to extend its useful life and reduce demand for new production of the covered material;

(c) Supported by adequate logistics and infrastructure at a retail location, by a service provider, or on behalf of or by a producer, that provides convenient access for consumers; and

(d) Compliant with all applicable federal, state, and local statutes, rules, ordinances, and other laws governing health and safety.

(42) "Reuse rate" means the share of units of a reusable covered material introduced into the state in a calendar year that are demonstrated and deemed reusable in accordance with an approved plan.

(43) "Service provider" means an entity that provides covered services for covered materials. A government entity that provides, contracts for, or otherwise arranges for another party to provide covered services for covered materials within its jurisdiction may be a service provider regardless of whether it provided, contracted for, or otherwise arranged for similar services before the approval of the applicable plan.

(44) "Socially vulnerable population" means:

(a) Any person residing in:

(i) A census tract that contains a high overall social vulnerability index as measured using the United States centers for disease control and the agency for toxic substances and disease registry's social vulnerability index, as it existed as of January 1, 2025, for the most recent year such data are available; or

(ii) As applicable, an alternative population specified in section 127 of this act; or

(b) Any person that has an income below the minimum necessary for a household based on family composition in a given geography to adequately meet their basic needs without public or private assistance, as measured by the University of Washington's center for women's welfare, for the most recent year such data are available.

(45) "Third-party certification" means certification by an accredited independent organization that a standard or process required by this chapter, or by a plan approved under this chapter, has been achieved.

(46) "Toxic substance" means chemicals that are regulated under chapter 70A.222, 70A.350, 70A.430, or 70A.560 RCW.

(47) "Vulnerable populations" has the same meaning as defined in RCW 70A.02.010.

<u>NEW SECTION.</u> Sec. 103. PRODUCER AND PRODUCER RESPONSIBILITY ORGANIZATION REGISTRATION. (1) By January 1, 2026, each producer must appoint a producer responsibility organization or producer responsibility organizations to address its covered materials.

(2) By March 1, 2026, and annually thereafter, a producer responsibility organization must register with the department on behalf of its producers. A registration submission by a producer responsibility organization must include the following:

(a) Contact information for a person responsible for implementing an approved plan;

(b) A list of all member producers that have entered into written agreements to operate under an approved plan by the producer responsibility organization, copies of the written agreements for each member producer and, except in the first year of registration, a list of all brands of each producer's covered materials introduced;

(c) A plan for recruiting additional member producers and executing written agreements confirming producers will operate under an approved plan administered by the producer responsibility organization;

(d) A list of current board members and the executive director if different than the person responsible for implementing approved plans; and

(e) Documentation demonstrating adequate financial responsibility and financial controls to ensure proper management of funds and payment of the annual registration fee to the department.

(3) Notwithstanding subsections (1), (2), and (4) of this section, for purposes of the first plan implementation period, the department may not allow registration of more than one producer responsibility organization, other than an individual producer registered as a producer responsibility organization.

(4) By September 1, 2026, a producer responsibility organization must submit a one-time payment to the department, and each May 1st thereafter, a producer responsibility organization must submit an annual registration fee to fund all costs of the department to implement, administer, and enforce this chapter, including the costs of the department of labor and industries to implement and enforce section 304 of this act.

(5) The following persons are ineligible to serve on the board of the producer responsibility organization or to be hired as an officer or employee of the producer responsibility organization:

(a) Any state or local elected official;

(b) Any former employee of the department's solid waste program or that worked on solid waste policies for the department, if such an employee has served in that role within the most recent two calendar years; and

(c) Any former state or local elected official that has served in such a role within the most recent two calendar years.

<u>NEW SECTION.</u> Sec. 104. PRODUCER AND PRODUCER RESPONSIBILITY ORGANIZATION RESPONSIBILITIES. (1) A producer must:

(a) After July 1, 2026, be a member of a producer responsibility organization registered in this state or register as a producer responsibility organization that will implement an individual plan;

(b) Through a producer responsibility organization, implement and finance a statewide program for packaging and paper products in accordance with this chapter that encourages redesign to reduce environmental impacts and human health impacts and that reduces generation of covered material waste through waste reduction, refill, reuse, recycling, and composting and by providing for the collection, transportation, and processing of used covered materials for reuse, recycling, and composting;

(c) Maintain membership with and pay fees to the producer responsibility organization under which they are registered; and

(d) Comply with all other applicable requirements under this chapter.

(2) Beginning March 1, 2029, a producer that is not a member in good standing with a registered producer responsibility organization or has not submitted an individual plan may not introduce covered materials into the state.

(3) A producer responsibility organization must:

(a)(i) Beginning March 1, 2026, register with the department;

(ii)(A) Except as provided in (a)(ii)(B) of this subsection, by September 1, 2026, submit a one-time payment to the department, to cover the costs of the department under this chapter from the effective date of this section through June 30, 2027, including the costs determined by the department of labor and industries to implement and enforce section 304 of this act;

(B) By September 1, 2026, an individual producer registered as a producer responsibility organization must make a one-time payment in an amount determined by the department to cover any incremental costs to the department under this chapter from the effective date of this section through June 30, 2027, associated with the registration of the individual producer as a producer responsibility organization;

(iii) Beginning May 1, 2027, pay an annual registration fee to the department as required under section 103 of this act;

(b) Establish an initial producer fee structure to fund the initial implementation of the program, to be used until the producer responsibility program has an approved plan, and collect fees annually from registered producers;

(c) By October 1, 2028, and every five years thereafter, submit a plan that meets the requirements of this chapter to the department for approval;

(d) By January 1, 2030, or within six months of plan approval, whichever is later, implement the plan approved by the department;

(e) By July 1, 2031, and each July 1st thereafter, submit an annual report to the department for the prior calendar year;

(f) Ensure that each producer operating under a plan administered by the producer responsibility organization complies with the requirements of the plan and this chapter;

(g) Expel a producer from the producer responsibility organization if efforts to return the producer to compliance with the plan or the requirements of this chapter are unsuccessful and notify the department of the producer's expulsion;

(h) Consider and respond in writing to comments received from the advisory council, including justifications for not incorporating advisory council recommendations;

(i) Provide producers with information regarding state and federal laws that restrict toxic substances in covered materials or require postconsumer recycled content in covered materials;

(j) Notify the department within 30 days of a change made to board membership, to the executive director, or to the contact information for a person responsible for implementing the plan;

(k) Assist service providers to identify and use responsible markets;

(1) Reimburse service providers in a timely manner, at intervals no longer than monthly unless agreed to by a service provider and a producer responsibility organization;

(m) Maintain a website and implement education and outreach activities as required under section 119 of this act; and

(n) Comply with all other applicable requirements of this chapter.

(4) If more than one producer responsibility organization is established under this chapter, the producers and producer responsibility organizations must establish a coordinating body and process to prevent redundancy. The coordinating body must integrate:

(a) Plans of all producer responsibility organizations into a single plan that implements all requirements of this chapter and encompasses all producers when submitted to the department for approval; (b) Annual reports of all producer responsibility organizations into a single annual report that covers all requirements of this chapter and encompasses all producers when submitted to the department; and

(c) Payments between all registered producer responsibility organizations to achieve equitable apportionment of funding for the reuse financial assistance program and coordination of that program's administration.

(5)(a) Each producer responsibility organization must annually fund and implement a reuse financial assistance program to reduce the negative environmental impacts of covered materials through reuse. The reuse financial assistance program must collectively be funded by registered producer responsibility organizations. The funded amount must be:

(i) At least \$5,000,000 beginning in 2029 and adjusted annually thereafter for inflation. The producer responsibility organization must use the consumer price index for urban wage earners to calculate the annual rate of inflation adjustment effective January 1st of each year; and

(ii) Sufficient to achieve the reuse and return rate targets and requirements established in section 115 of this act. If at any point the department determines that reuse and return rate targets or statewide requirements are not met, each producer responsibility organization must increase annual contributions to and expenditures from the reuse financial assistance program.

(b) Entities eligible for reuse financial assistance include, but are not limited to:

(i) Government entities;

(ii) Tribal governments;

(iii) Nonprofit organizations; and

(iv) Private organizations.

(c) In administering the reuse financial assistance program, the producer responsibility organization must solicit applications using an open and competitive process and must select applications through an evaluation that considers criteria including, but not limited to:

(i) The environmental benefits of the activity;

(ii) The human health benefits of the activity;

(iii) The social and economic benefits of the activity;

(iv) The cost-effectiveness of the activity; and

(v) The needs of economically distressed or overburdened communities.

(d) The producer responsibility organization must consult with the advisory council in determining the criteria in (c) of this subsection, evaluating and selecting applications, and in administering the reuse financial assistance program under this subsection.

(6) A producer responsibility organization may not include on its board of directors, or otherwise be governed by, representatives or affiliates of any public or private entities that submit bids to perform work for the producer responsibility organization or that contract with the producer responsibility organization.

(7) The activities authorized by this chapter require collaboration among producers. These activities will enable the waste reduction, collection, recycling, composting, and disposal of covered materials in Washington and are therefore in the best interest of the public. The benefits of collaboration, together with active state supervision, outweigh potential adverse impacts. Therefore, the

legislature exempts from state antitrust laws, and provides immunity through the state action doctrine from federal antitrust laws, activities that are undertaken in compliance with and pursuant to this chapter, including activities that are reviewed or approved by the department, that might otherwise be constrained by such laws. The legislature does not intend and does not authorize any person or entity to engage in activities not provided for by this chapter, and the legislature neither exempts nor provides immunity for such activities.

<u>NEW SECTION.</u> Sec. 105. ADVISORY COUNCIL. (1) The advisory council is established to review all activities conducted by producer responsibility organizations under this chapter and to advise the department and producer responsibility organizations regarding the implementation of this chapter.

(2) By January 1, 2026, the department must establish and appoint the initial membership of the advisory council. The membership of the advisory council must consist of the following:

(a) Two members representing manufacturers of covered materials or a statewide or national trade association representing those manufacturers;

(b) Two members representing recycling facilities that manage covered materials;

(c) One member representing a solid waste collection company or a statewide association representing solid waste collection companies;

(d) One member representing retailers of covered materials or a statewide trade association representing those retailers;

(e) One member representing a statewide nonprofit environmental organization;

(f) One member representing a community-based nonprofit environmental justice organization;

(g) One member representing entities that own or operate a material recovery facility;

(h) One member representing entities that own or operate a waste facility that accepts and processes compostable materials for composting or a statewide trade association that represents those facilities;

(i) One member representing an entity that develops or offers for sale covered materials that are designed for reuse or refill and maintained through a reuse or refill system or infrastructure or a statewide or national trade association that represents those entities;

(j) Three members representing government entities, with at least one member representing counties;

(k) One member representing tribal or indigenous solid waste services organizations;

(1) Two members representing other interested parties or additional members of interests represented under (a) through (k) of this subsection, as determined by the department, prioritizing representation of diverse communities, including marginalized groups, to ensure the activities carried out under this chapter reflect their perspectives;

(m) One nonvoting member representing each registered producer responsibility organization; and

(n) One nonvoting member representing the department.

(3) The department must appoint an equity subcommittee to the advisory council comprised of six representatives from overburdened communities or socially vulnerable populations, including representatives from three geographic locations in eastern Washington representing a small, medium, and large community. The equity subcommittee is responsible for informing and making recommendations to the advisory council, the department, and producer responsibility organizations regarding the impacts of activities under this chapter on socially vulnerable populations and overburdened communities, including the accessibility of covered services for covered materials to socially vulnerable populations and overburdened communities. At a minimum, the equity subcommittee must review and, as appropriate, provide information or make recommendations regarding needs assessments, submitted plans, and submitted annual reports. The department must appoint the members of the equity subcommittee based on solicited input received from the commission on African American affairs, the commission on Hispanic affairs, the commission on Asian Pacific American affairs, the LGBTQ commission, and the women's commission.

(4) In appointing members, the department:

(a) Is prohibited from appointing members who are state legislators or registered lobbyists;

(b) Is prohibited from appointing members who are employees of producers required to be members of a producer responsibility organization under this chapter; and

(c) Must endeavor to appoint members from all regions of the state.

(5)(a) The member appointed to represent the department serves at the pleasure of the department. All other members serve for a term of four years, except that the initial term for nine of the initial appointees must be two years so that membership terms are staggered. Members may be reappointed but may not serve more than eight consecutive years.

(b) A member may be removed by the department at any time. The chair of the advisory council must inform the department of a member missing three consecutive meetings. After the second consecutive missed meeting, the chair of the advisory council must notify the member in writing that the member may be removed for missing the next meeting. If there is a vacancy on the advisory council for any reason, the department shall make an appointment to become effective immediately for the unexpired term.

(6) Advisory councilmembers that are representatives of tribes, tribal or indigenous services organizations, community-based organizations, or environmental nonprofit organizations must, if requested, be compensated and reimbursed in accordance with RCW 43.03.050, 43.03.060, and 43.03.220.

(7)(a) A majority of the voting members of the advisory council constitutes a quorum. If there is a vacancy in the membership of the advisory council, a majority of the remaining voting members of the council constitutes a quorum.

(b) Action by the advisory council requires a quorum and a majority of those present and voting. All members of the advisory council, except the member appointed to represent the department and the member appointed to represent the producer responsibility organization, are voting members of the council. (8)(a) The advisory council must meet at least two times per year and may meet more frequently upon 10 days' written notice at the request of the chair or a majority of its members.

(b) Meetings of the advisory council must comply with chapter 42.30 RCW, the open public meetings act.

(9) At its initial meeting, and every two years thereafter, the advisory council must elect a chair and vice chair from among its members.

(10) The department shall provide administrative and operating support to the advisory council, including compensation in accordance with subsection (6) of this section, and may contract with a third-party facilitator to assist in administering the activities of the advisory council, including establishing a website or landing page on the department website.

(11) The department must assist the advisory council in developing policies and procedures governing the disclosure of actual or perceived conflicts of interest that advisory councilmembers may have as a result of their employment or financial holdings with respect to themselves or family members. Each advisory councilmember is responsible for reviewing the conflict-of-interest policies and procedures. An advisory councilmember must disclose any instance of actual or perceived conflicts of interest at each meeting of the advisory council at which recommendations regarding plans, programs, operations, or activities are made by the advisory council.

<u>NEW SECTION.</u> Sec. 106. DEPARTMENT'S DUTIES. (1) The department must implement, administer, and enforce this chapter and may adopt rules as necessary for those purposes.

(2) The department must:

(a) By January 1, 2026, appoint the initial membership of the advisory council, as required under section 105 of this act;

(b) Provide administrative and operating support to the advisory council, as required under section 105 of this act;

(c) Consider and respond in writing to all written comments received from the advisory council;

(d) By January 31, 2026, and annually thereafter, facilitate registration by service providers, as required under section 107 of this act;

(e) Beginning March 1, 2026, accept the registration of producer responsibility organizations and, if necessary, select the producer responsibility organization required by subsection (3) of this section;

(f) By October 1, 2026, develop the initial statewide collection lists required by section 109 of this act;

(g) By December 31, 2026, complete the preliminary needs assessment required by section 111 of this act;

(h)(i) By July 1, 2026, determine the one-time registration fee in subsection (4)(c) of this section; and

(ii) By March 31, 2026, determine the one-time payment and every March 31st thereafter determine the annual registration fee in subsection (4)(a) of this section;

(i) By December 31, 2027, and every five years thereafter, complete the statewide needs assessment required by section 111 of this act;

(j) By 2028, adopt rules to administer and implement this chapter. The department shall seek to adopt rules that are harmonized with other states;

(1) By January 31, 2029, create a model comprehensive solid waste plan amendment for use by cities and counties in lieu of updating, amending, or revising a plan consistent with RCW 70A.205.045(7)(b)(i);

(m) Beginning March 1, 2029, initiate enforcement activities with respect to noncompliant producers that are not members of the producer responsibility organization, consistent with section 104(2) and 123 of this act;

(n) Beginning July 1, 2031, and annually thereafter, review and approve annual reports, as described in subsection (6) of this section;

(o) By January 31, 2032, submit the equity study to the legislature required in section 112 of this act;

(p) By September 1, 2038, submit the independent review of the program report to the legislature as required in section 121 of this act;

(q) Establish statewide requirements as required under section 115(10) of this act;

(r) Review and make determinations on proposals related to alternative recycling processes, as described in section 115(5) of this act;

(s) Review confidentiality requests submitted under section 122 of this act;

(t) Enforce the requirements of this chapter, as required by section 123 of this act;

(u) Review petitions to exempt materials, as required by sections 109(5) and 126 of this act; and

(v) Establish a public website that includes:

(i) The most recent registration materials submitted by producer responsibility organizations;

(ii) A list of registered service providers;

(iii) The most recent needs assessment;

(iv) Any plan or amendment submitted by a producer responsibility organization that is in draft form during the public comment period;

(v) The most recent lists under section 109 of this act;

(vi) The list of exempt materials;

(vii) Links to producer responsibility organization websites;

(viii) Comments of the public, advisory council, and producer responsibility organizations on the items listed in (v)(iii) through (vi) of this subsection and, if any, the responses of the department to those comments;

(ix) The names of producers and brands that the department or a producer responsibility organization has identified as not being in compliance with the requirements of this chapter; and

(x) Links to adopted rules implementing this chapter.

(3) By March 1, 2026, if registrations for more than one producer responsibility organization, other than producers registering as producer responsibility organizations, are submitted to the department, the department must determine which proposed producer responsibility organization can most effectively implement this chapter until the first approved plan period ends. Until the conclusion of the initial plan implementation period, producers of covered materials that do not register as producer responsibility organizations must join the producer responsibility organization is approved by the department. This limitation only applies for the purposes of

program development and the initial plan implementation period. For purposes of plan implementation after the first plan approved by the department expires, the department may allow registration of more than one producer responsibility organization.

(4)(a) By March 31, 2027, and every March 31st thereafter, the department must determine a total annual registration fee to be paid by each producer responsibility organization that is adequate to cover, but not exceed, the costs to implement, administer, and enforce this chapter, including the costs determined by the department of labor and industries to implement and enforce section 304 of this act, in the next fiscal year;

(b) By 2028, the department must adopt rules to equitably determine annual registration fees by producer responsibility organizations if the department has approved the registration of more than one producer responsibility organization;

(i) Until rules are adopted under (b) of this subsection, issue a general order to all registered producer responsibility organizations; and

(ii) Send notice to each producer responsibility organization of fee amounts due, consistent with either the general order issued under (b)(i) of this subsection or rules adopted under (b) of this subsection.

(c) The department must:

(i) In the March 31, 2027, producer responsibility organization annual registration fee determination under (a) of this subsection, adjust the fee to account for funds received that were due by September 1, 2026, under section 104 of this act;

(ii) Apply any remaining annual fee payment funds from the most recently closed fiscal year to the annual fee for the coming fiscal year, if the collected annual fee exceeds the costs identified under (b) of this subsection for the most recently closed fiscal year; and

(iii) Increase annual fees for the coming fiscal year to cover the costs identified under (b) of this subsection, if the collected annual fee was less than the amount required to cover those costs for a given year.

(c) By March 1, 2026, the department must determine the one-time payment to be paid by each producer responsibility organization that is adequate to cover, but not exceed, the costs to implement, administer, and enforce this chapter from the effective date of this section until June 30, 2027.

(5) Within 120 days of receipt, the department must review and approve, approve with conditions, deny, or request additional information for a draft plan or draft amendment, including a contingency plan as required in section 114 of this act, submitted by a producer responsibility organization or coordinating body.

(a) The department must post the draft plan or plan amendment on the department's website, notify the appropriate committees of the legislature that a draft plan has been submitted and posted, and allow public comment for no less than 45 days before approving, denying, or requesting additional information on the draft plan or amendment.

(b)(i) If the department denies or requests additional information for a draft plan or amendment, the department must provide the producer responsibility organization with the reasons, in writing, that the plan or amendment does not meet the plan requirements of section 113 of this act. The producer responsibility organization has 60 days from the date that the rejection or request for additional information is received to submit to the department any additional information necessary for the department's approval. The department must review and approve or disapprove the revised draft plan or amendment no later than 60 days after the department receives it. If the department disapproves the revised plan or revised plan amendment, the department shall provide the reason, in writing, and either: (A) Direct changes to the revised plan or plan amendment; or (B) require the producer responsibility organization to submit a second revision no later than 60 days from the date of the rejection.

(ii) The department may approve the second revision submitted by the producer responsibility organization with additional conditions the producer responsibility organization must implement.

(c) The department's approval of the first producer responsibility organization plans submitted by October 1, 2028, must take effect no earlier than the adjournment of the 2029 regular legislative session, in order to allow an opportunity for the 2029 legislature to determine whether to amend the requirements of this chapter, to make other recycling policy changes including the potential establishment of a bottle deposit return program, or to allow that the proposed plan and program under this chapter be implemented in full. Nothing in this subsection (5)(c) amends or limits the duties or authorities of a producer, a producer responsibility organization, or the department under this chapter, including with respect to the timing of plan submission, plan review, or plan revision processes specified in this section, while the 2029 legislature reviews the draft plan submitted to the department as provided in this subsection. Nothing in this subsection after the effective date of this section.

(d) Upon recommendation of the advisory council, or upon the department's initiative, the department may require an amendment to the plan if the department determines that an amendment is necessary to ensure that the producer responsibility organization maintains compliance with the requirements of this chapter.

(6) The department must review annual reports and:

(a) Make annual reports available for public review and comment for at least 30 days;

(b) Review within 120 days of receipt of a complete annual report;

(c) Determine whether an annual report meets the requirements of this chapter, considering comments received under (a) of this subsection, and notify the producer responsibility organization of the approval or reasons for denial. The producer responsibility organization must submit a revised annual report within 60 days after receipt of a denial letter; and

(d) Notify a producer responsibility organization if the annual report demonstrates that a plan fails to achieve the requirements under this chapter.

(7) Upon request of the department for purposes of determining compliance with this chapter, or for purposes of implementing this chapter, a person must furnish to the department any information that the person has or may reasonably obtain.

<u>NEW SECTION.</u> Sec. 107. SERVICE PROVIDER REGISTRATION. (1) By January 31, 2026, and annually thereafter, each service provider that intends to seek reimbursement for services provided under an approved plan must register with the department by submitting the following information: (a) The contact information for a person representing the service provider;

(b) The address of the service provider;

(c) Identification of service areas where covered services are to be provided to covered entities;

(d) Identification of the covered services to be provided to covered entities, by service area; and

(e) If applicable to services provided, a report of the number of covered entities currently provided service, the number of covered entities eligible to receive service, and the total amount billed for collection for covered entities, processing services, transfer station operations provided, and tons managed during the preceding calendar year, by covered entity type and by service area. When possible, values must be separated for collection, transfer, and processing.

(2)(a) Material recovery facilities receiving covered materials collected from covered entities must register as service providers as described in subsection (1) of this section and must report annually to the department by commodity type and covered material type, in a form and format created by the department, on the following:

(i) Tons received and processed, by jurisdiction and service provider;

(ii) Inbound material quality and contamination;

(iii) Outbound material quality and contamination;

(iv) Outbound material tons, destinations, and final use by commodity type, including each destination company and location. If exported outside of the United States, the destination country must be listed. Beginning in 2031, material recovery facilities must submit certification, for each destination to which commodities containing covered materials were sent, that the destination is a responsible market;

(v) Methods of managing contaminants and residue to avoid negative impacts on other waste streams or facilities;

(vi) Residuals, including residue rate, composition, and disposal location;

(vii) Any violations of existing permits, regarding emissions to air and water, and the status of those permit violations; and

(viii) Labor metrics including wages, unions, and workforce demographics.

(b) All data reported by material recovery facilities under this subsection must, at the request of the department, be audited by an independent third party.

(c) The requirements of (a) and (b) of this subsection do not apply to any facility operated by a scrap metal business as defined in RCW 19.290.010 that holds a current scrap metal license unless the covered materials were received directly from collection services for which a producer responsibility organization has provided reimbursement.

<u>NEW SECTION.</u> Sec. 108. SERVICE PROVIDER RESPONSIBILITIES. A service provider receiving reimbursement or funding under an approved plan must:

(1) Provide covered services for covered materials included on the statewide collection lists, covered services for a refill system, or covered services for reusable covered materials, as applicable to the services offered by and service area of the service provider;

(2) Register annually with the department;

(3) Submit invoices to the producer responsibility organization for reimbursement for services rendered;

(4) Meet performance standards established in an approved plan;

(5) Ensure that covered materials are sent to responsible markets;

(6) Provide documentation to the producer responsibility organization of the amounts, covered material types, and volumes of covered materials by covered service method;

(7) Display the service provider's price, minus the reimbursement from the producer responsibility organization, when invoicing customers and, in delivering curbside collection services, pass on the applicable portion of the reimbursement, through solid waste rate reductions or credits, to all customers receiving curbside collection services eligible for reimbursement; and

(8) Comply with all other applicable requirements of this chapter.

<u>NEW SECTION.</u> Sec. 109. STATEWIDE COLLECTION LISTS. (1)(a) The department must develop lists of covered materials determined to be recyclable or compostable statewide. By October 1, 2026, the department must develop initial lists for use and evaluation in the needs assessment described in section 111 of this act. The department must also publish lists no later than 30 days after approving a plan, taking into account proposed changes in the plan. In the development of the lists, the department must distinguish between:

(i) Materials determined to be suitable for residential recycling collection, whether in a commingled or in a separate container;

(ii) Materials determined to be suitable for residential composting collection;

(iii) Materials suitable for public place collection; and

(iv) Materials suitable for alternative collection.

(b) In determining whether a material is suitable for residential, public place, or alternative collection, the department may consider any combination of the following criteria:

(i) The stability, maturity, accessibility, and viability of responsible markets;

(ii) Environmental health and safety considerations;

(iii) The anticipated yield loss for the material during the recycling or composting process;

(iv) The material's compatibility with existing recycling infrastructure;

(v) Whether the material adheres to published design guidelines for recyclability or compostability;

(vi) The amount of the material available;

(vii) The practicalities of sorting and storing the material;

(viii) The potential to cause or be impacted by contamination;

(ix) The ability for waste generators to easily identify and properly prepare the material;

(x) Economic factors;

(xi) Environmental factors from a life-cycle perspective;

(xii) The policy expressed in RCW 70A.205.010; or

(xiii) Other criteria or factors, as determined by the department.

(2) A producer responsibility organization may propose a covered material for addition to or removal from the lists under this section as part of a plan or as a plan amendment. In considering the proposal, the department may consider the same criteria as those established under subsection (1)(b) of this section.

(3) In developing lists under this section, the department must consult with the advisory council, producer responsibility organizations, service providers, government entities, and other interested parties. The department must consider any requests received for the inclusion or removal of a covered material or covered material type on a list under this section. The department may select a third-party consultant to assist with the development of the lists.

(4)(a) Except as described in (b) of this subsection and subsection (5) of this section, a material that is not identified as suitable for residential collection may not be collected as part of a residential recycling program.

(b) A covered material that is not identified as suitable for residential collection may be temporarily collected as part of a residential recycling program and qualify for reimbursement if:

(i) The covered material is collected as part of a pilot program agreed to by the service provider, the government entity under whose authority the service is provided, and the producer responsibility organization;

(ii) The pilot program is of limited duration; and

(iii) The pilot program is conducted in a limited area.

(5) For purposes of the first plan implementation period, a group of producers representing a majority of a distinct covered material type or distinct packaging type may petition the department, prior to the department finalizing a list under this section, to consider designating that material or packaging as suitable for multiple modes of collection other than commingled residential, depending on location. The department may grant a petition that is submitted at least six months prior to the publication of the lists and that justifies why different methods are appropriate in different jurisdictions based on the factors specified in subsection (1)(b) of this section.

<u>NEW SECTION.</u> Sec. 110. CONVENIENCE STANDARDS— ALTERNATIVE COLLECTION. (1) Collection services for covered materials determined to be suitable for residential recycling collection under section 109 of this act must be available wherever residential garbage collection services are available, except in areas subject to a county ordinance as specified in RCW 70A.205.045(7)(b)(i)(C).

(2) An alternative collection program or programs for each covered material included on the alternative collection list must be provided under a plan. For purposes of the first plan implementation period, an alternative collection program may be proposed by a producer responsibility organization, a group of producers with a petition granted by the department under section 109(5) of this act, or a majority of producers of a unique product type whose packaging is designated for alternative collection. A proposal under this subsection must be submitted at the same time as the plan, and is subject to the same approval process as the plan. An alternative collection program must:

(a) Provide year-round, convenient, statewide collection opportunities, including at least one drop-off collection site located in each county;

(b) Provide tiers of service for collection, convenience, number of drop-off collection sites, and additional collection systems based on:

(i) County population size;

(ii) County population density; and

(iii) Each class of city or town under chapter 35.01 RCW;

(c) Ensure materials are sent to responsible markets;

(e) Accurately measure the amount of each covered material collected and the applicable performance target and statewide requirement.

(3) A plan for an alternative collection program must include:

(a) The number, type, and location of each collection opportunity;

(b) A description of how each of the program requirements in (a) of this subsection will be met; and

(c) Performance targets for each covered material, as applicable, to be managed through an alternative collection program.

(4) Every subsequent needs assessment after the first needs assessment must include a review of alternative collection programs for each covered material on the statewide alternative collection list to determine if the program is meeting the criteria established in subsection (2) of this section.

(5) A retail establishment may choose to serve as a drop-off location or collection event as part of an alternative collection program, through mutual agreement with a producer responsibility organization or group of producers implementing an alternative collection program.

(6) Any group of producers, other than the producer responsibility organization registered with the department, that manages an approved alternative collection plan during the first plan implementation period must:

(a) Be exclusively responsible for management of the distinct material, packaging, or product type covered by that plan and may thereby wholly or partially offset the producers' payment obligations under this chapter with respect to the distinct material, packaging, or product type only; and

(b) Comply with all requirements applicable to a producer responsibility organization under this chapter, other than requirements determined by the department not to be relevant to the group of producers as a result of the producers' need to only manage a distinct material, packaging, or product type rather than multiple types of materials, packaging, or product types.

<u>NEW SECTION.</u> Sec. 111. STATEWIDE NEEDS ASSESSMENTS. (1)(a) By December 31, 2026, the department must complete a preliminary assessment consistent with subsection (3) of this section.

(b) By December 31, 2027, and every five years thereafter, the department must complete a needs assessment consistent with subsection (4) of this section. The department may adjust the required content in a specific needs assessment to inform the next plan.

(2) In conducting a needs assessment, the department must:

(a) Initiate a consultation process to obtain recommendations from the advisory council, government entities, service providers, producer responsibility organizations, the utilities and transportation commission, and other interested parties, regarding the type and scope of information that should be collected and analyzed in the needs assessments required by this section;

(b) Contract with a third party who is not a producer, a producer responsibility organization, or a member of the advisory council to conduct the needs assessment;

(c) At least 90 days prior to finalizing the needs assessment, make the draft needs assessment available for comment by the advisory council, producer

responsibility organizations, the utilities and transportation commission, jurisdictions planning under chapter 70A.205 RCW, and the public. The advisory council must have the opportunity to review drafts of the needs assessment and accompanying data used in the needs assessment. The department must respond in writing to the comments and recommendations of the advisory council and producer responsibility organizations; and

(d)(i) Consider information from studies related to recycling conducted by the department after 2019; and

(ii) Use the department's statewide collection lists for covered materials as established under section 109 of this act.

(3) A preliminary needs assessment must be completed for a preceding period of no less than 12 months and no more than 36 months that includes:

(a) Identification of currently or recently introduced covered materials and covered material types;

(b) Tons of collected covered materials;

(c) An evaluation of what services related to the requirements of this chapter are currently being delivered in each county and city planning under chapter 70A.205 RCW and what the costs are for those existing services, including:

(i) The availability and types of recycling services for covered materials for residents in single-family and multifamily residences, including whether current services are considered residential or commercial and whether any gaps, costs, or needs are specific to either commercial or residential customer service;

(ii) The current methods and infrastructure for servicing residents, including curbside recycling service areas and material drop-off locations;

(iii) Any densely populated areas within each jurisdiction in which curbside recycling services for covered materials identified by the department on the list developed and published under section 109 of this act are not available or are only partially available;

(iv) Any areas within each jurisdiction where curbside garbage collection services are offered to residents in single-family and multifamily residences but curbside recycling services are not offered;

(d) Processing capacity at material recovery facilities, including total tons processed and sold, composition of tons processed and sold, current technologies utilized, and facility processing fees charged to collectors delivering covered materials for recycling;

(e) Capacity of compost facilities, including total tons processed and sold, technology used by, and characteristics of compost facilities to process and recover compostable covered materials, and facility processing fees charged to collectors delivering covered materials for composting;

(f) Capacity and number of drop-off collection sites, and the materials collected at those drop-off collection sites;

(g) Capacity and number of transfer stations and transfer locations;

(h) Average term length and variability of residential recycling and composting collection contracts issued by government entities and an assessment of contract cost structures;

(i) An estimate of the total annual collection and processing service costs based on registered service provider costs;

(j) Available markets in Washington for covered materials and the capacity of those markets; and

(k) Covered materials introduced by volume, weight, and covered material types introduced by producers.

(4) Each needs assessment after the preliminary needs assessment must include at least the following:

(a) An evaluation of:

(i) Existing waste reduction, refill, reuse, recycling, and composting outcomes, as applicable, for each covered material type, including collection rates, recycling rates, composting rates, reuse rates, and return rates, as applicable, for each covered material type;

(ii) The overall recycling rate, composting rate, reuse rate, and return rate for all covered material types; and

(iii) The extent to which postconsumer recycled content, by the best estimate, is or could be incorporated into each covered materials type, as applicable, including a review of North American sources and markets and technical barriers to incorporating postconsumer materials into covered materials. For plastic covered materials, postconsumer recycled content must be measured by rigid plastic resin type and by film or flexible plastic;

(b) An evaluation of covered materials in the disposal, recycling, and composting streams to determine the covered materials types and amounts within each stream, using new studies conducted by the department or publicly available and applicable studies;

(c) Proposals for a range of outcomes for each covered materials type to be accomplished within a five-year time frame in multiple units of measurement including, but not limited to, unit-based, weight-based, and volume-based, for each of the following:

(i) Plastic source reduction rates;

(ii) Reuse rates and return rates;

(iii) Recycling rates;

(iv) Composting rates; and

(v) Postconsumer recycled content, if applicable;

(d) Proposals for a range of outcomes for the categories established in section 115(10) of this act that consider:

(i) Information contained in or used to prepare a needs assessment under this section;

(ii) Goals and requirements of chapters 70A.205 and 70A.245RCW;

(iii) The statewide greenhouse gas emissions limits of chapter 70A.45 RCW;

(iv) The need for continuous progress toward:

(A) Overall reduction in the generation of covered material waste;

(B) The reuse, recycling, or composting of covered materials to reduce environmental impacts and human health impacts; and

(C) Progress to incorporate postconsumer content to replace virgin materials and to support more regional markets;

(v) A preference for statewide requirements that accomplish and further the goals and requirements in (d)(ii), (iii), and (iv) of this subsection as soon as practicable and to the maximum extent achievable; and

(vi) Information from paper and packaging producer responsibility programs operating in other jurisdictions;

(e) An evaluation of the criteria used for developing the lists of covered materials determined to be recyclable or compostable statewide as established in section 109 of this act;

(f) Recommended collection methods by covered materials type to maximize collection efficiency, maximize feedstock quality, and optimize service and convenience for collection of covered materials to be considered or that are included on lists established in section 109 of this act, or for which a group of producers has been granted a petition by the department under section 109(5) of this act;

(g) Proposed plans and metrics for how to measure progress in achieving performance targets and statewide requirements;

(h) An evaluation of options for third-party certification of activities to meet obligations of this chapter;

(i) An inventory of the current system, including:

(i) Infrastructure, capacity, performance, funding level, and method and source of financing for the existing covered services for covered materials operating in the state;

(ii) An estimate of total annual costs of covered services based on registered service provider costs; and

(iii) Availability and cost of covered services for covered materials to covered entities and any other location where covered materials are introduced, including identification of disparities in the availability of these services in overburdened communities compared with other areas and to socially vulnerable populations as compared to other populations and proposals for reducing or eliminating those disparities;

(j) An evaluation of investments needed to increase waste reduction, refill, reuse, recycling, and composting rates of covered materials according to the range of proposed performance targets and statewide requirements, including what new or expanded services and infrastructure are needed in each county and city planning under chapter 70A.205 RCW, and the estimated total costs of investments needed, that would also:

(i) Maintain or improve operations of existing infrastructure and account for waste reduction, refill, reuse, recycling, and composting of covered materials statewide;

(ii) Expand the availability and accessibility of recycling collection services for covered materials to all places required under this chapter and expand the availability and accessibility of composting collection services where feasible; and

(iii) Establish and expand the availability and accessibility of reuse services for reusable covered materials;

(k) A recommended methodology for applying criteria and formulas to establish reimbursement rates as described in section 117 of this act;

(1) An assessment of the viability and robustness of markets for recyclable and compostable covered materials and the degree to which these markets can be considered responsible markets;

(m) An assessment of the level and causes of contamination of source separated recyclable materials, source separated compostable materials, and collected reusables, and the impacts of contamination on service providers and

on commodity values of covered material types, including the cost to manage this contamination;

(n) An assessment of toxic substances intentionally added to or residual from manufacturing in covered materials, whether this limits one or more covered material types from being used as a marketable feedstock, and best practices producers can implement to reduce intentionally added or residual toxic substances in covered materials that could be verified through suppliers' certificates of compliance, testing, or other analytical and scientifically demonstrated technology;

(o) An assessment and evaluation of current best practices and efforts on:

(i) Public awareness, education, and outreach activities accounting for culturally responsive materials and methods and an evaluation of the efficacy of those efforts;

(ii) Using product or packaging labels as a means of informing consumers about environmentally sound use and management of covered materials;

(iii) Increasing public awareness of how to use and manage covered materials in an environmentally sound manner and how to access waste reduction, refill, reuse, recycling, and composting services; and

(iv) Encouraging behavior change to increase participation in waste reduction, refill, reuse, recycling, and composting programs;

(p) Identification of the covered materials with the most significant environmental impacts, including assessing each covered material's generation of hazardous waste, generation of greenhouse gases, environmental justice impacts, public health impacts, and other impacts;

 (\mathbf{q}) Recommendations for meeting the criteria for an alternative collection program; and

(r) Other items identified by the department that would aid the creation of the plan, the implementation of the plan, and the enforcement of this chapter.

(5) The department or its contracted third party may conduct voluntary interviews with service providers of curbside recycling or composting services or recycling or composting processing services within a jurisdiction on costs for additional infrastructure, vehicles, staff, equipment, and other investments to achieve the range of outcomes proposed under subsection (4)(c) and (d) of this section.

(6) When determining the extent to which any statewide requirement or performance target under this chapter has been achieved, information contained in a needs assessment must serve as the baseline for that determination, when applicable.

(7)(a) A service provider or other person with data or information necessary to complete a needs assessment must provide the data or information to the department upon request.

(b) A service provider or other person providing the data or information may submit a request to the department consistent with section 122 of this act that the data or information be considered confidential and not made public.

(c) The contractor conducting the needs assessment must aggregate and anonymize the nonpublic data or information, excluding location data as necessary to assess needs, received from all parties under this section and must then include the aggregated anonymized data in the needs assessment. <u>NEW SECTION.</u> Sec. 112. EQUITY STUDY. (1) By January 31, 2032, the department must complete a study, conducted by a contracted third party that is not a producer or producer responsibility organization, of facilities operating in the state that manage covered materials and at facilities operating in the state that receive covered materials as recycled feedstock. The study must analyze, at a minimum, information about:

(a) Working conditions, wage and benefit levels, workforce development effects, and employment levels of minorities and women at those facilities;

(b) Barriers to ownership of recycling, composting, and reuse operations faced by women and minorities;

(c) The degree to which residents of multifamily buildings have less convenient access to recycling, composting, and reuse opportunities than those living in single-family homes;

(d) The degree to which individuals living in overburdened communities have access to fewer recycling, composting, and reuse opportunities compared to other parts of the state;

(e) The degree to which programs to increase access, convenience, and education are successful in raising reuse, recycling, and composting rates in areas where participation in these activities is low. This must include an evaluation of the efficacy of activities under section 119 of this act that are conceptually, linguistically, and culturally tailored to effectively reach diverse residents, and which such activities could be adjusted or improved to achieve improved outcomes for specific areas or sectors where participation is low;

(f) Strategies to increase participation in reuse, recycling, and composting; and

(g) The degree to which residents and workers in overburdened communities are impacted by emissions, toxic substances, and other pollutants from solid waste facilities in comparison to other areas of the state and recommendations to mitigate those impacts.

(2) Producer responsibility organizations registered under this chapter must cover the cost of conducting the study through the fees charged by the department to the producer responsibility organizations, and recommended actions identified in the study must be considered for inclusion as part of future plans required under this chapter, including adjustments to service provider reimbursements under section 117 of this act.

<u>NEW SECTION.</u> Sec. 113. PLAN. (1) By October 1, 2028, and every five years thereafter, each registered producer responsibility organization must submit a plan to the department that describes the proposed operation by the organization of programs to fulfill the requirements of this chapter and that incorporates the findings and results of needs assessments.

(2) A producer responsibility organization must submit a draft plan or draft amendment to the advisory council at least 60 days prior to submitting to the department to allow the advisory council to submit comments and must address advisory council comments and recommendations prior to the submission of the draft plan or draft plan amendment to the department.

(3) A draft plan must include at a minimum:

(a) Performance targets established under section 115 of this act as applicable to each covered materials type to be accomplished within a five-year period;

(b) Any proposals for additions or removals of covered materials to the lists established under section 109 of this act;

(c) A description of the methods of collection, how collection service convenience metrics in section 110 of this act will be met, and a description of processing infrastructure and covered services to be used for each covered materials type for persons and locations receiving services, at a minimum, and how these will meet the performance targets established in section 115 of this act for covered materials that are:

(i) Included or proposed to be included on lists established in section 109 of this act;

(ii) Reusable covered materials managed through a reuse system; and

(iii) Capable of refill and managed through a refill system;

(d) A description of how, for each covered materials type, the producer responsibility organization will measure recycling, plastic source reduction, reuse, composting, and the inclusion of postconsumer recycled content, in accordance with the methodology established in section 115 of this act;

(e) Third-party certifications as required by the department or voluntarily undertaken;

(f) A budget identifying funding needs for each of the plan's five calendar years, producer fees, a description of the process used to calculate the fees, and an explanation of how the fees meet the requirements of section 116 of this act;

(g) A description of infrastructure investments, including:

(i) Goals and outcomes and a description of how the process to offer and select investments will be conducted in an open, competitive, and fair manner;

(ii) How the infrastructure investments will address gaps in the system not met by service providers; and

(iii) Potential financial and legal instruments to be used;

(h) An explanation of how the plan will be paid for by the producer responsibility organization solely through fees from producers. This restriction does not apply to refundable deposits made in connection with a product's refill, reuse, or recycling that can be redeemed by a consumer;

(i) A description of activities to be undertaken by the producer responsibility organization during each year to:

(i) Minimize the environmental impacts and human health impacts of covered materials, including assessing each covered material type's generation of hazardous waste, generation of greenhouse gases, environmental justice impacts, public health impacts, and other impacts;

(ii) Foster the improved design of covered materials, as identified under section 116(2)(c) of this act;

(iii) Provide funding to expand and increase the convenience of waste reduction, refill, reuse, collection, recycling, and composting services to covered entities, at a minimum, according to the order of the state's solid waste management hierarchy established in RCW 70A.205.005;

(iv) Provide for reimbursement rates to service providers for statewide coverage of covered services on the lists established in section 109 of this act; and

(v) Monitor to ensure that postconsumer materials are delivered to responsible markets;

(j) A description of how the producer responsibility organization will promote the opportunity for all service providers to register with the department and to submit invoices for reimbursement with the producer responsibility organization;

(k) A description of how the program will reimburse service providers under an approved plan including, but not limited to, a description of how the program will establish:

(i) A methodology to calculate differentiated reimbursement rates as provided in sections 116 and 117 of this act;

(ii) A process for service providers to submit invoices and be reimbursed for covered services provided to covered entities;

(iii) Clear and reasonable timelines for reimbursement, at intervals no longer than monthly unless agreed to by a service provider and a producer responsibility organization; and

(iv) A process that utilizes a third-party mediator to resolve disputes that arise between the producer responsibility organization and a service provider regarding the determination of reimbursement rates and payment of reimbursements;

(1) Performance standards for service providers as applicable to the service provided including, but not limited to:

(i) Requirements that service providers must accept all covered materials on the applicable list established by the department under section 109(1)(a) of this act;

(ii) Requirements that service providers must offer residential recycling collection for materials on the applicable list established by the department under section 109(1)(a) of this act to covered entities wherever they offer residential garbage collection services, except in areas subject to a county ordinance as specified in RCW 70A.205.045(7)(b)(i)(C);

(iii) Requirements that service must be provided in a manner consistent with the requirements of: (A) Chapter 70A.205 RCW for curbside collection services of source separated recyclable materials from residences; and (B) chapter 81.77 RCW;

(iv) Requirements that service providers must manage covered materials in a manner consistent with the state's solid waste management hierarchy established in RCW 70A.205.005; and

(v) Requirements that service providers comply with all applicable federal, state, and local laws governing health and safety;

(m) A requirement that owners or operators of a material recovery facility that manages over 25,000 tons annually of covered materials under this chapter must comply with the compensation requirements specified in section 304 of this act;

(n) A description of how the producer responsibility organization will treat and protect nonpublic data submitted by service providers;

(o) A description of how the producer responsibility organization will provide technical assistance to:

(i) Service providers in order to assist them in delivering covered materials to responsible markets;

(ii)(A) Producers regarding intentionally added toxic substances and residual toxic substances from manufacturing in covered materials; (B) best

practices identified in the needs assessment that producers can take to reduce intentionally added or residual toxic substances in covered materials; and (C) best practices for verifying reduction through suppliers' certificates of compliance, testing, or other analytical and scientifically demonstrated methodology; and

(iii) Producers to make changes in product design that reduce the environmental impact of covered materials or that increase the recoverability or marketability of covered materials for reuse, recycling, or composting;

(p) A description of how the producer responsibility organization will increase public awareness, educate, and complete outreach activities that meet the requirements of section 119 of this act and will evaluate the efficacy of these efforts;

(q) A description of how the producer responsibility organization will reduce or eliminate disparities in the availability to socially vulnerable populations of covered services for covered materials;

(r) Proposed alternative collection programs as required under section 110 of this act;

(s) A description of how producers can purchase postconsumer materials from service providers at market prices if the producer is interested in obtaining recycled feedstock to achieve minimum postconsumer recycled content performance targets and statewide requirements;

(t) A summary of consultations held with the advisory council and other interested parties to provide input to the plan, a list of recommendations that were incorporated into the plan as a result, and a list of rejected recommendations and the reasons for rejection;

(u) Strategies to incorporate findings from any relevant studies required by the legislature; and

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

(4) Consistent with the process established in section 106(5) of this act, the department may only approve a draft plan submitted by a producer responsibility organization that meets the requirements of this section. The department shall not approve a draft plan that does not satisfy each criteria required of a plan under this section, including, but not limited to, a plan that does not reduce or eliminate disparities in the availability to socially vulnerable populations of covered services for covered materials.

<u>NEW SECTION.</u> Sec. 114. CONTINGENCY PLAN. (1) A producer responsibility organization must submit to the department a contingency plan demonstrating how the activities in the plan will continue to be carried out by some other entity, such as an escrow company, if needed:

(a) Until such time as a new or updated plan is submitted and approved by the department;

(b) Upon the expiration of an approved plan;

(c) If the producer responsibility organization notifies the department that it will cease to implement an approved plan; or

(d) In any other event that the producer responsibility organization can no longer carry out plan implementation.

(2) The contingency plan must be submitted to the department as a component of the producer responsibility organization's initial plan. The

department may require a producer responsibility organization to revise the contingency plan coincident with any plan submittal.

(3) The requirements of this section do not require a producer responsibility organization to hold funds in a dedicated account until such time as the contingency plan must be implemented.

(4) The department must follow the same process and timelines for reviewing and approving the contingency plan as it follows for the plan.

<u>NEW SECTION.</u> Sec. 115. PERFORMANCE TARGETS. (1) Each producer responsibility organization must propose performance targets based on the needs assessment that meet the statewide requirements in subsection (10) of this section that must be included in an approved plan. Performance targets must include reuse rates, return rates, recycling rates for materials delivered to responsible markets, composting rates, and targets for plastic source reduction and postconsumer recycled content by covered materials type, as applicable. For products for which postconsumer recycled content rates are established in RCW 70A.245.010 through 70A.245.050 and 70A.245.090 (1), (2), and (4), those rates must be included in an approved plan. The producer responsibility organization must propose the unit or units that are most appropriate to measure each performance target as informed by the needs assessment.

(2) The department may require that a producer responsibility organization obtain third-party certification of any activity or achievement of any performance target required by this chapter if a third-party certification is readily available, deemed applicable, and of reasonable cost. The department must provide the producer responsibility organization with notice of at least one year prior to requiring use of third-party certification under this subsection.

(3) Proposed targets must demonstrate continuous improvement in reducing environmental impacts and human health impacts of covered materials over time.

(4) For purposes of determining whether recycling performance targets are being met, except as modified by the department, a plan must provide a methodology for measuring the amount of covered material sent for recycling at the point at which material leaves a material recovery facility or other processing facility and must account for:

(a) Levels and types of estimated contamination documented by the facility;

(b) Any exclusions for fuel or energy capture; and

(c) Compliance with all state laws pertaining to toxic substances in covered materials.

(5)(a) The department must, in consultation with representatives from overburdened communities, the advisory council, service providers, municipalities, state agencies, alternative recycling technology providers, and others, approve or deny a proposal by a producer responsibility organization to count towards recycling performance targets the materials sent to facilities that use an alternative recycling process for conversion of plastic covered materials for the purpose of producing recycled material.

(b) The department must establish a process by which a producer responsibility organization may annually propose to count towards recycling performance targets the materials sent to a facility that uses an alternative recycling process. (c) The department may only approve the producer responsibility organization's proposal to count towards recycling performance targets the materials sent to a facility that uses an alternative recycling process if the department determines that the alternative recycling process:

(i) Does not include combustion, fuel production, and other forms of energy recovery of plastic covered materials in processing or disposal;

(ii) Provides protection for the environment and human health with consideration of inputs and outputs, including as measured against all of the following criteria:

(A) Environmental release of air and water pollutants or any hazardous pollutants;

(B) Generation of hazardous waste;

(C) Energy use and generation of greenhouse gases;

(D) Environmental impacts on overburdened communities and socially vulnerable populations;

(E) Water usage including, but not limited to, impacts to local water resources and sewage infrastructure;

(F) Public health impacts; and

(G) Capture and recycling rates;

(iii) Reduces gaps in collection, recycling, and composting services at covered entities;

(iv) Meets an unmet need in the state that will result in meeting recycling performance targets, including creating new recycling markets for materials currently disposed of in landfills or incinerated;

(v) Provides third-party certification of recycled content; and

(vi) Addresses those other environmental impacts as determined by the department.

(d)(i) In making its determination under (c) of this subsection, the department must take into consideration any local, state, or federal environmental permitting requirements that govern the operation of an alternative recycling process that reduces air and water pollutants or the generation of hazardous waste or pollutants. The department must also take into consideration whether the alternative process produces food-grade or pharmaceutical-grade recycled content.

(ii) The department must publish a determination on the producer responsibility organization's proposal, detailing why it was approved or denied and how it measured against the criteria listed in (c) of this subsection. The department must also conduct a public review process for at least 60 days.

(e) A person may appeal a decision by the department under (d) of this subsection to the pollution control hearings board.

(f) The department must, no more frequently than every five years, require the producer responsibility organization to provide any updated information deemed necessary that demonstrates that an approved alternative recycling process is continuing to meet the requirements of this section. If the facility fails to meet the requirements of this section, the department shall prohibit the producer responsibility organization from counting material sent to the alternative recycling facility towards recycling performance targets. (g) Nothing in this chapter prohibits or affects the use of any alternative recycling process for products or packaging that are not covered materials under this chapter.

(6) For purposes of determining whether plastic source reduction performance targets are being met, a plan must provide a methodology for measuring the amount of plastic source reduction of covered materials in a manner that can be used to determine the extent to which the amount of material used for a covered material can be reduced to what is necessary to efficiently deliver a product without damage or spoilage, or other means of covered material redesign to reduce overall use and environmental impacts and maintain recyclability, compostability, or reusability. No more than eight percent of a producer responsibility organization's plastic source reduction performance target may be met by switching from virgin covered material to postconsumer recycled content through a sliding scale alternative compliance formula developed by the department based on the ratio of virgin plastic to postconsumer recycled plastic. For producers subject to the postconsumer recycled content requirements of chapter 70A.245 RCW, the postconsumer recycled content used to comply with those requirements may be credited towards the plastic source reduction performance target, subject to the eight percent limit.

(7) For purposes of determining whether reuse performance targets are being met, a plan must provide a methodology for measuring the amount of reusable covered materials at the point at which reusable covered materials meet the following criteria as demonstrated by the producer and approved by the department whether the:

(a) Average minimum number of cycles of reuses within a recognized reuse system has been met based on the number of times an item must be reused for it to have lower environmental impacts than the single-use versions of those items based on accepted industry standards; and

(b) Demonstrated or research-based anticipated return rate of the covered material to the reuse system has been met.

(8) For purposes of determining whether postconsumer recycled content performance targets are being met under this chapter, a plan must provide a methodology for measuring postconsumer recycled content across all producers for a covered materials type where producers may determine their postconsumer recycled content based on their United States market territory if state-specific postconsumer recycled content is impractical to determine.

(9) For other performance targets, the producer responsibility organization must propose methodologies for review and approval as part of the plan based on findings from the needs assessment.

(10)(a) The department must establish statewide requirements and a date by which those requirements must be met for each of the following categories:

(i) Recycling rate;

(ii) Composting rate;

(iii) Reuse rate;

(iv) Return rate;

(v) The percentage of covered materials introduced that must be plastic source reduced; and

(vi) The percentage of postconsumer recycled content that covered materials must contain, including an overall percentage for all covered materials,

as applicable, excluding compostable materials that cannot include postconsumer recycled content due to unique chemical or physical properties or health or safety requirements that prohibit introduction of postconsumer recycled content.

(b) The department may use the following information and criteria when establishing statewide requirements under (a) of this subsection:

(i) The needs assessment;

(ii) The goals and requirements of chapter 70A.205 RCW;

(iii) The greenhouse gas emissions limits of chapter 70A.45 RCW;

(iv) The need for continuous progress towards overall reduction in the generation of covered materials waste, the reuse, recycling, or composting of covered materials to reduce environmental impacts and human health impacts, and progress to incorporate postconsumer recycled content to replace virgin materials and support more regional markets;

(v) A preference for statewide requirements that accomplish and further the goals and requirements in (b)(ii) through (iv) of this subsection as soon as practicable and to the maximum extent achievable; and

(vi) Information from packaging and paper product producer responsibility programs operating in other jurisdictions.

(c) The department must consult with producer responsibility organizations on establishing statewide requirements, submit proposed statewide requirements for review by the advisory council, and consider the advisory council's recommendations before finalizing the statewide requirements.

(d) Every five years, the department must review the statewide requirements established under this subsection. If the department decides an update is not warranted at that time, the department must submit the reasoning to the advisory council and consider the advisory council's recommendations before making a final decision. If the department decides an update is warranted, the department must follow the process specified in (b) and (c) of this subsection.

(e) Producer responsibility organizations must ensure the statewide requirements are met.

<u>NEW SECTION.</u> Sec. 116. PRODUCER FEES. (1) A registered producer responsibility organization may charge each member producer a fee according to each producer's unit-based, weight-based, volume-based, or sales-based market share or by another method it determines to be an equitable determination of each producer's payment obligation, so that the aggregate fees charged to member producers are sufficient to pay the producer responsibility organization has an approved plan.

(2) A producer responsibility organization with an approved plan must annually collect a fee from each member producer that must:

(a) Vary based on the total amount of covered materials each producer introduces in the prior year calculated on a per unit basis, such as per ton, per item, or another unit of measurement;

(b) Reflect program costs for each covered materials type, net of commodity value for that covered materials type when used as a recycled material, as well as allocated fixed costs that do not vary based on covered materials type. Any membership fees charged for different covered material types, materials, and formats must:

(i) For covered materials that are on the statewide lists established under section 109 of this act, be proportional to the costs to the producer responsibility organization for that covered material type, covered material, or format; and

(ii) Discourage the use of covered materials that are not on the statewide lists established under section 109 of this act;

(c) Incentivize using materials and design attributes that reduce the environmental impacts and human health impacts of covered materials by:

(i) Eliminating intentionally added toxic substances or residual toxic substances from manufacturing in covered materials;

(ii) Reducing the amount of:

(A) Packaging per individual covered material that is necessary to efficiently deliver a product without damage or spoilage and without reducing its ability to be recycled or composted; and

(B) Paper used to manufacture individual paper products;

(iii) Increasing the amount of covered materials managed in a reuse system;

(iv) Increasing the proportion of postconsumer material in covered materials;

(v) Enhancing the recyclability or compostability of a covered material;

(vi) Increasing the amounts of inputs derived from renewable and sustainable sources without reducing its ability to be recycled; and

(vii) Other means, as approved by the department;

(d) Discourage using materials and design attributes in covered materials whose environmental impacts and human health impacts can be reduced by the methods listed in (c) of this subsection;

(e) Prioritize reuse by charging covered materials that are managed through a reuse system only once, upon initial entry into the marketplace; and

(f) Generate revenue sufficient to pay in full:

(i) The fee to the department required under section 106 of this act;

(ii) The financial obligations to complete activities described in an approved plan and to reimburse service providers under section 117 of this act;

(iii) The funding required under section 104 of this act for the reuse financial assistance program;

(iv) The operating costs of the producer responsibility organization; and

(v) For establishment and maintenance of a financial reserve that is sufficient to operate the program in a fiscally prudent and responsible manner.

(3) Revenues collected under this section that exceed the amount needed to pay the costs described in subsection (2)(f) of this section must be used to improve or enhance program outcomes or to reduce producer fees according to provisions of an approved plan.

(4) Fees collected from producers under this chapter may not be used for lobbying or political advocacy activities that would require reporting under chapter 42.17A RCW or under the federal election campaign act, 2 U.S.C. chapter 14.

<u>NEW SECTION.</u> Sec. 117. SERVICE PROVIDER REIMBURSEMENT. (1) The reimbursements provided for covered services to covered entities under an approved plan must only be provided to service providers that, at a minimum, meet the performance standards established under an approved plan.

(2)(a) A plan must provide a methodology for reimbursement rates for covered services for covered materials, exclusive of exempt materials. The

methodology for reimbursement rates must consider estimated revenue received by service providers from the sale of covered materials based on relevant material indices and incorporate relevant cost information identified by the needs assessment. Reimbursement rates must be annually updated and reflect the net costs for covered services for covered materials from entities receiving services under this chapter, at a minimum. Reimbursement rates must be established equivalent to net costs, using a methodology in an approved plan as follows:

(i) No less than 50 percent of the net costs by February 15, 2030;

(ii) No less than 75 percent of the net costs by February 15, 2031; and

(iii) No less than 90 percent of the net costs by February 15, 2032, and each year thereafter.

(b) Reimbursement rates must be based on the following, as applicable by the service provided:

(i) The cost to collect covered material for recycling, a proportional share of composting, or reuse adjusted to reflect conditions that affect those costs, varied by region or jurisdiction in which the covered services are provided including, but not limited to:

(A) The number and type of covered entities;

(B) Population density;

(C) Collection methods employed;

(D) Distance traveled by collection vehicles to consolidation or transfer facilities, to reuse, recycling, or composting facilities, and to responsible markets;

(E) Other factors that may contribute to regional or jurisdictional cost differences;

(F) The proportion of covered compostable materials within all source separated compostable materials collected or managed through composting; and

(G) The general quality of covered materials collected by service providers;

(ii) The cost to transfer collected covered materials from consolidation or transfer facilities to reuse, processing, recycling, or composting facilities or to responsible markets;

(iii) The cost to:

(A) Sort and process covered materials for sale or use and remove contamination from covered materials by a recycling or composting facility, minus the average fair market value for that covered material based on market indices for the region; and

(B) Manage contamination removed from collected covered material;

(iv) The administrative costs of service providers, including education, public awareness campaigns, and outreach program costs as applicable; and

(v) The costs of covered services for a refill system or covered services provided for reusable covered materials and management of contamination.

(c) A service provider retains all revenue from the sale of covered materials unless otherwise agreed upon by the service provider. Nothing in this chapter may restrict a service provider from charging a fee for covered services for covered materials to the extent that reimbursement from a producer responsibility organization does not cover all costs of services, including continued investment and innovation in operations, operating profits, and returns on investments required by a service provider to provide sustainability of the services.

(d) Reimbursement rates may be calculated per ton, by household, or by another unit of measurement.

(3)(a) Nothing in this section may be construed to require a government entity to agree to operate under a plan. Any government entity that is also a service provider is eligible to be registered with the department and reimbursed per the rates and schedule established in accordance with this section.

(b) Nothing in this chapter restricts the authority of a political subdivision of the state to provide waste management services to residents, to contract with any entity to provide waste management services, or to exercise its authority granted under RCW 35.21.120, 35.21.130, 35.21.152, or 36.58.040. A producer responsibility organization may not restrict or otherwise interfere with a government entity exercising its authority under RCW 35.21.120, 35.21.130, 35.21.152, or 36.58.040 to organize collection of solid waste, including materials collected for recycling or composting, or to extend, renew, or otherwise manage any contracts entered into as a result of exercising such authority or otherwise resulting from a competitive procurement process.

(4) A producer responsibility organization must establish a dispute resolution process utilizing third-party mediators for disputes related to reimbursements.

<u>NEW SECTION.</u> Sec. 118. INFRASTRUCTURE INVESTMENTS. (1) For infrastructure investments, a producer responsibility organization must use a competitive bidding process and publicly post bid opportunities, except that preference must be given to existing facilities and providers of services in the state for waste reduction, refill, reuse, collection, recycling, and composting of covered materials.

(2) A producer or producer responsibility organization may not own or partially own infrastructure that is used to fulfill obligations under this chapter, except in the following circumstances:

(a) A producer may hold an ownership stake in infrastructure used to fulfill obligations under this chapter as long as the stake was held before the effective date of this section and the ownership stake is fully disclosed by the producer to the producer responsibility organization;

(b) After a bidding process described in subsection (1) of this section under which no service provider bids on the contract, the producer responsibility organization may make infrastructure investments to implement the requirements of this chapter; or

(c) A producer or producer responsibility organization may own or partially own infrastructure that is used solely for purposes of the reuse financial assistance program or as needed to fulfill an individual plan or alternative collection program.

(3) The direct or indirect receipt of funds from a producer responsibility organization under this chapter does not confer any inherent ownership or interest in any asset or company to which funds are directed and does not confer any inherent right to control use of any asset or company operations.

<u>NEW SECTION.</u> Sec. 119. EDUCATION AND OUTREACH. (1) A producer responsibility organization must develop and maintain a public website that uses best practices for accessibility and contains, at a minimum:

(a) Information regarding a process that members of the public may use to contact the producer responsibility organization with questions;

(b) A directory of all service providers operating under the plan administered by the producer responsibility organization, grouped by location or government entity;

(c) Registration materials submitted to the department;

(d) The draft and approved plan and any draft and approved amendments;

(e) The list of exempt materials under this chapter;

(f) Current and all past needs assessments;

(g) Annual reports submitted to the department by the producer responsibility organization;

(h) A link to administrative rules implementing this chapter;

(i) Comments of the advisory council on the documents listed in (d) and (f) of this subsection and the responses of the producer responsibility organization to those comments;

(j) A list, updated at least monthly, of all member producers that will operate under the plan administered by the producer responsibility organization and, for each producer, a list of all brands of the producer's covered materials; and

(k) Education materials on waste reduction, refill, reuse, recycling, and composting for producers and the general public.

(2) A producer responsibility organization must implement education and outreach activities that are conceptually, linguistically, and culturally tailored to effectively reach diverse residents and include culturally responsive materials and methods that rely on evidence-based practices, are accessible, clear, and support the achievement of the performance targets, including by developing and providing educational materials, resources, and campaigns that encourage and support recycling, composting, and reuse behaviors by residents and visitors. Activities must:

(a) Assist producers in improving product labels as a means of informing consumers about refill, reuse, recycling, composting, and other environmentally sound methods of managing covered materials;

(b) Increase public awareness of how to use and manage covered materials in an environmentally sound manner and how to access waste reduction, refill, reuse, recycling, and composting services;

(c) Encourage behavior change to increase participation in waste reduction, refill, reuse, recycling, and composting programs including by considering motivational structures for recycling and reuse by engaging local communities in the design and implementation of programs and developing community-led solutions that are tailored to their specific cultural practices and waste generation patterns;

(d) Reduce resident confusion regarding the appropriate solid waste collection container or end-of-life management option for each type of covered material; and

(e) Develop and provide education and outreach materials that are able to be used by retail establishments, collectors, government entities, service providers, schools, institutions, youth organizations, and nonprofit organizations. Outreach

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materials must be accessible in multiple languages and culturally appropriate formats including by reaching non-English-speaking communities and by using a variety of tailored media and behavior change strategies.

(3) A producer responsibility organization must coordinate with registered service providers and any government entities that choose to participate in carrying out education and outreach consistent with the plan.

<u>NEW SECTION.</u> Sec. 120. ANNUAL REPORT. (1) By July 1, 2031, and each July 1st thereafter, a producer responsibility organization must submit an annual report to the department that contains, at a minimum, the following information for the previous calendar year:

(a) The amount of covered materials introduced, by covered materials type, reported in the same units used to establish producer fees under this chapter;

(b) Progress made toward the performance targets reported in the same units used to establish producer fees under this chapter, and reported statewide and for each county, including:

(i) The amount of covered materials successfully source reduced, reused, recycled, and composted by covered materials type and the strategies or collection methods used; and

(ii) Information about third-party certifications obtained;

(c) The total cost to implement the program and a detailed description of program expenditures by category, including:

(i) The total amount of producer fees collected;

(ii) A description of infrastructure investments made; and

(iii) A breakdown of reimbursements by covered services, entities receiving covered services, and regions of the state;

(d) A copy of a financial audit of program operations conducted by an independent auditor approved by the department that meets the requirements of the *Financial Accounting Standards Board's Accounting Standards* update 2016-14, not-for-profit entities (Topic 958), as it existed as of January 1, 2025, or an updated standard as required by the department by rule;

(e) A description of the program performance problems that emerged in specific locations and efforts taken or proposed by the producer responsibility organization to address them;

(f) A discussion of technical assistance provided to producers regarding toxic substances in covered materials and actions taken by producers to reduce intentionally added toxic substances and residual toxic substances from manufacturing in covered materials beyond compliance with prohibitions already established in law;

(g) A description of public awareness, education, and outreach activities undertaken, including any evaluations conducted of their efficacy, plans for next calendar year's activities, and an evaluation of the process established by the producer responsibility organization to answer questions from consumers regarding collection, recycling, composting, waste reduction, and reuse activities;

(h) A description, which includes quantitative measurements, of changes in levels of access to covered services for covered materials by socially vulnerable populations relative to levels of access to and participation in covered services for covered materials by socially vulnerable populations prior to the implementation of the first plan under this chapter; (i) A summary of consultations held with the advisory council and how any feedback was incorporated into the report as a result, together with a list of rejected recommendations and the reasons for rejection;

(j) A list of producers found to be out of compliance with this chapter and actions taken by the producer responsibility organization to return producers to compliance, and notification of any producers that are no longer participating in the producer responsibility organization or who have been expelled due to their lack of compliance;

(k) Proposed amendments to the plan to improve program performance or reduce costs, including changes to producer fees, infrastructure investments, or reimbursement rates;

(1) Recommendations for additions or removals of covered materials to or from the recyclable or compostable covered materials lists established under section 109 of this act; and

(m) Information requested by the department to evaluate the effectiveness of the program as it is described in the plan and to assist with determining compliance with this chapter.

(2) A producer responsibility organization that fails to meet a performance target approved in a plan must, within 90 days of filing an annual report under this section, file with the department an explanation of the factors contributing to the failure and propose an amendment to the plan specifying changes in operations, including education and outreach, that the producer responsibility organization will make that are designed to achieve the performance targets. If a performance target is unmet due to the lack of government entity participation in the program, the department may revise the statewide requirements. If a revision to the statewide requirements is completed by the department, the producer responsibility organization may revise the performance targets at the same time. An amendment filed under this subsection must be reviewed by the advisory council and approved by the department in the manner specified in section 106 of this act.

<u>NEW SECTION.</u> Sec. 121. INDEPENDENT REVIEW OF PROGRAM. (1)(a) By January 1, 2028, the department must contract with an independent consultant to carry out a one-time ex-ante analysis of each draft plan submitted to the department by October 1, 2028, that addresses:

(i) The impact of the proposed program on the consumer prices of covered materials and items sold with covered materials;

(ii) The impacts of the proposed program on environmental justice, as defined in RCW 70A.02.010, and on the availability and convenience of recycling, composting, and reuse services, including specific analysis of the availability and convenience of recycling, composting, and reuse services used by socially vulnerable populations and in overburdened communities; and

(iii) Whether and how a beverage container deposit return program could be established as a complement to the proposed plan, and designed in a manner that would improve on the performance targets and program outcomes proposed in the plan and in a manner that would improve accessibility and convenience to recycling options for beverage containers.

(b) The analysis must be informed by input from stakeholders and informed by experience from other jurisdictions.

(c) The analysis must be completed and submitted to the department by January 15, 2029.

(d) The department's contract with the independent consultant must allow the consultant to begin its analysis prior to the submission of the draft plan on October 1, 2028. The department must require a producer responsibility organization to cooperate and share information with the independent consultant hired by the department to facilitate the consultant being able to complete its analysis in time to allow for consideration by the 2029 legislature.

(e) The department must notify the appropriate committees of the legislature upon the completion of the analysis under this subsection (1).

(2) By September 1, 2038, the department must contract with an independent consultant to analyze the impacts of the initial seven years of program implementation and must submit a report summarizing the analysis to the appropriate committees of the legislature. The analysis must include the effects of the program on:

(a) Solid waste, composting, or recycling costs;

(b) Recycling rates, reuse rates, postconsumer recycled content rates, source reduction rates, and composting rates; and

(c) The availability and convenience of recycling, composting, and reuse services, including specific analysis of the availability and convenience of recycling, composting, and reuse services used by socially vulnerable populations.

(3)(a) The independent consultant, for purposes of the independent review of the program carried out under this section, may review:

(i) Information submitted to the department under section 120 of this act; and

(ii) Producer or producer responsibility organization data or information pertinent to the program.

(b) The independent consultant must treat confidential records in a manner consistent with the department's policy under section 122 of this act.

(4) To the extent that sufficient state-level data is not available to complete the analyses required in subsection (2) of this section, the independent consultant may review data or studies from states with similar programs.

<u>NEW SECTION.</u> Sec. 122. CONFIDENTIAL INFORMATION SUBMISSION. A producer responsibility organization, service provider, material recovery facility, organic material management facility, responsible market, or other entity that submits information or records to the department under this chapter may request that the information or records, including data related to business profits, service rates, fees, or business expenses or private data on individuals, be made available only for the confidential use of the department, the director of the department, the appropriate division of the department, or the independent consultant carrying out the independent review of the program in section 121 of this act. The director of the department must consider the request and if this action is not detrimental to the public interest and is otherwise in accordance with the policies and purposes of chapter 43.21A RCW, the director must grant the request for the information to remain confidential as authorized in RCW 43.21A.160.

<u>NEW SECTION.</u> Sec. 123. ENFORCEMENT AUTHORITY. (1)(a) The department may administratively impose a civil penalty of up to \$1,000 per violation per day on any producer who violates this chapter and up to \$10,000 per violation per day for the second and each subsequent violation.

(b) For a producer out of compliance with the requirements of this chapter, the department shall provide written notification and offer information. For the purposes of this subsection, written notification serves as notice of the violation. The department must issue at least one notice of violation by certified mail prior to assessing a penalty and the department may only impose a penalty on a producer that has not met the requirements of this chapter 60 days following the date the written notification of the violation was sent.

(2)(a) The department may administratively impose a civil penalty of up to \$1,000 per violation per day on any producer responsibility organization that violates this chapter and up to \$10,000 per violation per day for the second and each subsequent violation.

(b) The department may, in addition to assessing the penalties provided in (a) of this subsection, take any combination of the following actions:

(i) Issue a corrective action order to a producer responsibility organization;

(ii) Issue an order to a producer responsibility organization to provide for the continued implementation of the program in the absence of an approved plan;

(iii) Revoke the producer responsibility organization's plan approval and require implementation of the contingency plan;

(iv) Require a producer responsibility organization to revise or resubmit a plan within a specified time frame; or

(v) Require additional reporting related to the area of noncompliance.

(c) Prior to taking an action described in this subsection, the department must provide the producer responsibility organization an opportunity to respond to or rebut the written finding upon which the action is predicated.

(3) A person may not sell or distribute in or into the state a covered material of a producer that is not participating in a producer responsibility organization or that is not in compliance with the requirements of this chapter or rules adopted under this chapter.

(a) The department shall serve, or send with delivery confirmation, a written warning explaining the violation to a person distributing or selling covered materials of a producer that is not in compliance with this chapter.

(b) The department may assess a penalty on a person that continues to sell or distribute covered materials of a producer that is in violation of this chapter 60 days after receipt of the written warning under this subsection. The amount of the penalty that the department may assess under this subsection is twice the value of the covered materials sold in violation of this chapter or \$500, whichever is greater. The department must waive the penalty upon verification that the person has discontinued distribution or sales of the covered material within 30 days of the date the penalty is assessed.

(4) Any person who incurs a penalty or receives an order may appeal the penalty or order to the pollution control hearings board established in chapter 43.21B RCW.

(5) Penalties levied under this section must be deposited in the recycling enhancement account created in RCW 70A.245.100.

(6) Upon receipt of a request from the advisory council, the department must consider the appropriateness of the use of enforcement authority authorized in this section.

<u>NEW SECTION.</u> Sec. 124. STUDY OF DEPOSIT RETURN SYSTEM. (1) The department shall contract with an independent consultant to conduct two studies on the potential statewide impacts of a recycling refunds program, also known as a beverage container deposit return system, in Washington state. The studies must prioritize equity, accessibility, and community perspectives.

(2) The consultant, in coordination with the department, shall lead a community engagement process in at least three geographically diverse areas of the state with a high concentration of socially vulnerable or overburdened populations, as identified by the department consistent with RCW 70A.02.010. The results of this engagement process must be submitted to the legislature by January 1, 2027. The engagement process must:

(a) Solicit input on access to recycling and redemption services, local infrastructure needs, and community priorities related to convenience and equity;

(b) Assess consumer sentiment, awareness, and perceptions of a recycling refunds program, including perceived benefits, barriers to participation, and potential economic impacts, particularly for low-income households;

(c) Include:

(i) Community input sessions in overburdened communities;

(ii) Outreach to local governments, tribal governments, environmental justice and equity organizations, producers, recycling system operators, and other relevant stakeholders; and

(iii) Engagement with individuals and organizations concerned about the economic impacts of a recycling refunds program, particularly on low-income consumers; and

(d) Develop recommendations to ensure that a recycling refunds program is equitably accessible, convenient, and responsive to community needs across all regions of the state.

(3) In the same three regions required to be identified under subsection (2) of this section, the consultant shall evaluate and model what convenient access to redemption services would look like, with respect to the types of express and full-service redemption sites. The results of this engagement process must be submitted to the legislature by January 1, 2026. This analysis must at a minimum consider:

(a) The availability of suitable infrastructure for redemption services that include reusable packaging;

(b) Accessibility via public transportation;

(c) Colocation opportunities with existing waste or recycling facilities; and

(d) Strategies to reduce transportation burdens on residents in rural, remote, and underserved communities.

(4) The department shall submit the consultant's findings and recommendations to the appropriate committees of the house of representatives and the senate by January 1, 2026, for the study completed in subsection (3) of this section and January 1, 2027, for the study completed in subsection (2) of this section.

(5) Registered producer responsibility organizations under section 103 of this act are responsible for payment of the department's cost to complete these studies as part of the one-time payment due to the department on September 1, 2026, under section 103(4) of this act.

<u>NEW SECTION.</u> Sec. 125. DEPOSIT RETURN SYSTEM. (1) It is the intent of the legislature that if a bottle deposit return system is enacted in the future, it will be harmonized with this chapter in a manner that ensures that:

(a) Materials covered in that system are exempt from this chapter or related financial obligations are reduced;

(b) Colocation of drop-off collection sites is maximized;

(c) Education and outreach are integrated between the two programs; and

(d) Waste reduction and reuse strategies are prioritized between the two programs.

(2) Any implementation of a bottle deposit return system must include a two-year transition period before the expiration of the currently approved plan and be conducted in a manner that does not create sudden and significant operational or financial disruption to the implementation of a plan under this chapter, including provisions of recycling or reuse services contained in the plan.

<u>NEW SECTION.</u> Sec. 126. PETITION FOR THE EXCLUSION OF CERTAIN PRODUCTS. (1) Except as provided in subsection (4) of this section, one year prior to the submission of a plan, a producer, group of producers, or a producer responsibility organization may submit a petition to the department to request for reasons of public health or safety the temporary exclusion of packaging used to contain the following categories of products, subcategories of the following categories of products:

(a) Raw meat products that are demonstrated to transfer pathogens to direct contact packaging;

(b) Products regulated under the poison prevention packaging act of 1970; and

(c) Products subject to requirements under federal laws that make their inclusion in the requirements of this chapter infeasible or inadvisable.

(2) A petition must provide information that is necessary and sufficient for the department to make a determination including, at a minimum, the following:

(a) The technical feasibility of including the category of product, subcategory of product, or individual product in the program created by this chapter, and in recycling the packaging of the product or products;

(b) An analysis of any potential risks to public health and safety associated with the inclusion of a category of product, subcategory of product, or individual product in the program created by this chapter, and in recycling the packaging of the product or products; and

(c) The progress made by producers in achieving the goals of this chapter, including by reducing the amount of packaging used with the products, increasing the recycled content of the product packaging, and increasing the ability of the products' packaging to be reused, composted, or recycled if appropriate.

(3) The department must make a determination and notify the petitioner within 90 days of receipt of the petition.

(4) The producer of a product that is temporarily excluded from the requirements of this chapter under this section must report, directly to the department in a form created by the department, the information related to the temporarily excluded product that is required to be reported to the department by producer responsibility organizations under sections 103 and 120 of this act.

<u>NEW SECTION.</u> Sec. 127. IDENTIFICATION OF SOCIALLY VULNERABLE POPULATIONS. (1) The department must periodically assess the availability of, and methodology used by, the United States centers for disease control and the agency for toxic substances and disease registry's social vulnerability index, as compared to how it existed as of January 1, 2025.

(2) If the department determines that the social vulnerability index is no longer available in substantially the same form as it existed on January 1, 2025, the department must notify each registered producer responsibility organization that for purposes of the identification of socially vulnerable populations under this chapter, the department and producer responsibility organizations are no longer required to reference the United States centers for disease control and the agency for toxic substances and disease registry's social vulnerability index. Instead, the department and registered producer responsibility organizations must reference the alternative populations specified in subsection (3) of this section.

(3)(a) Until such time as a rule is adopted under (b) of this subsection, the department and registered producer responsibility organizations must, for purposes of identifying socially vulnerable populations, identify as socially vulnerable populations those communities ranked as an eight or higher on the environmental health disparities map developed under RCW 43.70.815.

(b) After making a determination under subsection (2) of this section, by rule the department may, but is not required to, adopt an alternative methodology for the identification of socially vulnerable populations to replace the reference to the United States centers for disease control and the agency for toxic substances and disease registry's social vulnerability index. A rule adopted under this subsection may, but is not required to, rely in whole or in part on the environmental health disparities map developed by the department of health under RCW 43.70.815.

<u>NEW SECTION.</u> Sec. 128. OTHER. (1) Nothing in this act impacts an entity's eligibility for any state or local incentive or assistance program to which they are otherwise eligible. Nothing in this act limits the authority of private parties or government entities to enter into contracts.

(2) Nothing in this chapter authorizes the department or a producer responsibility organization to impose any requirement, in direct conflict with a federal law or regulation including, but not limited to:

(a) Laws or regulations covering tamper-evident packaging pursuant to 21 C.F.R. Sec. 211.132;

(b) Laws or regulations covering child-resistant packaging pursuant to 16 C.F.R. Sec. 1700.1, et seq.;

(c) Regulations, rules, or guidelines issued by the United States department of agriculture or the United States food and drug administration related to packaging agricultural commodities; and (d) Requirements for microbial contamination, structural integrity, or safety of packaging, where no viable recyclable or compostable packaging that can meet the requirements exists, pursuant to:

(i) The federal food, drug, and cosmetic act (21 U.S.C. Sec. 301, et seq.);

(ii) 21 U.S.C. Sec. 2101, et seq.;

(iii) The federal food and drug administration food safety modernization act (21 U.S.C. Sec. 2201, et seq.);

(iv) The federal poultry products inspection act (21 U.S.C. Sec. 451, et seq.);

(v) The federal meat inspection act (21 U.S.C. Sec. 601, et seq.); or

(vi) The federal egg products inspection act (21 U.S.C. Sec. 1031, et seq.).

(3) No penalty may be assessed under this chapter on an individual or resident for the improper disposal of covered materials in a noncommercial or residential setting.

(4) Nothing in this chapter limits the authority of the utilities and transportation commission to regulate collection of solid waste, including curbside collection of residential recyclable materials, in accordance with chapter 81.77 RCW.

(5) Nothing in this chapter affects the authority or duties of the department of agriculture related to pest and noxious weed control and quarantine measures under chapter 17.24 RCW.

<u>NEW SECTION.</u> Sec. 129. ACCOUNT. The responsible recycling management account is created in the custody of the state treasurer. All receipts received by the department under this chapter must be deposited in the account. Only the director of the department or the director's designee may authorize expenditures from the account. The account is subject to the allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures. Expenditures from the account may be used by the department only for implementing, administering, and enforcing the requirements of this chapter, and by the department of labor and industries necessary to cover the cost for the implementation and enforcement of section 304 of this act. It is the intent of the legislature that the portion of the department be transferred to whichever state account was used to cover the costs of the department prior to the payment of the producer responsibility organization fee in 2026.

Part Two

Amendments to Existing Solid Waste Management Laws

Sec. 201. RCW 70A.205.045 and 2020 c 20 s 1163 are each amended to read as follows:

Each county and city comprehensive solid waste management plan shall include the following:

(1) A detailed inventory and description of all existing solid waste handling facilities including an inventory of any deficiencies in meeting current solid waste handling needs.

(2) The estimated long-range needs for solid waste handling facilities projected ((twenty)) 20 years into the future.

(3) A program for the orderly development of solid waste handling facilities in a manner consistent with the plans for the entire county which shall: (a) Meet the minimum functional standards for solid waste handling adopted by the department and all laws and regulations relating to air and water pollution, fire prevention, flood control, and protection of public health;

(b) Take into account the comprehensive land use plan of each jurisdiction;

(c) Contain a six year construction and capital acquisition program for solid waste handling facilities; and

(d) Contain a plan for financing both capital costs and operational expenditures of the proposed solid waste management system.

(4) A program for surveillance and control.

(5) A current inventory and description of solid waste collection needs and operations within each respective jurisdiction which shall include:

(a) Any franchise for solid waste collection granted by the utilities and transportation commission in the respective jurisdictions including the name of the holder of the franchise and the address of his or her place of business and the area covered by the franchise;

(b) Any city solid waste operation within the county and the boundaries of such operation;

(c) The population density of each area serviced by a city operation or by a franchised operation within the respective jurisdictions;

(d) The projected solid waste collection needs for the respective jurisdictions for the next six years.

(6) A comprehensive waste reduction and recycling element that, in accordance with the priorities established in RCW 70A.205.005, provides programs that (a) reduce the amount of waste generated, (b) provide incentives and mechanisms for source separation, and (c) establish recycling opportunities for the source separated waste.

(7) The waste reduction and recycling element shall include the following:

(a) Waste reduction strategies, which may include strategies to reduce wasted food and food waste that are designed to achieve the goals established in RCW 70A.205.715(1) and that are consistent with the plan developed in RCW 70A.205.715(3);

(b) Source separation strategies, including:

(i) Programs for the collection of source separated materials from residences ((in urban and rural areas. In urban areas, these)).

(A) Until January 1, 2030, these programs shall include collection of source separated recyclable materials from single and multiple-family residences, in <u>urban areas</u>, unless the department approves an alternative program, according to the criteria in the planning guidelines. Such criteria shall include: Anticipated recovery rates and levels of public participation, availability of environmentally sound disposal capacity, access to markets for recyclable materials, unreasonable cost impacts on the ratepayer over the six-year planning period, utilization of environmentally sound waste reduction and recycling technologies, and other factors as appropriate. In rural areas, these programs shall include but not be limited to drop-off boxes, buy-back centers, or a combination of both, at each solid waste transfer, processing, or disposal site, or at locations convenient to the residents of the county. The drop-off boxes and buy-back centers may be owned or operated by public, nonprofit, or private persons;

(B) Except as provided in (b)(i)(C) of this subsection, beginning January 1, 2030, these programs shall:

(I) Provide curbside collection of source separated recyclable materials from single-family and multiple-family residences wherever curbside garbage collection services are provided to these entities;

(II) Include materials on the statewide collection list designated for residential collection established by the department; and

(III) Include service standards for curbside collection frequency, container size, and method of collection, established under plans approved by the department under chapter 70A.--- RCW (the new chapter created in section 401 of this act):

(C) A county may, by ordinance, direct that the full list of materials on the statewide collection list identified as suitable for residential collection be collected exclusively through drop-off locations in areas regulated by the utilities and transportation commission under the provisions of chapter 81.77 RCW if the areas were designated as rural in the county solid waste management plan and no curbside recycling collection service was offered within those areas as of January 1, 2025. Where a county has adopted such an ordinance, the provisions of (b)(i)(B) of this subsection do not apply;

(D) Comprehensive solid waste management plans may incorporate by reference programs described in an approved producer responsibility organization plan under chapter 70A.--- RCW (the new chapter created in section 401 of this act) to fulfill the requirements of this subsection (7)(b)(i) in whole or in part;

(E) Before January 1, 2030, each comprehensive solid waste management plan must be amended, revised, or updated by a jurisdiction consistent with the requirements of this subsection (7)(b)(i). If a comprehensive solid waste management plan has not been amended, revised, or updated before January 1, 2030, to be consistent with the requirements of this subsection (7)(b)(i), beginning January 1, 2030, the model comprehensive solid waste plan amendment provided by the department under section 106 of this act applies in the jurisdiction;

(ii) Programs to monitor the collection of source separated waste at nonresidential sites where there is sufficient density to sustain a program;

(iii) Programs to collect yard waste and food waste, if the county or city submitting the plan finds that there are adequate markets or capacity for composted yard waste and food waste within or near the service area to consume the majority of the material collected; and

(iv) Programs to educate and promote the concepts of waste reduction, refill, reuse, and recycling;

(c) Recycling strategies for materials not covered under chapter 70A.---<u>RCW (the new chapter created in section 401 of this act)</u>, including a description of markets for recyclables, a review of waste generation trends, a description of waste composition, a discussion and description of existing programs and any additional programs needed to assist public and private sector recycling, and an implementation schedule for the designation of specific materials to be collected for recycling, and for the provision of recycling collection services;

(d) Other information the county or city submitting the plan determines is necessary.

(8) An assessment of the plan's impact on the costs of solid waste collection. The assessment shall be prepared in conformance with guidelines established by the utilities and transportation commission. The commission shall cooperate with the Washington state association of counties and the association of Washington cities in establishing such guidelines.

(9) A review of potential areas that meet the criteria as outlined in RCW 70A.205.110.

(10) A contamination reduction and outreach plan. The contamination reduction and outreach plan must address reducing contamination in recycling. Except for counties with a population of ((twenty-five thousand)) <u>25,000</u> or fewer, by July 1, 2021, a contamination reduction and outreach plan must be included in each solid waste management plan by a plan amendment or included when revising or updating a solid waste management plan developed under this chapter. Jurisdictions may adopt the state's contamination reduction and outreach plan as developed under RCW 70A.205.070 or participate in a producer responsibility organization's plan under chapter 70A.--- RCW (the new chapter created in section 401 of this act) in lieu of creating their own plan. A recycling contamination reduction and outreach plan must include the following:

(a) A list of actions for reducing contamination in recycling programs for single-family and multiple-family residences, commercial locations, and drop boxes depending on the jurisdictions system components;

(b) A list of key contaminants identified by the jurisdiction or identified by the department;

(c) A discussion of problem contaminants and the contaminants' impact on the collection system;

(d) An analysis of the costs and other impacts associated with contaminants to the recycling system; and

(e) An implementation schedule and details of how outreach is to be conducted. Contamination reduction education methods may include sharing community-wide messaging through newsletters, articles, mailers, social media, websites, or community events, informing recycling drop box customers about contamination, and improving signage.

Sec. 202. RCW 70A.205.500 and 1988 c 175 s 3 are each amended to read as follows:

((The department of ecology, at)) <u>At</u> the request of a local government jurisdiction, <u>the department or a producer responsibility organization</u> implementing a plan under chapter 70A.--- RCW (the new chapter created in section 401 of this act) may periodically provide educational material promoting household waste reduction and recycling to public and private refuse haulers. The educational material shall be distributed to households receiving refuse collection service by local governments or the refuse hauler providing service. The refuse hauler may distribute the educational material by any means that assures timely delivery.

Reasonable expenses incurred in the distribution of this material shall be considered, for rate-making purposes, as legitimate operating expenses of garbage and refuse haulers regulated under chapter 81.77 RCW.

Sec. 203. RCW 81.77.030 and 2020 c 20 s 1467 are each amended to read as follows:

(1) The commission shall supervise and regulate every solid waste collection company in this state,

(((1))) (a) By fixing and altering its rates, charges, classifications, rules and regulations;

(((2))) (b) By regulating the accounts, service, and safety of operations;

((((3))) (c) By requiring the filing of annual and other reports and data;

(((4))) (d) By supervising and regulating such persons or companies in all other matters affecting the relationship between them and the public which they serve;

(((5))) (e) By requiring compliance with local solid waste management plans and related implementation ordinances;

(((6))) (f) By reviewing producer responsibility organization reimbursement of regulated service providers consistent with the requirements of chapter 70A.--- RCW (the new chapter created in section 401 of this act);

(g) By requiring certificate holders under this chapter ((81.77 RCW)) to use rate structures and billing systems consistent with the solid waste management priorities set forth under RCW 70A.205.005 and the minimum levels of solid waste collection and recycling services pursuant to local comprehensive solid waste management plans. The commission may order consolidated billing and provide for reasonable and necessary expenses to be paid to the administering company if more than one certificate is granted in an area; and

(h) By requiring certificate holders under this chapter to deliver covered materials only to responsible markets, as those terms are defined in section 102 of this act.

(2) The commission, on complaint made on its own motion or by an aggrieved party, at any time, after providing the holder of any certificate with notice and an opportunity for a hearing at which it shall be proven that the holder has willfully violated or refused to observe any of the commission's orders, rules, or regulations, or has failed to operate as a solid waste collection company for a period of at least one year preceding the filing of the complaint, may suspend, revoke, alter, or amend any certificate issued under the provisions of this chapter.

Sec. 204. RCW 81.77.160 and 1997 c 434 s 1 are each amended to read as follows:

(1) The commission, in fixing and altering collection rates charged by every solid waste collection company under this section, shall include in the base for the collection rates:

(a) All charges for the disposal of solid waste at the facility or facilities designated by a local jurisdiction under a local comprehensive solid waste management plan or ordinance; ((and))

(b) All known and measurable costs related to implementation of the approved county or city comprehensive solid waste management plan; and

(c) All costs related to the implementation of curbside recycling collection services performed by a solid waste collection company consistent with chapter 70A.--- RCW (the new chapter created in section 401 of this act).

(2) If a solid waste collection company files a tariff to recover the costs specified under this section, and the commission suspends the tariff, the portion of the tariff covering costs specified in this section shall be placed in effect by the commission at the request of the company on an interim basis as of the originally filed effective date, subject to refund, pending the commission's final order. The commission may adopt rules to implement this section.

(3) This section applies to a solid waste collection company that has an affiliated interest under chapter 81.16 RCW with a facility, if the total cost of disposal, including waste transfer, transport, and disposal charges, at the facility is equal to or lower than any other reasonable and currently available option.

Sec. 205. RCW 81.77.185 and 2010 c 154 s 3 are each amended to read as follows:

(1) The commission shall allow solid waste collection companies collecting recyclable materials <u>other than covered materials collected under an approved plan in chapter 70A.--- RCW (the new chapter created in section 401 of this act)</u> to retain up to ((fifty)) <u>50</u> percent of the revenue paid to the companies for the material if the companies submit a plan to the commission that is certified by the appropriate local government authority as being consistent with the local government solid waste plan and that demonstrates how the revenues will be used to increase recycling. The remaining revenue shall be passed to residential customers.

(2) By December 2, 2005, the commission shall provide a report to the legislature that evaluates:

(a) The effectiveness of revenue sharing as an incentive to increase recycling in the state; and

(b) The effect of revenue sharing on costs to customers.

Part Three

Other Conforming Amendments and Miscellaneous Provisions

Sec. 301. RCW 43.21B.110 and 2024 c 347 s 5, 2024 c 340 s 4, and 2024 c 339 s 16 are each reenacted and amended to read as follows:

(1) The hearings board shall only have jurisdiction to hear and decide appeals from the following decisions of the department, the director, local conservation districts, the air pollution control boards or authorities as established pursuant to chapter 70A.15 RCW, local health departments, the department of natural resources, the department of fish and wildlife, the parks and recreation commission, and authorized public entities described in chapter 79.100 RCW:

(a) Civil penalties imposed pursuant to chapter 70A.230 RCW and RCW 70A.300.090. 70A.20.050. 70A.230.020. 18.104.155. 70A.15.3160. 70A.205.280, 70A.355.070, 70A.430.070, 70A.500.260, 70A.505.100, 70A.505.110. 70A.350.070. 70A.530.040, 70A.515.060. 70A.245.040. 70A.245.080, 70A.245.050, 70A.245.070, 70A.245.130, 70A.245.140. 70A.65.200, 70A.455.090, 70A.550.030, 70A.555.110, 70A.560.020, section 123 of this act, 70A.565.030, 76.09.170, 77.55.440, 78.44.250, 88.46.090, 90.03.600, 90.46.270, 90.48.144, 90.56.310, 90.56.330, and 90.64.102.

(b) Orders issued pursuant to RCW 18.104.043, 18.104.060, 18.104.130, 43.27A.190, 70A.15.2520, 70A.15.3010, 70A.15.4530, 70A.15.6010, 70A.205.280, 70A.214.140, 70A.300.120, 70A.350.070, 70A.245.020, 70A.65.200, 70A.505.100, 70A.555.110, 70A.560.020, section 123 of this act, 70A.565.030, 86.16.020, 88.46.070, 90.03.665, 90.14.130, 90.46.250, 90.48.120, 90.48.240, 90.56.330, and 90.64.040.

(c) Except as provided in RCW 90.03.210(2), the issuance, modification, or termination of any permit, certificate, or license by the department or any air authority in the exercise of its jurisdiction, including the issuance or termination

of a waste disposal permit, the denial of an application for a waste disposal permit, the modification of the conditions or the terms of a waste disposal permit, a decision to approve or deny a solid waste management plan under RCW 70A.205.055, approval or denial of an application for a beneficial use determination under RCW 70A.205.260, an application for a change under RCW 90.03.383, or a permit to distribute reclaimed water under RCW 90.46.220.

(d) Decisions of local health departments regarding the granting or denial of solid waste permits pursuant to chapter 70A.205 RCW, including appeals by the department as provided in RCW 70A.205.130.

(e) Decisions of local health departments regarding the issuance and enforcement of permits to use or dispose of biosolids under RCW 70A.226.090.

(f) Decisions of the department regarding waste-derived fertilizer or micronutrient fertilizer under RCW 15.54.820.

(g) Decisions of local conservation districts related to the denial of approval or denial of certification of a dairy nutrient management plan; conditions contained in a plan; application of any dairy nutrient management practices, standards, methods, and technologies to a particular dairy farm; and failure to adhere to the plan review and approval timelines in RCW 90.64.026 as provided in RCW 90.64.028.

(h) Any other decision by the department or an air authority which pursuant to law must be decided as an adjudicative proceeding under chapter 34.05 RCW.

(i) Decisions of the department of natural resources, the department of fish and wildlife, and the department that are reviewable under chapter 76.09 RCW, and the department of natural resources' appeals of county, city, or town objections under RCW 76.09.050(7).

(j) Forest health hazard orders issued by the commissioner of public lands under RCW 76.06.180.

(k) Decisions of the department of fish and wildlife to issue, deny, condition, or modify a hydraulic project approval permit under chapter 77.55 RCW, to issue a stop work order, to issue a notice to comply, to issue a civil penalty, or to issue a notice of intent to disapprove applications.

(1) Decisions of the department of natural resources that are reviewable under RCW 78.44.270.

(m) Decisions of an authorized public entity under RCW 79.100.010 to take temporary possession or custody of a vessel or to contest the amount of reimbursement owed that are reviewable by the hearings board under RCW 79.100.120.

(n) Decisions of the department of ecology that are appealable under RCW 70A.245.020 to set recycled minimum postconsumer content for ((covered)) products or to temporarily exclude types of ((covered)) products in plastic containers from minimum postconsumer recycled content requirements.

(o) Orders by the department of ecology under RCW 70A.455.080.

(p) Decisions by the department of ecology under section 115(5) of this act regarding a proposal by a producer responsibility organization to count materials sent to an alternative recycling facility towards recycling performance targets.

(2) The following hearings shall not be conducted by the hearings board:

(a) Hearings required by law to be conducted by the shorelines hearings board pursuant to chapter 90.58 RCW, except where appeals to the pollution

control hearings board and appeals to the shorelines hearings board have been consolidated pursuant to RCW 43.21B.340.

(b) Hearings conducted by the department pursuant to RCW 70A.15.3010, 70A.15.3070, 70A.15.3080, 70A.15.3090, 70A.15.3100, 70A.15.3110, and 90.44.180.

(c) Appeals of decisions by the department under RCW 90.03.110 and 90.44.220.

(d) Hearings conducted by the department to adopt, modify, or repeal rules.

(3) Review of rules and regulations adopted by the hearings board shall be subject to review in accordance with the provisions of the administrative procedure act, chapter 34.05 RCW.

Sec. 302. RCW 43.21B.300 and 2024 c 347 s 6 and 2024 c 340 s 5 are each reenacted and amended to read as follows:

(1) Any civil penalty provided in RCW 18.104.155, 70A.15.3160, 70A.300.090, 70A.205.280, 70A.230.080, 70A.20.050, 70A.245.040, 70A.245.050. 70A.245.070, 70A.245.080, 70A.245.130, 70A.245.140, 70A.65.200, 70A.430.070, 70A.455.090, 70A.500.260, 70A.505.110, 70A.555.110, 70A.560.020, section 123 of this act, 70A.565.030, 86.16.081, 88.46.090, 90.03.600, 90.46.270, 90.48.144, 90.56.310, 90.56.330, and 90.64.102 and chapter 70A.355 RCW shall be imposed by a notice in writing, either by certified mail with return receipt requested or by personal service, to the person incurring the penalty from the department or the local air authority, describing the violation with reasonable particularity. For penalties issued by local air authorities, within 30 days after the notice is received, the person incurring the penalty may apply in writing to the authority for the remission or mitigation of the penalty. Upon receipt of the application, the authority may remit or mitigate the penalty upon whatever terms the authority in its discretion deems proper. The authority may ascertain the facts regarding all such applications in such reasonable manner and under such rules as it may deem proper and shall remit or mitigate the penalty only upon a demonstration of extraordinary circumstances such as the presence of information or factors not considered in setting the original penalty.

(2) Any penalty imposed under this section may be appealed to the pollution control hearings board in accordance with this chapter if the appeal is filed with the hearings board and served on the department or authority 30 days after the date of receipt by the person penalized of the notice imposing the penalty or 30 days after the date of receipt of the notice of disposition by a local air authority of the application for relief from penalty.

(3) A penalty shall become due and payable on the later of:

(a) 30 days after receipt of the notice imposing the penalty;

(b) 30 days after receipt of the notice of disposition by a local air authority on application for relief from penalty, if such an application is made; or

(c) 30 days after receipt of the notice of decision of the hearings board if the penalty is appealed.

(4) If the amount of any penalty is not paid to the department within 30 days after it becomes due and payable, the attorney general, upon request of the department, shall bring an action in the name of the state of Washington in the superior court of Thurston county, or of any county in which the violator does business, to recover the penalty. If the amount of the penalty is not paid to the authority within 30 days after it becomes due and payable, the authority may bring an action to recover the penalty in the superior court of the county of the authority's main office or of any county in which the violator does business. In these actions, the procedures and rules of evidence shall be the same as in an ordinary civil action.

(5) All penalties recovered shall be paid into the state treasury and credited to the general fund except the following:

(a) Penalties imposed pursuant to RCW 18.104.155 must be credited to the reclamation account as provided in RCW 18.104.155(7);

(b) Penalties imposed pursuant to RCW 70A.15.3160 must be disposed of pursuant to RCW 70A.15.3160;

(c) Penalties imposed pursuant to RCW 70A.230.080, 70A.300.090, 70A.430.070, 70A.555.110, ((and)) 70A.560.020, and 70A.565.030 must be credited to the model toxics control operating account created in RCW 70A.305.180;

(d) Penalties imposed pursuant to RCW 70A.245.040 ((and)), 70A.245.050, and chapter 70A.--- RCW (the new chapter created in section 401 of this act) must be credited to the recycling enhancement account created in RCW 70A.245.100;

(e) Penalties imposed pursuant to RCW 70A.500.260 must be deposited into the electronic products recycling account created in RCW 70A.500.130;

(f) Penalties imposed pursuant to RCW 70A.65.200 must be credited to the climate investment account created in RCW 70A.65.250;

(g) Penalties imposed pursuant to RCW 90.56.330 must be credited to the coastal protection fund established in RCW 90.48.390; and

(h) Penalties imposed pursuant to RCW 70A.355.070 must be credited to the underground storage tank account created in RCW 70A.355.090.

<u>NEW SECTION.</u> Sec. 303. LITTER TAX STUDY. (1) In consultation with producer responsibility organizations registered with the department of ecology under chapter 70A.--- RCW (the new chapter created in section 401 of this act), the department of ecology and, for the purposes of (c) of this subsection, the department of revenue must study:

(a) The impacts of producer requirements under chapter 70A.--- RCW (the new chapter created in section 401 of this act) on the litter rates of covered materials under that chapter;

(b) The extent to which covered materials contribute to litter and marine debris for the purpose of informing how a producer responsibility organization implementing a plan can support litter and marine debris prevention as it relates to activities required under chapter 70A.--- RCW (the new chapter created in section 401 of this act). The assessment should draw on available data, assess gaps, and identify strategies for improving prevention and cleanup of litter and marine debris from covered materials; and

(c) Possible improvements to the structure of the litter tax under chapter 82.19 RCW including administration, compliance, and distribution of the tax and application of the tax to certain products, for achieving the purpose of chapter 82.19 RCW. The improvements to the structure of the litter tax to be studied under this section may not include an increase in the rate of the litter tax under chapter 82.19 RCW or an expansion of the types of covered materials

under chapter 70A.--- RCW (the new chapter created in section 401 of this act) that are subject to the litter tax.

(2) By January 1, 2030, the department of ecology, in consultation with the department of revenue, must provide recommendations to the appropriate committees of the legislature on:

(a) Applicability of the litter tax to covered materials, based on whether the purpose of the litter tax under chapter 82.19 RCW is being achieved for those materials by the requirements of producers under chapter 70A.--- RCW (the new chapter created in section 401 of this act); and

(b) Improvements to the structure of the litter tax for meeting the purposes of chapter 82.19 RCW.

(3) This section expires July 1, 2030.

<u>NEW SECTION.</u> Sec. 304. A new section is added to chapter 49.46 RCW to read as follows:

(1) Employers associated with a material recovery facility that annually manages 25,000 tons or more of covered materials under chapter 70A.--- RCW (the new chapter created in section 401 of this act) must ensure that workers at the facility receive minimum industry standard compensation, beginning October 1, 2028.

(2) Employers are not required to establish "usual benefit" programs. However, if an employer chooses not to provide such benefits, wages paid must be at the full minimum industry standard rate.

(3)(a) If more than one collective bargaining agreement exists that covers similar or equivalent work in the same county, the higher rate applies.

(b) If no collective bargaining agreement exists that covers similar or equivalent work in the same county, the rate in the county with a collective bargaining agreement that is closest geographically applies.

(4) The minimum industry standard compensation requirements of this section constitute a wage payment requirement as defined in RCW 49.48.082. The department of labor and industries may otherwise enforce this provision as a wage under RCW 49.48.040 through 49.48.080 and the applicable provisions of chapter 49.52 RCW.

(5)(a) The director may initiate an investigation without an employee's complaint to ensure compliance with this section. The department of labor and industries may also initiate an investigation on behalf of one or more employees when the director has reason to believe that a violation has occurred or will occur.

(b) The department of labor and industries may conduct a consolidated investigation for any alleged violation identified under this section, or associated rules, when there are common questions of law or fact. If the department of labor and industries consolidates such matters into a single investigation, the department of labor and industries must provide notice to the employer.

(c) The department of labor and industries may request that an employer perform a self-audit of any records relating to this section, which must be provided within a reasonable time. Reasonable timelines will be specified in the self-audit request. The department of labor and industries must determine reasonable time based on the number of affected employees and the period of time covered by the self-audit. The records examined by the employer in order to perform the self-audit must be made available to the department of labor and industries upon request.

(d) Upon request of the department of labor and industries, an employer must notify affected employees in writing that the department is conducting an investigation. The department of labor and industries may require the employer to include a general description of each investigation as part of the notification, including the allegations and whether the notified employee may be affected. The employer may consult with the department of labor and industries to provide the information for the description of the notification of investigation.

(e) Upon receiving a complaint, the department of labor and industries may request or subpoena the records of the material recovery facility.

(f) In addition to any enforcement authority provided in this section or applicable rules, the department of labor and industries may enforce any violation under this section or applicable rules by filing an action in the superior court for the county in which the violation is alleged to have occurred. If the department of labor and industries prevails, the department is entitled to reasonable attorneys' fees and costs, in the amount to be determined by the court.

(6) The department of labor and industries may adopt rules to implement this section.

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

(a) "Minimum industry standard compensation" means a wage and usual benefits package equal to or greater than the combined hourly wage and usual benefits package set by a collective bargaining agreement that covers similar or equivalent work in a county.

(b) "Rate of contribution" means the effective annual rate of usual benefit contributions for all hours, public and private, worked during the year by an employee (commonly referred to as "annualization" of benefits). The only exemption to the annualization requirements is for defined contribution pension plans that have immediate participation and vesting.

(c)(i) "Usual benefits" includes the amount of:

(A) The rate of contribution irrevocably made by an employer to a trustee or to a third person pursuant to a fund, plan, or program; and

(B) The rate of costs to the employer, which may be reasonably anticipated in providing benefits to workers pursuant to an enforceable commitment to carry out a financially responsible plan or program that was communicated in writing to the workers affected, for medical or hospital care, pensions on retirement or death, compensation for all injuries or illness resulting from occupational activity, or insurance to provide any of the foregoing, for unemployment benefits, life insurance, disability and sickness insurance, or accident insurance, for vacation and holiday pay, for defraying costs of apprenticeship or other similar programs, or for other bona fide fringe benefits, but only where the employer is not required by other federal, state, or local law to provide any of these benefits.

(ii) To be deemed a "usual benefit," both of the following requirements must be satisfied:

(A) Employer payments for the usual benefit are made only in conformance with all applicable federal and state laws, including the requirements of the employment retirement income security act of 1974, as amended, and of the internal revenue service; and

(B) Employee payments toward the usual benefit, through self-contribution, payroll deduction, or otherwise, do not constitute a credit to the employer for minimum industry standard compensation purposes.

Sec. 305. RCW 49.48.082 and 2010 c 42 s 1 are each reenacted and amended to read as follows:

The definitions in this section apply throughout this section and RCW 49.48.083 through 49.48.086:

(1) "Citation" means a written determination by the department that a wage payment requirement has been violated.

(2) "Department" means the department of labor and industries.

(3) "Determination of compliance" means a written determination by the department that wage payment requirements have not been violated.

(4) "Director" means the director of the department of labor and industries, or the director's authorized representative.

(5) "Employee" has the meaning provided in: (a) RCW 49.46.010 for purposes of a wage payment requirement set forth in RCW 49.46.020 or 49.46.130; and (b) RCW 49.12.005 for purposes of a wage payment requirement set forth in RCW 49.48.010, 49.52.050, or 49.52.060.

(6) "Employer" has the meaning provided in RCW 49.46.010 for purposes of a wage payment requirement set forth in RCW 49.46.020, 49.46.130, 49.48.010, 49.52.050, or 49.52.060.

(7) "Notice of assessment" means a written notice by the department that, based on a citation, the employer shall pay the amounts assessed under RCW 49.48.083.

(8) "Repeat willful violator" means any employer that has been the subject of a final and binding citation and notice of assessment for a willful violation of a wage payment requirement within three years of the date of issue of the most recent citation and notice of assessment for a willful violation of a wage payment requirement.

(9) "Successor" means any person to whom an employer quitting, selling out, exchanging, or disposing of a business sells or otherwise conveys in bulk and not in the ordinary course of the employer's business, more than ((fifty)) 50 percent of the property, whether real or personal, tangible or intangible, of the employer's business.

(10) "Wage" has the meaning provided in RCW 49.46.010.

(11) "Wage complaint" means a complaint from an employee to the department that asserts that an employer has violated one or more wage payment requirements and that is reduced to writing.

(12) "Wage payment requirement" means a wage payment requirement set forth in RCW 49.46.020, 49.46.130, 49.48.010, 49.52.050, ((or)) 49.52.060, or section 304 of this act, and any related rules adopted by the department.

(13) "Willful" means a knowing and intentional action that is neither accidental nor the result of a bona fide dispute, as evaluated under the standards applicable to wage payment violations under RCW 49.52.050(2).

Sec. 306. RCW 70A.245.100 and 2021 c 313 s 13 are each amended to read as follows:

The recycling enhancement account is created in the custody of the state treasurer. All penalties collected by the department pursuant to RCW 70A.245.040 ((and)), 70A.245.050, and section 123 of this act must be deposited in the account. Only the director of the department or the director's designee may authorize expenditures from the account. The account is subject to the allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures. Expenditures from the account may be used by the department only for providing grants to local governments for the purpose of supporting local solid waste and financial assistance programs.

<u>NEW SECTION.</u> Sec. 307. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

<u>NEW SECTION.</u> Sec. 308. If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2025, in the omnibus appropriations act, this act is null and void.

Part Four

Codification Directives

<u>NEW SECTION.</u> Sec. 401. Sections 101 through 129 of this act constitute a new chapter in Title 70A RCW.

Passed by the Senate April 23, 2025. Passed by the House April 14, 2025. Approved by the Governor May 17, 2025. Filed in Office of Secretary of State May 19, 2025.

CHAPTER 317

[Substitute Senate Bill 5033]

PFAS CHEMICALS—BIOSOLID SAMPLING AND TESTING

AN ACT Relating to sampling or testing of biosolids for PFAS chemicals; amending RCW 70A.226.005, 70A.226.007, 70A.226.010, 70A.226.020, and 70A.226.030; and adding a new section to chapter 70A.226 RCW.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 70A.226.005 and 1992 c 174 s 1 are each amended to read as follows:

(1) The legislature finds that:

(a) Municipal sewage sludge is an unavoidable by-product of the wastewater treatment process;

(b) Population ((increases)) growth and technological improvements in wastewater treatment processes will ((double the amount of sludge generated within the next ten years)) increase the production of biosolids in the future;

(c) Sludge management is often a financial burden to municipalities and to ratepayers;

(d) Properly managed municipal sewage sludge is a valuable commodity and can be beneficially used in agriculture, silviculture, and in landscapes as a soil conditioner; and (e) Municipal sewage sludge can contain metals and microorganisms that, under certain circumstances, may pose a risk to public health.

(2) The legislature declares that a program shall be established to manage municipal sewage sludge and that the program shall, to the maximum extent possible, ensure that municipal sewage sludge is reused as a beneficial commodity and is managed in a manner that minimizes risk to public health and the environment.

Sec. 2. RCW 70A.226.007 and 1992 c 174 s 2 are each amended to read as follows:

The purpose of this chapter is to provide the department (($\frac{\text{of ecology}}{\text{of ecology}}$)) and local governments with the authority and direction to meet federal regulatory requirements for municipal sewage sludge. The department (($\frac{\text{of ecology}}{\text{of ecology}}$)) may seek delegation and administer the sludge permit program required by the federal clean water act as it existed (($\frac{\text{February 4, 1987}}{\text{of this section}}$)) on the effective date of this section.

Sec. 3. RCW 70A.226.010 and 2020 c 20 s 1239 are each amended to read as follows:

((Unless the context clearly requires otherwise, the)) The definitions in this section apply throughout this chapter <u>unless the context clearly requires</u> <u>otherwise</u>.

(1) "Biosolids" means municipal sewage sludge that is a primarily organic, semisolid product resulting from the wastewater treatment process, that can be beneficially recycled and meets all requirements under this chapter. For the purposes of this chapter, "biosolids" includes septic tank sludge, also known as septage, that can be beneficially recycled and meets all requirements under this chapter.

(2) "Department" means the department of ecology.

(3) "Local health department" has the same meaning as "jurisdictional health department" in RCW 70A.205.015.

(4) "Municipal sewage sludge" means a semisolid substance consisting of settled sewage solids combined with varying amounts of water and dissolved materials generated from a publicly owned wastewater treatment plant.

(5) "PFAS chemicals" has the same meaning as defined in RCW 70A.350.010.

Sec. 4. RCW 70A.226.020 and 1992 c 174 s 4 are each amended to read as follows:

(1) The department shall adopt rules to implement a biosolid management program within ((twelve)) <u>12</u> months of the adoption of federal rules, 40 C.F.R. ((See.)) <u>Part</u> 503, relating to technical standards for the use and disposal of sewage sludge. The biosolid management program shall, at a minimum, conform with all applicable federal rules adopted pursuant to the federal clean water act as it existed on ((February 4, 1987)) the effective date of this section.

(2) In addition to any federal requirements, the state biosolid management program may include, but not be limited to, an education program to provide relevant legal and scientific information to local governments and citizen groups.

(3) Rules adopted by the department under this section shall provide for public input and involvement for all state and local permits.

(4) Materials that have received a permit as a biosolid shall be regulated pursuant to this chapter.

(5) The transportation of biosolids and municipal sewage sludge shall be governed by Title 81 RCW. Certificates issued by the utilities and transportation commission before June 11, 1992, that include or authorize transportation of municipal sewage sludge shall continue in force and effect and be interpreted to include biosolids.

(6)(a) By July 1, 2026, the department must publish guidance to clarify PFAS chemical sampling requirements, including frequency and methodology, for facilities generating biosolids.

(b) Facilities generating biosolids regulated under this chapter must sample for PFAS chemical in accordance with the department's guidance and have the biosolids analyzed by an accredited laboratory for PFAS chemicals using the United States environmental protection agency method 1633A as it existed in December 2024, no more than quarterly starting no later than January 1, 2027, and ending by June 30, 2028.

(c) Facilities that are required to sample their biosolids for PFAS must provide all sampling results to the department no later than September 30, 2028.

(d) By July 1, 2029, the department must submit a report to the appropriate committees of the legislature and the public with a summary of the analysis of the levels of PFAS chemicals in biosolids produced in and/or land applied in Washington state and recommendations on how to proceed based on the analysis.

(e) In developing the recommendations under (d) of this subsection, the department must consult with the advisory committee created in section 6 of this act.

(f) For the purposes of this subsection, "biosolids" do not include septic tank sludge, also known as septage.

Sec. 5. RCW 70A.226.030 and 2014 c 76 s 7 are each amended to read as follows:

(1) The department shall establish annual fees to collect expenses for issuing and administering biosolids permits under this chapter. An initial fee schedule shall be established by rule and shall be adjusted no more often than once every two years. This fee schedule applies to all permits, regardless of date of issuance, and fees shall be assessed prospectively. Fees shall be established in amounts to recover expenses incurred by the department in processing permit applications and modifications, reviewing related plans and documents, monitoring, evaluating, conducting inspections, overseeing performance of delegated program elements, sampling or testing, and providing technical assistance and supporting overhead expenses that are directly related to these activities.

(2) The annual fee paid by a permittee for any permit issued under this chapter shall be determined by the number of residences or residential equivalents contributing to the permittee's biosolids management system. If residences or residential equivalents cannot be determined or reasonably estimated, fees shall be based on other appropriate criteria.

(3) The biosolids permit account is created in the state treasury. All receipts from fees under this section must be deposited into the account. Moneys in the

account may be spent only after appropriation. Expenditures from the account may be used only for the purposes of administering permits under this chapter.

(4) The department shall make available on the <u>department's</u> website information on fees collected, actual expenses incurred, and anticipated expenses for the current and following fiscal years.

(5) The department shall work with the regulated community and local health departments to study the feasibility of modifying the fee schedule to support delegated local health departments and reduce local health department fees paid by biosolids permittees.

<u>NEW SECTION.</u> Sec. 6. A new section is added to chapter 70A.226 RCW to read as follows:

(1) By September 30, 2028, and before developing the report required in RCW 70A.226.020(6)(d), the department must convene and consult with an advisory committee of representatives from:

(a) The farming community;

(b) Toxicologists;

(c) Utilities that produce soil amendments, including special purpose districts, municipal utility providers, and public utility districts;

(d) Local governments;

(e) Experts;

(f) Interested parties; and

(g) Other similar stakeholders.

(2) The purpose of consultation required under this section is to ensure that the department is soliciting and receiving sufficient input on requirements and standards for sampling or testing biosolids for PFAS chemicals.

(3) For the purposes of this section, "biosolids" do not include septic tank sludge, also known as septage.

Passed by the Senate April 17, 2025.

Passed by the House April 10, 2025.

Approved by the Governor May 17, 2025.

Filed in Office of Secretary of State May 19, 2025.

CHAPTER 318

[Substitute Senate Bill 5212]

WATER RIGHTS ADJUDICATION—WATER RESOURCE INVENTORY AREA 1—CLAIMS FOR PRECODE USES

AN ACT Relating to filing of adjudication claims for precode uses of groundwater and surface water in the water resource inventory area 1 water rights adjudication; amending RCW 90.14.043; and creating a new section.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> Sec. 1. The legislature finds that after completing the Yakima basin surface water rights adjudication, the department of ecology filed a new water rights adjudication for water resource inventory area 1 ("WRIA 1") applying to Whatcom and Skagit counties.

The legislature finds that water users are seeking to apply similar procedures and lessons learned from the Yakima basin water rights adjudication to the new WRIA 1 adjudication. The legislature further finds that after the department of ecology filed the Yakima basin adjudication in 1977, the legislature passed chapter 216, Laws of 1979 ex. sess. (Engrossed Substitute Senate Bill No. 2794). This legislation ensured that water users who may have had precode water uses could participate in the adjudication court process.

The legislature intends to ensure that, like the Yakima basin adjudication, the WRIA 1 adjudication allows for the filing of adjudication claims for precode uses of groundwater and surface water.

Sec. 2. RCW 90.14.043 and 1985 c 435 s 1 are each amended to read as follows:

(1) Notwithstanding any time restrictions imposed by the provisions of <u>this</u> chapter ((90.14 RCW)), a person may file a claim pursuant to RCW 90.14.041 if such person obtains a certification from the pollution control hearings board as provided in this section.

(2) A certification shall be issued by the pollution control hearings board if, upon petition to the board, it is shown to the satisfaction of the board that:

(a) Waters of the state have been applied to beneficial use continuously (with no period of nonuse exceeding five consecutive years) in the case of surface water beginning not later than June 7, 1917, and in the case of groundwater beginning not later than June 7, 1945, or

(b) Waters of the state have been applied to beneficial use continuously (with no period of nonuse exceeding five consecutive years) from the date of entry of a court decree confirming a water right and any failure to register a claim resulted from a reasonable misinterpretation of the requirements as they related to such court decreed rights.

(3) The board shall have jurisdiction to accept petitions for certification from any person through September 1, 1985, and not thereafter.

(4) A petition for certification shall include complete information on the claim pursuant to RCW 90.14.051 (1) through (8), and any such information as the board may require.

(5) The department of ecology is directed to accept for filing any claim certified by the board as provided in subsection (2) of this section. The department of ecology, upon request of the board, may provide assistance to the board pertinent to any certification petition.

(6) A certification by the pollution control hearings board or a filing with the department of ecology of a claim under this section shall not constitute a determination or confirmation that a water right exists.

(7) The provisions of RCW 90.14.071 shall have no applicability to certified claims filed pursuant to this section.

(8) This section shall have no applicability to groundwaters resulting from the operations of reclamation projects.

(9)(a) Notwithstanding any time restrictions imposed by the provisions of this chapter, for an adjudication filed in water resource inventory area 1 after June 1, 2023, filing an adjudication claim form as provided in RCW 90.03.140 satisfies the statement of claim filing requirements of RCW 90.14.041.

(b)(i) Filing a claim under this subsection shall not affect or impair in any respect whatsoever any water right existing prior to July 27, 1997.

(ii) A water right embodied in a claim filed under this subsection is subordinate to:

(A) Any water right embodied in a permit or certificate issued under chapter 90.03 or 90.44 RCW prior to the date the claim is filed with the superior court:

(B) Any water right embodied in a statement of claim filed in the water rights claims registry before July 27, 1997; and

(C) Any water right whose basis is federal law.

Passed by the Senate April 17, 2025. Passed by the House April 10, 2025. Approved by the Governor May 17, 2025. Filed in Office of Secretary of State May 19, 2025.

CHAPTER 319

[Second Substitute House Bill 1409] CLEAN FUELS PROGRAM—MODIFICATION

AN ACT Relating to the clean fuels program; amending RCW 70A.535.025, 70A.535.060, 70A.15.3150, 70A.15.3160, and 70A.535.130; reenacting and amending RCW 70A.535.010 and 43.21B.110; adding new sections to chapter 70A.535 RCW; and prescribing penalties.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 70A.535.025 and 2022 c 182 s 408 are each amended to read as follows:

(1) The department shall adopt rules that establish standards that reduce carbon intensity in transportation fuels used in Washington. The standards established by the rules must be based on the carbon intensity of gasoline and gasoline substitutes and the carbon intensity of diesel and diesel substitutes. The standards:

(a) Must reduce the overall, aggregate carbon intensity of transportation fuels used in Washington;

(b) May only require carbon intensity reductions at the aggregate level of all transportation fuels and may not require a reduction in carbon intensity to be achieved by any individual type of transportation fuel;

(c) Must assign a compliance obligation to fuels whose carbon intensity exceeds the standards adopted by the department, consistent with the requirements of RCW 70A.535.030; and

(d) Must assign credits that can be used to satisfy or offset compliance obligations to fuels whose carbon intensity is below the standards adopted by the department and that elect to participate in the program, consistent with the requirements of RCW 70A.535.030.

(2) The clean fuels program adopted by the department must be designed such that:

(a) Regulated parties generate deficits and may reconcile the deficits, and thus comply with the clean fuels program standards for a compliance period, by obtaining and retiring credits;

(b) Regulated parties and credit generators may generate credits for fuels used as substitutes or alternatives for gasoline or diesel;

(c) Regulated parties, credit generators, and credit aggregators shall have opportunities to trade credits; and

(d) Regulated parties shall be allowed to carry over to the next compliance period a small deficit without penalty.

(3) The department shall, throughout a compliance period, regularly monitor the availability of fuels needed for compliance with the clean fuels program.

(4)(a) Under the clean fuels program, the department shall monthly calculate the volume-weighted average price of credits and, no later than the last day of the month immediately following the month for which the calculation is completed, post the formula and the nonaggregated data the department used for the calculation and the results of the calculation on the department's website.

(b) In completing the calculation required by this subsection, the department may exclude from the data set credit transfers without a price or other credit transfers made for a price that falls two standard deviations outside of the mean credit price for the month. Data posted on the department's website under this section may not include any individually identifiable information or information that would constitute a trade secret.

(5)(a) Except as provided in ((this section, the rules adopted under this section must reduce)) (b) of this subsection, the greenhouse gas emissions attributable to each unit of the fuels must be reduced to ((20)) 45 percent below 2017 levels by ((2038)) January 1, 2038, based on the following schedule:

(i) ((No more than)) 0.5 percent each year in 2023 and 2024;

(ii) ((No more than an)) <u>An</u> additional one percent each year ((beginning)) in 2025 ((through 2027));

(iii) ((No more than an additional 1.5 percent each year beginning in 2028 through 2031; and

(iv) No change in 2032 and 2033.

(b) The rules must establish a start date for the clean fuels program of no later than January 1, 2023.

(6) Beginning with the program year beginning in calendar year 2028, the department may not increase the carbon intensity reductions required by the applicable clean fuels program standard adopted by the department under subsection (5) of this section beyond a 10 percent reduction in carbon intensity until the department demonstrates that the following have occurred:

(a) At least a 15 percent net increase in the volume of in-state liquid biofuel production and the use of feedstocks grown or produced within the state relative to the start of the program; and

(b) At least one new or expanded biofuel production facility representing an increase in production capacity or producing, in total, in excess of 60,000,000 gallons of biofuels per year has or have received after July 1, 2021, all necessary siting, operating, and environmental permits post all timely and applicable appeals. As part of the threshold of 60,000,000 gallons of biofuel under this subsection, at least one new facility producing at least 10,000,000 gallons per year must have received all necessary siting, operating, and environmental permits. Timely and applicable appeals must be determined by the attorney general's office.

(7) Beginning with the program year beginning in calendar year 2031, the department may not increase the carbon intensity reductions required by the applicable clean fuels program standard adopted by the department under subsection (5) of this section beyond a 10 percent reduction in carbon intensity until the:

(a) Joint legislative audit and review committee report required in RCW 70A.535.140 has been completed; and

(b) 2033 regular legislative session has adjourned, in order to allow an opportunity for the legislature to amend the requirements of this chapter in light of the report required in (a) of this subsection.

(8))) An additional five percent on January 1, 2026;

(iv) An additional four percent beginning January 1, 2027; and

(v) As determined by the department by rule, no less than an additional three percent and no more than an additional four percent each year beginning January 1, 2028, through January 1, 2038.

(b)(i) Taking effect no earlier than January 1, 2032, the department may adjust the carbon intensity standard established in (a) of this subsection to require a 55 percent reduction in the greenhouse gas emissions attributable to each unit of fuels by January 1, 2038, and may adjust the intermediate annual reduction targets for the years 2032 through 2037 established in (a) of this subsection accordingly, if:

(A) The department determines that as of January 1, 2030, at least one rule that is part of the zero emission vehicle program established under chapter 70A.30 RCW was not being enforced; or

(B) The department determines, based on the greenhouse gas emissions data reported under RCW 70A.15.2200 for calendar year 2030, that greenhouse gas emissions associated with transportation fuels covered under this chapter have not been proportionately reduced relative to the 45 percent reduction in RCW 70A.45.020, and that an increase of the carbon intensity standard to require a 55 percent reduction in the greenhouse gas emissions attributable to each unit of fuel by January 1, 2038, is necessary to proportionately reduce the greenhouse gas emissions associated with transportation fuels covered under this chapter relative to the 70 percent reduction in RCW 70A.45.020.

(ii) Taking into consideration the fuel supply forecasts produced under RCW 70A.535.100, the department may, at any time between now and 2038, adjust the carbon intensity standard for a calendar year to be up to two percent less than the percentage reduction in the carbon intensity standard for that year as established in (a) of this subsection if the department determines that doing so is necessary to avoid the department issuing a forecast deferral under RCW 70A.535.110.

(6) Beginning with the program year beginning in calendar year 2030, the department may not increase the carbon intensity reductions required by the applicable clean fuels program standard adopted by the department under subsection (5) of this section beyond a 20 percent reduction in carbon intensity until the department demonstrates that at least one new or expanded biofuel production facility has received a siting, operating, or environmental permit after January 1, 2025.

(7) Transportation fuels exported from Washington are not subject to the greenhouse gas emissions reduction requirements in this section.

(((9))) (8) To the extent the requirements of this chapter conflict with the requirements of chapter 19.112 RCW, the requirements of this chapter prevail.

Sec. 2. RCW 70A.535.060 and 2021 c 317 s 7 are each amended to read as follows:

(1) Except where otherwise provided in this chapter, the department shall seek to adopt rules that are harmonized with the regulatory standards, exemptions, reporting obligations, <u>rule updates</u>, and other clean fuels program compliance requirements and methods for credit generation of other states that:

(a) Have adopted low carbon fuel standards or similar greenhouse gas emissions requirements applicable specifically to transportation fuels; and

(b)(i) Supply, or have the potential to supply, significant quantities of transportation fuel to Washington markets; or

(ii) To which Washington supplies, or has the potential to supply, significant quantities of transportation fuel.

(2) The department must establish and periodically consult a stakeholder advisory panel, including representatives of forestland and agricultural landowners, for purposes of soliciting input on how to best incentivize and allot credits for the sequestration of greenhouse gases through activities on agricultural and forestlands in a manner that is consistent with the goals and requirements of this chapter.

(3) The department must conduct a biennial review of innovative technologies and pathways that reduce carbon and increase credit generation opportunities and must modify rules or guidance as needed to maintain stable credit markets.

(4) In any reports to the legislature under RCW 70A.535.090, on the department's website, or in other public documents or communications that refer to assumed public health benefits associated with the program created in this chapter, the department must distinguish between public health benefits from small particulate matter and other conventional pollutant reductions achieved primarily as a result of vehicle emission standards established under chapter 70A.30 RCW, and the incremental benefits to air pollution attributable to the program created under this chapter.

<u>NEW SECTION.</u> Sec. 3. A new section is added to chapter 70A.535 RCW to read as follows:

(1)(a) All regulated parties and credit generators are required to submit reports under RCW 70A.535.070 in a timely manner to meet the entities' compliance obligations and shall comply with all requirements for recordkeeping, reporting, transacting credits, obtaining a carbon intensity calculation, and other provisions of this chapter.

(b) The department may issue a corrective action order to a person that does not comply with a requirement of this chapter.

(2) Each deficit for which a registered party does not retire a corresponding credit at the end of a compliance period constitutes a separate violation of this chapter unless that registered party participates in the credit clearance market as required under RCW 70A.535.030(8). For each violation, the department may issue a penalty of up to four times the maximum posted price of the most recent credit clearance market.

(3) The department may issue a penalty for any misreporting by a party that results in the claim of credits that does not meet the requirements of this chapter or the failure to report a deficit. The penalty issued under this subsection may be up to \$1,000 per credit or deficit in violation of the requirements of this chapter.

A registered party may not be penalized under this subsection if any misreporting in a quarterly report is corrected by the end of that quarter's reporting period.

(4) The department may issue a penalty of up to \$10,000 per day each day a registered party does not submit a report under RCW 70A.535.070 by the reporting deadline.

(5) The department may issue a penalty for credits generated in exceedance of a carbon intensity standard adopted by the department for that year of up to \$1,000 per credit for each illegitimate credit generated as a result of the incorrect carbon intensity score.

(6) The department may issue a penalty of up to \$25,000 per month that a regulated party is not registered with the department in violation of RCW 70A.535.070.

(7) The department may issue to any participating electric utility a penalty of up to four times the credit revenue improperly spent in violation of RCW 70A.535.080 or rules adopted to implement that section.

(8) The department may issue a penalty of up to \$50,000 or \$10,000 per day for a violation of the third-party verification requirements adopted by the department under RCW 70A.535.030(3)(c) for as long as the registered party remains out of compliance with these requirements. However, the department shall not issue a penalty to a registered party for a violation of third-party verification requirements that the registered party demonstrates to the department was due to an error made by the third-party verifier.

(9) For violations other than those described in subsections (2) through (8) of this section, the department may issue a penalty of up to \$10,000 per day per violation for each day any registered party violates the terms of this chapter or an order issued under this chapter.

(10) An electric utility must notify its retail customers in published form within three months of paying a monetary penalty under this section.

(11) Penalties and orders issued under this section may be appealed to the pollution control hearings board created in chapter 43.21B.RCW. Penalties collected under this chapter must be deposited in the carbon emissions reduction account created in RCW 70A.65.240.

<u>NEW SECTION.</u> Sec. 4. A new section is added to chapter 70A.535 RCW to read as follows:

(1) The department shall publish on its website analysis and forecasts of the credit markets created by this chapter, including:

(a) The prices of credits in Washington and the price of credits as compared to other jurisdictions implementing similar clean fuels policies;

(b) Trends in credit supply and demand;

(c) Activities in the credit markets, including volume of credits transferred and price per credit, categorized by fuel type;

(d) The share of deficits generated by fuel type, and the share of credits generated by fuel type; and

(e) Trends in in-state biofuel feedstock production types and volumes.

(2) The department must consider the analysis in subsection (1) of this section in adopting rules to implement the requirements of this chapter.

Sec. 5. RCW 70A.535.010 and 2023 c 232 s 2 are each reenacted and amended to read as follows:

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

(1) "Alternative jet fuel" means a fuel that can be blended and used with conventional petroleum jet fuels without the need to modify aircraft engines and existing fuel distribution infrastructure, and that have a lower carbon intensity than the applicable annual carbon intensity standard in Table 2 of WAC 173-424-900, as it existed on July 1, 2023. Alternative jet fuel includes jet fuels derived from coprocessed feedstocks at a conventional petroleum refinery.

(2) "Carbon dioxide equivalents" has the same meaning as defined in RCW 70A.45.010.

(3) "Carbon intensity" means the quantity of life-cycle greenhouse gas emissions, per unit of fuel energy, expressed in grams of carbon dioxide equivalent per megajoule (gCO2e/MJ).

(4) "Clean fuels program" means the requirements established under this chapter.

(5) "Cost" means an expense connected to the manufacture, distribution, or other aspects of the provision of a transportation fuel product.

(6) "Credit" means a unit of measure generated when a transportation fuel with a carbon intensity that is less than the applicable standard adopted by the department under RCW 70A.535.025 is produced, imported, or dispensed for use in Washington, such that one credit is equal to one metric ton of carbon dioxide equivalents. A credit may also be generated through other activities consistent with this chapter.

(7) "Deficit" means a unit of measure generated when a transportation fuel with a carbon intensity that is greater than the applicable standard adopted by the department under RCW 70A.535.025 is produced, imported, or dispensed for use in Washington, such that one deficit is equal to one metric ton of carbon dioxide equivalents.

(8) "Department" means the department of ecology.

(9) "Electric utility" means a consumer-owned utility or investor-owned utility, as those terms are defined in RCW 19.29A.010.

(10) "Greenhouse gas" has the same meaning as defined in RCW 70A.45.010.

(11) "Military tactical vehicle" means a motor vehicle owned by the United States department of defense or the United States military services and that is used in combat, combat support, combat service support, tactical or relief operations, or training for such operations.

(12) "Motor vehicle" has the same meaning as defined in RCW 46.04.320.

(13) "Price" means the amount of payment or compensation provided as consideration for a specified quantity of transportation fuel by a consumer or end user of the transportation fuel.

(14) <u>"Registered party" means a regulated party or credit generator</u> registered under RCW 70A.535.070.

(15) "Regulated party" means a producer or importer of any amount of a transportation fuel that is ineligible to generate credits under this chapter.

(((15))) (16)(a) "Tactical support equipment" means equipment using a portable engine, including turbines, that meets military specifications, owned by

the United States military services or its allies, and that is used in combat, combat support, combat service support, tactical or relief operations, or training for such operations.

(b) "Tactical support equipment" includes, but is not limited to, engines associated with portable generators, aircraft start carts, heaters, and lighting carts.

(((16))) (17) "Transportation fuel" means electricity and any liquid or gaseous fuel sold, supplied, offered for sale, or used for the propulsion of a motor vehicle or that is intended for use for transportation purposes.

Sec. 6. RCW 43.21B.110 and 2024 c 347 s 5, 2024 c 340 s 4, and 2024 c 339 s 16 are each reenacted and amended to read as follows:

(1) The hearings board shall only have jurisdiction to hear and decide appeals from the following decisions of the department, the director, local conservation districts, the air pollution control boards or authorities as established pursuant to chapter 70A.15 RCW, local health departments, the department of natural resources, the department of fish and wildlife, the parks and recreation commission, and authorized public entities described in chapter 79.100 RCW:

(a) Civil penalties imposed pursuant to chapter 70A.230 RCW and RCW 70A.15.3160, 70A.300.090, 70A.20.050, 70A.230.020, 18.104.155, 70A.205.280. 70A.355.070, 70A.430.070. 70A.500.260. 70A.505.100. 70A.505.110. 70A.350.070. 70A.530.040. 70A.515.060. 70A.245.040. 70A.245.050, 70A.245.070, 70A.245.080, 70A.245.130. 70A.245.140. 70A.65.200, 70A.455.090, section 3 of this act, 70A.550.030, 70A.555.110, 70A.560.020, 70A.565.030, 76.09.170, 77.55.440, 78.44.250, 88.46.090, 90.03.600, 90.46.270, 90.48.144, 90.56.310, 90.56.330, and 90.64.102.

(b) Orders issued pursuant to RCW 18.104.043, 18.104.060, 18.104.130, 43.27A.190, 70A.15.2520, 70A.15.3010, 70A.15.4530, 70A.15.6010, 70A.205.280, 70A.214.140, 70A.300.120, 70A.350.070, 70A.245.020, 70A.65.200, <u>section 3 of this act.</u> 70A.505.100, 70A.555.110, 70A.560.020, 70A.565.030, 86.16.020, 88.46.070, 90.03.665, 90.14.130, 90.46.250, 90.48.120, 90.48.240, 90.56.330, and 90.64.040.

(c) Except as provided in RCW 90.03.210(2), the issuance, modification, or termination of any permit, certificate, or license by the department or any air authority in the exercise of its jurisdiction, including the issuance or termination of a waste disposal permit, the denial of an application for a waste disposal permit, the modification of the conditions or the terms of a waste disposal permit, a decision to approve or deny a solid waste management plan under RCW 70A.205.055, approval or denial of an application for a beneficial use determination under RCW 70A.205.260, an application for a change under RCW 90.03.383, or a permit to distribute reclaimed water under RCW 90.46.220.

(d) Decisions of local health departments regarding the granting or denial of solid waste permits pursuant to chapter 70A.205 RCW, including appeals by the department as provided in RCW 70A.205.130.

(e) Decisions of local health departments regarding the issuance and enforcement of permits to use or dispose of biosolids under RCW 70A.226.090.

(f) Decisions of the department regarding waste-derived fertilizer or micronutrient fertilizer under RCW 15.54.820.

(g) Decisions of local conservation districts related to the denial of approval or denial of certification of a dairy nutrient management plan; conditions contained in a plan; application of any dairy nutrient management practices, standards, methods, and technologies to a particular dairy farm; and failure to adhere to the plan review and approval timelines in RCW 90.64.026 as provided in RCW 90.64.028.

(h) Any other decision by the department or an air authority which pursuant to law must be decided as an adjudicative proceeding under chapter 34.05 RCW.

(i) Decisions of the department of natural resources, the department of fish and wildlife, and the department that are reviewable under chapter 76.09 RCW, and the department of natural resources' appeals of county, city, or town objections under RCW 76.09.050(7).

(j) Forest health hazard orders issued by the commissioner of public lands under RCW 76.06.180.

(k) Decisions of the department of fish and wildlife to issue, deny, condition, or modify a hydraulic project approval permit under chapter 77.55 RCW, to issue a stop work order, to issue a notice to comply, to issue a civil penalty, or to issue a notice of intent to disapprove applications.

(1) Decisions of the department of natural resources that are reviewable under RCW 78.44.270.

(m) Decisions of an authorized public entity under RCW 79.100.010 to take temporary possession or custody of a vessel or to contest the amount of reimbursement owed that are reviewable by the hearings board under RCW 79.100.120.

(n) Decisions of the department of ecology that are appealable under RCW 70A.245.020 to set recycled minimum postconsumer content for covered products or to temporarily exclude types of covered products in plastic containers from minimum postconsumer recycled content requirements.

(o) Orders by the department of ecology under RCW 70A.455.080.

(2) The following hearings shall not be conducted by the hearings board:

(a) Hearings required by law to be conducted by the shorelines hearings board pursuant to chapter 90.58 RCW, except where appeals to the pollution control hearings board and appeals to the shorelines hearings board have been consolidated pursuant to RCW 43.21B.340.

(b) Hearings conducted by the department pursuant to RCW 70A.15.3010, 70A.15.3070, 70A.15.3080, 70A.15.3090, 70A.15.3100, 70A.15.3110, and 90.44.180.

(c) Appeals of decisions by the department under RCW 90.03.110 and 90.44.220.

(d) Hearings conducted by the department to adopt, modify, or repeal rules.

(3) Review of rules and regulations adopted by the hearings board shall be subject to review in accordance with the provisions of the administrative procedure act, chapter 34.05 RCW.

Sec. 7. RCW 70A.15.3150 and 2023 c 470 s 1017 are each amended to read as follows:

(1) Any person who knowingly violates any of the provisions of this chapter, chapter 70A.25((5)) or 70A.60((5)) RCW, or any ordinance, resolution, or regulation in force pursuant thereto is guilty of a gross misdemeanor and upon conviction thereof shall be punished by a fine of not

more than ((ten thousand dollars)) <u>\$10,000</u>, or by imprisonment in the county jail for up to ((three hundred sixty-four)) <u>364</u> days, or by both for each separate violation.

(2) Any person who negligently releases into the ambient air any substance listed by the department of ecology as a hazardous air pollutant, other than in compliance with the terms of an applicable permit or emission limit, and who at the time negligently places another person in imminent danger of death or substantial bodily harm is guilty of a gross misdemeanor and shall, upon conviction, be punished by a fine of not more than ((ten thousand dollars)) <u>\$10,000</u>, or by imprisonment for up to ((three hundred sixty-four)) <u>364</u> days, or both.

(3) Any person who knowingly releases into the ambient air any substance listed by the department of ecology as a hazardous air pollutant, other than in compliance with the terms of an applicable permit or emission limit, and who knows at the time that he or she thereby places another person in imminent danger of death or substantial bodily harm, is guilty of a class C felony and shall, upon conviction, be punished by a fine of not less than ((fifty thousand dollars)) \$50,000, or by imprisonment for not more than five years, or both.

(4) Any person who knowingly fails to disclose a potential conflict of interest under RCW 70A.15.2000 is guilty of a gross misdemeanor, and upon conviction thereof shall be punished by a fine of not more than ((five thousand dollars)) \$5,000.

Sec. 8. RCW 70A.15.3160 and 2022 c 179 s 15 are each amended to read as follows:

(1)(a) Except as provided in RCW 43.05.060 through 43.05.080 and 43.05.150, and in addition to or as an alternate to any other penalty provided by law, any person who violates any of the provisions of this chapter, chapter 70A.25, 70A.60, 70A.450, ((70A.535,)) or 70A.540 RCW, RCW 76.04.205, or any of the rules in force under such chapters or section may incur a civil penalty in an amount not to exceed ((ten thousand dollars)) <u>\$10,000</u> per day for each violation. Each such violation shall be a separate and distinct offense, and in case of a continuing violation, each day's continuance shall be a separate and distinct violation. Enforcement actions related to violations of RCW 76.04.205 must be consistent with the provisions of RCW 76.04.205.

(b) Any person who fails to take action as specified by an order issued pursuant to this chapter shall be liable for a civil penalty of not more than ((ten thousand dollars)) for each day of continued noncompliance.

(2)(a) Penalties incurred but not paid shall accrue interest, beginning on the ninety-first day following the date that the penalty becomes due and payable, at the highest rate allowed by RCW 19.52.020 on the date that the penalty becomes due and payable. If violations or penalties are appealed, interest shall not begin to accrue until the thirty-first day following final resolution of the appeal.

(b) The maximum penalty amounts established in this section may be increased annually to account for inflation as determined by the state office of the economic and revenue forecast council.

(3) Each act of commission or omission which procures, aids or abets in the violation shall be considered a violation under the provisions of this section and subject to the same penalty. The penalties provided in this section shall be imposed pursuant to RCW 43.21B.300.

(4)(a) Except as provided in (b) of this subsection, all penalties recovered under this section by the department or the department of natural resources shall be paid into the state treasury and credited to the air pollution control account established in RCW 70A.15.1010 or, if recovered by the authority, shall be paid into the treasury of the authority and credited to its funds. If a prior penalty for the same violation has been paid to a local authority, the penalty imposed by the department under subsection (1) of this section shall be reduced by the amount of the payment.

(b) All penalties recovered for violations of chapter 70A.60 RCW must be paid into the state treasury and credited to the refrigerant emission management account created in RCW 70A.60.050.

(5) To secure the penalty incurred under this section, the state or the authority shall have a lien on any vessel used or operated in violation of this chapter which shall be enforced as provided in RCW 60.36.050.

(6) Public or private entities that are recipients or potential recipients of department grants, whether for air quality related activities or not, may have such grants rescinded or withheld by the department for failure to comply with provisions of this chapter.

(7) In addition to other penalties provided by this chapter, persons knowingly underreporting emissions or other information used to set fees, or persons required to pay emission or permit fees who are more than ninety days late with such payments may be subject to a penalty equal to three times the amount of the original fee owed.

(8) The department shall develop rules for excusing excess emissions from enforcement action if such excess emissions are unavoidable. The rules shall specify the criteria and procedures for the department and local air authorities to determine whether a period of excess emissions is excusable in accordance with the state implementation plan.

Sec. 9. RCW 70A.535.130 and 2021 c 317 s 14 are each amended to read as follows:

(1) The department may require that persons that are required or elect to register or report under this chapter pay a fee. If the department elects to require program participants to pay a fee, the department must, after an opportunity for public review and comment, adopt rules to establish a process to determine the payment schedule and the amount of the fee charged. The amount of the fee must be set so as to equal but not exceed the projected direct and indirect costs to the department for developing and implementing the program and the projected direct and indirect costs to the department of commerce to carry out its responsibilities under RCW 70A.535.100. The department and the department of commerce must prepare a biennial workload analysis and provide an opportunity for public review of and comment on the workload analysis. The department shall enter into an interagency agreement with the department of commerce to implement this section.

(2) The clean fuels program account is created in the state treasury. All receipts from fees ((and penalties)) received under the program created in this chapter must be deposited into the account. Moneys in the account may be spent only after appropriation. The department may only use expenditures from the account for carrying out the program created in this chapter.

(3) All rule making authorized under chapter 317, Laws of 2021 must be conducted according to the standards for significant legislative rules provided in RCW 34.05.328.

<u>NEW SECTION.</u> Sec. 10. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

Passed by the House April 21, 2025. Passed by the Senate April 15, 2025. Approved by the Governor May 17, 2025. Filed in Office of Secretary of State May 19, 2025.

CHAPTER 320

[Second Substitute House Bill 1975] CLIMATE COMMITMENT ACT—MODIFICATION

AN ACT Relating to amending the climate commitment act by adjusting auction price containment mechanisms and ceiling prices, addressing the department of ecology's authority to amend rules to facilitate linkage with other jurisdictions, and providing for market dynamic analysis; amending RCW 70A.15.2200, 70A.65.150, 70A.65.070, 70A.65.310, and 70A.65.160; adding new sections to chapter 70A.65 RCW; and creating a new section.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> Sec. 1. A new section is added to chapter 70A.65 RCW to read as follows:

(1) The department shall provide analysis and forecasts of the compliance instrument markets created by this chapter, including:

(a) The prices in primary and secondary compliance instrument markets;

(b) Trends in compliance instrument supply and demand and prices;

(c) Activities in the markets, categorized by type of market participant; and

(d) The share of the allowance budget consumed by various categories of registered entities.

(2) The department must consider the analysis in subsection (1) of this section in adopting rules and otherwise implementing the requirements of this chapter.

<u>NEW SECTION.</u> Sec. 2. A new section is added to chapter 70A.65 RCW to read as follows:

(1) The department shall periodically perform economic modeling for purposes of analyzing design features of the program created by this chapter. This analysis must include the following components:

(a) A baseline model assuming implementation of complementary emission reduction measures; and

(b) Additional modeling scenarios that department staff deem necessary, which must include current available technology and known adoption rates to better understand how to administer the program created by this chapter.

(2) Not later than December 31, 2026, the department must include a modeling scenario that reflects linkage with other jurisdictions.

(3) The department must post on its website the economic modeling results by December 31, 2026. The department must post updated economic modeling results by December 31, 2027, and by December 31st every two years thereafter.

(4) Economic modeling results posted by the department must contain:

(a) An estimate of program benefits including the total social cost of carbon;

(b) An estimate of the compliance cost for sectors regulated under this chapter;

(c) The department's identification of program design features contributing towards achieving the emission reduction limits established in RCW 70A.45.020; and

(d) A description of assumptions, policy decisions, and model design used in the baseline and each additional modeling scenario.

Sec. 3. RCW 70A.15.2200 and 2024 c 352 s 12 are each amended to read as follows:

(1) The board of any activated authority or the department, may classify air contaminant sources, by ordinance, resolution, rule or regulation, which in its judgment may cause or contribute to air pollution, according to levels and types of emissions and other characteristics which cause or contribute to air pollution, and may require registration or reporting or both for any such class or classes. Classifications made pursuant to this section may be for application to the area of jurisdiction of such authority, or the state as a whole or to any designated area within the jurisdiction, and shall be made with special reference to effects on health, economic and social factors, and physical effects on property.

(2) Except as provided in subsection (3) of this section, any person operating or responsible for the operation of air contaminant sources of any class for which the ordinances, resolutions, rules or regulations of the department or board of the authority, require registration or reporting shall register therewith and make reports containing information as may be required by such department or board concerning location, size and height of contaminant outlets, processes employed, nature of the contaminant emission and such other information as is relevant to air pollution and available or reasonably capable of being assembled. In the case of emissions of greenhouse gases as defined in RCW 70A.45.010 the department shall adopt rules requiring reporting of those emissions. The department or board may require that such registration or reporting be accompanied by a fee, and may determine the amount of such fee for such class or classes: PROVIDED, That the amount of the fee shall only be to compensate for the costs of administering such registration or reporting program which shall be defined as initial registration and annual or other periodic reports from the source owner providing information directly related to air pollution registration, on-site inspections necessary to verify compliance with registration requirements, data storage and retrieval systems necessary for support of the registration program, emission inventory reports and emission reduction credits computed from information provided by sources pursuant to registration program requirements, staff review, including engineering or other reliable analysis for accuracy and currentness, of information provided by sources pursuant to registration program requirements, clerical and other office support provided in direct furtherance of the registration program, and administrative support provided in directly carrying out the registration program: PROVIDED FURTHER, That any such registration made with either the board or the department shall preclude a further registration and reporting with any other board or the department, except that emissions of greenhouse gases as defined in

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RCW 70A.45.010 must be reported as required under subsection (5) of this section.

All registration program and reporting fees collected by the department shall be deposited in the air pollution control account. All registration program fees collected by the local air authorities shall be deposited in their respective treasuries.

(3) If a registration or report has been filed for a grain warehouse or grain elevator as required under this section, registration, reporting, or a registration program fee shall not, after January 1, 1997, again be required under this section for the warehouse or elevator unless the capacity of the warehouse or elevator as listed as part of the license issued for the facility has been increased since the date the registration or reporting was last made. If the capacity of the warehouse or elevator listed as part of the license is increased, any registration or reporting required for the warehouse or elevator under this section must be made by the date the warehouse or elevator receives grain from the first harvest season that occurs after the increase in its capacity is listed in the license.

This subsection does not apply to a grain warehouse or grain elevator if the warehouse or elevator handles more than 10,000,000 bushels of grain annually.

(4) For the purposes of subsection (3) of this section:

(a) A "grain warehouse" or "grain elevator" is an establishment classified in standard industrial classification (SIC) code 5153 for wholesale trade for which a license is required and includes, but is not limited to, such a licensed facility that also conducts cleaning operations for grain;

(b) A "license" is a license issued by the department of agriculture licensing a facility as a grain warehouse or grain elevator under chapter 22.09 RCW or a license issued by the federal government licensing a facility as a grain warehouse or grain elevator for purposes similar to those of licensure for the facility under chapter 22.09 RCW; and

(c) "Grain" means a grain or a pulse.

(5)(a) The department shall adopt rules requiring persons to report emissions of greenhouse gases as defined in RCW 70A.45.010 where those emissions from a single facility, or from fossil fuels sold in Washington by a single supplier or local distribution company, meet or exceed 10,000 metric tons of carbon dioxide equivalent annually. The department's rules may also require electric power entities to report emissions of greenhouse gases from all electricity that is purchased, sold, imported, exported, or exchanged in Washington. To the extent practicable, the department's rules must seek to minimize reporting burdens through the utilization of existing reports and disclosures for electric power entities who report greenhouse gas emissions that equal 10,000 metric tons of carbon dioxide equivalent or less annually from all electricity that is purchased, sold, imported, exported, or exchanged in Washington. The rules adopted by the department must support implementation of the program created in RCW 70A.65.060. In addition, the rules must require that:

(i) Emissions of greenhouse gases resulting from the combustion of fossil fuels be reported separately from emissions of greenhouse gases resulting from the combustion of biomass; and

(ii) ((Each)) (A) Except as provided in (a)(ii)(B) of this subsection, each annual report must include emissions data for the preceding calendar year and

must be submitted to the department by March 31st of the year in which the report is due, except for an electric power entity, which must submit its report by June 1st of the year in which the report is due; ((and

(iii) To the extent practicable, the department's rules must seek to minimize reporting burdens through the utilization of existing reports and disclosures for electric power entities who report greenhouse gas emissions that equal 10,000 metric tons of carbon dioxide equivalent or less annually from all electricity that is purchased, sold, imported, exported, or exchanged in Washington.))

(B) To ensure that the program created in chapter 70A.65 RCW remains implementable and capable of fulfilling a linkage agreement under RCW 70A.65.210, if the department determines that timely reporting under this section is infeasible due to actions attributable to a third party upon whom the agency relies to collect emissions data from entities required to report including, but not limited to, the United States environmental protection agency, the department may, by rule, including emergency rule, require any greenhouse gas emissions reports for emissions in any combination of the years 2024 through 2030 to be submitted at an alternate date of no later than June 1, 2031.

(b)(i) The department may by rule include additional gases to the definition of "greenhouse gas" in RCW 70A.45.010 only if the gas has been designated as a greenhouse gas by the United States congress, by the United States environmental protection agency, or included in external greenhouse gas emission trading programs with which Washington has <u>linked</u> pursuant to RCW 70A.65.210. Prior to including additional gases to the definition of "greenhouse gas" in RCW 70A.45.010, the department shall notify the appropriate committees of the legislature.

(ii) The department may by rule exempt persons who are required to report greenhouse gas emissions to the United States environmental protection agency and who emit less than 10,000 metric tons carbon dioxide equivalent annually.

(iii) The department must establish greenhouse gas emission reporting methodologies for persons who are required to report under this section. The department's reporting methodologies must be designed to address the needs of ensuring accuracy of reported emissions and maintaining consistency over time, and may, to the extent practicable, be similar to reporting methodologies of jurisdictions with which Washington has entered into a linkage agreement.

(iv) The department must establish a methodology for persons who are not required to report under this section to voluntarily report their greenhouse gas emissions.

(c) The department shall share any reporting information reported to it with the local air authority in which the person reporting under the rules adopted by the department operates.

(d) The fee provisions in subsection (2) of this section apply to reporting of emissions of greenhouse gases. Persons required to report under (a) of this subsection who fail to report or pay the fee required in subsection (2) of this section are subject to enforcement penalties under this chapter. The department shall enforce the reporting rule requirements. When a person that holds a compliance obligation under RCW 70A.65.080 fails to submit an emissions data report or fails to obtain a positive emissions data verification statement in accordance with (f)(ii) of this subsection, the department may assign an emissions level for that person.

(e) The energy facility site evaluation council shall, simultaneously with the department, adopt rules that impose greenhouse gas reporting requirements in site certifications on owners or operators of a facility permitted by the energy facility site evaluation council. The greenhouse gas reporting requirements imposed by the energy facility site evaluation council must be the same as the greenhouse gas reporting requirements imposed by the department. The department shall share any information reported to it from facilities permitted by the energy facility site evaluation council with the council, including notice of a facility that has failed to report as required. The energy facility site evaluation council shall contract with the department to monitor the reporting requirements adopted under this section.

(f)(i) The department must establish by rule the methods of verifying the accuracy of emissions reports.

(ii) Verification requirements apply at a minimum to persons required to report under (a) of this subsection with emissions that equal or exceed 25,000 metric tons of carbon dioxide equivalent emissions, including carbon dioxide from biomass-derived fuels, or to persons who have a compliance obligation under RCW 70A.65.080 in any year of the current compliance period. The department may adopt rules to accept verification reports from another jurisdiction with a linkage agreement pursuant to RCW 70A.65.180 in cases where the department deems that the methods or procedures are substantively similar.

(g)(i) The definitions in RCW 70A.45.010 apply throughout this subsection (5) unless the context clearly requires otherwise.

(ii) For the purpose of this subsection (5), the term "supplier" includes: (A) Suppliers that produce, import, or deliver, or any combination of producing, importing, or delivering, a quantity of fuel products in Washington that, if completely combusted, oxidized, or used in other processes, would result in the release of greenhouse gases in Washington equivalent to or higher than the threshold established under (a) of this subsection; and (B) suppliers of carbon dioxide that produce, import, or deliver a quantity of carbon dioxide in Washington that, if released, would result in emissions equivalent to or higher than the threshold established under (a) of this subsection.

(iii) For the purpose of this subsection (5), the term "person" includes: (A) An owner or operator of a facility; (B) a supplier; or (C) an electric power entity.

(iv) For the purpose of this subsection (5), the term "facility" includes facilities that directly emit greenhouse gases in Washington equivalent to the threshold established under (a) of this subsection with at least one source category listed in the United States environmental protection agency's mandatory greenhouse gas reporting regulation, 40 C.F.R. Part 98 Subparts C through II and RR through UU, as adopted on April 25, 2011.

(v) For the purpose of this subsection (5), the term "electric power entity" includes any of the following that supply electric power in Washington with associated emissions of greenhouse gases equal to or above the threshold established under (a) of this subsection: (A) Electricity importers and exporters; (B) retail providers, including multijurisdictional retail providers; and (C) first jurisdictional deliverers, as defined in RCW 70A.65.010, not otherwise included here.

Sec. 4. RCW 70A.65.150 and 2022 c 181 s 6 are each amended to read as follows:

(1) To help minimize allowance price volatility in the auction, the department shall adopt by rule an auction floor price and a schedule for the floor price to increase by a predetermined amount every year. The department may not sell allowances at bids lower than the auction floor price. The department's rules must specify holding limits that determine the maximum number of allowances that may be held for use or trade by a registered entity at any one time. The department shall also establish a reserve auction floor price to limit extraordinary prices and to determine when to offer allowances through the allowance price containment reserve auctions authorized under this section.

(2) For calendar years 2023 through 2026, the department must place no less than two percent of the total number of allowances available from the allowance budgets for those years in an allowance price containment reserve. The reserve must be designed as a mechanism to assist in containing compliance costs for covered and opt-in entities in the event of unanticipated high costs for compliance instruments.

(3)(a) The department shall adopt rules for holding auctions of allowances from the price containment reserve when the settlement prices in the preceding auction exceed the adopted reserve auction floor price. The auction must be separate from auctions of other allowances.

(b) Allowances must also be distributed from the allowance price containment reserve by auction when new covered and opt-in entities enter the program and allowances in the emissions containment reserve under RCW 70A.65.140(5) are exhausted.

(4) Only covered and opt-in entities may participate in the auction of allowances from the allowance price containment reserve.

(5) The process for reserve auctions is the same as the process provided in RCW 70A.65.100 and the proceeds from reserve auctions must be treated the same.

(6) The department shall by rule:

(a) Set the reserve auction floor price in advance of the reserve auction. The department may choose to establish multiple price tiers for the allowances from the reserve;

(b) Establish the requirements and schedule for the allowance price containment reserve auctions; and

(c) ((Establish the amount of allowances to be placed in the allowance price eontainment reserve after the first compliance period ending in 2026)) <u>Place no</u> less than two percent and no more than five percent of the total number of allowances from the allowance budgets from 2027 to 2040 in the allowance price containment reserve.

(7) In order to contain allowance prices in advance of the timeline for linkage with other jurisdictions, the department must amend the schedule of allowance allocations adopted by rule under subsection (6) of this section to place in the allowance price containment reserve and to make available, in the second compliance period of the program, all allowances scheduled to be placed in the allowance price containment reserve through 2040.

Sec. 5. RCW 70A.65.070 and 2024 c 352 s 3 are each amended to read as follows:

(1)(a)(i) The department shall commence the program by January 1, 2023, by determining an emissions baseline establishing the proportionate share that the total greenhouse gas emissions of covered entities for the first compliance period bears to the total anthropogenic greenhouse gas emissions in the state during 2015 through 2019, based on data reported to the department under RCW 70A.15.2200 or provided as required by this chapter, as well as other relevant data. By October 1, 2022, the department shall adopt annual allowance budgets for the first compliance period of the program, calendar years 2023 through 2026, to be distributed from January 1, 2023, through December 31, 2026.

(ii) If the department enters into a linkage agreement, and the linked jurisdictions do not amend their rules to synchronize with Washington's compliance periods, the department must amend its rules to synchronize Washington's compliance periods with those of the linked jurisdiction or jurisdictions. The department may not by rule amend the length of the first compliance period to end on a date other than December 31, 2026.

(b) By October 1, 2026, the department shall add to its emissions baseline by incorporating the proportionate share that the total greenhouse gas emissions of new covered entities in the second compliance period bear to the total anthropogenic greenhouse gas emissions in the state during 2015 through 2019. In determining the addition to the baseline, the department may exclude a year from the determination if the department identifies that year to have been an outlier due to a state of emergency. The department shall adopt annual allowance budgets for the second compliance period of the program that will be distributed during the second compliance period.

(c) By October 1, 2028, the department shall adopt by rule the annual allowance budgets for the end of the second compliance period through 2040.

(2) The annual allowance budgets must be set to achieve the share of reductions by covered entities necessary to achieve the 2030, 2040, and 2050 statewide emissions limits established in RCW 70A.45.020 by December 31st of each of those years, based on data reported to the department under chapter 70A.15 RCW or provided as required by this chapter. Annual allowance budgets must be set such that the use of offsets as compliance instruments, consistent with RCW 70A.65.170, does not prevent the achievement of the emissions limits established in RCW 70A.45.020. In so setting annual allowance budgets, the department must reduce the annual allowance budget relative to the limits in an amount equivalent to offset use, or in accordance with a similar methodology adopted by the department. The department must adopt annual allowance budgets for the program on a calendar year basis that provide for progressively equivalent reductions by December 31st of each year, year over year. An allowance distributed under the program, either directly by the department under RCW 70A.65.110 through 70A.65.130 or through auctions under RCW 70A.65.100, does not expire and may be held or banked consistent with RCW 70A.65.100(6) and 70A.65.150(1).

(3) The department must complete evaluations by December 31, 2027, and December 31st of the year following the conclusion of the third compliance period, of the performance of the program, including its performance in reducing greenhouse gases. If the evaluation shows that adjustments to the annual

allowance budgets are necessary for covered entities to achieve their proportionate share of the 2030 and 2040 emission reduction limits identified in RCW 70A.45.020 by December 31, 2030, and December 31, 2040, as applicable, the department shall adjust the annual allowance budgets accordingly. The department must complete additional evaluations of the performance of the program by December 31st of the year following the conclusion of the fifth and sixth compliance periods, and make any necessary adjustments in the annual allowance budgets to ensure that covered entities achieve their proportionate share of the 2050 emission reduction limit identified in RCW 70A.45.020. Nothing in this subsection precludes the department from making additional adjustments to annual allowance budgets as necessary to ensure successful achievement of the proportionate emission reduction limits by covered entities. The department shall determine and make public the circumstances, metrics, and processes that would initiate the public consideration of additional allowance budget adjustments to ensure successful achievement of the proportionate emission reduction limits.

(4) Data reported to the department under RCW 70A.15.2200 or provided as required by this chapter for 2015 through 2019 is deemed sufficient for the purpose of adopting annual allowance budgets and serving as the baseline by which covered entities demonstrate compliance under the first compliance period of the program. Data reported to the department under RCW 70A.15.2200 or provided as required by this chapter for 2023 through 2025 is deemed sufficient for adopting annual allowance budgets and serving as the baseline by which covered entities demonstrate compliance under the second compliance period of the program.

(5) The legislature intends to promote a growing and sustainable economy and to avoid leakage of emissions from manufacturing to other jurisdictions. Therefore, the legislature finds that implementation of this section is contingent upon the enactment of RCW 70A.65.110.

Sec. 6. RCW 70A.65.310 and 2024 c 352 s 10 are each amended to read as follows:

(1) A covered or opt-in entity has a compliance obligation for its emissions during each compliance period, with the first compliance period commencing January 1, 2023. The department shall by rule require that covered or opt-in entities annually transfer a percentage of compliance instruments, but must fully satisfy their compliance obligation, for each compliance period. To ensure that the program created in this chapter remains implementable and capable of fulfilling a linkage agreement under RCW 70A.65.210, the department may, by rule, including emergency rule, delay or adjust the annual requirement to transfer a percentage of compliance instruments for any years for which emissions reporting deadlines are adjusted by the department under RCW 70A.15.2200(5)(a)(ii)(B).

(2) Compliance occurs through the transfer of the required compliance instruments or price ceiling units, on or before the transfer date, from the holding account to the compliance account of the covered or opt-in entity as described in RCW 70A.65.080.

(3)(a) A covered entity may substitute the submission of compliance instruments with price ceiling units.

(b) A covered or opt-in entity submitting insufficient compliance instruments to meet its compliance obligation is subject to a penalty as provided in RCW 70A.65.200.

(4) Older vintage allowances must be retired before newer vintage allowances.

(5) Upon receipt by the department of all compliance instruments transferred by a covered entity or opt-in entity to meet its compliance obligation, the department shall retire the allowances or offset credits.

Sec. 7. RCW 70A.65.160 and 2022 c 181 s 7 are each amended to read as follows:

(1)(a) The ((department shall establish a)) price ceiling for calendar years 2026 and 2027 shall be \$80 to provide cost protection for covered entities obligated to comply with this chapter. ((The ceiling must be set at a level sufficient to facilitate investments to achieve further emission reductions beyond those enabled by the price ceiling, with the intent that investments accelerate the state's achievement of greenhouse gas limits established under RCW 70A.45.020.)) The department must adjust the allowance price containment reserve tier 2 price to reflect the 2026 and 2027 price ceiling, and the price ceiling must increase annually in proportion to the reserve auction floor price established in RCW 70A.65.150(1).

(b) If the department enters into a linkage agreement, and the linked jurisdictions do not amend their rules to synchronize with Washington's price ceiling established in (a) of this subsection, the department may amend its rules to synchronize Washington's price ceiling with those of the linked jurisdictions. The price ceiling may not be set at a level below the ceiling specified in (a) of this subsection unless the director of the department determines that an amendment to the price ceiling is necessary in order to enter into a linkage agreement.

(2) In the event that no allowances remain in the allowance price containment reserve, the department must issue the number of price ceiling units for sale sufficient to provide cost protection for covered entities as established under subsection (1) of this section. Purchases must be limited to entities that do not have sufficient eligible compliance instruments in their holding and compliance accounts for the current compliance period and these entities may only purchase what they need to meet their compliance obligation for the current compliance period. Price ceiling units may not be sold or transferred and must be retired for compliance in the current compliance period. A price ceiling unit is not a property right.

(3) The price ceiling unit emission reduction investment account is created in the state treasury. All receipts from the sale of price ceiling units must be deposited in the account. Moneys in the account may only be spent after appropriation. Moneys in the account must be expended to achieve emissions reductions on at least a metric ton for metric ton basis that are real, permanent, quantifiable, verifiable, enforceable by the state, and in addition to any greenhouse gas emission reduction otherwise required by law or regulation and any other greenhouse gas emission reduction that otherwise would occur. <u>NEW SECTION.</u> Sec. 8. If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2025, in the omnibus appropriations act, this act is null and void.

<u>NEW SECTION.</u> Sec. 9. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

Passed by the House April 22, 2025. Passed by the Senate April 15, 2025. Approved by the Governor May 17, 2025. Filed in Office of Secretary of State May 19, 2025.

CHAPTER 321

[House Bill 2003]

COLUMBIA RIVER RECREATIONAL SALMON AND STEELHEAD ENDORSEMENT PROGRAM

AN ACT Relating to the Columbia river recreational salmon and steelhead endorsement program; adding new sections to chapter 77.12 RCW; providing an effective date; and providing expiration dates.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> Sec. 1. A new section is added to chapter 77.12 RCW to read as follows:

(1) The Columbia river recreational salmon and steelhead endorsement program account is created in the custody of the state treasurer. All receipts from Columbia river salmon and steelhead endorsement purchases under section 2 of this act and gifts made for purposes of the Columbia river recreational salmon and steelhead endorsement program must be deposited into the account. Expenditures from the account may be used only to facilitate recreational salmon and steelhead selective fishing opportunities on the Columbia river and its tributaries including, but not limited to, monitoring, hatchery production, pinniped removal, and enforcement. Only the director or the director's designee may authorize expenditures from the account. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

(2) This section expires January 1, 2028.

<u>NEW SECTION.</u> Sec. 2. A new section is added to chapter 77.12 RCW to read as follows:

(1) In addition to a recreational license required under this chapter, a Columbia river salmon and steelhead endorsement is required in order for any person 15 years of age or older to fish recreationally for salmon or steelhead in the Columbia river and its tributaries where these fisheries have been authorized by the department. The cost for each endorsement is \$7.50 for residents and nonresidents and \$6 for youth and seniors. The department shall deposit all receipts from endorsement purchases into the Columbia river recreational salmon and steelhead endorsement program account created in section 1 of this act.

(2) For the purposes of this section and section 1 of this act, the term "Columbia river" means the Columbia river from a line across the Columbia

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river between Rocky Point in Washington and Tongue Point in Oregon to the Chief Joseph dam.

(3) This section expires January 1, 2028.

<u>NEW SECTION.</u> Sec. 3. A new section is added to chapter 77.12 RCW to read as follows:

(1) By December 1, 2026, the department and the relevant stakeholders shall review the Columbia river salmon and steelhead endorsement program, prepare a brief summary of the activities conducted under the program, and provide this summary and a recommendation whether the program should be continued to the appropriate committees of the legislature.

(2) This section expires January 1, 2028.

NEW SECTION. Sec. 4. This act takes effect January 1, 2026.

Passed by the House April 26, 2025.

Passed by the Senate April 26, 2025.

Approved by the Governor May 17, 2025.

Filed in Office of Secretary of State May 19, 2025.

CHAPTER 322

[Senate Bill 5653]

COLLECTIVE BARGAINING—CERTAIN FISH AND WILDLIFE OFFICERS

AN ACT Relating to collective bargaining by fish and wildlife officers; amending RCW 41.56.030; and creating a new section.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 41.56.030 and 2024 c 124 s 1 are each amended to read as follows:

As used in this chapter:

(1) "Adult family home provider" means a provider as defined in RCW 70.128.010 who receives payments from the medicaid and state-funded long-term care programs.

(2) "Bargaining representative" means any lawful organization which has as one of its primary purposes the representation of employees in their employment relations with employers.

(3) "Child care subsidy" means a payment from the state through a child care subsidy program established pursuant to RCW 74.12.340, 45 C.F.R. Sec. 98.1 through 98.17, or any successor program.

(4) "Collective bargaining" means the performance of the mutual obligations of the public employer and the exclusive bargaining representative to meet at reasonable times, to confer and negotiate in good faith, and to execute a written agreement with respect to grievance procedures, subject to RCW 41.58.070, and collective negotiations on personnel matters, including wages, hours, and working conditions, which may be peculiar to an appropriate bargaining unit of such public employer, except that by such obligation neither party shall be compelled to agree to a proposal or be required to make a concession unless otherwise provided in this chapter.

(5) "Commission" means the public employment relations commission.

(6) "Executive director" means the executive director of the commission.

(7) "Family child care provider" means a person who: (a) Provides regularly scheduled care for a child or children in the home of the provider or in the home of the child or children for periods of less than twenty-four hours or, if necessary due to the nature of the parent's work, for periods equal to or greater than twenty-four hours; (b) receives child care subsidies; and (c) under chapter 43.216 RCW, is either licensed by the state or is exempt from licensing.

(8) "Fish and wildlife officer" means a fish and wildlife officer as defined in RCW 77.08.010 who ranks below ((lieutenant)) <u>deputy chief</u> and includes officers, detectives, ((and)) sergeants, lieutenants, and captains of the department of fish and wildlife.

(9) "Individual provider" means an individual provider as defined in RCW 74.39A.240(3) who, solely for the purposes of collective bargaining, is a public employee as provided in RCW 74.39A.270.

(10) "Institution of higher education" means the University of Washington, Washington State University, Central Washington University, Eastern Washington University, Western Washington University, The Evergreen State College, and the various state community colleges.

(11)(a) "Language access provider" means any independent contractor who provides spoken language interpreter services, whether paid by a broker, language access agency, or the respective department:

(i) For department of social and health services appointments, department of children, youth, and families appointments, medicaid enrollee appointments, or who provided these services on or after January 1, 2011, and before June 10, 2012;

(ii) For department of labor and industries authorized medical and vocational providers who provided these services on or after January 1, 2019; or

(iii) For state agencies who provided these services on or after January 1, 2019.

(b) "Language access provider" does not mean a manager or employee of a broker or a language access agency.

(12) "Public employee" means any employee of a public employer except any person (a) elected by popular vote, or (b) appointed to office pursuant to statute, ordinance or resolution for a specified term of office as a member of a multimember board, commission, or committee, whether appointed by the executive head or body of the public employer, or (c) whose duties as deputy, administrative assistant or secretary necessarily imply a confidential relationship to (i) the executive head or body of the applicable bargaining unit, or (ii) any person elected by popular vote, or (iii) any person appointed to office pursuant to statute, ordinance or resolution for a specified term of office as a member of a multimember board, commission, or committee, whether appointed by the executive head or body of the public employer, or (d) who is a court commissioner or a court magistrate of superior court, district court, or a department of a district court organized under chapter 3.46 RCW, or (e) who is a personal assistant to a district court judge, superior court judge, or court commissioner. For the purpose of (e) of this subsection, no more than one assistant for each judge or commissioner may be excluded from a bargaining unit.

(13) "Public employer" means any officer, board, commission, council, or other person or body acting on behalf of any public body governed by this chapter, or any subdivision of such public body. For the purposes of this section, the public employer of district court or superior court employees for wagerelated matters is the respective county legislative authority, or person or body acting on behalf of the legislative authority, and the public employer for nonwage-related matters is the judge or judge's designee of the respective district court or superior court. For the purposes of this chapter, public employer does not include a comprehensive cancer center participating in a collaborative arrangement as defined in RCW 28B.10.930 that is operated in conformance with RCW 28B.10.930.

(14) "Uniformed personnel" means: (a) Law enforcement officers as defined in RCW 41.26.030 employed by the governing body of any city or town with a population of two thousand five hundred or more and law enforcement officers employed by the governing body of any county with a population of ten thousand or more; (b) correctional employees who are uniformed and nonuniformed, commissioned and noncommissioned security personnel employed in a jail as defined in RCW 70.48.020(9), by a county with a population of seventy thousand or more, in a correctional facility created under RCW 70.48.095, or in a detention facility created under chapter 13.40 RCW that is located in a county with a population over one million five hundred thousand, and who are trained for and charged with the responsibility of controlling and maintaining custody of inmates in the jail and safeguarding inmates from other inmates; (c) general authority Washington peace officers as defined in RCW 10.93.020 employed by a port district in a county with a population of one million or more; (d) security forces established under RCW 43.52.520; (e) firefighters as that term is defined in RCW 41.26.030; (f) employees of a port district in a county with a population of one million or more whose duties include crash fire rescue or other firefighting duties; (g) employees of fire departments of public employers who dispatch exclusively either fire or emergency medical services, or both; (h) employees in the several classes of advanced life support technicians, as defined in RCW 18.71.200, who are employed by a public employer; (i) court marshals of any county who are employed by, trained for, and commissioned by the county sheriff and charged with the responsibility of enforcing laws, protecting and maintaining security in all county-owned or contracted property, and performing any other duties assigned to them by the county sheriff or mandated by judicial order; or (j) public safety telecommunicators, as defined in RCW 38.60.020, employed by a public employer. This subsection (14)(j) does not apply to public safety telecommunicators employed by the Washington state patrol or any other state agency.

<u>NEW SECTION.</u> Sec. 2. If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2025, in the omnibus appropriations act, this act is null and void.

Passed by the Senate April 21, 2025. Passed by the House April 15, 2025. Approved by the Governor May 17, 2025. Filed in Office of Secretary of State May 19, 2025.

CHAPTER 323

[Engrossed Substitute Senate Bill 5390] RECREATION SITES AND LANDS—PASSES AND PERMITS

AN ACT Relating to access to a recreation site or lands; amending RCW 79A.80.020, 79A.80.090, 79A.80.080, and 79A.05.065; adding a new section to chapter 79A.25 RCW; creating a new section; providing an effective date; and providing an expiration date.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> Sec. 1. The legislature finds that both visitors and residents of Washington state enjoy the opportunity to recreate and experience the beauty of state-owned public lands, like state parks. The legislature also finds that the costs to provide access to these lands has been successfully supported by user-based recreation fees and that the costs of continued support and access has outpaced the revenue generated by fees. The discover pass and day-use permits that are used to gain access to state-owned lands have been in place since 2011, and the cost for the discover pass and permits has not changed since then. However, the costs to maintain recreational access have steadily increased. The original legislation anticipated the potential need to consider adjustment in the cost of both the discover pass and day-use permits. The legislature intends to maintain recreational access for all by updating the cost of the discover pass and day-use pass commensurate with the inflationary costs to carry out state recreational programs.

Sec. 2. RCW 79A.80.020 and 2017 c 121 s 1 are each amended to read as follows:

(1) Except as otherwise provided in this chapter, a discover pass is required for any motor vehicle to:

(a) Park at any recreation site or lands; or

(b) Operate on any recreation site or lands.

(2) Except as provided in RCW 79A.80.110, the cost of a discover pass is $((\frac{\text{thirty dollars}})) \frac{\$45}{2}$. Every four years the office of financial management must review the cost of the discover pass and, if necessary, recommend to the legislature an adjustment to the cost of the discover pass to account for inflation.

(3) A discover pass is valid for one year beginning from the date that the discover pass is marked for activation. The activation date may differ from the purchase date pursuant to any policies developed by the agencies.

(4) Sales of discover passes must be consistent with RCW 79A.80.100.

(5) The discover pass must contain space for two motor vehicle license plate numbers. A discover pass is valid only for those vehicle license plate numbers written on the pass. However, the agencies may offer for sale a family discover pass that is fully transferable among vehicles and does not require the placement of a license plate number on the pass to be valid. The agencies must collectively set a price for the sale of a family discover pass that is no more than ((fifty dollars)) <u>\$50</u>. A discover pass is valid only for use with one motor vehicle at any one time.

(6)(a) One complimentary discover pass must be provided to a volunteer who performed ((twenty-four)) $\underline{24}$ hours of service on agency-sanctioned volunteer projects in a year. The agency must provide vouchers to volunteers identifying the number of volunteer hours they have provided for each project. The vouchers may be brought to an agency to be redeemed for a discover pass.

(b) Married spouses under chapter 26.04 RCW may present an agency with combined vouchers demonstrating the collective performance of ((twenty-four)) <u>24</u> hours of service on agency-sanctioned volunteer projects in a year to be redeemed for a single complimentary discover pass.

(7) A lifetime disabled veteran pass issued under RCW 79A.05.065(3) is the equivalent of a discover pass for purposes of this chapter, as long as the person to whom the pass was issued is a driver or passenger in the vehicle when accessing a site or lands.

Sec. 3. RCW 79A.80.090 and 2020 c 148 s 27 are each amended to read as follows:

(1) The recreation access pass account is created in the state treasury. All moneys received from the sale of discover passes and day-use permits must be deposited into the account.

(2) Each fiscal biennium, the first ((seventy-one million dollars)) <u>\$85,000,000</u> in revenue must be distributed to the agencies in the following manner:

(a) Eight percent to the department of fish and wildlife and deposited into the limited fish and wildlife account created in RCW 77.12.170(1);

(b) Eight percent to the department of natural resources and deposited into the parkland trust revolving fund created in RCW 43.30.385;

(c) Eighty-four percent to the state parks and recreation commission and deposited into the state parks renewal and stewardship account created in RCW 79A.05.215;

(d) During the 2015-2017 fiscal biennium, expenditures from the recreation access pass account may be used for Skamania county court costs. During the 2015-2017 and 2017-2019 fiscal biennia, expenditures from the recreation access pass account may be used for the state parks and recreation commission, in partnership with the departments of fish and wildlife and natural resources, to develop options and recommendations to improve recreational access fee systems.

(3) Each fiscal biennium, revenues in excess of ((seventy-one million dollars)) \$\$5,000,000 must be distributed equally among the agencies to the accounts identified in subsection (2) of this section.

Sec. 4. RCW 79A.80.080 and 2013 2nd sp.s. c 15 s 3 are each amended to read as follows:

(1) A discover pass, vehicle access pass, <u>lifetime disabled veteran pass</u>, or day-use permit must be visibly displayed in the front windshield, or otherwise in a prominent location for motor vehicles without a windshield, of any motor vehicle:

(a) Operating on any recreation site or lands; or

(b) Parking at any recreation site or lands.

(2) The discover pass, the vehicle access pass, <u>lifetime disabled veteran</u> pass, or the day-use permit is not required:

(a) On private lands, state-owned aquatic lands other than water access areas, or at agency offices, hatcheries, or other facilities where public business is conducted; (b) For persons who use, possess, or enter lands owned or managed by the agencies for nonrecreational purposes consistent with a written authorization from the agency, including but not limited to leases, contracts, and easements;

(c) On department of fish and wildlife lands only, for persons possessing a current vehicle access pass pursuant to RCW 79A.80.040; ((or))

(d) When operating on a road managed by the department of natural resources or the department of fish and wildlife, including a forest or land management road, that is not blocked by a gate; or

(e) For motor vehicles used for off-road recreation that have been transported to a recreation site or lands managed for off-road recreation by another motor vehicle that: (i) Remains parked at the recreation site or lands; and (ii) displays a pass or permit consistent with the requirements of this chapter.

(3)(a) An agency may waive the requirements of this section for any person who has secured the ability to access specific recreational land through the provision of monetary consideration to the agency or for any person attending an event or function that required the provision of monetary compensation to the agency.

(b) Special events and group activities are core recreational activities and major public service opportunities within state parks. When waiving the requirements of this section for special events, the state parks and recreation commission must consider the direct and indirect costs and benefits to the state, local market rental rates, the public service functions of the event sponsor, and other public interest factors when setting appropriate fees for each event or activity.

(4) Failure to comply with subsection (1) of this section is a natural resource infraction under chapter 7.84 RCW. An agency is authorized to issue a notice of infraction to any person who fails to comply with subsection (1)(a) of this section or to any motor vehicle that fails to comply with subsection (1)(b) of this section.

(5) The penalty for failure to comply with the requirements of this section is ((ninety-nine dollars)) <u>\$99</u>. This penalty must be reduced to ((fifty-nine dollars)) <u>\$59</u> if an individual provides, within 15 days after the issuance of the notice of violation, proof of purchase of a discover pass to the court ((within fifteen days after the issuance of the notice of violation)) or evidence that the individual has obtained a lifetime disabled veteran pass under RCW 79A.05.065(3).

Sec. 5. RCW 79A.05.065 and 2011 c 171 s 115 are each amended to read as follows:

(1)(a) The commission shall grant to any person who meets the eligibility requirements specified in this section a senior citizen's pass which shall: (i) Entitle such a person, and members of his or her camping unit, to a ((fifty)) 50 percent reduction in the campsite rental fee prescribed by the commission; and (ii) entitle such a person to free admission to any state park.

(b) The commission shall grant a senior citizen's pass to any person who applies for the senior citizen's pass and who meets the following requirements:

(i) The person is at least ((sixty-two)) 62 years of age;

(ii) The person is a domiciliary of the state of Washington and meets reasonable residency requirements prescribed by the commission; and

(iii) The person and his or her spouse have a combined income that would qualify the person for a property tax exemption pursuant to RCW 84.36.381. The

financial eligibility requirements of this subsection (1)(b)(iii) apply regardless of whether the applicant for a senior citizen's pass owns taxable property or has obtained or applied for such property tax exemption.

(c) Each senior citizen's pass granted pursuant to this section is valid as long as the senior citizen meets the requirements of (b)(ii) of this subsection. A senior citizen meeting the eligibility requirements of this section may make a voluntary donation for the upkeep and maintenance of state parks.

(d) A holder of a senior citizen's pass shall surrender the pass upon request of a commission employee when the employee has reason to believe the holder fails to meet the criteria in (b) of this subsection. The holder shall have the pass returned upon providing proof to the satisfaction of the director that the holder meets the eligibility criteria for obtaining the senior citizen's pass.

(2)(a) Any resident of Washington who is disabled as defined by the social security administration and who receives social security benefits for that disability, or any other benefits for that disability from any other governmental or nongovernmental source, or who is entitled to benefits for permanent disability under RCW 71A.10.020(((3))) (6) due to unemployability full time at the minimum wage, or who is legally blind or profoundly deaf, or who has been issued a card, decal, or special license plate for a permanent disability under RCW 46.19.010 shall be entitled to receive, regardless of age and upon making application therefor, a disability pass at no cost to the holder. The pass shall: (i) Entitle such a person, and members of his or her camping unit, to a ((fifty))) 50 percent reduction in the campsite rental fee prescribed by the commission; and (ii) entitle such a person to free admission to any state park.

(b) A card, decal, or special license plate issued for a permanent disability under RCW 46.19.010 may serve as a pass for the holder to entitle that person and members of the person's camping unit to a ((fifty)) 50 percent reduction in the campsite rental fee prescribed by the commission, and to allow the holder free admission to state parks.

(3) Any resident of Washington who is a veteran and has a serviceconnected disability of at least ((thirty)) <u>30</u> percent shall be entitled to receive a lifetime ((veteran's disability)) <u>disabled veteran</u> pass at no cost to the holder. The pass shall: (a) Entitle such a person, and members of his or her camping unit, to free use of any campsite within any state park; <u>and</u> (b) entitle such a person to free admission to any state ((park; and (c) entitle such a person to an exemption from any reservation fees)) recreation site or lands, as defined in RCW 79A.80.010. A lifetime disabled veteran pass entitles the holder to all of the benefits of a discover pass under chapter 79A.80 RCW.

(4)(a) Any Washington state resident who provides out-of-home care to a child, as either a licensed foster family home or a person related to the child, is entitled to a foster home pass.

(b) An applicant for a foster home pass must request a pass in the manner required by the commission. Upon receipt of a properly submitted request, the commission shall verify with the department of social and health services that the applicant qualifies under (a) of this subsection. Once issued, a foster home pass is valid for the period, which may not be less than one year, designated by the commission.

(c) When accompanied by a child receiving out-of-home care from the pass holder, a foster home pass: (i) Entitles such a person, and members of his or her

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camping unit, to free use of any campsite within any state park; and (ii) entitles such a person to free admission to any state park.

(d) For the purposes of this subsection (4):

(i) "Out-of-home care" means placement in a foster family home or with a person related to the child under the authority of chapter 13.32A, 13.34, or 74.13 RCW;

(ii) "Foster family home" has the same meaning as defined in RCW 74.15.020; and

(iii) "Person related to the child" means those persons referred to in RCW 74.15.020(2)(a) (i) through (vi).

(5) All passes issued pursuant to this section are valid at all parks any time during the year. However, the pass is not valid for admission to concessionaire operated facilities.

(6) The commission shall negotiate payment and costs, to allow holders of a foster home pass free access and usage of park campsites, with the following nonoperated, nonstate-owned parks: Central Ferry, Chief Timothy, Crow Butte, and Lyons Ferry. The commission shall seek state general fund reimbursement on a biennial basis.

(7) The commission may deny or revoke any Washington state park pass issued under this section <u>at any time</u> for cause, including but not limited to the following:

(a) Residency outside the state of Washington;

(b) Violation of laws or state park rules resulting in eviction from a state park;

(c) Intimidating, obstructing, or assaulting a park employee or park volunteer who is engaged in the performance of official duties;

(d) Fraudulent use of a pass;

(e) Providing false information or documentation in the application for a state parks pass;

(f) Refusing to display or show the pass to park employees when requested; or

(g) Failing to provide current eligibility information upon request by the agency or when eligibility ceases or changes.

(8) This section shall not affect or otherwise impair the power of the commission to continue or discontinue any other programs it has adopted for senior citizens.

(9) The commission may engage in a mutually agreed upon reciprocal or discounted program for all or specific pass programs with other outdoor recreation agencies.

(10) The commission shall adopt those rules as it finds appropriate for the administration of this section. Among other things, the rules shall prescribe a definition of "camping unit" which will authorize a reasonable number of persons traveling with the person having a pass to stay at the campsite rented by such a person, a minimum Washington residency requirement for applicants for a senior citizen's pass, and an application form to be completed by applicants for a senior citizen's pass.

*<u>NEW SECTION.</u> Sec. 6. A new section is added to chapter 79A.25 RCW to read as follows:

(1) The office shall convene a work group to review how recreation and park functions are currently funded for the state parks and recreation commission, the department of fish and wildlife, and the department of natural resources. The work group must consist of:

(a) A member from each of the state parks and recreation commission, the department of fish and wildlife, and the department of natural resources;

(b) Two members and two alternates from the senate, with one member and one alternate appointed from each of the two largest caucuses in the senate by the president of the senate; and

(c) Two members and two alternates from the house of representatives, with one member and one alternate appointed from each of the two largest caucuses in the house of representatives by the speaker of the house of representatives.

(2) The work group shall confer with tribal governments as part of the analysis and may engage with the Washington state institute for public policy and a broad range of stakeholders, including representatives from nonmotorized and motorized recreation, the outdoor recreation industry, hunters and anglers, friends or affinity groups, outdoor equity organizations, environmental education, and other relevant public agencies or private entities.

(3) The work group must identify and assess the distinct funding structures, needs, and challenges of each agency as it relates to recreation and park functions. The group shall explore long-term funding strategies that ensure stable and adequate support for each agency's mission and responsibilities, including strategies identified in previously completed reports, where applicable.

(4) Prior to December 1, 2026, the work group must submit a report of the group's findings and recommendations to the appropriate committees of the legislature, the office of financial management, and the governor's office.

(5) The legislative members of the work group shall serve without compensation or remuneration.

(6) This section expires June 30, 2027.

*Sec. 6 was vetoed. See message at end of chapter.

<u>NEW SECTION.</u> Sec. 7. Sections 1 through 5 of this act take effect October 1, 2025.

Passed by the Senate April 24, 2025.

Passed by the House April 22, 2025.

Approved by the Governor May 17, 2025, with the exception of certain items that were vetoed.

Filed in Office of Secretary of State May 19, 2025.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith, without my approval as to Section 6, Engrossed Substitute Senate Bill No. 5390 entitled:

"AN ACT Relating to access to a recreation site or lands."

Section 6 of this act requires the Recreation and Conservation Office to establish a work group to review how recreation and park functions are currently funded for the State Parks and Recreation Commission, the Department of Fish and Wildlife, and the Department of Natural Resources. The cost of this workgroup diverts limited resources from the immediate needs of all three agencies

towards a study of long-term funding options. This redirection of funds risks hindering the current operational capabilities and essential work of these agencies, specifically State Parks, which the bill aims to support.

Furthermore, the outcome of this work group is speculative, offering no guarantee of a viable or timely alternative to the proposed fee increases. I am directing my Outdoor Recreation Special Assistant to undertake a more direct and efficient approach to collaborate directly with State Parks and Recreation Commission, Department of Natural Resources, the Department of Fish and Wildlife, and the Office of Financial Management to strategically explore sustainable and equitable funding models. This would allow for a more focused and effective approach to addressing the long-term financial needs of these critical agencies.

For these reasons I have vetoed Section 6 of Engrossed Substitute Senate Bill No. 5390.

With the exception of Section 6, Engrossed Substitute Senate Bill No. 5390 is approved."

CHAPTER 324

[Substitute House Bill 1539]

WILDFIRE MITIGATION AND RESILIENCY STANDARDS WORK GROUP

AN ACT Relating to wildfire risk; creating a new section; and providing an expiration date.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION</u>. Sec. 1. (1) A work group to study and make recommendations on wildfire mitigation and resiliency standards is hereby created. The work group membership shall be composed of:

(a) The insurance commissioner or his or her designee, who shall serve as the cochair of the work group;

(b) The commissioner of public lands for the department of natural resources or his or her designee, who shall serve as the cochair of the work group;

(c) Four representatives from the property and casualty insurance industry, to be selected by the insurance commissioner and commissioner of public lands for the department of natural resources, or their designees through an application process, which must be completed by August 1, 2025;

(d) One representative from the insurance institute for business and home safety;

(e) One representative from local emergency management as nominated by the Washington state emergency management council;

(f) One representative from the Washington fire chiefs association;

(g) The following ex officio members:

(i) One member from each of the two largest caucuses of the house of representatives, appointed by the speaker of the house of representatives; and

(ii) One member from each of the two largest caucuses of the senate, appointed by the president of the senate;

(h) Other state agency representatives or stakeholder group representatives, at the discretion of the work group, for the purpose of participating in specific topic discussions or subcommittees;

(i) One representative of small forest landowners;

(j) One representative of rural landowners;

(k) One representative of the real estate industry;

(1) One representative of consumer-owned electric utilities; and

(m) One representative of investor-owned electric utilities.

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(2) Staff support for the work group must be provided by the office of the insurance commissioner.

(3) The work group shall study and develop recommendations for the following:

(a)(i) Coordinating the department of natural resources' existing wildfire property mitigation standards, or development of standards, with nationally recognized, science-based, wildfire mitigation standards, and (ii) aligning state wildfire property mitigation standards with nationally recognized, science-based, wildfire mitigation standards with nationally recognized, science-based, wildfire mitigation standards;

(b) Enhancing wildfire mitigation at the community level;

(c) Sharing of relevant data between appropriate state agencies and the insurance industry with respect to successful implementation of existing wildfire mitigation efforts, including the identification of gaps in existing wildfire mitigation that may be addressed through (a)(i) of this subsection (3) and wildfire risk assessment tools, which must include coordination with the department of health regarding its environmental health disparities map;

(d) Improving transparency for consumers regarding wildfire hazard and risk, including through disclosures to policyholders for insurance policy nonrenewals primarily related to wildfire risk, with the intent of increasing the availability of insurance, decreasing nonrenewals, and enhancing market stability that is informed by industry and consumer data; and

(e) Establishing a grant program to provide grants to Washington homeowners for purposes including, but not limited to, retrofitting residential property to resist loss due to wildfire and evaluating whether residential property meets nationally recognized, science-based, wildfire mitigation standards. The work group must include recommendations for:

(i) A grant program framework that will promote a decrease in the number of nonrenewals of consumer general casualty insurance or property insurance policies; and

(ii) Whether and how local fire protection districts may collaborate with the grant program administrator.

(4) The work group shall submit, in compliance with RCW 43.01.036, a report of recommendations to the legislature, the insurance commissioner, and the department of natural resources, by December 1, 2025.

(5) This section expires December 31, 2025.

Passed by the House April 18, 2025. Passed by the Senate April 2, 2025. Approved by the Governor May 17, 2025. Filed in Office of Secretary of State May 19, 2025.

CHAPTER 325

[Substitute House Bill 1473] WILDFIRE SUPPRESSION COSTS—BUDGET STABILIZATION ACCOUNT APPROPRIATION

AN ACT Relating to making expenditures from the budget stabilization account for declared catastrophic events; creating a new section; making an appropriation; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> Sec. 1. On August 2, 2024, the governor declared a state of emergency in all counties due to threats to life and property from existing and threatened wildfires.

<u>NEW SECTION.</u> Sec. 2. FOR THE DEPARTMENT OF NATURAL RESOURCES—FIRES. The sum of \$77,687,000 is appropriated from the budget stabilization account for the fiscal year ending June 30, 2025, and is provided solely for fire suppression costs incurred by the department of natural resources during the 2024 fire season. For purposes of RCW 43.88.055(4), the appropriation in this section does not alter the requirement to balance in ensuing biennia.

<u>NEW SECTION.</u> Sec. 3. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

Passed by the House April 17, 2025. Passed by the Senate April 26, 2025. Approved by the Governor May 17, 2025. Filed in Office of Secretary of State May 19, 2025.

CHAPTER 326

[Senate Bill 5319]

SURFACE MINE RECLAMATION PERMIT FEES

AN ACT Relating to establishing surface mine reclamation permit fees; and amending RCW 78.44.085.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 78.44.085 and 2017 3rd sp.s. c 27 s 1 are each amended to read as follows:

(1) An applicant ((for an expansion of a permitted surface mine, a new reelamation permit under RCW 78.44.081, or for combining existing public or private reelamation permits, shall pay a nonrefundable application fee to the department before being granted the requested permit or permit expansion)): (a) For a revision of an existing reclamation permit or reclamation plan; (b) for an expansion of a permitted surface mine; (c) for a new reclamation permit under RCW 78.44.081; or (d) seeking to combine existing public or private surface mine reclamation permits, shall pay a nonrefundable application fee to the department before the department will make a decision on the application. The amount of the application fee shall be ((four thousand five hundred dollars.

(2) Permit holders submitting a revision to an application for an existing reclamation plan that is not an expansion shall pay a nonrefundable reclamation plan revision fee of two thousand five hundred dollars)) $\frac{$4,500}{}$.

(((3))) (2) After June 30, 2017, each public or private permit holder shall pay an annual permit fee in an amount pursuant to this section. The annual permit fee shall be payable to the department prior to the reclamation permit being issued and on the anniversary of the permit date each year thereafter.

(((4))) (3)(a) Except as otherwise provided in this subsection, each public or private permit holder must pay an annual fee of (((wo thousand dollars))) (\$3,500).

(b) Annual fees paid by a county for mines used exclusively for public works projects and having less than seven acres of disturbed area per mine shall not exceed ((one thousand dollars)) \$1,000.

(c) ((Annual fees are waived for all mines used primarily for public works projects if the mines are owned and primarily operated by counties with 1993 populations of less than twenty thousand persons, and if each mine has less than seven acres of disturbed area)) Except as provided in (b) of this subsection, the annual fee for a public permit holder for mines used exclusively for public works projects, as defined in RCW 39.04.010(5), is \$2,500.

(((5))) (4) Any production records, mineral assessments, and trade secrets submitted by a permit holder, mine operator, or landowner to the department are to be held as confidential and not released as part of a public records request under chapter 42.56 RCW.

(((6))) (5) Appeals from any determination of the department shall not stay the requirement to pay any annual permit fee. Failure to pay the annual fees may constitute grounds for an order to suspend surface mining, pay fines, or cancel the reclamation permit as provided in this chapter.

 $(((\frac{7})))$ (6) All fees collected by the department shall be deposited into the surface mining reclamation account created in RCW 78.44.045.

 $(((\frac{8})))$ (7) If the department delegates enforcement responsibilities to a county, city, or town, the department may allocate funds collected under this section to the county, city, or town.

(((9))) (8) Within ((sixty)) 60 days after receipt of an application for a new or expanded permit, or revision to an existing reclamation permit or reclamation plan, the department shall advise applicants of any information necessary to successfully complete the application.

(((10))) (9) In addition to other enforcement authority, the department may refer matters to a collection agency licensed under chapter 19.16 RCW when permit fees or fines are past due. The collection agency may impose its own fees for collecting delinquent permit fees or fines.

Passed by the Senate April 23, 2025. Passed by the House April 16, 2025. Approved by the Governor May 17, 2025. Filed in Office of Secretary of State May 19, 2025.

CHAPTER 327

[Senate Bill 5334]

POLLUTION CONTROL HEARINGS BOARD—BURNING PERMIT AND SILVICULTURAL BURNING CIVIL PENALTIES

AN ACT Relating to adding the department of natural resources' civil enforcement decisions under RCW 76.04.205 to appeals that may be heard by the pollution control hearings board; and reenacting and amending RCW 43.21B.110.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 43.21B.110 and 2024 c 347 s 5, 2024 c 340 s 4, and 2024 339 s 16 are each reenacted and amended to read as follows:

(1) The hearings board shall only have jurisdiction to hear and decide appeals from the following decisions of the department, the director, local conservation districts, the air pollution control boards or authorities as established pursuant to chapter 70A.15 RCW, local health departments, the department of natural resources, the department of fish and wildlife, the parks and recreation commission, and authorized public entities described in chapter 79.100 RCW:

(a) Civil	penalties imposed	pursuant to cha	pter 70A.230 R	CW and RCW
18.104.155,	70A.15.3160,	70A.300.090,	70A.20.050,	70A.230.020,
70A.205.280,	70A.355.070,	70A.430.070,	70A.500.260,	70A.505.100,
70A.505.110,	70A.530.040,	70A.350.070,	70A.515.060,	70A.245.040,
70A.245.050,	70A.245.070,	70A.245.080,	70A.245.130,	70A.245.140,
70A.65.200,	70A.455.090,	70A.550.030,	70A.555.110,	70A.560.020,
70A.565.030,			.440, 78.44.250	
90.03.600, 90.	46.270, 90.48.144	, 90.56.310, 90.5	56.330, and 90.64	.102.

(b) Orders issued pursuant to RCW 18.104.043, 18.104.060, 18.104.130, 43.27A.190. 70A.15.3010, 70A.15.6010, 70A.15.2520, 70A.15.4530, 70A.205.280, 70A.214.140, 70A.300.120, 70A.350.070, 70A.245.020, 70A.65.200, 70A.505.100, 70A.555.110, 70A.560.020, 70A.565.030, 86.16.020, 88.46.070, 90.03.665, 90.14.130, 90.46.250, 90.48.120, 90.48.240, 90.56.330, and 90.64.040.

(c) Except as provided in RCW 90.03.210(2), the issuance, modification, or termination of any permit, certificate, or license by the department or any air authority in the exercise of its jurisdiction, including the issuance or termination of a waste disposal permit, the denial of an application for a waste disposal permit, the modification of the conditions or the terms of a waste disposal permit, a decision to approve or deny a solid waste management plan under RCW 70A.205.055, approval or denial of an application for a beneficial use determination under RCW 70A.205.260, an application for a change under RCW 90.03.383, or a permit to distribute reclaimed water under RCW 90.46.220.

(d) Decisions of local health departments regarding the granting or denial of solid waste permits pursuant to chapter 70A.205 RCW, including appeals by the department as provided in RCW 70A.205.130.

(e) Decisions of local health departments regarding the issuance and enforcement of permits to use or dispose of biosolids under RCW 70A.226.090.

(f) Decisions of the department regarding waste-derived fertilizer or micronutrient fertilizer under RCW 15.54.820.

(g) Decisions of local conservation districts related to the denial of approval or denial of certification of a dairy nutrient management plan; conditions contained in a plan; application of any dairy nutrient management practices, standards, methods, and technologies to a particular dairy farm; and failure to adhere to the plan review and approval timelines in RCW 90.64.026 as provided in RCW 90.64.028.

(h) Any other decision by the department or an air authority which pursuant to law must be decided as an adjudicative proceeding under chapter 34.05 RCW.

(i) Decisions of the department of natural resources, the department of fish and wildlife, and the department that are reviewable under chapter 76.09 RCW, and the department of natural resources' appeals of county, city, or town objections under RCW 76.09.050(7).

(j) Forest health hazard orders issued by the commissioner of public lands under RCW 76.06.180.

(k) Decisions of the department of fish and wildlife to issue, deny, condition, or modify a hydraulic project approval permit under chapter 77.55 RCW, to issue a stop work order, to issue a notice to comply, to issue a civil penalty, or to issue a notice of intent to disapprove applications.

(l) Decisions of the department of natural resources that are reviewable under RCW 78.44.270.

(m) Decisions of an authorized public entity under RCW 79.100.010 to take temporary possession or custody of a vessel or to contest the amount of reimbursement owed that are reviewable by the hearings board under RCW 79.100.120.

(n) Decisions of the department of ecology that are appealable under RCW 70A.245.020 to set recycled minimum postconsumer content for covered products or to temporarily exclude types of covered products in plastic containers from minimum postconsumer recycled content requirements.

(o) Orders by the department of ecology under RCW 70A.455.080.

(p) Decisions of the department of natural resources under RCW 76.04.205.

(2) The following hearings shall not be conducted by the hearings board:

(a) Hearings required by law to be conducted by the shorelines hearings board pursuant to chapter 90.58 RCW, except where appeals to the pollution control hearings board and appeals to the shorelines hearings board have been consolidated pursuant to RCW 43.21B.340.

(b) Hearings conducted by the department pursuant to RCW 70A.15.3010, 70A.15.3070, 70A.15.3080, 70A.15.3090, 70A.15.3100, 70A.15.3110, and 90.44.180.

(c) Appeals of decisions by the department under RCW 90.03.110 and 90.44.220.

(d) Hearings conducted by the department to adopt, modify, or repeal rules.

(3) Review of rules and regulations adopted by the hearings board shall be subject to review in accordance with the provisions of the administrative procedure act, chapter 34.05 RCW.

Passed by the Senate March 3, 2025.

Passed by the House April 15, 2025.

Approved by the Governor May 17, 2025.

Filed in Office of Secretary of State May 19, 2025.

CHAPTER 328

[Substitute Senate Bill 5583]

RECREATIONAL FISHING AND HUNTING LICENSES—VARIOUS PROVISIONS

AN ACT Relating to recreational fishing and hunting licenses; amending RCW 77.08.010, 77.12.810, 77.32.070, 77.32.155, 77.32.350, 77.32.370, 77.32.430, 77.32.440, 77.32.450, 77.32.460, 77.32.470, 77.32.480, 77.32.520, 77.32.570, and 77.32.575; adding new sections to chapter 77.32 RCW; adding a new section to chapter 77.12 RCW; repealing 2009 c 420 s 7, 2011 c 339 s 40, 2016 c 223 ss 7, 8, and 9, and 2017 3rd sp.s. c 3 ss 1, 2, and 3 (uncodified); prescribing penalties; providing effective dates; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 77.08.010 and 2017 3rd sp.s. c 8 s 2 are each amended to read as follows:

The definitions in this section apply throughout this title or rules adopted under this title unless the context clearly requires otherwise.

(1) "Angling gear" means a line attached to a rod and reel capable of being held in hand while landing the fish or a handheld line operated without rod or reel.

(2) "Bag limit" means the maximum number of game animals, game birds, or game fish which may be taken, caught, killed, or possessed by a person, as specified by rule of the commission for a particular period of time, or as to size, sex, or species.

(3) "Building" means a private domicile, garage, barn, or public or commercial building.

(4) "Closed area" means a place where the hunting of some or all species of wild animals or wild birds is prohibited.

(5) "Closed season" means all times, manners of taking, and places or waters other than those established by rule of the commission as an open season. "Closed season" also means all hunting, fishing, taking, or possession of game animals, game birds, game fish, food fish, or shellfish that do not conform to the special restrictions or physical descriptions established by rule of the commission as an open season or that have not otherwise been deemed legal to hunt, fish, take, harvest, or possess by rule of the commission as an open season.

(6) "Closed waters" means all or part of a lake, river, stream, or other body of water, where fishing or harvesting is prohibited.

(7) "Commercial" means related to or connected with buying, selling, or bartering.

(8) "Commission" means the state fish and wildlife commission.

(9) "Concurrent waters of the Columbia river" means those waters of the Columbia river that coincide with the Washington-Oregon state boundary.

(10) "Contraband" means any property that is unlawful to produce or possess.

(11) "Covered animal species" means any species of elephant, rhinoceros, tiger, lion, leopard, cheetah, pangolin, marine turtle, shark, or ray either: (a) Listed in appendix I or appendix II of the convention on international trade in endangered species of wild flora and fauna; or (b) listed as critically endangered, endangered, or vulnerable on the international union for conservation of nature and natural resources red list of threatened species.

(12) "Covered animal species part or product" means any item that contains, or is wholly or partially made from, any covered animal species.

(13) "Deleterious exotic wildlife" means species of the animal kingdom not native to Washington and designated as dangerous to the environment or wildlife of the state.

(14) "Department" means the department of fish and wildlife.

(15) "Director" means the director of fish and wildlife.

(16) "Distribute" or "distribution" means either a change in possession for consideration or a change in legal ownership.

(17) "Endangered species" means wildlife designated by the commission as seriously threatened with extinction.

(18) "Ex officio fish and wildlife officer" means:

(a) A commissioned officer of a municipal, county, or state agency having as its primary function the enforcement of criminal laws in general, while the officer is acting in the respective jurisdiction of that agency;

(b) An officer or special agent commissioned by one of the following: The national marine fisheries service; the Washington state parks and recreation commission; the United States fish and wildlife service; the Washington state department of natural resources; the United States forest service; or the United States parks service, if the agent or officer is in the respective jurisdiction of the primary commissioning agency and is acting under a mutual law enforcement assistance agreement between the department and the primary commissioning agency;

(c) A commissioned fish and wildlife peace officer from another state who meets the training standards set by the Washington state criminal justice training commission pursuant to RCW 10.93.090, 43.101.080, and 43.101.200, and who is acting under a mutual law enforcement assistance agreement between the department and the primary commissioning agency; or

(d) A Washington state tribal police officer who successfully completes the requirements set forth under RCW 43.101.157, is employed by a tribal nation that has complied with RCW 10.92.020(2) (a) and (b), and is acting under a mutual law enforcement assistance agreement between the department and the tribal government.

(19) "Fish" includes all species classified as game fish or food fish by statute or rule, as well as all finfish not currently classified as food fish or game fish if such species exist in state waters. The term "fish" includes all stages of development and the bodily parts of fish species.

(20) "To fish" and its derivatives means an effort to kill, injure, harass, harvest, or capture a fish or shellfish.

(21) "Fish and wildlife officer" means a person appointed and commissioned by the director, with authority to enforce this title and rules adopted pursuant to this title, and other statutes as prescribed by the legislature. Fish and wildlife officer includes a person commissioned before June 11, 1998, as a wildlife agent or a fisheries patrol officer.

(22) "Fish broker" means a person who facilitates the sale or purchase of raw or frozen fish or shellfish on a fee or commission basis, without assuming title to the fish or shellfish.

(23) "Fish dealer" means a person who engages in any activity that triggers the need to obtain a fish dealer license under RCW 77.65.280.

(24) "Fishery" means the taking of one or more particular species of fish or shellfish with particular gear in a particular geographical area.

(25) "Food, food waste, or other substance" includes human and pet food or other waste or garbage that could attract large wild carnivores.

(26) "Freshwater" means all waters not defined as saltwater including, but not limited to, rivers upstream of the river mouth, lakes, ponds, and reservoirs.

(27) "Fur-bearing animals" means game animals that shall not be trapped except as authorized by the commission.

(28) "Fur dealer" means a person who purchases, receives, or resells raw furs for commercial purposes.

(29) "Game animals" means wild animals that shall not be hunted except as authorized by the commission.

(31) "Game farm" means property on which wildlife is held, confined, propagated, hatched, fed, or otherwise raised for commercial purposes, trade, or gift. The term "game farm" does not include publicly owned facilities.

(32) "Game reserve" means a closed area where hunting for all wild animals and wild birds is prohibited.

(33) "To hunt" and its derivatives means an effort to kill, injure, harass, harvest, or capture a wild animal or wild bird.

(34) "Illegal items" means those items unlawful to be possessed.

(35)(a) "Intentionally feed, attempt to feed, or attract" means to purposefully or knowingly provide, leave, or place in, on, or about any land or building any food, food waste, or other substance that attracts or could attract large wild carnivores to that land or building.

(b) "Intentionally feed, attempt to feed, or attract" does not include keeping food, food waste, or other substance in an enclosed garbage receptacle or other enclosed container unless specifically directed by a fish and wildlife officer or animal control authority to secure the receptacle or container in another manner.

(36) "Large wild carnivore" includes wild bear, cougar, and wolf.

(37) "License year" means the period of time for which a recreational license is valid. The license year begins April 1st, and ends March 31st.

(38) "Limited-entry license" means a license subject to a license limitation program established in chapter 77.70 RCW.

(39) "Limited fish seller" means a licensed commercial fisher who sells his or her fish or shellfish to anyone other than a wholesale fish buyer thereby triggering the need to obtain a limited fish seller endorsement under RCW 77.65.510.

(40) "Money" means all currency, script, personal checks, money orders, or other negotiable instruments.

(41) "Natural person" means a human being.

(42)(a) "Negligently feed, attempt to feed, or attract" means to provide, leave, or place in, on, or about any land or building any food, food waste, or other substance that attracts or could attract large wild carnivores to that land or building, without the awareness that a reasonable person in the same situation would have with regard to the likelihood that the food, food waste, or other substance could attract large wild carnivores to the land or building.

(b) "Negligently feed, attempt to feed, or attract" does not include keeping food, food waste, or other substance in an enclosed garbage receptacle or other enclosed container unless specifically directed by a fish and wildlife officer or animal control authority to secure the receptacle or container in another manner.

(43) "Nonresident" means a person who has not fulfilled the qualifications of a resident.

(44) "Offshore waters" means marine waters of the Pacific Ocean outside the territorial boundaries of the state, including the marine waters of other states and countries.

(45) "Open season" means those times, manners of taking, and places or waters established by rule of the commission for the lawful hunting, fishing, taking, or possession of game animals, game birds, game fish, food fish, or shellfish that conform to the special restrictions or physical descriptions established by rule of the commission or that have otherwise been deemed legal to hunt, fish, take, or possess by rule of the commission. "Open season" includes the first and last days of the established time.

(46) "Owner" means the person in whom is vested the ownership dominion, or title of the property.

(47) "Person" means and includes an individual; a corporation; a public or private entity or organization; a local, state, or federal agency; all business organizations, including corporations and partnerships; or a group of two or more individuals acting with a common purpose whether acting in an individual, representative, or official capacity.

(48) "Personal property" or "property" includes both corporeal and incorporeal personal property and includes, among other property, contraband and money.

(49) "Personal use" means for the private use of the individual taking the fish or shellfish and not for sale or barter.

(50) "Predatory birds" means wild birds that may be hunted throughout the year as authorized by the commission.

(51) "To process" and its derivatives mean preparing or preserving fish, wildlife, or shellfish.

(52) "Protected wildlife" means wildlife designated by the commission that shall not be hunted or fished.

(53) "Raffle" means an activity in which tickets bearing an individual number are sold for not more than ((twenty-five dollars)) \$30 each and in which a permit or permits are awarded to hunt or for access to hunt big game animals or wild turkeys on the basis of a drawing from the tickets by the person or persons conducting the raffle.

(54) "Resident" has the same meaning as defined in RCW 77.08.075.

(55) "Saltwater" means those marine waters seaward of river mouths.

(56) "Seaweed" means marine aquatic plant species that are dependent upon the marine aquatic or tidal environment, and exist in either an attached or free floating form, and includes but is not limited to marine aquatic plants in the classes Chlorophyta, Phaeophyta, and Rhodophyta.

(57) "Senior" means a person ((seventy)) <u>70</u> years old or older.

(58) "Shark fin" means a raw, dried, or otherwise processed detached fin or tail of a shark.

(59)(a) "Shark fin derivative product" means any product intended for use by humans or animals that is derived in whole or in part from shark fins or shark fin cartilage.

(b) "Shark fin derivative product" does not include a drug approved by the United States food and drug administration and available by prescription only or medical device or vaccine approved by the United States food and drug administration.

(60) "Shellfish" means those species of marine and freshwater invertebrates that have been classified and that shall not be taken or possessed except as authorized by rule of the commission. The term "shellfish" includes all stages of development and the bodily parts of shellfish species.

(61) "State waters" means all marine waters and fresh waters within ordinary high water lines and within the territorial boundaries of the state.

(62) "To take" and its derivatives means to kill, injure, harvest, or capture a fish, shellfish, wild animal, bird, or seaweed.

(63) "Taxidermist" means a person who, for commercial purposes, creates lifelike representations of fish and wildlife using fish and wildlife parts and various supporting structures.

(64) "Trafficking" means offering, attempting to engage, or engaging in sale, barter, or purchase of fish, shellfish, wildlife, or deleterious exotic wildlife.

(65) "To trap" and its derivatives means a method of hunting using devices to capture wild animals or wild birds.

(66) "Unclaimed" means that no owner of the property has been identified or has requested, in writing, the release of the property to themselves nor has the owner of the property designated an individual to receive the property or paid the required postage to effect delivery of the property.

(67) "Unclassified wildlife" means wildlife existing in Washington in a wild state that have not been classified as big game, game animals, game birds, predatory birds, protected wildlife, endangered wildlife, or deleterious exotic wildlife.

(68) "To waste" or "to be wasted" means to allow any edible portion of any game bird, food fish, game fish, shellfish, or big game animal other than cougar to be rendered unfit for human consumption, or to fail to retrieve edible portions of such a game bird, food fish, game fish, shellfish, or big game animal other than cougar from the field. For purposes of this chapter, edible portions of game birds must include, at a minimum, the breast meat of those birds. Entrails, including the heart and liver, of any wildlife species are not considered edible.

(69) "Wholesale fish buyer" means a person who engages in any fish buying or selling activity that triggers the need to obtain a wholesale fish buyer endorsement under RCW 77.65.340.

(70) "Wild animals" means those species of the class Mammalia whose members exist in Washington in a wild state. The term "wild animal" does not include feral domestic mammals or old world rats and mice of the family Muridae of the order Rodentia.

(71) "Wild birds" means those species of the class Aves whose members exist in Washington in a wild state.

(72) "Wildlife" means all species of the animal kingdom whose members exist in Washington in a wild state. This includes but is not limited to mammals, birds, reptiles, amphibians, fish, and invertebrates. The term "wildlife" does not include feral domestic mammals, old world rats and mice of the family Muridae of the order Rodentia, or those fish, shellfish, and marine invertebrates classified as food fish or shellfish by the director. The term "wildlife" includes all stages of development and the bodily parts of wildlife members.

(73) "Wildlife meat cutter" means a person who packs, cuts, processes, or stores wildlife for consumption for another for commercial purposes.

(74) "Youth" means a person ((fifteen years old for fishing and)) under ((sixteen)) $\underline{16}$ years old for fishing and hunting.

Sec. 2. RCW 77.12.810 and 1998 c 191 s 30 are each amended to read as follows:

((As provided in RCW 77.32.440, a portion)) Five percent of the revenue received from the sale of each small game hunting license fee shall be deposited

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in the eastern Washington pheasant enhancement account created in RCW 77.12.820.

Sec. 3. RCW 77.32.070 and 2008 c 244 s 1 are each amended to read as follows:

(1) Applicants for a license, permit, tag, or stamp shall furnish the information required by the director. However, the director may not require the purchaser of a razor clam license under RCW 77.32.520 to provide any personal information except for proof of residency. The commission may adopt rules requiring licensees or permittees to keep records and make reports concerning the taking of or effort to harvest fish, shellfish, and wildlife. The reporting requirement may be waived where, for any reason, the department is not able to receive the report. The department must provide reasonable options for a licensee to submit information to a live operator prior to the reporting deadline.

(2) The commission may, by rule, set an administrative penalty for failure to comply with rules requiring the reporting of taking or effort to harvest wildlife. The commission may also adopt rules requiring hunters who have not reported ((for the previous license year)) to complete a report and pay the assessed administrative penalty before a new hunting license is issued.

(((a) The total administrative penalty per hunter set by the commission must not exceed ten dollars.

(b) By December 31st of each year, the department shall report the rate of hunter compliance with the harvest reporting requirement, the administrative penalty imposed for failing to report, and the amount of administrative penalties collected during that year to the appropriate fiscal and policy committees of the senate and house of representatives.))

(3) The commission may, by rule, set an administrative penalty for failure to comply with rules requiring the reporting of data from catch record cards officially endorsed for Puget Sound Dungeness crab. The commission may also adopt rules requiring fishers who possessed a catch record card officially endorsed for Puget Sound Dungeness crab and who have not reported ((for the previous license year)) to complete a report and pay the assessed administrative penalty before a new catch record card officially endorsed for Puget Sound Dungeness crab is issued.

(((a) The total administrative penalty per fisher set by the commission must not exceed ten dollars.

(b) By December 31st of each year, the department shall report the rate of fisher compliance with the Puget Sound Dungeness crab eatch record eard reporting requirement, the administrative penalty imposed for failing to report, and the amount of administrative penalties collected during that year to the appropriate fiseal and policy committees of the senate and house of representatives.))

(4) Fees for recreational fishing are specified in section 16 of this act and fees for hunting are specified in section 17 of this act.

Sec. 4. RCW 77.32.155 and 2017 c 255 s 1 are each amended to read as follows:

(1)(a) When purchasing any hunting license, persons under the age of $((\frac{\text{eighteen}}{12}))$ 18 shall present certification of completion of a course of instruction $((\frac{1}{12}))$ in the safe handling of firearms, safety, conservation, and

sporting/hunting behavior. All persons purchasing any hunting license for the first time, if born after January 1, 1972, shall present such certification.

(b)(i) The director may establish a program for training persons in the safe handling of firearms, conservation, and sporting/hunting behavior and shall prescribe the type of instruction and the qualifications of the instructors. The director shall, as part of establishing the training program, exempt the following individuals from the firearms skills portion of any instruction course completed over the internet:

(A) ((Members)) Current or retired members of the United States military;

(B) Current or retired general authority Washington peace officers as defined in RCW 10.93.020;

(C) Current or retired limited authority Washington peace officers as defined in RCW 10.93.020, if the officer is or was duly authorized by his or her employer to carry a concealed pistol;

(D) Current or retired specially commissioned Washington peace officers as defined in RCW 10.93.020, if the officer is or was duly authorized by his or her commissioning agency to carry a concealed pistol; ((and))

(E) Current or retired Washington peace officers as defined in RCW 43.101.010 who have met the requirements of RCW 43.101.095 or 43.101.157 and whose certification is in good standing or has not been revoked; and

(F) Current or retired federal peace officers as defined in RCW 10.93.020.

(ii) The director may cooperate with the national rifle association, organized sports/outdoor enthusiasts' groups, or other public or private organizations when establishing the training program.

(c) Upon the successful completion of a course established under this section, the trainee shall receive a hunter education certificate signed by an authorized instructor. The certificate is evidence of compliance with this section.

(d) The director may accept certificates from other states that persons have successfully completed firearm safety, hunter education, or similar courses as evidence of compliance with this section.

(2)(a) The director may authorize a once in a lifetime, one license year deferral of hunter education training for individuals who are accompanied, while <u>hunting</u>, by a nondeferred Washington-licensed hunter who ((has held a Washington hunting license for the prior three years and)) is ((over eighteen)) at least 18 years of age. The commission shall adopt rules for the administration of this subsection to avoid potential fraud and abuse.

(b) The director is authorized to collect an application fee((, not to exceed twenty dollars,)) for obtaining the once in a lifetime, one license year deferral of hunter education training from the department. This fee must be deposited into the fish and wildlife enforcement reward account and must be used exclusively to administer the deferral program created in this subsection.

(c) For the purposes of this subsection, "accompanied" means to go along with another person while staying within a range of the other person that permits continual unaided visual and auditory communication.

(3) To encourage the participation of an adequate number of instructors for the training program, the commission shall develop nonmonetary incentives available to individuals who commit to serving as an instructor. The incentives may include additional hunting opportunities for instructors. (4) The commission is authorized to adopt rules to offer a one-time discount of up to \$20 on a hunting license purchase to first-time resident hunters who have completed the Washington hunter education training program.

Sec. 5. RCW 77.32.350 and 2011 c 339 s 7 are each amended to read as follows:

In addition to a small game hunting license, a supplemental <u>migratory bird</u> permit is required to hunt for migratory birds.

((A)) <u>The</u> migratory bird permit is required for all persons ((sixteen)) <u>16</u> years of age or older ((to hunt migratory birds. The fee for the permit for hunters is fifteen dollars for residents and nonresidents)). <u>Furthermore, a migratory bird</u> authorization is required for all persons to hunt band-tailed pigeon, brant, sea duck, snow goose, and southwest Canada goose.

Sec. 6. RCW 77.32.370 and 2011 c 339 s 8 are each amended to read as follows:

(1) A special hunting season permit is required to hunt in each special season.

(2) Persons may apply for special hunting season permits as provided by rule of the commission.

(3) ((The)) Persons may apply for multiple season hunting season permits as provided by rule of the commission.

(4) Persons may apply for special hunting "quality" permits as provided by rule of the commission. The commission designates as "quality" hunts those that allow the harvest of buck deer, bull elk, or allow the harvest of male big game species that are only available for hunting by a special hunting permit. The commission may authorize a special hunting permit for goat, sheep, moose, or other big game species not specified.

(5) An application fee is required to enter a drawing for ((a special hunting season permit or authorization is:

(a) Six dollars for residents, or one hundred dollars for nonresidents, for the permits in categories designated by the commission for deer or elk, female big game, or for small game;

(b) Twelve dollars for residents, or one hundred dollars for nonresidents, for the permits that the commission designates as "quality" hunts that allow the harvest of buck deer, bull elk, or allow the harvest of male big game species that are only available for hunting by special permit;

(c) Twelve dollars for residents and nonresidents to apply for special authorizations to hunt for migratory birds; and

(d) Three dollars for youth for any special hunt drawing or special authorization)) all permits in this section.

Sec. 7. RCW 77.32.430 and 2020 c 148 s 18 are each amended to read as follows:

(1) Catch record card information is necessary for proper management of the state's food fish and game fish species and shellfish resources. Catch record card administration shall be under rules adopted by the commission. Except as provided in this section, there is no charge for an initial catch record card. Each subsequent or duplicate catch record card ((costs eleven dollars)) is subject to a fee.

(2) A license to take and possess Dungeness crab is only valid in Puget Sound waters east of the Bonilla-Tatoosh line if the fisher has in possession a valid catch record card officially endorsed for Dungeness crab. ((The endorsement shall cost no more than seven dollars and fifty cents when purchased for a personal use saltwater, combination, or shellfish and seaweed license. The endorsement shall cost no more than three dollars when purchased for a temporary combination fishing license authorized under RCW 77.32.470(3)(a).))

(3) Catch record cards issued with affixed temporary short-term charter stamp <u>or guide stamp</u> licenses are neither subject to the ((ten-dollar charge)) fee nor to the Dungeness crab endorsement fee provided for in this section. Charter boat or guide operators issuing temporary short-term charter stamp <u>or guide stamp</u> licenses shall affix the stamp to each catch record card issued before fishing commences. Catch record cards issued with a temporary short-term charter stamp <u>or guide stamp</u> are valid for one day.

(4) A catch record card for halibut ((may not cost more than five dollars)) is subject to a fee when purchased with an annual saltwater or combination fishing license and must be provided at no cost for those who purchase a one-day temporary ((saltwater)) combination fishing license or one-day temporary charter stamp.

(5) The department shall include provisions for recording marked and unmarked salmon in catch record cards issued after March 31, 2004.

(6)(a) The funds received from the sale of catch record cards, catch card penalty fees, and the Dungeness crab endorsement must be deposited into the limited fish and wildlife account created in RCW 77.12.170(1).

(i)(A) ((One dollar of the funds)) Eleven percent of the revenue received from the sale of each Dungeness crab endorsement must be used for the removal and disposal of derelict shellfish gear either directly by the department or under contract with a third party. The department is required to maintain a separate accounting of these funds and provide an annual report to the commission and the legislature by January 1st of every year.

(B) The remaining portion of the funds received from the sale of each Dungeness crab endorsement must be used for education, sampling, monitoring, and management of catch associated with the Dungeness crab recreational fisheries.

(ii) Funds received from the sale of halibut catch record cards must be used for monitoring and management of recreational halibut fisheries, including expanding opportunities for recreational anglers.

(b) Moneys allocated under this section shall supplement and not supplant other federal, state, and local funds used for Dungeness crab recreational fisheries management.

Sec. 8. RCW 77.32.440 and 1999 c 235 s 2 are each amended to read as follows:

(((1) The commission shall adopt rules to continue funding current)) <u>E</u>nhancement programs ((at levels equal to the participation of licensees in each of the individual enhancement programs. All enhancement funding will continue to be deposited directly into the individual accounts created for each enhancement.

(2) In implementing subsection (1) of this section with regard to warm water game fish, the department shall deposit in the warm water game fish account the sum of one million two hundred fifty thousand dollars each fiseal year during the fiseal years 1999 and 2000, based on two hundred fifty thousand warm water anglers. Beginning in fiseal year 2001, and each year thereafter, the deposit to the warm water game fish account established in this subsection shall be adjusted annually to reflect the actual numbers of license holders fishing for warm water game fish based on an annual survey of licensed anglers from the previous year conducted by the department beginning with the April 1, 1999, to March 31, 2000, license year survey)) receive revenue using a percentage rate applied to the fee of each eligible license and deposited within each dedicated account as follows:

(1) Six and eight-tenths percent of all freshwater and combination fishing licenses, including temporary combination fishing licenses, must be deposited in the warm water game fish account created in RCW 77.44.050;

(2) Twelve percent of all saltwater and combination fishing licenses, including temporary combination fishing licenses, must be deposited in the recreational fisheries enhancement account created in RCW 77.105.150;

(3) Two and three-tenths percent of all saltwater, freshwater, and combination fishing licenses, including temporary combination fishing licenses, must be deposited in the regional fisheries enhancement group account created in RCW 77.95.090; and

(4) One and eight-tenths percent of all saltwater and combination fishing licenses, including temporary combination fishing licenses, must be deposited in the rockfish research account created in RCW 77.12.702.

Sec. 9. RCW 77.32.450 and 2011 c 339 s 10 are each amended to read as follows:

(1) A big game hunting license is required to hunt for big game. A big game license allows the holder to hunt for forest grouse, unclassified wildlife, and the individual species identified within a specific big game combination license package. Each big game license includes one transport tag for each species purchased in that package. A hunter may not purchase more than one license for each big game species except as authorized by rule of the commission. ((The fees for annual big game combination packages are as follows:

(a) Big game number 1: Deer, elk, bear, and cougar. The fee for this license is eighty-five dollars for residents, seven hundred eighty dollars for nonresidents, and forty dollars for youth.

(b) Big game number 2: Deer and elk. The fee for this license is seventyfive dollars for residents, six hundred seventy dollars for nonresidents, and thirty five dollars for youth.

(c) Big game number 3: Deer. The fee for this license is thirty-nine dollars for residents, three hundred ninety-three dollars for nonresidents, and eighteen dollars for youth.

(d) Big game number 4: Elk. The fee for this license is forty-four dollars for residents, four hundred fifty dollars for nonresidents, and eighteen dollars for youth.

(e) Big game number 5: Bear. The fee for this license is twenty dollars for residents, two hundred dollars for nonresidents, and ten dollars for youth.

(f) Big game number 6: Cougar. The fee for this license is twenty dollars for residents, two hundred dollars for nonresidents, and ten dollars for youth.

(2) In the event that the commission authorizes a two animal big game limit, the fees for the second animal are as follows:

(a) Elk: The fee is sixty dollars for residents, three hundred fifty dollars for nonresidents, and twenty dollars for youth.

(b) Deer: The fee is sixty dollars for residents, two hundred fifty dollars for nonresidents, and twenty dollars for youth.

(3))) (2) In the event that the commission authorizes a special <u>hunt</u> permit ((hunt)) for goat, sheep, moose, or other big game species not specified ((the permit fees are three hundred dollars for residents, one thousand five hundred dollars for nonresidents, and fifty dollars for youth)), a license is required and is subject to a fee.

(((4))) (3) Multiple season big game ((permit)) tag: The commission may, by rule, offer permits for hunters to hunt deer or elk during more than one general season. Only one deer or elk may be harvested annually under a multiple season big game ((permit)) tag. ((The fee is one hundred sixty five dollars.)

(5))) (4) Authorization to hunt the species set out under subsection (((3))) (2) of this section is by special permit issued under RCW 77.32.370.

Sec. 10. RCW 77.32.460 and 2020 c 148 s 19 are each amended to read as follows:

(1) A small game hunting license is required to hunt for all classified wild animals and wild birds, except big game. A small game license also allows the holder to hunt for unclassified wildlife.

(((a) The fee for this license is thirty-five dollars for residents, one hundred sixty-five dollars for nonresidents, and fifteen dollars for youth.

(b) The fee for this license if purchased at the same time as a big game combination license package is twenty dollars for residents, eighty-eight dollars for nonresidents, and eight dollars for youth.

(c) The fee for a three-consecutive-day small game license is sixty dollars for nonresidents.))

(2)(a) In addition to a small game license, a turkey tag is required to hunt for turkey.

 $((\frac{a}{a})$ The fee for a primary turkey tag is fourteen dollars for residents and forty dollars for nonresidents. A primary turkey tag will, on request, be issued to the purchaser of a youth small game license at no charge.

(b) The fee for each additional turkey tag is fourteen dollars for residents, sixty dollars for nonresidents, and ten dollars for youth.

(c) One-third of the moneys received from turkey tags must be appropriated solely for the purposes of turkey management within the limited fish and wildlife account. An additional one-third)) (b) Two-thirds of the moneys received from turkey tags must be appropriated solely for <u>turkey or</u> upland game bird management within the limited fish and wildlife account created in RCW 77.12.170(1). The remainder of the moneys received from turkey tags must be appropriated to the fish, wildlife, and conservation account created in RCW 77.12.170(3). Moneys received from turkey tags may not supplant existing funds provided for these purposes.

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Sec. 11. RCW 77.32.470 and 2020 c 148 s 20 are each amended to read as follows:

(1) A personal use saltwater, freshwater, combination, <u>or</u> temporary((, or family fishing weekend)) license is required for all persons ((fifteen)) <u>16</u> years of age or older to fish for or possess fish taken for personal use from state waters or offshore waters.

(((2) The fees for annual personal use saltwater, freshwater, or combination licenses are as follows:))

(a) A combination license allows the holder to fish for or possess fish, shellfish, and seaweed from state waters or offshore waters. ((The fee for this license is forty-five dollars for residents, one hundred eight dollars for nonresidents, and five dollars for youth. There is an additional fifty-cent surcharge for this license, to be deposited in the rockfish research account ereated in RCW 77.12.702.))

(b) A saltwater license allows the holder to fish for or possess fish taken from saltwater areas. ((The fee for this license is twenty-five dollars for residents, fifty-two dollars for nonresidents, and five dollars for resident seniors. There is an additional fifty-cent surcharge for this license, to be deposited in the rockfish research account created in RCW 77.12.702.))

(c) A freshwater license allows the holder to fish for, take, or possess food fish or game fish species in all freshwater areas. ((The fee for this license is twenty five dollars for residents, seventy five dollars for nonresidents, and five dollars for resident seniors.

(3))) (2)(a) A temporary combination fishing license is valid for one to three consecutive days and allows the holder to fish for or possess fish, shellfish, and seaweed taken from state waters or offshore waters. ((The fee for this temporary fishing license is:

(i) One day Eight dollars for residents and sixteen dollars for nonresidents;

(ii) Two days - Twelve dollars for residents and twenty-four dollars for nonresidents; and

(iii) Three days - Fifteen dollars for residents and thirty dollars for nonresidents.))

(b) ((The fee for a)) \underline{A} charter stamp is ((eight dollars)) valid for a one-day temporary combination fishing license for residents and nonresidents for use on a charter boat as defined in RCW 77.65.150. A guide stamp is valid for a one-day temporary combination fishing license for residents and nonresidents for use with a guide as defined in RCW 77.65.370, 77.65.480, or 77.65.590.

(c) ((Except for active duty military personnel serving in any branch of the United States armed forces, the temporary combination fishing license is not valid on game fish species for an eight-consecutive-day period beginning on the opening day of the lowland lake fishing season as defined by rule of the commission.

(d))) The temporary combination fishing license fee for active duty military personnel serving in any branch of the United States armed forces is the resident rate ((as set forth in (a) of this subsection)). Active duty military personnel must provide a valid military identification card at the time of purchase of the temporary license to qualify for the resident rate.

the rockfish research account created in RCW 77.12.702. (4) A family fishing weekend license allows for a maximum of six anglers: One resident and five youth; two residents and four youth; or one resident, one nonresident, and four youth. This license allows the holders to fish for or possess fish taken from state waters or offshore waters. The fee for this license is twenty dollars. This license is only valid during periods as specified by rule of the department.

(5) The commission may adopt rules to create and sell combination licenses for all hunting and fishing activities at or below a fee equal to the total cost of the individual license contained within any combination.

(6))) (3) The commission may adopt rules to allow the use of two fishing poles per fishing license holder for use on selected state waters. If authorized by the commission, license holders must purchase a two-pole ((stamp)) endorsement to use a second pole. The proceeds from the sale of the two-pole ((stamp)) endorsement must be deposited into the limited fish and wildlife account created in RCW 77.12.170(1) and used for the operation and maintenance of state-owned fish hatcheries. ((The fee for a two-pole stamp is thirteen dollars for residents and nonresidents, and five dollars for seniors.))

Sec. 12. RCW 77.32.480 and 2024 c 146 s 35 are each amended to read as follows:

(1) Upon written application, a combination fishing license shall be issued at the reduced rate of ((five dollars)) <u>\$6.90</u> and all hunting licenses shall be issued at the reduced rate of a youth hunting license fee for the following individuals:

(a) A resident ((sixty-five)) <u>65</u> years old or older who has a qualifying discharge, as defined in RCW 73.04.005, from the United States armed forces and has a service-connected disability;

(b) A resident who has a qualifying discharge, as defined in RCW 73.04.005, from the United States armed forces and has a ((thirty)) <u>30</u> percent or more service-connected disability;

(c) A resident with a disability who permanently uses a wheelchair;

(d) A resident who is blind or visually impaired; and

(e) A resident with a developmental disability as defined in RCW 71A.10.020 with documentation of the disability certified by a physician licensed to practice in this state.

(2) Upon department verification of eligibility, a nonstate resident veteran with a disability who otherwise satisfies the criteria of subsection (1)(a) and (b) of this section must be issued a combination fishing license or any hunting license at the same cost charged to a nondisabled Washington resident for the same license.

(3) Upon written application and department verification, the following recreational hunting licenses must be issued at no cost to a resident member of the state guard or national guard, as defined in RCW 38.04.010, as long as the state guard or national guard member is: An active full-time state guard or national guard employee; or a state guard or national guard member to participate in drill training on a part-time basis:

(a) A small game hunting license under RCW 77.32.460(1);

(b) A supplemental migratory bird permit under RCW 77.32.350; and

(c) A big game hunting license under RCW 77.32.450(1) ((and (2))).

Sec. 13. RCW 77.32.520 and 2011 c 339 s 13 are each amended to read as follows:

(1) A personal use shellfish and seaweed license is required for all persons other than residents or nonresidents under (($\frac{fifteen}{1}$)) <u>16</u> years of age to fish for, take, dig for, or possess seaweed or shellfish, including razor clams, for personal use from state waters or offshore waters including national park beaches.

(2) A razor clam license allows a person to harvest only razor clams for personal use from state waters, including national park beaches.

(3) ((The fees for annual personal use shellfish and seaweed licenses are:

(a) For a resident fifteen years of age or older, ten dollars;

(b) For a nonresident fifteen years of age or older, twenty-seven dollars; and (c) For a senior, five dollars.

(4) The fee for an annual razor clam license is eight dollars for residents, fifteen dollars for nonresidents, and eight dollars for seniors.

(5) The fee for a three-day razor clam license is five dollars for both residents and nonresidents.

(6))) A personal use shellfish and seaweed license or razor clam license must be in immediate possession of the licensee and available for inspection while a licensee is harvesting shellfish or seaweed. However, the license does not need to be visible at all times.

Sec. 14. RCW 77.32.570 and 2009 c 333 s 15 are each amended to read as follows:

(1) In order to effectively manage wildlife in areas or at times when a higher proficiency and demonstrated skill level are needed for resource protection or public safety, the department establishes the master hunter permit program. The master hunter permit program emphasizes safe, ethical, responsible, and lawful hunting practices. Program goals include improving the public's perception of hunting and perpetuating the highest hunting standards.

(2) A master hunter permit is required to participate in controlled hunts to eliminate problem animals that damage property or threaten public safety. The commission may establish by rule the requirements an applicant must comply with when applying for or renewing a master hunter permit((5)) including, but not limited to, a criminal background check. The director may establish an advisory group to assist the department with administering the master hunter ((fpermit)) permit program.

(3) ((The fee for an initial master hunter permit may not exceed fifty dollars, and the cost of renewing a master hunter permit may not exceed twenty-five dollars.)) Funds generated under this section must be deposited into the fish and wildlife enforcement reward account established in RCW 77.15.425, and the funds must be used exclusively to administer the master hunter (([permit])) permit program.

Sec. 15. RCW 77.32.575 and 2009 c 333 s 73 are each amended to read as follows:

(1) A western Washington pheasant ((permit)) <u>license</u> is required to hunt for pheasant in western Washington.

(2) The ((permit)) license is available as a season option, a youth full season option, or a three-day option. ((The fee for the permit is:

(a) For the resident full season option, seventy-five dollars;

(b) For the nonresident full season option, one hundred fifty dollars;

(c) For the youth full season option, thirty-five dollars;

(d) For the three-day option for a resident, thirty-five dollars and for a nonresident, seventy dollars.))

<u>NEW SECTION.</u> Sec. 16. A new section is added to chapter 77.32 RCW to read as follows:

Recreational fishing fee table

LICENSE TYPES	RESIDENT	NON RESIDENT	RESIDENT SENIOR	YOUTH	RCW
Annual freshwater license	\$34.50	\$103.50	\$6.90		77.32.470
Annual saltwater license	\$35.19	\$72.45	\$7.59		77.32.470
Annual shellfish/sea weed license	\$13.80	\$37.26	\$6.90		77.32.520
Annual combination license	\$62.79	\$149.73	\$21.39	Free	77.32.470
1-day combination license	\$11.73	\$22.77	\$11.73		77.32.470
2-day combination license	\$17.25	\$33.81	\$17.25		77.32.470
3-day combination license	\$21.39	\$42.09	\$21.39		77.32.470
Annual razor clam license	\$11.04	\$20.70	\$11.04		77.32.470
3-day razor clam license	\$6.90	\$6.90	\$6.90		77.32.520
Catch record cards	1st care	77.32.430			
Halibut catch record card	\$6.90	\$6.90	\$6.90	Free	77.32.430
Two-pole endorsement	\$17.94	\$17.94	\$6.90		77.32.470
Puget Sound crab endorsement	\$10.35	\$10.35	\$10.35	Free	77.32.430

LICENSE TYPES	RESIDENT	NON RESIDENT	RESIDENT SENIOR	YOUTH	RCW
Puget Sound crab endorsement on 1-3 day temp.	\$4.14	\$4.14	\$4.14		77.32.430
1-day charter stamp	\$11.73	\$11.73	\$11.73		77.32.470
1-day guide stamp	\$11.73	\$11.73	\$11.73		77.32.470

<u>NEW SECTION.</u> Sec. 17. A new section is added to chapter 77.32 RCW to read as follows:

Hunting fee table

LICENSE TYPES	RESIDENT	NONRESID ENT	RESIDENT SENIOR	YOUTH	RCW
Big game					
Deer+elk+be ar+cougar license	\$117.30	\$1,076.40	\$39.88	\$55.20	77.32.450
Deer+elk+be ar+cougar license w/discounted small game license	\$144.90	\$1,197.84	\$49.27	\$66.24	77.32.450/ 77.32.460
Deer+elk license	\$103.50	\$924.60	\$35.19	\$48.30	77.32.450
Deer+elk license w/discounted small game license	\$130.37	\$1,046.04	\$44.33	\$59.34	77.32.450/ 77.32.460
Deer license	\$53.82	\$542.34	\$18.30	\$24.84	77.32.450
Deer license w/discounted small game license	\$81.42	\$663.78	\$27.68	\$35.88	77.32.450/ 77.32.460
Elk license	\$60.72	\$621.00	\$20.64	\$24.84	77.32.450
Elk license w/discounted small game license	\$88.32	\$742.44	\$30.03	\$35.88	77.32.450/ 77.32.460
Bear license	\$27.60	\$276.00	\$9.38	\$13.80	77.32.450

LICENSE TYPES	RESIDENT	NON RESIDENT	RESIDENT SENIOR	YOUTH	RCW
Bear license w/discounted small game license	\$55.20	\$397.44	\$18.77	\$24.84	77.32.450/ 77.32.460
Cougar license	\$27.60	\$276.00	\$9.38	\$13.80	77.32.450
Cougar license w/discounted small game license	\$55.20	\$397.44	\$18.77	\$24.84	77.32.450/ 77.32.460
Moose license (random drawing)	\$414.00	\$2,070.00	\$140.76	\$69.00	77.32.450
Mountain goat license (random drawing)	\$414.00	\$2,070.00	\$140.76	\$69.00	77.32.450
Bighorn sheep license (random drawing)	\$414.00	\$2,070.00	\$140.76	\$69.00	77.32.450
Multiple season deer tag	\$173.88	\$173.88	\$173.88	\$173.88	77.32.450
Multiple season elk tag	\$227.70	\$227.70	\$227.70	\$227.70	77.32.450
2nd deer license	\$82.80	\$345.00	\$28.15	\$27.60	77.32.450
2nd elk license	\$82.80	\$483.00	\$28.15	\$27.60	77.32.450
Special hunt permit applications	\$8.28	\$138.00	\$2.82	\$4.14	77.32.370
Special hunt permit application - quality	\$16.56	\$138.00	\$5.63	\$4.14	77.32.370
Special hunt permit application - multiple season	\$8.28	\$138.00	\$2.82	\$4.14	77.32.370/ 77.32.450

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LICENSE TYPES	RESIDENT	NON RESIDENT	RESIDENT SENIOR	YOUTH	RCW
Hunter education deferral	\$24.00	\$24.00	\$24.00	\$24.00	77.32.155
Master hunter permit initial	\$69.00		\$69.00		77.32.570
Master hunter permit renew	\$34.50		\$34.50		77.32.570
Small game					
Small game license	\$48.30	\$227.70	\$16.42	\$20.70	77.32.460
3-day small game license		\$82.80			77.32.460
Turkey tag #1	\$19.32	\$55.20	\$6.57	Free	77.32.460
Additional turkey tags	\$19.32	\$82.80	\$6.57	\$13.80	77.32.460
Migratory bird permit	\$20.70	\$20.70	\$20.70	Free	77.32.350
Western Washington pheasant license	\$103.50	\$207.00	\$16.42	\$48.30	77.32.575
Western Washington pheasant - 3- day license	\$48.30	\$96.60	\$16.42		77.32.575
Migratory bird authorization	\$16.56	\$16.56	\$5.46	\$4.14	77.32.350
Special hunt permit applications -	\$8.28	\$138.00	\$2.82	\$4.14	77.32.370

turkey

<u>NEW SECTION.</u> Sec. 18. A new section is added to chapter 77.12 RCW to read as follows:

(1) The commission may establish by rule a surcharge on all fees authorized under chapters 77.32, 77.65, and 77.70 RCW by November 1st of each odd-numbered year if the commission determines that the surcharge is necessary to fund compensation, central services, and other increased operating costs approved by the legislature in the biennial budget.

(2) The surcharge may not exceed the percentage increase needed to generate revenue to offset the costs described in subsection (1) of this section, and must apply equally to all fees, except the surcharge does not apply to

transaction fees, commercial application fees, and dealer fees authorized under this title.

<u>NEW SECTION.</u> Sec. 19. A new section is added to chapter 77.32 RCW to read as follows:

(1) The commission may adopt rules to create and sell combination licenses for all hunting and fishing activities at or below a fee equal to the total cost of the individual license contained within any combination. This includes, but is not limited to, discounts for seniors and those that meet the qualifications, such as veterans who are disabled as specified in RCW 77.32.480. Combination licenses may span one or more license years.

(2) The director may offer temporary discounted promotional pricing to increase angler, hunting, or wildlife viewing participation.

<u>NEW SECTION.</u> Sec. 20. The following acts or parts of acts are each repealed:

(1) 2017 3rd sp.s. c 3 s 1, 2016 c 223 s 7, & 2009 c 420 s 7 (uncodified);

(2) 2017 3rd sp.s. c 3 s 2, 2016 c 223 s 8, & 2011 c 339 s 40 (uncodified); and

(3) 2017 3rd sp.s. c 3 s 3 & 2016 c 223 s 9 (uncodified).

<u>NEW SECTION.</u> Sec. 21. Section 18 of this act takes effect September 1, 2027.

<u>NEW SECTION.</u> Sec. 22. Except for section 18 of this act, this act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 2025.

Passed by the Senate March 26, 2025. Passed by the House April 23, 2025. Approved by the Governor May 17, 2025. Filed in Office of Secretary of State May 19, 2025.

CHAPTER 329

[Engrossed Substitute Senate Bill 5014] ELECTION SECURITY—VARIOUS PROVISIONS

AN ACT Relating to election security; amending RCW 29A.12.050 and 29A.12.180; adding a new section to chapter 29A.12 RCW; and creating a new section.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> Sec. 1. (1) The legislature finds that the electronic and physical security of election and voting infrastructure are of primary importance, and wishes to require new security requirements. The legislature further finds that:

(a) Requiring the use of the ".gov" top-level domain on all websites and email communication reduces opportunities for confusion and cyber threats. The ".gov" top-level domain is managed by the United States department of homeland security through the cybersecurity and infrastructure security agency, is limited to bona fide government agencies, and features fraud prevention controls. There is no fee charged to adopt a ".gov" top-level domain. (b) Requiring the partitioning of internal government networks, servers, and other supporting electronic infrastructure separate from other electronic equipment housed in the same location provides a more secure environment. Partitioning can involve physically or logically separating the entire auditor's office, including all its information technology systems and assets, or focusing specifically on election and voting infrastructure from other county assets. The goal is to reduce the risk of compromises that may occur on other parts of the county network. Partitioning also enables tighter control and monitoring of access to critical systems, whether it applies to the entire auditor's office or just election-related systems and assets.

(c) Because the secretary of state and county election offices are electronically interconnected and speedy communication with the state when a county is under attack or has suffered a security breach is imperative, requiring all vendors supporting county or state cyber assets to communicate to the secretary of state and the attorney general immediately after detecting a breach or successful cyber attack against their assets is necessary to maintain security.

(2) The legislature intends to require adoption of these security measures in all county election offices as soon as practicable, but no later than July 1, 2027.

Sec. 2. RCW 29A.12.050 and 2003 c 111 s 305 are each amended to read as follows:

((If voting)) (1) Prior to use in conducting any primary or election, the secretary of state must approve systems used in the conduct of elections, including:

(a) Voting systems ((or)), voting devices, or vote tallying systems ((are to be used for conducting a primary or election, only those that have the approval of the secretary of state or had been)), unless approved under this chapter or the former chapter 29.34 RCW before March 22, 1982((, may be used)); and

(b) Any mechanical, electromechanical, or electronic equipment or platform, including software, firmware, or hardware that is used:

(i) In issuing a ballot;

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(ii) To facilitate voters' response to a required notice;

(iii) To provide an electronic means for submission of a ballot declaration signature under RCW 29A.60.165; or

(iv) To issue, authenticate, or validate voter identification. ((Any))

(2) The secretary of state may, after review, determine that a modification, change, or improvement to any voting system or component of a system ((that)) does not ((impair its accuracy, efficiency, or capacity or extend its function, may be made without)) require a full reexamination or reapproval by the secretary of state under RCW 29A.12.020.

Sec. 3. RCW 29A.12.180 and 2024 c 28 s 1 are each amended to read as follows:

(1) A manufacturer or distributor of a voting system or component of a voting system that is certified by the secretary of state under RCW 29A.12.020 shall disclose to the secretary of state and attorney general any breach of the security of its system immediately following discovery of the breach if:

(a) The breach has, or is reasonably likely to have, compromised the security, confidentiality, or integrity of an election in any state; or

(b) Personal information of residents in any state was, or is reasonably believed to have been, acquired by an unauthorized person as a result of the breach and the personal information was not secured. For purposes of this subsection, "personal information" has the meaning given in RCW (($\frac{19.255.010}{19.255.005}$).

(2) Every county must install and maintain an intrusion detection system that passively monitors its network for malicious traffic 24 hours a day, seven days a week, and 365 days a year by a qualified and trained security team with access to cyberincident response personnel who can assist the county in the event of a malicious attack. The system must support the unique security requirements of state, local, tribal, and territorial governments and possess the ability to receive cyberintelligent threat updates to stay ahead of evolving attack patterns.

(3) A county auditor or county information technology director of any county, participating in the shared voter registration system operated by the secretary of state under RCW 29A.08.105 and 29A.08.125, or operating a voting system or component of a voting system that is certified by the secretary of state under RCW 29A.12.020 shall disclose to the secretary of state and attorney general any malicious activity or breach of the security of any of its information technology (IT) systems immediately following discovery if:

(a) Malicious activity was detected by an information technology intrusion detection system (IDS), malicious domain blocking and reporting system, or endpoint security software, used by the county, the county auditor, or the county election office;

(b) A breach has, or is reasonably likely to have, compromised the security, confidentiality, or integrity of election systems, information technology systems used by the county staff to manage and support the administration of elections, or peripheral information technology systems that support the auditor's office in the office's day-to-day activities;

(c) The breach has, or is reasonably likely to have, compromised the security, confidentiality, or integrity of an election within the state; or

(d) Personal information of residents in any state was, or is reasonably believed to have been, acquired by an unauthorized person as a result of the breach and the personal information was not secured. For purposes of this subsection, "personal information" has the meaning given in RCW 19.255.005.

(4) <u>A manufacturer of, distributor of, or organization contracted to provide</u> support to, the voter registration database system required by RCW 29A.08.125, the official voter list required by RCW 29A.08.105, or systems or components of the voter registration system used by the secretary of state shall disclose to the secretary of state and attorney general any security breach of any of that organization's systems immediately following discovery of the breach if:

(a) The breach has, or is reasonably likely to have, compromised the security, confidentiality, or integrity of an election in any state; or

(b) Personal information of residents in any state was, or is reasonably believed to have been, acquired by an unauthorized person as a result of the breach and the personal information was not secured. For purposes of this subsection, "personal information" has the meaning given in RCW 19.255.005.

(5) For purposes of this section:

(a) "Malicious activity" means an external or internal threat that is designed to damage, disrupt, or compromise an information technology network, as well as the hardware and applications that reside on the network, thereby impacting performance, data integrity, and the confidentiality of data on the network. Threats include viruses, ransomware, trojan horses, worms, malware, data loss, or the disabling or removing of information technology security systems.

(b) "Security breach" means a breach of the election system, information technology systems used to administer and support the election process, or associated data where the system or associated data has been penetrated, accessed, or manipulated by an unauthorized person. The definition of breach includes all unauthorized access to systems by external or internal personnel or organizations, including personnel employed by a county or the state providing access to systems that have the potential to lead to a breach.

(((5))) (6) Notification under this section must be made in the most expedient time possible and without unreasonable delay.

<u>NEW SECTION.</u> Sec. 4. A new section is added to chapter 29A.12 RCW to read as follows:

Each county auditor shall implement no later than July 1, 2027, cybersecurity measures including but not limited to:

(1) Implementation and adoption of the ".gov" top-level domain available through the United States department of homeland security through the cybersecurity and infrastructure security agency for all election and voting systems and infrastructure. This adoption is required for election and voting systems and websites and may include all county cyber assets and email domains.

(2) Partitioning the entire auditor's office, including all of its information technology systems and assets, or specifically partitioning election and voting information technology infrastructure from other county assets. The secretary of state shall consult with county auditors on which systems and assets need to be partitioned or technologically isolated and protected. Eliminating threat actors from moving laterally within a network to target election-related capabilities is paramount. The secretary of state may extend the deadline for a county auditor to comply with this subsection if more time is necessary for implementation.

(3) Isolation of all ballot counting equipment and voting system components as defined in RCW 29A.12.005 from any other network including:

(a) Internal networks within a county election office;

(b) Printer sharing networks external to the ballot counting system;

(c) The internet, world wide web, or other similar networks;

(d) Wifi and radio connectivity;

(e) Wired connectivity; and

(f) Any telephonic or other connectivity.

(4) No configuration of voting systems to:

(a) Establish a connection to an external network; or

(b) Connect to any device external to the voting system.

(5) Purchase of voting systems that include documentation listing security configurations and network security best practices and operating those systems used for conducting primaries and elections in a manner consistent with that documentation.

(6) Restricting all data transfers from any voting system to using single use, previously erased devices that contain no information prior to connection with the system. This includes pen drives, flash memory drives, memory sticks, and any other removal media used to transfer data. Devices used in data transfer must either be provided by the secretary of state to the county auditor for single use, or the media must be overwritten by the county auditor by following guidelines for media sanitization defined in rules promulgated by the secretary of state.

Passed by the Senate April 21, 2025. Passed by the House April 16, 2025. Approved by the Governor May 17, 2025. Filed in Office of Secretary of State May 19, 2025.

CHAPTER 330

[Senate Bill 5077]

VOTER REGISTRATION SERVICES—GOVERNMENT AGENCIES—EXPANSION

AN ACT Relating to expansion of voter registration services by government agencies; and amending RCW 29A.08.365, 29A.08.362, 29A.08.310, and 29A.08.123.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 29A.08.365 and 2023 c 466 s 18 are each amended to read as follows:

(1) The governor shall make a decision, in consultation with the office of the secretary of state, as to whether each agency identified in subsection (2) of this section shall implement automatic voter registration. The final decision is at the governor's sole discretion.

(2) This section applies to state agencies, other than the health benefit exchange, providing public assistance or services to persons with disabilities, designated pursuant to RCW 29A.08.310(1), that collect, process, and store the following information as part of providing assistance or services:

(a) Names;

(b) Traditional or nontraditional residential addresses;

(c) Dates of birth;

(d) A signature attesting to the truth of the information provided on the application for assistance or services; and

(e) Verification of citizenship information, via social security administration data match or manually verified by the agency during the client transaction.

(3) Once an agency has implemented automatic voter registration, it shall continue to provide automatic voter registration unless legislation is enacted that directs the agency to do otherwise.

(4) Agencies may not begin verifying citizenship as part of an agency transaction for the sole purpose of providing automatic voter registration.

(5) The governor shall make a decision, in consultation with the office of the secretary of state, as to whether state agencies that collect, possess, and store the information identified in subsection (2) of this section may implement automatic voter registration through a procedure that substantially meets the requirements of RCW 29A.08.359, or as to whether state agencies that collect, possess, and store the information in subsection (2)(a) through (c) of this section may implement automatic updates of existing voter registrations through a procedure that substantially meets the requirements of RCW 29A.08.359. The governor shall make the same decision, in consultation with the office of the secretary of state, as to local, federal, or tribal agencies, including but not limited to federal agencies administering naturalization ceremonies, provided that such agencies consent to implementing automatic voter registration or automatic updates of existing voter registrations. The final decision is at the governor's sole discretion.

(6) After confirming that the application for assistance or services identified in subsection (2) of this section contains a signature attesting to the truth of the information provided on the application, the secretary of state may obtain a digital copy of the applicant's signature image from the department of licensing, if available, for purposes of voter registration.

Sec. 2. RCW 29A.08.362 and 2023 c 466 s 17 are each amended to read as follows:

(1) The health benefit exchange shall provide the following information to the secretary of state's office for consenting Washington healthplanfinder applicants who affirmatively indicate that they are interested in registering to vote, including applicants who file changes of address, who reside in Washington, are age eighteen years or older, and are verified citizens, for voter registration purposes:

(a) Names;

(b) Traditional or nontraditional residential addresses;

(c) Mailing addresses, if different from the traditional or nontraditional residential address; and

(d) Dates of birth.

(2) The health benefit exchange shall consult with the secretary of state's office to ensure that sufficient information is provided to allow the secretary of state to obtain a digital copy of the person's signature when available from the department of licensing and establish other criteria and procedures that are secure and compliant with federal and state voter registration and privacy laws and rules.

(3)(a) Notwithstanding subsection (1) of this section, the health benefit exchange may provide the information identified in subsection (1)(a) through (d) of this section to the secretary of state's office for Washington healthplanfinder applicants, including applicants who file changes of address, who reside in Washington, who are age 18 years or older, and whose citizenship is reliably verified through an electronic database match as part of the eligibility determination process, if:

(i) The health benefit exchange sends the applicant a notice within five business days of the original application informing the applicant that the health benefit exchange will provide the information identified in subsection (1)(a) through (d) of this section to the secretary of state's office for voter registration purposes unless the applicant declines; and

(ii) The applicant does not respond to the notice identified in (a)(i) of this subsection to decline to provide their information for voter registration within 15 days from the date of mailing.

(b) If the secretary of state provides voter registration data to the health benefit exchange showing that an applicant has an existing voter registration and

the information identified in subsection (1)(a) through (d) of this section shows no name change or change of residence or mailing address, the health benefit exchange is not required to send the notice identified in subsection (a)(i) of this subsection or transmit the information identified in subsection (1)(a) through (d) of this section to the secretary of state. The secretary of state may serve as the agent of the health benefit exchange for purposes of this subsection.

(4) Upon receipt of the information through the procedure identified in subsection (3) of this section, the secretary of state shall implement automatic voter registration through a procedure that substantially meets the requirements of RCW 29A.08.359.

(5) If the health benefit exchange determines, in consultation with the health care authority, that implementation of an automatic voter registration system requires approval from the centers for medicare and medicaid services, then any implementation is contingent on receiving that approval.

Sec. 3. RCW 29A.08.310 and 2019 c 6 s 4 are each amended to read as follows:

(1) The governor, in consultation with the secretary of state, shall designate agencies to provide voter registration services in compliance with federal statutes. The governor, in consultation with the secretary of state, may designate local, federal, or tribal agencies, including but not limited to federal agencies administering naturalization ceremonies, to provide voter registration services, provided that such agencies consent to providing voter registration services.

(2) A federally recognized tribe may request that the governor designate one or more state facilities or state-funded facilities or programs that are located on the lands of the requesting Indian tribe or that are substantially engaged in providing services to Indian tribes, as selected by the tribe, to provide voter registration services. This provision does not alter the state's obligations under the national voter registration act.

(3) Each state agency designated shall provide voter registration services for employees and the public within each office of that agency.

(4) The secretary of state shall design and provide a standard notice informing the public of the availability of voter registration, which notice shall be posted in each state agency where such services are available.

(5) Each institution of higher education shall put in place an active prompt on its course registration website, or similar website that students actively and regularly use, that, if selected, will link the student to the secretary of state's voter registration website. The prompt must ask the student if he or she wishes to register to vote.

(6) If the governor, in consultation with the secretary of state, designates the department of corrections to provide voter registration services under this section, a county auditor shall process a voter registration application from a person transmitted by the department of corrections as an application to sign up to register to vote. A person who signs up to register to vote under this subsection is classified as pending until such time as he or she will be eligible to vote in the next election. An acknowledgment notice shall not be sent prior to receipt of notice from the department of corrections that a person is released from, or transferred to partial confinement from, total confinement under the jurisdiction of the department of corrections.

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Sec. 4. RCW 29A.08.123 and 2023 c 363 s 1 are each amended to read as follows:

- (1) A person qualified to vote who has a valid:
- (a) Washington state driver's license;
- (b) Washington state identification card;
- (c) Washington state learner's permit;
- (d) Current Washington tribal identification; or

(e) Social security number,

may submit a voter registration application electronically on the secretary of state's website, and provide either the state issued identification number, the tribal identification number, or the last four digits of the person's social security number.

(2) The applicant must attest to the truth of the information provided on the application and confirm the applicant's United States citizenship by reviewing the registration oath online and affirmatively accepting the information as true.

(3) For applicants using Washington state issued identification, the applicant must affirmatively assent to use of the applicant's driver's license or state identification card signature for voter registration purposes.

(4) For applicants who are not using Washington state issued identification, the applicant must submit a signature image by either submitting a signature image to the secretary of state, or submitting a signature image as part of the confirmation notice process.

(5) A voter registration application submitted electronically is otherwise considered a registration by mail.

(6) For each electronic application, the secretary of state must obtain a digital copy of the applicant's driver's license or state identification card signature from the department of licensing, the voter, or tribal identification issuing authority.

(7) The secretary of state may employ additional security measures to ensure the accuracy and integrity of voter registration applications submitted electronically.

(8) The secretary of state may employ an application programming interface to allow a person to securely submit a voter registration application electronically to the secretary of state through the website of a government agency or institution of higher learning. In order to facilitate an electronic application under this subsection, a government agency or institution of higher learning must be approved under a process designed by the secretary of state.

Passed by the Senate April 17, 2025.

Passed by the House April 11, 2025.

Approved by the Governor May 17, 2025.

Filed in Office of Secretary of State May 19, 2025.

CHAPTER 331

[Senate Bill 5079]

DEPARTMENT OF SOCIAL AND HEALTH SERVICES—UNINTENTIONAL OVERPAYMENTS—COLLECTION WAIVERS

AN ACT Relating to addressing the burden of unintentional overpayments on older adults and adults with disabilities served by the department of social and health services; amending RCW 43.20B.030; providing an effective date; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 43.20B.030 and 2012 c 258 s 1 are each amended to read as follows:

(1) Except as otherwise provided by law, including subsection (2) of this section, there will be no collection of overpayments and other debts due the department after the expiration of six years from the date of notice of such overpayment or other debt unless the department has commenced recovery action in a court of law or unless an administrative remedy authorized by statute is in place. However, any amount due in a case thus extended shall cease to be a debt due the department at the expiration of ((ten)) 10 years from the date of the notice of the overpayment or other debt unless a court-ordered remedy would be in effect for a longer period.

(2) There will be no collection of debts due the department after the expiration of ((twenty)) 20 years from the date a lien is recorded pursuant to RCW 43.20B.080.

(3) The department, at any time, may accept offers of compromise of disputed claims or may grant partial or total write-off of any debt due the department if it is no longer cost-effective to pursue. The department shall adopt rules establishing the considerations to be made in the granting or denial of a partial or total write-off of debts.

(4) Notwithstanding the requirements of RCW 43.20B.630, 43.20B.635, 43.20B.640, and 43.20B.645, the department may waive all efforts to collect overpayments from a client when the department determines that the elements of equitable estoppel as set forth in WAC 388-02-0495, as it existed on January 1, 2012, are met.

(5) Beginning July 1, 2025, the department may waive all efforts to collect unintentional overpayments of the aged, blind, or disabled assistance program under RCW 74.62.030 and to functionally disabled clients receiving services and supports provided under chapters 74.39, 74.39A and 71A.12 RCW. The department shall adopt rules establishing the circumstances when the department will waive efforts at collection.

<u>NEW SECTION.</u> Sec. 2. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 2025.

Passed by the Senate April 17, 2025. Passed by the House April 11, 2025. Approved by the Governor May 17, 2025. Filed in Office of Secretary of State May 19, 2025.

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CHAPTER 332

[Substitute Senate Bill 5127]

COLLECTOR VEHICLE AND HORSELESS CARRIAGE LICENSE PLATES—VARIOUS

PROVISIONS

AN ACT Relating to creating additional requirements for collector vehicle and horseless carriage license plates to improve compliance and public safety; amending RCW 46.30.020, 46.04.199, 46.18.255, 46.18.220, and 46.16A.070; and providing an effective date.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 46.30.020 and 2019 c 60 s 1 are each amended to read as follows:

(1)(a) No person may operate a motor vehicle subject to registration under chapter 46.16A RCW in this state unless the person is insured under a motor vehicle liability policy with liability limits of at least the amounts provided in RCW 46.29.090, is self-insured as provided in RCW 46.29.630, is covered by a certificate of deposit in conformance with RCW 46.29.550, or is covered by a liability bond of at least the amounts provided in RCW 46.29.090. Proof of financial responsibility for motor vehicle operation must be provided on the request of a law enforcement officer in the format specified under RCW 46.30.030.

(b) A person who drives a motor vehicle that is required to be registered in another state that requires drivers and owners of vehicles in that state to maintain insurance or financial responsibility shall, when requested by a law enforcement officer, provide evidence of financial responsibility or insurance as is required by the laws of the state in which the vehicle is registered.

(c) When asked to do so by a law enforcement officer, failure to display proof of financial responsibility for motor vehicle operation as specified under RCW 46.30.030 creates a presumption that the person does not have motor vehicle insurance.

(d) Failure to provide proof of motor vehicle insurance is a traffic infraction and is subject to penalties as set by the supreme court under RCW 46.63.110 or community restitution.

(e) For the purposes of this section, when a person uses a portable electronic device to display proof of financial security to a law enforcement officer, the officer may only view the proof of financial security and is otherwise prohibited from viewing any other content on the portable electronic device.

(f) Whenever a person presents a portable electronic device pursuant to this section, that person assumes all liability for any damage to the portable electronic device.

(2) If a person cited for a violation of subsection (1) of this section appears in person before the court or a violations bureau and provides written evidence that at the time the person was cited, he or she was in compliance with the financial responsibility requirements of subsection (1) of this section, the citation shall be dismissed and the court or violations bureau may assess court administrative costs of ((twenty-five dollars)) <u>\$25</u> at the time of dismissal. In lieu of personal appearance, a person cited for a violation of subsection (1) of this section may, before the date scheduled for the person's appearance before the court or violations bureau, submit by mail to the court or violations bureau written evidence that at the time the person was cited, he or she was in compliance with the financial responsibility requirements of subsection (1) of this section, in which case the citation shall be dismissed without cost, except that the court or violations bureau may assess court administrative costs of ((wenty-five dollars)) \$25 at the time of dismissal.

(3) The provisions of this chapter shall not govern:

(a) The operation of a motor vehicle ((registered under RCW 46.18.220 or 46.18.255,)) governed by RCW 46.16A.170((;)) or registered with the Washington utilities and transportation commission as common or contract carriers; or

(b) The operation of a motor-driven cycle as defined in RCW 46.04.332, a moped as defined in RCW 46.04.304, or a wheeled all-terrain vehicle as defined in RCW 46.09.310.

(4) RCW 46.29.490 shall not be deemed to govern all motor vehicle liability policies required by this chapter but only those certified for the purposes stated in chapter 46.29 RCW.

Sec. 2. RCW 46.04.199 and 2017 c 147 s 1 are each amended to read as follows:

"Horseless carriage license plate" is a special license plate that may be assigned to a vehicle ((that is at least forty years old)) manufactured or built before January 1, 1916, and meets the qualifications listed in RCW 46.18.255.

Sec. 3. RCW 46.18.255 and 2020 c 18 s 15 are each amended to read as follows:

(1) A registered owner may apply to the department, county auditor or other agent, or subagent appointed by the director for a horseless carriage license plate for a motor vehicle that is ((at least forty years old)) manufactured or built before January 1, 1916. The motor vehicle must be operated primarily as a collector vehicle and be in good running order. The applicant for the horseless carriage license plate shall:

(a) Purchase a registration for the motor vehicle as required under chapters 46.16A and 46.17 RCW; and

(b) Pay the special license plate fee established under RCW 46.17.220(11), in addition to any other fees or taxes required by law.

(2) Horseless carriage license plates:

(a) Are valid for the life of the motor vehicle;

(b) Are not required to be renewed;

(c) Are not transferable to any other motor vehicle; and

(d) Must be displayed on the rear of the motor vehicle.

Sec. 4. RCW 46.18.220 and 2024 c 131 s 1 are each amended to read as follows:

(1) A registered owner may apply to the department, county auditor or other agent, or subagent appointed by the director for a collector vehicle license plate for a motor vehicle or travel trailer that is at least 30 years old. The motor vehicle must be operated primarily as a collector vehicle and be in good running order. The applicant for the collector vehicle license plate shall:

(a) <u>After January 15, 2026</u>, provide proof of ownership and a valid registration certificate for a second vehicle that will be used for daily driving, commuting, or business purposes;

(b) After January 15, 2026, provide proof of a current vehicle liability insurance policy or collector vehicle insurance policy for the vehicle being

registered, with liability limits of at least the amounts listed under RCW 46.29.090;

(c) Purchase a registration for the motor vehicle or travel trailer as required under chapters 46.16A and 46.17 RCW; and

(((b))) (d) Pay the special license plate fee established under RCW 46.17.220(5), in addition to any other fees or taxes required by law.

(2) A person applying for a collector vehicle license plate may:

(a) Receive a collector vehicle license plate assigned by the department; or

(b) Provide an actual Washington state issued license plate designated for general use in the year of the vehicle's manufacture.

(3) Collector vehicle license plates:

(a) Are valid for the life of the motor vehicle or travel trailer;

(b) Are not required to be renewed; and

(c) Must be displayed on the rear of the motor vehicle or travel trailer.

(4) A collector vehicle registered under this section may only be used for participation in club activities, exhibitions, tours, parades, and occasional pleasure driving.

(5) Collector vehicle license plates under subsection (2)(b) of this section may be transferred from one vehicle to another vehicle described in subsection (1) of this section upon application to the department, county auditor or other agent, or subagent appointed by the director.

(6) <u>A person driving a motor vehicle with a collector vehicle license plate</u> <u>must maintain collector vehicle insurance with respect to the vehicle and comply</u> <u>with all requirements of chapter 46.30 RCW.</u>

(7) Any person who knowingly provides a false or facsimile license plate under subsection (2)(b) of this section is subject to a traffic infraction and fine in an amount equal to the monetary penalty for a violation of RCW 46.16A.200(7)(b). Additionally, the person must pay for the cost of a collector vehicle license plate as listed in RCW 46.17.220(5), unless already paid.

(((7))) (8) A collector vehicle that is a motor vehicle may tow a trailer if the trailer is being used for participation in club activities, exhibitions, tours, and parades.

(9) Any person who does not meet the requirements of subsections (1) through (8) of this section must surrender the current license plate or plates to the department, county auditor or other agent, or subagent appointed by the director. A person whose collector vehicle registration has been canceled may operate the vehicle once the applicable requirements of chapters 46.16A and 46.17 RCW have been satisfied.

(10) The department is authorized to make exceptions to the requirements under subsection (1)(a) of this section if the owner demonstrates to the department's satisfaction that the owner has alternative means for addressing the owner's regular transportation needs.

(11) The requirements of subsections (1)(b) and (6) of this section apply only when the collector vehicle is operated on a public highway pursuant to RCW 46.30.020.

(12) The department shall adopt rules to define collector vehicle insurance for the purposes of this section.

Sec. 5. RCW 46.16A.070 and 2011 c 171 s 44 are each amended to read as follows:

(1) The department may refuse to issue or may cancel a registration certificate at any time when the department determines that an applicant for registration is not entitled to a registration certificate. Notice of cancellation may be accomplished by sending a notice by first-class mail using the last known address in department records for the registered or legal owner or owners, and completing an affidavit of first-class mail. It is unlawful for any person to remove, drive, or operate the vehicle until a proper registration certificate has been issued. A person removing, driving, or operating a vehicle after the refusal to issue or cancellation of the registration is guilty of a gross misdemeanor.

(2)(a) The suspension, revocation, cancellation, or refusal by the director of a registration certificate provided under this chapter is conclusive unless the person whose registration or certificate is suspended, revoked, canceled, or refused appeals to the superior court of Thurston county or the person's county of residence.

(b) Notice of appeal must be filed within $((ten)) \underline{10}$ days after receipt of the notice of suspension, revocation, cancellation, or refusal. Upon the filing of the notice of appeal, the court shall issue an order to the director to show cause why the registration should not be granted or reinstated and return the order not less than $((ten)) \underline{10}$ days after the date of service to the director. Service must be in the same manner as prescribed for the service of a summons and complaint in other civil actions.

(c) Upon the hearing on the order to show cause, the court shall hear evidence concerning matters with reference to the suspension, revocation, cancellation, or refusal of the registration and shall enter judgment either affirming or setting aside the suspension, revocation, cancellation, or refusal.

(3) The department may cancel the registration of a vehicle registered under RCW 46.18.220 if the registered owner fails to respond to a request for information from the department regarding collector vehicle insurance and whether collector plates are in use, within 45 days. The request for information shall include a statement with the necessary information and deadline for compliance, as well as the consequences of failure to respond to the request for information.

NEW SECTION. Sec. 6. This act takes effect January 15, 2026.

Passed by the Senate April 22, 2025. Passed by the House April 15, 2025. Approved by the Governor May 17, 2025. Filed in Office of Secretary of State May 19, 2025.

CHAPTER 333

[Substitute Senate Bill 5168]

STATE ACTUARY—APPOINTMENT, REMOVAL, AND SALARY

AN ACT Relating to the appointment, removal, and salary of the state actuary; amending RCW 41.04.281 and 44.44.030; adding a new section to chapter 41.45 RCW; and repealing RCW 44.44.013.

Be it enacted by the Legislature of the State of Washington:

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Sec. 1. RCW 41.04.281 and 2003 c 295 s 5 are each amended to read as follows:

The select committee on pension policy has the following powers and duties:

(1) Study pension issues, develop pension policies for public employees in state retirement systems, and make recommendations to the legislature;

(2) Study the financial condition of the state pension systems, develop funding policies, and make recommendations to the legislature; and

(3) ((Consult with the chair and vice chair on appointing members to the state actuary appointment committee upon the convening of the state actuary appointment committee established under RCW 44.44.013; and

(4))) Receive the results of the actuarial audits of the actuarial valuations and experience studies administered by the pension funding council pursuant to RCW 41.45.110. The select committee on pension policy shall study and make recommendations on changes to assumptions or contribution rates to the pension funding council prior to adoption of changes under RCW 41.45.030, 41.45.035, or 41.45.060.

<u>NEW SECTION.</u> Sec. 2. A new section is added to chapter 41.45 RCW to read as follows:

Subject to RCW 44.44.030, the council shall appoint, remove, and set the salary of the state actuary, by affirmative vote of four members of the council. When considering the appointment, removal, and salary setting of the state actuary, the council shall consider recommendations from the executive committee of the select committee on pension policy.

Sec. 3. RCW 44.44.030 and 2003 c 295 s 14 are each amended to read as follows:

(1) Subject to RCW 44.04.260, the state actuary shall have the authority to select and employ such research, technical, clerical personnel, and consultants as the actuary deems necessary, whose salaries shall be fixed by the actuary and approved by the ((state actuary appointment committee)) pension funding council, and who shall be exempt from the provisions of the state civil service law, chapter 41.06 RCW.

(2) All actuarial valuations and experience studies performed by the office of the state actuary shall be signed by a member of the American academy of actuaries. If the state actuary is not such a member, the state actuary, after approval by the select committee, shall contract for a period not to exceed two years with a member of the American academy of actuaries to assist in developing actuarial valuations and experience studies.

<u>NEW SECTION.</u> Sec. 4. RCW 44.44.013 (State actuary appointment committee—Creation—Membership—Powers) and 2003 c 295 s 13 are each repealed.

Passed by the Senate April 17, 2025. Passed by the House April 10, 2025. Approved by the Governor May 17, 2025. Filed in Office of Secretary of State May 19, 2025.

CHAPTER 334

[Engrossed Substitute Senate Bill 5192]

SCHOOL MATERIALS, SUPPLIES, AND OPERATING COSTS—PROTOTYPICAL SCHOOL MODEL MODIFICATION

AN ACT Relating to school district materials, supplies, and operating costs; reenacting and amending RCW 28A.150.260; and providing an effective date.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 28A.150.260 and 2024 c 262 s 2 and 2024 c 191 s 2 are each reenacted and amended to read as follows:

The purpose of this section is to provide for the allocation of state funding that the legislature deems necessary to support school districts in offering the minimum instructional program of basic education under RCW 28A.150.220. The allocation shall be determined as follows:

(1) The governor shall and the superintendent of public instruction may recommend to the legislature a formula for the distribution of a basic education instructional allocation for each common school district.

(2)(a) The distribution formula under this section shall be for allocation purposes only. Except as may be required under subsections (4)(b) and (c), (5)(b) and (c), (8), and (9) of this section, chapter 28A.155, 28A.165, 28A.180, or 28A.185 RCW, or federal laws and regulations, nothing in this section requires school districts to use basic education instructional funds to implement a particular instructional approach or service. Nothing in this section requires school districts to maintain a particular classroom teacher-to-student ratio or other staff-to-student ratio or to use allocated funds to pay for particular types or classifications of staff. Nothing in this section entitles an individual teacher to a particular teacher planning period.

(b) To promote transparency in state funding allocations, the superintendent of public instruction must report state per-pupil allocations for each school district for the general apportionment, special education, learning assistance, transitional bilingual, highly capable, and career and technical education programs. The superintendent must report this information in a user-friendly format on the main page of the office's website. School districts must include a link to the superintendent's per-pupil allocations report on the main page of the school district's website. In addition, the budget documents published by the legislature for the enacted omnibus operating appropriations act must report statewide average per-pupil allocations for general apportionment and the categorical programs listed in this subsection.

(3)(a) To the extent the technical details of the formula have been adopted by the legislature and except when specifically provided as a school district allocation, the distribution formula for the basic education instructional allocation shall be based on minimum staffing and nonstaff costs the legislature deems necessary to support instruction and operations in prototypical schools serving high, middle, and elementary school students as provided in this section. The use of prototypical schools for the distribution formula does not constitute legislative intent that schools should be operated or structured in a similar fashion as the prototypes. Prototypical schools illustrate the level of resources needed to operate a school of a particular size with particular types and grade levels of students using commonly understood terms and inputs, such as class size, hours of instruction, and various categories of school staff. It is the intent that the funding allocations to school districts be adjusted from the school prototypes based on the actual number of annual average full-time equivalent students in each grade level at each school in the district and not based on the grade-level configuration of the school to the extent that data is available. The allocations shall be further adjusted from the school prototypes with minimum allocations for small schools and to reflect other factors identified in the omnibus appropriations act.

(b) For the purposes of this section, prototypical schools are defined as follows:

(i) A prototypical high school has 600 average annual full-time equivalent students in grades nine through 12;

(ii) A prototypical middle school has 432 average annual full-time equivalent students in grades seven and eight; and

(iii) A prototypical elementary school has 400 average annual full-time equivalent students in grades kindergarten through six.

(4)(a)(i) The minimum allocation for each level of prototypical school shall be based on the number of full-time equivalent classroom teachers needed to provide instruction over the minimum required annual instructional hours under RCW 28A.150.220 and provide at least one teacher planning period per school day, and based on the following general education average class size of full-time equivalent students per teacher:

	General education
	average class size
Grades K-3	
Grade 4	
Grades 5-6	
Grades 7-8	
Grades 9-12	

(ii) The minimum class size allocation for each prototypical high school shall also provide for enhanced funding for class size reduction for two laboratory science classes within grades nine through 12 per full-time equivalent high school student multiplied by a laboratory science course factor of 0.0833, based on the number of full-time equivalent classroom teachers needed to provide instruction over the minimum required annual instructional hours in RCW 28A.150.220, and providing at least one teacher planning period per school day:

	Laboratory science
	average class size
Grades 9-12	

(b)(i) Beginning September 1, 2019, funding for average K-3 class sizes in this subsection (4) may be provided only to the extent of, and proportionate to, the school district's demonstrated actual class size in grades K-3, up to the funded class sizes.

(ii) The office of the superintendent of public instruction shall develop rules to implement this subsection (4)(b).

(c)(i) The minimum allocation for each prototypical middle and high school shall also provide for full-time equivalent classroom teachers based on the following number of full-time equivalent students per teacher in career and technical education:

Career and technical
education average
class size
Approved career and technical education offered at
the middle school and high school level 23.00
Skill center programs meeting the standards established
by the office of the superintendent of public
instruction
(ii) Funding allocated under this subsection $(4)(c)$ is subject to RCW

(ii) Funding allocated under this subsection (4)(c) is subject to RCW 28A.150.265.

(d) In addition, the omnibus appropriations act shall at a minimum specify:

(i) A high-poverty average class size in schools where more than 50 percent of the students are eligible for free and reduced-price meals; and

(ii) A specialty average class size for advanced placement and international baccalaureate courses.

(5)(a) The minimum allocation for each level of prototypical school shall include allocations for the following types of staff in addition to classroom teachers:

	Elementary School	Middle School	High School
Principals, assistant principals, and other certificated building-level administrators	1.253	1.353	1.880
Teacher-librarians, a function that includes information literacy, technology, and media to support school library media programs	0.663	0.519	0.523
Paraeducators, including any aspect of educational instructional services provided by classified employees	1.012	0.776	0.728
Office support and other noninstructional aides	2.088	2.401	3.345
Custodians	1.657	1.942	2.965
Nurses	0.585	0.888	0.824
Social workers	0.311	0.088	0.127
Psychologists	0.104	0.024	0.049
Counselors	0.993	1.716	3.039
Classified staff providing student and staff safety	0.079	0.092	0.141
Parent involvement coordinators	0.0825	0.00	0.00

(b)(i) The superintendent may only allocate funding, up to the combined minimum allocations, for nurses, social workers, psychologists, counselors, classified staff providing student and staff safety, and parent involvement coordinators under (a) of this subsection to the extent of and proportionate to a school district's demonstrated actual ratios of: Full-time equivalent physical, social, and emotional support staff to full-time equivalent students.

(ii) The superintendent must adopt rules to implement this subsection (5)(b) and the rules must require school districts to prioritize funding allocated as required by (b)(i) of this subsection for physical, social, and emotional support staff who hold a valid educational staff associate certificate appropriate for the staff's role.

(iii) For the purposes of this subsection (5)(b), "physical, social, and emotional support staff" include nurses, social workers, psychologists, counselors, classified staff providing student and staff safety, parent involvement coordinators, and other school district employees and contractors who provide physical, social, and emotional support to students as defined by the superintendent.

(c) The superintendent shall develop rules that require school districts to use the additional funding provided under (a) of this subsection to support increased staffing, prevent layoffs, or increase salaries for the following staff types in the 2024-25 school year: Paraeducators, office support, and noninstructional aides. The superintendent shall collect data from school districts on how the increased allocations are used.

(6)(a) The minimum staffing allocation for each school district to provide district-wide support services shall be allocated per one thousand annual average full-time equivalent students in grades K-12 as follows:

	Staff per 1,000
	K-12 students
Technology	
Facilities, maintenance, and grounds	1.813
Warehouse, laborers, and mechanics	0.332

(b) The minimum allocation of staff units for each school district to support certificated and classified staffing of central administration shall be 5.30 percent of the staff units generated under subsections (4)(a) and (5) of this section and (a) of this subsection.

(7) The distribution formula shall include staffing allocations to school districts for career and technical education and skill center administrative and other school-level certificated staff, as specified in the omnibus appropriations act.

(8)(a) Except as provided in (b) of this subsection, the minimum allocation for each school district shall ((include allocations per annual average full-time equivalent student for the following)) be \$1,614.28 per full-time equivalent student for materials, supplies, and operating costs ((as provided in the 2023-24 school year, after which the allocations shall)) to be adjusted annually for inflation ((as specified in the omnibus appropriations act:

Per annual average
full-time equivalent student
in grades K-12
Technology
Utilities and insurance\$430.26
Curriculum and textbooks
Other supplies \$326.54
Library materials\$22.65
Instructional professional development for certificated and
classified staff
Facilities maintenance
Security and central office administration
beginning in the 2026-27 school year. For purposes of this subsection,
"inflation" means the implicit price deflator for the previous calendar year as of
the beginning of the school year, using the official current base, compiled by the
bureau of economic analysis, United States department of commerce.
(b) In addition to the amount((a)) movided in (a) of this subsection

(b) In addition to the amount((s)) provided in (a) of this subsection, ((beginning in the 2023 24 school year, the omnibus appropriations act shall provide the following minimum allocation for each annual average)) each school district shall receive a minimum allocation of \$214.84 for each full-time equivalent student in grades nine through 12 for ((the following)) materials, supplies, and operating costs, to be adjusted annually for inflation((\div

Per annual average
full-time equivalent student
in grades 9-12
Technology
Curriculum and textbooks\$48.06
Other supplies \$94.07
Library materials\$6.05
Instructional professional development for certificated and
elassified staff
beginning in the 2026-27 school year. For purposes of this subsection,
"inflation" means the implicit price deflator for the previous calendar year as of
the beginning of the school year, using the official current base, compiled by the
bureau of economic analysis. United States department of commerce.

(c) The increased allocation amounts of $((\frac{1}{21 \text{ per annual average}}))$ $\frac{335.27}{\text{per}}$ full-time equivalent student ((for materials, supplies, and operating costs)) provided under (a) of this subsection ((is)) and $\frac{4.69 \text{ per full-time equivalent}}{12 \text{ provided under (b) of this subsection are intended to address growing ((costs in the enumerated categories)) materials, supplies, and operating costs and may not be expended for any other purpose.$

(d)(i) Beginning in the 2026-27 school year, each school district shall annually report all expenditures for materials, supplies, and operating costs including, but not limited to, expenditures in the following disaggregated categories, to the office of the superintendent of public instruction:

(A) Technology, including further disaggregation within this category for technology devices, technology support staff, software licensing, and technology or software maintenance and repair;

(B) Election fees associated with school district board of directors elections; (C) Utilities;

(D) Insurance;

(E) Curriculum and textbooks not included under the technology category;

(F) Library materials not included under the technology category;

(G) Other supplies not included under other categories;

(H) Nontechnology-related contracted instructional professional development for certificated and classified staff;

(I) Facilities maintenance materials, supplies, and operating costs not funded by transfers from other funds;

(J) Security and central office administration;

(K) Dues and fees; and

(L) Property and equipment not funded by transfers from other funds.

(ii) The office of the superintendent of public instruction shall report additional categories as determined necessary to meet other state and federal reporting requirements.

(9) In addition to the amounts provided in subsection (8) of this section and subject to RCW 28A.150.265, the omnibus appropriations act shall provide an amount based on full-time equivalent student enrollment in each of the following:

(a) Exploratory career and technical education courses for students in grades seven through 12;

(b) Preparatory career and technical education courses for students in grades nine through 12 offered in a high school; and

(c) Preparatory career and technical education courses for students in grades 11 and 12 offered through a skill center.

(10) In addition to the allocations otherwise provided under this section, amounts shall be provided to support the following programs and services:

(a)(i) To provide supplemental instruction and services for students who are not meeting academic standards through the learning assistance program under RCW 28A.165.005 through 28A.165.065, allocations shall be based on the greater of either: The district percentage of students in kindergarten through grade 12 who were eligible for free or reduced-price meals for the school year immediately preceding the district's participation, in whole or part, in the United States department of agriculture's community eligibility provision, or the district percentage of students in grades K-12 who were eligible for free or reducedprice meals in the prior school year. The minimum allocation for the program shall, except as provided in (a)(iii) of this subsection, provide for each level of prototypical school resources to provide, on a statewide average, 2.3975 hours per week in extra instruction with a class size of 15 learning assistance program students per teacher.

(ii) In addition to funding allocated under (a)(i) of this subsection, to provide supplemental instruction and services for students who are not meeting academic standards in qualifying schools. A qualifying school, except as provided in (a)(iv) of this subsection, means a school in which the three-year rolling average of the prior year total annual average enrollment that qualifies for free or reduced-price meals equals or exceeds 50 percent or more of its total annual average enrollment. A school continues to meet the definition of a qualifying school if the school: Participates in the United States department of agriculture's community eligibility provision; and met the definition of a qualifying school in the year immediately preceding their participation. The minimum allocation for this additional high poverty-based allocation must provide for each level of prototypical school resources to provide, on a statewide average, 1.1 hours per week in extra instruction with a class size of 15 learning assistance program students per teacher, under RCW 28A.165.055, school districts must distribute the high poverty-based allocation to the schools that generated the funding allocation.

(iii) For the 2024-25 and 2025-26 school years, allocations under (a)(i) of this subsection for school districts providing meals at no charge to students under RCW 28A.235.135 that are not participating, in whole or in part, in the United States department of agriculture's community eligibility provision shall be based on the school district percentage of students in grades K-12 who were eligible for free or reduced-price meals in school years 2019-20 through 2022-23 or the prior school year, whichever is greatest.

(iv) For the 2024-25 and 2025-26 school years, a school providing meals at no charge to students under RCW 28A.235.135 that is not participating in the department of agriculture's community eligibility provision continues to meet the definition of a qualifying school under (a)(ii) of this subsection if the school met the definition during one year of the 2019-20 through 2022-23 school years, or in the prior school year.

(b)(i) To provide supplemental instruction and services for students whose primary language is other than English, allocations shall be based on the head count number of students in each school who are eligible for and enrolled in the transitional bilingual instruction program under RCW 28A.180.010 through 28A.180.080. The minimum allocation for each level of prototypical school shall provide resources to provide, on a statewide average, 4.7780 hours per week in extra instruction for students in grades kindergarten through six and 6.7780 hours per week in extra instruction for students in grades seven through 12, with 15 transitional bilingual instruction program students per teacher. Notwithstanding other provisions of this subsection (10), the actual per-student allocation may be scaled to provide a larger allocation for students needing more intensive intervention, as detailed in the omnibus appropriations act.

(ii) To provide supplemental instruction and services for students who have exited the transitional bilingual program, allocations shall be based on the head count number of students in each school who have exited the transitional bilingual program within the previous two years based on their performance on the English proficiency assessment and are eligible for and enrolled in the transitional bilingual instruction program under RCW 28A.180.040(1)(g). The minimum allocation for each prototypical school shall provide resources to provide, on a statewide average, 3.0 hours per week in extra instruction with 15 exited students per teacher.

(c) To provide additional allocations to support programs for highly capable students under RCW 28A.185.010 through 28A.185.030, allocations shall be based on 5.0 percent of each school district's full-time equivalent basic education enrollment. The minimum allocation for the programs shall provide resources to

provide, on a statewide average, 2.1590 hours per week in extra instruction with fifteen highly capable program students per teacher.

(11) The allocations under subsections (4)(a), (5), (6), and (8) of this section shall be enhanced as provided under RCW 28A.150.390 on an excess cost basis to provide supplemental instructional resources for students with disabilities.

(12)(a) For the purposes of allocations for prototypical high schools and middle schools under subsections (4) and (10) of this section that are based on the percent of students in the school who are eligible for free and reduced-price meals, the actual percent of such students in a school shall be adjusted by a factor identified in the omnibus appropriations act to reflect underreporting of free and reduced-price meal eligibility among middle and high school students.

(b) Allocations or enhancements provided under subsections (4), (7), and (9) of this section for exploratory and preparatory career and technical education courses shall be provided only for courses approved by the office of the superintendent of public instruction under chapter 28A.700 RCW.

(13)(a) This formula for distribution of basic education funds shall be reviewed biennially by the superintendent and governor. The recommended formula shall be subject to approval, amendment or rejection by the legislature.

(b) In the event the legislature rejects the distribution formula recommended by the governor, without adopting a new distribution formula, the distribution formula for the previous school year shall remain in effect.

(c) The enrollment of any district shall be the annual average number of full-time equivalent students and part-time students as provided in RCW 28A.150.350, enrolled on the first school day of each month, including students who are in attendance pursuant to RCW 28A.335.160 and 28A.225.250 who do not reside within the servicing school district. The definition of full-time equivalent student shall be determined by rules of the superintendent of public instruction and shall be included as part of the superintendent's biennial budget request. The definition shall be based on the minimum instructional hour offerings required under RCW 28A.150.220. Any revision of the present definition shall not take effect until approved by the house ways and means committee and the senate ways and means committee.

(d) The office of financial management shall make a monthly review of the superintendent's reported full-time equivalent students in the common schools in conjunction with RCW 43.62.050.

<u>NEW SECTION.</u> Sec. 2. Section 1 of this act takes effect September 1, 2025.

Passed by the Senate April 23, 2025. Passed by the House April 16, 2025. Approved by the Governor May 17, 2025. Filed in Office of Secretary of State May 19, 2025.

CHAPTER 335

[Senate Bill 5361]

TREATMENT CRITERIA FOR ADDICTIVE, SUBSTANCE RELATED, AND CO-OCCURRING CONDITIONS (ASAM CRITERIA)—USE OF FOURTH EDITION

AN ACT Relating to delaying the use of the ASAM 4 criteria, treatment criteria for addictive, substance related, and co-occurring conditions; and amending RCW 71.24.619 and 48.43.764.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 71.24.619 and 2024 c 366 s 12 are each amended to read as follows:

When updated versions of the ASAM Criteria, treatment criteria for addictive, substance related, and co-occurring conditions, inclusive of adolescent and transition age youth versions, are published by the American society of addiction medicine, the health care authority and the office of the insurance commissioner shall jointly determine whether to use the updated version, and, if so, the date upon which the updated version must begin to be used by medicaid managed care organizations, carriers, and other relevant entities. Both agencies shall post notice of their decision on their websites. For purposes of the ASAM Criteria, 4th edition, medicaid managed care organizations and carriers shall begin to use the updated criteria no later than January 1, ((2026)) 2028, unless the health care authority and the office of the insurance commissioner jointly determine that it should not be used.

Sec. 2. RCW 48.43.764 and 2024 c 366 s 11 are each amended to read as follows:

When updated versions of the ASAM Criteria, treatment criteria for addictive, substance related, and co-occurring conditions, inclusive of adolescent and transition age youth versions, are published by the American society of addiction medicine, the health care authority and the office of the insurance commissioner shall jointly determine whether to use the updated version, and, if so, the date upon which the updated version must begin to be used by medicaid managed care organizations, carriers, and other relevant entities. Both agencies shall post notice of their decision on their websites. For purposes of the ASAM Criteria, 4th edition, medicaid managed care organizations and carriers shall begin to use the updated criteria no later than January 1, ((2026)) 2028, unless the health care authority and the office of the insurance commissioner jointly determine that it should not be used.

Passed by the Senate March 4, 2025. Passed by the House April 15, 2025. Approved by the Governor May 17, 2025. Filed in Office of Secretary of State May 19, 2025.

CHAPTER 336

[Substitute Senate Bill 5370]

PORT COMMISSIONER TERMS—LENGTHENING TO SIX YEARS

AN ACT Relating to lengthening port commissioner terms; and adding a new section to chapter 53.12 RCW.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> Sec. 1. A new section is added to chapter 53.12 RCW to read as follows:

(1) A ballot proposition to lengthen the terms of office of port commissioners from four years to six years must be submitted to the voters of any port district upon either resolution of the port commissioners or petition of voters of the port district proposing the increase in terms of office, which petition has been signed by voters of the port district equal in number to at least 10 percent of the number of voters in the port district voting at the last general election.

(2) The petition must be submitted to the county auditor. If the petition was signed by sufficient valid signatures, the ballot proposition must be submitted at the next general election that occurs 60 or more days after the adoption of the resolution or submission of the petition.

(3) If the ballot proposition lengthening the terms of office of port commissioners is approved by a simple majority vote of the voters voting on the proposition, the commissioner elected at that election is elected to a six-year term of office. The terms of office of the other commissioners are not lengthened.

(4) If two commissioners are elected in that election or the next subsequent general election, the commissioner thus elected receiving the highest number of votes is elected to a six-year term of office and the other commissioner is elected to a four-year term of office. Each successor commissioner is elected to six-year terms.

(5) This section does not apply to a port district that is required to maintain four-year terms under RCW 53.12.172 or to a port district that has five port commissioners.

Passed by the Senate April 21, 2025. Passed by the House April 16, 2025. Approved by the Governor May 17, 2025. Filed in Office of Secretary of State May 19, 2025.

CHAPTER 337

[Substitute Senate Bill 5394] DEVELOPMENTAL DISABILITIES ADMINISTRATION—NO-PAID SERVICES CASELOAD—MODIFICATION

AN ACT Relating to reducing the developmental disabilities administration's no-paid services caseload services; and amending RCW 71A.10.100.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 71A.10.100 and 2022 c 247 s 1 are each amended to read as follows:

(1) The department shall hire two permanent, full-time employees to regularly review and maintain the no-paid services caseload. This includes, but is not limited to, updating the no-paid services caseload to accurately reflect a current head count of eligible individuals and identifying the number of individuals contacted who are currently interested in receiving a paid service from the developmental disabilities administration and if the individual would like services now or within the next year. Beginning December 1, 2022, the department shall annually report this information to the governor and the appropriate committees of the legislature.

(2) ((A client on the no-paid services caseload shall receive)) The department may provide limited case resource management services to a client on the no-paid services caseload. The case resource manager's duties include((\div (a) Contacting and)) responding to the client to discuss the client's service needs((\div)) and (($(\frac{b}{b})$)) explaining to the client the service options available

through the department or other community resources. <u>Inactive clients on the no-paid services caseload may not receive case resource management services</u>.

Passed by the Senate March 12, 2025. Passed by the House April 22, 2025. Approved by the Governor May 17, 2025. Filed in Office of Secretary of State May 19, 2025.

CHAPTER 338

[Senate Bill 5463]

INDUSTRIAL INSURANCE—SELF-INSURERS AND THIRD-PARTY ADMINISTRATORS— DUTIES

AN ACT Relating to the duties of industrial insurance self-insured employers and third-party administrators; amending RCW 51.14.080 and 51.14.180; creating a new section; and providing an effective date.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 51.14.080 and 2023 c 293 s 4 are each amended to read as follows:

(1) Certification of a self-insurer shall be withdrawn by the director upon one or more of the following grounds:

(a) The employer no longer meets the requirements of a self-insurer; or

(b) The self-insurer's deposit is insufficient; or

(c) The self-insurer intentionally or repeatedly induces employees to fail to report injuries, induces claimants to treat injuries in the course of employment as off-the-job injuries, persuades claimants to accept less than the compensation due, or unreasonably makes it necessary for claimants to resort to proceedings against the employer to obtain compensation; or

(d) The self-insurer habitually fails to comply with rules and regulations of the director regarding reports or other requirements necessary to carry out the purposes of this title; or

(e) The self-insurer habitually engages in a practice of arbitrarily or unreasonably refusing employment to applicants for employment or discharging employees because of nondisabling bodily conditions; or

(f) The self-insurer fails to pay an insolvency assessment under the procedures established pursuant to RCW 51.14.077; or

(g)(((i) For a self-insured municipal employer, the self-insurer has been found to have violated the self-insurer's duty of good faith and fair dealing three times within a three-year period.

(ii) For purposes of determining whether there have been three violations within a three-year period, the director must use the date of the department's order. Any subsequent order of the department, board of industrial insurance appeals, or courts affirming a violation occurred relates back to the date of the department's order.

(iii) Errors or delays that are inadvertent or minor are not considered violations of good faith and fair dealing for purposes of this subsection (1)(g))) The self-insurer has failed to comply with a corrective action under RCW 51.14.180(6) or decertification is otherwise required or directed under RCW 51.14.180(6).

(2) The director may delay withdrawing the certification of the self-insured ((municipal)) employer while the employer has an enforceable contract with a licensed third-party administrator that may not be legally terminated. However, the self-insured ((municipal)) employer may not renew or extend the contract.

(((3) For the purposes of this section, "municipal" has the same meaning as defined in RCW 51.14.180.))

Sec. 2. RCW 51.14.180 and 2023 c 293 s 3 are each amended to read as follows:

(1) All self-insured ((municipal employers and self-insured private sector firefighter)) employers and ((their)) third-party administrators have a duty of good faith and fair dealing to workers relating to all aspects of this title. The duty of good faith requires fair dealing and equal consideration for the worker's interests.

(2) ((A self-insured municipal employer or self-insured private sector firefighter)) An employer or ((their)) third-party administrator violates its duty to the worker if it coerces a worker to accept less than the compensation due under this title, or otherwise fails to act in good faith and fair dealing regarding its obligations under this title.

(3) The department shall adopt by rule additional applications of the duty of good faith and fair dealing as well as criteria for determining appropriate penalties for violations. In adopting a rule under this subsection, the department shall consider, among other factors, recognized and approved claim processing practices within the insurance industry, the department's own experience, and the industrial insurance and insurance laws and rules of this state.

(4) The department shall investigate each alleged violation of this section upon the filing of a written complaint or upon its own motion. After receiving notice and a request for a response from the department, the ((municipal employer or private sector firefighter)) employer or ((their)) third-party administrator may file a written response within 10 working days. If the ((municipal employer or private sector firefighter)) employer or ((their)) thirdparty administrator fails to file a timely response, the department shall issue an order based on available information.

(5) The department shall issue an order determining whether a violation of this section has occurred, in conformance with RCW 51.52.050, within 30 calendar days of receipt of a complete complaint or its own motion. An order finding that a violation has occurred must also order the ((municipal employer or private sector firefighter)) employer to pay a penalty of one to 52 times the average weekly wage at the time of the order, depending upon the severity of the violation, which accrues for the benefit of the worker.

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

(a) "Municipal" means any counties, cities, towns, port districts, watersewer districts, school districts, metropolitan park districts, fire districts, public hospital districts, regional fire protection service authorities, education service districts, or such other units of local government.

(b) "Private sector firefighter employer" means any private sector employer who employs over 50 firefighters, including supervisors, on a full-time, fully compensated basis as a firefighter of the employer's fire department, only with respect to their firefighters.)) (a) If the department determines that a self-insurer has violated the duty of good faith and fair dealing in this section two or more times within a three-year period, the director must impose corrective action against the self-insurer in accordance with the requirements in this subsection and RCW 51.14.095, which must include a period in probationary status. The department must impose appropriate restrictions and changes that are necessary for preventing future violations, for which the department must audit compliance for the term of the applicable corrective action. If the self-insurer is found to have committed a subsequent violation while subject to a corrective action, the department must withdraw the self-insurer's certification under RCW 51.14.080. Following the corrective action, the department may withdraw the self-insurer's certification under RCW 51.14.080 based on an assessment of whether the selfinsurer has complied with the terms of the corrective action or is likely to commit future violations of the duty of good faith and fair dealing.

(b) If a self-insurer who has previously been subject to a corrective action under (a) of this subsection subsequently commits two or more violations within a two-year period, requiring a corrective action under (a) of this subsection, and such action would occur within 10 years of completing a prior corrective action and probationary period under this subsection, the department must withdraw the self-insurer's certification under RCW 51.14.080.

(c) For purposes of determining the timing of violations for the requirements in this subsection, the director must use the date of the department's order. Any subsequent order of the department, board of industrial insurance appeals, or courts affirming a violation occurred relates back to the date of the department's order.

(7) Errors or delays that are inadvertent or minor are not considered violations of good faith and fair dealing.

<u>NEW SECTION.</u> Sec. 3. This act applies to all claims regardless of the date of injury.

NEW SECTION. Sec. 4. This act takes effect January 1, 2026.

Passed by the Senate April 22, 2025.

Passed by the House April 11, 2025.

Approved by the Governor May 17, 2025.

Filed in Office of Secretary of State May 19, 2025.

CHAPTER 339

[Senate Bill 5478]

PUBLIC EMPLOYEES' BENEFITS BOARD—ADDITIONAL VOLUNTARY BENEFITS

AN ACT Relating to benefits authorized to be offered by the public employees' benefits board; and amending RCW 41.05.065.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 41.05.065 and 2018 c 260 s 12 are each amended to read as follows:

(1) The public employees' benefits board shall study all matters connected with the provision of health care coverage, life insurance, liability insurance, accidental death and dismemberment insurance, and disability income insurance or any of, or a combination of, the enumerated types of insurance for employees and their dependents on the best basis possible with relation both to the welfare of the employees and to the state. However, liability insurance shall not be made available to dependents.

(2) The public employees' benefits board shall develop employee benefit plans that include comprehensive health care benefits for employees. In developing these plans, the public employees' benefits board shall consider the following elements:

(a) Methods of maximizing cost containment while ensuring access to quality health care;

(b) Development of provider arrangements that encourage cost containment and ensure access to quality care, including but not limited to prepaid delivery systems and prospective payment methods;

(c) Wellness incentives that focus on proven strategies, such as smoking cessation, injury and accident prevention, reduction of alcohol misuse, appropriate weight reduction, exercise, automobile and motorcycle safety, blood cholesterol reduction, and nutrition education;

(d) Utilization review procedures including, but not limited to a costefficient method for prior authorization of services, hospital inpatient length of stay review, requirements for use of outpatient surgeries and second opinions for surgeries, review of invoices or claims submitted by service providers, and performance audit of providers;

(e) Effective coordination of benefits; and

(f) Minimum standards for insuring entities.

(3) To maintain the comprehensive nature of employee health care benefits, benefits provided to employees shall be substantially equivalent to the state employees' health benefit plan in effect on January 1, 1993. Nothing in this subsection shall prohibit changes or increases in employee point-of-service payments or employee premium payments for benefits or the administration of a high deductible health plan in conjunction with a health savings account. The public employees' benefits board may establish employee eligibility criteria which are not substantially equivalent to employee eligibility criteria in effect on January 1, 1993.

(4) Except if bargained for under chapter 41.80 RCW, the public employees' benefits board shall design benefits and determine the terms and conditions of employee and retired or disabled school employee participation and coverage, including establishment of eligibility criteria subject to the requirements of this chapter. Employer groups obtaining benefits through contractual agreement with the authority for employees defined in RCW 41.05.011(6)(a) (i) through (vi) may contractually agree with the authority to benefits eligibility criteria which differs from that determined by the public employees' benefits board. The eligibility criteria established by the public employees' benefits board shall be no more restrictive than the following:

(a) Except as provided in (b) through (e) of this subsection, an employee is eligible for benefits from the date of employment if the employing agency anticipates he or she will work an average of at least eighty hours per month and for at least eight hours in each month for more than six consecutive months. An employee determined ineligible for benefits at the beginning of his or her employment shall become eligible in the following circumstances:

(i) An employee who works an average of at least eighty hours per month and for at least eight hours in each month and whose anticipated duration of employment is revised from less than or equal to six consecutive months to more than six consecutive months becomes eligible when the revision is made.

(ii) An employee who works an average of at least eight hours per month over a period of six consecutive months and for at least eight hours in each of those six consecutive months becomes eligible at the first of the month following the six-month averaging period.

(b) A seasonal employee is eligible for benefits from the date of employment if the employing agency anticipates that he or she will work an average of at least eighty hours per month and for at least eight hours in each month of the season. A seasonal employee determined ineligible at the beginning of his or her employment who works an average of at least eighty hours per month over a period of six consecutive months and at least eight hours in each of those six consecutive months becomes eligible at the first of the month following the six-month averaging period. A benefits-eligible seasonal employee who works a season of less than nine months shall not be eligible for the employer contribution during the off season, but may continue enrollment in benefits during the off season by self-paying for the benefits. A benefits-eligible seasonal employee who works a season of nine months or more is eligible for the employer contribution through the off season following each season worked.

(c) Faculty are eligible as follows:

(i) Faculty who the employing agency anticipates will work half-time or more for the entire instructional year or equivalent nine-month period are eligible for benefits from the date of employment. Eligibility shall continue until the beginning of the first full month of the next instructional year, unless the employment relationship is terminated, in which case eligibility shall cease the first month following the notice of termination or the effective date of the termination, whichever is later.

(ii) Faculty who the employing agency anticipates will not work for the entire instructional year or equivalent nine-month period are eligible for benefits at the beginning of the second consecutive quarter or semester of employment in which he or she is anticipated to work, or has actually worked, half-time or more. Such an employee shall continue to receive uninterrupted employer contributions for benefits if the employee works at least half-time in a quarter or semester. Faculty who the employing agency anticipates will not work for the entire instructional year or equivalent nine-month period, but who actually work half-time or more throughout the entire instructional year, are eligible for summer or off-quarter or off-semester coverage. Faculty who have met the criteria of this subsection (4)(c)(ii), who work at least two quarters or two semesters of the academic year with an average academic year workload of halftime or more for three quarters or two semesters of the academic year, and who have worked an average of half-time or more in each of the two preceding academic years shall continue to receive uninterrupted employer contributions for benefits if he or she works at least half-time in a quarter or semester or works two quarters or two semesters of the academic year with an average academic workload each academic year of half-time or more for three quarters or two semesters. Eligibility under this section ceases immediately if this criteria is not met.

(iii) Faculty may establish or maintain eligibility for benefits by working for more than one institution of higher education. When faculty work for more than one institution of higher education, those institutions shall prorate the employer contribution costs, or if eligibility is reached through one institution, that institution will pay the full employer contribution. Faculty working for more than one institution must alert his or her employers to his or her potential eligibility in order to establish eligibility.

(iv) The employing agency must provide written notice to faculty who are potentially eligible for benefits under this subsection (4)(c) of their potential eligibility.

(v) To be eligible for maintenance of benefits through averaging under (c)(ii) of this subsection, faculty must provide written notification to his or her employing agency or agencies of his or her potential eligibility.

(vi) For the purposes of this subsection (4)(c):

(A) "Academic year" means summer, fall, winter, and spring quarters or summer, fall, and spring semesters;

(B) "Half-time" means one-half of the full-time academic workload as determined by each institution; except that for community and technical college faculty, half-time academic workload is calculated according to RCW 28B.50.489.

(d) A legislator is eligible for benefits on the date his or her term begins. All other elected and full-time appointed officials of the legislative and executive branches of state government are eligible for benefits on the date his or her term begins or they take the oath of office, whichever occurs first.

(e) A justice of the supreme court and judges of the court of appeals and the superior courts become eligible for benefits on the date he or she takes the oath of office.

(f) Except as provided in (c)(i) and (ii) of this subsection, eligibility ceases for any employee the first of the month following termination of the employment relationship.

(g) In determining eligibility under this section, the employing agency may disregard training hours, standby hours, or temporary changes in work hours as determined by the authority under this section.

(h) Insurance coverage for all eligible employees begins on the first day of the month following the date when eligibility for benefits is established. If the date eligibility is established is the first working day of a month, insurance coverage begins on that date.

(i) Eligibility for an employee whose work circumstances are described by more than one of the eligibility categories in (a) through (e) of this subsection shall be determined solely by the criteria of the category that most closely describes the employee's work circumstances.

(j) Except for an employee eligible for benefits under (b) or (c)(ii) of this subsection, an employee who has established eligibility for benefits under this section shall remain eligible for benefits each month in which he or she is in pay status for eight or more hours, if (i) he or she remains in a benefits-eligible position and (ii) leave from the benefits-eligible position is approved by the employing agency. A benefits-eligible seasonal employee is eligible for the employer contribution in any month of his or her season in which he or she is in pay status eight or more hours during that month. Eligibility ends if these conditions are not met, the employment relationship is terminated, or the employee voluntarily transfers to a noneligible position.

(k) For the purposes of this subsection, the public employees' benefits board shall define "benefits-eligible position."

(5) The public employees' benefits board may authorize premium contributions for an employee and the employee's dependents in a manner that encourages the use of cost-efficient managed health care systems.

(6)(a) For any open enrollment period following August 24, 2011, the public employees' benefits board shall offer a health savings account option for employees that conforms to section 223, Part VII of subchapter B of chapter 1 of the internal revenue code of 1986. The public employees' benefits board shall comply with all applicable federal standards related to the establishment of health savings accounts.

(b) By November 30, 2015, and each year thereafter, the authority shall submit a report to the relevant legislative policy and fiscal committees that includes the following:

(i) Public employees' benefits board health plan cost and service utilization trends for the previous three years, in total and for each health plan offered to employees;

(ii) For each health plan offered to employees, the number and percentage of employees and dependents enrolled in the plan, and the age and gender demographics of enrollees in each plan;

(iii) Any impact of enrollment in alternatives to the most comprehensive plan, including the high deductible health plan with a health savings account, upon the cost of health benefits for those employees who have chosen to remain enrolled in the most comprehensive plan.

(7) Notwithstanding any other provision of this chapter, for any open enrollment period following August 24, 2011, the public employees' benefits board shall offer a high deductible health plan in conjunction with a health savings account developed under subsection (6) of this section.

(8) Employees shall choose participation in one of the health care benefit plans developed by the public employees' benefits board and may be permitted to waive coverage under terms and conditions established by the public employees' benefits board.

(9) ((The public employees' benefits board shall review plans proposed by insuring entities that desire to offer property insurance and/or accident and easualty insurance to state employees through payroll deduction. The public employees' benefits board may approve any such plan for payroll deduction by insuring entities holding a valid certificate of authority in the state of Washington and which the public employees' benefits board determines to be in the best interests of employees and the state. The public employees' benefits board determines to be in the best interests of employees and the state. The public employees' benefits board shall adopt rules setting forth criteria by which it shall evaluate the plans.

(10) Before January 1, 1998, the public employees' benefits board shall make available one or more fully insured long-term care insurance plans that eomply with the requirements of chapter 48.84 RCW. Such programs shall be made available to eligible employees, retired employees, and retired school employees as well as eligible dependents which, for the purpose of this section, includes the parents of the employee or retiree and the parents of the spouse of the employee or retiree. Employees of local governments, political subdivisions, and tribal governments not otherwise enrolled in the public employees' benefits board sponsored medical programs may enroll under terms and conditions

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established by the director, if it does not jeopardize the financial viability of the public employees' benefits board's long-term care offering.

(a) Participation of eligible employees or retired employees and retired school employees in any long-term care insurance plan made available by the public employees' benefits board is voluntary and shall not be subject to binding arbitration under chapter 41.56 RCW. Participation is subject to reasonable underwriting guidelines and eligibility rules established by the public employees' benefits board and the health care authority.

(b) The employee, retired employee, and retired school employee are solely responsible for the payment of the premium rates developed by the health care authority. The health care authority is authorized to charge a reasonable administrative fee in addition to the premium charged by the long term care insurer, which shall include the health care authority's cost of administration, marketing, and consumer education materials prepared by the health care authority and the office of the insurance commissioner.

(c) To the extent administratively possible, the state shall establish an automatic payroll or pension deduction system for the payment of the long term care insurance premiums.

(d) The public employees' benefits board and the health care authority shall establish a technical advisory committee to provide advice in the development of the benefit design and establishment of underwriting guidelines and eligibility rules. The committee shall also advise the public employees' benefits board and authority on effective and cost-effective ways to market and distribute the longterm care product. The technical advisory committee shall be comprised, at a minimum, of representatives of the office of the insurance commissioner, providers of long-term care services, licensed insurance agents with expertise in long-term care insurance, employees, retired employees, retired school employees, and other interested parties determined to be appropriate by the public employees' benefits board.

(e) The health care authority shall offer employees, retired employees, and retired school employees the option of purchasing long term care insurance through licensed agents or brokers appointed by the long term care insurer. The authority, in consultation with the public employees' benefits board, shall establish marketing procedures and may consider all premium components as a part of the contract negotiations with the long term care insurer.

(f) In developing the long-term care insurance benefit designs, the public employees' benefits board shall include an alternative plan of care benefit, including adult day services, as approved by the office of the insurance commissioner.

(g) The health care authority, with the cooperation of the office of the insurance commissioner, shall develop a consumer education program for the eligible employees, retired employees, and retired school employees designed to provide education on the potential need for long-term care, methods of financing long-term care, and the availability of long-term care insurance products including the products offered by the public employees' benefits board.

(11))) In addition to the benefits offering authority under this chapter, the public employees' benefits board may study, establish evaluation criteria, and, subject to the availability of funding, offer the following employee-paid, voluntary benefits:

(a) Emergency transportation;

(b) Identity protection;

(c) Legal aid;

(d) Long-term care insurance;

(e) Noncommercial personal automobile insurance;

(f) Personal homeowner's or renter's insurance;

(g) Pet insurance;

(h) Specified disease or illness-triggered fixed payment insurance, hospital confinement fixed payment insurance, or other fixed payment insurance offered as an independent, noncoordinated benefit regulated by the office of the insurance commissioner; and

(i) Travel insurance.

(10) The public employees' benefits board may establish penalties to be imposed by the authority when the eligibility determinations of an employing agency fail to comply with the criteria under this chapter.

Passed by the Senate February 28, 2025. Passed by the House April 14, 2025. Approved by the Governor May 17, 2025. Filed in Office of Secretary of State May 19, 2025.

CHAPTER 340

[Substitute Senate Bill 5516]

COMMUNITY CENTERS PROPERTY TAX EXEMPTION—MODIFICATION

AN ACT Relating to modifying the property tax exemption for community centers; amending RCW 84.36.010; and creating new sections.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 84.36.010 and 2020 c 272 s 1 are each amended to read as follows:

(1) All property belonging exclusively to the United States, the state, or any county or municipal corporation; all property belonging exclusively to any federally recognized Indian tribe, if (a) the tribe is located in the state, and (b) the property is used exclusively for essential government services; all state route number 16 corridor transportation systems and facilities constructed under chapter 47.46 RCW; all property under a financing contract pursuant to chapter 39.94 RCW or recorded agreement granting immediate possession and use to the public bodies listed in this section or under an order of immediate possession and use to the public bodies listed in this section, for a period of ((forty)) 40 years from acquisition, all property of a community center; is exempt from taxation. All property belonging exclusively to a foreign national government is exempt from taxation if that property is used exclusively as an office or residence for a consul or other official representative of the foreign national government, and if the consul or other official representative is a citizen of that foreign nation.

(2) For the purposes of this section the following definitions apply unless the context clearly requires otherwise.

(a)(i) "Community center" means property, including ((a building or)) buildings, determined to be surplus to the needs of a district by a local school

board, and purchased or acquired by a nonprofit organization for the purposes of converting ((them)) the property into community facilities for the delivery of nonresidential coordinated services for community members.

(ii) For taxes levied for collection in 2026 through 2035, "community center" includes property, including buildings, determined to be surplus to the needs of a university exempt from property taxes under RCW 84.36.050 and purchased or acquired by a nonprofit organization for the purposes of converting the property into community facilities for the delivery of nonresidential coordinated services for community members. Property meeting the definition of "community center" in this subsection (2)(a)(ii) is exempt from taxation for tax years 2026 through 2035.

(iii) The community center may make space available to businesses, individuals, or other parties through the loan or rental of space in or on the property.

(b) "Essential government services" means services such as tribal administration, public facilities, fire, police, public health, education, sewer, water, environmental and land use, transportation, utility services, and economic development.

(c) "Economic development" means commercial activities, including those that facilitate the creation or retention of businesses or jobs, or that improve the standard of living or economic health of tribal communities.

<u>NEW SECTION.</u> Sec. 2. This act applies to property taxes levied for collection in 2026 through 2035.

NEW SECTION. Sec. 3. RCW 82.32.808 does not apply to this act.

Passed by the Senate March 3, 2025.

Passed by the House April 16, 2025.

Approved by the Governor May 17, 2025.

Filed in Office of Secretary of State May 19, 2025.

CHAPTER 341

[Senate Bill 5672]

HOME CARE AIDE CERTIFICATION-REQUIREMENT DELAY

AN ACT Relating to delaying the home care aide certification requirements; amending RCW 18.88B.021; adding a new section to chapter 18.88B RCW; and providing an expiration date.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> Sec. 1. A new section is added to chapter 18.88B RCW to read as follows:

(1) The department shall adopt rules to allow long-term care workers additional time to become certified as the office of the state auditor completes their biennial performance audit under section 201, chapter 1, Laws of 2012 (Initiative Measure No. 1163), on the training requirements and competency assessments for home care aides and shall provide recommendations for the consideration of the legislature. Rules adopted under this section must be effective until 90 days after adjournment of the session proceeding the publishing of the 2026 biennial performance audit under section 201, chapter 1, Laws of 2012 (Initiative Measure No. 1163).

(2) This section expires December 31, 2027.

(1) Beginning January 7, 2012, except as provided in RCW 18.88B.041 <u>and</u> <u>section 1 of this act</u>, any person hired as a long-term care worker must be certified as a home care aide as provided in this chapter within 200 calendar days after the date of hire. A long-term care worker who is not currently certified or eligible to reactivate an expired credential shall receive a new date of hire when beginning work with either a new employer or returning to a former employer after prior employment has ended.

(2)(a) No person may practice or, by use of any title or description, represent himself or herself as a certified home care aide without being certified as provided in this chapter.

(b) This section does not prohibit a person: (i) From practicing a profession for which the person has been issued a license or which is specifically authorized under this state's laws; or (ii) who is exempt from certification under RCW 18.88B.041 from providing services as a long-term care worker.

(c) In consultation with consumer and worker representatives, the department shall, by January 1, 2013, establish by rule a single scope of practice that encompasses both long-term care workers who are certified home care aides and long-term care workers who are exempted from certification under RCW 18.88B.041.

(3) If a pandemic, natural disaster, or other declared state of emergency impacts the ability of long-term care workers to complete certification as required by this section, the department may adopt rules to allow long-term care workers additional time to become certified.

(a) Rules adopted under this subsection (3) are effective until the termination of the pandemic, natural disaster, or other declared state of emergency or until the department determines that additional time for long-term care workers to become certified is no longer necessary, whichever is later. Once the department determines a rule adopted under this subsection (3) is no longer necessary, it must repeal the rule under RCW 34.05.353.

(b) Within 12 months of the termination of the pandemic, natural disaster, or other declared state of emergency, the department shall conduct a review of certification compliance with subsection (1) of this section and rules adopted under this subsection (3) and provide the legislature with a report.

(4) The department shall adopt rules to implement this section.

<u>NEW SECTION.</u> Sec. 3. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

Passed by the Senate April 21, 2025.

Passed by the House April 14, 2025.

Approved by the Governor May 17, 2025.

Filed in Office of Secretary of State May 19, 2025.

WASHINGTON LAWS, 2025

CHAPTER 342

[Engrossed Senate Bill 5769]

TRANSITION TO KINDERGARTEN PROGRAMS—FUNDING

AN ACT Relating to transition to kindergarten programs; amending RCW 28A.300.072; creating a new section; and providing an expiration date.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 28A.300.072 and 2023 c 420 s 1 are each amended to read as follows:

(1) The intent of the legislature is to continue and rename transitional kindergarten as the transition to kindergarten program and that the program be established in statute with the goal of assisting eligible children in need of additional preparation to be successful kindergarten students in the following school year. The transition to kindergarten program is not part of the state's statutory program of basic education under RCW 28A.150.200.

(2)(a) The office of the superintendent of public instruction shall administer the transition to kindergarten program and shall adopt rules under chapter 34.05 RCW for the administration of, the allocation of state funding for, and minimum standards and requirements for the transition to kindergarten program((. Initial rules, which include expectations for school districts, charter schools as allowed by subsection (7) of this section, and state tribal education compact schools transitioning existing programs to the new requirements established in this section must be adopted in time for the 2023-24 school year, and permanent rules must be adopted by the beginning of the 2024-25 school year)) in accordance with this section.

(b) School districts, charter schools as allowed by subsection (7) of this section, and state-tribal education compact schools operating a transition to kindergarten program shall adopt policies regarding eligibility, recruitment, and enrollment for this program that, at a minimum, meet the requirements of subsection (3) of this section.

(3) The rules adopted under subsection (2) of this section must include, at a minimum, the following requirements for school districts, charter schools as allowed by subsection (7) of this section, and state-tribal education compact schools operating a transition to kindergarten program:

(a)(i) A limitation on program enrollment to eligible children. Eligible children include only those who:

(A) Have been determined to benefit from additional preparation for kindergarten; and

(B) Are at least four years old by August 31st of the school year they enroll in the transition to kindergarten program;

(ii) A requirement, as practicable, for school districts, charter schools as allowed by subsection (7) of this section, and state-tribal education compact schools to prioritize families with the lowest incomes and children most in need for additional preparation to be successful in kindergarten when enrolling eligible children in a transition to kindergarten program;

(iii) Access to the transition to kindergarten program does not constitute an individual entitlement for any particular child.

(b) Except for children who have been excused from participation by their parents or legal guardians, a requirement that the Washington kindergarten

inventory of developing skills as established by RCW 28A.655.080 be administered to all eligible children enrolled in a transition to kindergarten program at the beginning of the child's enrollment in the program and at least one more time during the school year.

(c) A requirement that all eligible children enrolled in a transition to kindergarten program be assigned a statewide student identifier and that the transition to kindergarten program be considered a separate class or course for the purposes of data reporting requirements in RCW 28A.320.175.

(d) A requirement that a local child care and early learning needs assessment is conducted before beginning or expanding a transition to kindergarten program that considers the existing availability and affordability of early learning providers, such as the early childhood education and assistance programs, head start programs, and licensed child care centers and family home providers in the region. Data available through the regionalized data dashboard maintained by the department of children, youth, and families or any other appropriate sources may be used to inform the needs assessment required by this subsection.

(e)(i) A requirement that school districts, charter schools as allowed by subsection (7) of this section, and state-tribal education compact schools adhere to guidelines, as developed by the office of the superintendent of public instruction, related to:

(A) Best practices for site readiness of facilities that are used for the program;

(B) Developmentally appropriate curricula designed to assist in maintaining high quality programs; and

(C) Professional development opportunities.

(ii) The office of the superintendent of public instruction must develop a process for conducting site visits of any school district, charter school as allowed by subsection (7) of this section, or state-tribal education compact school operating a transition to kindergarten program and provide feedback on elements listed in this subsection (3)(e).

(f) A prohibition on charging tuition or other fees to state-funded eligible children for enrollment in a transition to kindergarten program.

(g) A prohibition on establishing a policy of excluding an eligible child due only to the presence of a disability.

(4)(a) The office of the superintendent of public instruction, in collaboration with the department of children, youth, and families, shall develop statewide coordinated eligibility, recruitment, enrollment, and selection best practices and provide technical assistance to those implementing a transition to kindergarten program to support connections with local early learning providers.

(b) School districts, charter schools as allowed by subsection (7) of this section, and state-tribal education compact schools must consider the best practices developed under this subsection (4) when adopting the policies required under subsection (2)(b) of this section.

(5) Nothing in this section prohibits school districts, charter schools as allowed by subsection (7) of this section, and state-tribal education compact schools from blending or colocating a transition to kindergarten program with other early learning programs.

(6)(a) Funding for the transition to kindergarten program must be based on the following:

(i) The distribution formula established under RCW 28A.150.260 (4)(a), (5), (6), (8), and (10)(a) and (b), calculated using the actual number of annual average full-time equivalent eligible children enrolled in the program. A transition to kindergarten child must be counted as a kindergarten student for purposes of the funding calculations referenced in this subsection, but must be reported separately.

(ii) The distribution formula developed in RCW 28A.160.150 through 28A.160.192, calculated using reported ridership for eligible children enrolled in the program.

(b) Beginning in the 2025-26 school year, the annual average full-time equivalent eligible children enrolled in the program funded in (a) of this subsection may not exceed the state-funded annual average full-time equivalent specified in the omnibus appropriations act. During the 2025-26 and 2026-27 school years, the office of the superintendent of public instruction must prioritize funding for programs funded under (a) of this subsection that operated during the 2024-25 school year.

(c) Funding provided for the transition to kindergarten program is not part of the state's statutory program of basic education under RCW 28A.150.200 and must be expended only for the support of operating a transition to kindergarten program.

(7) Charter schools authorized under RCW 28A.710.080(2) are immediately permitted to operate a transition to kindergarten program under this section. Beginning with the 2025-26 school year, any charter school authorized under RCW 28A.710.080 (1) or (2) is permitted to operate a transition to kindergarten program under this section.

<u>NEW SECTION.</u> Sec. 2. (1) The office of the superintendent of public instruction shall collaborate with the department of children, youth, and families to develop a recommended plan for phasing in the transition to kindergarten program. The recommended plan must consider plans for expansion of other state-funded early learning programs including, but not limited to, the early childhood education and assistance program, and prioritize expansion for:

(a) Communities with the highest percentage of unmet needs;

(b) Child care supply and demand;

(c) School districts, charter schools, and state-tribal education compact schools with the highest percentages of students qualifying for free and reducedprice lunch;

(d) School districts, charter schools, and state-tribal education compact schools with high percentages of students with disabilities; and

(e) School districts, charter schools, and state-tribal education compact schools with the lowest kindergarten readiness results on the Washington kindergarten inventory of developing skills.

(2) The plan must include a phased-in approach for expansion that does not exceed five percent growth in statewide annual average full-time enrolled students each year.

(3) The office of the superintendent of public instruction shall submit a report to the legislature and the office of the governor by December 1, 2026,

outlining a proposed plan and recommendations for phasing in future transition to kindergarten programs beginning with communities with the highest need.

(4) This section expires July 1, 2027.

Passed by the Senate April 24, 2025. Passed by the House April 22, 2025. Approved by the Governor May 17, 2025. Filed in Office of Secretary of State May 19, 2025.

CHAPTER 343

[Second Substitute Senate Bill 5786] LIQUOR LICENSES, PERMITS, AND ENDORSEMENTS—FEES

AN ACT Relating to increasing license, permit, and endorsement fees; amending RCW 66.20.010, 66.20.400, 66.24.015, 66.24.035, 66.24.055, 66.24.140, 66.24.146, 66.24.150, 66.24.160, 66.24.165, 66.24.170, 66.24.179, 66.24.185, 66.24.200, 66.24.203, 66.24.240, 66.24.244, 66.24.246, 66.24.248, 66.24.250, 66.24.261, 66.24.310, 66.24.320, 66.24.303, 66.24.350, 66.24.354, 66.24.360, 66.24.363, 66.24.371, 66.24.380, 66.24.395, 66.24.420, 66.24.425, 66.24.450, 66.24.450, 66.24.450, 66.24.520, 66.24.540, 66.24.550, 66.24.550, 66.24.570, 66.24.580, 66.24.590, 66.24.650, 66.24.651, 66.24.695; reenacting and amending RCW 66.24.400 and 66.24.680; and adding a new section to chapter 66.08 RCW.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 66.20.010 and 2024 c 91 s 1 are each amended to read as follows:

Upon application in the prescribed form being made to any employee authorized by the board to issue permits, accompanied by payment of the prescribed fee, and upon the employee being satisfied that the applicant should be granted a permit under this title, the employee must issue to the applicant under such regulations and at such fee as may be prescribed by the board a permit of the class applied for, as follows:

(1) Where the application is for a special permit by a physician or dentist, or by any person in charge of an institution regularly conducted as a hospital or sanatorium for the care of persons in ill health, or as a home devoted exclusively to the care of aged people, a special liquor purchase permit, except that the governor may waive the requirement for a special liquor purchase permit under this subsection pursuant to an order issued under RCW 43.06.220(2);

(2) Where the application is for a special permit by a person engaged within the state in mechanical or manufacturing business or in scientific pursuits requiring alcohol for use therein, or by any private individual, a special permit to purchase alcohol for the purpose named in the permit, except that the governor may waive the requirement for a special liquor purchase permit under this subsection pursuant to an order issued under RCW 43.06.220(2);

(3) Where the application is for a special permit to consume liquor at a banquet, at a specified date and place, a special permit to purchase liquor for consumption at such banquet, to such applicants as may be fixed by the board;

(4) Where the application is for a special permit to consume liquor on the premises of a business not licensed under this title, a special permit to purchase liquor for consumption thereon for such periods of time and to such applicants as may be fixed by the board;

(5) Where the application is for a special permit by a manufacturer to import or purchase within the state alcohol, malt, and other materials containing alcohol to be used in the manufacture of liquor, or other products, a special permit;

(6) Where the application is for a special permit by a person operating a drug store to purchase liquor at retail prices only, to be thereafter sold by such person on the prescription of a physician, a special liquor purchase permit, except that the governor may waive the requirement for a special liquor purchase permit under this subsection pursuant to an order issued under RCW 43.06.220(2);

(7) Where the application is for a special permit by an authorized representative of a military installation operated by or for any of the armed forces within the geographical boundaries of the state of Washington, a special permit to purchase liquor for use on such military installation;

(8) Where the application is for a special permit by a vendor that manufactures or sells a product which cannot be effectively presented to potential buyers without serving it with liquor or by a manufacturer, importer, or distributor, or representative thereof, to serve liquor without charge to delegates and guests at a convention of a trade association composed of licensees of the board, when the said liquor is served in a hospitality room or from a booth in a board-approved suppliers' display room at the convention, and when the liquor so served is for consumption in the said hospitality room or display room during the convention, anything in this title to the contrary notwithstanding. Any such spirituous liquor must be purchased from a spirits retailer or distributor, and any such liquor is subject to the taxes imposed by RCW 82.08.150, 66.24.290, and 66.24.210;

(9) Where the application is for a special permit by a manufacturer, importer, or distributor, or representative thereof, to donate liquor for a reception, breakfast, luncheon, or dinner for delegates and guests at a convention of a trade association composed of licensees of the board, when the liquor so donated is for consumption at the said reception, breakfast, luncheon, or dinner during the convention, anything in this title to the contrary notwithstanding. Any such spirituous liquor must be purchased from a spirits retailer or distributor, and any such liquor is subject to the taxes imposed by RCW 82.08.150, 66.24.290, and 66.24.210;

(10) Where the application is for a special permit by a manufacturer, importer, or distributor, or representative thereof, to donate and/or serve liquor without charge to delegates and guests at an international trade fair, show, or exposition held under the auspices of a federal, state, or local governmental entity or organized and promoted by a nonprofit organization, anything in this title to the contrary notwithstanding. Any such spirituous liquor must be purchased from a liquor spirits retailer or distributor, and any such liquor is subject to the taxes imposed by RCW 82.08.150, 66.24.290, and 66.24.210;

(11) Where the application is for an annual special permit by a person operating a bed and breakfast lodging facility to donate or serve wine or beer without charge to overnight guests of the facility if the wine or beer is for consumption on the premises of the facility. "Bed and breakfast lodging facility," as used in this subsection, means a facility offering from one to eight lodging units and breakfast to travelers and guests; (12) Where the application is for a special permit to allow tasting of alcohol by persons at least 18 years of age under the following circumstances:

(a) The application is from a community or technical college as defined in RCW 28B.50.030, a regional university, or a state university;

(b) The person who is permitted to taste under this subsection is enrolled as a student in a required or elective class that is part of a culinary, sommelier, wine business, enology, viticulture, wine technology, beer technology, or spirituous technology-related degree program;

(c) The alcohol served to any person in the degree-related programs under (b) of this subsection is tasted but not consumed for the purposes of educational training as part of the class curriculum with the approval of the educational provider;

(d) The service and tasting of alcoholic beverages is supervised by a faculty or staff member of the educational provider who is 21 years of age or older. The supervising faculty or staff member shall possess a class 12 or 13 alcohol server permit under the provisions of RCW 66.20.310;

(e) The enrolled student permitted to taste the alcoholic beverages does not purchase the alcoholic beverages;

(f) The enrolled student permitted to taste the alcoholic beverages conducts the tasting either: (i) On the premises of the college or university at which the student is enrolled; or (ii) while on a field trip to a grape-growing area or production facility so long as the enrolled student is accompanied by a faculty or staff member with a class 12 or 13 alcohol server permit who supervises as provided in (d) of this subsection and all other requirements of this subsection (12) are met; and

(g) The permit fee for the special permit provided for in this subsection (12) must be waived by the board;

(13) Where the application is for a special permit by a distillery or craft distillery for an event not open to the general public to be held or conducted at a specific place, including at the licensed premise of the applying distillery or craft distillery, upon a specific date for the purpose of tasting and selling spirits of its own production. The distillery or craft distillery must obtain a permit for a fee of ((\$10)) \$15 per event. An application for the permit must be submitted for private banquet permits prior to the event and, once issued, must be posted in a conspicuous place at the premises for which the permit was issued during all times the permit is in use. No licensee may receive more than 12 permits under this subsection (13) each year;

(14) Where the application is for a special permit by a manufacturer of wine for an event not open to the general public to be held or conducted at a specific place upon a specific date for the purpose of tasting and selling wine of its own production. The winery must obtain a permit for a fee of ((\$10)) \$15 per event. An application for the permit must be submitted at least ten days before the event and once issued, must be posted in a conspicuous place at the premises for which the permit was issued during all times the permit is in use. No more than 12 events per year may be held by a single manufacturer under this subsection;

(15) Where the application is for a special permit by a manufacturer of beer for an event not open to the general public to be held or conducted at a specific place upon a specific date for the purpose of tasting and selling beer of its own production. The brewery or microbrewery must obtain a permit for a fee of $((\frac{\$10}{10}))$ <u>\$15</u> per event. An application for the permit must be submitted at least 10 days before the event and, once issued, must be posted in a conspicuous place at the premises for which the permit was issued during all times the permit is in use. No more than 12 events per year may be held by a single manufacturer under this subsection;

(16) Where the application is for a special permit by an individual or business to sell a private collection of wine or spirits to an individual or business. The seller must obtain a permit at least five business days before the sale, for a fee of ((\$25)) \$37.50 per sale. The seller must provide an inventory of products sold and the agreed price on a form provided by the board. The seller shall submit the report and taxes due to the board no later than 20 calendar days after the sale. A permit may be issued under this section to allow the sale of a private collection to licensees, but may not be issued to a licensee to sell to a private individual or business which is not otherwise authorized under the license held by the seller. If the liquor is purchased by a licensee, all sales are subject to taxes assessed as on liquor acquired from any other source. The board may adopt rules to implement this section;

(17)(a) A special permit, where the application is for a special permit by a nonprofit organization to sell wine through an auction, not open to the public, to be conducted at a specific place, upon a specific date, and to allow wine tastings at the auction of the wine to be auctioned.

(b) A permit holder under this subsection (17) may at the specified event:

(i) Sell wine by auction for off-premises consumption; and

(ii) Allow tastings of samples of the wine to be auctioned at the event.

(c) An application is required for a permit under this subsection (17). The application must be submitted prior to the event and once issued must be posted in a conspicuous place at the premises for which the permit was issued during all times the permit is in use.

(d) Wine from more than one winery may be sold at the auction; however, each winery selling wine at the auction must be listed on the permit application. Only a single application form may be required for each auction, regardless of the number of wineries that are selling wine at the auction. The total fee per event for a permit issued under this subsection (17) is (($\frac{$25}{)}$) $\frac{$37.50}{0}$ multiplied by the number of wineries that are selling wine at the auction.

(e) For the purposes of this subsection (17), "nonprofit organization" means an entity incorporated as a nonprofit organization under Washington state law.

(f) The board may adopt rules to implement this section;

(18) An annual special permit to allow a short-term rental operator to provide one complimentary bottle of wine to rental guests who are age 21 or over. The annual special permit fee is ((\$75)) \$112.50. A single permit applies to all rental properties owned or operated by the short-term rental operator and identified in the permit application. One complimentary bottle of wine per booking may be provided, regardless of the total number of rental guests. The provision of the complimentary bottle of wine may occur only after an operator or staff person of the short-term rental, who is present at the short-term rental property, verifies that each rental guest who will consume the complimentary bottle of wine is age 21 or over by checking a valid form of identification of each such rental guests are being offered one complimentary bottle of wine

and that opening or consuming the bottle of wine in a public place is illegal pursuant to RCW 66.44.100. The rental guests must not have notified the operator that the rental guests decline the complimentary bottle of wine. The complimentary bottle of wine may be consumed on the premises of the rental property or removed and consumed off the premises of the rental property. A permit holder may purchase wine from wine distributors in accordance with RCW 66.24.200, and from retailers and other suppliers of wine authorized under this title to sell wine at retail to consumers for off-premises consumption. For purposes of this subsection, the terms "short-term rental," "operator," and "guest" have the same meanings as in RCW 64.37.010; and

(19) Where the application is for an emergency liquor permit by a licensed manufacturer to authorize the sale, service, and consumption of liquor on the premises of another liquor licensee with retail sales privileges when an emergency or disaster as defined in RCW 38.52.010 has made the premises of the applicant inaccessible and unable to operate due to an emergency or road closure, except that the fee must be waived if there is a proclamation of a state of emergency issued by the governor or by the city, town, or county where the applicant is located. The permit shall be valid for 30 days and may be continually renewed for periods of 30 days if the emergency or disaster continues. Employees or agents of the emergency permit holder or the licensed premises may serve liquor provided by the permit holder. The permit holder may store no more than a 30-day supply of liquor at the licensed premises in segregated storage. No more than a total of three emergency permit.

Sec. 2. RCW 66.20.400 and 2014 c 199 s 1 are each amended to read as follows:

(1) There shall be a permit known as a day spa permit to allow the holder to offer or supply, without charge, wine or beer by the individual glass to a customer for consumption on the premises. The customer must be at least ((twenty one)) <u>21</u> years of age and may only be offered wine or beer if the services he or she will be receiving will last more than one hour. Wine or beer served or consumed shall be purchased from a Washington state licensed retailer. A customer may consume no more than one six ounce glass of wine or one ((twelve)) <u>12</u> ounce glass of beer per day under this permit. Day spas with a day spa permit may not advertise the service of complimentary wine or beer and may not sell wine or beer in any manner. Any employee involved in the service of wine or beer training program.

(2) For the purposes of this section, "day spa" means a business that offers at least three of the following four service categories:

(a) Hair care;

(b) Skin care;

(c) Nail care; and

(d) Body care, such as massages, wraps, and waxing.

Day spas must provide separate service areas of the day spa for at least three of the service categories offered.

(3) The annual fee for this permit is ((one hundred twenty-five dollars)) \$187.50.

Sec. 3. RCW 66.24.015 and 1988 c 200 s 4 are each amended to read as follows:

An application for a new annual retail license under this title shall be accompanied by payment of a nonrefundable ((seventy-five dollar)) \$112.50 fee to cover expenses incurred in processing the application. If the application is approved, the application fee shall be applied toward the fee charged for the license.

Sec. 4. RCW 66.24.035 and 2017 c 96 s 1 are each amended to read as follows:

(1) There is a license called a combination spirits, beer, and wine license, to sell wine and beer, including without limitation strong beer, at retail in bottles, cans, and original containers, not to be consumed upon the premises where sold, and to:

(a) Sell spirits in original containers to consumers for consumption off the licensed premises and to permit holders;

(b) Sell spirits in original containers to retailers licensed to sell spirits for consumption on the premises, for resale at their licensed premises according to the terms of their licenses, although no single sale may exceed ((twenty four)) 24 liters; and

(c) Export spirits.

(2) The annual fee for the combination spirits, beer, and wine license is ((three hundred sixteen dollars)) (2,000) for each store.

(3) For the purposes of this title, a combination spirits, beer, and wine license is a retail license, and a sale by a combination spirits, beer, and wine licensee is a retail sale only if not for resale. Nothing in this title authorizes sales by on-premise licensees to other retail licensees.

(4)(a) The board may issue a combination spirits, beer, and wine license:

(i) For premises comprising at least ((ten thousand)) <u>10,000</u> square feet of fully enclosed retail space within a single structure, including storerooms and other interior auxiliary areas but excluding covered or fenced exterior areas, whether or not attached to the structure, and only to applicants that the board determines will maintain appropriate systems for inventory management, employee training, employee supervision, and physical security of the product;

(ii) For premises of a former contract liquor store; or

(iii) To a holder of former state liquor store operating rights sold at auction under RCW 66.24.620.

(b) License issuances and renewals are subject to RCW 66.24.010 and the regulations adopted thereunder including, without limitation, rights of cities, towns, county legislative authorities, the public, churches, schools, and public institutions to object to or prevent issuance of local liquor licenses. However, existing grocery and other retail premises over ((ten thousand)) 10,000 square feet licensed to sell beer and/or wine are deemed to be premises "now licensed" under RCW 66.24.010(9)(a) for the purpose of processing applications for combination spirits, beer, and wine licenses.

(c) A retailer authorized to sell spirits for consumption on or off the licensed premises may accept delivery of spirits and deliver spirits in the same manner as is provided in RCW 66.24.630(3)(d).

(d) For purposes of negotiating volume discounts of spirits, a group of individual retailers authorized to sell spirits for consumption off the licensed premises may accept delivery of spirits as provided in RCW 66.24.630(3)(e).

(5) Each combination spirits, beer, and wine licensee must pay to the board, for deposit into the liquor revolving fund, a license issuance fee equivalent to the license issuance fee imposed on licensees selling spirits pursuant to RCW 66.24.630(4)(a).

(6) The board may not issue a combined spirits, beer, and wine license to an applicant if the applicant would qualify for a restricted license as provided in RCW 66.24.371(4) or 66.24.360(7) if the applicant had applied for a license under RCW 66.24.371 or 66.24.360 instead of pursuant to this section.

(7) As a condition to receiving and renewing a combination spirits, beer, and wine license the licensee must comply with RCW 66.24.630(6).

(8) The maximum penalties prescribed by the board in WAC 314-29-020 through 314-29-040 relating to fines and suspensions are doubled for violations relating to the sale of spirits by combination spirits, beer, and wine licensees.

(9)(a) A combination spirits, beer, and wine licensee that joins the responsible vendor program developed by the board pursuant to RCW 66.24.630(8) and maintains all of the program's requirements is not subject to the doubling of penalties provided in this section for a single violation in any period of ((twelve)) 12 calendar months.

(b) To participate in the responsible vendor program, a combination spirits, beer, and wine licensee must submit an application form to the board. If the application establishes that the combination spirits, beer, and wine licensee meets the qualifications to join the program, the board must send the licensee a membership certificate.

(c) A combination spirits, beer, and wine licensee participating in the responsible vendor program must meet the requirements in RCW 66.24.630(8)(e) and comply with board rules adopted to implement RCW 66.24.630(8).

(10)(a) Any endorsement available to the holder of a license issued pursuant to RCW 66.24.360 or 66.24.371 is available, upon board approval and pursuant to board rules, to a combination spirits, beer, and wine licensee, provided that the combination spirits, beer, and wine licensee would qualify for a license and the endorsement under RCW 66.24.360 or 66.24.371, as applicable, had the licensee applied for a license and endorsement pursuant to RCW 66.24.360, 66.24.363, or 66.24.371, as applicable, instead of the combination spirits, beer, and wine licensee with an endorsement issued pursuant to this subsection must comply with the requirements of the endorsement to the same extent as if the endorsement was issued pursuant to RCW 66.24.360, 66.24.363, or 66.24.371, as applicable.

(b) A combination spirits, beer, and wine licensee may conduct sampling in accordance with:

(i) RCW 66.24.371(2) if the combination spirits, beer, and wine licensee would qualify for a license under RCW 66.24.371; or

(ii) RCW 66.24.363 if the combination spirits, beer, and wine licensee would qualify for a license under RCW 66.24.360.

(11) Licensees holding a combination spirits, beer, and wine license must maintain either:

(a) A minimum ((three thousand dollar)) \$3,000 inventory of food products for human consumption, not including pop, beer, strong beer, wine, or spirits; or

(b) A minimum ((three thousand dollar)) \$3,000 wholesale inventory of beer, strong beer, and/or wine.

(12) A combination spirits, beer, and wine licensee holding a snack bar license under RCW 66.24.350 may receive an endorsement to allow the sale of confections containing more than one percent but not more than ((ten)) <u>10</u> percent alcohol by weight to persons ((twenty-one)) <u>21</u> years of age or older.

(13) The board may adopt rules to implement this section.

Sec. 5. RCW 66.24.055 and 2013 2nd sp.s. c 12 s 1 are each amended to read as follows:

(1) There is a license for spirits distributors to (a) sell spirits purchased from manufacturers, distillers, or suppliers including, without limitation, licensed Washington distilleries, licensed spirits importers, other Washington spirits distributors, or suppliers of foreign spirits located outside of the United States, to spirits retailers including, without limitation, spirits retail licensees, special occasion license holders, interstate common carrier license holders, restaurant spirits retailer license holders, spirits, beer, and wine private club license holders, hotel license holders, sports entertainment facility license holders, and spirits, beer, and wine nightclub license holders, and to other spirits distributors; and (b) export the same from the state.

(2) ((By January 1, 2012, the board must issue spirits distributor licenses to all applicants who, upon December 8, 2011, have the right to purchase spirits from a spirits manufacturer, spirits distiller, or other spirits supplier for resale in the state, or are agents of such supplier authorized to sell to licensees in the state, unless the board determines that issuance of a license to such applicant is not in the public interest.

(3)))(a) As limited by (b) of this subsection ((and subject to (c) of this subsection)), each spirits distributor licensee must pay to the board, for deposit into the liquor revolving fund, a license issuance fee calculated as follows:

(i) In each of the first ((twenty-seven)) $\underline{27}$ months of licensure, ((ten)) $\underline{10}$ percent of the total revenue from all the licensee's sales of spirits made during the month for which the fee is due, respectively; and

(ii) In the ((twenty-eighth)) <u>28th</u> month of licensure and each month thereafter, five percent of the total revenue from all the licensee's sales of spirits made during the month for which the fee is due, respectively.

(b) The fee required under this subsection (((3))) (2) is calculated only on sales of items which the licensee was the first spirits distributor in the state to have received:

(i) In the case of spirits manufactured in the state, from the distiller; or

(ii) In the case of spirits manufactured outside the state, from an authorized out-of-state supplier.

(c) ((By March 31, 2013, all persons holding spirits distributor licenses on or before March 31, 2013, must have paid collectively one hundred fifty million dollars or more in spirits distributor license fees. If the collective payment through March 31, 2013, totals less than one hundred fifty million dollars, the board must, according to rules adopted by the board for the purpose, collect by May 31, 2013, as additional spirits distributor license fees the difference between one hundred fifty million dollars and the actual receipts, allocated among persons holding spirits distributor licenses at any time on or before March 31, 2013, ratably according to their spirits sales made during calendar year 2012. Any amount by which such payments exceed one hundred fifty million dollars by March 31, 2013, must be credited to future license issuance fee obligations of spirits distributor licensees according to rules adopted by the board.

(d))) A retail licensee selling for resale must pay a distributor license fee under the terms and conditions in this section on resales of spirits the licensee has purchased on which no other distributor license fee has been paid. The board must establish rules setting forth the frequency and timing of such payments and reporting of sales dollar volume by the licensee, with payments due quarterly in arrears.

(((e))) (d) No spirits inventory may be subject to calculation of more than a single spirits distributor license issuance fee.

(((4))) (3) In addition to the payment set forth in subsection (((3))) (2) of this section, each spirits distributor licensee renewing its annual license must pay an annual license renewal fee of ((one thousand three hundred twenty dollars)) (1.980) for each licensed location.

(((5))) (4) There is no minimum facility size or capacity for spirits distributor licenses, and no limit on the number of such licenses issued to qualified applicants. License applicants must provide physical security of the product that is substantially as effective as the physical security of the distribution facilities currently operated by the board with respect to preventing pilferage. License issuances and renewals are subject to RCW 66.24.010 and the regulations promulgated thereunder, including without limitation rights of cities, towns, county legislative authorities, the public, churches, schools, and public institutions to object to or prevent issuance of local liquor licenses. However, existing distributor premises licensed to sell beer and/or wine are deemed to be premises "now licensed" under RCW 66.24.010(9)(a) for the purpose of processing applications for spirits distributor licenses.

Sec. 6. RCW 66.24.140 and 2021 c 6 s 1 are each amended to read as follows:

(1) There is a license to distillers, including blending, rectifying, and bottling; fee (($\frac{1}{100}$ thousand dollars)) <u>\$2,100</u> per annum, unless provided otherwise as follows:

(a) For distillers producing ((one hundred fifty thousand)) $\underline{150,000}$ gallons or less of spirits with at least half of the raw materials used in the production grown in Washington, the license fee must be reduced to ((one hundred dollars)) $\underline{\$150}$ per annum;

(b) The board must license stills used and to be used solely and only by a commercial chemist for laboratory purposes, and not for the manufacture of liquor for sale, at a fee of ((twenty dollars)) $\underline{\$30}$ per annum;

(c) The board must license stills used and to be used solely and only for laboratory purposes in any school, college, or educational institution in the state, without fee; <u>and</u>

(d) The board must license stills that have been duly licensed as fruit and/or wine distilleries by the federal government, used and to be used solely as fruit and/or wine distilleries in the production of fruit brandy and wine spirits, at a fee of ((two hundred dollars)) \$300 per annum((;

(e) The annual fees in this subsection (1) are waived during the 12-month period beginning with the second calendar month after February 28, 2021, for:

(i) Licenses that expire during the 12-month waiver period under this subsection (1)(e); and

(ii) Licenses issued to persons previously licensed under this section at any time during the 12-month period prior to the 12-month waiver period under this subsection (1)(e);

(f) The waivers in (e) of this subsection do not apply to any licensee that:

(i) Had their license suspended by the board for health and safety violations of state COVID-19 guidelines; or

(ii) Received an order of immediate restraint or citation from the department of labor and industries for allowing an employee to perform work where business activity was prohibited in violation of an emergency proclamation of the governor under RCW 43.06.220; and

(g) Upon request of the department of revenue, the board and the department of labor and industries must both provide a list of persons that they have determined to be ineligible for a fee waiver under (e) of this subsection for the reasons described in (f) of this subsection. Unless otherwise agreed, any list must be received by the department of revenue no later than 15 calendar days after the request is made)).

(2) Any distillery licensed under this section may:

(a) Sell, for off-premises consumption, spirits of the distillery's own production, spirits produced by another distillery or craft distillery licensed in this state, or vermouth or sparkling wine products produced by a licensee in this state. A distillery selling spirits or other alcohol authorized under this subsection must comply with the applicable laws and rules relating to retailers for those products;

(b) Contract distilled spirits for, and sell contract distilled spirits to, holders of distillers' or manufacturers' licenses, including licenses issued under RCW 66.24.520, or for export; and

(c) Serve samples of spirits for free or for a charge, and sell servings of spirits, vermouth, and sparkling wine to customers for on-premises consumption, at the premises of the distillery indoors, outdoors, or in any combination thereof, and at the distillery's off-site tasting rooms in accordance with this chapter, subject to the following conditions:

(i) A distillery may provide to customers, for free or for a charge, for onpremises consumption, spirits samples that are ((one-half)) <u>.5</u> ounce or less per sample of spirits, and that may be adulterated with water, ice, other alcohol entitled to be served or sold on the licensed premises under this section, or nonalcoholic mixers;

(ii) A distillery may sell, for on-premises consumption, servings of spirits of the distillery's own production or spirits produced by another distillery or craft distillery licensed in this state, which must be adulterated with water, ice, other alcohol entitled to be sold or served on the licensed premises, or nonalcoholic mixers if the revenue derived from the sale of spirits for on-premises consumption under this subsection (2)(c)(ii) does not comprise more than ((thirty)) <u>30</u> percent of the overall gross revenue earned in the tasting room during the calendar year. Any distiller who sells adulterated products under this

subsection, must file an annual report with the board that summarizes the distiller's revenue sources; and

(iii) A distillery may sell, for on-premises consumption, servings of vermouth or sparkling wine products produced by a licensee in this state.

(3)(a) If a distillery provides or sells spirits or other alcohol products authorized to be sold or provided to customers for on-premises or off-premises consumption that are produced by another distillery, craft distillery, or licensee in this state, then at any one time no more than ((twenty-five)) 25 percent of the alcohol stock-keeping units offered or sold by the distillery at its distillery premises and at any off-site tasting rooms licensed under RCW 66.24.146 may be vermouth, sparkling wine, or spirits made by another distillery, craft distillery, or licensee in this state. If a distillery sells fewer than ((twenty)) 20 alcohol stock-keeping units of vermouth, sparkling wine, or spirits produced by another distillery, craft distillery, or licensee in this state.

(b) A person is limited to receiving or purchasing, for on-premises consumption, no more than two ounces total of spirits that are unadulterated. Any additional spirits purchased for on-premises consumption must be adulterated as authorized in this section.

(c)(i) No person under (($\frac{1}{1}$ wenty one)) <u>21</u> years of age may be on the premises of a distillery tasting room, including an off-site tasting room licensed under RCW 66.24.146, unless they are accompanied by their parent or legal guardian.

(ii) Every distillery tasting room, including the off-site tasting rooms licensed under RCW 66.24.146, where alcohol is sampled, sold, or served, must include a designated area where persons under ((twenty-one)) 21 years of age are allowed to enter. Such location may be in a separate room or a designated area within the tasting room separated from the remainder of the tasting room space as authorized by the board.

(iii) Except for (c)(iv) of this subsection, or an event where a private party has secured a private banquet permit, no person under (($\frac{1}{1}$ wears)) <u>21</u> years of age may be on the distillery premises, or the off-site tasting rooms licensed under RCW 66.24.146, past 9:00 p.m.

(iv) Notwithstanding the limitations of (c)(iii) of this subsection, persons under ((twenty one)) $\underline{21}$ years of age who are children of owners, operators, or managers of a distillery or an off-site tasting room licensed under RCW 66.24.146, may be in any area of a distillery, tasting room, or an off-site tasting room licensed under RCW 66.24.146, provided they must be under the direct supervision of their parent or legal guardian while on the premises.

(d) Any person serving or selling spirits or other alcohol authorized to be served or sold by a distillery must obtain a class 12 alcohol server permit.

(e) A distillery may sell nonalcoholic products at retail.

Sec. 7. RCW 66.24.146 and 2021 c 6 s 2 are each amended to read as follows:

(1) There is a tasting room license available to distillery and craft distillery licensees. A tasting room license authorizes the operation of an off-site tasting room, in addition to a tasting room attached to the distillery's or craft distillery's production facility, at which the licensee may sample, serve, and sell spirits and alcohol products authorized to be sampled, served, and sold under RCW 66.24.140 and 66.24.145, for on-premises and off-premises consumption, subject to the same limitations as provided in RCW 66.24.140 and 66.24.145.

(2)(((a))) A distillery or craft distillery licensed production facility is eligible for no more than two off-site tasting room licenses located in this state, which may be indoors, or outdoors or a combination thereof, and which shall be administratively tied to a licensed production facility. A separate license is required for the operation of each off-site tasting room. The fee for each off-site tasting room license is ((two thousand dollars)) \$2,100 per annum. No additional license is required for a distillery or craft distillery to sample, serve, and sell spirits and alcohol to customers in a tasting room on the distillery or craft distillery premises as authorized under this section, RCW 66.24.1472, 66.24.140, 66.24.145, 66.28.040, 66.24.630, and 66.28.310. Off-site tasting rooms may have a section identified and segregated as federally bonded spaces for the storage of bulk or packaged spirits. Product of the licensee's production may be bottled or packaged in the space.

(((b) The annual fee in (a) of this subsection is waived during the 12-month period beginning with the second calendar month after February 28, 2021, for:

(i) Licenses that expire during the 12-month waiver period under this subsection (2)(b); and

(ii) Licenses issued to persons previously licensed under this section at any time during the 12-month period prior to the 12-month waiver period under this subsection (2)(b).

(c) The waiver in (b) of this subsection does not apply to any licensee that:

(i) Had their license suspended by the board for health and safety violations of state COVID-19 guidelines; or

(ii) Received an order of immediate restraint or citation from the department of labor and industries for allowing an employee to perform work where business activity was prohibited in violation of an emergency proclamation of the governor under RCW 43.06.220.

(d) Upon request of the department of revenue, the board and the department of labor and industries must both provide a list of persons that they have determined to be ineligible for a fee waiver under (b) of this subsection for the reasons described in (c) of this subsection. Unless otherwise agreed, any list must be received by the department of revenue no later than 15 calendar days after the request is made.))

Sec. 8. RCW 66.24.150 and 2019 c 156 s 1 are each amended to read as follows:

(1) There shall be a license to manufacturers of liquor, including all kinds of manufacturers except those licensed as distillers, domestic brewers, microbreweries, wineries, and domestic wineries, authorizing such licensees to manufacture, import, sell, and export liquor from the state; fee ((five hundred dollars)) <u>\$750</u> per annum.

(2) Manufacturers licensed under this section may contract with licensed liquor distillers, craft distillers, domestic brewers, microbreweries, wineries, and domestic wineries to provide packaging services that include, but are not limited to:

(a) Canning, bottling, and bagging of alcoholic beverages;

(b) Mixing products before packaging; and

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(3) Holders of a manufacturer's license:

businesses as part of a contract.

(a) May contract with other nonliquor licensed businesses if the contract does not include alcohol products;

(b) May not contract directly or indirectly with any retail liquor licensee for the sale of alcohol products, unless they are medicinal, culinary, or toilet preparations not usable as beverages, as described in RCW 66.12.070;

(c) May not engage in direct liquor sales to retail liquor licensees, except for the sale of alcohol products described in RCW 66.12.070; and

(d) May not mix or infuse THC, CBD, or any other cannabinoid into any products containing alcohol.

Sec. 9. RCW 66.24.160 and 2012 c 2 s 207 are each amended to read as follows:

A spirits importer's license may be issued to any qualified person, firm or corporation, entitling the holder thereof to import into the state any liquor other than beer or wine; to store the same within the state, and to sell and export the same from the state; fee ((six hundred dollars)) \$2,100 per annum. Such spirits importer's license is subject to all conditions and restrictions imposed by this title or by the rules and regulations of the board, and is issued only upon such terms and conditions as may be imposed by the board.

Sec. 10. RCW 66.24.165 and 2020 c 210 s 1 are each amended to read as follows:

(1) There is a retail license to be designated as the local wine industry association license to be issued to a nonprofit society or organization specifically created with the express purpose of encouraging consumer education of and promoting the economic development for a designated area of the Washington state wine industry.

(2) The local wine industry association licensee may purchase or receive donations of wine from domestic winery licensees and certificate of approval holders and use such wine for promotional or marketing purposes. Events or marketing programs conducted by the local wine industry association licensee may be held on domestic winery premises, including the premises of additional locations authorized under RCW 66.24.170(4), as long as the domestic winery and the local wine industry association licensee each separately account for the sales of its wine. Domestic wineries and additional locations authorized under RCW 66.24.170(4) are not subject to the restrictions of RCW 66.28.305, but only while participating in an event or marketing program conducted by the holder of this license.

(3) The holder of the local wine industry association license must notify the board of any event or marketing program conducted under the license at least ((forty-five)) 45 days before the event or start of the marketing program.

(4) The annual fee for the local wine industry association license is ((seven hundred dollars)) <u>\$700</u> per calendar year.

(5) Nothing in this section prohibits the holder of the local wine industry association license access to the special occasion license under RCW 66.24.380 or special permits under RCW 66.20.010.

(6) Wine furnished to a nonprofit society under this section is subject to the taxes imposed under RCW 66.24.210.

(7) A licensee under this section may conduct no more than ((twelve)) <u>12</u> events per year.

(8) All licensees participating in an event or marketing program conducted under a license issued under this section are jointly responsible for any violation or enforcement issues arising out of the event or marketing program unless it can be demonstrated that the violation or enforcement issue was due to one or more licensee's specific conduct or action, in which case the violation or enforcement issue applies only to those identified licensees.

Sec. 11. RCW 66.24.170 and 2021 c 6 s 3 are each amended to read as follows:

(1)(((a))) There is a license for domestic wineries; fee to be computed only on the liters manufactured: Less than ((two hundred fifty thousand)) 250,000 liters per year, ((one hundred dollars)) \$150 per year; and ((two hundred fifty thousand)) 250,000 liters or more per year, ((four hundred dollars)) \$600 per year.

(((b) The annual fees in (a) of this subsection are waived during the 12month period beginning with the second calendar month after February 28, 2021, for:

(i) Licenses that expire during the 12-month waiver period under this subsection (1)(b); and

(ii) Licenses issued to persons previously licensed under this section at any time during the 12-month period prior to the 12-month waiver period under this subsection (1)(b).

(c) The waivers in (b) of this subsection do not apply to any licensee that:

(i) Had their license suspended by the board for health and safety violations of state COVID-19 guidelines; or

(ii) Received an order of immediate restraint or citation from the department of labor and industries for allowing an employee to perform work where business activity was prohibited in violation of an emergency proclamation of the governor under RCW 43.06.220.

(d) Upon request of the department of revenue, the board and the department of labor and industries must both provide a list of persons that they have determined to be ineligible for a fee waiver under (b) of this subsection for the reasons described in (c) of this subsection. Unless otherwise agreed, any list must be received by the department of revenue no later than 15 calendar days after the request is made.))

(2) The license allows for the manufacture of wine in Washington state from grapes or other agricultural products.

(3) Any domestic winery licensed under this section may also act as a retailer of wine of its own production. Any domestic winery licensed under this section may act as a distributor of its own production. Notwithstanding any language in this title to the contrary, a domestic winery may use a common carrier to deliver up to ((one hundred)) 100 cases of its own production, in the aggregate, per month to licensed Washington retailers. A domestic winery may not arrange for any such common carrier shipments to licensed retailers of wine not of its own production. Except as provided in this section, any winery operating as a distributor and/or retailer under this subsection must comply with

the applicable laws and rules relating to distributors and/or retailers, except that a winery operating as a distributor may maintain a warehouse off the premises of the winery for the distribution of wine of its own production provided that: (a) The warehouse has been approved by the board under RCW 66.24.010; and (b) the number of warehouses off the premises of the winery does not exceed one.

(4)(a) A domestic winery licensed under this section, at locations separate from any of its production or manufacturing sites, may serve samples of its own products, with or without charge, may sell wine of its own production at retail, and may sell for off-premises consumption wines of its own production in kegs or sanitary containers meeting the applicable requirements of federal law brought to the premises by the purchaser or furnished by the licensee and filled at the tap at the time of sale, provided that: (i) Each additional location has been approved by the board under RCW 66.24.010; (ii) the total number of additional locations does not exceed four; (iii) a winery may not act as a distributor at any such additional location; and (iv) any person selling or serving wine at an additional location for on-premises consumption must obtain a class 12 or class 13 alcohol server permit. Each additional location is deemed to be part of the winery license for the purpose of this title. At additional locations operated by multiple wineries under this section, if the board cannot connect a violation of RCW 66.44.200 or 66.44.270 to a single licensee, the board may hold all licensees operating the additional location jointly liable. Nothing in this subsection may be construed to prevent a domestic winery from holding multiple domestic winery licenses.

(b) A customer of a domestic winery may remove from the premises of the domestic winery or from a tasting room location approved under (a) of this subsection, recorked or recapped in its original container, any portion of wine purchased for on-premises consumption.

(5)(a) A domestic winery licensed under this section may apply to the board for an endorsement to sell wine of its own production at retail for off-premises consumption at a qualifying farmers market. The annual fee for this endorsement is ((seventy five dollars)) \$112.50. An endorsement issued pursuant to this subsection does not count toward the four additional retail locations limit specified in this section.

(b) For each month during which a domestic winery will sell wine at a qualifying farmers market, the winery must provide the board or its designee a list of the dates, times, and locations at which bottled wine may be offered for sale. This list must be received by the board before the winery may offer wine for sale at a qualifying farmers market.

(c) The wine sold at qualifying farmers markets must be made entirely from grapes grown in a recognized Washington appellation or from other agricultural products grown in this state.

(d) Each approved location in a qualifying farmers market is deemed to be part of the winery license for the purpose of this title. The approved locations under an endorsement granted under this subsection include tasting or sampling privileges subject to the conditions pursuant to RCW 66.24.175. The winery may not store wine at a farmers market beyond the hours that the winery offers bottled wine for sale. The winery may not act as a distributor from a farmers market location.

(e) Before a winery may sell bottled wine at a qualifying farmers market, the farmers market must apply to the board for authorization for any winery with an endorsement approved under this subsection to sell bottled wine at retail at the farmers market. This application shall include, at a minimum: (i) A map of the farmers market showing all booths, stalls, or other designated locations at which an approved winery may sell bottled wine; and (ii) the name and contact information for the on-site market managers who may be contacted by the board or its designee to verify the locations at which bottled wine may be sold. Before authorizing a qualifying farmers market to allow an approved winery to sell bottled wine at retail at its farmers market location, the board must notify the persons or entities of such application for authorization pursuant to RCW 66.24.010 (8) and (9). An authorization granted under this subsection (5)(e) may be withdrawn by the board for any violation of this title or any rules adopted under this title.

(f) The board may adopt rules establishing the application and approval process under this section and such additional rules as may be necessary to implement this section.

(g) For the purposes of this subsection:

(i) "Qualifying farmers market" means an entity that sponsors a regular assembly of vendors at a defined location for the purpose of promoting the sale of agricultural products grown or produced in this state directly to the consumer under conditions that meet the following minimum requirements:

(A) There are at least five participating vendors who are farmers selling their own agricultural products;

(B) The total combined gross annual sales of vendors who are farmers exceeds the total combined gross annual sales of vendors who are processors or resellers. However, if a farmers market does not satisfy this subsection (5)(g)(i)(B), a farmers market is still considered a "qualifying farmers market" if the total combined gross annual sales of farmers and processors at the farmers market is ((one million dollars)) \$1,000,000 or more;

(C) The total combined gross annual sales of vendors who are farmers, processors, or resellers exceeds the total combined gross annual sales of vendors who are not farmers, processors, or resellers;

(D) The sale of imported items and secondhand items by any vendor is prohibited; and

(E) No vendor is a franchisee.

(ii) "Farmer" means a natural person who sells, with or without processing, agricultural products that he or she raises on land he or she owns or leases in this state or in another state's county that borders this state.

(iii) "Processor" means a natural person who sells processed food that he or she has personally prepared on land he or she owns or leases in this state or in another state's county that borders this state.

(iv) "Reseller" means a natural person who buys agricultural products from a farmer and resells the products directly to the consumer.

(6) Wine produced in Washington state by a domestic winery licensee may be shipped out-of-state for the purpose of making it into sparkling wine and then returned to such licensee for resale. Such wine is deemed wine manufactured in the state of Washington for the purposes of RCW 66.24.206, and shall not require a special license. (7) During an event held by a nonprofit holding a special occasion license issued under RCW 66.24.380, a domestic winery licensed under this section may take orders, either in writing or electronically, and accept payment for wines of its own production under the following conditions:

(a) Wine produced by the domestic winery may be served for on-premises consumption by the special occasion licensee;

(b) The domestic winery delivers wine to the consumer on a date after the conclusion of the special occasion event;

(c) The domestic winery delivers wine to the consumer at a location different from the location at which the special occasion event is held;

(d) The domestic winery complies with all requirements in chapter 66.20 RCW for direct sale of wine to consumers;

(e) The wine is not sold for resale; and

(f) The domestic winery is entitled to all proceeds from the sale and delivery of its wine to a consumer after the conclusion of the special occasion event, but may enter into an agreement to share a portion of the proceeds of these sales with the special occasion licensee licensed under RCW 66.24.380.

Sec. 12. RCW 66.24.179 and 2016 c 190 s 1 are each amended to read as follows:

(1) There is a wine retailer reseller endorsement to a beer and/or wine specialty shop license issued under RCW 66.24.371, to sell wine at retail in original containers to retailers licensed to sell wine for consumption on the premises, for resale at their licensed premises according to the terms of the license. However, no single sale may exceed ((twenty-four)) 24 liters, unless the sale is made by a licensee that was a former state liquor store or contract liquor store at the location from which such sales are made. For the purposes of this title, a beer and/or wine specialty shop license is a retail license, and a sale by a beer and/or wine specialty shop license with a reseller endorsement is a retail sale only if not for resale. The annual fee for the wine retailer reseller endorsement is ((one hundred ten dollars)) 165 for each store.

(2) A beer and/or wine specialty shop licensee with a wine retailer reseller endorsement issued under this section may accept delivery of wine at its licensed premises or at one or more warehouse facilities registered with the board, which facilities may also warehouse and distribute nonliquor items, and from which it may deliver to its own licensed premises and, pursuant to sales permitted by this title, to other licensed premises, to other registered facilities, or to lawful purchasers outside the state. Facilities may be registered and utilized by associations, cooperatives, or comparable groups of beer and/or wine specialty shop licensees.

(3) A beer and/or wine specialty shop licensee, selling wine under the endorsement created in this section, may sell a maximum of ((five thousand)) 5,000 liters of wine per day for resale to retailers licensed to sell wine for consumption on the premises.

Sec. 13. RCW 66.24.185 and 2008 c 41 s 4 are each amended to read as follows:

(1) There shall be a license for bonded wine warehouses which shall authorize the storage and handling of bottled wine. Under this license a licensee may maintain a warehouse for the storage of wine off the premises of a winery.

(2) The board shall adopt similar qualifications for a bonded wine warehouse license as required for obtaining a domestic winery license as specified in RCW 66.24.010 and 66.24.170. A licensee must be a sole proprietor, a partnership, a limited liability company, or a corporation. One or more domestic wineries may operate as a partnership, corporation, business co-op, or agricultural co-op for the purposes of obtaining a bonded wine warehouse license.

(3) All bottled wine shipped to a bonded wine warehouse from a winery or another bonded wine warehouse shall remain under bond and no tax imposed under RCW 66.24.210 shall be due, unless the wine is removed from bond and shipped to a licensed Washington wine distributor. Wine may be removed from a bonded wine warehouse only for the purpose of being (a) exported from the state, (b) shipped to a licensed Washington wine distributor, (c) returned to a winery or bonded wine warehouse, or (([(d)])) (d) shipped to a consumer pursuant to RCW 66.20.360 through 66.20.390.

(4) Warehousing of wine by any person other than (a) a licensed domestic winery or a bonded wine warehouse licensed under the provisions of this section, (b) a licensed Washington wine distributor, (c) a licensed Washington wine importer, (d) a wine certificate of approval holder (W7), or (e) the ((liquor control)) board, is prohibited.

(5) A license applicant shall hold a federal permit for a bonded wine cellar and may be required to post a continuing wine tax bond of such an amount and in such a form as may be required by the board prior to the issuance of a bonded wine warehouse license. The fee for this license shall be ((one hundred dollars)) <u>\$150</u> per annum.

(6) The board shall adopt rules requiring a bonded wine warehouse to be physically secure, zoned for the intended use and physically separated from any other use.

(7) Every licensee shall submit to the board a monthly report of movement of bottled wines to and from a bonded wine warehouse in a form prescribed by the board. The board may adopt other necessary procedures by which bonded wine warehouses are licensed and regulated.

(8) Handling of bottled wine, as provided for in this section, includes packaging and repackaging services; bottle labeling services; creating baskets or variety packs that may or may not include nonwine products; and picking, packing, and shipping wine orders direct to consumer. A winery contracting with a bonded wine warehouse for handling bottled wine must comply with all applicable state and federal laws and shall be responsible for financial transactions in direct to consumer shipping activities.

Sec. 14. RCW 66.24.200 and 2023 c 257 s 2 are each amended to read as follows:

There shall be a license for wine distributors to sell wine, purchased from licensed Washington wineries, wine certificate of approval holders, licensed wine importers, or suppliers of foreign wine located outside of the United States, to licensed wine retailers, other wine distributors, and holders of annual special permits issued under RCW 66.20.010(18), and to export the same from the state; fee (((660))) <u>\$990</u> per year for each distributing unit.

Sec. 15. RCW 66.24.203 and 2004 c 160 s 3 are each amended to read as follows:

There shall be a license for wine importers that authorizes the licensee to import wine purchased from certificate of approval holders into the state of Washington. The licensee may also import, from suppliers located outside of the United States, wine manufactured outside the United States.

(1) Wine so imported may be sold to licensed wine distributors or exported from the state.

(2) Every person, firm, or corporation licensed as a wine importer shall establish and maintain a principal office within the state at which shall be kept proper records of all wine imported into the state under this license.

(3) No wine importer's license shall be granted to a nonresident of the state nor to a corporation whose principal place of business is outside the state until such applicant has established a principal office and agent within the state upon which service can be made.

(4) As a requirement for license approval, a wine importer shall enter into a written agreement with the board to furnish on or before the ((twentieth)) 20th day of each month, a report under oath, detailing the quantity of wine sold or delivered to each licensed wine distributor. Failure to file such reports may result in the suspension or cancellation of this license.

(5) Wine imported under this license must conform to the provisions of RCW 66.28.110 and have received label approval from the board. The board shall not certify wines labeled with names that may be confused with other nonalcoholic beverages whether manufactured or produced from a domestic winery or imported nor wines that fail to meet quality standards established by the board.

(6) The license fee shall be ((one hundred sixty dollars)) $\underline{\$240}$ per year.

Sec. 16. RCW 66.24.240 and 2021 c 6 s 4 are each amended to read as follows:

(1)(($\frac{(a)}{(a)}$)) There shall be a license for domestic breweries; fee to be (($\frac{a}{a}$)) thousand dollars)) $\frac{22,100}{(a}$ for production of (($\frac{a}{a}$)) $\frac{60,000}{(a}$ barrels or more of malt liquor per year.

(((b) The annual fee in (a) of this subsection is waived during the 12-month period beginning with the second calendar month after February 28, 2021, for:

(i) Licenses that expire during the 12-month waiver period under this subsection (1)(b); and

(ii) Licenses issued to persons previously licensed under this section at any time during the 12-month period prior to the 12-month waiver period under this subsection (1)(b).

(c) The waiver in (b) of this subsection does not apply to any licensee that:

(i) Had their license suspended by the board for health and safety violations of state COVID-19 guidelines; or

(ii) Received an order of immediate restraint or citation from the department of labor and industries for allowing an employee to perform work where business activity was prohibited in violation of an emergency proclamation of the governor under RCW 43.06.220.

(d) Upon request of the department of revenue, the board and the department of labor and industries must both provide a list of persons that they have determined to be ineligible for a fee waiver under (b) of this subsection for

the reasons described in (c) of this subsection. Unless otherwise agreed, any list must be received by the department of revenue no later than 15 calendar days after the request is made.))

(2) Any domestic brewery, except for a brand owner of malt beverages under RCW 66.04.010(7), licensed under this section may also act as a distributor and/or retailer for beer of its own production. Any domestic brewery operating as a distributor and/or retailer under this subsection shall comply with the applicable laws and rules relating to distributors and/or retailers. A domestic brewery holding a spirits, beer, and wine restaurant license may sell beer of its own production for off-premises consumption from its restaurant premises in kegs or in a sanitary container brought to the premises by the purchaser or furnished by the licensee and filled at the tap by the licensee at the time of sale.

(3) Any domestic brewery licensed under this section may also sell beer produced by another domestic brewery or a microbrewery for on and offpremises consumption from its premises as long as the other breweries' brands do not exceed ((twenty-five)) <u>25</u> percent of the domestic brewery's on-tap offering of its own brands.

(4) A domestic brewery may hold up to four retail licenses to operate an on or off-premises tavern, beer and/or wine restaurant, spirits, beer, and wine restaurant, or any combination thereof. This retail license is separate from the brewery license. A brewery that holds a tavern license, a spirits, beer, and wine restaurant license, or a beer and/or wine restaurant license shall hold the same privileges and endorsements as permitted under RCW 66.24.320, 66.24.330, and 66.24.420.

(5) Any domestic brewery licensed under this section may contract-produce beer for a brand owner of malt beverages defined under RCW 66.04.010(7), and this contract-production is not a sale for the purposes of RCW 66.28.170 and 66.28.180.

(6)(a) A domestic brewery licensed under this section and qualified for a reduced rate of taxation pursuant to RCW 66.24.290(3)(b) may apply to the board for an endorsement to sell bottled beer of its own production at retail for off-premises consumption at a qualifying farmers market. The annual fee for this endorsement is ((seventy-five dollars)) 112.50.

(b) For each month during which a domestic brewery will sell beer at a qualifying farmers market, the domestic brewery must provide the board or its designee a list of the dates, times, and locations at which bottled beer may be offered for sale. This list must be received by the board before the domestic brewery may offer beer for sale at a qualifying farmers market.

(c) The beer sold at qualifying farmers markets must be produced in Washington.

(d) Each approved location in a qualifying farmers market is deemed to be part of the domestic brewery license for the purpose of this title. The approved locations under an endorsement granted under this subsection do not include the tasting or sampling privilege of a domestic brewery. The domestic brewery may not store beer at a farmers market beyond the hours that the domestic brewery offers bottled beer for sale. The domestic brewery may not act as a distributor from a farmers market location.

(e) Before a domestic brewery may sell bottled beer at a qualifying farmers market, the farmers market must apply to the board for authorization for any

domestic brewery with an endorsement approved under this subsection to sell bottled beer at retail at the farmers market. This application shall include, at a minimum: (i) A map of the farmers market showing all booths, stalls, or other designated locations at which an approved domestic brewery may sell bottled beer; and (ii) the name and contact information for the on-site market managers who may be contacted by the board or its designee to verify the locations at which bottled beer may be sold. Before authorizing a qualifying farmers market to allow an approved domestic brewery to sell bottled beer at retail at its farmers market location, the board shall notify the persons or entities of such application for authorization pursuant to RCW 66.24.010 (8) and (9). An authorization granted under this subsection (6)(e) may be withdrawn by the board for any violation of this title or any rules adopted under this title.

(f) The board may adopt rules establishing the application and approval process under this section and such additional rules as may be necessary to implement this section.

(g) For the purposes of this subsection:

(i) "Qualifying farmers market" means an entity that sponsors a regular assembly of vendors at a defined location for the purpose of promoting the sale of agricultural products grown or produced in this state directly to the consumer under conditions that meet the following minimum requirements:

(A) There are at least five participating vendors who are farmers selling their own agricultural products;

(B) The total combined gross annual sales of vendors who are farmers exceeds the total combined gross annual sales of vendors who are processors or resellers;

(C) The total combined gross annual sales of vendors who are farmers, processors, or resellers exceeds the total combined gross annual sales of vendors who are not farmers, processors, or resellers;

(D) The sale of imported items and secondhand items by any vendor is prohibited; and

(E) No vendor is a franchisee.

(ii) "Farmer" means a natural person who sells, with or without processing, agricultural products that he or she raises on land he or she owns or leases in this state or in another state's county that borders this state.

(iii) "Processor" means a natural person who sells processed food that he or she has personally prepared on land he or she owns or leases in this state or in another state's county that borders this state.

(iv) "Reseller" means a natural person who buys agricultural products from a farmer and resells the products directly to the consumer.

(7) The state board of health shall adopt rules to allow dogs on the premises of licensed domestic breweries that do not provide food service subject to a food service permit requirement.

Sec. 17. RCW 66.24.244 and 2021 c 6 s 5 are each amended to read as follows:

(1)(($\frac{(a)}{(a)}$)) There shall be a license for microbreweries; fee to be ((one hundred dollars)) <u>\$150</u> for production of less than (($\frac{(x, x, y, y)}{(x, y, y)}$)) <u>60,000</u> barrels of malt liquor, including strong beer, per year.

(((b) The annual fee in (a) of this subsection is waived during the 12-month period beginning with the second calendar month after February 28, 2021, for:

(i) Licenses that expire during the 12-month waiver period under this subsection (1)(b); and

(ii) Licenses issued to persons previously licensed under this section at any time during the 12-month period prior to the 12-month waiver period under this subsection (1)(b).

(c) The waiver in (b) of this subsection does not apply to any licensee that:

(i) Had their license suspended by the board for health and safety violations of state COVID-19 guidelines; or

(ii) Received an order of immediate restraint or eitation from the department of labor and industries for allowing an employee to perform work where business activity was prohibited in violation of an emergency proclamation of the governor under RCW 43.06.220.

(d) Upon request of the department of revenue, the board and the department of labor and industries must both provide a list of persons that they have determined to be ineligible for a fee waiver under (b) of this subsection for the reasons described in (c) of this subsection. Unless otherwise agreed, any list must be received by the department of revenue no later than 15 calendar days after the request is made.))

(2)(a) Any microbrewery licensed under this section may also act as a distributor and/or retailer for beer and strong beer of its own production.

(b) Any microbrewery operating as a distributor and/or retailer under this subsection must comply with the applicable laws and rules relating to distributors and/or retailers, except that a microbrewery operating as a distributor may maintain a warehouse off the premises of the microbrewery for the distribution of beer provided that:

(i) The warehouse has been approved by the board under RCW 66.24.010; and

(ii) The number of warehouses off the premises of the microbrewery does not exceed one.

(c) A microbrewery holding a spirits, beer, and wine restaurant license may sell beer of its own production for off-premises consumption from its restaurant premises in kegs or in a sanitary container brought to the premises by the purchaser or furnished by the licensee and filled at the tap by the licensee at the time of sale.

(3) Any microbrewery licensed under this section may also sell from its premises for on-premises and off-premises consumption:

(a) Beer produced by another microbrewery or a domestic brewery as long as the other breweries' brands do not exceed ((twenty-five)) <u>25</u> percent of the microbrewery's on-tap offerings; or

(b) Cider produced by a domestic winery.

(4) The board may issue up to four retail licenses allowing a microbrewery to operate an on or off-premises tavern, beer and/or wine restaurant, spirits, beer, and wine restaurant, or any combination thereof.

(5) A microbrewery that holds a tavern license, spirits, beer, and wine restaurant license, or a beer and/or wine restaurant license holds the same privileges and endorsements as permitted under RCW 66.24.320, 66.24.330, and 66.24.420.

(6)(a) A microbrewery licensed under this section may apply to the board for an endorsement to sell bottled beer of its own production at retail for offpremises consumption at a qualifying farmers market. The annual fee for this endorsement is ((seventy-five dollars)) <u>\$112.50</u>. However, strong beer may not be sold at a farmers market or under any endorsement which may authorize microbreweries to sell beer at farmers markets.

(b) For each month during which a microbrewery will sell beer at a qualifying farmers market, the microbrewery must provide the board or its designee a list of the dates, times, and locations at which bottled beer may be offered for sale. This list must be received by the board before the microbrewery may offer beer for sale at a qualifying farmers market.

(c) Any person selling or serving beer must obtain a class 12 or class 13 alcohol server permit.

(d) The beer sold at qualifying farmers markets must be produced in Washington.

(e) Each approved location in a qualifying farmers market is deemed to be part of the microbrewery license for the purpose of this title. The approved locations under an endorsement granted under this subsection (6) include tasting or sampling privileges subject to the conditions pursuant to RCW 66.24.175. The microbrewery may not store beer at a farmers market beyond the hours that the microbrewery offers bottled beer for sale. The microbrewery may not act as a distributor from a farmers market location.

(f) Before a microbrewery may sell bottled beer at a qualifying farmers market, the farmers market must apply to the board for authorization for any microbrewery with an endorsement approved under this subsection (6) to sell bottled beer at retail at the farmers market. This application must include, at a minimum: (i) A map of the farmers market showing all booths, stalls, or other designated locations at which an approved microbrewery may sell bottled beer; and (ii) the name and contact information for the on-site market managers who may be contacted by the board or its designee to verify the locations at which bottled beer may be sold. Before authorizing a qualifying farmers market to allow an approved microbrewery to sell bottled beer at retail at its farmers market location, the board must notify the persons or entities of the application for authorization pursuant to RCW 66.24.010 (8) and (9). An authorization granted under this subsection (6)(f) may be withdrawn by the board for any violation of this title or any rules adopted under this title.

(g) The board may adopt rules establishing the application and approval process under this section and any additional rules necessary to implement this section.

(h) For the purposes of this subsection (6):

(i) "Qualifying farmers market" has the same meaning as defined in RCW 66.24.170.

(ii) "Farmer" means a natural person who sells, with or without processing, agricultural products that he or she raises on land he or she owns or leases in this state or in another state's county that borders this state.

(iii) "Processor" means a natural person who sells processed food that he or she has personally prepared on land he or she owns or leases in this state or in another state's county that borders this state.

(iv) "Reseller" means a natural person who buys agricultural products from a farmer and resells the products directly to the consumer.

(7) Any microbrewery licensed under this section may contract-produce beer for another microbrewer. This contract-production is not a sale for the purposes of RCW 66.28.170 and 66.28.180.

(8) The state board of health shall adopt rules to allow dogs on the premises of licensed microbreweries that do not provide food service subject to a food service permit requirement.

Sec. 18. RCW 66.24.246 and 2020 c 186 s 1 are each amended to read as follows:

(1) There is an on-premises endorsement available to any:

(a) Licensed domestic winery to sell beer, produced in Washington, by the single serving for on-premises consumption; and

(b) Licensed domestic brewery or microbrewery to sell wine, produced in Washington, by the single serving for on-premises consumption.

(2) The holder of the endorsement is limited to three offerings of beer for a domestic winery and three offerings of wine for a domestic brewery or microbrewery.

(3) The annual fee for the endorsement is $((\text{two hundred dollars})) \underline{\$300}$ for each retail location.

Sec. 19. RCW 66.24.248 and 2022 c 64 s 1 are each amended to read as follows:

(1) There is an endorsement available to any liquor manufacturer licensed in this state under RCW 66.24.140, 66.24.145, 66.24.170, 66.24.240, or 66.24.244 whereby the licensee may contract with licensed liquor distillers, craft distillers, domestic brewers, microbreweries, wineries, and domestic wineries licensed in this state to provide packaging services that include, but are not limited to:

(a) Canning, bottling, and bagging of alcoholic beverages;

(b) Mixing products before packaging;

(c) Repacking of finished products into mixed consumer packs or multipacks; and

(d) Receiving and returning products to the originating liquor licensed businesses as part of a contract in which the contracting liquor licensed party for which the services are being provided retains title and ownership of the products at all times.

(2) Holders of the endorsement authorized under this section:

(a) May contract with other nonliquor licensed businesses if the contract does not include alcohol products;

(b) May not contract directly or indirectly with any retail liquor licensee for the sale of the alcohol products being packaged under this section, unless they are medicinal, culinary, or toilet preparations not usable as beverages, as described in RCW 66.12.070;

(c) May not engage in direct liquor sales to retail liquor licensees on behalf of the contracted party or the contracted party's products, except for the sale of alcohol products described in RCW 66.12.070; and

(d) May not mix or infuse THC, CBD, or any other cannabinoid into any products containing alcohol.

(3) The board shall approve a written request for an endorsement under this section for any authorized licensee in good standing at the time of the request without further requirement for additional licensing or administrative review.

(4) The annual fee for this endorsement is ((\$100)) \$150.

Sec. 20. RCW 66.24.250 and 2004 c 160 s 6 are each amended to read as follows:

There shall be a license for beer distributors to sell beer and strong beer, purchased from licensed Washington breweries, beer certificate of approval holders, licensed beer importers, or suppliers of foreign beer located outside of the United States, to licensed beer retailers and other beer distributors and to export same from the state of Washington; fee ((six hundred sixty dollars)) <u>\$990</u> per year for each distributing unit.

Sec. 21. RCW 66.24.261 and 2004 c 160 s 7 are each amended to read as follows:

There shall be a license for beer importers that authorizes the licensee to import beer and strong beer purchased from beer certificate of approval holders into the state of Washington. The licensee may also import, from suppliers located outside of the United States, beer and strong beer manufactured outside the United States.

(1) Beer and strong beer so imported may be sold to licensed beer distributors or exported from the state.

(2) Every person, firm, or corporation licensed as a beer importer shall establish and maintain a principal office within the state at which shall be kept proper records of all beer and strong beer imported into the state under this license.

(3) No beer importer's license shall be granted to a nonresident of the state nor to a corporation whose principal place of business is outside the state until such applicant has established a principal office and agent within the state upon which service can be made.

(4) As a requirement for license approval, a beer importer shall enter into a written agreement with the board to furnish on or before the ((twentieth)) 20th day of each month, a report under oath, detailing the quantity of beer and strong beer sold or delivered to each licensed beer distributor. Failure to file such reports may result in the suspension or cancellation of this license.

(5) Beer and strong beer imported under this license must conform to the provisions of RCW 66.28.120 and have received label approval from the board. The board shall not certify beer or strong beer labeled with names which may be confused with other nonalcoholic beverages whether manufactured or produced from a domestic brewery or imported nor shall it certify beer or strong beer which fails to meet quality standards established by the board.

(6) The license fee shall be ((one hundred sixty dollars)) <u>\$240</u> per year.

Sec. 22. RCW 66.24.310 and 2012 c 2 s 111 are each amended to read as follows:

(1)(a) Except as provided in (b) of this subsection, no person may canvass for, solicit, receive, or take orders for the purchase or sale of liquor, nor contact any licensees of the board in goodwill activities, unless the person is the representative of a licensee or certificate holder authorized by this title to sell liquor for resale in the state and has applied for and received a representative's license.

(b) (a) of this subsection does not apply to: (i) Drivers who deliver spirits, beer, or wine; or (ii) domestic wineries or their employees.

(2) Every representative's license issued under this title is subject to all conditions and restrictions imposed by this title or by the rules and regulations of the board; the board, for the purpose of maintaining an orderly market, may limit the number of representative's licenses issued for representation of specific classes of eligible employers.

(3) Every application for a representative's license must be approved by a holder of a certificate of approval, a licensed beer distributor, a licensed domestic brewer, a licensed beer importer, a licensed microbrewer, a licensed domestic winery, a licensed wine importer, a licensed wine distributor, or by a distiller, manufacturer, importer, or distributor of spirits, or of foreign-produced beer or wine, as required by the rules and regulations of the board.

(4) The fee for a representative's license is $((\text{twenty-five dollars})) \frac{50}{2}$ per year.

Sec. 23. RCW 66.24.320 and 2021 c 6 s 6 are each amended to read as follows:

There shall be a beer and/or wine restaurant license to sell beer, including strong beer, or wine, or both, at retail, for consumption on the premises. A patron of the licensee may remove from the premises, recorked or recapped in its original container, any portion of wine or sake that was purchased for consumption with a meal.

(1)(($\frac{(a)}{(a)}$)) The annual fee shall be ((two hundred dollars)) <u>\$300</u> for the beer license, ((two hundred dollars)) <u>\$300</u> for the wine license, or ((four hundred dollars)) <u>\$600</u> for a combination beer and wine license.

(((b) The annual fees in (a) of this subsection are waived during the 12month period beginning with the second calendar month after February 28, 2021, for:

(i) Licenses that expire during the 12-month waiver period under this subsection (1)(b); and

(ii) Licenses issued to persons previously licensed under this section at any time during the 12-month period prior to the 12-month waiver period under this subsection (1)(b).

(c) The waivers in (b) of this subsection do not apply to any licensee that:

(i) Had their license suspended by the board for health and safety violations of state COVID 19 guidelines; or

(ii) Received an order of immediate restraint or citation from the department of labor and industries for allowing an employee to perform work where business activity was prohibited in violation of an emergency proclamation of the governor under RCW 43.06.220.

(d) Upon request of the department of revenue, the board and the department of labor and industries must both provide a list of persons that they have determined to be ineligible for a fee waiver under (b) of this subsection for the reasons described in (c) of this subsection. Unless otherwise agreed, any list must be received by the department of revenue no later than 15 calendar days after the request is made.))

(2)(a) The board may issue a caterer's endorsement to this license to allow the licensee to remove from the liquor stocks at the licensed premises, only those types of liquor that are authorized under the on-premises license privileges for sale and service at event locations at a specified date and, except as provided in subsection (3) of this section, place not currently licensed by the board. If the event is open to the public, it must be sponsored by a society or organization as defined by RCW 66.24.375. If attendance at the event is limited to members or invited guests of the sponsoring individual, society, or organization, the requirement that the sponsor must be a society or organization as defined by RCW 66.24.375 is waived. Cost of the endorsement is ((three hundred fifty dollars)) §525.

(b) The holder of this license with a catering endorsement shall, if requested by the board, notify the board or its designee of the date, time, place, and location of any catered event. Upon request, the licensee shall provide to the board all necessary or requested information concerning the society or organization that will be holding the function at which the endorsed license will be utilized.

(c) The holder of this license with a caterer's endorsement may, under conditions established by the board, store liquor on the premises of another not licensed by the board so long as there is a written agreement between the licensee and the other party to provide for ongoing catering services, the agreement contains no exclusivity clauses regarding the alcoholic beverages to be served, and the agreement is filed with the board.

(d) The holder of this license with a caterer's endorsement may, under conditions established by the board, store liquor on other premises operated by the licensee so long as the other premises are owned or controlled by a leasehold interest by that licensee. A duplicate license may be issued for each additional premises. A license fee of ((twenty dollars)) <u>\$30</u> shall be required for such duplicate licenses.

(3) Licensees under this section that hold a caterer's endorsement are allowed to use this endorsement on a domestic winery premises or on the premises of a passenger vessel and may store liquor at such premises under conditions established by the board under the following conditions:

(a) Agreements between the domestic winery or the passenger vessel, as the case may be, and the retail licensee shall be in writing, contain no exclusivity clauses regarding the alcoholic beverages to be served, and be filed with the board; and

(b) The domestic winery or passenger vessel, as the case may be, and the retail licensee shall be separately contracted and compensated by the persons sponsoring the event for their respective services.

(4) The holder of this license or its manager may furnish beer or wine to the licensee's employees free of charge as may be required for use in connection with instruction on beer and wine. The instruction may include the history, nature, values, and characteristics of beer or wine, the use of wine lists, and the methods of presenting, serving, storing, and handling beer or wine. The beer and/or wine licensee must use the beer or wine it obtains under its license for the sampling as part of the instruction. The instruction must be given on the premises of the beer and/or wine licensee.

(5) If the license is issued to a person who contracts with the Washington state ferry system to provide food and alcohol service on a designated ferry route, the license shall cover any vessel assigned to the designated route. A separate license is required for each designated ferry route.

Sec. 24. RCW 66.24.330 and 2021 c 6 s 7 are each amended to read as follows:

(1) There is a beer and wine retailer's license to be designated as a tavern license to sell beer, including strong beer, or wine, or both, at retail, for consumption on the premises. Such licenses may be issued only to a person operating a tavern that may be frequented only by persons ((twenty-one)) 21 years of age and older.

(2)(((a))) The annual fee for the license is ((two hundred dollars)) \$300 for the beer license, ((two hundred dollars)) \$300 for the wine license, or ((four hundred dollars))) \$600 for a combination beer and wine license. ((Licensees who have a fee increase of more than one hundred dollars as a result of this ehange shall have their fees increased fifty percent of the amount the first renewal year and the remaining amount beginning with the second renewal period. New licensees obtaining a license after July 1, 1998, must pay the full amount of four hundred dollars.

(b) The annual fees in (a) of this subsection are waived during the 12 month period beginning with the second calendar month after February 28, 2021, for:

(i) Licenses that expire during the 12-month waiver period under this subsection (2)(b); and

(ii) Licenses issued to persons previously licensed under this section at any time during the 12-month period prior to the 12-month waiver period under this subsection (2)(b).

(c) The waivers in (b) of this subsection do not apply to any licensee that:

(i) Had their license suspended by the board for health and safety violations of state COVID-19 guidelines; or

(ii) Received an order of immediate restraint or citation from the department of labor and industries for allowing an employee to perform work where business activity was prohibited in violation of an emergency proclamation of the governor under RCW 43.06.220.

(d) Upon request of the department of revenue, the board and the department of labor and industries must both provide a list of persons that they have determined to be ineligible for a fee waiver under (b) of this subsection for the reasons described in (c) of this subsection. Unless otherwise agreed, any list must be received by the department of revenue no later than 15 calendar days after the request is made.))

(3)(a) The board may issue a caterer's endorsement to this license to allow the licensee to remove from the liquor stocks at the licensed premises, only those types of liquor that are authorized under the on-premises license privileges for sale and service at event locations at a specified date and, except as provided in subsection (4) of this section, place not currently licensed by the board. If the event is open to the public, it must be sponsored by a society or organization as defined by RCW 66.24.375. If attendance at the event is limited to members or invited guests of the sponsor must be a society or organization as defined by RCW 66.24.375 is waived. Cost of the endorsement is ((three hundred fifty dollars)) <u>\$525</u>.

(b) The holder of this license with a catering endorsement must, if requested by the board, notify the board or its designee of the date, time, place, and location of any catered event. Upon request, the licensee must provide to the board all necessary or requested information concerning the society or organization that will be holding the function at which the endorsed license will be utilized.

(c) The holder of this license with a caterer's endorsement may, under conditions established by the board, store liquor on the premises of another not licensed by the board so long as there is a written agreement between the licensee and the other party to provide for ongoing catering services, the agreement contains no exclusivity clauses regarding the alcoholic beverages to be served, and the agreement is filed with the board.

(d) The holder of this license with a caterer's endorsement may, under conditions established by the board, store liquor on other premises operated by the licensee so long as the other premises are owned or controlled by a leasehold interest by that licensee. A duplicate license may be issued for each additional premises. A license fee of ((twenty dollars)) <u>\$30</u> is required for such duplicate licenses.

(4) Licensees under this section that hold a caterer's endorsement are allowed to use this endorsement on a domestic winery premises and may store liquor at such premises under conditions established by the board under the following conditions:

(a) Agreements between the domestic winery and the retail licensee must be in writing, contain no exclusivity clauses regarding the alcoholic beverages to be served, and be filed with the board; and

(b) The domestic winery and the retail licensee may be separately contracted and compensated by the persons sponsoring the event for their respective services.

(5) The holder of this license or its manager may furnish beer or wine to the licensee's employees free of charge as may be required for use in connection with instruction on beer and wine. The instruction may include the history, nature, values, and characteristics of beer or wine, the use of wine lists, and the methods of presenting, serving, storing, and handling beer or wine. The tavern licensee must use the beer or wine it obtains under its license for the sampling as part of the instruction. The instruction must be given on the premises of the tavern licensee.

(6) Any person serving liquor at a catered event on behalf of a licensee with a caterer's endorsement under this section must be an employee of the licensee and must possess a class 12 alcohol server permit as required under RCW 66.20.310.

(7) The board may issue rules as necessary to implement the requirements of this section.

Sec. 25. RCW 66.24.350 and 2021 c 6 s 8 are each amended to read as follows:

(((1))) There shall be a beer retailer's license to be designated as a snack bar license to sell beer by the opened bottle or can at retail, for consumption upon the premises only, such license to be issued to places where the sale of beer is not the principal business conducted; fee ((one hundred twenty-five dollars)) <u>\$187.50</u> per year.

(((2)(a) The annual fee in subsection (1) of this section is waived during the 12-month period beginning with the second calendar month after February 28, 2021, for:

(i) Licenses that expire during the 12-month waiver period under this subsection (2)(a); and

(ii) Licenses issued to persons previously licensed under this section at any time during the 12-month period prior to the 12-month waiver period under this subsection (2)(a).

(b) The waiver in (a) of this subsection does not apply to any licensee that:

(i) Had their license suspended by the board for health and safety violations of state COVID-19 guidelines; or

(ii) Received an order of immediate restraint or eitation from the department of labor and industries for allowing an employee to perform work where business activity was prohibited in violation of an emergency proclamation of the governor under RCW 43.06.220.

(c) Upon request of the department of revenue, the board and the department of labor and industries must both provide a list of persons that they have determined to be ineligible for a fee waiver under (a) of this subsection for the reasons described in (b) of this subsection. Unless otherwise agreed, any list must be received by the department of revenue no later than 15 calendar days after the request is made.))

Sec. 26. RCW 66.24.354 and 1997 c 321 s 21 are each amended to read as follows:

There shall be a beer and wine retailer's license that may be combined only with the on-premises licenses described in either RCW 66.24.320 or 66.24.330. The combined license permits the sale of beer and wine for consumption off the premises.

(1) Beer and wine sold for consumption off the premises must be in original sealed packages of the manufacturer or bottler.

(2) Beer may be sold to a purchaser in a sanitary container brought to the premises by the purchaser and filled at the tap by the retailer at the time of sale.

(3) Licensees holding this type of license also may sell malt liquor in kegs or other containers that are capable of holding four gallons or more of liquid and are registered in accordance with RCW 66.28.200.

(4) The board may impose conditions upon the issuance of this license to best protect and preserve the health, safety, and welfare of the public.

(5) The annual fee for this license shall be ((one hundred twenty dollars)) <u>\$180</u>.

Sec. 27. RCW 66.24.360 and 2017 c 96 s 2 are each amended to read as follows:

(1) There is a grocery store license to sell wine and/or beer, including without limitation strong beer at retail in original containers, not to be consumed upon the premises where sold.

(2) There is a wine retailer reseller endorsement of a grocery store license, to sell wine at retail in original containers to retailers licensed to sell wine for consumption on the premises, for resale at their licensed premises according to the terms of the license. However, no single sale may exceed ((twenty-four)) 24 liters, unless the sale is made by a licensee that was a contract liquor store manager of a contract-operated liquor store at the location from which such sales are made. For the purposes of this title, a grocery store license is a retail license,

and a sale by a grocery store licensee with a reseller endorsement is a retail sale only if not for resale.

(3) Licensees obtaining a written endorsement from the board may also sell malt liquor in kegs or other containers capable of holding less than ((five and one-half)) 5.5 gallons of liquid.

(4) The annual fee for the grocery store license is ((one hundred fifty dollars)) <u>\$550</u> for each store.

(5) The annual fee for the wine retailer reseller endorsement is ((one hundred sixty-six dollars)) $\frac{$249}{10}$ for each store.

(6)(a) Upon approval by the board, a grocery store licensee with revenues derived from beer and/or wine sales exceeding ((fifty)) 50 percent of total revenues or that maintains an alcohol inventory of not less than ((fifteen thousand dollars)) 15,000 may also receive an endorsement to permit the sale of beer and cider, as defined in RCW 66.24.210(6), in a sanitary container brought to the premises by the purchaser, or provided by the licensee or manufacturer, and filled at the tap by the licensee at the time of sale by an employee of the licensee holding a class 12 alcohol server permit.

(b) Pursuant to RCW 74.08.580(1)(f), a person may not use an electronic benefit transfer card for the purchase of any product authorized for sale under this section.

(c) The board may, by rule, establish fees to be paid by licensees receiving the endorsement authorized under this subsection (6), as necessary to cover the costs of implementing and enforcing the provisions of this subsection (6).

(7) The board must issue a restricted grocery store license authorizing the licensee to sell beer and only table wine, if the board finds upon issuance or renewal of the license that the sale of strong beer or fortified wine would be against the public interest. In determining the public interest, the board must consider at least the following factors:

(a) The likelihood that the applicant will sell strong beer or fortified wine to persons who are intoxicated;

(b) Law enforcement problems in the vicinity of the applicant's establishment that may arise from persons purchasing strong beer or fortified wine at the establishment; and

(c) Whether the sale of strong beer or fortified wine would be detrimental to or inconsistent with a government-operated or funded alcohol treatment or detoxification program in the area.

If the board receives no evidence or objection that the sale of strong beer or fortified wine would be against the public interest, it must issue or renew the license without restriction, as applicable. The burden of establishing that the sale of strong beer or fortified wine by the licensee would be against the public interest is on those persons objecting.

(8) Licensees holding a grocery store license must maintain a minimum ((three thousand dollar)) <u>\$3,000</u> inventory of food products for human consumption, not including pop, beer, strong beer, or wine.

(9) A grocery store licensee with a wine retailer reseller endorsement may accept delivery of wine at its licensed premises or at one or more warehouse facilities registered with the board, which facilities may also warehouse and distribute nonliquor items, and from which it may deliver to its own licensed premises and, pursuant to sales permitted by this title, to other licensed premises,

to other registered facilities, or to lawful purchasers outside the state. Facilities may be registered and utilized by associations, cooperatives, or comparable groups of grocery store licensees.

(10) Upon approval by the board, the grocery store licensee may also receive an endorsement to permit the international export of beer, strong beer, and wine.

(a) Any beer, strong beer, or wine sold under this endorsement must have been purchased from a licensed beer or wine distributor licensed to do business within the state of Washington.

(b) Any beer, strong beer, and wine sold under this endorsement must be intended for consumption outside the state of Washington and the United States and appropriate records must be maintained by the licensee.

(c) Any beer, strong beer, or wine sold under this endorsement must be sold at a price no less than the acquisition price paid by the holder of the license.

(d) The annual cost of this endorsement is ((five hundred dollars)) \$750 and is in addition to the license fees paid by the license for a grocery store license.

(11) A grocery store licensee holding a snack bar license under RCW 66.24.350 may receive an endorsement to allow the sale of confections containing more than one percent but not more than ((ten)) <u>10</u> percent alcohol by weight to persons ((twenty one)) <u>21</u> years of age or older.

(12) The board may adopt rules to implement this section.

(13) Nothing in this section limits the authority of the board to regulate the sale of beer or cider or container sizes under rules adopted pursuant to RCW 66.08.030.

(14) Any endorsement issued pursuant to this section or RCW 66.24.363 may be issued to a qualified combination spirits, beer, and wine licensee in accordance with RCW 66.24.035(10).

(15)(a) A grocery store licensee that also holds a spirits retail license under RCW 66.24.630 may, upon board approval and pursuant to board rules, transition to a combination spirits, beer, and wine license pursuant to RCW 66.24.035.

(b) An applicant that would qualify for a grocery store license under this section and a spirits retail license under RCW 66.24.630 may apply for a single license pursuant to RCW 66.24.035 instead of applying for a grocery store license under this section in addition to a spirits retail license under (($\frac{1}{10}$)) RCW 66.24.630.

Sec. 28. RCW 66.24.363 and 2017 c 96 s 5 are each amended to read as follows:

(1) A grocery store licensed under RCW 66.24.360 may apply for an endorsement to offer beer and wine tasting under this section.

(2) To be issued an endorsement, a licensee must meet the following criteria:

(a) The licensee operates a fully enclosed retail area encompassing at least ((ten thousand)) <u>10,000</u> square feet of fully enclosed retail space within a single structure, including storerooms and other interior auxiliary areas but excluding covered or fenced exterior areas, whether or not attached to the structure, except that the board may issue an endorsement to a licensee with a retail area encompassing less than ((ten thousand)) <u>10,000</u> square feet if the board determines that no licensee in the community the licensee serves meets the

square footage requirement and the licensee meets operational requirements established by the board by rule; and

(b) The licensee has not had more than one public safety violation within the past two years.

(3) A tasting must be conducted under the following conditions:

(a) Each sample must be two ounces or less, up to a total of four ounces, per customer during any one visit to the premises;

(b) No more than one sample of the same product offering of beer or wine may be provided to a customer during any one visit to the premises;

(c) The licensee must have food available for the tasting participants;

(d) Customers must remain in the service area while consuming samples; and

(e) The service area and facilities must be located within the licensee's fully enclosed retail area and must be of a size and design such that the licensee can observe and control persons in the area to ensure that persons under ((twentyone)) <u>21</u> years of age and apparently intoxicated persons cannot possess or consume alcohol.

(4) Employees of licensees whose duties include serving during tasting activities under this section must hold a class 12 alcohol server permit.

(5) Tasting activities under this section are subject to RCW 66.28.305 and 66.28.040 and the cost of sampling may not be borne, directly or indirectly, by any liquor manufacturer, importer, or distributor.

(6) A licensee may advertise a tasting event only within the store, on a store website, in store newsletters and flyers, and via email and mail to customers who have requested notice of events. Advertising under this subsection may not be targeted to or appeal principally to youth.

(7)(a) If a licensee is found to have committed a public safety violation in conjunction with tasting activities, the board may suspend the licensee's tasting endorsement and not reissue the endorsement for up to two years from the date of the violation. If mitigating circumstances exist, the board may offer a monetary penalty in lieu of suspension during a settlement conference.

(b) The board may revoke an endorsement granted to a licensee that is located within the boundaries of an alcohol impact area recognized by resolution of the board if the board finds that the tasting activities by the licensee are having an adverse effect on the reduction of chronic public inebriation in the area.

(c) RCW 66.08.150 applies to the suspension or revocation of an endorsement.

(8) The board may establish additional requirements under this section to assure that persons under (($\frac{1}{1}$ years of age and apparently intoxicated persons cannot possess or consume alcohol.

(9) The annual fee for the endorsement is ((two hundred dollars)) <u>\$300</u>. The board shall review the fee annually and may increase the fee by rule to a level sufficient to defray the cost of administration and enforcement of the endorsement, except that the board may not increase the fee by more than ten percent annually.

(10) The board must adopt rules to implement this section.

(11) An endorsement issued pursuant to this section may be issued to a qualified combination spirits, beer, and wine licensee in accordance with RCW 66.24.035.

Sec. 29. RCW 66.24.371 and 2017 c 96 s 3 are each amended to read as follows:

(1) There shall be a beer and/or wine retailer's license to be designated as a beer and/or wine specialty shop license to sell beer, strong beer, and/or wine at retail in bottles, cans, and original containers, not to be consumed upon the premises where sold, at any store other than the state liquor stores. Licensees obtaining a written endorsement from the board may also sell malt liquor in kegs or other containers capable of holding four gallons or more of liquid. The annual fee for the beer and/or wine specialty shop license is ((one hundred dollars)) \$150 for each store. The sale of any container holding four gallons or more must comply with RCW 66.28.200 and 66.28.220.

(2) Licensees under this section may provide, free or for a charge, singleserving samples of two ounces or less to customers for the purpose of sales promotion. Sampling activities of licensees under this section are subject to RCW 66.28.305 and 66.28.040 and the cost of sampling under this section may not be borne, directly or indirectly, by any manufacturer, importer, or distributor of liquor.

(3) Upon approval by the board, the beer and/or wine specialty shop licensee that exceeds ((fifty)) <u>50</u> percent beer and/or wine sales may also receive an endorsement to permit the sale of beer to a purchaser in a sanitary container brought to the premises by the purchaser, or provided by the licensee or manufacturer, and fill at the tap by the licensee at the time of sale. If the beer and/or wine specialty shop licensee does not exceed ((fifty)) <u>50</u> percent beer and/or wine sales, the board may waive the ((fifty)) <u>50</u> percent beer and/or wine sale criteria if the beer and/or wine specialty shop maintains alcohol inventory that exceeds ((fifteen thousand dollars)) <u>\$15,000</u>.

(4) The board shall issue a restricted beer and/or wine specialty shop license, authorizing the licensee to sell beer and only table wine, if the board finds upon issuance or renewal of the license that the sale of strong beer or fortified wine would be against the public interest. In determining the public interest, the board shall consider at least the following factors:

(a) The likelihood that the applicant will sell strong beer or fortified wine to persons who are intoxicated;

(b) Law enforcement problems in the vicinity of the applicant's establishment that may arise from persons purchasing strong beer or fortified wine at the establishment; and

(c) Whether the sale of strong beer or fortified wine would be detrimental to or inconsistent with a government-operated or funded alcohol treatment or detoxification program in the area.

If the board receives no evidence or objection that the sale of strong beer or fortified wine would be against the public interest, it shall issue or renew the license without restriction, as applicable. The burden of establishing that the sale of strong beer or fortified wine by the licensee would be against the public interest is on those persons objecting. (5) Licensees holding a beer and/or wine specialty shop license must maintain a minimum ((three thousand dollar)) \$3.000 wholesale inventory of beer, strong beer, and/or wine.

(6) The board may adopt rules to implement this section.

(7) Any endorsement issued pursuant to this section may be issued to a qualified combination spirits, beer, and wine licensee in accordance with RCW 66.24.035.

(8)(a) A beer and/or wine specialty shop licensee that also holds a spirits retail license under RCW 66.24.630 may, upon board approval and pursuant to board rules, transition to a combination spirits, beer, and wine license pursuant to RCW 66.24.035.

(b) An applicant that would qualify for a beer and/or wine specialty shop license under this section and a spirits retail license under RCW 66.24.630 may apply for a single license pursuant to RCW 66.24.035 instead of applying for a beer and/or wine specialty shop license under this section in addition to a spirits retail license under RCW 66.24.630.

Sec. 30. RCW 66.24.380 and 2016 c 235 s 2 are each amended to read as follows:

There is a retailer's license to be designated as a special occasion license to be issued to a not-for-profit society or organization to sell spirits, beer, and wine by the individual serving for on-premises consumption at a specified event, such as at picnics or other special occasions, at a specified date and place; fee ((sixty dollars)) <u>\$90</u> per day.

(1) The not-for-profit society or organization is limited to sales of no more than ((twelve)) <u>12</u> calendar days per year. For the purposes of this subsection, special occasion licensees that are "agricultural area fairs" or "agricultural county, district, and area fairs," as defined by RCW 15.76.120, that receive a special occasion license may, once per calendar year, count as one event fairs that last multiple days, so long as alcohol sales are at set dates, times, and locations, and the board receives prior notification of the dates, times, and locations. The special occasion license applicant will pay the ((sixty dollars)) <u>\$90</u> per day for this event.

(2) The licensee may sell spirits, beer, and/or wine in original, unopened containers for off-premises consumption if permission is obtained from the board prior to the event.

(3) In addition to offering the sale of wine by the individual serving for onpremises consumption, the licensee may sell wine in original, unopened containers for on-premises consumption if permission is obtained from the board prior to the event.

(4) Sale, service, and consumption of spirits, beer, and wine is to be confined to specified premises or designated areas only.

(5) Liquor sold under this special occasion license must be purchased from a licensee of the board.

(6) Any violation of this section is a class 1 civil infraction having a maximum penalty of ((two hundred fifty dollars)) \$250 as provided for in chapter 7.80 RCW.

Sec. 31. RCW 66.24.395 and 2020 c 200 s 2 are each amended to read as follows:

(1)(a) There shall be a license that may be issued to corporations, associations, or persons operating as federally licensed commercial common passenger carriers engaged in interstate commerce, in or over territorial limits of the state of Washington on passenger trains, vessels, or airplanes. Such license shall permit the sale of spirituous liquor, wine, and beer at retail for passenger consumption within the state upon one such train passenger car, vessel, or airplane, while in or over the territorial limits of the state. Such license shall include the privilege of transporting into and storing within the state such liquor for subsequent retail sale to passengers in passenger train cars, vessels or airplanes. The fees for such master license shall be ((seven hundred fifty dollars)) \$1,125 per annum (class CCI-1)((: PROVIDED, That upon)). Upon payment of an additional sum of ((five dollars)) \$7.50 per annum per car, or vessel, or airplane, the privileges authorized by such license classes shall extend to additional cars, or vessels, or airplanes operated by the same licensee within the state, and a duplicate license for each additional car, or vessel, or airplane shall be issued((: PROVIDED, FURTHER, That such)). Such licensee may make such sales and/or service upon cars, or vessels, or airplanes in emergency for not more than five consecutive days without such license((: AND PROVIDED, FURTHER, That such)). Such license shall be valid only while such cars, or vessels, or airplanes are actively operated as common carriers for hire in interstate commerce and not while they are out of such common carrier service.

(b) Alcoholic beverages sold and/or served for consumption by such interstate common carriers while within or over the territorial limits of this state shall be subject to such board markup and state liquor taxes in an amount to approximate the revenue that would have been realized from such markup and taxes had the alcoholic beverages been purchased in Washington((:PROVIDED, That)). However, the board's markup shall be applied on spirituous liquor only. Such common carriers shall report such sales and/or service and pay such markup and taxes in accordance with procedures prescribed by the board.

(2) Alcoholic beverages sold and delivered in this state to interstate common carriers for use under the provisions of this section shall be considered exported from the state, subject to the conditions provided in subsection (1)(b) of this section. Interstate common carriers licensed under this section may purchase alcoholic beverages outside the territorial limits of the state of Washington and import such alcoholic beverages into the state of Washington for sales and service aboard passenger trains, vessels, or airplanes. The storage facilities for liquor within the state by common carriers licensed under this section shall be subject to written approval by the board.

(3) Interstate common carriers licensed under this section may provide complimentary alcoholic beverages to passengers aboard passenger trains, vessels, or airplanes.

Sec. 32. RCW 66.24.400 and 2019 c 169 s 3 and 2019 c 61 s 2 are each reenacted and amended to read as follows:

(1) There shall be a retailer's license, to be known and designated as a spirits, beer, and wine restaurant license, to sell spirituous liquor by the individual glass, beer, and wine, at retail, for consumption on the premises, including mixed drinks and cocktails compounded or mixed on the premises only. A club licensed under chapter 70.62 RCW with overnight sleeping

accommodations, that is licensed under this section may sell liquor by the bottle to registered guests of the club for consumption in guest rooms, hospitality rooms, or at banquets in the club. A patron of a bona fide restaurant or club licensed under this section may remove from the premises recorked or recapped in its original container any portion of wine or sake which was purchased for consumption with a meal, and registered guests who have purchased liquor from the club by the bottle may remove from the premises any unused portion of such liquor in its original container. Such license may be issued only to bona fide restaurants and clubs, and to dining, club and buffet cars on passenger trains, and to dining places on passenger boats and airplanes, and to dining places at civic centers with facilities for sports, entertainment, and conventions, and to such other establishments operated and maintained primarily for the benefit of tourists, vacationers and travelers as the board shall determine are qualified to have, and in the discretion of the board should have, a spirits, beer, and wine restaurant license under the provisions and limitations of this title.

(2) The board may issue an endorsement to the spirits, beer, and wine restaurant license that allows the holder of a spirits, beer, and wine restaurant license to sell bottled wine for off-premises consumption. Spirits and beer may not be sold for off-premises consumption under this section except as provided in subsection (4) of this section. The annual fee for the endorsement under this subsection is ((one hundred twenty dollars)) <u>\$180</u>.

(3) The holder of a spirits, beer, and wine license or its manager may furnish beer, wine, or spirituous liquor to the licensee's employees free of charge as may be required for use in connection with instruction on beer, wine, or spirituous liquor. The instruction may include the history, nature, values, and characteristics of beer, wine, or spirituous liquor, the use of wine lists, and the methods of presenting, serving, storing, and handling beer, wine, and spirituous liquor. The spirits, beer, and wine restaurant licensee must use the beer, wine, or spirituous liquor it obtains under its license for the sampling as part of the instruction. The instruction must be given on the premises of the spirits, beer, and wine restaurant licensee.

(4) The board may issue an endorsement to the spirits, beer, and wine restaurant license that allows the holder of a spirits, beer, and wine restaurant license to sell for off-premises consumption malt liquor in kegs or other containers that are capable of holding four gallons or more of liquid and are registered in accordance with RCW 66.28.200. Beer may also be sold under the endorsement to a purchaser in a sanitary container brought to the premises by the purchaser or furnished by the licensee and filled at the tap by the retailer at the time of sale. The annual fee for the endorsement under this subsection is ((one hundred twenty dollars)) \$180.

(5)(a) The board shall create a soju endorsement to the spirits, beer, and wine restaurant license that allows the holder of a spirits, beer, and wine restaurant license to serve soju for on-premises consumption by the bottle to tables of two or more patrons ((twenty-one)) <u>21</u> years of age or older. Cost of the endorsement is ((fifty dollars)) <u>\$75</u>.

(b) The holder of a soju endorsement may serve soju in bottles that are ((three hundred seventy-five)) <u>375</u> milliliters or less. Empty bottles of soju must remain on the patron's table until the patron has left the premises of the licensee.

(c) The patron of a holder of a soju endorsement may remove from the premises recapped in its original container any unused portion of soju that was purchased for consumption with a meal.

(d) The board must develop additional responsible sale and service of soju training curriculum related to the provisions of the soju endorsement under this subsection (5) that includes but is not limited to certification procedures and enforcement policies. This information must be provided in both Korean and English languages to licensees holding the soju endorsement. Soju endorsement holders must ensure servers providing soju to patrons are trained in the soju curriculum developed under this subsection (5).

Sec. 33. RCW 66.24.420 and 2021 c 6 s 9 are each amended to read as follows:

(1) The spirits, beer, and wine restaurant license shall be issued in accordance with the following schedule of annual fees:

(a) The annual fee for a spirits, beer, and wine restaurant license shall be graduated ((according to the dedicated dining area and type of service provided)) as follows:

Less than 50% dedicated dining area	((\$2,000))
	<u>\$2,700</u>
50% or more dedicated dining area	((\$1,600))
	<u>\$2,200</u>
Service bar only	((\$1,000))
	\$1,400

(b) The annual fee for the license when issued to any other spirits, beer, and wine restaurant licensee outside of incorporated cities and towns shall be prorated according to the calendar quarters, or portion thereof, during which the licensee is open for business, except in case of suspension or revocation of the license.

(c) Where the license shall be issued to any corporation, association or person operating a bona fide restaurant in an airport terminal facility providing service to transient passengers with more than one place where liquor is to be dispensed and sold, such license shall be issued upon the payment of the annual fee, which shall be a master license and shall permit such sale within and from one such place. Such license may be extended to additional places on the premises at the discretion of the board and a duplicate license may be issued for each such additional place. The holder of a master license for a restaurant in an airport terminal facility must maintain in a substantial manner at least one place on the premises for preparing, cooking, and serving of complete meals, and such food service shall be available on request in other licensed places on the premises. An additional license fee of ((twenty-five)) <u>25</u> percent of the annual master license fee shall be required for such duplicate licenses.

(d) Where the license shall be issued to any corporation, association, or person operating dining places at a publicly or privately owned civic or convention center with facilities for sports, entertainment, or conventions, or a combination thereof, with more than one place where liquor is to be dispensed and sold, such license shall be issued upon the payment of the annual fee, which shall be a master license and shall permit such sale within and from one such place. Such license may be extended to additional places on the premises at the discretion of the board and a duplicate license may be issued for each such additional place. The holder of a master license for a dining place at such a publicly or privately owned civic or convention center must maintain in a substantial manner at least one place on the premises for preparing, cooking, and serving of complete meals, and food service shall be available on request in other licensed places on the premises. An additional license fee of ((ten dollars)) \$15 shall be required for such duplicate licenses.

(((e) The annual fees in this subsection (1) are waived during the 12-month period beginning with the second calendar month after February 28, 2021, for:

(i) Licenses that expire during the 12-month waiver period under this subsection (1)(e); and

(ii) Licenses issued to persons previously licensed under this section at any time during the 12-month period prior to the 12-month waiver period under this subsection (1)(c).

(f) The waivers in (e) of this subsection do not apply to any licensee that:

(i) Had their license suspended by the board for health and safety violations of state COVID-19 guidelines; or

(ii) Received an order of immediate restraint or citation from the department of labor and industries for allowing an employee to perform work where business activity was prohibited in violation of an emergency proclamation of the governor under RCW 43.06.220.

(g) Upon request of the department of revenue, the board and the department of labor and industries must both provide a list of persons that they have determined to be ineligible for a fee waiver under (c) of this subsection for the reasons described in (f) of this subsection. Unless otherwise agreed, any list must be received by the department of revenue no later than 15 calendar days after the request is made.))

(2) The board, so far as in its judgment is reasonably possible, shall confine spirits, beer, and wine restaurant licenses to the business districts of cities and towns and other communities, and not grant such licenses in residential districts, nor within the immediate vicinity of schools, without being limited in the administration of this subsection to any specific distance requirements.

(3) The board shall have discretion to issue spirits, beer, and wine restaurant licenses outside of cities and towns in the state of Washington. The purpose of this subsection is to enable the board, in its discretion, to license in areas outside of cities and towns and other communities, establishments which are operated and maintained primarily for the benefit of tourists, vacationers and travelers, and also golf and country clubs, and common carriers operating dining, club and buffet cars, or boats.

(4) The combined total number of spirits, beer, and wine nightclub licenses, and spirits, beer, and wine restaurant licenses issued in the state of Washington by the board, not including spirits, beer, and wine private club licenses, shall not in the aggregate at any time exceed one license for each ((one thousand two hundred)) 1,200 of population in the state, determined according to the yearly population determination developed by the office of financial management pursuant to RCW 43.62.030.

(5) Notwithstanding the provisions of subsection (4) of this section, the board shall refuse a spirits, beer, and wine restaurant license to any applicant if

in the opinion of the board the spirits, beer, and wine restaurant licenses already granted for the particular locality are adequate for the reasonable needs of the community.

(6)(a) The board may issue a caterer's endorsement to this license to allow the licensee to remove the liquor stocks at the licensed premises, for use as liquor for sale and service at event locations at a specified date and, except as provided in subsection (7) of this section, place not currently licensed by the board. If the event is open to the public, it must be sponsored by a society or organization as defined by RCW 66.24.375. If attendance at the event is limited to members or invited guests of the sponsoring individual, society, or organization, the requirement that the sponsor must be a society or organization as defined by RCW 66.24.375 is waived. Cost of the endorsement is ((three hundred fifty dollars)) <u>\$525</u>.

(b) The holder of this license with a catering endorsement shall, if requested by the board, notify the board or its designee of the date, time, place, and location of any catered event. Upon request, the licensee shall provide to the board all necessary or requested information concerning the society or organization that will be holding the function at which the endorsed license will be utilized.

(c) The holder of this license with a caterer's endorsement may, under conditions established by the board, store liquor on the premises of another not licensed by the board so long as there is a written agreement between the licensee and the other party to provide for ongoing catering services, the agreement contains no exclusivity clauses regarding the alcoholic beverages to be served, and the agreement is filed with the board.

(d) The holder of this license with a caterer's endorsement may, under conditions established by the board, store liquor on other premises operated by the licensee so long as the other premises are owned or controlled by a leasehold interest by that licensee. A duplicate license may be issued for each additional premises. A license fee of ((twenty dollars)) <u>\$30</u> shall be required for such duplicate licenses.

(7) Licensees under this section that hold a caterer's endorsement are allowed to use this endorsement on a domestic winery premises or on the premises of a passenger vessel and may store liquor at such premises under conditions established by the board under the following conditions:

(a) Agreements between the domestic winery or passenger vessel, as the case may be, and the retail licensee shall be in writing, contain no exclusivity clauses regarding the alcoholic beverages to be served, and be filed with the board; and

(b) The domestic winery or passenger vessel, as the case may be, and the retail licensee shall be separately contracted and compensated by the persons sponsoring the event for their respective services.

Sec. 34. RCW 66.24.425 and 2020 c 274 s 45 are each amended to read as follows:

(1) The board may, in its discretion, issue a spirits, beer, and wine restaurant license to a business which qualifies as a "restaurant" as that term is defined in RCW 66.24.410 in all respects except that the business does not serve the general public but, through membership qualification, selectively restricts admission to the business. For purposes of RCW 66.24.400 and 66.24.420, all

licenses issued under this section shall be considered spirits, beer, and wine restaurant licenses and shall be subject to all requirements, fees, and qualifications in this title, or in rules adopted by the board, as are applicable to spirits, beer, and wine restaurant licenses generally except that no service to the general public may be required.

(2) No license shall be issued under this section to a business:

(a) Which shall not have been in continuous operation for at least one year immediately prior to the date of its application; or

(b) Which denies membership or admission to any person because of race, creed, color, national origin, sex, or the presence of any disability.

(3) The board may issue an endorsement to the spirits, beer, and wine restaurant license issued under this section that allows up to ((forty)) 40 nonclub, member-sponsored events using club liquor. Visitors and guests may attend these events only by invitation of the sponsoring member or members. These events may not be open to the general public. The fee for the endorsement is an annual fee of ((nine hundred dollars)) \$1,350. Upon the board's request, the holder of the endorsement must provide the board or the board's designee with the following information at least ((seventy-two)) 72 hours before the event; and a brief description of the purpose of the event.

(4) The board may issue an endorsement to the spirits, beer, and wine restaurant license that allows the holder of a spirits, beer, and wine restaurant license to sell for off-premises consumption wine vinted and bottled in the state of Washington and carrying a label exclusive to the license holder selling the wine. Spirits and beer may not be sold for off-premises consumption under this section. The annual fee for the endorsement under this section is ((one hundred twenty dollars)) \$180.

Sec. 35. RCW 66.24.450 and 2011 c 119 s 402 are each amended to read as follows:

(1) No club shall be entitled to a spirits, beer, and wine private club license:

(a) Unless such private club has been in continuous operation for at least one year immediately prior to the date of its application for such license;

(b) Unless the private club premises be constructed and equipped, conducted, managed, and operated to the satisfaction of the board and in accordance with this title and the regulations made thereunder;

(c) Unless the board shall have determined pursuant to any regulations made by it with respect to private clubs, that such private club is a bona fide private club; it being the intent of this section that license shall not be granted to a club which is, or has been, primarily formed or activated to obtain a license to sell liquor, but solely to a bona fide private club, where the sale of liquor is incidental to the main purposes of the spirits, beer, and wine private club, as defined in RCW 66.04.010(8).

(2) The annual fee for a spirits, beer, and wine private club license, whether inside or outside of an incorporated city or town, is ((seven hundred twenty dollars)) per year.

(3) The board may issue an endorsement to the spirits, beer, and wine private club license that allows nonclub, member-sponsored events using club liquor. Visitors and guests may attend these events only by invitation of the sponsoring member or members. These events may not be open to the general public. The fee for the endorsement shall be an annual fee of (($\frac{\text{nine hundred dollars}}{1,350}$) $\frac{1,350}{1,350}$. Upon the board's request, the holder of the endorsement must provide the board or the board's designee with the following information at least (($\frac{\text{seventy-two}}{1,350}$) $\frac{72}{1,350}$ hours prior to the event: The date, time, and location of the event; the name of the sponsor of the event; and a brief description of the purpose of the event.

(4) The board may issue an endorsement to the spirits, beer, and wine private club license that allows the holder of a spirits, beer, and wine private club license to sell bottled wine for off-premises consumption. Spirits and beer may not be sold for off-premises consumption under this section. The annual fee for the endorsement under this section is ((one hundred twenty dollars)) <u>\$180</u>.

Sec. 36. RCW 66.24.452 and 2009 c 373 s 3 are each amended to read as follows:

(1) There shall be a beer and wine license to be issued to a private club for sale of beer, strong beer, and wine for on-premises consumption.

(2) Beer, strong beer, and wine sold by the licensee may be on tap or by open bottles or cans.

(3) The fee for the private club beer and wine license is ((one hundred eighty dollars)) \$270 per year.

(4) The board may issue an endorsement to the private club beer and wine license that allows the holder of a private club beer and wine license to sell bottled wine for off-premises consumption. Spirits, strong beer, and beer may not be sold for off-premises consumption under this section. The annual fee for the endorsement under this section is ((one hundred twenty dollars)) <u>\$180</u>.

Sec. 37. RCW 66.24.495 and 2023 c 470 s 1013 are each amended to read as follows:

(1)(((a))) There shall be a license to be designated as a nonprofit arts organization license. This shall be a special license to be issued to any nonprofit arts organization which sponsors and presents productions or performances of an artistic or cultural nature in a specific theater or other appropriate designated indoor premises approved by the board. The license shall permit the license to sell liquor to patrons of productions or performances for consumption on the premises at these events. The fee for the license shall be ((two hundred fifty dollars)) \$250 per annum.

(((b) The annual fee in (a) of this subsection is waived during the 12 month period beginning with the second calendar month after February 28, 2021, for:

(i) Licenses that expire during the 12-month waiver period under this subsection (1)(b); and

(ii) Licenses issued to persons previously licensed under this section at any time during the 12-month period prior to the 12-month waiver period under this subsection (1)(b).

(c) The waiver in (b) of this subsection does not apply to any licensee that:

(i) Had their license suspended by the board for health and safety violations of state COVID-19 guidelines; or

(ii) Received an order of immediate restraint or eitation from the department of labor and industries for allowing an employee to perform work where business activity was prohibited in violation of an emergency proclamation of the governor under RCW 43.06.220. (d) Upon request of the department of revenue, the board and the department of labor and industries must both provide a list of persons that they have determined to be ineligible for a fee waiver under (b) of this subsection for the reasons described in (c) of this subsection. Unless otherwise agreed, any list must be received by the department of revenue no later than 15 calendar days after the request is made.))

(2) For the purposes of this section, the term "nonprofit arts organization" means an organization which is organized and operated for the purpose of providing artistic or cultural exhibitions, presentations, or performances or cultural or art education programs, as defined in subsection (3) of this section, for viewing or attendance by the general public. The organization must be a not-for-profit corporation under chapter 24.03A RCW and managed by a governing board of not less than eight individuals none of whom is a paid employee of the organization or by a corporation sole under chapter 24.12 RCW. In addition, the corporation must satisfy the following conditions:

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

(b) Salary or compensation paid to its officers and executives must be only for actual services rendered, and at levels comparable to the salary or compensation of like positions within the state;

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

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

(e) The proceeds derived from sales of liquor, except for reasonable operating costs, must be used in furtherance of the purposes of the organization;

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

(g) The board shall have access to its books in order to determine whether the corporation is entitled to a license.

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

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

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

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

Sec. 38. RCW 66.24.520 and 2010 c 290 s 4 are each amended to read as follows:

There shall be a grower's license to sell wine or spirits made from grapes or other agricultural products owned at the time of vinification or distillation by the licensee in bulk to holders of domestic wineries', distillers', or manufacturers' licenses or for export. The wine or spirits shall be made upon the premises of a Ch. 343

domestic winery or craft distillery licensee and is referred to in this section as grower's wine or grower's spirits. A grower's license authorizes the agricultural product grower to contract for the manufacturing of wine or spirits from the grower's own agricultural product, store wine or spirits in bulk made from agricultural products produced by the holder of this license, and to sell wine or spirits in bulk made from the grower's own agricultural products to a winery or distillery in the state of Washington or to export in bulk for sale out-of-state. The annual fee for a grower's license shall be ((seventy-five dollars)) 575. For the purpose of chapter 66.28 RCW, a grower licensee shall be deemed a manufacturer.

Sec. 39. RCW 66.24.530 and 1987 c 386 s 1 are each amended to read as follows:

(1) There shall be a license to be designated as a class S license to qualified duty free exporters authorizing such exporters to sell beer and wine to vessels for consumption outside the state of Washington.

(2) To qualify for a license under subsection (1) of this section, the exporter shall have:

(a) An importer's basic permit issued by the United States bureau of alcohol, tobacco, and firearms and a customs house license in conjunction with a common carriers bond;

(b) A customs bonded warehouse, or be able to operate from a foreign trade zone; and

(c) A notarized signed statement from the purchaser stating that the product is for consumption outside the state of Washington.

(3) The license for qualified duty free exporters shall authorize the duty free exporter to purchase from a brewery, winery, beer wholesaler, wine wholesaler, beer importer, or wine importer licensed by the state of Washington.

(4) Beer and/or wine sold and delivered in this state to duty free exporters for use under this section shall be considered exported from the state.

(5) The fee for this license shall be ((one hundred dollars)) \$150 per annum.

Sec. 40. RCW 66.24.540 and 2021 c 6 s 11 are each amended to read as follows:

(1) There is a retailer's license to be designated as a motel license. The motel license may be issued to a motel regardless of whether it holds any other class of license under this title. No license may be issued to a motel offering rooms to its guests on an hourly basis. The license authorizes the licensee to:

(a) Sell, at retail, in locked honor bars, spirits in individual bottles not to exceed (($\frac{\text{fifty}}{12}$)) $\frac{50}{12}$ milliliters, beer in individual cans or bottles not to exceed (($\frac{\text{twelve}}{12}$)) $\frac{12}{12}$ ounces, and wine in individual bottles not to exceed (($\frac{\text{one hundred}}{12}$ milliliters, to registered guests of the motel for consumption in guest rooms.

(i) Each honor bar must also contain snack foods. No more than one-half of the guest rooms may have honor bars.

(ii) All spirits to be sold under the license must be purchased from a spirits retailer or a spirits distributor licensee of the board.

(iii) The licensee must require proof of age from the guest renting a guest room and requesting the use of an honor bar. The guest must also execute an affidavit verifying that no one under ((twenty-one)) <u>21</u> years of age has access to the spirits, beer, and wine in the honor bar.

(b) Provide without additional charge, to overnight guests of the motel, spirits, beer, and wine by the individual serving for on-premises consumption at a specified regular date, time, and place as may be fixed by the board. Self-service by attendees is prohibited. All spirits, beer, and wine service must be done by an alcohol server as defined in RCW 66.20.300 and comply with RCW 66.20.310.

(2)(((a))) The annual fee for a motel license is ((five hundred dollars)) \$750.

(((b) The annual fee in (a) of this subsection is waived during the 12-month period beginning with the second calendar month after February 28, 2021, for:

(i) Licenses that expire during the 12-month waiver period under this subsection (2)(b); and

(ii) Licenses issued to persons previously licensed under this section at any time during the 12-month period prior to the 12-month waiver period under this subsection (2)(b).

(c) The waiver in (b) of this subsection does not apply to any licensee that:

(i) Had their license suspended by the board for health and safety violations of state COVID-19 guidelines; or

(ii) Received an order of immediate restraint or citation from the department of labor and industries for allowing an employee to perform work where business activity was prohibited in violation of an emergency proclamation of the governor under RCW 43.06.220.

(d) Upon request of the department of revenue, the board and the department of labor and industries must both provide a list of persons that they have determined to be ineligible for a fee waiver under (b) of this subsection for the reasons described in (c) of this subsection. Unless otherwise agreed, any list must be received by the department of revenue no later than 15 calendar days after the request is made.))

(3) For the purposes of this section, "motel" means a transient accommodation licensed under chapter 70.62 RCW.

Sec. 41. RCW 66.24.550 and 1997 c 321 s 35 are each amended to read as follows:

There shall be a beer and wine retailer's license to be designated as a beer and wine gift delivery license to solicit, take orders for, sell, and deliver beer and/or wine in bottles and original packages to persons other than the person placing the order. A beer and wine gift delivery license may be issued only to a business solely engaged in the sale or sale and delivery of gifts at retail which holds no other class of license under this title or to a person in the business of selling flowers or floral arrangements at retail. No minimum beer and/or wine inventory requirement shall apply to holders of beer and wine gift delivery licenses. The fee for this license is ((seventy-five dollars)) \$112.50 per year. Delivery of beer and/or wine under a beer and wine gift delivery license shall be made in accordance with all applicable provisions of this title and the rules of the board, and no beer and/or wine so delivered shall be opened on any premises licensed under this title. A beer and wine gift delivery license does not authorize door-to-door solicitation of gift wine delivery orders. Deliveries of beer and/or wine under a beer and wine gift delivery license shall be made only in conjunction with gifts or flowers.

Sec. 42. RCW 66.24.570 and 2021 c 6 s 12 are each amended to read as follows:

(1)(((a))) There is a license for sports entertainment facilities to be designated as a sports entertainment facility license to sell beer, wine, and spirits at retail, for consumption upon the premises only, the license to be issued to the entity providing food and beverage service at a sports entertainment facility as defined in this section. The cost of the license is ((two thousand five hundred dollars)) \$3,750 per annum.

(((b) The annual fee in (a) of this subsection is waived during the 12-month period beginning with the second calendar month after February 28, 2021, for:

(i) Licenses that expire during the 12-month waiver period under this subsection (1)(b); and

(ii) Licenses issued to persons previously licensed under this section at any time during the 12-month period prior to the 12-month waiver period under this subsection (1)(b).

(c) The waiver in (b) of this subsection does not apply to any licensee that:

(i) Had their license suspended by the board for health and safety violations of state COVID-19 guidelines; or

(ii) Received an order of immediate restraint or citation from the department of labor and industries for allowing an employee to perform work where business activity was prohibited in violation of an emergency proclamation of the governor under RCW 43.06.220.

(d) Upon request of the department of revenue, the board and the department of labor and industries must both provide a list of persons that they have determined to be ineligible for a fee waiver under (b) of this subsection for the reasons described in (c) of this subsection. Unless otherwise agreed, any list must be received by the department of revenue no later than 15 calendar days after the request is made.))

(2) For purposes of this section, a sports entertainment facility includes a publicly or privately owned arena, coliseum, stadium, or facility where sporting events are presented for a price of admission. The facility does not have to be exclusively used for sporting events.

(3) The board may impose reasonable requirements upon a licensee under this section, such as requirements for the availability of food and victuals including but not limited to hamburgers, sandwiches, salads, or other snack food. The board may also restrict the type of events at a sports entertainment facility at which beer, wine, and spirits may be served. When imposing conditions for a licensee, the board must consider the seating accommodations, eating facilities, and circulation patterns in such a facility, and other amenities available at a sports entertainment facility.

(4)(a) The board may issue a caterer's endorsement to the license under this section to allow the licensee to remove from the liquor stocks at the licensed premises, for use as liquor for sale and service at event locations at a specified date and place not currently licensed by the board. If the event is open to the public, it must be sponsored by a society or organization as defined by RCW 66.24.375. If attendance at the event is limited to members or invited guests of the sponsoring individual, society, or organization, the requirement that the sponsor must be a society or organization as defined by RCW 66.24.375 is waived. Cost of the endorsement is ((three hundred fifty dollars)) \$525.

(b) The holder of this license with catering endorsement shall, if requested by the board, notify the board or its designee of the date, time, place, and location of any catered event. Upon request, the licensee shall provide to the board all necessary or requested information concerning the society or organization that will be holding the function at which the endorsed license will be utilized.

(5) The board may issue an endorsement to the beer, wine, and spirits sports entertainment facility license that allows the holder of a beer, wine, and spirits sports entertainment facility license to sell for off-premises consumption wine vinted and bottled in the state of Washington and carrying a label exclusive to the license holder selling the wine. Spirits and beer may not be sold for off-premises consumption under this section. The annual fee for the endorsement under this section is ((one hundred twenty dollars)) \$180.

(6)(a) A licensee and an affiliated business may enter into arrangements with a manufacturer, importer, or distributor for brand advertising at the sports entertainment facility or promotion of events held at the sports entertainment facility, with a capacity of five thousand people or more. The financial arrangements providing for the brand advertising or promotion of events shall not be used as an inducement to purchase the products of the manufacturer, importer, or distributor entering into the arrangement nor shall it result in the exclusion of brands or products of other companies.

(b) The arrangements allowed under this subsection (6) are an exception to arrangements prohibited under RCW 66.28.305. The board shall monitor the impacts of these arrangements. The board may conduct audits of the licensee and the affiliated business to determine compliance with this subsection (6). Audits may include but are not limited to product selection at the facility; purchase patterns of the licensee; contracts with the liquor manufacturer, importer, or distributor; and the amount allocated or used for liquor advertising by the licensee, affiliated business, manufacturer, importer, or distributor under the arrangements.

(c) The board shall report to the appropriate committees of the legislature by December 30, 2008, and biennially thereafter, on the impacts of arrangements allowed between sports entertainment licensees and liquor manufacturers, importers, and distributors for brand advertising and promotion of events at the facility.

Sec. 43. RCW 66.24.580 and 2021 c 6 s 13 are each amended to read as follows:

(1) A public house license allows the licensee:

(a) To annually manufacture no less than ((two hundred fifty)) 250 gallons and no more than ((two thousand four hundred)) 2,400 barrels of beer on the licensed premises;

(b) To sell product, that is produced on the licensed premises, at retail on the licensed premises for consumption on the licensed premises;

(c) To sell beer or wine not of its own manufacture for consumption on the licensed premises if the beer or wine has been purchased from a licensed beer or wine wholesaler;

(d) To apply for and, if qualified and upon the payment of the appropriate fee, be licensed as a spirits, beer, and wine restaurant to do business at the same

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location. This fee is in addition to the fee charged for the basic public house license.

(2) RCW 66.28.305 applies to a public house license.

(3) A public house licensee must pay all applicable taxes on production as are required by law, and all appropriate taxes must be paid for any product sold at retail on the licensed premises.

(4) The employees of the licensee must comply with the provisions of mandatory server training in RCW 66.20.300 through 66.20.350.

(5) The holder of a public house license may not hold a wholesaler's or importer's license, act as the agent of another manufacturer, wholesaler, or importer, or hold a brewery or winery license.

(6)(((a))) The annual license fee for a public house is ((one thousand dollars)) \$1,500.

(((b) The annual fee in (a) of this subsection is waived during the 12-month period beginning with the second calendar month after February 28, 2021, for:

(i) Licenses that expire during the 12-month waiver period under this subsection (6)(b); and

(ii) Licenses issued to persons previously licensed under this section at any time during the 12-month period prior to the 12-month waiver period under this subsection (6)(b).

(c) The waiver in (b) of this subsection does not apply to any licensee that:

(i) Had their license suspended by the board for health and safety violations of state COVID-19 guidelines; or

(ii) Received an order of immediate restraint or eitation from the department of labor and industries for allowing an employee to perform work where business activity was prohibited in violation of an emergency proclamation of the governor under RCW 43.06.220.

(d) Upon request of the department of revenue, the board and the department of labor and industries must both provide a list of persons that they have determined to be ineligible for a fee waiver under (b) of this subsection for the reasons described in (c) of this subsection. Unless otherwise agreed, any list must be received by the department of revenue no later than 15 calendar days after the request is made.))

(7) The holder of a public house license may hold other licenses at other locations if the locations are approved by the board.

(8) Existing holders of annual retail liquor licenses may apply for and, if qualified, be granted a public house license at one or more of their existing liquor licensed locations without discontinuing business during the application or construction stages.

Sec. 44. RCW 66.24.590 and 2021 c 6 s 14 are each amended to read as follows:

(1) There is a retailer's license to be designated as a hotel license. No license may be issued to a hotel offering rooms to its guests on an hourly basis. Food service provided for room service, banquets or conferences, or restaurant operation under this license must meet the requirements of rules adopted by the board.

(2) The hotel license authorizes the licensee to:

(a) Sell spirituous liquor, beer, and wine, by the individual glass, at retail, for consumption on the premises, including mixed drinks and cocktails compounded and mixed on the premises;

(b) Sell, at retail, from locked honor bars, in individual units, spirits not to exceed ((fifty)) 50 milliliters, beer in individual units not to exceed ((twelve)) 12 ounces, and wine in individual bottles not to exceed ((three hundred eighty-five)) 385 milliliters, to registered guests of the hotel for consumption in guest rooms. The licensee must require proof of age from the guest renting a guest room and requesting the use of an honor bar. The guest must also execute an affidavit verifying that no one under ((twenty-one)) 21 years of age will have access to the spirits, beer, and wine in the honor bar;

(c) Provide without additional charge, to overnight guests, spirits, beer, and wine by the individual serving for on-premises consumption at a specified regular date, time, and place as may be fixed by the board. Self-service by attendees is prohibited;

(d) Sell beer, including strong beer, wine, or spirits, in the manufacturer's sealed container or by the individual drink to guests through room service, or through service to occupants of private residential units which are part of the buildings or complex of buildings that include the hotel;

(e) Sell beer, including strong beer, spirits, or wine, in the manufacturer's sealed container at retail sales locations within the hotel premises;

(f) Sell beer to a purchaser in a sanitary container brought to the premises by the purchaser or furnished by the licensee and filled at the tap in the restaurant area by the licensee at the time of sale;

(g) Sell for on or off-premises consumption, including through room service and service to occupants of private residential units managed by the hotel, wine carrying a label exclusive to the hotel license holder;

(h) Place in guest rooms at check-in, a complimentary bottle of liquor in a manufacturer-sealed container, and make a reference to this service in promotional material.

(3) If all or any facilities for alcoholic beverage service and the preparation, cooking, and serving of food are operated under contract or joint venture agreement, the operator may hold a license separate from the license held by the operator of the hotel. Food and beverage inventory used in separate licensed operations at the hotel may not be shared and must be separately owned and stored by the separate licensees.

(4) All spirits to be sold under this license must be purchased from a spirits retailer or spirits distributor licensee of the board.

(5) All on-premises alcoholic beverage service must be done by an alcohol server as defined in RCW 66.20.300 and must comply with RCW 66.20.310.

(6)(a) The hotel license allows the licensee to remove from the liquor stocks at the licensed premises, liquor for sale and service at event locations at a specified date and place not currently licensed by the board. If the event is open to the public, it must be sponsored by a society or organization as defined by RCW 66.24.375. If attendance at the event is limited to members or invited guests of the sponsoring individual, society, or organization, the requirement that the sponsor must be a society or organization as defined by RCW 66.24.375 is waived.

(b) The holder of this license must, if requested by the board, notify the board or its designee of the date, time, place, and location of any event. Upon request, the licensee must provide to the board all necessary or requested information concerning the society or organization that will be holding the function at which the endorsed license will be utilized.

(c) Licensees may cater events on a domestic winery, brewery, or distillery premises.

(7) The holder of this license or its manager may furnish spirits, beer, or wine to the licensee's employees who are ((twenty-one)) <u>21</u> years of age or older free of charge as may be required for use in connection with instruction on spirits, beer, and wine. The instruction may include the history, nature, values, and characteristics of spirits, beer, or wine, the use of wine lists, and the methods of presenting, serving, storing, and handling spirits, beer, or wine. The licensee must use the liquor it obtains under its license for the sampling as part of the instruction. The instruction must be given on the premises of the licensee.

(8) Minors may be allowed in all areas of the hotel where liquor may be consumed; however, the consumption must be incidental to the primary use of the area. These areas include, but are not limited to, tennis courts, hotel lobbies, and swimming pool areas. If an area is not a mixed-use area, and is primarily used for alcohol service, the area must be designated and restricted to access by persons of lawful age to purchase liquor.

(9)(((a))) The annual fee for this license is ((two thousand dollars)) \$2,500.

(((b) The annual fee in (a) of this subsection is waived during the 12 month period beginning with the second calendar month after February 28, 2021, for:

(i) Licenses that expire during the 12-month waiver period under this subsection (9)(b); and

(ii) Licenses issued to persons previously licensed under this section at any time during the 12-month period prior to the 12-month waiver period under this subsection (9)(b).

(c) The waiver in (b) of this subsection does not apply to any licensee that:

(i) Had their license suspended by the board for health and safety violations of state COVID 19 guidelines; or

(ii) Received an order of immediate restraint or citation from the department of labor and industries for allowing an employee to perform work where business activity was prohibited in violation of an emergency proclamation of the governor under RCW 43.06.220.

(d) Upon request of the department of revenue, the board and the department of labor and industries must both provide a list of persons that they have determined to be ineligible for a fee waiver under (b) of this subsection for the reasons described in (c) of this subsection. Unless otherwise agreed, any list must be received by the department of revenue no later than 15 calendar days after the request is made.))

(10) As used in this section, "hotel," "spirits," "beer," and "wine" have the meanings defined in RCW 66.24.410 and 66.04.010.

Sec. 45. RCW 66.24.600 and 2021 c 6 s 15 are each amended to read as follows:

(1) There shall be a spirits, beer, and wine nightclub license to sell spirituous liquor by the drink, beer, and wine at retail, for consumption on the licensed premises.

(2) The license may be issued only to a person whose business includes the sale and service of alcohol to the person's customers, has food sales and service incidental to the sale and service of alcohol, and has primary business hours between 9:00 p.m. and 2:00 a.m.

(3) Minors may be allowed on the licensed premises but only in areas where alcohol is not served or consumed.

(4)(((a))) The annual fee for this license is ((two thousand dollars)) <u>\$2,500</u>. The fee for the license shall be reviewed from time to time and set at such a level sufficient to defray the cost of licensing and enforcing this licensing program. The fee shall be fixed by rule adopted by the board in accordance with the provisions of the administrative procedure act, chapter 34.05 RCW.

(((b) The annual fee in (a) of this subsection is waived during the 12-month period beginning with the second calendar month after February 28, 2021, for:

(i) Licenses that expire during the 12-month waiver period under this subsection (4)(b); and

(ii) Licenses issued to persons previously licensed under this section at any time during the 12 month period prior to the 12 month waiver period under this subsection (4)(b).

(c) The waiver in (b) of this subsection does not apply to any licensee that:

(i) Had their license suspended by the board for health and safety violations of state COVID-19 guidelines; or

(ii) Received an order of immediate restraint or citation from the department of labor and industries for allowing an employee to perform work where business activity was prohibited in violation of an emergency proclamation of the governor under RCW 43.06.220.

(d) Upon request of the department of revenue, the board and the department of labor and industries must both provide a list of persons that they have determined to be ineligible for a fee waiver under (b) of this subsection for the reasons described in (c) of this subsection. Unless otherwise agreed, any list must be received by the department of revenue no later than 15 calendar days after the request is made.))

(5) Local governments may petition the board to request that further restrictions be imposed on a spirits, beer, and wine nightclub license in the interest of public safety. Examples of further restrictions a local government may request are: No minors allowed on the entire premises, submitting a security plan, or signing a good neighbor agreement with the local government.

(6) The total number of spirits, beer, and wine nightclub licenses are subject to the requirements of RCW 66.24.420(4). However, the board shall refuse a spirits, beer, and wine nightclub license to any applicant if the board determines that the spirits, beer, and wine nightclub licenses already granted for the particular locality are adequate for the reasonable needs of the community.

(7) The board may adopt rules to implement this section.

Sec. 46. RCW 66.24.610 and 2011 c 325 s 1 are each amended to read as follows:

There shall be a license to allow a VIP airport lounge operator to sell or otherwise provide spirits, wine, and beer solely for consumption on the premises of a VIP airport lounge. The license described in this section allows the VIP airport lounge operator to purchase spirits from the board, and to purchase beer and wine at retail outlets, or from the manufacturer or a distributor. No licensee may serve liquor from a bar where patrons may sit to be served, but may only serve liquor from a service bar, as approved by the board. The annual fee for this license shall be $((\frac{1}{2}, \frac{1}{2}, \frac{$

Sec. 47. RCW 66.24.630 and 2021 c 48 s 5 are each amended to read as follows:

(1) There is a spirits retail license to: Sell spirits in original containers to consumers for consumption off the licensed premises and to permit holders; sell spirits in original containers to retailers licensed to sell spirits for consumption on the premises, for resale at their licensed premises according to the terms of their licenses, although no single sale may exceed ((twenty-four)) 24 liters, unless the sale is by a licensee that was a contract liquor store manager of a contract liquor store at the location of its spirits retail licensed premises from which it makes such sales; and export spirits.

(2) For the purposes of this title, a spirits retail license is a retail license, and a sale by a spirits retailer is a retail sale only if not for resale. Nothing in this title authorizes sales by on-sale licensees to other retail licensees. The board must establish by rule an obligation of on-sale spirits retailers to:

(a) Maintain a schedule by stock-keeping unit of all their purchases of spirits from spirits retail licensees, including combination spirits, beer, and wine licensees holding a license issued pursuant to RCW 66.24.035, indicating the identity of the seller and the quantities purchased; and

(b) Provide, not more frequently than quarterly, a report for each scheduled item containing the identity of the purchasing on-premises licensee and the quantities of that scheduled item purchased since any preceding report to:

(i) A distributor authorized by the distiller to distribute a scheduled item in the on-sale licensee's geographic area; or

(ii) A distiller acting as distributor of the scheduled item in the area.

(3)(a) Except as otherwise provided in (c) of this subsection, the board may issue spirits retail licenses only for premises comprising at least ((ten thousand)) 10,000 square feet of fully enclosed retail space within a single structure, including storerooms and other interior auxiliary areas but excluding covered or fenced exterior areas, whether or not attached to the structure, and only to applicants that the board determines will maintain systems for inventory management, employee training, employee supervision, and physical security of the product substantially as effective as those of stores currently operated by the board with respect to preventing sales to or pilferage by underage or inebriated persons.

(b) License issuances and renewals are subject to RCW 66.24.010 and the regulations adopted thereunder, including without limitation rights of cities, towns, county legislative authorities, the public, churches, schools, and public institutions to object to or prevent issuance of local liquor licenses. However, existing grocery premises licensed to sell beer and/or wine are deemed to be premises "now licensed" under RCW 66.24.010(9)(a) for the purpose of processing applications for spirits retail licenses.

(c) The board may not deny a spirits retail license to an otherwise qualified contract liquor store at its contract location or to the holder of former state liquor store operating rights sold at auction under RCW 66.24.620 on the grounds of location, nature, or size of the premises to be licensed. The board may not deny a spirits retail license to applicants that are not contract liquor stores or operating

rights holders on the grounds of the size of the premises to be licensed, if such applicant is otherwise qualified and the board determines that:

(i) There is no spirits retail license holder in the trade area that the applicant proposes to serve;

(ii) The applicant meets, or upon licensure will meet, the operational requirements established by the board by rule; and

(iii) The licensee has not committed more than one public safety violation within the three years preceding application.

(d) A retailer authorized to sell spirits for consumption on or off the licensed premises may accept delivery of spirits at its licensed premises, at another licensed premises as designated by the retailer, or at one or more warehouse facilities registered with the board, which facilities may also warehouse and distribute nonliquor items, and from which the retailer may deliver to its own licensed premises and, pursuant to sales permitted under subsection (1) of this section:

(i) To other retailer premises licensed to sell spirits for consumption on the licensed premises;

(ii) To other registered facilities; or

(iii) To lawful purchasers outside the state. The facilities may be registered and utilized by associations, cooperatives, or comparable groups of retailers, including at least one retailer licensed to sell spirits.

(e) For purposes of negotiating volume discounts, a group of individual retailers authorized to sell spirits for consumption off the licensed premises may accept delivery of spirits at their individual licensed premises or at any one of the individual licensee's premises, or at a warehouse facility registered with the board.

(4)(a) Except as otherwise provided in RCW 66.24.632, section 2, chapter 48, Laws of 2021, or in (b) of this subsection, each spirits retail licensee must pay to the board, for deposit into the liquor revolving fund, a license issuance fee equivalent to ((seventeen)) <u>17</u> percent of all spirits sales revenues under the license, exclusive of taxes collected by the licensee and of sales of items on which a license fee payable under this section has otherwise been incurred. The board must establish rules setting forth the timing of such payments and reporting of sales dollar volume by the licensee, with payments required quarterly in arrears. The first payment is due October 1, 2012.

(b) This subsection (4) does not apply to craft distilleries for sales of spirits of the craft distillery's own production.

(5) In addition to the payment required under subsection (4) of this section, each licensee must pay an annual license renewal fee of ((one hundred sixty-six dollars)) <u>\$550</u>. The board must periodically review and adjust the renewal fee as may be required to maintain it as comparable to annual license renewal fees for licenses to sell beer and wine not for consumption on the licensed premises. If required by law at the time, any increase of the annual renewal fee becomes effective only upon ratification by the legislature.

(6) As a condition to receiving and renewing a spirits retail license the licensee must provide training as prescribed by the board by rule for individuals who sell spirits or who manage others who sell spirits regarding compliance with laws and regulations regarding sale of spirits, including without limitation the prohibitions against sale of spirits to individuals who are underage or visibly

intoxicated. The training must be provided before the individual first engages in the sale of spirits and must be renewed at least every five years. The licensee must maintain records documenting the nature and frequency of the training provided. An employee training program is presumptively sufficient if it incorporates a "responsible vendor program" adopted by the board.

(7) The maximum penalties prescribed by the board in WAC 314-29-020 through 314-29-040 relating to fines and suspensions are doubled for violations relating to the sale of spirits by spirits retail licensees.

(8)(a) The board must adopt regulations concerning the adoption and administration of a compliance training program for spirits retail licensees, to be known as a "responsible vendor program," to reduce underage drinking, encourage licensees to adopt specific best practices to prevent sales to minors, and provide licensees with an incentive to give their employees ongoing training in responsible alcohol sales and service.

(b) Licensees who join the responsible vendor program under this section and maintain all of the program's requirements are not subject to the doubling of penalties provided in this section for a single violation in any period of twelve calendar months.

(c) The responsible vendor program must be free, voluntary, and self-monitoring.

(d) To participate in the responsible vendor program, licensees must submit an application form to the board. If the application establishes that the licensee meets the qualifications to join the program, the board must send the licensee a membership certificate.

(e) A licensee participating in the responsible vendor program must at a minimum:

(i) Provide ongoing training to employees;

(ii) Accept only certain forms of identification for alcohol sales;

(iii) Adopt policies on alcohol sales and checking identification;

(iv) Post specific signs in the business; and

(v) Keep records verifying compliance with the program's requirements.

(f)(i) A spirits retail licensee that also holds a grocery store license under RCW 66.24.360 or a beer and/or wine specialty shop license under RCW 66.24.371 may, upon board approval and pursuant to board rules, transition to a combination spirits, beer, and wine license pursuant to RCW 66.24.035.

(ii) An applicant that would qualify for a spirits retail license under this section and that qualifies for a combination spirits, beer, and wine license pursuant to RCW 66.24.035 may apply for a license pursuant to RCW 66.24.035 instead of applying for a spirits retail license under this section.

Sec. 48. RCW 66.24.650 and 2021 c 6 s 16 are each amended to read as follows:

(1)(((a))) There is a theater license to sell beer, including strong beer, or wine, or both, at retail, for consumption on theater premises. The annual fee is ((four hundred dollars)) for a beer and wine theater license.

(((b) The annual fee in (a) of this subsection is waived during the 12-month period beginning with the second calendar month after February 28, 2021, for:

(i) Licenses that expire during the 12-month waiver period under this subsection (1)(b); and

(ii) Licenses issued to persons previously licensed under this section at any time during the 12-month period prior to the 12-month waiver period under this subsection (1)(b).

(c) The waiver in (b) of this subsection does not apply to any licensee that:

(i) Had their license suspended by the board for health and safety violations of state COVID-19 guidelines; or

(ii) Received an order of immediate restraint or citation from the department of labor and industries for allowing an employee to perform work where business activity was prohibited in violation of an emergency proclamation of the governor under RCW 43.06.220.

(d) Upon request of the department of revenue, the board and the department of labor and industries must both provide a list of persons that they have determined to be ineligible for a fee waiver under (b) of this subsection for the reasons described in (c) of this subsection. Unless otherwise agreed, any list must be received by the department of revenue no later than 15 calendar days after the request is made.))

(2) If the theater premises is to be frequented by minors, an alcohol control plan must be submitted to the board at the time of application. The alcohol control plan must be approved by the board, and be prominently posted on the premises, prior to minors being allowed.

(3) For the purposes of this section:

(a) "Alcohol control plan" means a written, dated, and signed plan submitted to the board by an applicant or licensee for the entire theater premises, or rooms or areas therein, that shows where and when alcohol is permitted, where and when minors are permitted, and the control measures used to ensure that minors are not able to obtain alcohol or be exposed to environments where drinking alcohol predominates.

(b) "Theater" means a place of business where motion pictures or other primarily nonparticipatory entertainment are shown, and includes only theaters with up to four screens.

(4) The board must adopt rules regarding alcohol control plans and necessary control measures to ensure that minors are not able to obtain alcohol or be exposed to areas where drinking alcohol predominates. All alcohol control plans must include a requirement that any person involved in the serving of beer and/or wine must have completed a mandatory alcohol server training program.

(5)(a) A licensee that is an entity that is exempt from taxation under Title 26 U.S.C. Sec. 501(c)(3) of the federal internal revenue code of 1986, as amended as of January 1, 2013, may enter into arrangements with a beer or wine manufacturer, importer, or distributor for brand advertising at the theater or promotion of events held at the theater. The financial arrangements providing for the brand advertising or promotion of events may not be used as an inducement to purchase the products of the manufacturer, importer, or distributor for brand advertising or promotion of events may not be used as an inducement to purchase the products of the manufacturer, importer, or distributor entering into the arrangement and such arrangements may not result in the exclusion of brands or products of other companies.

(b) The arrangements allowed under this subsection (5) are an exception to arrangements prohibited under RCW 66.28.305. The board must monitor the impacts of these arrangements. The board may conduct audits of a licensee and the affiliated business to determine compliance with this subsection (5). Audits may include, but are not limited to: Product selection at the facility; purchase

patterns of the licensee; contracts with the beer or wine manufacturer, importer, or distributor; and the amount allocated or used for wine or beer advertising by the licensee, affiliated business, manufacturer, importer, or distributor under the arrangements.

(6) The maximum penalties prescribed by the board in WAC 314-29-020 relating to fines and suspensions are double for violations involving minors or the failure to follow the alcohol control plan with respect to theaters licensed under this section.

Sec. 49. RCW 66.24.655 and 2021 c 6 s 17 are each amended to read as follows:

(1)(((a))) There is a theater license to sell spirits, beer, including strong beer, or wine, or all, at retail, for consumption on theater premises. A spirits, beer, and wine theater license may be issued only to theaters that have no more than ((one hundred twenty)) 120 seats per screen and that are maintained in a substantial manner as a place for preparing, cooking, and serving complete meals and providing tabletop accommodations for in-theater dining. Requirements for complete meals are the same as those adopted by the board in rules pursuant to chapter 34.05 RCW for a spirits, beer, and wine restaurant license authorized by RCW 66.24.400. The annual fee for a spirits, beer, and wine theater license is ((two thousand dollars))) $\frac{$2,500}{}$.

(((b) The annual fee in (a) of this subsection is waived during the 12-month period beginning with the second calendar month after February 28, 2021, for:

(i) Licenses that expire during the 12-month waiver period under this subsection (1)(b); and

(ii) Licenses issued to persons previously licensed under this section at any time during the 12-month period prior to the 12-month waiver period under this subsection (1)(b).

(c) The waiver in (b) of this subsection does not apply to any licensee that:

(i) Had their license suspended by the board for health and safety violations of state COVID-19 guidelines; or

(ii) Received an order of immediate restraint or citation from the department of labor and industries for allowing an employee to perform work where business activity was prohibited in violation of an emergency proclamation of the governor under RCW 43.06.220.

(d) Upon request of the department of revenue, the board and the department of labor and industries must both provide a list of persons that they have determined to be ineligible for a fee waiver under (b) of this subsection for the reasons described in (c) of this subsection. Unless otherwise agreed, any list must be received by the department of revenue no later than 15 calendar days after the request is made.))

(2) If the theater premises is to be frequented by minors, an alcohol control plan must be submitted to the board at the time of application. The alcohol control plan must be approved by the board and be prominently posted on the premises, prior to minors being allowed.

(3) For the purposes of this section:

(a) "Alcohol control plan" means a written, dated, and signed plan submitted to the board by an applicant or licensee for the entire theater premises, or rooms or areas therein, that shows where and when alcohol is permitted, where and when minors are permitted, and the control measures used to ensure that minors are not able to obtain alcohol or be exposed to environments where drinking alcohol predominates.

(b) "Theater" means a place of business where motion pictures or other primarily nonparticipatory entertainment are shown.

(4) The board must adopt rules regarding alcohol control plans and necessary control measures to ensure that minors are not able to obtain alcohol or be exposed to areas where drinking alcohol predominates. All alcohol control plans must include a requirement that any person involved in the serving of spirits, beer, and/or wine must have completed a mandatory alcohol server training program.

(5)(a) A licensee that is an entity that is exempt from taxation under Title 26 U.S.C. Sec. 501(c)(3) of the federal internal revenue code of 1986, as amended as of January 1, 2013, may enter into arrangements with a spirits, beer, or wine manufacturer, importer, or distributor for brand advertising at the theater or promotion of events held at the theater. The financial arrangements providing for the brand advertising or promotion of events may not be used as an inducement to purchase the products of the manufacturer, importer, or distributor entering into the arrangement and such arrangements may not result in the exclusion of brands or products of other companies.

(b) The arrangements allowed under this subsection (5) are an exception to arrangements prohibited under RCW 66.28.305. The board must monitor the impacts of these arrangements. The board may conduct audits of a licensee and the affiliated business to determine compliance with this subsection (5). Audits may include, but are not limited to: Product selection at the facility; purchase patterns of the licensee; contracts with the spirits, beer, or wine manufacturer, importer, or distributor; and the amount allocated or used for spirits, beer, or distributor under the arrangements.

(6) The maximum penalties prescribed by the board in WAC 314-29-020 relating to fines and suspensions are double for violations involving minors or the failure to follow the alcohol control plan with respect to theaters licensed under this section.

Sec. 50. RCW 66.24.680 and 2021 c 176 s 5235 and 2021 c 6 s 18 are each reenacted and amended to read as follows:

(1) There shall be a license to be designated as a senior center license. This shall be a license issued to a nonprofit organization whose primary service is providing recreational and social activities for seniors on the licensed premises. This license shall permit the licensee to sell spirits by the individual glass, including mixed drinks and cocktails mixed on the premises only, beer and wine, at retail for consumption on the premises.

(2) To qualify for this license, the applicant entity must:

(a) Be a nonprofit organization under chapter 24.03A RCW;

(b) Be open at times and durations established by the board; and

(c) Provide limited food service as defined by the board.

(3) All alcohol servers must have a valid mandatory alcohol server training permit.

(4) The board shall adopt rules to implement this section.

 $(5)((\frac{a}{a}))$ The annual fee for this license shall be $((\frac{a}{a})) \frac{5720}{a}$.

(((b) The annual fee in (a) of this subsection is waived during the 12-month period beginning with the second calendar month after February 28, 2021, for:

(i) Licenses that expire during the 12-month waiver period under this subsection (5)(b); and

(ii) Licenses issued to persons previously licensed under this section at any time during the 12 month period prior to the 12 month waiver period under this subsection (5)(b).

(c) The waiver in (b) of this subsection does not apply to any licensee that:

(i) Had their license suspended by the board for health and safety violations of state COVID-19 guidelines; or

(ii) Received an order of immediate restraint or citation from the department of labor and industries for allowing an employee to perform work where business activity was prohibited in violation of an emergency proclamation of the governor under RCW 43.06.220.

(d) Upon request of the department of revenue, the board and the department of labor and industries must both provide a list of persons that they have determined to be ineligible for a fee waiver under (b) of this subsection for the reasons described in (c) of this subsection. Unless otherwise agreed, any list must be received by the department of revenue no later than 15 calendar days after the request is made.))

Sec. 51. RCW 66.24.690 and 2021 c 6 s 19 are each amended to read as follows:

(1) There shall be a caterer's license to sell spirits, beer, and wine, by the individual serving, at retail, for consumption on the premises at an event location that is either owned, leased, or operated either by the caterer or the sponsor of the event for which catering services are being provided. If the event is open to the public, it must be sponsored by a society or organization as defined in RCW 66.24.375. If attendance at the event is limited to members or invited guests of the sponsor must be a society or organization, the requirement that the sponsor must be a society or organization as defined in RCW 66.24.375 is waived. The licensee must serve food as required by rules of the board.

(2)(((a))) The annual fee is ((two hundred dollars)) \$300 for the beer license, ((two hundred dollars)) \$300 for the wine license, or ((four hundred dollars)) \$600 for a combination beer and wine license. The annual fee for a combined beer, wine, and spirits license is ((one thousand dollars)) \$1,500.

(((b) The annual fees in (a) of this subsection are waived during the 12month period beginning with the second calendar month after February 28, 2021, for:

(i) Licenses that expire during the 12-month waiver period under this subsection (2)(b); and

(ii) Licenses issued to persons previously licensed under this section at any time during the 12-month period prior to the 12-month waiver period under this subsection (2)(b).

(c) The waivers in (b) of this subsection do not apply to any licensee that:

(i) Had their license suspended by the board for health and safety violations of state COVID-19 guidelines; or

(ii) Received an order of immediate restraint or citation from the department of labor and industries for allowing an employee to perform work where business activity was prohibited in violation of an emergency proclamation of the governor under RCW 43.06.220.

(d) Upon request of the department of revenue, the board and the department of labor and industries must both provide a list of persons that they have determined to be ineligible for a fee waiver under (b) of this subsection for the reasons described in (c) of this subsection. Unless otherwise agreed, any list must be received by the department of revenue no later than 15 calendar days after the request is made.))

(3) The holder of this license shall notify the board or its designee of the date, time, place, and location of any catered event at which liquor will be served, sold, or consumed. The board shall create rules detailing notification requirements. Upon request, the licensee shall provide to the board all necessary or requested information concerning the individual, society, or organization that will be holding the catered function at which the caterer's liquor license will be utilized.

(4) The holder of this license may, under conditions established by the board, store liquor on other premises operated by the licensee so long as the other premises are owned or controlled by a leasehold interest by that licensee.

(5) The holder of this license is prohibited from catering events at locations that are already licensed to sell liquor under this chapter.

(6) The holder of this license is responsible for all sales, service, and consumption of alcohol at the location of the catered event.

Sec. 52. RCW 66.24.695 and 2017 c 229 s 1 are each amended to read as follows:

(1) There shall be a bonded and nonbonded spirits warehouse license for spirits warehouses that authorizes the storage and handling of bonded bulk spirits and, to the extent allowed under federal law and under rules adopted by the board, bottled spirits and the storage of tax-paid spirits not in bond. Under this license a licensee may maintain a warehouse for the storage of federally authorized spirits off the premises of a distillery for distillers qualified under RCW 66.24.140, 66.24.145, or 66.24.150, or entities otherwise licensed and permitted in this state, or bulk spirits transferred in bond from out-of-state distilleries and, to the extent allowed by federal law and under rules adopted by the board, bottled spirits, if the storage of the federally authorized spirits transferred into the state is for storage only and not for processing or bottling in the bonded spirits warehouse. A licensee must designate clearly in its license application to the board the sections of the warehouse that are bonded and nonbonded with a physical separation between such spaces. Only spirits in bond may be stored in the bonded sections of the warehouse and only spirits that have been removed from bond tax-paid may be stored in nonbonded areas of the warehouse. The proprietor of the warehouse must maintain a plan for tracking spirits being stored in the warehouse to ensure compliance with relevant bonding and tax obligations.

(2) The board must adopt similar qualifications for a spirits warehouse licensed under this section as required for obtaining a distillery license as specified in RCW 66.24.140, 66.24.145, and 66.24.150. A licensee must be a sole proprietor, a partnership, a limited liability company, a corporation, a port authority, a city, a county, or any other public entity or subdivision of the state that elects to license a bonded spirits warehouse as an agricultural or economic

development activity. One or more domestic distilleries or manufacturers may operate as a partnership, corporation, business co-op, cotenant, or agricultural co-op for the purpose of obtaining a bonded and nonbonded spirits warehouse license or storing spirits in the facility under a common management and oversight agreement free of charge or for a fee.

(3) Spirits in bond may be removed from a bonded spirits warehouse for the purpose of being:

(a) Exported from the state;

(b) Returned to a distillery or spirits warehouse licensed under this section; or

(c) Transferred to a distillery, spirits warehouse licensed under this section, or a licensed bottling or packaging facility.

(4) Bottled spirits that are being removed from a spirits warehouse licensed under this section tax-paid may be:

(a) Transferred back to the distillery that produced them;

(b) Shipped to a licensed Washington spirits distributor;

(c) Shipped to a licensed Washington spirits retailer;

(d) Exported from the state; or

(e) Removed for direct shipping to a consumer pursuant to RCW 66.20.410.

(5) The ownership and operation of a spirits warehouse facility licensed under this section may be by a person or entity other than those described in this section acting in a commercial warehouse management position under contract for such licensed persons or entities on their behalf.

(6) A license applicant must demonstrate the right to have warehoused spirits under a valid federal permit held by a licensee who maintains ownership and title to the spirits while they are in storage in the spirits warehouse licensed under this section. The fee for this license is ((one hundred dollars)) \$150 per year.

(7) The board must adopt rules requiring a spirits warehouse licensed under this section to be physically secure, zoned for the intended use, and physically separated from any other use.

(8) The operator or licensee operating a spirits warehouse licensed under this section must submit to the board a monthly report of movement of spirits to and from a warehouse licensed under this section in a form prescribed by the board. The board may adopt other necessary procedures by which such warehouses are licensed and regulated.

(9) The board may require a single annual permit valid for a full calendar year issued to each licensee or entity warehousing spirits under this section that allows for unlimited transfers to and from such warehouse within that year. The fee for this permit is ((one hundred dollars)) \$150 per year.

(10) Handling of bottled spirits that have been removed from bond tax-paid and that reside in the spirits warehouse licensed under this section includes packaging and repackaging services; bottle labeling services; creating baskets or variety packs that may or may not include nonspirits products; and picking, packing, and shipping spirits orders on behalf of a licensed distillery direct to consumers in accordance with RCW 66.20.410. A distillery contracting with the operator of a spirits warehouse licensed under this section for handling bottled spirits must comply with all applicable state and federal laws and is responsible for financial transactions in direct to consumer shipping activities. <u>NEW SECTION.</u> Sec. 53. A new section is added to chapter 66.08 RCW to read as follows:

(1) Except as provided in subsection (2) of this section, the board must increase by 50 percent the license, permit, or endorsement fee for any liquor license, permit, or endorsement in which the amount of such fee is determined by the board in rule.

(2) The board must increase the fee set pursuant to RCW 66.20.010(3) to \$25.

Passed by the Senate April 25, 2025. Passed by the House April 24, 2025. Approved by the Governor May 17, 2025. Filed in Office of Secretary of State May 19, 2025.

CHAPTER 344

[Substitute Senate Bill 5790]

COMMUNITY AND TECHNICAL COLLEGE EMPLOYEES—COST-OF-LIVING ADJUSTMENTS INDEX

AN ACT Relating to cost-of-living adjustments for community and technical college employees; amending RCW 28B.50.465 and 28B.50.468; providing an effective date; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 28B.50.465 and 2013 2nd sp.s. c 5 s 2 are each amended to read as follows:

(1) Academic employees of community and technical college districts shall be provided an annual salary cost-of-living increase in accordance with this section. ((For purposes of this section, "academic employee" has the same meaning as defined in RCW 28B.52.020.))

(a) ((Beginning with the 2001-2002 fiscal year, and for each subsequent)) Every fiscal year((, except as provided in (d) of this subsection,)) each college district shall receive a cost-of-living allocation sufficient to increase academic employee salaries, including mandatory salary-related benefits, by the rate of the yearly increase in the cost-of-living index.

(b) A college district shall distribute its cost-of-living allocation for salaries and salary-related benefits in accordance with the district's salary schedules, collective bargaining agreements, and other compensation policies. No later than the end of the fiscal year, each college district shall certify to the college board that it has spent funds provided for cost-of-living increases on salaries and salary-related benefits.

(c) The college board shall include any funded cost-of-living increase in the salary base used to determine cost-of-living increases for academic employees in subsequent years.

(d) ((Beginning with the 2001-2002 fiscal year, and for each subsequent fiscal year except for the 2013-2014 and 2014-2015 fiscal years, the)) The state shall fully fund the cost-of-living increase set forth in this section.

(2) For the purposes of this section((, "cost)):

(a) "Academic employee" has the same meaning as defined in RCW 28B.52.020.

(b) "Cost-of-living index" means, ((for any fiscal year, the previous ealendar year's annual average consumer price index, using the official current base, compiled by the bureau of labor statistics, United States department of labor for the state of Washington. If the bureau of labor statistics develops more than one consumer price index for areas within the state, the index covering the greatest number of people, covering areas exclusively within the boundaries of the state, and including all items shall be used for the cost-of-living index in this section)) beginning with the 2025-2027 fiscal biennium, the implicit price deflator for the previous calendar year as of the bureau of economic analysis, United States department of commerce.

Sec. 2. RCW 28B.50.468 and 2013 2nd sp.s. c 5 s 3 are each amended to read as follows:

(1) Classified employees of technical colleges shall be provided an annual salary cost-of-living increase in accordance with this section. ((For purposes of this section, "technical college" has the same meaning as defined in RCW 28B.50.030.)) This section applies to only those classified employees under the jurisdiction of chapter 41.56 RCW.

(a) ((Beginning with the 2001-2002 fiscal year, and for each subsequent)) <u>Every</u> fiscal year((, except as provided in (d) of this subsection,)) each technical college board of trustees shall receive a cost-of-living allocation sufficient to increase classified employee salaries, including mandatory salary-related benefits, by the rate of the yearly increase in the cost-of-living index.

(b) A technical college board of trustees shall distribute its cost-of-living allocation for salaries and salary-related benefits in accordance with the technical college's salary schedules, collective bargaining agreements, and other compensation policies. No later than the end of the fiscal year, each technical college shall certify to the college board that it has spent funds provided for cost-of-living increases on salaries and salary-related benefits.

(c) The college board shall include any funded cost-of-living increase in the salary base used to determine cost-of-living increases for technical college classified employees in subsequent years.

(d) ((Beginning with the 2001-2002 fiscal year, and for each subsequent fiscal year except for the 2013-2014 and 2014-2015 fiscal years, the)) The state shall fully fund the cost-of-living increase set forth in this section.

(2) For the purposes of this section((, "cost)):

(a) "Cost-of-living index" means, ((for any fiscal year, the previous calendar year's annual average consumer price index, using the official current base, compiled by the bureau of labor statistics, United States department of labor for the state of Washington. If the bureau of labor statistics develops more than one consumer price index for areas within the state, the index covering the greatest number of people, covering areas exclusively within the boundaries of the state, and including all items shall be used for the cost-of-living index in this section)) beginning with the 2025-2027 fiscal biennium, the implicit price deflator for the previous calendar year as of the bureau of economic analysis, United States department of commerce.

(b) "Technical college" has the same meaning as defined in RCW 28B.50.030.

<u>NEW SECTION.</u> Sec. 3. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 2025.

Passed by the Senate April 19, 2025. Passed by the House April 24, 2025. Approved by the Governor May 17, 2025. Filed in Office of Secretary of State May 19, 2025.

CHAPTER 345

[Substitute House Bill 1498]

DOMESTIC VIOLENCE CO-RESPONDER GRANT PROGRAM

AN ACT Relating to domestic violence co-responder programs; reenacting and amending RCW 36.18.010; and adding new sections to chapter 43.280 RCW.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> Sec. 1. A new section is added to chapter 43.280 RCW to read as follows:

(1) The domestic violence co-responder account is created in the state treasury. All receipts from fees imposed for deposit in the domestic violence co-responder account under RCW 36.18.010 must be deposited into the account. Moneys in the account may be spent only after appropriation.

(2) Expenditures from the account may only be used for:

(a) The domestic violence co-responder grant program created in section 2 of this act; and

(b) For the fiscal year ending June 30, 2026, other programs and services to address domestic violence.

<u>NEW SECTION.</u> Sec. 2. A new section is added to chapter 43.280 RCW to read as follows:

(1) The domestic violence co-responder grant program is created to be administered by the office of crime victims advocacy.

(2) The domestic violence co-responder grant program must:

(a) Award matching grants to cities and counties for the purpose of establishing and operating domestic violence co-responder programs;

(b) Provide contracted technical assistance and training for grantees using a service provider that has demonstrated effectiveness in providing domestic violence co-responder services; and

(c) Provide contracted services to assist grantees in billing health insurance for domestic violence co-responder services.

(3) For the purposes of this section, a "domestic violence co-responder program" is a program utilizing domestic violence victim advocates that are summoned by law enforcement to the scene of a domestic violence incident and that provide whole family support, resource connection, and care navigation for victims.

Sec. 3. RCW 36.18.010 and 2023 c 340 s 8 and 2023 c 277 s 9 are each reenacted and amended to read as follows:

Except as otherwise ordered by the court pursuant to RCW 4.24.130, county auditors or recording officers shall collect the following fees for their official services:

(1) For recording instruments, for the first page eight and one-half by 14 inches or less, \$5; for each additional page eight and one-half by 14 inches or less, \$1. The fee for recording multiple transactions contained in one instrument will be calculated for each transaction requiring separate indexing as required under RCW 65.04.050 as follows: The fee for each title or transaction is the same fee as the first page of any additional recorded document; the fee for additional pages is the same fee as for any additional pages for any recorded document; the fee for the additional pages may be collected only once and may not be collected for each title or transaction;

(2) For preparing and certifying copies, for the first page eight and one-half by 14 inches or less, \$3; for each additional page eight and one-half by 14 inches or less, \$1;

(3) For preparing noncertified copies, for each page eight and one-half by 14 inches or less, \$1;

(4) For administering an oath or taking an affidavit, with or without seal, \$2;

(5) For issuing a marriage license((-,)):

(a) An \$8 fee, (this fee includes taking necessary affidavits, filing returns, indexing, and transmittal of a record of the marriage to the state registrar of vital statistics); plus ((an))

(b) An additional \$5 fee for use and support of the prevention of child abuse and neglect activities to be transmitted monthly to the state treasurer and deposited in the state general fund; plus ((an))

(c) An additional \$10 fee to be transmitted monthly to the state treasurer and deposited in the state general fund((. The legislature intends to appropriate an amount at least equal to the revenue generated by this fee for the purposes of the displaced homemaker act, chapter 28B.04 RCW)); plus

(d) An additional \$100 fee to be transmitted monthly to the state treasurer for deposit into the domestic violence co-responder account created in section 1 of this act;

(6) For searching records per hour, \$8;

(7) For recording plats, 50 cents for each lot except cemetery plats for which the charge shall be 25 cents per lot; also \$1 for each acknowledgment, dedication, and description: PROVIDED, That there shall be a minimum fee of \$25 per plat;

(8) For recording of miscellaneous records not listed above, for the first page eight and one-half by 14 inches or less, \$5; for each additional page eight and one-half by 14 inches or less, \$1;

(9) For modernization and improvement of the recording and indexing system, a surcharge as provided in RCW 36.22.170;

(10) For recording an emergency nonstandard document as provided in RCW 65.04.047, \$50, in addition to all other applicable recording fees;

(11) For recording instruments, a \$3 surcharge to be deposited into the Washington state library operations account created in RCW 43.07.129;

(12) For recording instruments, a \$2 surcharge to be deposited into the Washington state library-archives building account created in RCW 43.07.410 until the financing contract entered into by the secretary of state for the Washington state library-archives building is paid in full;

(13) For recording instruments, the surcharge as provided in RCW 36.22.250; and

(14) For recording instruments, except for documents exempt under RCW 36.22.185(2), an assessment as provided in RCW 36.22.185.

Passed by the House April 26, 2025. Passed by the Senate April 26, 2025. Approved by the Governor May 19, 2025. Filed in Office of Secretary of State May 19, 2025.

CHAPTER 346

[Substitute House Bill 1811]

CRISIS RESPONSE—CO-RESPONSE SERVICES

AN ACT Relating to enhancing crisis response services through co-response integration and support; amending RCW 5.60.060, 51.32.181, and 71.24.905; reenacting and amending RCW 71.24.025; and creating a new section.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> Sec. 1. The goals of co-response are to de-escalate situations, divert people from criminal justice and emergency medical systems, and bring medical and behavioral health care into the field to serve vulnerable populations.

Co-responders play a critical role in Washington's emergency response landscape, promoting a crisis care delivery system that appropriately responds to behavioral health emergencies and adapts to complex needs at the nexus of health and behavioral health. As Washington's crisis care delivery system continues to evolve, co-responders should be integrated into new and existing programs and legal frameworks in a way that consistently reflects their contributions to the health and well-being of the people of Washington and provides the necessary support for them to continue their critical work.

Sec. 2. RCW 71.24.025 and 2024 c 368 s 2, 2024 c 367 s 1, and 2024 c 121 s 25 are each reenacted and amended to read as follows:

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

(1) "23-hour crisis relief center" means a community-based facility or portion of a facility which is licensed or certified by the department of health and open 24 hours a day, seven days a week, offering access to mental health and substance use care for no more than 23 hours and 59 minutes at a time per patient, and which accepts all behavioral health crisis walk-ins drop-offs from first responders, and individuals referred through the 988 system regardless of behavioral health acuity, and meets the requirements under RCW 71.24.916.

(2) "988 crisis hotline" means the universal telephone number within the United States designated for the purpose of the national suicide prevention and mental health crisis hotline system operating through the national suicide prevention lifeline.

(3) "Acutely mentally ill" means a condition which is limited to a short-term severe crisis episode of:

(a) A mental disorder as defined in RCW 71.05.020 or, in the case of a child, as defined in RCW 71.34.020;

(b) Being gravely disabled as defined in RCW 71.05.020 or, in the case of a child, a gravely disabled minor as defined in RCW 71.34.020; or

(c) Presenting a likelihood of serious harm as defined in RCW 71.05.020 or, in the case of a child, as defined in RCW 71.34.020.

(4) "Alcoholism" means a disease, characterized by a dependency on alcoholic beverages, loss of control over the amount and circumstances of use, symptoms of tolerance, physiological or psychological withdrawal, or both, if use is reduced or discontinued, and impairment of health or disruption of social or economic functioning.

(5) "Approved substance use disorder treatment program" means a program for persons with a substance use disorder provided by a treatment program licensed or certified by the department as meeting standards adopted under this chapter.

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

(7) "Available resources" means funds appropriated for the purpose of providing community behavioral health programs, federal funds, except those provided according to Title XIX of the Social Security Act, and state funds appropriated under this chapter or chapter 71.05 RCW by the legislature during any biennium for the purpose of providing residential services, resource management services, community support services, and other behavioral health services. This does not include funds appropriated for the purpose of operating and administering the state psychiatric hospitals.

(8) "Behavioral health administrative services organization" means an entity contracted with the authority to administer behavioral health services and programs under RCW 71.24.381, including crisis services and administration of chapter 71.05 RCW, the involuntary treatment act, for all individuals in a defined regional service area.

(9) "Behavioral health aide" means a counselor, health educator, and advocate who helps address individual and community-based behavioral health needs, including those related to alcohol, drug, and tobacco abuse as well as mental health problems such as grief, depression, suicide, and related issues and is certified by a community health aide program of the Indian health service or one or more tribes or tribal organizations consistent with the provisions of 25 U.S.C. Sec. 1616l and RCW 43.71B.010 (7) and (8).

(10) "Behavioral health provider" means a person licensed under chapter 18.57, 18.71, 18.71A, 18.83, 18.205, 18.225, or 18.79 RCW, as it applies to registered nurses and advanced <u>practice</u> registered ((nurse practitioners)) <u>nurses</u>.

(11) "Behavioral health services" means mental health services, substance use disorder treatment services, and co-occurring disorder treatment services as described in this chapter and chapter 71.36 RCW that, depending on the type of service, are provided by licensed or certified behavioral health agencies, behavioral health providers, or integrated into other health care providers.

(12) "Child" means a person under the age of 18 years.

(13) "Chronically mentally ill adult" or "adult who is chronically mentally ill" means an adult who has a mental disorder and meets at least one of the following criteria:

(a) Has undergone two or more episodes of hospital care for a mental disorder within the preceding two years; or

(b) Has experienced a continuous behavioral health hospitalization or residential treatment exceeding six months' duration within the preceding year; or

(c) Has been unable to engage in any substantial gainful activity by reason of any mental disorder which has lasted for a continuous period of not less than 12 months. "Substantial gainful activity" shall be defined by the authority by rule consistent with Public Law 92-603, as amended.

(14) "Clubhouse" means a community-based program that provides rehabilitation services and is licensed or certified by the department.

(15) "Co-response" means a multidisciplinary partnership between first responders and human services professionals that responds to emergency situations involving behavioral health crises and people experiencing complex medical needs. Participants in co-response respond to in-progress 911 calls, 988 calls, and requests for service from dispatch and other first responders and include first responders such as public safety telecommunicators, law enforcement officers, firefighters, emergency medical technicians, and paramedics, and human services professionals such as social workers, behavioral health clinicians, advanced practice registered nurses, registered nurses, community health workers, and peer support specialists.

(16) "Community behavioral health program" means all expenditures, services, activities, or programs, including reasonable administration and overhead, designed and conducted to prevent or treat substance use disorder, mental illness, or both in the community behavioral health system.

 $((\frac{16}{10}))$ (<u>17</u>) "Community behavioral health service delivery system" means public, private, or tribal agencies that provide services specifically to persons with mental disorders, substance use disorders, or both, as defined under RCW 71.05.020 and receive funding from public sources.

(((17))) (18) "Community support services" means services authorized, planned, and coordinated through resource management services including, at a minimum, assessment, diagnosis, emergency crisis intervention available 24 hours, seven days a week, prescreening determinations for persons who are mentally ill being considered for placement in nursing homes as required by federal law, screening for patients being considered for admission to residential services, diagnosis and treatment for children who are acutely mentally ill or severely emotionally or behaviorally disturbed discovered under screening through the federal Title XIX early and periodic screening, diagnosis, and treatment program, investigation, legal, and other nonresidential services under chapter 71.05 RCW, case management services, psychiatric treatment including medication supervision, counseling, psychotherapy, assuring transfer of relevant patient information between service providers, recovery services, and other services determined by behavioral health administrative services organizations.

(((18))) (19) "Community-based crisis team" means a team that is part of an emergency medical services agency, a fire service agency, a public health agency, a medical facility, a nonprofit crisis response provider, or a city or county government entity, other than a law enforcement agency, that provides the on-site community-based interventions of a mobile rapid response crisis team for individuals who are experiencing a behavioral health crisis.

(((19))) (20) "Consensus-based" means a program or practice that has general support among treatment providers and experts, based on experience or professional literature, and may have anecdotal or case study support, or that is agreed but not possible to perform studies with random assignment and controlled groups.

(((20))) (21) "Coordinated regional behavioral health crisis response system" means the coordinated operation of 988 call centers, regional crisis lines, certified public safety telecommunicators, and other behavioral health crisis system partners within each regional service area.

(((21))) (22) "County authority" means the board of county commissioners, county council, or county executive having authority to establish a behavioral health administrative services organization, or two or more of the county authorities specified in this subsection which have entered into an agreement to establish a behavioral health administrative services organization.

(((22))) (<u>23</u>) "Crisis stabilization services" means services such as 23-hour crisis relief centers, crisis stabilization units, short-term respite facilities, peerrun respite services, and same-day walk-in behavioral health services, including within the overall crisis system components that operate like hospital emergency departments that accept all walk-ins, and ambulance, fire, and police drop-offs, or determine the need for involuntary hospitalization of an individual.

(((23))) (24) "Crisis stabilization unit" has the same meaning as under RCW 71.05.020.

(((24))) (25) "Department" means the department of health.

(((25))) (26) "Designated 988 contact hub" or "988 contact hub" means a state-designated contact center that streamlines clinical interventions and access to resources for people experiencing a behavioral health crisis and participates in the national suicide prevention lifeline network to respond to statewide or regional 988 contacts that meets the requirements of RCW 71.24.890.

 $(((\frac{26}{2})))$ (27) "Designated crisis responder" has the same meaning as in RCW 71.05.020.

(((27))) (28) "Director" means the director of the authority.

(((28))) (29) "Drug addiction" means a disease characterized by a dependency on psychoactive chemicals, loss of control over the amount and circumstances of use, symptoms of tolerance, physiological or psychological withdrawal, or both, if use is reduced or discontinued, and impairment of health or disruption of social or economic functioning.

 $(((\frac{29})))$ (30) "Early adopter" means a regional service area for which all of the county authorities have requested that the authority purchase medical and behavioral health services through a managed care health system as defined under RCW 71.24.380(7).

(((30))) (31) "Emerging best practice" or "promising practice" means a program or practice that, based on statistical analyses or a well established theory of change, shows potential for meeting the evidence-based or research-based criteria, which may include the use of a program that is evidence-based for outcomes other than those listed in subsection (((31))) (32) of this section.

(((31))) (32) "Evidence-based" means a program or practice that has been tested in heterogeneous or intended populations with multiple randomized, or statistically controlled evaluations, or both; or one large multiple site randomized, or statistically controlled evaluation, or both, where the weight of the evidence from a systemic review demonstrates sustained improvements in at least one outcome. "Evidence-based" also means a program or practice that can be implemented with a set of procedures to allow successful replication in Washington and, when possible, is determined to be cost-beneficial.

(((32))) (33) "First responders" includes ambulance, fire, mobile rapid response crisis team, co<u>responder</u> team, designated crisis responder, fire department mobile integrated health team, community assistance referral and education services program under RCW 35.21.930, and law enforcement personnel.

(((33))) (34) "Immediate jeopardy" means a situation in which the licensed or certified behavioral health agency's noncompliance with one or more statutory or regulatory requirements has placed the health and safety of patients in its care at risk for serious injury, serious harm, serious impairment, or death.

(((34))) (35) "Indian health care provider" means a health care program operated by the Indian health service or by a tribe, tribal organization, or urban Indian organization as those terms are defined in the Indian health care improvement act (25 U.S.C. Sec. 1603).

(((35))) (36) "Intensive behavioral health treatment facility" means a community-based specialized residential treatment facility for individuals with behavioral health conditions, including individuals discharging from or being diverted from state and local hospitals, whose impairment or behaviors do not meet, or no longer meet, criteria for involuntary inpatient commitment under chapter 71.05 RCW, but whose care needs cannot be met in other community-based placement settings.

(((36))) (37) "Licensed or certified behavioral health agency" means:

(a) An entity licensed or certified according to this chapter or chapter 71.05 RCW;

(b) An entity deemed to meet state minimum standards as a result of accreditation by a recognized behavioral health accrediting body recognized and having a current agreement with the department; or

(c) An entity with a tribal attestation that it meets state minimum standards for a licensed or certified behavioral health agency.

(((37))) (38) "Licensed physician" means a person licensed to practice medicine or osteopathic medicine and surgery in the state of Washington.

(((38))) (39) "Long-term inpatient care" means inpatient services for persons committed for, or voluntarily receiving intensive treatment for, periods of 90 days or greater under chapter 71.05 RCW. "Long-term inpatient care" as used in this chapter does not include: (a) Services for individuals committed under chapter 71.05 RCW who are receiving services pursuant to a conditional release or a court-ordered less restrictive alternative to detention; or (b) services for individuals voluntarily receiving less restrictive alternative treatment on the grounds of the state hospital.

(((39))) (40) "Managed care organization" means an organization, having a certificate of authority or certificate of registration from the office of the insurance commissioner, that contracts with the authority under a comprehensive risk contract to provide prepaid health care services to enrollees under the authority's managed care programs under chapter 74.09 RCW.

(((40))) (41) "Mental health peer-run respite center" means a peer-run program to serve individuals in need of voluntary, short-term, noncrisis services that focus on recovery and wellness.

(((41))) (42) Mental health "treatment records" include registration and all other records concerning persons who are receiving or who at any time have received services for mental illness, which are maintained by the department of

social and health services or the authority, by behavioral health administrative services organizations and their staffs, by managed care organizations and their staffs, or by treatment facilities. "Treatment records" do not include notes or records maintained for personal use by a person providing treatment services for the entities listed in this subsection, or a treatment facility if the notes or records are not available to others.

(((42))) (43) "Mentally ill persons," "persons who are mentally ill," and "the mentally ill" mean persons and conditions defined in subsections (3), (13), (((51))) (52), and (((52))) (53) of this section.

(((43))) (44) "Mobile rapid response crisis team" means a team that provides professional on-site community-based intervention such as outreach, deescalation, stabilization, resource connection, and follow-up support for individuals who are experiencing a behavioral health crisis, that shall include certified peer counselors as a best practice to the extent practicable based on workforce availability, and that meets standards for response times established by the authority.

(((44))) (45) "Recovery" means a process of change through which individuals improve their health and wellness, live a self-directed life, and strive to reach their full potential.

(((45))) (46) "Regional crisis line" means the behavioral health crisis hotline in each regional service area which provides crisis response services 24 hours a day, seven days a week, 365 days a year including but not limited to dispatch of mobile rapid response crisis teams, community-based crisis teams, and designated crisis responders. <u>A regional crisis line may not dispatch law</u> <u>enforcement.</u>

(((46))) (47) "Research-based" means a program or practice that has been tested with a single randomized, or statistically controlled evaluation, or both, demonstrating sustained desirable outcomes; or where the weight of the evidence from a systemic review supports sustained outcomes as described in subsection (((31))) (32) of this section but does not meet the full criteria for evidence-based.

(((47))) (48) "Residential services" means a complete range of residences and supports authorized by resource management services and which may involve a facility, a distinct part thereof, or services which support community living, for persons who are acutely mentally ill, adults who are chronically mentally ill, children who are severely emotionally disturbed, or adults who are seriously disturbed and determined by the behavioral health administrative services organization or managed care organization to be at risk of becoming acutely or chronically mentally ill. The services shall include at least evaluation and treatment services as defined in chapter 71.05 RCW, acute crisis respite care, long-term adaptive and rehabilitative care, and supervised and supported living services, and shall also include any residential services developed to service persons who are mentally ill in nursing homes, residential treatment facilities, assisted living facilities, and adult family homes, and may include outpatient services provided as an element in a package of services in a supported housing model. Residential services for children in out-of-home placements related to their mental disorder shall not include the costs of food and shelter, except for children's long-term residential facilities existing prior to January 1, 1991.

(((48))) (49) "Resilience" means the personal and community qualities that enable individuals to rebound from adversity, trauma, tragedy, threats, or other stresses, and to live productive lives.

(((49))) (50) "Resource management services" mean the planning, coordination, and authorization of residential services and community support services administered pursuant to an individual service plan for: (a) Adults and children who are acutely mentally ill; (b) adults who are chronically mentally ill; (c) children who are severely emotionally disturbed; or (d) adults who are seriously disturbed and determined by a behavioral health administrative services organization or managed care organization to be at risk of becoming acutely or chronically mentally ill. Such planning, coordination, and authorization shall include mental health screening for children eligible under the federal Title XIX early and periodic screening, diagnosis, and treatment program. Resource management services include seven day a week, 24 hour a day availability of information regarding enrollment of adults and children who are mentally ill in services and their individual service plan to designated crisis responders, evaluation and treatment facilities, and others as determined by the behavioral health administrative services organization or managed care organization, as applicable.

(((50))) (51) "Secretary" means the secretary of the department of health.

(((51))) (52) "Seriously disturbed person" means a person who:

(a) Is gravely disabled or presents a likelihood of serious harm to himself or herself or others, or to the property of others, as a result of a mental disorder as defined in chapter 71.05 RCW;

(b) Has been on conditional release status, or under a less restrictive alternative order, at some time during the preceding two years from an evaluation and treatment facility or a state mental health hospital;

(c) Has a mental disorder which causes major impairment in several areas of daily living;

(d) Exhibits suicidal preoccupation or attempts; or

(e) Is a child diagnosed by a mental health professional, as defined in chapter 71.34 RCW, as experiencing a mental disorder which is clearly interfering with the child's functioning in family or school or with peers or is clearly interfering with the child's personality development and learning.

(((52))) (53) "Severely emotionally disturbed child" or "child who is severely emotionally disturbed" means a child who has been determined by the behavioral health administrative services organization or managed care organization, if applicable, to be experiencing a mental disorder as defined in chapter 71.34 RCW, including those mental disorders that result in a behavioral or conduct disorder, that is clearly interfering with the child's functioning in family or school or with peers and who meets at least one of the following criteria:

(a) Has undergone inpatient treatment or placement outside of the home related to a mental disorder within the last two years;

(b) Has undergone involuntary treatment under chapter 71.34 RCW within the last two years;

(c) Is currently served by at least one of the following child-serving systems: Juvenile justice, child-protection/welfare, special education, or developmental disabilities;

(d) Is at risk of escalating maladjustment due to:

(i) Chronic family dysfunction involving a caretaker who is mentally ill or inadequate;

(ii) Changes in custodial adult;

(iii) Going to, residing in, or returning from any placement outside of the home, for example, behavioral health hospital, short-term inpatient, residential treatment, group or foster home, or a correctional facility;

(iv) Subject to repeated physical abuse or neglect;

(v) Drug or alcohol abuse; or

(vi) Homelessness.

(((53))) (54) "State minimum standards" means minimum requirements established by rules adopted and necessary to implement this chapter by:

(a) The authority for:

(i) Delivery of mental health and substance use disorder services; and

(ii) Community support services and resource management services;

(b) The department of health for:

(i) Licensed or certified behavioral health agencies for the purpose of providing mental health or substance use disorder programs and services, or both;

(ii) Licensed behavioral health providers for the provision of mental health or substance use disorder services, or both; and

(iii) Residential services.

(((54))) (55) "Substance use disorder" means a cluster of cognitive, behavioral, and physiological symptoms indicating that an individual continues using the substance despite significant substance-related problems. The diagnosis of a substance use disorder is based on a pathological pattern of behaviors related to the use of the substances.

 $(((\frac{55}{5})))$ (56) "Tribe," for the purposes of this section, means a federally recognized Indian tribe.

Sec. 3. RCW 5.60.060 and 2024 c 295 s 6 are each amended to read as follows:

(1) A spouse or domestic partner shall not be examined for or against his or her spouse or domestic partner, without the consent of the spouse or domestic partner; nor can either during marriage or during the domestic partnership or afterward, be without the consent of the other, examined as to any communication made by one to the other during the marriage or the domestic partnership. But this exception shall not apply to a civil action or proceeding by one against the other, nor to a criminal action or proceeding for a crime committed by one against the other, nor to a criminal action or proceeding against a spouse or domestic partner if the marriage or the domestic partnership occurred subsequent to the filing of formal charges against the defendant, nor to a criminal action or proceeding for a crime committed by said spouse or domestic partner against any child of whom said spouse or domestic partner is the parent or guardian, nor to a proceeding under chapter 71.05 or 71.09 RCW: PROVIDED, That the spouse or the domestic partner of a person sought to be detained under chapter 71.05 or 71.09 RCW may not be compelled to testify and shall be so informed by the court prior to being called as a witness.

(2)(a) An attorney or counselor shall not, without the consent of his or her client, be examined as to any communication made by the client to him or her, or his or her advice given thereon in the course of professional employment.

(b) A parent or guardian of a minor child arrested on a criminal charge may not be examined as to a communication between the child and his or her attorney if the communication was made in the presence of the parent or guardian. This privilege does not extend to communications made prior to the arrest.

(3) A member of the clergy, a Christian Science practitioner listed in the Christian Science Journal, or a priest shall not, without the consent of a person making the confession or sacred confidence, be examined as to any confession or sacred confidence made to him or her in his or her professional character, in the course of discipline enjoined by the church to which he or she belongs.

(4) Subject to the limitations under RCW 71.05.217 (6) and (7), a physician or surgeon or osteopathic physician or surgeon or podiatric physician or surgeon shall not, without the consent of his or her patient, be examined in a civil action as to any information acquired in attending such patient, which was necessary to enable him or her to prescribe or act for the patient, except as follows:

(a) In any judicial proceedings regarding a child's injury, neglect, or sexual abuse or the cause thereof; and

(b) Ninety days after filing an action for personal injuries or wrongful death, the claimant shall be deemed to waive the physician-patient privilege. Waiver of the physician-patient privilege for any one physician or condition constitutes a waiver of the privilege as to all physicians or conditions, subject to such limitations as a court may impose pursuant to court rules.

(5) A public officer shall not be examined as a witness as to communications made to him or her in official confidence, when the public interest would suffer by the disclosure.

(6)(a) A peer supporter shall not, without consent of the peer support services recipient making the communication, be compelled to testify about any communication made to the peer supporter by the peer support services recipient while receiving individual or group services. The peer supporter must be designated as such by their employing agency prior to providing peer support services. The privilege only applies when the communication was made to the peer supporter while acting in his or her capacity as a peer supporter. The privilege applies regardless of whether the peer support services recipient is an employee of the same agency as the peer supporter. Peer support services may be coordinated or designated among first responder agencies pursuant to chapter 10.93 RCW, interlocal agreement, or other similar provision, provided however that a written agreement is not required for the privilege to apply. The privilege does not apply if the peer supporter was an initial responding first responder, department of corrections staff person, or jail staff person; a witness; or a party to the incident which prompted the delivery of peer support services to the peer support services recipient.

(b) For purposes of this section:

- (i) "First responder" means:
- (A) A law enforcement officer;
- (B) A limited authority law enforcement officer;
- (C) A firefighter;
- (D) An emergency services dispatcher or recordkeeper;

(E) Emergency medical personnel, as licensed or certified by this state;

(F) A member or former member of the Washington national guard acting in an emergency response capacity pursuant to chapter 38.52 RCW; ((or))

(G) A coroner or medical examiner, or a coroner's or medical examiner's agent or employee; or

(H) An individual engaged in co-response services, as defined in RCW 71.24.025.

(ii) "Law enforcement officer" means a general authority Washington peace officer as defined in RCW 10.93.020.

(iii) "Limited authority law enforcement officer" means a limited authority Washington peace officer as defined in RCW 10.93.020 who is employed by the department of corrections, state parks and recreation commission, department of natural resources, liquor and cannabis board, or Washington state gambling commission.

(iv) "Peer support services recipient" means:

(A) A first responder;

(B) A department of corrections staff person; or

(C) A jail staff person.

(v) "Peer supporter" means:

(A) A first responder, retired first responder, department of corrections staff person, or jail staff person or a civilian employee of a first responder entity or agency, local jail, or state agency who has received training to provide emotional and moral support and services to a peer support services recipient who needs those services as a result of an incident or incidents in which the peer support services recipient was involved while acting in his or her official capacity or to deal with other stress that is impacting the peer support services recipient's performance of official duties; or

(B) A nonemployee who has been designated by the first responder entity or agency, local jail, <u>statewide organization focused on co-response outreach</u>, or state agency to provide emotional and moral support and counseling to a peer support services recipient who needs those services as a result of an incident or incidents in which the peer support services recipient was involved while acting in his or her official capacity.

(7) A sexual assault advocate may not, without the consent of the victim, be examined as to any communication made between the victim and the sexual assault advocate.

(a) For purposes of this section, "sexual assault advocate" means the employee or volunteer from a community sexual assault program or underserved populations provider, victim assistance unit, program, or association, that provides information, medical or legal advocacy, counseling, or support to victims of sexual assault, who is designated by the victim to accompany the victim to the hospital or other health care facility and to proceedings concerning the alleged assault, including police and prosecution interviews and court proceedings.

(b) A sexual assault advocate may disclose a confidential communication without the consent of the victim if failure to disclose is likely to result in a clear, imminent risk of serious physical injury or death of the victim or another person. Any sexual assault advocate participating in good faith in the disclosing of records and communications under this section shall have immunity from any liability, civil, criminal, or otherwise, that might result from the action. In any proceeding, civil or criminal, arising out of a disclosure under this section, the good faith of the sexual assault advocate who disclosed the confidential communication shall be presumed.

(8) A domestic violence advocate may not, without the consent of the victim, be examined as to any communication between the victim and the domestic violence advocate.

(a) For purposes of this section, "domestic violence advocate" means an employee or supervised volunteer from a community-based domestic violence program or human services program that provides information, advocacy, counseling, crisis intervention, emergency shelter, or support to victims of domestic violence and who is not employed by, or under the direct supervision of, a law enforcement agency, a prosecutor's office, or the child protective services section of the department of children, youth, and families as defined in RCW 26.44.020.

(b) A domestic violence advocate may disclose a confidential communication without the consent of the victim if failure to disclose is likely to result in a clear, imminent risk of serious physical injury or death of the victim or another person. This section does not relieve a domestic violence advocate from the requirement to report or cause to be reported an incident under RCW 26.44.030(1) or to disclose relevant records relating to a child as required by RCW 26.44.030(15). Any domestic violence advocate participating in good faith in the disclosing of communications under this subsection is immune from liability, civil, criminal, or otherwise, that might result from the action. In any proceeding, civil or criminal, arising out of a disclosure under this subsection, the good faith of the domestic violence advocate who disclosed the confidential communication shall be presumed.

(9) A mental health counselor, independent clinical social worker, or marriage and family therapist licensed under chapter 18.225 RCW may not disclose, or be compelled to testify about, any information acquired from persons consulting the individual in a professional capacity when the information was necessary to enable the individual to render professional services to those persons except:

(a) With the written authorization of that person or, in the case of death or disability, the person's personal representative;

(b) If the person waives the privilege by bringing charges against the mental health counselor licensed under chapter 18.225 RCW;

(c) In response to a subpoena from the secretary of health. The secretary may subpoena only records related to a complaint or report under RCW 18.130.050;

(d) As required under chapter 26.44 or 74.34 RCW or RCW 71.05.217 (6) or (7); or

(e) To any individual if the mental health counselor, independent clinical social worker, or marriage and family therapist licensed under chapter 18.225 RCW reasonably believes that disclosure will avoid or minimize an imminent danger to the health or safety of the individual or any other individual; however, there is no obligation on the part of the provider to so disclose.

(10) An individual who acts as a sponsor providing guidance, emotional support, and counseling in an individualized manner to a person participating in

an alcohol or drug addiction recovery fellowship may not testify in any civil action or proceeding about any communication made by the person participating in the addiction recovery fellowship to the individual who acts as a sponsor except with the written authorization of that person or, in the case of death or disability, the person's personal representative.

(11)(a) Neither a union representative nor an employee the union represents or has represented shall be examined as to, or be required to disclose, any communication between an employee and union representative or between union representatives made in the course of union representation except:

(i) To the extent such examination or disclosure appears necessary to prevent the commission of a crime that is likely to result in a clear, imminent risk of serious physical injury or death of a person;

(ii) In actions, civil or criminal, in which the represented employee is accused of a crime or assault or battery;

(iii) In actions, civil or criminal, where a union member is a party to the action, the union member may obtain a copy of any statement previously given by that union member concerning the subject matter of the action and may elicit testimony concerning such statements. The right of the union member to obtain such statements, or the union member's possession of such statements, does not render them discoverable over the objection of the union member;

(iv) In actions, regulatory, civil, or criminal, against the union or its affiliated, subordinate, or parent bodies or their agents; or

(v) When an admission of, or intent to engage in, criminal conduct is revealed by the represented union member to the union representative.

(b) The privilege created in this subsection (11) does not apply to any record of communications that would otherwise be subject to disclosure under chapter 42.56 RCW.

(c) The privilege created in this subsection (11) may not interfere with an employee's or union representative's applicable statutory mandatory reporting requirements, including but not limited to duties to report in chapters 26.44, 43.101, and 74.34 RCW.

(d) For purposes of this subsection:

(i) "Employee" means a person represented by a certified or recognized union regardless of whether the employee is a member of the union.

(ii) "Union" means any lawful organization that has as one of its primary purposes the representation of employees in their employment relations with employers, including without limitation labor organizations defined by 29 U.S.C. Sec. 152(5) and 5 U.S.C. Sec. 7103(a)(4), representatives defined by 45 U.S.C. Sec. 151, and bargaining representatives defined in RCW 41.56.030, and employee organizations as defined in RCW 28B.52.020, 41.59.020, 41.80.005, 41.76.005, 47.64.011, and 53.18.010.

(iii) "Union representation" means action by a union on behalf of one or more employees it represents in regard to their employment relations with employers, including personnel matters, grievances, labor disputes, wages, rates of pay, hours of employment, conditions of work, or collective bargaining.

(iv) "Union representative" means a person authorized by a union to act for the union in regard to union representation.

(v) "Communication" includes any oral, written, or electronic communication or document containing such communication.

Sec. 4. RCW 51.32.181 and 2022 c 290 s 1 are each amended to read as follows:

(1) For frontline employees who are covered under this title, there exists a prima facie presumption that any infectious or contagious diseases that are transmitted through respiratory droplets or aerosols, or through contact with contaminated surfaces and are the subject of a public health emergency are occupational diseases under RCW 51.08.140 during a public health emergency.

(2) The frontline employee must provide verification, as required by the department by rule, to the department and the self-insured employer that the employee has contracted the infectious or contagious disease that is the subject of the public health emergency.

(3) This presumption of occupational disease may be rebutted by a preponderance of the evidence that:

(a) The exposure to the infectious or contagious disease which is the subject of the public health emergency occurred from other employment or nonemployment activities; or

(b) The employee was working from the employee's home, on leave from the employee's employment, or some combination thereof, for the period of quarantine consistent with recommended guidance from state and federal health officials for the disease immediately prior to the employee's injury, occupational disease, or period of incapacity that resulted from exposure to the disease which is the subject of the public health emergency.

(4)(a) RCW 51.32.090(7) does not apply to an occupational disease under this section except that no worker shall receive compensation for or during the day on which the occupational disease was contracted. For the purposes of this subsection (4), the day on which the occupational disease was contracted is whichever date occurs first of the following:

(i) The date that the worker first missed work due to symptoms of the infectious or contagious disease;

(ii) The date the worker was quarantined by a medical provider or public health official; or

(iii) The date the worker received a positive test result confirming contraction of the infectious or contagious disease.

(b) If leave or similar benefits are paid to the frontline employee as part of a federal or state program for these employees during the public health emergency, temporary total disability benefits are not payable for the same period of time covered by the federal or state program.

(5) When calculating assessments due to the department for which total claim costs are the basis, self-insured employers and self-insurance hospital groups formed under RCW 51.14.150 and 51.14.160 may deduct the cost of payments made under this section from the total of all claim costs reported.

(6) Costs of the payments under this section shall not affect the experience rating of employers insured by the state fund.

(7) As used in this section:

(a) "Assisted living facility" has the same meaning as in RCW 18.20.020.

(b) "Farm work" means work performed on a farm, in the employ of any person, in connection with the cultivation of the soil, or in connection with raising or harvesting any agricultural or horticultural commodity, including raising, shearing, feeding, caring for, training, and management of livestock, bees, poultry, and furbearing animals and wildlife, or in the employ of the owner or tenant or other operator of a farm in connection with the operation, management, conservation, improvement, or maintenance of such farm and its tools and equipment. For the purposes of this subsection, "farm work" includes floriculture.

(c) "Food distribution work" means work where the primary duties include transporting food from food producers or manufacturers to food warehouses or food service operators and retailers.

(d) "Food manufacturing work" means work performed for an employer whose North American industry classification code is within "311."

(e) "Food processing work" means work handling or processing of any food in any manner of preparation for sale for an employer required to be licensed by the department of agriculture under chapter 69.07 RCW.

(f) "Frontline employee" includes the following employees:

(i) First responders, including law enforcement officers, firefighters, emergency medical service providers, paramedics, ((and)) ambulance drivers, and other members of first response teams engaged in co-response, as defined in <u>RCW 71.24.025</u>. "Firefighters" includes wildland firefighters when performing wildfire suppression or other emergency duties under the incident command system if the firefighter has in-person interaction with the general public or other firefighters as part of their job duties;

(ii) Employees performing food processing, food manufacturing, food distribution, farm, and meat packing work;

(iii) Maintenance, janitorial, and food service workers at any facility treating patients diagnosed with the infectious or contagious disease that is the subject of the public health emergency;

(iv) Drivers and operators employed by a transit agency or any other public entity authorized under state law to provide mass transportation services to the general public;

(v) Employees working at a child care facility licensed by the department of children, youth, and families under chapter 43.216 RCW, if the employee has inperson interaction with children or other members of the general public as part of their job duties;

(vi) Employees employed by a retail store that remains open to the general public during the public health emergency, if the employee has in-person interaction with the general public as part of their job duties or has in-person interaction with other employees. For the purposes of this subsection, "retail store" means a business whose North American industry classification code is within "44-45";

(vii) Employees employed by a hotel, motel, or other transient accommodation licensed under chapter 70.62 RCW that remains open to the general public during the public health emergency, if the employee has in-person interaction with the general public as part of their job duties or has in-person interaction with other employees;

(viii) Employees employed by a restaurant, if the employee has in-person interaction with the general public as part of their job duties or works in the kitchen of the restaurant and has in-person interaction with other employees. For the purposes of this subsection, "restaurant" has the same meaning as in RCW 66.04.010; (ix) Home care aides certified under chapter 18.88B RCW and home health aides that provide services under chapter 70.126 RCW that primarily work in the home of the individual receiving care;

(x)(A) Corrections officers and correctional support employees working at a correctional institution.

(B) For the purposes of this subsection (7)(f)(x):

(I) "Correctional institution" has the same meaning as in RCW 9.94.049.

(II) "Corrections officer" means any corrections agency employee whose primary job function is to provide custody, safety, and security of prisoners in jails and detention facilities.

(III) "Correctional support employee" means any employee who provides food services or janitorial services in a correctional institution;

(xi) Educational employees, including classroom teachers, paraeducators, principals, librarians, school bus drivers, and other educational support staff, of any school district, or a contractor of a school district, that are required to be physically present at a school or on the grounds of a school where classes are being taught in person, in a transportation vehicle necessary for school operations, or in the home of a student as part of their job duties, if the employee has in-person interaction with students, a student's family members, or other employees as part of their job duties;

(xii) Employees of institutions of higher education that are required to be physically present on campus when classes are being taught in person, if the employee has in-person interaction with students or the general public as part of their job duties. For the purposes of this subsection, "institution of higher education" has the same meaning as in RCW 28B.10.016;

(xiii) Employees employed by a public library that remains open to the general public during the public health emergency, if the employee has in-person interaction with the general public as part of their job duties or has in-person interaction with other employees. For the purposes of this subsection, "public library" means a library covered by chapter 27.12 RCW;

(xiv) Employees employed by the department of licensing who are assigned to review, process, approve, and issue driver licenses to the general public, if the employee has in-person interaction with the general public as part of their job duties or has in-person interaction with other employees.

(g) "Meat packing work" means work slaughtering animals and processing and packaging meat products for sale and the rendering of animal by-products.

(h) "Nursing home" means a nursing home licensed under chapter 18.51 RCW.

(i) "Public health emergency" means a declaration or order concerning any infectious or contagious diseases, including a pandemic and is issued as follows:

(i) The president of the United States has declared a national or regional emergency that covers every county in the state of Washington; or

(ii) The governor of Washington has declared a state of emergency under RCW 43.06.010(12) in every county in the state.

(j) "School" has the same meaning as in RCW 28A.210.070.

Sec. 5. RCW 71.24.905 and 2022 c 232 s 2 are each amended to read as follows:

(1) Subject to the availability of amounts appropriated for this specific purpose, the University of Washington shall, in consultation and collaboration

with the co-responder outreach alliance and other stakeholders as appropriate in the field of co-response:

(a) Establish regular opportunities for police, fire, emergency medical services, peer counselors, and behavioral health personnel working in coresponse to convene for activities such as training, exchanging information and best practices around the state and nationally, and providing the University of Washington with assistance with activities described in this section;

(b) Subject to the availability of amounts appropriated for this specific purpose, administer a small budget to help defray costs for training and professional development, which may include expenses related to attending or hosting site visits with experienced co-response teams;

(c) Develop an assessment to be provided to the governor and legislature by June 30, 2023, describing and analyzing the following:

(i) Existing capacity and shortfalls across the state in co-response teams and the co-response workforce;

(ii) Current alignment of co-response teams with cities, counties, behavioral health administrative services organizations, and call centers; distribution among police, fire, and EMS-based co-response models; and desired alignment;

(iii) Current funding strategies for co-response teams and identification of federal funding opportunities;

(iv) Current data systems utilized and an assessment of their effectiveness for use by co-responders, program planners, and policymakers;

(v) Current training practices and identification of future state training practices;

(vi) Alignment with designated crisis responder activities;

(vii) Recommendations concerning best practices to prepare co-responders to achieve objectives and meet future state crisis system needs, including those of the 988 system;

(viii) Recommendations to align co-responder activities with efforts to reform ways in which persons experiencing a behavioral health crisis interact with the criminal justice system; and

(ix) Assessment of training and educational needs for current and future coresponder workforce;

(d) Beginning in calendar year 2023, begin development of model training curricula for individuals participating in co-response teams; and

(e) Beginning in calendar year 2023, host an annual statewide conference that draws state and national co-responders.

(2) Stakeholders in the field of co-response may include, but are not limited to, the Washington association of designated crisis responders; state associations representing police, fire, and emergency medical services personnel; the Washington council on behavioral health; the state ((enhanced)) 911 system; 988 crisis call centers; and the peer workforce alliance.

(3)(a) By January 1, 2026, the University of Washington school of social work, in consultation with the authority and the behavioral health administrative services organizations, shall establish a program to administer a crisis responder training academy resulting in a certification in best practices in crisis response in three behavioral health administrative services organizations with a significant co-response footprint. The curriculum must include: Safety and crisis deescalation tactics, teamwork across the disciplines including peer support

workers, culturally responsive crisis care, suicide intervention, substance use disorder engagement, overdose response, and an eight-hour session with clinical staff of designated 988 contact hubs, crisis relief centers, crisis call centers, and employees of 911 public safety answering points, explaining best coordination strategies. Best practices for regional protocol development must be included.

(b) By January 1, 2027, the crisis responder training academy shall be expanded to all behavioral health administrative services organizations and provide openings for 988 rapid response teams, co-response teams, mobile community response teams, and alternative response teams. The behavioral health administrative services organizations shall promote the training academy available to local crisis responder and co-response teams in their regions. The certification shall be optional and may not serve as an additional requirement for licensure for crisis responders or licensed human services professionals.

Passed by the House April 21, 2025. Passed by the Senate April 16, 2025. Approved by the Governor May 19, 2025. Filed in Office of Secretary of State May 19, 2025.

CHAPTER 347

[Engrossed Substitute Senate Bill 5004] PUBLIC SCHOOL EMERGENCY RESPONSE SYSTEMS

AN ACT Relating to emergency response systems in public schools including panic or alert buttons; amending RCW 28A.320.126; and creating a new section.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 28A.320.126 and 2019 c 333 s 16 are each amended to read as follows:

(1) School districts must work collaboratively with local law enforcement agencies, <u>public safety answering points</u>, and ((school security personnel)) safety and security staff as defined in RCW 28A.320.124 to develop an emergency response system using evolving technology to expedite the response and arrival of law enforcement in the event of a threat or emergency at a school. ((School districts are encouraged to use the model policies developed by the school safety center in the office of the superintendent of public instruction as a resource.)) "Emergency response system" includes at least one of the following:

(a) Panic or alert buttons that are tied to school administration, school district staff, and emergency response providers;

(b) Live video feed with law enforcement, school district, and school access;

(c) Live audio feed with law enforcement, school district, and school access; (d) Remote control access to doors;

(e) Live interactive two-way communications; or

(f) A system that complies with applicable state building code requirements for group E occupancies for emergency response systems developed under this section or systems developed as part of a safe school plan under RCW 28A.320.125.

(2) Each school district must submit a progress report on its implementation of an emergency response system as required under this section to the office of

the superintendent of public instruction by ((December 1, 2014)) October 1, 2025. By December 1, 2025, the office of the superintendent of public instruction must compile the information submitted by school districts and report to the legislature on the types of emergency response systems used by school districts.

(3) This section governs school operation and management under RCW 28A.710.040 and 28A.715.020 and applies to charter schools established under chapter 28A.710 RCW and state-tribal education compact schools subject to chapter 28A.715 RCW.

<u>NEW SECTION.</u> Sec. 2. This act may be known and cited as Alyssa's law.

Passed by the Senate April 17, 2025. Passed by the House March 26, 2025. Approved by the Governor May 19, 2025. Filed in Office of Secretary of State May 19, 2025.

CHAPTER 348

[Senate Bill 5032]

OFFICE OF THE FAMILY AND CHILDREN'S OMBUDS—JUVENILE REHABILITATION FACILITIES

AN ACT Relating to expanding the duties of the office of the family and children's ombuds to include juvenile rehabilitation facilities operated by the department of children, youth, and families; amending RCW 43.06A.010, 43.06A.030, and 43.06A.100; and creating a new section.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 43.06A.010 and 2013 c 23 s 71 are each amended to read as follows:

There is hereby created an office of the family and children's ombuds within the office of the governor for the purpose of promoting public awareness and understanding of family, youth, and children services provided by the department of children, youth, and families, identifying system issues and responses for the governor and the legislature to act upon, and monitoring and ensuring compliance with administrative acts, relevant statutes, rules, and policies pertaining to family, youth, and children's services and the placement, supervision, and treatment of children, youth, and individuals in the state's care or in state-licensed facilities or residences and juvenile rehabilitation facilities. The ombuds shall report directly to the governor and shall exercise ((his or her)) the ombuds' powers and duties independently of the secretary.

Sec. 2. RCW 43.06A.030 and 2018 c 58 s 77 are each amended to read as follows:

(1) The ombuds shall perform the following duties:

(((1))) (a) Provide information as appropriate on the rights and responsibilities of individuals receiving services from the department of children, youth, and families, including family, youth, and children's services, juvenile justice, juvenile rehabilitation, and child early learning, and on the procedures for providing these services;

 $((\frac{2}))$ (b) Investigate, upon $((\frac{\text{his or her}}{\text{her}}))$ the ombud's own initiative or upon receipt of a complaint, an administrative act by the department of children, youth, and families alleged to be contrary to law, rule, or policy, imposed

without an adequate statement of reason, or based on irrelevant, immaterial, or erroneous grounds; however, the ombuds may decline to investigate any complaint as provided by rules adopted under this chapter;

 $((\frac{(3)}{2}))$ (c) Monitor the procedures as established, implemented, and practiced by the department of children, youth, and families to carry out its responsibilities in delivering family, youth, and children's services and juvenile rehabilitation services, with a view toward appropriate preservation of families and ensuring ((children's)) health and safety;

(((4))) (d) Review periodically the facilities and procedures of state institutions including juvenile rehabilitation facilities serving children, youth, individuals, and families, and state-licensed facilities or residences;

(((5))) (<u>e</u>) Recommend changes in the procedures for addressing the needs of children, youth, <u>individuals</u>, and families, <u>who receive care or services from</u> the department of children, youth, and families;

(((6))) (f) Submit annually to the oversight board for children, youth, and families created in RCW 43.216.015 and to the governor by November 1st a report analyzing the work of the department of children, youth, and families, including recommendations;

(((7))) (g) Grant the oversight board for children, youth, and families access to all relevant records in the possession of the ombuds unless prohibited by law; and

(((8))) (h) Adopt rules necessary to implement this chapter.

(2) For the purposes of this section, "child, youth, or individual" includes any person in the state's care or in state-licensed facilities or residences and juvenile rehabilitation facilities who is receiving services from the department of children, youth, and families.

Sec. 3. RCW 43.06A.100 and 2017 3rd sp.s. c 6 s 810 are each amended to read as follows:

(1) The department of children, youth, and families shall:

(a) Allow the ombuds or the ombuds's designee to communicate privately with any child <u>or person</u> in the custody of the department of children, youth, and families, or any child <u>or person</u> who is part of a near fatality investigation by the department of children, youth, and families, for the purposes of carrying out its duties under this chapter;

(b) Permit the ombuds or the ombuds designee physical access to state institutions serving children, <u>youth</u>, and <u>families</u>, <u>including juvenile</u> <u>rehabilitation facilities</u> and state licensed facilities or residences, for the purpose of carrying out its duties under this chapter;

(c) Upon the ombuds's request, grant the ombuds or the ombuds's designee the right to access, inspect, and copy all relevant information, records, or documents in the possession or control of the department of children, youth, and families that the ombuds considers necessary in an investigation; and

(d) Grant the office of the family and children's ombuds unrestricted online access to the child welfare case management information system, the juvenile rehabilitation case management system, and the department of children, youth, and families data information system for the purpose of carrying out its duties under this chapter.

(2) For the purposes of this section((, "near)):

(a) "Near fatality" means an act that, as certified by a physician, places the child <u>or person</u> in serious or critical condition.

(b) "Child, youth, or individual" includes any person in the state's care or in state-licensed facilities or residences and juvenile rehabilitation facilities who is receiving services from the department of children, youth, and families.

(3) Nothing in this section creates a duty for the office of the family and children's ombuds under RCW 43.06A.030 as related to children in the care of an early learning program described in RCW 43.216.500 through 43.216.550, a licensed child care center, or a licensed child care home.

<u>NEW SECTION.</u> Sec. 4. If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2025, in the omnibus appropriations act, this act is null and void.

Passed by the Senate April 17, 2025. Passed by the House April 11, 2025. Approved by the Governor May 19, 2025. Filed in Office of Secretary of State May 19, 2025.

CHAPTER 349

[Senate Bill 5224]

PEACE AND CORRECTIONS OFFICERS—CERTIFICATION—VARIOUS PROVISIONS

AN ACT Relating to officer certification definitions, processes, and commissioning; amending RCW 43.101.010, 43.101.095, 43.101.125, 43.101.126, 43.101.200, 43.101.380, 81.60.010, 81.60.020, 81.60.030, 81.60.040, and 81.60.060; and adding a new section to chapter 81.60 RCW.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 43.101.010 and 2024 c 319 s 5 are each amended to read as follows:

When used in this chapter:

(1) "Applicant" means an individual who has received a conditional offer of employment with a law enforcement or corrections agency.

(2) <u>"Certified" means the individual has met the background check</u> requirements under this chapter; completed the basic law enforcement academy, the corrections officer academy, or other training as determined by the commission; and fulfilled any other requirements adopted by the commission in rule, and has been granted a license by the commission to serve as an officer.

(3) "Chief for a day program" means a program in which commissioners and staff partner with local, state, and federal law enforcement agencies, hospitals, and the community to provide a day of special attention to chronically ill children. Each child is selected and sponsored by a law enforcement agency. The event, "chief for a day," occurs on one day, annually or every other year and may occur on the grounds and in the facilities of the commission. The program may include any appropriate honoring of the child as a "chief," such as a certificate swearing them in as a chief, a badge, a uniform, and donated gifts such as games, puzzles, and art supplies.

(((3))) (4) "Commission" means the Washington state criminal justice training commission.

(((4))) (5) "Commissioned" means the appointing entity has granted authority in accordance with local or state law, to act as a peace officer or corrections officer. However, for railroad police officers commissioned under RCW 81.60.010 through 81.60.060, "commissioned" has the meaning provided in chapter 81.60 RCW.

(6) "Convicted" means at the time a plea of guilty, nolo contendere, or deferred sentence has been accepted, or a verdict of guilty or finding of guilt has been filed, notwithstanding the pendency of any future proceedings, including but not limited to sentencing, posttrial or postfact-finding motions and appeals. "Conviction" includes all instances in which a plea of guilty or nolo contendere is the basis for conviction, all proceedings in which there is a case disposition agreement, and any equivalent disposition by a court in a jurisdiction other than the state of Washington.

 $((\frac{(5)}{2}))$ (7) "Correctional personnel" means any employee or volunteer who by state, county, municipal, or combination thereof, statute has the responsibility for the confinement, care, management, training, treatment, education, supervision, or counseling of those individuals whose civil rights have been limited in some way by legal sanction.

(((6))) (8) "Corrections officer" means any corrections agency employee whose primary job function is to provide for the custody, safety, and security of adult persons in jails and detention facilities in the state. "Corrections officer" does not include individuals employed by state agencies.

(((7))) (9) "Criminal justice personnel" means any person who serves as a peace officer, reserve officer, or corrections officer.

(((8))) (10) "Finding" means a determination based on a preponderance of the evidence whether alleged misconduct occurred; did not occur; occurred, but was consistent with law and policy; or could neither be proven or disproven.

(((9))) (11) "Law enforcement personnel" means any person elected, appointed, or employed as a general authority Washington peace officer as defined in RCW 10.93.020 or as a limited authority Washington peace officer as defined in RCW 10.93.020 who as a normal part of their duties has powers of arrest and carries a firearm. For the purposes of this chapter, "law enforcement personnel" does not include individuals employed by the department of corrections.

(((10))) (12) "Limited authority Washington law enforcement agency" has the same meaning as defined in RCW 10.93.020.

(13) "Peace officer" has the same meaning as a general authority Washington peace officer as defined in RCW 10.93.020. Commissioned officers of the Washington state patrol, whether they have been or may be exempted by rule of the commission from the basic training requirement of RCW 43.101.200, are included as peace officers for purposes of this chapter. Fish and wildlife officers with enforcement powers for all criminal laws under RCW 77.15.075 are peace officers for purposes of this chapter. Limited authority Washington peace officers as defined in RCW 10.93.020, who have powers of arrest and carry a firearm as part of their normal duty, are peace officers for purposes of this chapter. For the purposes of this chapter, "peace officer" does not include reserve officers or individuals employed by the department of corrections.

(((11))) (14) "Reserve officer" has the same meaning as provided in RCW 10.93.020.

 $(((\frac{12})))$ (15) "Specially commissioned Washington peace officer" has the same meaning as provided in RCW 10.93.020.

(((13))) (16) "Tribal police officer" means any person employed and commissioned by a tribal government to enforce the criminal laws of that government.

Sec. 2. RCW 43.101.095 and 2024 c 330 s 10 are each amended to read as follows:

(1) As a condition of employment, all ((Washington)) peace officers and <u>all</u> corrections officers are required to obtain certification ((as a peace officer or corrections officer)) or exemption therefrom and maintain certification as required by this chapter and the rules of the commission.

(2)(a) Any applicant who has been offered a conditional offer of employment as a peace officer or reserve officer, offered a conditional offer of employment as a corrections officer after July 1, 2021, or offered a conditional offer of employment as a limited authority Washington peace officer who if hired would qualify as a peace officer as defined by RCW 43.101.010 after July 1, 2023, must submit to a background investigation to determine the applicant's suitability for employment. This requirement applies to any applicant moving from any Washington law enforcement or corrections agency to another, as well as applicants moving from a certified peace officer position to a certified corrections officer position, or vice versa, within the same agency. This requirement ((applies)) does not apply to any person whose certification has lapsed as a result of a break of more than 24 consecutive months in the officer's service ((for a reason other than)) as a result of being recalled into military service. Employing agencies may only make a conditional offer of employment pending completion of the background check and shall verify in writing to the commission that they have complied with all background check requirements prior to making any nonconditional offer of employment.

(b) The background check must include:

(i) A check of criminal history, any national decertification index, commission records, and all disciplinary records by any previous law enforcement or correctional employer, including complaints or investigations of misconduct and the reason for separation from employment. Law enforcement or correctional agencies that previously employed the applicant shall disclose employment information within 30 days of receiving a written request from the employing agency conducting the background investigation, including the reason for the officer's separation from the agency. Complaints or investigations of misconduct must be disclosed regardless of the result of the investigation or whether the complaint was unfounded;

(ii) Inquiry to the local prosecuting authority in any jurisdiction in which the applicant has served as to whether the applicant is on any potential impeachment disclosure list;

(iii) Inquiry into whether the applicant has any past or present affiliations with extremist organizations, as defined by the commission;

(iv) A review of the applicant's social media accounts;

(v) Verification of immigrant or citizenship status as either a citizen of the United States of America, lawful permanent resident, or deferred action for childhood arrivals recipient; (vi) A psychological examination administered by a psychiatrist licensed in the state of Washington pursuant to chapter 18.71 RCW or a psychologist licensed in the state of Washington pursuant to chapter 18.83 RCW, in compliance with standards established in rules of the commission;

(vii) A polygraph or similar assessment administered by an experienced professional with appropriate training and in compliance with standards established in rules of the commission; and

(viii) Except as otherwise provided in this section, any test or assessment to be administered as part of the background investigation shall be administered in compliance with standards established in rules of the commission.

(c) The commission may establish standards for the background check requirements in this section and any other preemployment background check requirement that may be imposed by an employing agency or the commission.

(d) The employing law enforcement agency may require that each person who is required to take a psychological examination and a polygraph or similar test pay a portion of the testing fee based on the actual cost of the test or \$400, whichever is less. Employing agencies may establish a payment plan if they determine that the person does not readily have the means to pay the testing fee.

(3)(a) The commission shall allow a peace officer or corrections officer to retain status as a certified peace officer or corrections officer as long as the officer: (i) Timely meets the basic training requirements, or is exempted therefrom, in whole or in part, under RCW 43.101.200 or under rule of the commission; (ii) timely meets or is exempted from any other requirements under this chapter as administered under the rules adopted by the commission; (iii) is not denied certification by the commission under this chapter; and (iv) has not had certification suspended or revoked by the commission.

(b) The commission shall certify peace officers who are limited authority Washington peace officers employed on or before July 1, 2023. Thereafter, the commission may revoke certification pursuant to this chapter.

(4) As a condition of certification, a peace officer or corrections officer must, on a form devised or adopted by the commission, authorize the release to the employing agency and commission of the officer's personnel files, including disciplinary, termination, civil or criminal investigation, or other records or information that are directly related to a certification matter or decertification matter before the commission. The peace officer or corrections officer must also consent to and facilitate a review of the officer's social media accounts, however, consistent with RCW 49.44.200, the officer is not required to provide login information. The release of information may not be delayed, limited, or precluded by any agreement or contract between the officer, or the officer's union, and the entity responsible for the records or information.

(5) The employing agency and commission are authorized to receive criminal history record information that includes nonconviction data for any purpose associated with employment or certification under this chapter. Dissemination or use of nonconviction data for purposes other than that authorized in this section is prohibited.

(6) For a national criminal history records check, the commission shall require fingerprints be submitted and searched through the Washington state patrol identification and criminal history section. The Washington state patrol shall forward the fingerprints to the federal bureau of investigation.

(7) Prior to certification, the employing agency shall certify to the commission that the agency has completed the background check, no information has been found that would disqualify the applicant from certification, and the applicant is suitable for employment as a peace officer or corrections officer.

Sec. 3. RCW 43.101.125 and 2001 c 167 s 5 are each amended to read as follows:

A peace officer's certification lapses automatically when there is a break of more than $((\frac{\text{twenty-four}}{24} \text{ consecutive months in the officer's service as a } ((\frac{\text{full-time}}{1000}))$ law enforcement officer. A break in $((\frac{\text{full-time}}{1000}))$ law enforcement service which is due solely to the pendency of direct review or appeal from a disciplinary discharge, or to the pendency of a work-related injury, does not cause a lapse in certification. The officer may petition the commission for reinstatement of certification. Upon receipt of a petition for reinstatement of a lapsed certificate, the commission shall determine under this chapter and any applicable rules of the commission shall also determine any requirements which the officer must meet for reinstatement. The commission may adopt rules establishing requirements for reinstatement.

Sec. 4. RCW 43.101.126 and 2020 c 119 s 6 are each amended to read as follows:

A corrections officer's certification lapses automatically when there is a break of more than ((twenty-four)) $\underline{24}$ consecutive months in the officer's service as a ((full-time)) corrections officer. A break in ((full-time)) corrections service which is due solely to the pendency of direct review or appeal from a disciplinary discharge, or to the pendency of a work-related injury, does not cause a lapse in certification. The officer may petition the commission for reinstatement of certification. Upon receipt of a petition for reinstatement of a lapsed certificate, the commission shall determine under this chapter and any applicable rules of the commission shall also determine any requirements which the officer must meet for reinstatement. The commission may adopt rules establishing requirements for reinstatement.

Sec. 5. RCW 43.101.200 and 2024 c 376 s 908 are each amended to read as follows:

(1) Except as provided in subsection (2) of this section, all law enforcement personnel, except volunteers, and reserve officers whether paid or unpaid, initially employed on or after January 1, 1978, shall engage in basic law enforcement training which complies with standards adopted by the commission pursuant to RCW 43.101.080. For personnel initially employed before January 1, 1990, such training shall be successfully completed during the first ((fifteen)) <u>15</u> months of employment of such personnel unless otherwise extended or waived by the commission and shall be requisite to the continuation of such employment. Personnel initially employed on or after January 1, 1990, shall commence basic training during the first six months of employment unless the basic training requirement is otherwise waived or extended by the commission. Successful completion of basic training is requisite to the continuation of employment of such personnel initially employed on or after January 1, 1990.

(2)(a) All law enforcement personnel who are limited authority Washington peace officers and whose employment commences on or after July 1, 2023, shall commence basic training during the first 12 months of employment unless the basic training requirement is otherwise waived or extended by the commission. Successful completion of basic training is requisite to the continuation of employment of such personnel initially employed on or after July 1, 2023.

(b)(i) The commission shall review the training files of all law enforcement personnel who are limited authority Washington peace officers, whose employment commenced prior to July 1, 2023, and who have not successfully completed training that complies with standards adopted by the commission, to determine what, if any, supplemental training is required to appropriately carry out the officers' duties and responsibilities.

(ii) Nothing in this section may be interpreted to require law enforcement personnel who are limited authority Washington peace officers, whose employment commenced prior to July 1, 2023, to complete the basic law enforcement training academy as a condition of continuing employment as a limited authority Washington peace officer.

(iii) Law enforcement personnel who are limited authority Washington peace officers are not required to complete the basic law enforcement academy or an equivalent basic academy upon transferring to a general authority Washington law enforcement agency or limited authority Washington law enforcement agency, as defined in RCW 10.93.020, if they have:

(A) Been employed as a special agent with the Washington state gambling commission, been a natural resource investigator with the department of natural resources, been a liquor enforcement officer with the liquor and cannabis board, been an investigator with the office of the insurance commissioner, or been a park ranger with the Washington state parks and recreation commission, before or after July 1, 2023; and

(B) Received a certificate of successful completion from the basic law enforcement academy or the basic law enforcement equivalency academy and thereafter engaged in regular and commissioned law enforcement employment with an agency listed in (b)(iii)(A) of this subsection without a break or interruption in excess of 24 months; and

(C) Remained current with the in-service training requirements as adopted by the commission by rule.

(3) Except as provided in RCW 43.101.170, the commission shall provide the aforementioned training and shall have the sole authority to do so. The commission shall provide necessary facilities, supplies, materials, and the board and room of noncommuting attendees for seven days per week, except during the 2017-2019, 2019-2021, and 2021-2023 fiscal biennia, and during fiscal year 2024, when the employing, county, city, or state law enforcement agency shall reimburse the commission for ((twenty-five)) <u>25</u> percent of the cost of training its personnel. Additionally, to the extent funds are provided for this purpose, the commission shall reimburse to participating law enforcement agencies with ((ten)) <u>10</u> or less full-time commissioned patrol officers the cost of temporary replacement of each officer who is enrolled in basic law enforcement training: PROVIDED, That such reimbursement shall include only the actual cost of temporary replacement not to exceed the total amount of salary and benefits received by the replaced officer during ((his or her)) the training period:

PROVIDED FURTHER, That limited authority Washington law enforcement agencies as defined in RCW 10.93.020 shall reimburse the commission for the full cost of training their personnel.

Sec. 6. RCW 43.101.380 and 2021 c 323 s 20 are each amended to read as follows:

(1) The procedures governing adjudicative proceedings before agencies under chapter 34.05 RCW, the administrative procedure act, govern hearings before the commission and govern all other actions before the commission unless otherwise provided in this chapter. The standard of proof in actions before the commission is a preponderance of the evidence.

(2) In all hearings requested under RCW 43.101.155, an administrative law judge appointed under chapter 34.12 RCW shall be the presiding officer($(_{7})$) and shall make all necessary rulings in the course of the hearing, ((and shall issue a proposed recommendation,)) but is not entitled to vote. In addition, a five-member hearings panel shall hear the case and make the commission's final administrative decision.

(3) The commission shall appoint a panel to hear certification actions as follows:

(a) When a hearing is requested in relation to a certification action of a Washington peace officer, the commission shall appoint to the panel: (i) One police chief or sheriff from an agency not a current or past employer of the peace officer; (ii) one certified Washington peace officer who is at or below the level of first line supervisor and who has at least ten years' experience as a peace officer; (iii) one civilian member of the commission as appointed under RCW 43.101.030(1) (f) and (h) through (j); (iv) one member of the public who is not a prosecutor, defense attorney, judge, or law enforcement officer; and (v) one person with expertise and background in police accountability who is not a current or former peace officer or corrections officer.

(b) When a hearing is requested in relation to a certification action of a Washington corrections officer, the commission shall appoint to the panel: (i) A person who heads either a city or county corrections agency or facility or of a Washington state department of corrections facility; (ii) one corrections officer who is at or below the level of first line supervisor and who has at least ten years' experience as a corrections officer; (iii) one civilian member of the commission as appointed under RCW 43.101.030(1) (f) and (h) through (j); (iv) one member of the public who is not a prosecutor, defense attorney, judge, or law enforcement officer; and (v) one person with expertise and background in police accountability who is not a current or former peace officer or corrections officer.

(c) When a hearing is requested in relation to a certification action of a tribal police officer, the commission shall appoint to the panel (i) one tribal police chief; (ii) one tribal police officer who is at or below the level of first line supervisor, and who has at least ten years' experience as a peace officer; (iii) one civilian member of the commission as appointed under RCW 43.101.030(1) (f) and (h) through (j); (iv) one member of the public who is not a prosecutor, defense attorney, judge, or law enforcement officer; and (v) one person with expertise and background in police accountability who is not a current or former peace officer or corrections officer.

(d) Persons appointed to hearings panels by the commission shall, in relation to any certification action on which they sit, have the powers, duties, and

immunities, and are entitled to the emoluments, including travel expenses in accordance with RCW 43.03.050 and 43.03.060, of regular commission members.

(4) In decertification matters where there was a due process hearing or a disciplinary appeals hearing following an investigation by a law enforcement agency, or a criminal hearing regarding the alleged misconduct, the hearings panel need not redetermine the underlying facts but may make its determination based solely on review of the records and decision relating to those proceedings and any investigative or summary materials from the administrative law judge, legal counsel, and commission staff. However, the hearings panel may, in its discretion, consider additional evidence to determine whether misconduct occurred. The hearings panel shall, upon written request by the subject peace officer or corrections officer, allow the peace officer or corrections officer to present additional evidence solutions.

(5) The commission is authorized to proceed regardless of whether an arbitrator or other appellate decision maker overturns the discipline imposed by the officer's employing agency or whether the agency settles an appeal. No action or failure to act by a law enforcement agency or corrections agency or decision resulting from an appeal of that action precludes action by the commission to suspend or revoke an officer's certificate, to place on probation, or to require remedial training for the officer.

(6) The hearings, but not the deliberations of the hearings panel, are open to the public. The transcripts, admitted evidence, and written decisions of the hearings panel on behalf of the commission are not confidential or exempt from public disclosure, and are subject to subpoen and discovery proceedings in civil actions.

(7) Summary records of hearing dispositions must be made available on an annual basis on a public website.

(8) The commission's final administrative decision is subject to judicial review under RCW 34.05.510 through 34.05.598.

Sec. 7. RCW 81.60.010 and 2001 c 72 s 1 are each amended to read as follows:

The criminal justice training commission shall have the power to and may in its discretion ((appoint and)) commission railroad police officers at the request of any railroad corporation and may revoke any ((appointment)) commission at its pleasure.

Sec. 8. RCW 81.60.020 and 2001 c 72 s 2 are each amended to read as follows:

Any railroad corporation desiring the ((appointment)) commissioning of any of its officers, agents, or servants not exceeding twenty-five in number for any one division of any railroad operating in this state as railroad police officers shall file a request with the criminal justice training commission on an approved application form. The application shall be signed by the president or some managing officer of the railroad corporation and shall be accompanied by an affidavit stating that the officer is acquainted with the person whose ((appointment)) commission is sought, that the officer believes the person to be of good moral character, and that the person is of such character and experience that he or she can be safely entrusted with the powers of a police officer. Ch. 350

For the purposes of this section, "division" means the part of any railroad or railroads under the jurisdiction of any one division superintendent.

Sec. 9. RCW 81.60.030 and 2001 c 72 s 3 are each amended to read as follows:

Before receiving a commission each person ((appointed under the provisions of RCW 81.60.010 through 81.60.060)) shall successfully complete a course of training prescribed or approved by the criminal justice training commission, and shall take, subscribe, and file with the commission an oath to support the Constitution of the United States and the Constitution and laws of the state of Washington, and to faithfully perform the duties of the office. The corporation requesting ((appointment)) commissioning of a railroad police officer shall bear the full cost of training.

Railroad police officers ((appointed and)) commissioned under RCW 81.60.010 through 81.60.060 are subject to rules and regulations adopted by the commission.

Sec. 10. RCW 81.60.040 and 2001 c 72 s 4 are each amended to read as follows:

Every police officer ((appointed and)) commissioned under the provisions of RCW 81.60.010 through 81.60.060 shall when on duty have the power and authority conferred by law on peace officers, but shall exercise such power only in the protection of the property belonging to or under the control of the corporation at whose instance the officer is ((appointed)) commissioned and in preventing, and making arrest for, violations of law upon or in connection with such property.

Sec. 11. RCW 81.60.060 and 2001 c 72 s 6 are each amended to read as follows:

The corporation procuring ((the appointment)) <u>a commission</u> of any railroad police shall be solely responsible for the compensation for the officer's services and shall be liable civilly for any unlawful act of the officer resulting in damage to any person or corporation.

<u>NEW SECTION.</u> Sec. 12. A new section is added to chapter 81.60 RCW to read as follows:

For purposes of RCW 81.60.010 through 81.60.060, "commissioned" means the criminal justice training commission has granted authority in accordance with state law, to act as a railroad police officer.

Passed by the Senate February 12, 2025. Passed by the House April 15, 2025. Approved by the Governor May 19, 2025. Filed in Office of Secretary of State May 19, 2025.

CHAPTER 350

[Engrossed Substitute House Bill 2015] PUBLIC SAFETY FUNDING

AN ACT Relating to improving public safety funding by providing resources to local governments and state and local criminal justice agencies, and authorizing a local option tax; adding a new section to chapter 43.101 RCW; adding a new section to chapter 36.28A RCW; adding a new section to chapter 82.14 RCW; creating new sections; and providing expiration dates.

Be it enacted by the Legislature of the State of Washington:

PART I

Local Law Enforcement Grant Program

<u>NEW SECTION.</u> Sec. 101. A new section is added to chapter 43.101 RCW to read as follows:

GRANT PROGRAM. (1) Subject to the availability of amounts appropriated for this specific purpose, including amounts appropriated from the supplemental criminal justice account created in section 104 of this act, the commission shall develop and implement a local law enforcement grant program for the purpose of providing direct support to local and tribal law enforcement agencies in hiring, retaining, and training law enforcement officers, peer counselors, and behavioral health personnel working in co-response to increase community policing and public safety.

(2) Under this section, the commission shall:

(a) Establish the policies for applications and publish them on the commission's website;

(b) Establish the procedures for submitting the grant applications and publish them on the commission's website;

(c) Establish and publish on the commission's website the criteria for evaluating and selecting grant recipients; and

(d) Create a grant application form that local and tribal law enforcement agencies must use to apply for grant funding.

(3) The grants under the local law enforcement grant program must be awarded to local and tribal law enforcement agencies based on their submittals to the commission. To qualify for a grant pursuant to this section, a law enforcement agency must have:

(a) Issued and implemented policies and practices consistent with RCW 43.17.425 and 10.93.160, and the office of the attorney general's keep Washington working act guide, model policies, and training recommendations for state and local law enforcement agencies;

(b) Participated in commission training as required by RCW 43.101.455 and 36.28A.445;

(c) Issued and implemented policies and practices regarding use of force and de-escalation tactics consistent with RCW 10.120.030 and the office of the attorney general's model policies, and all other commission and attorney general model policies regarding use of force for law enforcement including, but not limited to, duty to intervene and training and use of canine teams;

(d) Implemented use of force data collection and reporting consistent with chapters 10.118 and 10.120 RCW when the program is operational, as confirmed by a notice from the attorney general's office to all police chiefs and sheriffs;

(e) Issued and implemented policies and practices consistent with chapters 7.105 and 9.41 RCW and the commission model policies and training addressing firearm relinquishment pursuant to court orders;

(f) A 25 percent officer completion rate with the commission's 40-hour crisis intervention team training;

(g) A 100 percent officer compliance rate for those officers required to complete trauma-informed, gender-based violence interviewing, investigation, response, and case review training developed or approved by the commission

pursuant to RCW 43.101.272 and 43.101.276, and if requested by the commission, participated in agency case reviews;

(h) Except as it applies to tribal law enforcement agencies, received funding from a sales and use tax authorized pursuant to RCW 82.14.340 or 82.14.450, or authorized pursuant to section 201 of this act before the awarding of the grant;

(i) A chief of police, marshal, or sheriff who is certified by the criminal justice training commission pursuant to this chapter and who has not:

(i) Been convicted of a felony anywhere in the United States or under foreign law; or

(ii) Been convicted of a gross misdemeanor involving moral turpitude, dishonesty, fraud, or corruption; and

(j) Issued and implemented policies and practices that prohibit volunteers who assist with agency work from enforcing criminal laws, other than for assistance with special event traffic and parking, including engaging in pursuits, detention, arrests, the use of force, or the use of deadly force; carrying or the use of firearms or other weapons; or the use of dogs to track people or animals other than for purposes of search and rescue; and that set forth the required supervision of volunteers, including that they must be clearly identifiable by the public as distinguishable from peace officers and any identifying insignia must be officially issued by the agency and used only when on duty.

(4) In verifying the applicant's compliance with subsection (3) of this section, the commission shall assess the qualifications of the applicant agency under subsection (3)(a) and (c) of this section in consultation with the office of the attorney general.

(5) In addition to the requirements of subsection (3) of this section, in order to qualify for a grant pursuant to this section, a law enforcement agency must provide the commission, at time of application for grant moneys, a detailed staffing plan specifying the following:

(a) The total number of commissioned officers currently employed by the agency;

(b) The total number of specially commissioned officers currently employed by the agency;

(c) The total number of co-response teams established within the agency and what staffing are included in each co-response team;

(d) The total number of administrative staff currently employed by the agency;

(e) The number of officers on flexible work schedules;

(f) The average 911 response rate of the agency over the 12-month period immediately preceding the month in which the agency is applying for the grant; and

(g) The average case closure rate of the agency over the 12-month period immediately preceding the month in which the agency is applying for the grant.

(6) The commission may provide an advance on grant funding to a law enforcement agency that does not qualify under subsection (3)(b), (f), or (g) of this section, but who otherwise meets the grant application criteria established by the commission in subsection (2) of this section. Funds advanced under this subsection must be used by the agency to cover the costs of sending officers to the trainings required under subsection (3) of this section, including any overtime costs.

(7) Grant funding awarded to local and tribal law enforcement agencies may only be used for the purposes of:

(a) Recruiting, funding, and retaining new law enforcement officers from the community in which the officer will be working, and recruiting, funding, and retaining new county corrections officers, peer counselors, and behavioral health personnel working in co-response in Washington state. Grants may provide up to 75 percent of the entry-level salaries and fringe benefits of full-time local or tribal law enforcement officers for a maximum of 36 months, with a minimum 25 percent local cash match requirement and a maximum state share of \$125,000 per position. Any additional costs for salaries and benefits higher than entry level are the responsibility of the grant recipient agency. Recruiting lateral hires is not a permissible use of funds under this section;

(b) Funding use of force, de-escalation, crisis intervention, and traumainformed trainings for officers to remain in compliance with the commission's required trainings; and

(c) Funding broader law enforcement and public safety efforts including, but not limited to, emergency management planning, environmental hazard mitigations, security personnel, community outreach and assistance programs, alternative response programs, and mental health crisis response.

(8) In selecting grant recipients, the commission shall prioritize those law enforcement agency applicants in the following order:

(a) Those who are seeking grants to establish co-response teams or community immersion law enforcement programs;

(b) Those who currently maintain co-response teams and are seeking grants to hire additional law enforcement officers;

(c) All other applicants.

(9) This section expires June 30, 2028.

<u>NEW SECTION.</u> Sec. 102. CRIMINAL JUSTICE TRAINING COMMISSION REPORTING. (1) Effective July 21, 2026, and annually thereafter on July 31st, the criminal justice training commission must report to the fiscal committees of the legislature on:

(a) The total count of law enforcement grant applications received by the commission by fiscal year;

(b) The total count of law enforcement officer positions applied for by fiscal year;

(c) The total count of grant funding requested by fiscal year;

(d) The name of each law enforcement entity that applied for the grant, how many officers they requested funding for, and how much state funding they requested by fiscal year; and

(e) The count of grants awarded, to include the name of each law enforcement entity that was an award recipient for the grant, how many officers they received funding for, and how much state funding they were awarded by fiscal year.

(2) This section expires December 31, 2029.

<u>NEW SECTION.</u> Sec. 103. A new section is added to chapter 36.28A RCW to read as follows:

WASHINGTON ASSOCIATION OF SHERIFFS AND POLICE CHIEFS REPORTING. (1) The Washington association of sheriffs and police chiefs shall

complete a report on law enforcement personnel employed as general authority Washington peace officers, as defined in RCW 10.93.020, over time for each local law enforcement agency in Washington state. The report must include data points for each local law enforcement agency on July 1, 2020, July 1, 2021, July 1, 2022, July 1, 2023, July 1, 2024, and July 1, 2025, on the:

(a) Count of general authority Washington peace officer positions;

(b) Count of filled general authority Washington peace officer positions;

(c) Count of vacant general authority Washington peace officer positions; and

(d) Count of retirements of general authority Washington peace officer positions over the past 12 calendar months.

(2) Using data from subsection (1) of this section, the report must also include a table to show the above data and in turn the vacancy rates and turnover rates for each local law enforcement agency, as well as a compiled statewide view of vacancy and turnover rates for general authority Washington peace officer positions year over year.

(3) The report is due to the governor and fiscal committees of the legislature by January 1, 2026.

(4) This section expires July 1, 2026.

<u>NEW SECTION.</u> Sec. 104. SUPPLEMENTAL CRIMINAL JUSTICE ACCOUNT. (1) The supplemental criminal justice account is created in the state treasury. All receipts from legislative appropriations, donations, gifts, grants, and funds from federal or private sources must be deposited into the account. Expenditures from the account must be used exclusively for local law enforcement grants authorized in section 101 of this act for the purpose of providing direct support to local and tribal law enforcement agencies in hiring, retaining, and training law enforcement officers, peer counselors, and behavioral health personnel working in co-response to increase community policing and public safety. Only the criminal justice training commission or the commission's designee may authorize expenditures from the account. The account is subject to allotment procedures under chapter 43.88 RCW. Moneys in the account may be spent only after appropriation. Moneys may not be used to supplant general fund appropriations.

(2) This section expires June 30, 2028.

PART II

Local Sales and Use Tax

<u>NEW SECTION.</u> Sec. 201. A new section is added to chapter 82.14 RCW to read as follows:

LOCAL SALES AND USE TAX. (1)(a) By June 30, 2028, the legislative authority of a qualified city or county may authorize, by resolution or ordinance, a sales and use tax in accordance with the terms of this chapter. The resolution or ordinance must include a finding that the city or county has met the requirements under (c) of this subsection.

(b) If a city or county legislative authority has not adopted a resolution or ordinance to impose the tax under (a) of this subsection by June 30, 2028, the city or county may submit an authorizing proposition to the city or county voters at a primary or general election, and if the proposition is approved by the majority of persons voting, impose the sales and use tax under this section.

(c) A qualified city or county may impose the tax authorized under this section only if the city or county meets the requirements to receive a grant under section 101 of this act. A city or county that has not issued and implemented policies and practices as required under section 101(3) and (4) of this act may not impose the tax authorized under this section.

(d) To establish that the city or county qualifies under (c) of this subsection, the city or county must submit documentation, in a form and manner prescribed by the criminal justice training commission, demonstrating the city or county meets the requirements of section 101 of this act. A city or county that wishes to impose the tax authorized under this section may submit documentation to the commission before the commission finalizes the form and manner of such submittals and may not be penalized for doing so. However, once the commission has established the form and manner of the submission, all cities and counties must make submissions as prescribed.

(i) If the commission, in consultation with the office of the attorney general, is unable to verify the submittal within 45 calendar days of receipt, the commission shall notify the city or county of any deficiencies.

(ii) The city or county may, at this time, and conditioned on the city or county submitting supplemental documentation rectifying the stated deficiencies, authorize the tax established under this section. The commission shall thereafter notify the city or county of any outstanding deficiencies within 45 calendar days of receipt of the supplemental documentation.

(iii) If the city or county has not rectified all deficiencies within 180 calendar days of its initial submittal under this section, as verified by the criminal justice training commission, the office of the state treasurer must withhold \$100,000 of the tax collected under this section each month until the month in which the city or county comes into compliance with the requirements of section 101 of this act as verified by the criminal justice training commission.

(e) The tax authorized in this section is in addition to any other taxes authorized by law and must be collected from those persons who are taxable by the state pursuant to chapters 82.08 and 82.12 RCW upon the occurrence of any taxable event within such city or county.

(2) The rate of tax under this section equals 0.1 percent of the selling price, in the case of a sales tax, or value of the article used, in the case of a use tax.

(3) Moneys received from the tax imposed under this section must be expended for criminal justice purposes.

(4)(a) Cities and counties who impose the tax authorized under this section shall, within one calendar year of imposition of the tax and annually thereafter, make a report to either the association of Washington cities or the Washington state association of counties on how the moneys received from the tax were expended.

(b) by December 1, 2025, and annually thereafter, the association of Washington cities and Washington state association of counties shall compile all information received pursuant to (a) of this subsection and submit a report to the appropriate committees of the legislature detailing the purposes for which each city and county expended the moneys received from the tax.

(5) For purposes of this section, the following definitions apply unless the context clearly requires otherwise.

(a) "Criminal justice purposes" means activities that substantially assist the criminal justice system, which may include circumstances where ancillary benefit to the civil justice and behavioral health systems occurs, and which includes:

(i) Domestic violence services, such as those provided by domestic violence programs, community advocates, and legal advocates, as those terms are defined in RCW 70.123.020;

(ii) Staffing adequate public defenders to provide appropriate defense for individuals;

(iii) Diversion programs;

(iv) Reentry work for inmates;

(v) Local government programs that have a reasonable relationship to reducing the numbers of people interacting with the criminal justice system including, but not limited to, reducing homelessness or improving behavioral health;

(vi) Community placements for juvenile offenders; and

(vii) Community outreach and assistance programs, alternative response programs, and mental health crisis response including, but not limited to, the recovery navigator program.

(b) "Qualified city or county" means either a city or county where the voters have not repealed by referendum a tax imposed pursuant to RCW 82.14.340 or rejected a ballot proposition to impose a tax pursuant to RCW 82.14.450 in the previous 12 months.

Passed by the House April 22, 2025.

Passed by the Senate April 16, 2025.

Approved by the Governor May 19, 2025.

Filed in Office of Secretary of State May 19, 2025.

CHAPTER 351

[Engrossed Senate Bill 5662]

MUNICIPAL UTILITY CONNECTION CHARGE WAIVERS—CERTAIN PROPERTIES

AN ACT Relating to the waiver of municipal utility connection charges for certain properties; and amending RCW 35.92.385.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 35.92.385 and 2023 c 249 s 1 are each amended to read as follows:

(1) Municipal utilities formed under this chapter may waive connection charges for properties owned or developed by, or on the behalf of, a nonprofit organization, public development authority, housing authority, or local agency that provides emergency shelter, transitional housing, permanent supportive housing, or affordable housing, including a limited partnership as described in RCW 84.36.560(7)(f)(ii) and a limited liability company as described in RCW 84.36.560(7)(f)(ii).

(2) ((Connection)) (a) Except as provided in (b) of this subsection, connection charges waived under this chapter shall be funded using general funds, grant dollars, or other identified revenue stream.

(b) In a county east of the crest of the Cascade mountains with a population of greater than 500,000, a waiver of connection charges may be allowed under this chapter without an explicit requirement to pay the exempted connection charges from the funds described in (a) of this subsection if the waiver is conditioned upon requiring the developer to record a covenant that prohibits using the property for any purpose other than provided under this chapter. At a minimum, the covenant must address price restrictions and household income limits and that if the property is converted to a use other than described in subsection (1) of this section, the property owner must pay the applicable connection charges in effect at the time of conversion. Covenants required by this subsection must be recorded with the applicable county auditor or recording officer.

(3) At such time as a property receiving a waiver under subsection (1) of this section is no longer operating under the eligibility requirements under subsection (1) of this section:

(a) The waiver of connection charges required under subsection (1) of this section is no longer required; and

(b) Any connection charges waived under subsection (1) of this section are immediately due and payable to the utility as a condition of continued service.

(4) For the purposes of this section:

(a) "Affordable housing" has the same meaning as in RCW 36.70A.030.

(b) "Connection charges" means the one-time capital and administrative charges, as authorized in RCW 35.92.025, that are imposed by a utility on a building or facility owner for a new utility service and costs borne or assessed by a utility for the labor, materials, and services necessary to physically connect a designated facility to the respective utility service.

(c) "Emergency shelter" means any facility that has, as its sole purpose, the provision of a temporary shelter for the homeless and that does not require occupants to sign a lease or occupancy agreement.

(d) "Permanent supportive housing" has the same meaning as in RCW 36.70A.030.

(e) "Transitional housing" has the same meaning as in RCW 84.36.043.

Passed by the Senate April 21, 2025.

Passed by the House April 9, 2025.

Approved by the Governor May 19, 2025.

Filed in Office of Secretary of State May 20, 2025.

CHAPTER 352

[Engrossed Substitute Senate Bill 5041]

UNEMPLOYMENT INSURANCE—STRIKING AND LOCKOUT WORKERS

AN ACT Relating to unemployment insurance benefits for striking or lockout workers; amending RCW 50.20.090, 50.20.160, 50.29.021, and 50.29.026; adding new sections to chapter 50.20 RCW; adding new sections to chapter 49.08 RCW; creating a new section; repealing RCW 49.08.060; providing an effective date; and providing expiration dates.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 50.20.090 and 1988 c 83 s 1 are each amended to read as follows:

(1) An individual shall be disqualified for benefits for any week with respect

to which the commissioner finds that the individual's unemployment is((÷

(a) Due)) due to a strike at the factory, establishment, or other premises at which the individual is or was last employed((; or

(b) Due to a lockout by his or her employer who is a member of a multiemployer bargaining unit and who has locked out the employees at the factory, establishment, or other premises at which the individual is or was last employed after one member of the multiemployer bargaining unit has been struck by its employees as a result of the multiemployer bargaining process)).

(2) Subsection (1) of this section shall not apply if it is shown to the satisfaction of the commissioner that:

(a) The individual is not participating in or financing or directly interested in the strike ((or lockout)) that caused the individual's unemployment; and

(b) The individual does not belong to a grade or class of workers of which, immediately before the commencement of the strike ((or lockout)), there were members employed at the premises at which the strike ((or lockout)) occurs, any of whom are participating in or financing or directly interested in the strike ((or lockout)): PROVIDED, That if in any case separate branches of work which are commonly conducted as separate businesses in separate premises are conducted in separate departments of the same premises, each such department shall, for the purpose of this ((subdivision)) subsection, be deemed to be a separate factory, establishment, or other premises.

(3)(a) Any disqualification imposed under this section shall end ((when)) on the earlier of:

(i) The second Sunday following the first date of the strike, provided that the strike is not found to be prohibited by federal or state law in a final judgment. If a final judgment finds that a strike is prohibited by state or federal law, any benefits paid are liable for repayment as set forth in RCW 50.20.190; or

(ii) The date the strike ((or lockout)) is terminated.

(b) When the disqualification ends, the individual is subject to the one week waiting period as provided in RCW 50.20.010 and any benefits must be calculated in accordance with this chapter. However, if an individual is unemployed due to a strike at the separating employer's factory, establishment, or other premises at which the individual is or was last employed, the individual may receive weekly benefits for no more than six calendar weeks, subject to other limitations provided in this title. Any weekly benefits received unrelated to the individual's unemployment due to a strike may not be counted toward the six calendar weeks.

(4) If benefits are issued as a result of a strike under this section, the department shall notify the separating employer of the mediation services available through the public employment relations commission.

Sec. 2. RCW 50.20.160 and 2003 2nd sp.s. c 4 s 31 are each amended to read as follows:

(1) A determination of amount of benefits potentially payable issued pursuant to the provisions of RCW 50.20.120 and 50.20.140 shall not serve as a basis for appeal but shall be subject to request by the claimant for reconsideration and/or for redetermination by the commissioner at any time within one year from the date of delivery or mailing of such determination, or any redetermination thereof: PROVIDED, That in the absence of fraud or misrepresentation on the part of the claimant, any benefits paid prior to the date of any redetermination which reduces the amount of benefits payable shall not be subject to recovery under the provisions of RCW 50.20.190. A denial of a request to reconsider or a redetermination shall be furnished the claimant in writing and provide the basis for appeal under the provisions of RCW 50.32.020.

(2) A determination of denial of benefits issued under the provisions of RCW 50.20.180 shall become final, in absence of timely appeal therefrom: PROVIDED, That the commissioner may reconsider and redetermine such determinations at any time within one year from delivery or mailing to correct an error in identity, omission of fact, or misapplication of law with respect to the facts.

(3) A determination of allowance of benefits shall become final, in absence of a timely appeal therefrom: PROVIDED, That the commissioner may redetermine such allowance at any time within two years following the benefit year in which such allowance was made in order to recover any benefits improperly paid and for which recovery is provided under the provisions of RCW 50.20.190: AND PROVIDED FURTHER, That in the absence of fraud, misrepresentation, or nondisclosure, this provision or the provisions of RCW 50.20.190 shall not be construed so as to permit redetermination or recovery of an allowance of benefits which having been made after consideration of the provisions of RCW 50.20.060, or $50.20.080((\frac{1}{2} \text{ or } 50.20.090))$ has become final.

(4) A redetermination may be made at any time: (a) To conform to a final court decision applicable to either an initial determination or a determination of denial or allowance of benefits; (b) in the event of a back pay award or settlement affecting the allowance of benefits; or (c) in the case of fraud, misrepresentation, or willful nondisclosure. Written notice of any such redetermination shall be promptly given by mail or delivered to such interested parties as were notified of the initial determination or determination of denial or allowance of benefits and any new interested party or parties who, pursuant to such regulation as the commissioner may prescribe, would be an interested party.

Sec. 3. RCW 50.29.021 and 2024 c 51 s 1 are each amended to read as follows:

(1)(a) An experience rating account shall be established and maintained for each employer, except employers as described in RCW 50.44.010, 50.44.030, and 50.50.030 who have properly elected to make payments in lieu of contributions, taxable local government employers as described in RCW 50.44.035, and those employers who are required to make payments in lieu of contributions, based on existing records of the employment security department.

(b) Benefits paid to an eligible individual shall be charged to the experience rating accounts of each of such individual's employers during the individual's base year in the same ratio that the wages paid by each employer to the individual during the base year bear to the wages paid by all employers to that individual during that base year, except as otherwise provided in this section.

(c) When the eligible individual's separating employer is a covered contribution paying base year employer, benefits paid to the eligible individual shall be charged to the experience rating account of only the individual's separating employer if:

(i) The individual qualifies for benefits under RCW 50.20.050 (1)(b)(i) or (2)(b)(i), as applicable, and became unemployed after having worked and earned wages in the bona fide work;

(ii) The individual qualifies for benefits under RCW 50.20.050 (1)(b) (v) through (x) or (2)(b) (v) through (x); ((σ r))

(iii) During a public health emergency, the claimant worked at a health care facility as defined in RCW 9A.50.010, was directly involved in the delivery of health services, and was terminated from work due to entering quarantine because of exposure to or contracting the disease that is the subject of the declaration of the public health emergency: or

(iv) The individual's unemployment is due to a strike at the separating employer's factory, establishment, or other premises at which the individual is or was last employed.

(2) The legislature finds that certain benefit payments, in whole or in part, should not be charged to the experience rating accounts of employers except those employers described in RCW 50.44.010, 50.44.030, and 50.50.030 who have properly elected to make payments in lieu of contributions, taxable local government employers described in RCW 50.44.035, and those employers who are required to make payments in lieu of contributions, as follows in (a) through (i) of this subsection. The department may not require an employer to submit a request in order for these benefits to not be charged.

(a) Benefits paid to any individual later determined to be ineligible for those benefits or disqualified to receive those benefits shall not be charged to the experience rating account of any contribution paying employer, except:

(i) As provided in subsection (4) of this section; or

(ii) As provided in subsection (5) of this section.

(b) Benefits paid to an individual filing under the provisions of chapter 50.06 RCW shall not be charged to the experience rating account of any contribution paying employer only if:

(i) The individual files under RCW 50.06.020(1) after receiving crime victims' compensation for a disability resulting from a nonwork-related occurrence; or

(ii) The individual files under RCW 50.06.020(2).

(c) Benefits paid which represent the state's share of benefits payable as extended benefits defined under RCW 50.22.010(6) shall not be charged to the experience rating account of any contribution paying employer.

(d) In the case of individuals who requalify for benefits under RCW 50.20.050 or 50.20.060, benefits based on wage credits earned prior to the disqualifying separation shall not be charged to the experience rating account of the contribution paying employer from whom that separation took place.

(e) If the department determines an individual left the employ of the separating employer under the circumstances described in RCW 50.20.050(1)(b) (iv) or (xi), (2)(b)(ii), only for separation that was necessary because the care for a child or a vulnerable adult in the claimant's care is inaccessible, (iv), (xi), (xii), or (xiii), or (3), as applicable, benefits paid to that individual shall not be charged to the experience rating account of any base year contribution paying employer.

(f) Upon approval of an individual's training benefits plan submitted in accordance with RCW 50.22.155(2), an individual is considered enrolled in

training, and regular benefits beginning with the week of approval shall not be charged to the experience rating account of any contribution paying employer.

(g) Training benefits paid to an individual under RCW 50.22.155 shall not be charged to the experience rating account of any contribution paying employer.

(h)(i) Benefits paid during the one week waiting period when the one week waiting period is fully paid or fully reimbursed by the federal government shall not be charged to the experience rating account of any contribution paying employer.

(ii) In the event the one week waiting period is partially paid or partially reimbursed by the federal government, the department may, by rule, elect to not charge, in full or in part, benefits paid during the one week waiting period to the experience rating account of any contribution paying employer.

(i) Benefits paid for all weeks starting with the week ending March 28, 2020, and ending with the week ending May 30, 2020, shall not be charged to the experience rating account of any contribution paying employer.

(3)(a) A contribution paying base year employer, except employers as provided in subsection (5) of this section, not otherwise eligible for relief of charges for benefits under this section, may receive such relief if the benefit charges result from payment to an individual who:

(i) Last left the employ of such employer voluntarily for reasons not attributable to the employer. In addition to other circumstances identified by the department by rule, an individual who leaves the employ of such employer under the circumstances described in RCW 50.20.050(1)(b) (iv) or (xi), (2)(b) (iv), (xi), or (xii), or (3) must be deemed to have left their employ for reasons not attributable to the employer;

(ii) Was discharged for misconduct or gross misconduct connected with his or her work not a result of inability to meet the minimum job requirements;

(iii) Is unemployed as a result of closure or severe curtailment of operation at the employer's plant, building, worksite, or other facility. This closure must be for reasons directly attributable to a catastrophic occurrence such as fire, flood, or other natural disaster, or to the presence of any dangerous, contagious, or infectious disease that is the subject of a public health emergency at the employer's plant, building, worksite, or other facility;

(iv) Continues to be employed by the employer seeking relief and: (A) The employer furnished part-time work to the individual during the base year; (B) the individual has become eligible for benefits because of loss of employment with one or more other employers; and (C) the employer has continued to furnish or make available part-time work to the individual in substantially the same amount as during the individual's base year. This subsection does not apply to shared work employers under chapter 50.60 RCW;

(v) Was hired to replace an employee who is a member of the military reserves or National Guard and was called to federal active military service by the president of the United States and is subsequently laid off when that employee is reemployed by their employer upon release from active duty within the time provided for reemployment in RCW 73.16.035;

(vi) Worked for an employer for 20 weeks or less, and was laid off at the end of temporary employment when that employee temporarily replaced a permanent employee receiving family or medical leave benefits under Title 50A RCW, and the layoff is due to the return of that permanent employee. This subsection (3)(a)(vi) applies to claims with an effective date on or after January 1, 2020; or

(vii) Was discharged because the individual was unable to satisfy a job prerequisite required by law or administrative rule.

(b) The employer requesting relief of charges under this subsection must request relief in writing within 30 days following mailing to the last known address of the notification of the valid initial determination of such claim, stating the date and reason for the separation or the circumstances of continued employment. The department may waive this time limitation for good cause. The commissioner, upon investigation of the request, shall determine whether relief should be granted.

(4) When a benefit claim becomes invalid due to an amendment or adjustment of a report where the employer failed to report or inaccurately reported hours worked or remuneration paid, or both, all benefits paid will be charged to the experience rating account of the contribution paying employer or employers that originally filed the incomplete or inaccurate report or reports. An employer who reimburses the trust fund for benefits paid to workers and who fails to report or inaccurately reported hours worked or remuneration paid, or both, shall reimburse the trust fund for all benefits paid that are based on the originally filed incomplete or inaccurate report or reports.

(5) An employer's experience rating account may not be relieved of charges for a benefit payment and an employer who reimburses the trust fund for benefit payments may not be credited for a benefit payment if a benefit payment was made because the employer or employer's agent failed to respond timely or adequately to a written request of the department for information relating to the claim or claims without establishing good cause for the failure and the employer or employer's agent has a pattern of such failures. The commissioner has the authority to determine whether the employer has good cause under this subsection.

(a) For the purposes of this subsection, "adequately" means providing accurate information of sufficient quantity and quality that would allow a reasonable person to determine whether an individual is eligible for or qualified to receive benefits.

(b)(i) For the purposes of this subsection, "pattern" means a benefit payment was made because the employer or employer's agent failed to respond timely or adequately to a written request of the department for information relating to a claim or claims without establishing good cause for the failure, if the greater of the following calculations for an employer is met:

(A) At least three times in the previous two years; or

(B) Twenty percent of the total current claims against the employer.

(ii) If an employer's agent is utilized, a pattern is established based on each individual client employer that the employer's agent represents.

Sec. 4. RCW 50.29.026 and 2024 c 52 s 1 are each amended to read as follows:

(1) A qualified employer's contribution rate or array calculation factor rate determined under RCW 50.29.025 may be modified as follows:

(a) Subject to the limitations of this subsection, an employer may make a voluntary contribution of an amount equal to part or all of the benefits charged to

the employer's account during the two years most recently ended on June 30th that were used for the purpose of computing the employer's contribution rate or array calculation factor rate. On receiving timely payment of a voluntary contribution, the commissioner shall cancel the benefits equal to the amount of the voluntary contribution and compute a new benefit ratio for the employer. The employer shall then be assigned the contribution rate or array calculation factor rate applicable for rate years beginning on or after January 1, 2005, applicable to the rate class within which the recomputed benefit ratio is included. The minimum amount of a voluntary contribution must be an amount that will result in a recomputed benefit ratio that is in a rate class at least two rate classes lower than the rate class that included the employer's original benefit ratio.

(b) Payment of a voluntary contribution is considered timely if received by the department during the period beginning on the date of mailing to the employer the notice of contribution rate required under this title for the rate year for which the employer is seeking a modification of the employer's rate and ending on March ((31st)) 1st of that rate year.

(c) A benefit ratio may not be recomputed nor a rate be reduced under this section as a result of a voluntary contribution received after the payment period prescribed in (b) of this subsection.

(2) This section does not apply to any employer who has not had an increase of at least eight rate classes from the previous tax rate year.

(3) If a contribution paying employer is charged benefits due to a strike under RCW 50.29.021, the department may:

(a) Evaluate whether the employer is eligible to make a voluntary contribution under this section; and

(b) Provide notice to eligible employers of the department's determination of the employer's eligibility to make a voluntary contribution.

<u>NEW SECTION.</u> Sec. 5. A new section is added to chapter 50.20 RCW to read as follows:

(1) If an individual receives benefits under this title while being unemployed due to a strike at the separating employer's factory, establishment, or other premises and the individual subsequently receives retroactive wages from the separating employer for any week for which he or she received benefits under this title, the department shall issue an overpayment assessment to recover the corresponding benefits as provided under RCW 50.20.190.

(2) This section expires December 31, 2035.

<u>NEW SECTION.</u> Sec. 6. If any part of this act is found to be in conflict with federal requirements that are a prescribed condition to the allocation of federal funds to the state or the eligibility of employers in this state for federal unemployment tax credits, the conflicting part of this act is inoperative solely to the extent of the conflict, and the finding or determination does not affect the operation of the remainder of this act. Rules adopted under this act must meet federal requirements that are a necessary condition to the receipt of federal funds by the state or the granting of federal unemployment tax credits to employers in this state. <u>NEW SECTION.</u> Sec. 7. A new section is added to chapter 50.20 RCW to read as follows:

(1) By December 31, 2026, and continuing annually each year through 2035, the department must submit a report to the legislature on the prevalence of strikes occurring within Washington and the impact of strikes on the unemployment insurance trust fund. The report must include, at a minimum:

(a) The total number of strikes occurring that year within Washington, the industry sectors in which strikes occurred, the number of employees that participated in each strike, the number of unemployment claims paid to workers participating in the strike, the total amount of unemployment benefits paid, the number of employers who experienced a rate class increase in the year following a labor strike, including the rate class for each employer without identifying information for the year prior to the strike and for the year following the strike, any increase in the social cost factor rate from the year prior to the strike and the year following the strike, and the benefits paid which are charged to employers who make payments in lieu of contributions;

(b) The sum totals of all previous years' information required under (a) of this subsection since the effective date of this section; and

(c) The sum totals of the information required in (a) of this subsection for each year in the 10 years prior to the effective date of this section as well as the sum of those 10 years.

(2) This section expires January 1, 2036.

<u>NEW SECTION.</u> Sec. 8. A new section is added to chapter 49.08 RCW to read as follows:

(1) Where referral to publicly supported dispute resolution services through the federal mediation and conciliation service or other applicable federal agency is impracticable or where those services are unavailable due to federal staffing or funding reductions, the public employment relations commission may charge private sector employers and labor organizations a fee for covering the costs of services provided under this chapter.

(2) Fees collected under this section must be deposited into the private sector labor dispute resolution account created in section 9 of this act.

<u>NEW SECTION.</u> Sec. 9. A new section is added to chapter 49.08 RCW to read as follows:

The private sector labor dispute resolution account is created in the custody of the state treasurer. All fees collected under section 8 of this act must be deposited into the account. The executive director of the public employment relations commission may authorize expenditures from the account solely for the administration, staffing, and other related expenses of private sector labor dispute resolution services under this chapter. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

<u>NEW SECTION.</u> Sec. 10. RCW 49.08.060 (Tender on exhaustion of available funds) and 1903 c 58 s 6 are each repealed.

<u>NEW SECTION.</u> Sec. 11. Sections 1 through 7 of this act take effect January 1, 2026.

<u>NEW SECTION.</u> Sec. 12. Sections 1 through 4 of this act expire December 31, 2035.

Passed by the Senate April 25, 2025. Passed by the House April 25, 2025. Approved by the Governor May 19, 2025. Filed in Office of Secretary of State May 20, 2025.

CHAPTER 353

[Engrossed Substitute House Bill 1483] DIGITAL ELECTRONICS—SERVICING AND RIGHT TO REPAIR

AN ACT Relating to supporting the servicing and right to repair of certain products with digital electronics in a secure and reliable manner to increase access and affordability for Washingtonians; and adding a new chapter to Title 19 RCW.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> Sec. 1. (1) The legislature finds that:

(a) Consumer access to affordable and reliable products that contain digital electronics, including computers, cell phones, appliances, and other nonexempted consumer products, is essential to overcome digital inequities in Washington state and that broader distribution of the information, parts, and tools necessary to repair digital electronic products will shorten repair times, lengthen the useful lives of digital electronic products, and lower costs for consumers;

(b) Consumers increasingly rely on these products to conduct personal and professional business daily. Many modern consumer products contain digital components, such as microprocessors and microchips, which can create barriers to repairs. In some United States' households, everything from the coffee maker, to the washing machine, vacuum, thermostat, or doorbell may have a digital component as technology has evolved and smart products have increased in popularity;

(c) The need for more accessible and affordable repair options is felt more acutely among specific sectors of the population, notably Washington residents in rural areas and people who earn low incomes. Original manufacturer shops or authorized repair providers are often located in urban areas requiring consumers to travel long distances for repair or be without products for periods of time;

(d) Small, independent businesses play a vital role in Washington's economy. Providing access to information, parts, and tools is essential in contributing to a competitive repair market, allowing small repair shop employees to repair products more safely;

(e) Certain electronic products are comprised of precious metals that are finite, and unnecessary early disposal can be avoided with greater accessibility to proper and affordable repair; and

(f) Other states such as Minnesota, New York, California, and Colorado have enacted right to repair legislation, recognizing the need to increase access to the documentation, tools, and parts necessary to facilitate multiple repair options for all kinds of consumer products with digital electronics.

(2) Therefore, the legislature intends to broaden access to the information and tools necessary to repair digital electronic products, including computers, cell phones, appliances, and other nonexempted products in a safe, secure, reliable, and sustainable manner, thereby increasing access to appropriate and affordable digital electronic products, supporting small businesses and jobs, and making it easier for all residents of Washington state to connect digitally.

<u>NEW SECTION.</u> Sec. 2. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Authorized repair provider" means an individual or business that is unaffiliated with an original manufacturer and that has an arrangement with the original manufacturer to use the original manufacturer's trade name, service mark, or other proprietary identifier for the purpose of offering the services of diagnosis, maintenance, or repair of digital electronic products under the name of the original manufacturer, or that has an arrangement with the original manufacturer under which the individual or business offers the services of diagnosis, maintenance, or repair of digital electronic products on behalf of the original manufacturer. An original manufacturer who offers the services of diagnosis, maintenance, or repair of its own digital electronic products shall be considered an authorized repair provider with respect to such products, but only in instances where the original manufacturer does not have an arrangement with an authorized repair provider covering such products.

(2) "Authorized third-party provider" means an individual or business that is unaffiliated with an original manufacturer and that has an arrangement with the original manufacturer to use the original manufacturer's trade name, service mark, or other proprietary identifier for the purpose of distributing parts, tools, or documentation.

(3) "Diagnosis" means the process of identifying the issue or issues that cause digital electronic products to not be in fully working order.

(4) "Digital electronic product" or "products" means any product or electronic that:

(a) Depends, in whole or in part, on digital electronics, such as a microprocessor or microcontroller, embedded in or attached to the product in order to function;

(b) Is tangible personal property;

(c) Is generally used for personal, family, or household purposes;

(d) Is sold, used, or supplied in Washington 180 days or more after the product was first manufactured and 180 days or more after the product was first sold or used in Washington; and

(e) Might be, but is not necessarily, capable of attachment to or installation in real property.

(5) "Documentation" means any manual, maintenance procedures, functional and wiring diagrams, reporting output, service code description, circuit board schematics, security code, password, training material, troubleshooting information, list of required tools, parts list, or other guidance or information that enables a person to diagnose, maintain, repair, or update a digital electronic product.

(6) "Fair and reasonable terms" means each of the following, as applicable:

(a)(i) For parts, at costs that are fair to both parties and at terms that are equivalent to the most fair and reasonable terms under which the manufacturer offers the part, tool, or documentation to an authorized repair provider, accounting for any convenient and timely means of delivery, means of enabling fully restored and updated functionality, rights of use, or other preference the manufacturer offers to an authorized repair provider, and is not conditioned on or

imposing a substantial obligation to use or restrict the use of the part to diagnose, maintain, or repair digital electronic products sold, leased, or otherwise supplied by the original manufacturer;

(ii) For documentation, including any relevant updates, that the documentation is made available at no charge, except that, when the documentation is requested in physical printed form, a charge may be included for the reasonable actual costs of preparing and sending the copy;

(iii) For tools, that the tools are made available by the manufacturer at no charge and without imposing impediments to access or use of the tools to diagnose, maintain, or repair and enable full functionality of the product, or in a manner that impairs the efficient and cost-effective performance of any such diagnosis, maintenance, or repair, except that, when a tool is requested in physical form, a charge may be included for the reasonable, actual costs of preparing and sending the tool;

(b) If a manufacturer does not use an authorized repair provider, "fair and reasonable terms" means at a price that reflects the actual cost to the manufacturer to prepare and deliver the part, tool, or documentation, exclusive of any research and development costs incurred.

(7) "Independent repair provider" means an individual or business that engages in the services of diagnosis, maintenance, or repair of digital electronic products in this state without an arrangement with the original manufacturer of such products as described in subsection (1) of this section or an affiliation with an authorized repair provider for such products. "Independent repair provider" also means an original manufacturer or an original manufacturer's authorized repair provider that engages in the services of diagnosis, maintenance, or repair of a digital electronic product that is not manufactured by or on behalf of, sold by, or supplied by such original manufacturer.

(8) "Maintenance" means any act necessary to keep currently working digital electronic products in fully working order.

(9) "Modifications" or "modifying" means any alteration to digital electronic products that is not maintenance or repair.

(10) "Original manufacturer" means an individual or business that, in the normal course of business, is engaged in the business of selling, leasing, or otherwise supplying new digital electronic products manufactured by or on behalf of itself, to any individual or business.

(11) "Owner" means an individual or business that owns or leases digital electronic products purchased or used in this state.

(12) "Part" means any replacement part, either new or used, or its equivalent, which is generally available or made available by an original manufacturer to an authorized repair provider for purposes of effecting the services of maintenance or repair of digital electronic products manufactured or sold by the original manufacturer.

(13) "Parts pairing" means an original manufacturer's practice of using software to identify component parts through a unique identifier.

(14) "Repair" means any act needed to restore digital electronic products to fully working order.

(15) "Tool" means any software program, hardware implement, or other apparatus, used for diagnosis, maintenance, or repair of digital electronic products, including software or other mechanisms that provide, program, or pair

a part, calibrate functionality, or perform any other function required to bring the product or part back to fully functional condition, including any updates.

(16) "Trade secret" has the same meaning as defined in 18 U.S.C. Sec. 1839, as that section existed on January 1, 2017.

(17) "Video game console" means a computing device, such as a console machine, a handheld console device, or another device or system, and its components and peripherals, that is primarily used by consumers for playing video games, but which is neither a general nor an all-purpose computer, such as a desktop computer, laptop, tablet, or cell phone.

NEW SECTION. Sec. 3. (1) Effective January 1, 2026:

(a) An original manufacturer shall make available to any independent repair provider or owner on fair and reasonable terms any parts, tools, and documentation intended for the diagnosis, maintenance, or repair of digital electronic products and parts that are first manufactured, and first sold or used in Washington, on or after July 1, 2021. Such parts, tools, and documentation shall be made available either directly by the original manufacturer or via an authorized repair provider or authorized third-party provider.

(b) Except as provided in subsection (2) of this section, for digital electronic products that are manufactured for the first time, and first sold or used in this state, after January 1, 2026, an original manufacturer may not use parts pairing to:

(i) Prevent or inhibit an independent repair provider or an owner from installing or enabling the function of an otherwise functional replacement part or a component of a digital electronic product, including a replacement part or a component that the original manufacturer has not approved;

(ii) Reduce the functionality or performance of a digital electronic product; or

(iii) Cause a digital electronic product to display misleading alerts or warnings about unidentified parts, which the owner cannot immediately dismiss.

(2) Nothing in this chapter prohibits parts pairing for stand-alone biometric components for authentication purposes on digital electronic equipment, which components are not bundled in commonly replaced parts, such as a device's screen, keyboard, ports, or battery.

(3) Nothing in this chapter requires an original manufacturer to make available a part or physical tool if it is no longer available to the original manufacturer.

<u>NEW SECTION.</u> Sec. 4. Before accepting digital electronic products for repair, authorized repair providers and independent repair providers shall provide to customers a written or electronic notice that contains the following information:

(1) The steps taken by the authorized repair provider or the independent repair provider to ensure the privacy and security of products entrusted for repair or a statement that no such steps have been taken;

(2) Recommended steps for the customer to take to safeguard product data, including:

(a) If appropriate, backing up data prior to repair and either:

(i) Factory resetting the product; or

(ii) Wiping backed-up data from the product;

(b) Sharing only the passwords or access to functions necessary for the relevant repairs and changing those passwords to a temporary password prior to sharing; and

(c) Logging out of applications or websites that contain sensitive data or that otherwise pose a security risk, such as electronic mail, banking, and social media accounts;

(3)(a) A statement about the customer's legal right to privacy, which is protected under Article I, section 7 of the state Constitution and under Washington law, which protects against:

(i) Washington cybercrimes under chapter 9A.90 RCW, including electronic data theft, electronic data tampering, spoofing, and computer trespass;

(ii) The disclosing of intimate images under RCW 9A.86.010;

(iii) The criminal impersonation of another under RCW 9A.60.040; and

(iv) Identity crimes under chapter 9.35 RCW.

(b) Violations of privacy may be referred to law enforcement for criminal prosecution, and violators may be liable for damages, including mental pain and suffering, that a violation of privacy may have caused to a customer's business, person, or reputation; and

(4) For independent repair providers, whether the repair provider uses any replacement parts that are used or provided by a supplier other than the original manufacturer of the digital electronic product.

<u>NEW SECTION.</u> Sec. 5. (1) Nothing in this chapter shall be construed to require an original manufacturer to divulge a trade secret to an independent repair provider, except as necessary to provide parts, tools, and documentation on fair and reasonable terms.

(2) Nothing in this chapter shall be construed to alter the terms of any arrangement described in section 2(1) of this act in force between an authorized repair provider and an original manufacturer including, but not limited to, the performance or provision of warranty or recall repair work by an authorized repair provider on behalf of an original manufacturer pursuant to such arrangement, except that any provision in such terms that purports to waive, avoid, restrict, or limit the original manufacturer's obligations to comply with this chapter shall be void and unenforceable.

(3) Nothing in this chapter shall be construed to require an original manufacturer or an authorized repair provider to provide to an owner or independent repair provider access to information, other than documentation, that is provided by the original manufacturer to an authorized repair provider pursuant to the terms of an arrangement described in section 2(1) of this act.

(4) Nothing in this chapter shall be construed to require an original manufacturer or authorized repair provider to make available any parts, tools, or documentation for the purposes of modifying or making modifications to any digital electronic products.

(5) This chapter does not apply if the original manufacturer provides an equivalent or better, readily available replacement digital electronic product at no charge to the owner.

(6) Nothing in this chapter shall be construed to require an original manufacturer or authorized repair provider to make available any parts, tools, or documentation required for the diagnosis, maintenance, or repair of public safety communications equipment, the intended use of which is for emergency

response or prevention purposes by an emergency service organization such as a police, fire, or emergency medical services agency.

(7) Nothing in this chapter shall apply to manufacturers or distributors of a medical device as defined in the federal food, drug, and cosmetic act, Title 21 U.S.C. Sec. 301 et seq., or a digital electronic product, or embedded software, if that product or software is manufactured primarily for use in a medical setting, including diagnostic, monitoring, or control equipment.

(8) Nothing in this chapter shall apply to a:

(a) Motor vehicle manufacturer, manufacturer of motor vehicle equipment, or motor vehicle dealer acting in that capacity or to any product or service of a motor vehicle manufacturer, manufacturer of motor vehicle equipment, or motor vehicle dealer acting in that capacity;

(b) Manufacturer, distributor, importer, or dealer of any power generation or storage equipment, or equipment for fueling or charging motor vehicles;

(c) Product that has never been available for retail sale to a consumer;

(d) Product which is a system, mechanism, or series of mechanisms that generates, stores, or combines generation and storage of electrical energy from solar radiation;

(e) Product which stores electrical energy for a period of time and transmits the energy after storage, that is interconnected with a transmission or distribution system and that is approved by an electric utility or located on a customer's side of an electric utility meter in accordance with an applicable utility tariff or interconnection agreement; or

(f) Life safety system, fire alarm system, or intrusion detection device, including its components, that is provided or configured to be provided with a security monitoring service; and physical access control equipment, including electronic keypads and similar building access control electronics.

(9) Nothing in this chapter applies to utility equipment; farm or agricultural equipment; construction equipment; compact construction equipment; road building equipment; electronic vehicle charging infrastructure equipment; mining equipment; low earth orbit broadband equipment manufactured before 2044; and any tools, technology, attachments, accessories, components, and repair parts for any of the foregoing.

(10) Nothing in this chapter shall be construed to require any original manufacturer or authorized repair provider to make available any parts, tools, or documentation required for the diagnosis, maintenance, or repair of a video game console and its components and peripherals.

(11) Nothing in this chapter shall be construed to require any original manufacturer or authorized repair provider to make available documentation or tools used exclusively for repairs completed by machines that operate on several digital electronic products simultaneously, if the original manufacturer makes available to owners of the product and independent repair providers sufficient, alternative documentation and tools to effect the diagnosis, maintenance, or repair of the digital electronic product.

(12) Nothing in this chapter shall be construed to require an original manufacturer to make available special documentation, tools, parts, or other devices or implements that would disable or override, without an owner's authorization, antitheft or privacy security measures that the owner sets for digital electronic products.

(13) Nothing in this chapter shall apply to set-top boxes, modems, routers, or all-in-one devices delivering internet, video, and voice systems that are distributed by a video, internet, or voice service provider if the service provider offers equivalent or better, readily available replacement equipment at no charge to the customer.

(14) Nothing in this chapter shall apply to off-road equipment including, but not limited to: Farm and utility tractors, farm implements, farm machinery, forestry equipment, industrial equipment, utility equipment, construction equipment, compact construction equipment, road building equipment, mining equipment, turf, yard, and garden equipment, outdoor power equipment, portable generators, marine, all-terrain sports, racing, and recreational vehicles, stand-alone or integrated stationary or mobile internal combustion engines, power sources, such as generator sets, electric batteries, and fuel cell power, power tools, and any tools, technology, attachments, accessories, components, and repair parts for any of the foregoing.

<u>NEW SECTION.</u> Sec. 6. (1) No original manufacturer or authorized repair provider shall be liable for any damage or injury to any digital electronic product caused by an independent repair provider or owner which occurs during the course of repair, diagnosis, or maintenance and is not attributable to the original manufacturer or authorized repair provider other than if the failure is attributable to design or manufacturing defects.

(2) The original manufacturer does not warrant any services provided by independent repair providers.

<u>NEW SECTION.</u> Sec. 7. (1) The legislature finds that the practices covered by this chapter are matters vitally affecting the public interest for the purpose of applying the consumer protection act, chapter 19.86 RCW. A violation of this chapter is not reasonable in relation to the development and preservation of business and is an unfair or deceptive act in trade or commerce and an unfair method of competition for the purpose of applying the consumer protection act, chapter 19.86 RCW.

(2) This chapter may be enforced solely by the attorney general under the consumer protection act, chapter 19.86 RCW.

<u>NEW SECTION.</u> Sec. 8. Sections 1 through 7 and 9 of this act constitute a new chapter in Title 19 RCW.

<u>NEW SECTION.</u> Sec. 9. This chapter may be known and cited as the right to repair act.

Passed by the House April 17, 2025.

Passed by the Senate April 10, 2025.

Approved by the Governor May 19, 2025.

Filed in Office of Secretary of State May 20, 2025.

CHAPTER 354

[Senate Bill 5680]

MOBILITY DEVICES—SERVICING AND RIGHT TO REPAIR

AN ACT Relating to establishing a right to repair for mobility equipment for persons with physical disabilities; and adding a new chapter to Title 19 RCW.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION</u>. Sec. 1. The legislature finds that access to reliable mobility devices is critical for Washingtonians living with disabilities, the growing senior population, developmentally delayed children, and others. For those who rely on a power wheelchair or other mobility device, any delay in repair is not only a quality of life issue, but it can interfere with their employment, schooling, health, and safety. A recent survey of wheelchair users found that a majority of respondents had repair times that were at least four weeks, but often seven or more weeks. Therefore, the legislature intends to require mobility device manufacturers to make documentation, parts, embedded software, firmware, and tools available to independent repair providers and mobility device owners to ensure that there are more repair options available for Washingtonians, so no one has to wait for long repairs for vital equipment.

<u>NEW SECTION.</u> Sec. 2. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Authorized repair provider" means an individual or business that is unaffiliated with an original equipment manufacturer and that has an arrangement with the original equipment manufacturer to use the original equipment manufacturer's trade name, service mark, or other proprietary identifier for the purpose of offering the services of diagnosis, maintenance, or repair of equipment under the name of the original equipment manufacturer, or that has an arrangement with the original equipment manufacturer under which the individual or business offers the services of diagnosis, maintenance, or repair of equipment on behalf of the original equipment manufacturer. An original equipment manufacturer who offers the services of diagnosis, maintenance, or repair of its own equipment shall be considered an authorized repair provider with respect to such products.

(2) "Authorized third-party provider" means an individual or business that is unaffiliated with an original equipment manufacturer and that has an arrangement with the original equipment manufacturer to use the original equipment manufacturer's trade name, service mark, or other proprietary identifier for the purpose of distributing documentation, parts, embedded software, firmware, or tools.

(3) "Diagnosis" means the process of identifying the issue or issues that cause the equipment to not be in fully working order.

(4) "Documentation" means any manual, diagram, maintenance procedures, functional and wiring diagrams, reporting output, service code description, circuit board schematics, security code, password, training material, troubleshooting information, list of required tools, parts list, or other guidance or information that enables a person to service or update their equipment.

(5) "Embedded software" means programmable instructions provided on firmware delivered with an electronic component of equipment or with any part for the purpose of restoring or improving operation of the equipment or part and includes all relevant patches and fixes that the original equipment manufacturer makes to equipment or to any part for the purpose of restoring or improving the equipment or part.

(6) "Equipment" means mobility devices designed for people with physical disabilities including, but not limited to, power wheelchairs, manual

wheelchairs, mobility scooters, and power assist devices for manual wheelchairs.

(7) "Fair and reasonable terms and costs" means each of the following, as applicable:

(a)(i) For parts, at costs and terms that are equivalent to the most fair and reasonable costs and terms under which the original equipment manufacturer offers the part to an authorized repair provider, accounting for any discount, rebate, convenient and timely means of delivery, means of enabling fully restored and updated functionality, rights of use, or other incentive or preference the original equipment manufacturer offers to an authorized repair provider, and is not conditioned on or imposing a substantial obligation to use or restrict the use of the part to service equipment sold, leased, or otherwise supplied by the original equipment manufacturer;

(ii) For documentation, including any relevant updates, that the documentation is made available at no charge, except that, when the documentation is requested in physical printed form, a charge may be included for the reasonable actual costs of preparing and sending the copy;

(iii) For tools, that the tools are made available by the original equipment manufacturer at no charge and without imposing impediments to access or use of the tools to service and enable full functionality of the equipment, or in a manner that impairs the efficient and cost-effective performance of any such services, except that, when a tool is requested in physical form, a charge may be included for the reasonable, actual costs of preparing and sending the tool;

(b) If an original equipment manufacturer does not use an authorized repair provider, "fair and reasonable terms and costs" means at a price that reflects the actual cost to the original equipment manufacturer to prepare and deliver the part, tool, or documentation, exclusive of any research and development costs incurred.

(8) "Firmware" means a software program or set of instructions programmed on equipment or a part to allow equipment or a part to communicate with itself or with other computer hardware.

(9) "Independent repair provider" means an individual or business that engages in the services of diagnosis, maintenance, or repair of equipment in this state without an arrangement with the original equipment manufacturer of such equipment as described in subsection (1) of this section or an affiliation with an authorized repair provider for such equipment. "Independent repair provider" also means an original equipment manufacturer or an original equipment manufacturer's authorized repair provider that engages in the services of diagnosis, maintenance, or repair of equipment that is not manufactured by or on behalf of, sold by, or supplied by such original equipment manufacturer.

(10) "Maintenance" means any act necessary to keep currently working equipment in fully working order.

(11) "Manual wheelchair" means a wheeled mobility device that is a chair that can either be propelled by the user or pushed by another person.

(12) "Mobility scooter" means an electric personal transporter that is used as a mobility aid for people who need assistance with walking or getting around.

(13) "Original equipment manufacturer" means an individual or business that, in the normal course of business, is engaged in the business of selling, leasing, or otherwise supplying new equipment manufactured by or on behalf of itself, to any individual or business.

(14) "Owner" means an individual or business that owns or leases equipment purchased or used in this state.

(15) "Part" means any replacement part, either new or used, or its equivalent, which is generally available or used by an original equipment manufacturer or an authorized repair provider for purposes of effecting the services of maintenance or repair of equipment manufactured or sold by the original equipment manufacturer.

(16) "Power assist device" means a motorized attachment that can be added to a manual wheelchair to help the user propel the wheelchair with less effort.

(17) "Power wheelchair" means a motorized wheeled device designed for use by a person with a physical disability.

(18) "Repair" means any act needed to restore equipment to fully working order.

(19) "Service" or "services" means diagnosis, maintenance, or repair services performed on equipment or a part.

(20) "Tools" means any software program, hardware implement, or other apparatus, used for diagnosis, maintenance, or repair of equipment or parts, including software or other mechanism that provides, programs, or pairs a new part; calibrates functionality; or performs any other function required to bring the equipment or part back to fully functional condition, including any updates.

(21) "Trade secret" has the same meaning as defined in 18 U.S.C. Sec. 1839, as that section existed on January 1, 2017.

<u>NEW SECTION.</u> Sec. 3. For the purpose of providing services for equipment in the state, an original equipment manufacturer shall, on fair and reasonable terms and costs, make available to any independent repair provider or owner of the original equipment manufacturer's equipment any documentation, parts, embedded software, firmware, or tools that are intended for use with the equipment or any part, including updates to documentation, parts, embedded software, firmware, or tools. Such documentation, parts, embedded software, firmware, and tools shall be made available either directly by the original equipment manufacturer or via an authorized repair provider or authorized thirdparty provider.

<u>NEW SECTION.</u> Sec. 4. Nothing in this chapter shall be construed to:

(1) Require an original equipment manufacturer to sell parts if the parts are no longer made available to authorized repair providers by the original equipment manufacturer;

(2) Require an original equipment manufacturer to divulge a trade secret to an independent repair provider or owner, except as necessary to provide documentation, parts, embedded software, firmware, or tools on fair and reasonable terms and costs;

(3) Alter the terms of any arrangement described in section 2(1) of this act in force between an authorized repair provider and an original equipment manufacturer including, but not limited to, the performance or provision of warranty or recall repair work by an authorized repair provider on behalf of an original equipment manufacturer pursuant to such arrangement, except that any provision in such terms that purports to waive, avoid, restrict, or limit the original equipment manufacturer's obligations to comply with this section shall be void and unenforceable; or

(4) Require an original equipment manufacturer or an authorized repair provider to provide to an owner or independent repair provider access to information, other than documentation, that is provided by the original equipment manufacturer to an authorized repair provider pursuant to the terms of an arrangement described in section 2(1) of this act.

<u>NEW SECTION.</u> Sec. 5. (1) An original equipment manufacturer or authorized repair provider shall not be liable for any damage or injury to any equipment caused by an independent repair provider or owner which occurs during the course of services and is not attributable to the original equipment manufacturer or authorized repair provider other than if the failure is attributable to design or manufacturing defects.

(2) The original equipment manufacturer does not warrant any services provided by independent repair providers.

<u>NEW SECTION.</u> Sec. 6. Before providing services or repairs for equipment, an independent repair provider shall provide the consumer seeking services or repairs with written notice, provided either electronically or in a hard copy document, indicating:

(1) That the independent repair provider is not an authorized repair provider of the original equipment manufacturer; and

(2) Whether the independent repair provider, in providing services or repairs, uses any new or used replacement parts obtained from a supplier other than the original equipment manufacturer.

<u>NEW SECTION.</u> Sec. 7. (1) The legislature finds that the practices covered by this chapter are matters vitally affecting the public interest for the purpose of applying the consumer protection act, chapter 19.86 RCW. A violation of this chapter is not reasonable in relation to the development and preservation of business and is an unfair or deceptive act in trade or commerce and an unfair method of competition for the purpose of applying the consumer protection act, chapter 19.86 RCW.

(2) This chapter may be enforced solely by the attorney general under the consumer protection act, chapter 19.86 RCW.

<u>NEW SECTION.</u> Sec. 8. Sections 1 through 7 of this act constitute a new chapter in Title 19 RCW.

Passed by the Senate April 22, 2025. Passed by the House April 11, 2025. Approved by the Governor May 19, 2025. Filed in Office of Secretary of State May 20, 2025.

CHAPTER 355

[Engrossed Substitute Senate Bill 5486] MOTION PICTURE THEATERS—CLOSED CAPTIONING

AN ACT Relating to motion picture captioning in motion picture theaters; adding a new section to chapter 49.60 RCW; creating a new section; and providing an effective date.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> Sec. 1. A new section is added to chapter 49.60 RCW to read as follows:

(1) A place of public accommodation that is a motion picture theater shall provide access to fully operational and well-maintained closed captioning technology for the general public for each screening of a motion picture that is produced and available with closed captioning as required by Title III of the federal Americans with disabilities act.

(2) If a motion picture is produced with open captioning content and distributed to motion picture theaters, a motion picture theater company that controls, operates, owns, or leases five or more motion picture theaters in the state shall provide open captioning screenings of such motion picture that has at least five scheduled screenings at that theater, provided that the theater has digital projection systems that support open captioning files. Such open captioning screenings must occur within each of the time periods set forth below:

(a) Within each of the first two weeks of such a motion picture's release, the motion picture theater shall provide at least two open captioning screenings, of which at least one must begin between 5:59 p.m. and 11:01 p.m. on Fridays or between 10:59 a.m. and 11:01 p.m. on Saturdays or Sundays.

(b) Within each week after the first two weeks of such a motion picture's release, the motion picture theater shall provide at least one open captioning screening per week, which must begin between 5:59 p.m. and 10:01 p.m. on Mondays, Tuesdays, Wednesdays, or Thursdays; between 5:59 p.m. and 11:01 p.m. on Fridays; or between 10:59 a.m. and 11:01 p.m. on Saturdays or Sundays.

(3) If a motion picture is produced with open captioning content and distributed to motion picture theaters, a motion picture theater company that controls, operates, owns, or leases four or fewer motion picture theaters in the state shall, at each theater that has digital projection systems that support open captioning files:

(a) Provide an open captioning screening within eight calendar days after receiving a request; or

(b) Offer open captioning consistent with the requirements for motion picture theaters in subsection (2) of this section.

(4) Nothing in this section shall prevent a motion picture theater from offering more open captioning screenings than required by subsections (2) and (3) of this section.

(5) Motion picture theaters shall provide contact information on their websites for the purpose of receiving and fulfilling requests for open captioning screenings.

(6) If an open captioning screening of a motion picture overlaps with one or more other open captioning screenings of the same motion picture at the same motion picture theater, no more than one such motion picture screening may be counted toward the minimum number of screenings required by this section, except where it is not practicable to avoid such overlap.

(7) A motion picture theater shall advertise the date and time of open captioning screenings in the same manner as the motion picture theater advertises all other motion picture screenings and indicate which screenings will include open captioning by using the character symbol "OC."

(8) A motion picture theater shall maintain documents sufficient to demonstrate compliance with the requirements of this section for a period of at least one year.

(9) This section does not apply to drive-in theaters.

(10) For purposes of this section:

(a) "Closed captioning" means the written display of a movie's dialogue or transcript and may include nonspeech information such as music, character identities, and other sounds or sound effects by means of a personal captioning device that delivers captions to individual patrons.

(b) "Motion picture theater" means an establishment in which feature motion pictures are regularly exhibited to the public for an admission charge.

(c) "Motion picture theater company" means any individual or business entity that operates one or more motion picture theaters.

(d) "Open captioning" means the written, on-screen display of a motion picture's dialogue and nonspeech information, which may include music, the identity of the character speaking, or other sounds and sound effects.

<u>NEW SECTION.</u> Sec. 2. This act takes effect January 1, 2026.

<u>NEW SECTION.</u> Sec. 3. This act may be known and cited as the John Waldo act.

Passed by the Senate April 22, 2025.

Passed by the House April 10, 2025.

Approved by the Governor May 19, 2025.

Filed in Office of Secretary of State May 20, 2025.

CHAPTER 356

[Substitute House Bill 1709]

SCHOOLS—STUDENTS WITH ADRENAL INSUFFICIENCY

AN ACT Relating to the care of students with adrenal insufficiency by parent-designated adults; amending RCW 28A.210.350; adding a new section to chapter 28A.210 RCW; and creating a new section.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> Sec. 1. (1)(a) The legislature recognizes that not every public school has a full-time school nurse and that there are restrictions on who can provide nursing care, including medication administration, to students.

(b) The legislature further recognizes that parent-designated adults are volunteers, who may be school employees, and who provide care for the student consistent with the student's individual health plan. Legislation enacted in 2002 authorized parent-designated adults to provide care for students with diabetes. Legislation enacted in 2013 authorized parent-designated adults to provide care for students to provide care for students with seizure disorders, including epilepsy.

(2) The legislature finds that adrenal insufficiency is a rare condition in which the adrenal glands do not produce enough cortisol. If cortisol levels drop too low, which can happen when a person is stressed, ill, or injured, a person will experience abdominal pain, fatigue, dizziness, and ultimately go into shock. Acute severe adrenal insufficiency is a life-threatening situation that requires emergency treatment with cortisol or similar medication to prevent shock or other severe complications.

(3) Therefore, the legislature intends to authorize parent-designated adults to provide care for students with adrenal insufficiency.

<u>NEW SECTION.</u> Sec. 2. A new section is added to chapter 28A.210 RCW to read as follows:

(1) School districts shall provide individual health plans for students with adrenal insufficiency, subject to the following conditions:

(a) The board of directors of the school district shall adopt and periodically revise policies governing the care of students with adrenal insufficiency. At a minimum, the policies must address:

(i) The acquisition of parent requests and instructions;

(ii) The acquisition of orders from licensed health professionals prescribing within the scope of their prescriptive authority for monitoring and treatment of adrenal insufficiency at school;

(iii) The provision for storage of medical equipment and medication provided by the parent;

(iv) The establishment of necessary exceptions to school policies to accommodate the specific needs of students with adrenal insufficiency, as described in the students' individual health plan;

(v) The development of emergency care plans;

(vi) The distribution of individual health plans and emergency care plans to appropriate staff based on the students' needs and staff level of contact with the student;

(vii) The possession of legal documents for parent-designated adults to provide care, if needed; and

(viii) The updating of the individual health plan at least annually;

(b) The administration of medications under the policies required in (a) of this subsection (1) must also comply with conditions outlined in RCW 28A.210.260; and

(c) The policies required by (a) of this subsection (1) may be incorporated into school district policies related broadly to students with health conditions or those concerning parent-designated adults.

(2)(a) Parents of a child with adrenal insufficiency who assign a parentdesignated adult to care for the child shall authorize the parent-designated adult to perform procedures consistent with the child's individual health plan.

(b) Parent-designated adults must complete training selected by the child's parents in the proper procedures to care for the child, including in the administration of an emergency injection of corticosteroid during an adrenal crisis, that are consistent with the child's individual health plan. The training may be provided by an organization that offers training for staff caring for students with adrenal insufficiency or an organization that offers training for caretakers of children with adrenal insufficiency.

(c) To be eligible to be a parent-designated adult for a child with adrenal insufficiency, a school district employee not licensed under chapter 18.79 RCW shall file, without coercion by the employer, a voluntary written, current, and unexpired letter of intent stating the employee's willingness to be a parent-designated adult. If a school district employee who is not licensed under chapter 18.79 RCW chooses not to file a letter under this section, the employee may not be subject to any employer reprisal or disciplinary action for refusing to file a letter.

(3)(a) For the purposes of this section, "parent-designated adult" means an adult who: (i) Is authorized by the parents of a child with adrenal insufficiency to provide care for the child consistent with the child's individual health plan; (ii) volunteers for the designation; (iii) receives additional training selected by the parents; and (iv) provides care for the child consistent with the child's individual health plan.

(b) A parent-designated adult may be a school district employee.

(4) Nothing in this section is intended to supersede or otherwise modify nurse delegation requirements established in RCW 18.79.260.

(5) This section applies beginning with the 2025-26 school year.

Sec. 3. RCW 28A.210.350 and 2021 c 29 s 3 are each amended to read as follows:

A school district, school district employee, agent, or parent-designated adult who, acting in good faith and in substantial compliance with the student's individual health plan and the instructions of the student's licensed health care professional, provides assistance or services under RCW 28A.210.330 ((Θ r)), 28A.210.355, or section 2 of this act shall not be liable in any criminal action or for civil damages in his or her individual or marital or governmental or corporate or other capacities as a result of the services provided under RCW 28A.210.330 to students with diabetes ((Θ r)), under RCW 28A.210.355 to students with epilepsy or other seizure disorders, or under section 2 of this act to students with adrenal insufficiency.

Passed by the House April 22, 2025. Passed by the Senate April 16, 2025. Approved by the Governor May 19, 2025. Filed in Office of Secretary of State May 20, 2025.

CHAPTER 357

[Second Substitute House Bill 1207] SUPERIOR COURT CLERK FEES—MODIFICATION

AN ACT Relating to superior court clerk fees; and amending RCW 36.18.020.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 36.18.020 and 2022 c 260 s 17 are each amended to read as follows:

(1) Revenue collected under this section is subject to division with the state under RCW 36.18.025 and with the county or regional law library fund under RCW 27.24.070, except as provided in ((subsection (5))) subsections (5) and (6) of this section.

(2) Clerks of superior courts shall collect the following fees for their official services:

(a) In addition to any other fee required by law, the party filing the first or initial document in any civil action, including, but not limited to an action for restitution, adoption, or change of name, and any party filing a counterclaim, cross-claim, or third-party claim in any such civil action, shall pay, at the time the document is filed, a fee of \$200 except, in an unlawful detainer action under chapter 59.18 or 59.20 RCW for which the plaintiff shall pay a case initiating filing fee of \$45, or in proceedings filed under RCW 28A.225.030 alleging a

violation of the compulsory attendance laws where the petitioner shall not pay a filing fee. The \$45 filing fee under this subsection for an unlawful detainer action shall not include an order to show cause or any other order or judgment except a default order or default judgment in an unlawful detainer action.

(b) Any party, except a defendant in a criminal case, filing the first or initial document on an appeal from a court of limited jurisdiction or any party on any civil appeal, shall pay, when the document is filed, a fee of \$200.

(c) For filing of a petition for judicial review as required under RCW 34.05.514 a filing fee of \$200.

(d) For filing of a petition for an antiharassment protection order under RCW 7.105.100 a filing fee of \$53.

(e) For filing the notice of debt due for the compensation of a crime victim under RCW 7.68.120(2)(a) a fee of \$200.

(f) In probate proceedings, the party instituting such proceedings, shall pay at the time of filing the first document therein, a fee of \$200.

(g) For filing any petition to contest a will admitted to probate or a petition to admit a will which has been rejected, or a petition objecting to a written agreement or memorandum as provided in RCW 11.96A.220, there shall be paid a fee of \$200.

(h) Upon conviction or plea of guilty, upon failure to prosecute an appeal from a court of limited jurisdiction as provided by law, or upon affirmance of a conviction by a court of limited jurisdiction, an adult defendant in a criminal case shall be liable for a fee of two hundred dollars, except this fee shall not be imposed on a defendant who is indigent as defined in RCW 10.01.160(3). Upon motion by the defendant, the court may waive or reduce any fee previously imposed under this subsection if the court finds that the defendant is indigent as defined in RCW 10.01.160(3).

(i) ((With the exception of demands for jury hereafter made and garnishments hereafter issued, civil actions and probate proceedings filed prior to midnight, July 1, 1972, shall be completed and governed by the fee schedule in effect as of January 1, 1972. However, no)) No fee shall be assessed if an order of dismissal on the clerk's record be filed as provided by rule of the supreme court.

(3) No fee shall be collected when a petition for relinquishment of parental rights is filed pursuant to RCW 26.33.080 or for forms and instructional brochures provided under RCW 7.105.115.

(4) No fee shall be collected when an abstract of judgment is filed by the county clerk of another county for the purposes of collection of legal financial obligations.

(5)(a) In addition to the fees required to be collected under this section, clerks of the superior courts must collect surcharges as provided in this subsection (5) of which 75 percent must be remitted to the state treasurer for deposit in the judicial stabilization trust account and 25 percent must be retained by the county.

(b) On filing fees required to be collected under subsection (2)(b) of this section, a surcharge of \$30 must be collected.

(c) On all filing fees required to be collected under this section, except for fees required under subsection (2)(b), (d), and (h) of this section, a surcharge of \$40 must be collected.

(6) On filing fees required to be collected under subsection (2)(a), (b), (c), (e), (f), and (g) of this section, a surcharge of \$50 must be collected and \$45 of such surcharge must be transmitted by the county treasurer to the state treasurer to be deposited in the following manner: \$20 in the Washington state legacy project, state library, and archives account and \$25 in the judicial stabilization trust account. The remaining funds must be retained by the county to be used for the county clerk's office operations, including administering the surcharge.

Passed by the House April 26, 2025. Passed by the Senate April 26, 2025. Approved by the Governor May 19, 2025. Filed in Office of Secretary of State May 20, 2025.

CHAPTER 358

[Second Substitute House Bill 1359] CRIMINAL INSANITY AND COMPETENCY TO STAND TRIAL—TASK FORCE AND STATUTE REORGANIZATION

AN ACT Relating to reviewing laws related to criminal insanity and competency to stand trial; adding new sections to chapter 10.77 RCW; creating new sections; recodifying RCW 10.77.010, 10.77.020, 10.77.027, 10.77.097, 10.77.097, 10.77.210, 10.77.230, 10.77.240, 10.77.250, 10.77.255, 10.77.260, 10.77.270, 10.77.275, 10.77.280, 10.77.300, 10.77.145, 10.77.163, 10.77.165, 10.77.205, 10.77.207, 10.77.060, 10.77.075, 10.77.070, 10.77.100, 10.77.1025, 10.77.030, 10.77.040, 10.77.080, 10.77.091, 10.77.094, 10.77.170, 10.77.120, 10.77.132, 10.77.140, 10.77.150, 10.77.152, 10.77.165, 10.77.166, 10.77.074, 10.77.175, 10.77.180, 10.77.195, 10.77.200, 10.77.200, 10.77.200, 10.77.086, 10.77.088, 10.77.084, 10.77.089, 10.77.092, 10.77.093, 10.77.202, and 10.77.320; decodifying RCW 10.77.2101, 10.77.290, 10.77.310, 10.77.940, and 10.77.950; and providing an expiration date.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> Sec. 1. (1)(a) A task force to review laws related to criminal insanity and competency to stand trial is established, with members as provided in this subsection.

(i) The secretary of the department of social and health services or the secretary's designee;

(ii) The secretary of the department of corrections or the secretary's designee;

(iii) The director of the health care authority or the director's designee;

(iv) The Washington state attorney general or the attorney general's designee;

(v) The director of the Washington state office of public defense or the director's designee; and

(vi) The department of social and health services shall appoint 21 members representing the following:

(A) One member representing superior courts, to be designated by the Washington state superior court judges association;

(B) One member representing courts of limited jurisdiction, to be designated by the Washington state district and municipal courts judges association;

(C) One member representing prosecutors practicing in courts of limited jurisdiction, to be designated by the Washington association of prosecuting attorneys;

(D) One member representing prosecutors practicing in superior courts, to be designated by the Washington association of prosecuting attorneys;

(E) One member representing trial-level criminal defense attorneys practicing in courts of limited jurisdiction, to be designated by the Washington defender association;

(F) One member representing trial-level criminal defense attorneys practicing in superior courts, to be designated by the Washington defender association;

(G) One member representing law enforcement, to be designated by the Washington association of sheriffs and police chiefs;

(H) One member representing the interests of victims, to be designated by the office of crime victims advocacy;

(I) One member designated by disability rights Washington;

(J) One member designated by the national alliance on mental illness Washington;

(K) One member designated by the plaintiff's counsel in *A.B., by and through Trueblood, et al., v. DSHS, et al.,* No. 15-35462 ("Trueblood");

(L) A representative of a behavioral health administrative services organization;

(M) A representative of a medicaid managed care organization;

(N) A representative of county governments, to be designated by the Washington state association of counties;

(O) A representative of city governments, to be designated by the association of Washington cities;

(P) A labor representative, to be designated by the Washington federation of state employees;

(Q) A representative of western state hospital;

(R) A representative of eastern state hospital; and

(S) Three individuals with direct lived experience of the forensic mental health system, including at least one person who is a former competency restoration patient and at least one person with experience of commitment related to criminal insanity.

(b) The task force shall choose its cochairs from among its membership. The Washington state association of counties shall convene the initial meeting of the task force.

(2) The task force shall undertake the following tasks:

(a) A comprehensive review of the laws in chapter 10.77 RCW to modernize and clean up issues that present barriers to administration, public safety, consistency, fairness, efficiency, and comprehension by victims, committed individuals, families, and the courts;

(b) Consider potential terminology and language changes to promote patient-centered language, improve coherence between legal and medical terminology, reduce stigma, and improve understanding of the competency evaluation process; and

(c) Make recommendations concerning law changes that would remove barriers to diversion, promote effective treatment, and increase services that would facilitate safe and responsible hospital discharges.

(3) The task force may form subcommittees to assist its work. The task force may contract with additional persons with specific technical expertise if

necessary to carry out the mandates of the study. Such contracts may only be entered if an appropriation is specifically provided for this purpose.

(4) Staff support for the task force must be provided by the Washington state association of counties. The Washington state association of counties must provide reporting under RCW 43.18A.030.

(5) All meetings of the task force must be held in a virtual format.

(6) The task force shall report its findings and recommendations to the governor and the appropriate committees of the legislature by December 1, 2026.

(7) This section expires December 31, 2026.

<u>NEW SECTION.</u> Sec. 2. (1) The code reviser shall recodify, as necessary, the following sections of chapter 10.77 RCW in the following order within chapter 10.77 RCW, using the indicated chapter headings: Definitions RCW 10.77.010 General Provisions RCW 10.77.020 RCW 10.77.027 RCW 10.77.0942 RCW 10.77.095 RCW 10.77.097 RCW 10.77.210 RCW 10.77.230 RCW 10.77.240 RCW 10.77.250 RCW 10.77.255 RCW 10.77.260 RCW 10.77.270 RCW 10.77.275 RCW 10.77.280 RCW 10.77.300 Authorized Leave and Furloughs RCW 10.77.145 RCW 10.77.163 Community Notifications RCW 10.77.165 RCW 10.77.205 RCW 10.77.207 Evaluations Under This Chapter RCW 10.77.060 RCW 10.77.065 RCW 10.77.070 RCW 10.77.100 Criminal Insanity RCW 10.77.025 RCW 10.77.030 RCW 10.77.040

RCW 10.77.080 RCW 10.77.091 RCW 10.77.094 RCW 10.77.110 RCW 10.77.120 RCW 10.77.132 RCW 10.77.140 RCW 10.77.150 RCW 10.77.152 RCW 10.77.155 RCW 10.77.160 RCW 10.77.170 RCW 10.77.175 RCW 10.77.180 RCW 10.77.190 RCW 10.77.195 RCW 10.77.200 RCW 10.77.220 Competency to Stand Trial RCW 10.77.050 RCW 10.77.068 RCW 10.77.072 RCW 10.77.074 RCW 10.77.075 RCW 10.77.078 RCW 10.77.079 RCW 10.77.084 RCW 10.77.0845 RCW 10.77.086 RCW 10.77.088 RCW 10.77.0885 RCW 10.77.089 RCW 10.77.092 RCW 10.77.093 RCW 10.77.202

RCW 10.77.320

(2) The code reviser shall correct all statutory references to sections recodified by this section.

<u>NEW SECTION.</u> Sec. 3. The following sections are decodified:

(1) RCW 10.77.2101 (Implementation of legislative intent);

(2) RCW 10.77.290 (Secretary to adopt rules—2015 1st sp.s. c 7);

(3) RCW 10.77.310 (Health care authority contracts—Compensation of staff in outpatient competency restoration programs);

(4) RCW 10.77.940 (Equal application of 1989 c 420—Evaluation for developmental disability); and

(5) RCW 10.77.950 (Construction—Chapter applicable to state registered domestic partnerships—2009 c 521).

<u>NEW SECTION.</u> Sec. 4. If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2025, in the omnibus appropriations act, this act is null and void.

Passed by the House April 22, 2025. Passed by the Senate April 15, 2025. Approved by the Governor May 19, 2025. Filed in Office of Secretary of State May 20, 2025.

CHAPTER 359

[Substitute House Bill 1392] MEDICAID ACCESS PROGRAM

AN ACT Relating to creating the medicaid access program; reenacting and amending RCW 43.84.092 and 43.84.092; adding a new chapter to Title 74 RCW; adding a new chapter to Title 48 RCW; creating new sections; providing an effective date; providing an expiration date; providing a contingent expiration date; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> Sec. 1. The definitions in this section apply throughout this chapter and chapter 48.--- RCW (the new chapter created in section 15 of this act) unless the context clearly requires otherwise.

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

(2) "Commissioner" means the insurance commissioner or his or her designee.

(3) "Covered lives" means all persons residing in Washington state who are covered:

(a) Under a fully insured individual or group health plan issued or delivered in Washington state; or

(b) By a medicaid managed care organization.

(4) "Health carrier" or "carrier" has the same meaning as defined in RCW 48.43.005.

(5) "Health plan" has the same meaning as defined in RCW 48.43.005 and does not include medicare advantage plans established under medicare part C or outpatient prescription drug plans established under medicare part D.

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

<u>NEW SECTION.</u> Sec. 2. (1) By September 1, 2025, the authority shall submit any state plan amendments or waiver requests to the centers for medicare and medicaid services that are necessary to implement the medicaid access program established in section 6 of this act.

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

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

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

(c) Certification by the office of financial management that appropriations have been adopted that fully support the rates established in section 3 of this act for the upcoming fiscal year. <u>NEW SECTION.</u> Sec. 3. (1) All health carriers and medicaid managed care organizations shall pay an annual covered lives assessment beginning January 1st of the plan year following the approval in section 2(2)(a) of this act as follows:

(a) For assessments due the first plan year:

(i) The authority shall assess a per member per month assessment of \$16 per covered life for medicaid managed care organizations; and

(ii) The commissioner shall assess a per member per month assessment of \$0.50 per covered life for health carriers.

(b) On or before May 15th of the first plan year of assessments due and on or before May 15th of each subsequent year, the authority shall determine the covered lives assessment at the rate necessary to fund the adjustment based on the inflation factor using the medicare economic index for professional services rates in section 6 of this act.

(c) The ratio of the total assessments collected from managed care organizations and health carriers must be set as 36 to one, respectively. Assessments for each calendar year shall be set utilizing the proportion of fully insured to medicaid managed care covered lives from the previous calendar year.

(2) The assessments as applied in subsection (1) of this section are limited to:

(a) The first 2,300,000 member months of fully insured lives per medicaid managed care organization on a per medicaid managed care organization basis; and

(b) The first 2,300,000 member months of fully insured lives per health carrier. For each health carrier, the assessment shall apply to member months of all group health plan lives first, followed by member months of individual health plans lives.

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

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

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

(6) The authority may abate or defer, in whole or in part, the assessment of a managed care organization if, in the opinion of the authority, payment of the assessment would endanger the ability of the managed care organization to fulfill its contractual obligations under chapter 74.09 RCW. If an assessment

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

(7) The authority shall deposit annual assessments and interest collected under this section with the state treasurer to the credit of the medicaid access program account created in section 5 of this act.

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

<u>NEW SECTION.</u> Sec. 4. (1) All health carriers and medicaid managed care organizations shall pay an annual covered lives assessment under section 3 of this act.

(2) The commissioner shall assess a per member per month assessment for health carriers pursuant to section 3 of this act.

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

(4) Payments from health carriers are due to the commissioner within 45 days of the payment schedule determined under subsection (3) of this section. The commissioner shall charge interest as defined by RCW 43.17.240, which begins to accrue on the 46th day, on amounts received after the 45-day period. The commissioner may allow each health carrier in arrears to submit a payment plan, subject to approval by the commissioner and initial payment under an approved payment plan.

(5) The commissioner shall deposit annual assessments and interest collected under this section with the state treasurer to the credit of the medicaid access program account created in section 5 of this act.

(6) Health carriers shall submit any annual statements or other reports deemed necessary by the commissioner for the health care authority to calculate the assessment in a manner consistent with the schedule and procedures in accordance with section 3 of this act.

<u>NEW SECTION.</u> Sec. 5. (1) The medicaid access program account is created in the state treasury. All receipts from the assessments, interest, and penalties collected by the authority and commissioner under sections 3 and 4 of this act must be deposited into the account. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for the administration and implementation of the medicaid access program as established in section 6 of this act.

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

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

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

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

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

(e) To be used in lieu of state general fund payments for medicaid services in an amount not to exceed 335,000,000 in the first fiscal year following the approval in section 2(2)(a) of this act and assessment by the authority authorized in section 3(1)(a)(i) of this act;

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

(g) To pay up to \$2,000,000 for administrative and service-related costs to expand medicaid access in schools by maximizing medicaid funding opportunities to support the school-based health services program, school-based health centers, and on-site behavioral health services.

<u>NEW SECTION.</u> Sec. 6. (1) The medicaid access program is hereby created.

(2) By January 1st of the second plan year after conditions of section 2 of this act are met, professional services rates for anesthesia, diagnostics, intense outpatient, opioid treatment programs, emergency room, inpatient and outpatient surgery, inpatient visits, low-level behavioral health, maternity services, office and home visits, consults, office administered drugs, vision, and other physician services, for services that are not reimbursed at or above medicare rates as of December 31, 2024, must be increased uniformly across professional service categories by a percentage of corresponding medicare rates as of December 31, 2024, based on availability of funds in the account created in section 5 of this act for rate increases from collections in the preceding plan year.

(3) By January 1st of the third plan year after the conditions of section 2 of this act are met, and annually thereafter, the rates for all services listed in subsection (2) of this section shall be adjusted using the most recently published medicare economic index available at the time rates are established for the plan year.

(4)(a) Beginning January 1st of the third plan year after the conditions of section 2 of this act are met and by January 1st in each of the two subsequent plan years, the authority shall study the impact of the professional services rate

increases described in this section on medicaid access. The authority shall provide information to fiscal and health committees of the legislature whether these rate increases have increased access for medicaid enrollees, using metrics including but not limited to:

(i) Increases in utilization of services from licensed health care providers;

(ii) Number of contracts with identifiable provider types enrolled to provide services to medicaid enrollees;

(iii) Patient access measures in the CAHPS health plan surveys of managed care organizations; and

(iv) Other external quality review metrics.

(b) The authority shall provide the information in a fashion that disaggregates managed care organizations and fee-for-service.

<u>NEW SECTION.</u> Sec. 7. Nothing in this act shall be construed to alter the requirements: (1) Under 42 C.F.R. Sec. 438.4 that the rates paid by the state to managed care organizations be actuarially sound; and (2) that the state develop the rates in compliance with standards under 42 C.F.R. Sec. 438.5.

<u>NEW SECTION.</u> Sec. 8. The authority may adopt rules and undertake actions necessary to carry out sections 2, 3, and 6 of this act including, but not limited to, rules prescribing the medicaid access program plan of operations, measures to enforce reporting of covered lives, audits of covered lives reporting, and payment of applicable assessments.

<u>NEW SECTION.</u> Sec. 9. The commissioner may adopt rules and undertake actions necessary to carry out section 4 of this act including, but not limited to, rules prescribing the medicaid access program plan of operations, measures to enforce reporting of covered lives, audits of covered lives reporting, and payment of applicable assessments.

<u>NEW SECTION.</u> Sec. 10. The medicaid access program, health carriers and medicaid managed care organizations assessed by the program, the authority, and employees of the authority are not civilly or criminally liable and may not have any penalty or cause of action of any nature arise against them for any action or inaction, including any discretionary decision or failure to make a discretionary decision, when the action or inaction is done in good faith and in the performance of the powers and duties assigned to the program. This section does not prohibit legal actions against the program to enforce the program's statutory or contractual duties or obligations.

<u>NEW SECTION.</u> Sec. 11. The medicaid access program, health carriers and medicaid managed care organizations assessed by the program, the commissioner, the commissioner's representatives, and the commissioner's employees are not civilly or criminally liable and may not have any penalty or cause of action of any nature arise against them for any action or inaction, including any discretionary decision or failure to make a discretionary decision, when the action or inaction is done in good faith and in the performance of the powers and duties assigned to the program. This section does not prohibit legal actions against the program to enforce the program's statutory or contractual duties or obligations. **Sec. 12.** RCW 43.84.092 and 2024 c 210 s 4 and 2024 c 168 s 12 are each reenacted and amended to read as follows:

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

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

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

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

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

water assistance account, the administrative subaccount of the drinking water assistance account, the early learning facilities development account, the early learning facilities revolving account, the Eastern Washington University capital projects account, the education construction fund, the education legacy trust account, the election account, the electric vehicle account, the energy freedom account, the energy recovery act account, the essential rail assistance account, The Evergreen State College capital projects account, the fair start for kids account, the family medicine workforce development account, the ferry bond retirement fund, the fish, wildlife, and conservation account, the freight mobility investment account, the freight mobility multimodal account, the grade crossing protective fund, the higher education retirement plan supplemental benefit fund, the Washington student loan account, the highway bond retirement fund, the highway infrastructure account, the highway safety fund, the hospital safety net assessment fund, the Interstate 5 bridge replacement project account, the Interstate 405 and state route number 167 express toll lanes account, the judges' retirement account, the judicial retirement administrative account, the judicial retirement principal account, the limited fish and wildlife account, the local leasehold excise tax account, the local real estate excise tax account, the local sales and use tax account, the marine resources stewardship trust account, the medical aid account, the money-purchase retirement savings administrative account, the money-purchase retirement savings principal account, the motor vehicle fund, the motorcycle safety education account, the move ahead WA account, the move ahead WA flexible account, the multimodal transportation account, the multiuse roadway safety account, the municipal criminal justice assistance account, the oyster reserve land account, the pension funding stabilization account, the perpetual surveillance and maintenance account, the pilotage account, the pollution liability insurance agency underground storage tank revolving account, the medicaid access program account, the public employees' retirement system plan 1 account, the public employees' retirement system combined plan 2 and plan 3 account, the public facilities construction loan revolving account, the public health supplemental account, the public works assistance account, the Puget Sound capital construction account, the Puget Sound ferry operations account, the Puget Sound Gateway facility account, the Puget Sound taxpayer accountability account, the real estate appraiser commission account, the recreational vehicle account, the regional mobility grant program account, the reserve officers' relief and pension principal fund, the resource management cost account, the rural arterial trust account, the rural mobility grant program account, the rural Washington loan fund, the second injury fund, the sexual assault prevention and response account, the site closure account, the skilled nursing facility safety net trust fund, the small city pavement and sidewalk account, the special category C account, the special wildlife account, the state hazard mitigation revolving loan account, the state investment board expense account, the state investment board commingled trust fund accounts, the state patrol highway account, the state reclamation revolving account, the state route number 520 civil penalties account, the state route number 520 corridor account, the statewide broadband account, the statewide tourism marketing account, the supplemental pension account, the Tacoma Narrows toll bridge account, the teachers' retirement system plan 1 account, the teachers' retirement system combined plan 2 and plan 3 account, the tobacco

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

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

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

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

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

(2) The treasury income account shall be utilized to pay or receive funds associated with federal programs as required by the federal cash management improvement act of 1990. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for refunds or allocations of interest earnings required by the cash management improvement act. Refunds of interest to the federal treasury required under the cash management improvement act fall under RCW 43.88.180 and shall not require appropriation. The office of financial management shall determine the amounts due to or from the federal government pursuant to the cash management improvement act. The

office of financial management may direct transfers of funds between accounts as deemed necessary to implement the provisions of the cash management improvement act, and this subsection. Refunds or allocations shall occur prior to the distributions of earnings set forth in subsection (4) of this section.

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

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

(a) The following accounts and funds shall receive their proportionate share of earnings based upon each account's and fund's average daily balance for the period: The abandoned recreational vehicle disposal account, the aeronautics account, the Alaskan Way viaduct replacement project account, the budget stabilization account, the capital vessel replacement account, the capitol building construction account, the Central Washington University capital projects account, the charitable, educational, penal and reformatory institutions account, the Chehalis basin account, the Chehalis basin taxable account, the clean fuels credit account, the clean fuels transportation investment account, the cleanup settlement account, the climate active transportation account, the climate transit programs account, the Columbia river basin water supply development account, the Columbia river basin taxable bond water supply development account, the Columbia river basin water supply revenue recovery account, 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account, the Washington public safety employees' plan 2 retirement account, the Washington school employees' retirement system combined plan 2 and 3 account, the Washington state patrol retirement account, the Washington State University building account, the Washington State University bond retirement fund, the water pollution control revolving administration account, the water pollution control revolving fund, the Western Washington University capital projects account, the Yakima integrated plan implementation account, the Yakima integrated plan implementation revenue recovery account, and the Yakima integrated plan implementation taxable bond account. Earnings derived from investing balances of the agricultural permanent fund, the normal school permanent fund, the state university permanent fund shall be allocated to their respective beneficiary accounts.

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

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

<u>NEW SECTION.</u> Sec. 14. Sections 1 through 3, 5 through 8, and 10 of this act constitute a new chapter in Title 74 RCW.

<u>NEW SECTION.</u> Sec. 15. Sections 4, 9, and 11 of this act constitute a new chapter in Title 48 RCW.

<u>NEW SECTION.</u> Sec. 16. The provisions of this act are not severable. In the event that any portion of this act shall have been validly implemented and the entire act is later rendered ineffective, prior assessments and payments under the validly implemented portions shall not be affected.

<u>NEW SECTION.</u> Sec. 17. Sections 1 through 12, 14 through 16, and 18 through 20 of this act are necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and take effect immediately.

<u>NEW SECTION.</u> Sec. 18. (1) This act expires if by January 1, 2027, the federal centers for medicare and medicaid services does not provide final approval of the state plan amendment or waiver requests under section 2 of this act.

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

NEW SECTION. Sec. 19. Section 12 of this act expires July 1, 2028.

<u>NEW SECTION.</u> Sec. 20. Section 13 of this act takes effect July 1, 2028.

<u>NEW SECTION.</u> Sec. 21. If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2025, in the omnibus appropriations act, this act is null and void.

Passed by the House April 19, 2025. Passed by the Senate April 14, 2025. Approved by the Governor May 19, 2025. Filed in Office of Secretary of State May 20, 2025.

CHAPTER 360

[Second Substitute House Bill 1427]

CERTIFIED PEER SUPPORT SPECIALISTS—VARIOUS PROVISIONS

AN ACT Relating to certified peer support specialists; amending RCW 74.09.871, 71.24.920, 18.420.005, 18.420.010, 18.420.020, 18.420.030, 18.420.040, 18.420.050, 18.420.060, 18.420.090, 18.420.800, 43.70.250, 48.43.825, 71.24.585, 71.24.903, 71.24.922, 71.24.924, 71.40.040, and 71.40.090; reenacting and amending RCW 18.130.040, 18.130.175, 71.24.025, and 71.24.890; creating a new section; and adding a new section to chapter 41.05 RCW.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 74.09.871 and 2023 c 292 s 2 are each amended to read as follows:

(1) Any agreement or contract by the authority to provide behavioral health services as defined under RCW 71.24.025 to persons eligible for benefits under medicaid, Title XIX of the social security act, and to persons not eligible for medicaid must include the following:

(a) Contractual provisions consistent with the intent expressed in RCW 71.24.015 and 71.36.005;

(b) Standards regarding the quality of services to be provided, including increased use of evidence-based, research-based, and promising practices, as defined in RCW 71.24.025;

(c) Accountability for the client outcomes established in RCW 71.24.435, 70.320.020, and 71.36.025 and performance measures linked to those outcomes;

(d) Standards requiring behavioral health administrative services organizations and managed care organizations to maintain a network of appropriate providers that is supported by written agreements sufficient to provide adequate access to all services covered under the contract with the authority and to protect essential behavioral health system infrastructure and capacity, including a continuum of substance use disorder services;

(e) Provisions to require that medically necessary substance use disorder and mental health treatment services be available to clients;

(f) Standards requiring the use of behavioral health service provider reimbursement methods that incentivize improved performance with respect to the client outcomes established in RCW 71.24.435 and 71.36.025, integration of behavioral health and primary care services at the clinical level, and improved care coordination for individuals with complex care needs;

(g) Standards related to the financial integrity of the contracting entity. This subsection does not limit the authority of the authority to take action under a contract upon finding that a contracting entity's financial status jeopardizes the contracting entity's ability to meet its contractual obligations;

(h) Mechanisms for monitoring performance under the contract and remedies for failure to substantially comply with the requirements of the contract including, but not limited to, financial deductions, termination of the contract, receivership, reprocurement of the contract, and injunctive remedies; (i) Provisions to maintain the decision-making independence of designated crisis responders; and

(j) Provisions stating that public funds appropriated by the legislature may not be used to promote or deter, encourage, or discourage employees from exercising their rights under Title 29, chapter 7, subchapter II, United States Code or chapter 41.56 RCW.

(2) At least six months prior to releasing a medicaid integrated managed care procurement, but no later than January 1, 2025, the authority shall adopt statewide network adequacy standards that are assessed on a regional basis for the behavioral health provider networks maintained by managed care organizations pursuant to subsection (1)(d) of this section. The standards shall require a network that ensures access to appropriate and timely behavioral health services for the enrollees of the managed care organization who live within the regional service area. At a minimum, these standards must address each behavioral health services type covered by the medicaid integrated managed care contract. This includes, but is not limited to: Outpatient, inpatient, and residential levels of care for adults and youth with a mental health disorder; outpatient, inpatient, and residential levels of care for adults and youth with a substance use disorder; crisis and stabilization services; providers of medication for opioid use disorders; specialty care; other facility-based services; and other providers as determined by the authority through this process. The authority shall apply the standards regionally and shall incorporate behavioral health system needs and considerations as follows:

(a) Include a process for an annual review of the network adequacy standards;

(b) Provide for participation from counties and behavioral health providers in both initial development and subsequent updates;

(c) Account for the regional service area's population; prevalence of behavioral health conditions; types of minimum behavioral health services and service capacity offered by providers in the regional service area; number and geographic proximity of providers in the regional service area; an assessment of the needs or gaps in the region; and availability of culturally specific services and providers in the regional service area to address the needs of communities that experience cultural barriers to health care including but not limited to communities of color and the LGBTQ+ community;

(d) Include a structure for monitoring compliance with provider network standards and timely access to the services;

(e) Consider how statewide services, such as residential treatment facilities, are utilized cross-regionally; and

(f) Consider how the standards would impact requirements for behavioral health administrative service organizations.

(3) Before releasing a medicaid integrated managed care procurement, the authority shall identify options that minimize provider administrative burden, including the potential to limit the number of managed care organizations that operate in a regional service area.

(4) The following factors must be given significant weight in any medicaid integrated managed care procurement process under this section:

(a) Demonstrated commitment and experience in serving low-income populations;

(b) Demonstrated commitment and experience serving persons who have mental illness, substance use disorders, or co-occurring disorders;

(c) Demonstrated commitment to and experience with partnerships with county and municipal criminal justice systems, housing services, and other critical support services necessary to achieve the outcomes established in RCW 71.24.435, 70.320.020, and 71.36.025;

(d) The ability to provide for the crisis service needs of medicaid enrollees, consistent with the degree to which such services are funded;

(e) Recognition that meeting enrollees' physical and behavioral health care needs is a shared responsibility of contracted behavioral health administrative services organizations, managed care organizations, service providers, the state, and communities;

(f) Consideration of past and current performance and participation in other state or federal behavioral health programs as a contractor;

(g) The ability to meet requirements established by the authority;

(h) The extent to which a managed care organization's approach to contracting simplifies billing and contracting burdens for community behavioral health provider agencies, which may include but is not limited to a delegation arrangement with a provider network that leverages local, federal, or philanthropic funding to enhance the effectiveness of medicaid-funded integrated care services and promote medicaid clients' access to a system of services that addresses additional social support services and social determinants of health as defined in RCW 43.20.025;

(i) Demonstrated prior national or in-state experience with a full continuum of behavioral health services that are substantially similar to the behavioral health services covered under the Washington medicaid state plan, including evidence through past and current data on performance, quality, and outcomes; ((and))

(j) Demonstrated commitment by managed care organizations to the use of alternative pricing and payment structures between a managed care organization and its behavioral health services providers, including provider networks described in subsection (b) of this section, and between a managed care organization and a behavioral administrative service organization, in any of their agreements or contracts under this section, which may include but are not limited to:

(i) Value-based purchasing efforts consistent with the authority's valuebased purchasing strategy, such as capitated payment arrangements, comprehensive population-based payment arrangements, or case rate arrangements; or

(ii) Payment methods that secure a sufficient amount of ready and available capacity for levels of care that require staffing 24 hours per day, 365 days per year, to serve anyone in the regional service area with a demonstrated need for the service at all times, regardless of fluctuating utilization; and

(k) The accessibility of peer services, as demonstrated in the application through a required comprehensive analysis of access to peer services in the managed care organization's network. The analysis must evaluate the availability of certified peer counselors and peer support specialists certified under chapter 18.420 RCW who are:

(i) Adults in recovery from a mental health condition;

(ii) Adults in recovery from a substance use disorder;

(iii) Youth and young adults in recovery from a mental condition;

(iv) Youth and young adults in recovery from a substance use disorder; and

(v) The parent or legal guardian of a youth who is receiving or has received behavioral health services.

(5) The authority may use existing cross-system outcome data such as the outcomes and related measures under subsection (4)(c) of this section and chapter 338, Laws of 2013, to determine that the alternative pricing and payment structures referenced in subsection (4)(j) of this section have advanced community behavioral health system outcomes more effectively than a fee-for-service model may have been expected to deliver.

(6)(a) The authority shall urge managed care organizations to establish, continue, or expand delegation arrangements with a provider network that exists on July 23, 2023, and that leverages local, federal, or philanthropic funding to enhance the effectiveness of medicaid-funded integrated care services and promote medicaid clients' access to a system of services that addresses additional social support services and social determinants of health as defined in RCW 43.20.025. Such delegation arrangements must meet the requirements of the integrated managed care contract and the national committee for quality assurance accreditation standards.

(b) The authority shall recognize and support, and may not limit or restrict, a delegation arrangement that a managed care organization and a provider network described in (a) of this subsection have agreed upon, provided such arrangement meets the requirements of the integrated managed care contract and the national committee for quality assurance accreditation standards. The authority may periodically review such arrangements for effectiveness according to the requirements of the integrated managed care contract and the national committee for quality assurance accreditation standards.

(c) Managed care organizations and the authority may evaluate whether to establish or support future delegation arrangements with any additional provider networks that may be created after July 23, 2023, based on the requirements of the integrated managed care contract and the national committee for quality assurance accreditation standards.

(7) The authority shall expand the types of behavioral health crisis services that can be funded with medicaid to the maximum extent allowable under federal law, including seeking approval from the centers for medicare and medicaid services for amendments to the medicaid state plan or medicaid state directed payments that support the 24 hours per day, 365 days per year capacity of the crisis delivery system when necessary to achieve this expansion.

(8) The authority shall, in consultation with managed care organizations, review reports and recommendations of the involuntary treatment act work group established pursuant to section 103, chapter 302, Laws of 2020 and develop a plan for adding contract provisions that increase managed care organizations' accountability when their enrollees require long-term involuntary inpatient behavioral health treatment and shall explore opportunities to maximize medicaid funding as appropriate.

(9) In recognition of the value of community input and consistent with past procurement practices, the authority shall include county and behavioral health provider representatives in the development of any medicaid integrated managed care procurement process. This shall include, at a minimum, two representatives identified by the association of county human services and two representatives identified by the Washington council for behavioral health to participate in the review and development of procurement documents.

(10) For purposes of purchasing behavioral health services and medical care services for persons eligible for benefits under medicaid, Title XIX of the social security act and for persons not eligible for medicaid, the authority must use regional service areas. The regional service areas must be established by the authority as provided in RCW 74.09.870.

(11) Consideration must be given to using multiple-biennia contracting periods.

(12) Each behavioral health administrative services organization operating pursuant to a contract issued under this section shall serve clients within its regional service area who meet the authority's eligibility criteria for mental health and substance use disorder services within available resources.

<u>NEW SECTION.</u> Sec. 2. A new section is added to chapter 41.05 RCW to read as follows:

(1) The authority shall contract with one or more external entities to expand access to peer support services.

(2) Beginning December 31, 2025, the entity or entities shall:

(a) Provide technical assistance to support primary care clinics, urgent care clinics, and hospitals to integrate certified peer support specialists into their clinical care models and bill health insurance carriers for those services;

(b) Develop detailed and innovative proposals to create low barrier and cost-effective opportunities for:

(i) Community-based agencies, including peer-run agencies and organizations that are not currently licensed as behavioral health agencies under chapter 71.24 RCW, to bill health carriers for peer support services;

(ii) Service providers to bill health carriers for behavioral health services that are currently funded by the state general fund, including the law enforcement assisted diversion program established under RCW 71.24.589, the recovery navigator program established under RCW 71.24.115, the arrest and jail alternatives program established under RCW 36.28A.450, and the homeless outreach stabilization transition program established under RCW 71.24.145;

(iii) Community-based victim services agencies, including agencies that support domestic violence, sexual assault, and human trafficking victims, to bill health carriers for peer support services provided to victims of gender-based violence; and

(iv) Tribes, tribal health providers, and urban Indian health programs to bill for peer support services provided by tribal elders;

(c) Develop a proposal to establish the concept of, and billing mechanisms for, substance use disorder peer-run respite centers that are modeled after the mental health peer-run respite centers established under RCW 71.24.649; and

(d) Explore options for health carriers to pay for peer support services through capitated payment arrangements rather than on a fee-for-service basis.

(3) By November 1, 2026, the contracted entity or entities shall submit reports to the authority to describe the type and quantity of technical assistance that have been provided, the proposals that have been developed, and the trends in health carriers providing payment for peer support services, and any policy or budget recommendations to encourage health carriers to reimburse providers for peer support services.

Sec. 3. RCW 71.24.920 and 2023 c 469 s 13 are each amended to read as follows:

(1)(a) By January 1, 2025, the authority must develop a course of instruction to become a certified peer support specialist under chapter 18.420 RCW. The course must be approximately 80 hours in duration and based upon the curriculum offered by the authority in its peer counselor training as of July 23, 2023, as well as additional instruction in the principles of recovery coaching and suicide prevention. The authority shall establish a peer engagement process to receive suggestions regarding subjects to be covered in the 80-hour curriculum beyond those addressed in the peer counselor training curriculum and recovery coaching and suicide prevention curricula, including the cultural appropriateness of the 80-hour training. The education course must be taught by certified peer support specialists. The education course must be offered by the authority with sufficient frequency to accommodate the demand for training and the needs of the workforce. The authority must establish multiple configurations for offering the education course, including offering the course as an uninterrupted course with longer class hours held on consecutive days for students seeking accelerated completion of the course and as an extended course with reduced daily class hours, possibly with multiple days between classes, to accommodate students with other commitments. Upon completion of the education course, the student must pass an oral examination administered by the course trainer.

(b) The authority shall develop an expedited course of instruction that consists of only those portions of the curriculum required under (a) of this subsection that exceed the authority's certified peer counselor training curriculum as it exists on July 23, 2023. The expedited training shall focus on assisting persons who completed the authority's certified peer counselor training as it exists on July 23, 2023, to meet the education requirements for certification under RCW 18.420.050.

(2) By January 1, 2025, the authority must develop a training course for certified peer <u>support</u> specialists providing supervision to certified peer <u>support</u> specialist trainees under RCW 18.420.060.

(3)(a) By July 1, 2025, the authority shall offer a 40-hour specialized training course in peer crisis response services for individuals employed as peers who work with individuals who may be experiencing a behavioral health crisis. When offering the training course, priority for enrollment must be given to certified peer <u>support</u> specialists employed in a crisis-related setting, including entities identified in (b) of this subsection. The training shall incorporate best practices for responding to 988 behavioral health crisis line calls, as well as processes for co-response with law enforcement when necessary.

(b) Beginning July 1, 2025, any entity that uses certified peer support specialists as peer crisis responders, may only use certified peer support specialists who have completed the training course established by (a) of this subsection. A behavioral health agency that uses certified peer support specialists to work as peer crisis responders must maintain the records of the completion of the training course for those certified peer support specialists who provide these services and make the records available to the state agency for auditing or certification purposes.

(4) By July 1, 2025, the authority shall offer a course designed to inform licensed or certified behavioral health agencies of the benefits of incorporating certified peer <u>support</u> specialists and certified peer <u>support</u> specialist trainees into their clinical staff and best practices for incorporating their services. The authority shall encourage entities that hire certified peer <u>support</u> specialists and certified peer <u>support</u> specialists and certified peer <u>support</u> specialist trainees, including licensed or certified behavioral health agencies, hospitals, primary care offices, and other entities, to have appropriate staff attend the training by making it available in multiple formats.

(5) The authority, in consultation with the office of crime victims advocacy established under RCW 43.280.080, must contract with one or more training entities for the development of three separate courses of instruction related to the provision of peer support services to persons who have experienced domestic violence, sexual assault, or human trafficking. The authority shall collaborate with people with lived and living experience in the development of the courses. The courses must supplement the instruction received by certified peer support specialists and incorporate competencies that are typically taught in training programs for victim advocates, including safety planning, a foundational understanding of domestic violence, sexual assault, or human trafficking, as applicable, and advocacy across legal, medical, social services, and other systems.

(6) The authority shall:

(a) Hire clerical, administrative, investigative, and other staff as needed to implement this section to serve as examiners for any practical oral or written examination and assure that the examiners are trained to administer examinations in a culturally appropriate manner and represent the diversity of applicants being tested. The authority shall adopt procedures to allow for appropriate accommodations for persons with a learning disability, other disabilities, and other needs and assure that staff involved in the administration of examinations are trained on those procedures;

(b) Develop oral and written examinations required under this section. The initial examinations shall be adapted from those used by the authority as of July 23, 2023((, and modified pursuant to input and comments from the Washington state peer specialist advisory committee)). The authority shall assure that the examinations are culturally appropriate;

(c) Prepare, grade, and administer, or supervise the grading and administration of written examinations for obtaining a certificate;

(d) Approve entities to provide the educational courses required by this section and approve entities to prepare, grade, and administer written examinations for the educational courses required by this section((. In establishing approval criteria, the authority shall consider the recommendations of the Washington state peer specialist advisory committee));

(e) Develop examination preparation materials and make them available to students enrolled in the courses established under this section in multiple formats, including specialized examination preparation support for students with higher barriers to passing the written examination; and

(f) ((The authority shall administer)) <u>Administer</u>, through contract, a program to link eligible persons in recovery from behavioral health challenges who are seeking employment as peers with employers seeking to hire peers,

including certified peer <u>support</u> specialists. The authority must contract for this program with an organization that provides peer workforce development, peer coaching, and other peer supportive services. The contract must require the organization to create and maintain a statewide database which is easily accessible to eligible persons in recovery who are seeking employment as peers and potential employers seeking to hire peers, including certified peer <u>support</u> specialists. The program must be fully implemented by July 1, 2024.

(((6))) (7) For the purposes of this section((, the term "peer)):

(a) "Peer crisis responder" means a peer <u>support</u> specialist certified under chapter 18.420 RCW who has completed the training under subsection (3) of this section whose job involves responding to behavioral health emergencies, including those dispatched through a 988 crisis hotline or the 911 system.

(b) "Victim services agency" means a program or organization that provides, as its primary purpose, assistance and advocacy for persons who have experienced domestic violence, sexual assault, or human trafficking. Services may include crisis intervention, individual and group support, information, referrals, and safety planning.

Sec. 4. RCW 18.130.040 and 2024 c 362 s 8, 2024 c 217 s 7, and 2024 c 50 s 5 are each reenacted and amended to read as follows:

(1) This chapter applies only to the secretary and the boards and commissions having jurisdiction in relation to the professions licensed under the chapters specified in this section. This chapter does not apply to any business or profession not licensed under the chapters specified in this section.

(2)(a) The secretary has authority under this chapter in relation to the following professions:

(i) Dispensing opticians licensed and designated apprentices under chapter 18.34 RCW;

(ii) Midwives licensed under chapter 18.50 RCW;

(iii) Ocularists licensed under chapter 18.55 RCW;

(iv) Massage therapists and businesses licensed under chapter 18.108 RCW;

(v) Dental hygienists licensed under chapter 18.29 RCW;

(vi) Acupuncturists or acupuncture and Eastern medicine practitioners licensed under chapter 18.06 RCW;

(vii) Radiologic technologists certified and X-ray technicians registered under chapter 18.84 RCW;

(viii) Respiratory care practitioners licensed under chapter 18.89 RCW;

(ix) Hypnotherapists registered, agency affiliated counselors registered, certified, or licensed, and advisors and counselors certified under chapter 18.19 RCW;

(x) Persons licensed as mental health counselors, mental health counselor associates, marriage and family therapists, marriage and family therapist associates, social workers, social work associates—advanced, and social work associates—independent clinical under chapter 18.225 RCW;

(xi) Persons registered as nursing pool operators under chapter 18.52C RCW;

(xii) Nursing assistants registered or certified or medication assistants endorsed under chapter 18.88A RCW;

(xiii) Dietitians and nutritionists certified under chapter 18.138 RCW;

(xiv) Substance use disorder professionals, substance use disorder professional trainees, or co-occurring disorder specialists certified under chapter 18.205 RCW;

(xv) Sex offender treatment providers and certified affiliate sex offender treatment providers certified under chapter 18.155 RCW;

(xvi) Persons licensed and certified under chapter 18.73 RCW or RCW 18.71.205;

(xvii) Orthotists and prosthetists licensed under chapter 18.200 RCW;

(xviii) Surgical technologists registered under chapter 18.215 RCW;

(xix) Recreational therapists under chapter 18.230 RCW;

(xx) Animal massage therapists certified under chapter 18.240 RCW;

(xxi) Athletic trainers licensed under chapter 18.250 RCW;

(xxii) Home care aides certified under chapter 18.88B RCW;

(xxiii) Genetic counselors licensed under chapter 18.290 RCW;

(xxiv) Reflexologists certified under chapter 18.108 RCW;

(xxv) Medical assistants-certified, medical assistants-hemodialysis technician, medical assistants-phlebotomist, forensic phlebotomist, medical assistant-EMT, and medical assistants-registered certified and registered under chapter 18.360 RCW;

(xxvi) Behavior analysts, assistant behavior analysts, and behavior technicians under chapter 18.380 RCW;

(xxvii) Birth doulas certified under chapter 18.47 RCW;

(xxviii) Music therapists licensed under chapter 18.233 RCW;

(xxix) Behavioral health support specialists certified under chapter 18.227 RCW; and

(xxx) Certified peer <u>support</u> specialists and certified peer <u>support</u> specialist trainees under chapter 18.420 RCW.

(b) The boards and commissions having authority under this chapter are as follows:

(i) The podiatric medical board as established in chapter 18.22 RCW;

(ii) The chiropractic quality assurance commission as established in chapter 18.25 RCW;

(iii) The dental quality assurance commission as established in chapter 18.32 RCW governing licenses issued under chapter 18.32 RCW, licenses and registrations issued under chapter 18.260 RCW, licenses issued under chapter 18.265 RCW, and certifications issued under chapter 18.350 RCW;

(iv) The board of hearing and speech as established in chapter 18.35 RCW;

(v) The board of examiners for nursing home administrators as established in chapter 18.52 RCW;

(vi) The optometry board as established in chapter 18.54 RCW governing licenses issued under chapter 18.53 RCW;

(vii) The board of osteopathic medicine and surgery as established in chapter 18.57 RCW governing licenses issued under chapter 18.57 RCW;

(viii) The pharmacy quality assurance commission as established in chapter 18.64 RCW governing licenses issued under chapters 18.64 and 18.64A RCW;

(ix) The Washington medical commission as established in chapter 18.71 RCW governing licenses and registrations issued under chapters 18.71, 18.71A, and 18.71D RCW;

(x) The board of physical therapy as established in chapter 18.74 RCW;

(xi) The board of occupational therapy practice as established in chapter 18.59 RCW;

(xii) The board of nursing as established in chapter 18.79 RCW governing licenses and registrations issued under that chapter and under chapter 18.80 RCW;

(xiii) The examining board of psychology and its disciplinary committee as established in chapter 18.83 RCW;

(xiv) The veterinary board of governors as established in chapter 18.92 RCW;

(xv) The board of naturopathy established in chapter 18.36A RCW, governing licenses and certifications issued under that chapter; and

(xvi) The board of denturists established in chapter 18.30 RCW.

(3) In addition to the authority to discipline license holders, the disciplining authority has the authority to grant or deny licenses. The disciplining authority may also grant a license subject to conditions, which must be in compliance with chapter 18.415 RCW.

(4) All disciplining authorities shall adopt procedures to ensure substantially consistent application of this chapter, the uniform disciplinary act, among the disciplining authorities listed in subsection (2) of this section.

Sec. 5. RCW 18.130.175 and 2023 c 469 s 19 and 2023 c 425 s 25 are each reenacted and amended to read as follows:

(1) In lieu of disciplinary action under RCW 18.130.160 and if the disciplining authority determines that the unprofessional conduct may be the result of an applicable impairing or potentially impairing health condition, the disciplining authority may refer the license holder to a physician health program or a voluntary substance use disorder monitoring program approved by the disciplining authority.

The cost of evaluation and treatment shall be the responsibility of the license holder, but the responsibility does not preclude payment by an employer, existing insurance coverage, or other sources. Evaluation and treatment shall be provided by providers approved by the entity or the commission. The disciplining authority may also approve the use of out-of-state programs. Referral of the license holder to the physician health program or voluntary substance use disorder monitoring program shall be done only with the consent of the license holder. Referral to the physician health program or voluntary substance use disorder monitoring program may also include probationary conditions for a designated period of time. If the license holder does not consent to be referred to the program or does not successfully complete the program, the disciplining authority may take appropriate action under RCW 18.130.160 which includes suspension of the license unless or until the disciplining authority, in consultation with the director of the applicable program, determines the license holder is able to practice safely. The secretary shall adopt uniform rules for the evaluation by the disciplining authority of return to substance use or program violation on the part of a license holder in the program. The evaluation shall encourage program participation with additional conditions, in lieu of disciplinary action, when the disciplining authority determines that the license holder is able to continue to practice with reasonable skill and safety.

(2) In addition to approving the physician health program or the voluntary substance use disorder monitoring program that may receive referrals from the

disciplining authority, the disciplining authority may establish by rule requirements for participation of license holders who are not being investigated or monitored by the disciplining authority. License holders voluntarily participating in the approved programs without being referred by the disciplining authority shall not be subject to disciplinary action under RCW 18.130.160 for their impairing or potentially impairing health condition, and shall not have their participation made known to the disciplining authority, if they meet the requirements of this section and the program in which they are participating.

(3) The license holder shall sign a waiver allowing the program to release information to the disciplining authority if the licensee does not comply with the requirements of this section or is unable to practice with reasonable skill or safety. The physician health program or voluntary substance use disorder program shall report to the disciplining authority any license holder who fails to comply with the requirements of this section or the program or who, in the opinion of the program, is unable to practice with reasonable skill or safety. License holders shall report to the disciplining authority if they fail to comply with this section or do not complete the program's requirements. License holders may, upon the agreement of the program and disciplining authority, reenter the program if they have previously failed to comply with this section.

(4) Program records including, but not limited to, case notes, progress notes, laboratory reports, evaluation and treatment records, electronic and written correspondence within the program, and between the program and the participant or other involved entities including, but not limited to, employers, credentialing bodies, referents, or other collateral sources, relating to license holders referred to or voluntarily participating in approved programs are confidential and exempt from disclosure under chapter 42.56 RCW and shall not be subject to discovery by subpoena or admissible as evidence except:

(a) To defend any civil action by a license holder regarding the restriction or revocation of that individual's clinical or staff privileges, or termination of a license holder's employment. In such an action, the program will, upon subpoena issued by either party to the action, and upon the requesting party seeking a protective order for the requested disclosure, provide to both parties of the action written disclosure that includes the following information:

(i) Verification of a health care professional's participation in the physician health program or voluntary substance use disorder monitoring program as it relates to aspects of program involvement at issue in the civil action;

(ii) The dates of participation;

(iii) Whether or not the program identified an impairing or potentially impairing health condition;

(iv) Whether the health care professional was compliant with the requirements of the physician health program or voluntary substance use disorder monitoring program; and

(v) Whether the health care professional successfully completed the physician health program or voluntary substance use disorder monitoring program; and

(b) Records provided to the disciplining authority for cause as described in subsection (3) of this section. Program records relating to license holders mandated to the program, through order or by stipulation, by the disciplining authority or relating to license holders reported to the disciplining authority by

the program for cause, must be released to the disciplining authority at the request of the disciplining authority. Records held by the disciplining authority under this section are exempt from chapter 42.56 RCW and are not subject to discovery by subpoena except by the license holder.

(5) This section does not affect an employer's right or ability to make employment-related decisions regarding a license holder. This section does not restrict the authority of the disciplining authority to take disciplinary action for any other unprofessional conduct.

(6) A person who, in good faith, reports information or takes action in connection with this section is immune from civil liability for reporting information or taking the action.

(a) The immunity from civil liability provided by this section shall be liberally construed to accomplish the purposes of this section, and applies to both license holders and students and trainees when students and trainees of the applicable professions are served by the program. The persons entitled to immunity shall include:

(i) An approved physician health program or voluntary substance use disorder monitoring program;

(ii) The professional association affiliated with the program;

(iii) Members, employees, or agents of the program or associations;

(iv) Persons reporting a license holder as being possibly impaired or providing information about the license holder's impairment; and

(v) Professionals supervising or monitoring the course of the program participant's treatment or rehabilitation.

(b) The courts are strongly encouraged to impose sanctions on program participants and their attorneys whose allegations under this subsection are not made in good faith and are without either reasonable objective, substantive grounds, or both.

(c) The immunity provided in this section is in addition to any other immunity provided by law.

(7) In the case of a person who is applying to be a substance use disorder professional or substance use disorder professional trainee certified under chapter 18.205 RCW, an agency affiliated counselor registered under chapter 18.19 RCW, or a peer <u>support</u> specialist or peer <u>support</u> specialist trainee certified under chapter 18.420 RCW, if the person is:

(a) Less than one year in recovery from a substance use disorder, the duration of time that the person may be required to participate in an approved substance use disorder monitoring program may not exceed the amount of time necessary for the person to achieve one year in recovery; or

(b) At least one year in recovery from a substance use disorder, the person may not be required to participate in the approved substance use disorder monitoring program.

(8) The provisions of subsection (7) of this section apply to any person employed as a peer <u>support</u> specialist as of July 1, 2025, participating in a program under this section as of July 1, 2025, and applying to become a certified peer <u>support</u> specialist under RCW 18.420.050, regardless of when the person's participation in a program began. To this extent, subsection (7) of this section applies retroactively, but in all other respects it applies prospectively.

Sec. 6. RCW 18.420.005 and 2023 c 469 s 1 are each amended to read as follows:

(1) The legislature finds that peers play a critical role along the behavioral health continuum of care, from outreach to treatment to recovery support. Peers deal in the currency of hope and motivation. Peers bring hope to individuals receiving services and are incredibly adept at supporting people with behavioral health challenges on their recovery journeys. Peers represent the only segment of the behavioral health workforce where there is not a shortage, but a surplus of willing workers. Peers, however, are presently limited to serving only medicaid recipients and working only in community behavioral health agencies. As a result, youth and adults with commercial insurance have no access to peer services. Furthermore, peers who work in other settings, such as emergency departments and behavioral health urgent care, cannot bill insurance for their services.

(2) Therefore, it is the intent of the legislature to address the behavioral health workforce crisis, expand access to peer services, eliminate financial barriers to professional licensing, and honor the contributions of the peer profession by creating the profession of certified peer <u>support</u> specialists.

Sec. 7. RCW 18.420.010 and 2023 c 469 s 2 are each amended to read as follows:

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

(1) (("Advisory committee" means the Washington state certified peer specialist advisory committee established under section 4 of this act.

(2))) "Approved supervisor" means:

(a) Until July 1, 2028, a behavioral health provider, as defined in RCW 71.24.025 with at least two years of experience working in a behavioral health practice that employs peer <u>support</u> specialists <u>or certified peer counselors</u> as part of treatment teams; or

(b) A certified peer support specialist who has completed:

(i) At least 1,500 hours of work as a fully certified peer <u>support</u> specialist engaged in the practice of peer support services, with at least 500 hours attained through the joint supervision of peers in conjunction with another approved supervisor; and

(ii) The training developed by the health care authority under RCW 71.24.920.

(((3))) (2) "Certified peer support specialist" means a person certified under this chapter to engage in the practice of peer support services.

(((4))) (3) "Certified peer <u>support</u> specialist trainee" means an individual working toward the supervised experience and written examination requirements to become a certified peer <u>support</u> specialist under this chapter.

(((5))) (4) "Department" means the department of health.

(((6))) (5) "Practice of peer support services" means the provision of interventions by <u>a peer who is</u> either a person in recovery from a mental health condition or substance use disorder, or both, or the parent or legal guardian of a youth who is receiving or has received behavioral health services((. The elient receiving the interventions receives them from a person)), to a person with a similar lived experience ((as either a person in recovery from a mental health condition or substance use disorder, or both, or the parent or legal guardian of a

youth who is receiving or has received behavioral health services)). The ((person)) peer provides the interventions through the use of shared experiences to assist ((a client)) the participant in the acquisition and exercise of skills needed to support the ((elient's)) participant's recovery. Interventions may include activities that assist ((elients)) participants in accessing or engaging in treatment and in symptom management; promote social connection, recovery, and self-advocacy; provide guidance in the development of natural community supports and basic daily living skills; and support ((elients)) participants in engagement, motivation, and maintenance related to achieving and maintaining health and wellness goals.

(((7))) (6) "Secretary" means the secretary of health.

Sec. 8. RCW 18.420.020 and 2023 c 469 s 3 are each amended to read as follows:

In addition to any other authority, the secretary has the authority to:

(1) Adopt rules under chapter 34.05 RCW necessary to implement this chapter;

(2) Establish all certification, examination, and renewal fees for certified peer <u>support</u> specialists in accordance with RCW 43.70.110 and 43.70.250;

(3) Establish forms and procedures necessary to administer this chapter;

(4) Issue certificates to applicants who have met the education, training, and examination requirements for obtaining a certificate and to deny a certificate to applicants who do not meet the requirements;

(5) Coordinate with the health care authority to confirm an applicants' successful completion of the certified peer <u>support</u> specialist education course offered by the health care authority under RCW 71.24.920 and successful passage of the associated oral examination as proof of eligibility to take a qualifying written examination for applicants for obtaining a certificate;

(6) Establish practice parameters consistent with the definition of the practice of peer support services;

(7) ((Provide staffing and administrative support to the advisory committee;

(8))) Determine which states have credentialing requirements equivalent to those of this state, and issue certificates to applicants credentialed in those states without examination;

(((9))) (8) Define and approve any supervised experience requirements for certification;

(((10) Assist the advisory committee with the review of peer counselor apprenticeship program applications in the process of being approved and registered under chapter 49.04 RCW;

(11))) (9) Adopt rules implementing a continuing competency program; and

(((12))) (10) Establish by rule the procedures for an appeal of an examination failure.

Sec. 9. RCW 18.420.030 and 2023 c 469 s 5 are each amended to read as follows:

Beginning July 1, 2025, except as provided in RCW 71.24.920, the decision of a person practicing peer support services to become certified under this chapter is voluntary. A person may not use the title certified peer <u>support</u> specialist unless the person holds a credential under this chapter.

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Sec. 10. RCW 18.420.040 and 2023 c 469 s 6 are each amended to read as follows:

Nothing in this chapter may be construed to prohibit or restrict:

(1) An individual who holds a credential issued by this state, other than as a certified peer <u>support</u> specialist or certified peer <u>support</u> specialist trainee, to engage in the practice of an occupation or profession without obtaining an additional credential from the state. The individual may not use the title certified peer <u>support</u> specialist unless the individual holds a credential under this chapter; or

(2) The practice of peer support services by a person who is employed by the government of the United States while engaged in the performance of duties prescribed by the laws of the United States.

Sec. 11. RCW 18.420.050 and 2023 c 469 s 7 are each amended to read as follows:

(1) Beginning July 1, 2025, except as provided in subsections (2) and (3) of this section, the secretary shall issue a certificate to practice as a certified peer <u>support</u> specialist to any applicant who demonstrates to the satisfaction of the secretary that the applicant meets the following requirements:

(a) Submission of an attestation to the department that the applicant self-identifies as:

(i) A person with one or more years of recovery from a mental health condition, substance use disorder, or both; or

(ii) The parent or legal guardian of a youth who is receiving or has received behavioral health services;

(b) Successful completion of the education course developed and offered by the health care authority under RCW 71.24.920;

(c) Successful passage of an oral examination administered by the health care authority upon completion of the education course offered by the health care authority under RCW 71.24.920;

(d) Successful passage of a written examination administered by the health care authority upon completion of the education course offered by the health care authority under RCW 71.24.920;

(e) Successful completion of an experience requirement of at least 1,000 supervised hours as a certified peer <u>support</u> specialist trainee engaged in the volunteer or paid practice of peer support services, in accordance with the standards in RCW 18.420.060; and

(f) Payment of the appropriate fee required under this chapter.

(2) The secretary((, with the recommendation of the advisory committee,)) shall establish criteria for the issuance of a certificate to engage in the practice of peer support services based on prior experience as a peer specialist attained before July 1, 2025. The criteria shall establish equivalency standards necessary to be deemed to have met the requirements of subsection (1) of this section. An applicant under this subsection shall have until July 1, 2026, to complete any standards in which the applicant is determined to be deficient.

(3) The secretary((, with the recommendation of the advisory committee,)) shall issue a certificate to engage in the practice of peer support services based on completion of an apprenticeship program registered and approved under chapter 49.04 RCW ((and reviewed by the advisory committee under RCW 18.420.020)).

(4) A certificate to engage in the practice of peer support services is valid for two years. A certificate may be renewed upon demonstrating to the department that the certified peer <u>support</u> specialist has successfully completed 30 hours of continuing education approved by the department. As part of the continuing education requirement, every six years the applicant must submit proof of successful completion of at least three hours of suicide prevention training and at least six hours of coursework in professional ethics and law, which may include topics under RCW 18.130.180.

Sec. 12. RCW 18.420.060 and 2023 c 469 s 8 are each amended to read as follows:

(1) Beginning July 1, 2025, the secretary shall issue a certificate to practice as a certified peer <u>support</u> specialist trainee to any applicant who demonstrates to the satisfaction of the secretary that:

(a) The applicant meets the requirements of RCW 18.420.050 (1)(a), (b), (c), (d), and (4) and is working toward the supervised experience requirements to become a certified peer <u>support</u> specialist under this chapter; or

(b) The applicant is enrolled in an apprenticeship program registered and approved under chapter 49.04 RCW and approved by the secretary under RCW 18.420.020.

(2) An applicant seeking to become a certified peer <u>support</u> specialist trainee under this section shall submit to the secretary for approval an attestation, in accordance with rules adopted by the department, that the certified peer <u>support</u> specialist trainee is actively pursuing the supervised experience requirements of RCW 18.420.050(1)(((d))) (e). This attestation must be updated with the trainee's annual renewal.

(3) A certified peer <u>support</u> specialist trainee certified under this section may practice only under the supervision of an approved supervisor. Supervision may be provided through distance supervision. Supervision may be provided by an approved supervisor who is employed by the same employer that employs the certified peer <u>support</u> specialist trainee or by an arrangement made with a thirdparty approved supervisor to provide supervision, or a combination of both types of approved supervisors.

(4) A certified peer <u>support</u> specialist trainee certificate is valid for one year and may only be renewed four times.

Sec. 13. RCW 18.420.090 and 2023 c 469 s 12 are each amended to read as follows:

The uniform disciplinary act, chapter 18.130 RCW, governs uncertified practice of peer support services, the issuance and denial of certificates, and the discipline of certified peer <u>support</u> specialists and certified peer <u>support</u> specialist trainees under this chapter.

Sec. 14. RCW 18.420.800 and 2023 c 469 s 11 are each amended to read as follows:

(1) The department((, in consultation with the advisory committee,)) shall conduct an assessment and submit a report to the governor and the committees of the legislature with jurisdiction over health policy issues by December 1, 2027.

(2) The report in subsection (1) of this section shall provide:

(a) An analysis of the adequacy of the supply of certified peer <u>support</u> specialists serving as approved supervisors pursuant to RCW 18.420.010(($\frac{(2)}{(2)}$)) (<u>1)</u>(b) with respect to the ability to meet the anticipated supervision needs of certified peer <u>support</u> specialist trainees upon the expiration of behavioral health providers serving as approved supervisors pursuant to RCW 18.420.010(($\frac{(2)}{(2)}$)) (<u>1)</u>(a);

(b) An assessment of whether or not it is necessary to extend the expiration of behavioral health providers serving as approved supervisors pursuant to RCW 18.420.010(((2))) (1)(a) in order to meet the anticipated supervision needs of certified peer support specialist trainees;

(c) Recommendations for increasing the supply of certified peer <u>support</u> specialists serving as approved supervisors pursuant to RCW 18.420.010(((2))) (1)(b), including any potential modifications to the requirements to become an approved supervisor; and

(d) Recommendations for alternative methods of providing supervision to certified peer <u>support</u> specialist trainees, including options for team-based supervision that incorporate supervision from both behavioral health providers serving as approved supervisors pursuant to RCW 18.420.010(($\frac{(2)}{(2)}$)) (1)(a) and certified peer <u>support</u> specialists serving as approved supervisors pursuant to RCW 18.420.010(($\frac{(2)}{(2)}$)) (1)(b).

Sec. 15. RCW 43.70.250 and 2024 c 366 s 14 are each amended to read as follows:

(1) It shall be the policy of the state of Washington that the cost of each professional, occupational, or business licensing program be fully borne by the members of that profession, occupation, or business.

(2) The secretary shall from time to time establish the amount of all application fees, license fees, registration fees, examination fees, permit fees, renewal fees, and any other fee associated with licensing or regulation of professions, occupations, or businesses administered by the department. Any and all fees or assessments, or both, levied on the state to cover the costs of the operations and activities of the interstate health professions licensure compacts with participating authorities listed under chapter 18.130 RCW shall be borne by the persons who hold licenses issued pursuant to the authority and procedures established under the compacts. In fixing said fees, the secretary shall set the fees for each program at a sufficient level to defray the costs of administering that program and the cost of regulating licensed volunteer medical workers in accordance with RCW 18.130.360, except as provided in RCW 18.79.202. In no case may the secretary impose any certification, examination, or renewal fee upon a person seeking certification as a certified peer support specialist trainee under chapter 18.420 RCW or, between July 1, 2025, and July 1, 2030, impose a certification, examination, or renewal fee of more than \$100 upon any person seeking certification as a certified peer support specialist under chapter 18.420 RCW. Subject to amounts appropriated for this specific purpose, between July 1, 2024, and July 1, 2029, the secretary may not impose any certification or certification renewal fee on a person seeking certification as a substance use disorder professional or substance use disorder professional trainee under chapter 18.205 RCW of more than \$100.

Sec. 16. RCW 48.43.825 and 2023 c 469 s 16 are each amended to read as follows:

By July 1, 2026, each carrier shall provide access to services provided by certified peer <u>support</u> specialists and certified peer <u>support</u> specialist trainees in a manner sufficient to meet the network access standards set forth in rules established by the office of the insurance commissioner.

Sec. 17. RCW 71.24.025 and 2024 c 368 s 2, 2024 c 367 s 1, and 2024 c 121 s 25 are each reenacted and amended to read as follows:

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

(1) "23-hour crisis relief center" means a community-based facility or portion of a facility which is licensed or certified by the department of health and open 24 hours a day, seven days a week, offering access to mental health and substance use care for no more than 23 hours and 59 minutes at a time per patient, and which accepts all behavioral health crisis walk-ins drop-offs from first responders, and individuals referred through the 988 system regardless of behavioral health acuity, and meets the requirements under RCW 71.24.916.

(2) "988 crisis hotline" means the universal telephone number within the United States designated for the purpose of the national suicide prevention and mental health crisis hotline system operating through the national suicide prevention lifeline.

(3) "Acutely mentally ill" means a condition which is limited to a short-term severe crisis episode of:

(a) A mental disorder as defined in RCW 71.05.020 or, in the case of a child, as defined in RCW 71.34.020;

(b) Being gravely disabled as defined in RCW 71.05.020 or, in the case of a child, a gravely disabled minor as defined in RCW 71.34.020; or

(c) Presenting a likelihood of serious harm as defined in RCW 71.05.020 or, in the case of a child, as defined in RCW 71.34.020.

(4) "Alcoholism" means a disease, characterized by a dependency on alcoholic beverages, loss of control over the amount and circumstances of use, symptoms of tolerance, physiological or psychological withdrawal, or both, if use is reduced or discontinued, and impairment of health or disruption of social or economic functioning.

(5) "Approved substance use disorder treatment program" means a program for persons with a substance use disorder provided by a treatment program licensed or certified by the department as meeting standards adopted under this chapter.

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

(7) "Available resources" means funds appropriated for the purpose of providing community behavioral health programs, federal funds, except those provided according to Title XIX of the Social Security Act, and state funds appropriated under this chapter or chapter 71.05 RCW by the legislature during any biennium for the purpose of providing residential services, resource management services, community support services, and other behavioral health

services. This does not include funds appropriated for the purpose of operating and administering the state psychiatric hospitals.

(8) "Behavioral health administrative services organization" means an entity contracted with the authority to administer behavioral health services and programs under RCW 71.24.381, including crisis services and administration of chapter 71.05 RCW, the involuntary treatment act, for all individuals in a defined regional service area.

(9) "Behavioral health aide" means a counselor, health educator, and advocate who helps address individual and community-based behavioral health needs, including those related to alcohol, drug, and tobacco abuse as well as mental health problems such as grief, depression, suicide, and related issues and is certified by a community health aide program of the Indian health service or one or more tribes or tribal organizations consistent with the provisions of 25 U.S.C. Sec. 1616l and RCW 43.71B.010 (7) and (8).

(10) "Behavioral health provider" means a person licensed under chapter 18.57, 18.71, 18.71A, 18.83, 18.205, 18.225, or 18.79 RCW, as it applies to registered nurses and advanced <u>practice</u> registered ((nurse practitioners)) <u>nurses</u>.

(11) "Behavioral health services" means mental health services, substance use disorder treatment services, and co-occurring disorder treatment services as described in this chapter and chapter 71.36 RCW that, depending on the type of service, are provided by licensed or certified behavioral health agencies, behavioral health providers, or integrated into other health care providers.

(12) "Child" means a person under the age of 18 years.

(13) "Chronically mentally ill adult" or "adult who is chronically mentally ill" means an adult who has a mental disorder and meets at least one of the following criteria:

(a) Has undergone two or more episodes of hospital care for a mental disorder within the preceding two years; or

(b) Has experienced a continuous behavioral health hospitalization or residential treatment exceeding six months' duration within the preceding year; or

(c) Has been unable to engage in any substantial gainful activity by reason of any mental disorder which has lasted for a continuous period of not less than 12 months. "Substantial gainful activity" shall be defined by the authority by rule consistent with Public Law 92-603, as amended.

(14) "Clubhouse" means a community-based program that provides rehabilitation services and is licensed or certified by the department.

(15) "Community behavioral health program" means all expenditures, services, activities, or programs, including reasonable administration and overhead, designed and conducted to prevent or treat substance use disorder, mental illness, or both in the community behavioral health system.

(16) "Community behavioral health service delivery system" means public, private, or tribal agencies that provide services specifically to persons with mental disorders, substance use disorders, or both, as defined under RCW 71.05.020 and receive funding from public sources.

(17) "Community support services" means services authorized, planned, and coordinated through resource management services including, at a minimum, assessment, diagnosis, emergency crisis intervention available 24 hours, seven days a week, prescreening determinations for persons who are mentally ill being

considered for placement in nursing homes as required by federal law, screening for patients being considered for admission to residential services, diagnosis and treatment for children who are acutely mentally ill or severely emotionally or behaviorally disturbed discovered under screening through the federal Title XIX early and periodic screening, diagnosis, and treatment program, investigation, legal, and other nonresidential services under chapter 71.05 RCW, case management services, psychiatric treatment including medication supervision, counseling, psychotherapy, assuring transfer of relevant patient information between service providers, recovery services, and other services determined by behavioral health administrative services organizations.

(18) "Community-based crisis team" means a team that is part of an emergency medical services agency, a fire service agency, a public health agency, a medical facility, a nonprofit crisis response provider, or a city or county government entity, other than a law enforcement agency, that provides the on-site community-based interventions of a mobile rapid response crisis team for individuals who are experiencing a behavioral health crisis.

(19) "Consensus-based" means a program or practice that has general support among treatment providers and experts, based on experience or professional literature, and may have anecdotal or case study support, or that is agreed but not possible to perform studies with random assignment and controlled groups.

(20) "Coordinated regional behavioral health crisis response system" means the coordinated operation of 988 call centers, regional crisis lines, certified public safety telecommunicators, and other behavioral health crisis system partners within each regional service area.

(21) "County authority" means the board of county commissioners, county council, or county executive having authority to establish a behavioral health administrative services organization, or two or more of the county authorities specified in this subsection which have entered into an agreement to establish a behavioral health administrative services organization.

(22) "Crisis stabilization services" means services such as 23-hour crisis relief centers, crisis stabilization units, short-term respite facilities, peer-run respite services, and same-day walk-in behavioral health services, including within the overall crisis system components that operate like hospital emergency departments that accept all walk-ins, and ambulance, fire, and police drop-offs, or determine the need for involuntary hospitalization of an individual.

(23) "Crisis stabilization unit" has the same meaning as under RCW 71.05.020.

(24) "Department" means the department of health.

(25) "Designated 988 contact hub" or "988 contact hub" means a statedesignated contact center that streamlines clinical interventions and access to resources for people experiencing a behavioral health crisis and participates in the national suicide prevention lifeline network to respond to statewide or regional 988 contacts that meets the requirements of RCW 71.24.890.

(26) "Designated crisis responder" has the same meaning as in RCW 71.05.020.

(27) "Director" means the director of the authority.

(28) "Drug addiction" means a disease characterized by a dependency on psychoactive chemicals, loss of control over the amount and circumstances of

use, symptoms of tolerance, physiological or psychological withdrawal, or both, if use is reduced or discontinued, and impairment of health or disruption of social or economic functioning.

(29) "Early adopter" means a regional service area for which all of the county authorities have requested that the authority purchase medical and behavioral health services through a managed care health system as defined under RCW 71.24.380(7).

(30) "Emerging best practice" or "promising practice" means a program or practice that, based on statistical analyses or a well established theory of change, shows potential for meeting the evidence-based or research-based criteria, which may include the use of a program that is evidence-based for outcomes other than those listed in subsection (31) of this section.

(31) "Evidence-based" means a program or practice that has been tested in heterogeneous or intended populations with multiple randomized, or statistically controlled evaluations, or both; or one large multiple site randomized, or statistically controlled evaluation, or both, where the weight of the evidence from a systemic review demonstrates sustained improvements in at least one outcome. "Evidence-based" also means a program or practice that can be implemented with a set of procedures to allow successful replication in Washington and, when possible, is determined to be cost-beneficial.

(32) "First responders" includes ambulance, fire, mobile rapid response crisis team, coresponder team, designated crisis responder, fire department mobile integrated health team, community assistance referral and education services program under RCW 35.21.930, and law enforcement personnel.

(33) "Immediate jeopardy" means a situation in which the licensed or certified behavioral health agency's noncompliance with one or more statutory or regulatory requirements has placed the health and safety of patients in its care at risk for serious injury, serious harm, serious impairment, or death.

(34) "Indian health care provider" means a health care program operated by the Indian health service or by a tribe, tribal organization, or urban Indian organization as those terms are defined in the Indian health care improvement act (25 U.S.C. Sec. 1603).

(35) "Intensive behavioral health treatment facility" means a communitybased specialized residential treatment facility for individuals with behavioral health conditions, including individuals discharging from or being diverted from state and local hospitals, whose impairment or behaviors do not meet, or no longer meet, criteria for involuntary inpatient commitment under chapter 71.05 RCW, but whose care needs cannot be met in other community-based placement settings.

(36) "Licensed or certified behavioral health agency" means:

(a) An entity licensed or certified according to this chapter or chapter 71.05 RCW;

(b) An entity deemed to meet state minimum standards as a result of accreditation by a recognized behavioral health accrediting body recognized and having a current agreement with the department; or

(c) An entity with a tribal attestation that it meets state minimum standards for a licensed or certified behavioral health agency.

(37) "Licensed physician" means a person licensed to practice medicine or osteopathic medicine and surgery in the state of Washington.

(38) "Long-term inpatient care" means inpatient services for persons committed for, or voluntarily receiving intensive treatment for, periods of ninety days or greater under chapter 71.05 RCW. "Long-term inpatient care" as used in this chapter does not include: (a) Services for individuals committed under chapter 71.05 RCW who are receiving services pursuant to a conditional release or a court-ordered less restrictive alternative to detention; or (b) services for individuals voluntarily receiving less restrictive alternative treatment on the grounds of the state hospital.

(39) "Managed care organization" means an organization, having a certificate of authority or certificate of registration from the office of the insurance commissioner, that contracts with the authority under a comprehensive risk contract to provide prepaid health care services to enrollees under the authority's managed care programs under chapter 74.09 RCW.

(40) "Mental health peer-run respite center" means a peer-run program to serve individuals in need of voluntary, short-term, noncrisis services that focus on recovery and wellness.

(41) Mental health "treatment records" include registration and all other records concerning persons who are receiving or who at any time have received services for mental illness, which are maintained by the department of social and health services or the authority, by behavioral health administrative services organizations and their staffs, by managed care organizations and their staffs, or by treatment facilities. "Treatment records" do not include notes or records maintained for personal use by a person providing treatment services for the entities listed in this subsection, or a treatment facility if the notes or records are not available to others.

(42) "Mentally ill persons," "persons who are mentally ill," and "the mentally ill" mean persons and conditions defined in subsections (3), (13), (51), and (52) of this section.

(43) "Mobile rapid response crisis team" means a team that provides professional on-site community-based intervention such as outreach, deescalation, stabilization, resource connection, and follow-up support for individuals who are experiencing a behavioral health crisis, that shall include certified peer counselors <u>or certified peer support specialists</u> as a best practice to the extent practicable based on workforce availability, and that meets standards for response times established by the authority.

(44) "Recovery" means a process of change through which individuals improve their health and wellness, live a self-directed life, and strive to reach their full potential.

(45) "Regional crisis line" means the behavioral health crisis hotline in each regional service area which provides crisis response services 24 hours a day, seven days a week, 365 days a year including but not limited to dispatch of mobile rapid response crisis teams, community-based crisis teams, and designated crisis responders.

(46) "Research-based" means a program or practice that has been tested with a single randomized, or statistically controlled evaluation, or both, demonstrating sustained desirable outcomes; or where the weight of the evidence from a systemic review supports sustained outcomes as described in subsection (31) of this section but does not meet the full criteria for evidencebased.

(47) "Residential services" means a complete range of residences and supports authorized by resource management services and which may involve a facility, a distinct part thereof, or services which support community living, for persons who are acutely mentally ill, adults who are chronically mentally ill, children who are severely emotionally disturbed, or adults who are seriously disturbed and determined by the behavioral health administrative services organization or managed care organization to be at risk of becoming acutely or chronically mentally ill. The services shall include at least evaluation and treatment services as defined in chapter 71.05 RCW, acute crisis respite care, long-term adaptive and rehabilitative care, and supervised and supported living services, and shall also include any residential services developed to service persons who are mentally ill in nursing homes, residential treatment facilities, assisted living facilities, and adult family homes, and may include outpatient services provided as an element in a package of services in a supported housing model. Residential services for children in out-of-home placements related to their mental disorder shall not include the costs of food and shelter, except for children's long-term residential facilities existing prior to January 1, 1991.

(48) "Resilience" means the personal and community qualities that enable individuals to rebound from adversity, trauma, tragedy, threats, or other stresses, and to live productive lives.

(49) "Resource management services" mean the planning, coordination, and authorization of residential services and community support services administered pursuant to an individual service plan for: (a) Adults and children who are acutely mentally ill; (b) adults who are chronically mentally ill; (c) children who are severely emotionally disturbed; or (d) adults who are seriously disturbed and determined by a behavioral health administrative services organization or managed care organization to be at risk of becoming acutely or chronically mentally ill. Such planning, coordination, and authorization shall include mental health screening for children eligible under the federal Title XIX early and periodic screening, diagnosis, and treatment program. Resource management services include seven day a week, 24 hour a day availability of information regarding enrollment of adults and children who are mentally ill in services and their individual service plan to designated crisis responders, evaluation and treatment facilities, and others as determined by the behavioral health administrative services organization or managed care organization, as applicable.

(50) "Secretary" means the secretary of the department of health.

(51) "Seriously disturbed person" means a person who:

(a) Is gravely disabled or presents a likelihood of serious harm to himself or herself or others, or to the property of others, as a result of a mental disorder as defined in chapter 71.05 RCW;

(b) Has been on conditional release status, or under a less restrictive alternative order, at some time during the preceding two years from an evaluation and treatment facility or a state mental health hospital;

(c) Has a mental disorder which causes major impairment in several areas of daily living;

(d) Exhibits suicidal preoccupation or attempts; or

(e) Is a child diagnosed by a mental health professional, as defined in chapter 71.34 RCW, as experiencing a mental disorder which is clearly

interfering with the child's functioning in family or school or with peers or is clearly interfering with the child's personality development and learning.

(52) "Severely emotionally disturbed child" or "child who is severely emotionally disturbed" means a child who has been determined by the behavioral health administrative services organization or managed care organization, if applicable, to be experiencing a mental disorder as defined in chapter 71.34 RCW, including those mental disorders that result in a behavioral or conduct disorder, that is clearly interfering with the child's functioning in family or school or with peers and who meets at least one of the following criteria:

(a) Has undergone inpatient treatment or placement outside of the home related to a mental disorder within the last two years;

(b) Has undergone involuntary treatment under chapter 71.34 RCW within the last two years;

(c) Is currently served by at least one of the following child-serving systems: Juvenile justice, child-protection/welfare, special education, or developmental disabilities;

(d) Is at risk of escalating maladjustment due to:

(i) Chronic family dysfunction involving a caretaker who is mentally ill or inadequate;

(ii) Changes in custodial adult;

(iii) Going to, residing in, or returning from any placement outside of the home, for example, behavioral health hospital, short-term inpatient, residential treatment, group or foster home, or a correctional facility;

(iv) Subject to repeated physical abuse or neglect;

(v) Drug or alcohol abuse; or

(vi) Homelessness.

(53) "State minimum standards" means minimum requirements established by rules adopted and necessary to implement this chapter by:

(a) The authority for:

(i) Delivery of mental health and substance use disorder services; and

(ii) Community support services and resource management services;

(b) The department of health for:

(i) Licensed or certified behavioral health agencies for the purpose of providing mental health or substance use disorder programs and services, or both;

(ii) Licensed behavioral health providers for the provision of mental health or substance use disorder services, or both; and

(iii) Residential services.

(54) "Substance use disorder" means a cluster of cognitive, behavioral, and physiological symptoms indicating that an individual continues using the substance despite significant substance-related problems. The diagnosis of a substance use disorder is based on a pathological pattern of behaviors related to the use of the substances.

(55) "Tribe," for the purposes of this section, means a federally recognized Indian tribe.

Sec. 18. RCW 71.24.585 and 2019 c 314 s 28 are each amended to read as follows:

(1)(a) The state of Washington declares that substance use disorders are medical conditions. Substance use disorders should be treated in a manner similar to other medical conditions by using interventions that are supported by evidence, including medications approved by the federal food and drug administration for the treatment of opioid use disorder. It is also recognized that many individuals have multiple substance use disorders, as well as histories of trauma, developmental disabilities, or mental health conditions. As such, all individuals experiencing opioid use disorder should be offered evidencesupported treatments to include federal food and drug administration approved medications for the treatment of opioid use disorders and behavioral counseling and social supports to address them. For behavioral health agencies, an effective plan of treatment for most persons with opioid use disorder integrates access to medications and psychosocial counseling and should be consistent with the American society of addiction medicine patient placement criteria. Providers must inform patients with opioid use disorder or substance use disorder of options to access federal food and drug administration approved medications for the treatment of opioid use disorder or substance use disorder. Because some such medications are controlled substances in chapter 69.50 RCW, the state of Washington maintains the legal obligation and right to regulate the uses of these medications in the treatment of opioid use disorder.

(b) The authority must work with other state agencies and stakeholders to develop value-based payment strategies to better support the ongoing care of persons with opioid and other substance use disorders.

(c) The department of corrections shall develop policies to prioritize services based on available grant funding and funds appropriated specifically for opioid use disorder treatment.

(2) The authority must promote the use of medication therapies and other evidence-based strategies to address the opioid epidemic in Washington state. Additionally, by January 1, 2020, the authority must prioritize state resources for the provision of treatment and recovery support services to inpatient and outpatient treatment settings that allow patients to start or maintain their use of medications for opioid use disorder while engaging in services.

(3) The state declares that the main goals of treatment for persons with opioid use disorder are the cessation of unprescribed opioid use, reduced morbidity, and restoration of the ability to lead a productive and fulfilling life.

(4) To achieve the goals in subsection (3) of this section, to promote public health and safety, and to promote the efficient and economic use of funding for the medicaid program under Title XIX of the social security act, the authority may seek, receive, and expend alternative sources of funding to support all aspects of the state's response to the opioid crisis.

(5) The authority must partner with the department of social and health services, the department of corrections, the department of health, the department of children, youth, and families, and any other agencies or entities the authority deems appropriate to develop a statewide approach to leveraging medicaid funding to treat opioid use disorder and provide emergency overdose treatment. Such alternative sources of funding may include:

(a) Seeking a section 1115 demonstration waiver from the federal centers for medicare and medicaid services to fund opioid treatment medications for persons eligible for medicaid at or during the time of incarceration and juvenile detention facilities; and

(b) Soliciting and receiving private funds, grants, and donations from any willing person or entity.

(6)(a) The authority shall work with the department of health to promote coordination between medication-assisted treatment prescribers, federally accredited opioid treatment programs, substance use disorder treatment facilities, and state-certified substance use disorder treatment agencies to:

(i) Increase patient choice in receiving medication and counseling;

(ii) Strengthen relationships between opioid use disorder providers;

(iii) Acknowledge and address the challenges presented for individuals needing treatment for multiple substance use disorders simultaneously; and

(iv) Study and review effective methods to identify and reach out to individuals with opioid use disorder who are at high risk of overdose and not involved in traditional systems of care, such as homeless individuals using syringe service programs, and connect such individuals to appropriate treatment.

(b) The authority must work with stakeholders to develop a set of recommendations to the governor and the legislature that:

(i) Propose, in addition to those required by federal law, a standard set of services needed to support the complex treatment needs of persons with opioid use disorder treated in opioid treatment programs;

(ii) Outline the components of and strategies needed to develop opioid treatment program centers of excellence that provide fully integrated care for persons with opioid use disorder;

(iii) Estimate the costs needed to support these models and recommendations for funding strategies that must be included in the report;

(iv) Outline strategies to increase the number of waivered health care providers approved for prescribing buprenorphine by the substance abuse and mental health services administration; and

(v) Outline strategies to lower the cost of federal food and drug administration approved products for the treatment of opioid use disorder.

(7) State agencies shall review and promote positive outcomes associated with the accountable communities of health funded opioid projects and local law enforcement and human services opioid collaborations as set forth in the Washington state interagency opioid working plan.

(8) The authority must partner with the department and other state agencies to replicate effective approaches for linking individuals who have had a nonfatal overdose with treatment opportunities, with a goal to connect certified peer counselors or certified peer support specialists with individuals who have had a nonfatal overdose.

(9) State agencies must work together to increase outreach and education about opioid overdoses to non-English-speaking communities by developing a plan to conduct outreach and education to non-English-speaking communities. The department must submit a report on the outreach and education plan with recommendations for implementation to the appropriate legislative committees by July 1, 2020. **Sec. 19.** RCW 71.24.890 and 2024 c 368 s 4 and 2024 c 364 s 1 are each reenacted and amended to read as follows:

(1) Establishing the state designated 988 contact hubs and enhancing the crisis response system will require collaborative work between the department, the authority, and regional system partners within their respective roles. The department shall have primary responsibility for designating 988 contact hubs, and shall seek recommendations from the behavioral health administrative services organizations to determine which 988 contact hubs best meet regional needs. The authority shall have primary responsibility for developing, implementing, and facilitating coordination of the crisis response system and services to support the work of the designated 988 contact hubs, regional crisis lines, and other coordinated regional behavioral health crisis response system partners. In any instance in which one agency is identified as the lead, the expectation is that agency will communicate and collaborate with the other to ensure seamless, continuous, and effective service delivery within the statewide crisis response system.

(2) The department shall provide adequate funding for the state's crisis call centers to meet an expected increase in the use of the 988 contact hubs based on the implementation of the 988 crisis hotline. The funding level shall be established at a level anticipated to achieve an in-state call response rate of at least 90 percent by July 22, 2022. The funding level shall be determined by considering standards and cost per call predictions provided by the administrator of the national suicide prevention lifeline, call volume predictions, guidance on crisis call center performance metrics, and necessary technology upgrades. Contracts with the 988 contact hubs:

(a) May provide funding to support designated 988 contact hubs to enter into limited partnerships with the public safety answering point to increase the coordination and transfer of behavioral health calls received by certified public safety telecommunicators that are better addressed by clinic interventions provided by the 988 system. Tax revenue may be used to support partnerships. These partnerships with 988 and public safety may be expanded to include regional crisis lines administered by behavioral health administrative services organizations;

(b) Shall require that 988 contact hubs enter into data-sharing agreements, when appropriate, with the department, the authority, regional crisis lines, and applicable regional behavioral health administrative services organizations to provide reports and client level data regarding 988 contact hub calls, as allowed by and in compliance with existing federal and state law governing the sharing and use of protected health information. Data-sharing agreements with regional crisis lines must include real-time information sharing. All coordinated regional behavioral health crisis response system partners must share dispatch time, arrival time, and disposition for behavioral health calls referred for outreach by each region consistent with any regional protocols developed under RCW 71.24.432. The department and the authority shall establish requirements for 988 contact hubs to report data to regional behavioral health administrative services organizations for the purposes of maximizing medicaid reimbursement, as appropriate, and implementing this chapter and chapters 71.05 and 71.34 RCW. The behavioral health administrative services organization may use information received from the 988 contact hubs in administering crisis services for the

assigned regional service area, contracting with a sufficient number of licensed or certified providers for crisis services, establishing and maintaining quality assurance processes, maintaining patient tracking, and developing and implementing strategies to coordinate care for individuals with a history of frequent crisis system utilization.

(3) The department shall adopt rules by January 1, 2025, to establish standards for designation of crisis call centers as designated 988 contact hubs. The department shall collaborate with the authority, other agencies, and coordinated regional behavioral health crisis response system partners to assure coordination and availability of services, and shall consider national guidelines for behavioral health crisis care as determined by the federal substance abuse and mental health services administration, national behavioral health accrediting bodies, and national behavioral health provider associations to the extent they are appropriate, and recommendations from behavioral health administrative services organizations and the crisis response improvement strategy committee created in RCW 71.24.892.

(4) The department shall designate 988 contact hubs considering the recommendations of behavioral health administrative services organizations by January 1, 2026. The designated 988 contact hubs shall provide connections to crisis intervention services, triage, care coordination, and referrals for individuals contacting the 988 contact hubs from any jurisdiction within Washington 24 hours a day, seven days a week, using the system platform developed under subsection (5) of this section. The department may not designate more than a total of four 988 contact hubs without legislative approval.

(a) To be designated as a 988 contact hub, the applicant must demonstrate to the department the ability to comply with the requirements of this section and to contract to provide 988 contact hub services. If a 988 contact hub fails to substantially comply with the contract, data-sharing requirements, or approved regional protocols developed under RCW 71.24.432, the department may revoke the designation of the 988 contact hub and, after consulting with the affected behavioral health administrative services organization, may designate a 988 contact hub recommended by a behavioral health administrative services organization which is able to meet necessary state and federal requirements.

(b) The contracts entered shall require designated 988 contact hubs to:

(i) Have an active agreement with the administrator of the national suicide prevention lifeline for participation within its network;

(ii) Meet the requirements for operational and clinical standards established by the department and based upon the national suicide prevention lifeline best practices guidelines and other recognized best practices;

(iii) Employ highly qualified, skilled, and trained clinical staff who have sufficient training and resources to provide empathy to callers in acute distress, de-escalate crises, assess behavioral health disorders and suicide risk, triage to system partners for callers that need additional clinical interventions, and provide case management and documentation. Call center staff shall be trained to make every effort to resolve cases in the least restrictive environment and without law enforcement involvement whenever possible. Call center staff shall coordinate with certified peer counselors <u>or certified peer support specialists</u> to provide follow-up and outreach to callers in distress as available. It is intended for transition planning to include a pathway for continued employment and skill advancement as needed for experienced crisis call center employees;

(iv) Train employees on agricultural community cultural competencies for suicide prevention, which may include sharing resources with callers that are specific to members from the agricultural community. The training must prepare staff to provide appropriate assessments, interventions, and resources to members of the agricultural community. Employees may make warm transfers and referrals to a crisis hotline that specializes in working with members from the agricultural community, provided that no person contacting 988 shall be transferred or referred to another service if they are currently in crisis and in need of emotional support;

(v) Prominently display 988 crisis hotline information on their websites and social media, including a description of what the caller should expect when contacting the crisis call center and a description of the various options available to the caller, including call lines specialized in the behavioral health needs of veterans, American Indian and Alaska Native persons, Spanish-speaking persons, and LGBTQ populations. The website may also include resources for programs and services related to suicide prevention for the agricultural community;

(vi) Collaborate with the authority, the national suicide prevention lifeline, and veterans crisis line networks to assure consistency of public messaging about the 988 crisis hotline;

(vii) Collaborate with coordinated regional behavioral health crisis response system partners within the 988 contact hub's regional service area to develop protocols under RCW 71.24.432, including protocols related to the dispatching of mobile rapid response crisis teams and community-based crisis teams endorsed under RCW 71.24.903;

(viii) Provide data and reports and participate in evaluations and related quality improvement activities, according to standards established by the department in collaboration with the authority; and

(ix) Enter into data-sharing agreements with the department, the authority, regional crisis lines, and applicable behavioral health administrative services organizations to provide reports and client level data regarding 988 contact hub calls, as allowed by and in compliance with existing federal and state law governing the sharing and use of protected health information, which shall include sharing real-time information with regional crisis lines. The department and the authority shall establish requirements that the designated 988 contact hubs report data to regional behavioral health administrative services organizations for the purposes of maximizing medicaid reimbursement, as appropriate, and implementing this chapter and chapters 71.05 and 71.34 RCW including, but not limited to, administering crisis services for the assigned regional service area, contracting with a sufficient number of licensed or certified providers for crisis services, establishing and maintaining quality assurance processes, maintaining patient tracking, and developing and implementing strategies to coordinate care for individuals with a history of frequent crisis system utilization.

(c) The department and the authority shall incorporate recommendations from the crisis response improvement strategy committee created under RCW 71.24.892 in its agreements with designated 988 contact hubs, as appropriate.

(5) The department and authority must coordinate to develop the technology and platforms necessary to manage and operate the behavioral health crisis response and suicide prevention system. The department and the authority must include designated 988 contact hubs, regional crisis lines, and behavioral health administrative services organizations in the decision-making process for selecting any technology platforms that will be used to operate the system. No decisions made by the department or the authority shall interfere with the routing of the 988 contact hubs calls, texts, or chat as part of Washington's active agreement with the administrator of the national suicide prevention lifeline or 988 administrator that routes 988 contacts into Washington's system. The technologies developed must include:

(a) A new technologically advanced behavioral health and suicide prevention crisis call center system platform for use in 988 contact hubs designated by the department under subsection (4) of this section. This platform, which shall be implemented as soon as possible and fully funded by January 1, 2026, shall be developed by the department and must include the capacity to receive crisis assistance requests through phone calls, texts, chats, and other similar methods of communication that may be developed in the future that promote access to the behavioral health crisis system; and

(b) A behavioral health integrated client referral system capable of providing system coordination information to designated 988 contact hubs and the other entities involved in behavioral health care. This system shall be developed by the authority.

(6) In developing the new technologies under subsection (5) of this section, the department and the authority must coordinate to designate a primary technology system to provide each of the following:

(a) Access to real-time information relevant to the coordination of behavioral health crisis response and suicide prevention services, including:

(i) Real-time bed availability for all behavioral health bed types and recliner chairs, including but not limited to crisis stabilization services, 23-hour crisis relief centers, psychiatric inpatient, substance use disorder inpatient, withdrawal management, peer-run respite centers, and crisis respite services, inclusive of both voluntary and involuntary beds, for use by crisis response workers, first responders, health care providers, emergency departments, and individuals in crisis; and

(ii) Real-time information relevant to the coordination of behavioral health crisis response and suicide prevention services for a person, including the means to access:

(A) Information about any less restrictive alternative treatment orders or mental health advance directives related to the person; and

(B) Information necessary to enable the designated 988 contact hubs to actively collaborate with regional crisis lines, emergency departments, primary care providers and behavioral health providers within managed care organizations, behavioral health administrative services organizations, and other health care payers to establish a safety plan for the person in accordance with best practices and provide the next steps for the person's transition to follow-up noncrisis care. To establish information-sharing guidelines that fulfill the intent of this section the authority shall consider input from the confidential

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information compliance and coordination subcommittee established under RCW 71.24.892;

(b) The means to track the outcome of the 988 call to enable appropriate follow-up, cross-system coordination, and accountability, including as appropriate: (i) Any immediate services dispatched and reports generated from the encounter; (ii) the validation of a safety plan established for the caller in accordance with best practices; (iii) the next steps for the caller to follow in transition to noncrisis follow-up care, including a next-day appointment for callers experiencing urgent, symptomatic behavioral health care needs; and (iv) the means to verify and document whether the caller was successful in making the transition to appropriate noncrisis follow-up care indicated in the safety plan for the person, to be completed either by the care coordinator provided through the person's managed care organization, health plan, or behavioral health administrative services organization, or if such a care coordinator is not available or does not follow through, by the staff of the designated 988 contact hub;

(c) A means to facilitate actions to verify and document whether the person's transition to follow-up noncrisis care was completed and services offered, to be performed by a care coordinator provided through the person's managed care organization, health plan, or behavioral health administrative services organization, or if such a care coordinator is not available or does not follow through, by the staff of the designated 988 contact hub;

(d) The means to provide geographically, culturally, and linguistically appropriate services to persons who are part of high-risk populations or otherwise have need of specialized services or accommodations, and to document these services or accommodations; and

(e) When appropriate, consultation with tribal governments to ensure coordinated care in government-to-government relationships, and access to dedicated services to tribal members.

(7) The authority shall:

(a) Collaborate with county authorities and behavioral health administrative services organizations to develop procedures to dispatch behavioral health crisis services in coordination with designated 988 contact hubs to effectuate the intent of this section;

(b) Establish formal agreements with managed care organizations and behavioral health administrative services organizations by January 1, 2023, to provide for the services, capacities, and coordination necessary to effectuate the intent of this section, which shall include a requirement to arrange next-day appointments for persons contacting the 988 contact hub or a regional crisis line experiencing urgent, symptomatic behavioral health care needs with geographically, culturally, and linguistically appropriate primary care or behavioral health providers within the person's provider network, or, if uninsured, through the person's behavioral health administrative services organization;

(c) Create best practices guidelines by July 1, 2023, for deployment of appropriate and available crisis response services by behavioral health administrative services organizations in coordination with designated 988 contact hubs to assist 988 hotline callers to minimize nonessential reliance on emergency room services and the use of law enforcement, considering input

from relevant stakeholders and recommendations made by the crisis response improvement strategy committee created under RCW 71.24.892;

(d) Develop procedures to allow appropriate information sharing and communication between and across crisis and emergency response systems for the purpose of real-time crisis care coordination including, but not limited to, deployment of crisis and outgoing services, follow-up care, and linked, flexible services specific to crisis response; and

(e) Establish guidelines to appropriately serve high-risk populations who request crisis services. The authority shall design these guidelines to promote behavioral health equity for all populations with attention to circumstances of race, ethnicity, gender, socioeconomic status, sexual orientation, and geographic location, and include components such as training requirements for call response workers, policies for transferring such callers to an appropriate specialized center or subnetwork within or external to the national suicide prevention lifeline network, and procedures for referring persons who access the 988 contact hubs to linguistically and culturally competent care.

(8) The department shall monitor trends in 988 crisis hotline caller data, as reported by designated 988 contact hubs under subsection (4)(b)(ix) of this section, and submit an annual report to the governor and the appropriate committees of the legislature summarizing the data and trends beginning December 1, 2027.

(9) Subject to authorization by the national 988 administrator and the availability of amounts appropriated for this specific purpose, any Washington state subnetwork of the 988 crisis hotline dedicated to the crisis assistance needs of American Indian and Alaska Native persons shall offer services by text, chat, and other similar methods of communication to the same extent as does the general 988 crisis hotline. The department shall coordinate with the substance abuse and mental health services administration for the authorization.

Sec. 20. RCW 71.24.903 and 2023 c 454 s 9 are each amended to read as follows:

(1) By April 1, 2024, the authority shall establish standards for issuing an endorsement to any mobile rapid response crisis team or community-based crisis team that meets the criteria under either subsection (2) or (3) of this section, as applicable. The endorsement is a voluntary credential that a mobile rapid response crisis team or community-based crisis team may obtain to signify that it maintains the capacity to respond to persons who are experiencing a significant behavioral health emergency requiring an urgent, in-person response. The attainment of an endorsement allows the mobile rapid response crisis team or community-based crisis team to become eligible for performance payments as provided in subsection (10) of this section.

(2) The authority's standards for issuing an endorsement to a mobile rapid response crisis team or a community-based crisis team must consider:

(a) Minimum staffing requirements to effectively respond in-person to individuals experiencing a significant behavioral health emergency. Except as provided in subsection (3) of this section, the team must include appropriately credentialed and supervised staff employed by a licensed or certified behavioral health agency and may include other personnel from participating entities listed in subsection (3) of this section. The team shall include certified peer counselors or certified peer support specialists as a best practice to the extent practicable

based on workforce availability. The team may include fire departments, emergency medical services, public health, medical facilities, nonprofit organizations, and city or county governments. The team may not include law enforcement personnel;

(b) Capabilities for transporting an individual experiencing a significant behavioral health emergency to a location providing appropriate level crisis stabilization services, as determined by regional transportation procedures, such as crisis receiving centers, crisis stabilization units, and triage facilities. The standards must include vehicle and equipment requirements, including minimum requirements for vehicles and equipment to be able to safely transport the individual, as well as communication equipment standards. The vehicle standards must allow for an ambulance or aid vehicle licensed under chapter 18.73 RCW to be deemed to meet the standards; and

(c) Standards for the initial and ongoing training of personnel and for providing clinical supervision to personnel.

(3) The authority must adjust the standards for issuing an endorsement to a community-based crisis team under subsection (2) of this section if the team is comprised solely of an emergency medical services agency, whether it is part of a fire service agency or a private entity, that is located in a rural county in eastern Washington with a population of less than 60,000 residents. Under the adjusted standards, until January 1, 2030, the authority shall exempt a team from the personnel standards under subsection (2)(a) of this section and issue an endorsement to a team if:

(a) The personnel assigned to the team have met training requirements established by the authority under subsection (2)(c) of this section, as those requirements apply to emergency medical service and fire service personnel, including completion of the three-hour training in suicide assessment, treatment, and management under RCW 43.70.442;

(b) The team operates under a memorandum of understanding with a licensed or certified behavioral health agency to provide direct, real-time consultation through a behavioral health provider employed by a licensed or certified behavioral health agency while the team is responding to a call. The consultation may be provided by telephone, through remote technologies, or, if circumstances allow, in person; and

(c) The team does not include law enforcement personnel.

(4) Prior to issuing an initial endorsement or renewing an endorsement, the authority shall conduct an on-site survey of the applicant's operation.

(5) An endorsement must be renewed every three years.

(6) The authority shall establish forms and procedures for issuing and renewing an endorsement.

(7) The authority shall establish procedures for the denial, suspension, or revocation of an endorsement.

(8)(a) The decision of a mobile rapid response crisis team or communitybased crisis team to seek endorsement is voluntary and does not prohibit a nonendorsed team from participating in the crisis response system when (i) responding to individuals who are not experiencing a significant behavioral health emergency that requires an urgent in-person response or (ii) responding to individuals who are experiencing a significant behavioral health emergency that requires an urgent in-person response when there is not an endorsed team available.

(b) The decision of a mobile rapid response crisis team not to pursue an endorsement under this section does not affect its obligation to comply with any standards adopted by the authority with respect to mobile rapid response crisis teams.

(c) The decision of a mobile rapid response crisis team not to pursue an endorsement under this section does not affect its responsibilities and reimbursement for services as they may be defined in contracts with managed care organizations or behavioral health administrative services organizations.

(9) The costs associated with endorsement activities shall be supported with funding from the statewide 988 behavioral health crisis response and suicide prevention line account established in RCW 82.86.050.

(10) The authority shall establish an endorsed mobile rapid response crisis team and community-based crisis team performance program with receipts from the statewide 988 behavioral health crisis response and suicide prevention line account.

(a) Subject to funding provided for this specific purpose, the performance program shall:

(i) Issue establishment grants to support mobile rapid response crisis teams and community-based crisis teams seeking to meet the elements necessary to become endorsed under either subsection (2) or (3) of this section;

(ii) Issue performance payments in the form of an enhanced case rate to mobile rapid response crisis teams and community-based crisis teams that have received an endorsement from the authority under either subsection (2) or (3) of this section; and

(iii) Issue supplemental performance payments in the form of an enhanced case rate higher than that available in (a)(ii) of this subsection (10) to mobile rapid response crisis teams and community-based crisis teams that have received an endorsement from the authority under either subsection (2) or (3) of this section and demonstrate to the authority that for the previous three months they met the following response time and in route time standards:

(A) Between January 1, 2025, through December 31, 2026:

(I) Arrive to the individual's location within 30 minutes of being dispatched by the designated 988 contact hub, at least 80 percent of the time in urban areas;

(II) Arrive to the individual's location within 40 minutes of being dispatched by the designated 988 contact hub, at least 80 percent of the time in suburban areas; and

(III) Be in route within 15 minutes of being dispatched by the designated 988 contact hub, at least 80 percent of the time in rural areas; and

(B) On and after January 1, 2027:

(I) Arrive to the individual's location within 20 minutes of being dispatched by the designated 988 contact hub, at least 80 percent of the time in urban areas;

(II) Arrive to the individual's location within 30 minutes of being dispatched by the designated 988 contact hub, at least 80 percent of the time in suburban areas; and

(III) Be in route within 10 minutes of being dispatched by the designated 988 contact hub, at least 80 percent of the time in rural areas.

(b) The authority shall design the program in a manner that maximizes the state's ability to receive federal matching funds.

(11) The authority shall contract with the actuaries responsible for development of medicaid managed care rates to conduct an analysis and develop options for payment mechanisms and levels for rate enhancements under subsection (10) of this section. The authority shall consult with staff from the office of financial management and the fiscal committees of the legislature in conducting this analysis. The payment mechanisms must be developed to maximize leverage of allowable federal medicaid match. The analysis must clearly identify assumptions, include cost projections for the rate level options broken out by fund source, and summarize data used for the cost analysis. The cost projections must be based on Washington state specific utilization and cost data. The analysis must identify low, medium, and high ranges of projected costs associated for each option accounting for varying scenarios regarding the numbers of teams estimated to qualify for the enhanced case rates and supplemental performance payments. The analysis must identify costs for both medicaid clients, and for state-funded nonmedicaid clients paid through contracts with behavioral health administrative services organizations. The analysis must account for phasing in of the number of teams that meet endorsement criteria over time and project annual costs for a four-year period associated with each of the scenarios. The authority shall submit a report summarizing the analysis, payment mechanism options, enhanced performance payment and supplemental performance payment rate level options, and related cost estimates to the office of financial management and the appropriate committees of the legislature by December 1, 2023.

(12) The authority shall conduct a review of the endorsed community-based crisis teams established under subsection (3) of this section and report to the governor and the health policy committees of the legislature by December 1, 2028. The report shall provide information about the engagement of the community-based crisis teams receiving an endorsement under subsection (3) of this section and their ability to provide a timely and appropriate response to persons experiencing a behavioral health crisis and any recommended changes to the teams to better meet the needs of the community including personnel requirements, training standards, and behavioral health provider consultation.

Sec. 21. RCW 71.24.922 and 2023 c 469 s 14 are each amended to read as follows:

Behavioral health agencies must reduce the caseload for approved supervisors who are providing supervision to certified peer <u>support</u> specialist trainees seeking certification under chapter 18.420 RCW((, in accordance with standards established by the Washington state certified peer specialist advisory committee)).

Sec. 22. RCW 71.24.924 and 2023 c 469 s 15 are each amended to read as follows:

(1) Beginning January 1, 2027, a person who engages in the practice of peer support services and who bills a health carrier or medical assistance or whose employer bills a health carrier or medical assistance for those services must hold an active credential as a certified peer <u>support</u> specialist or certified peer <u>support</u> specialist trainee under chapter 18.420 RCW.

(2) A person who is registered as an agency affiliated counselor under chapter 18.19 RCW who engages in the practice of peer support services and whose agency, as defined in RCW 18.19.020, bills medical assistance for those services must hold a certificate as a certified peer <u>support</u> specialist or certified peer <u>support</u> specialist trainee under chapter 18.420 RCW no later than January 1, 2027.

Sec. 23. RCW 71.40.040 and 2022 c 134 s 4 are each amended to read as follows:

The state office of behavioral health consumer advocacy shall assure performance of the following activities, as authorized in contract:

(1) Selection of a name for the contracting advocacy organization to use for the advocacy program that it operates pursuant to contract with the office. The name must be selected by the statewide advisory council established in this section and must be separate and distinguishable from that of the office;

(2) Certification of behavioral health consumer advocates by October 1, 2022, and coordination of the activities of the behavioral health consumer advocates throughout the state according to standards adopted by the office;

(3) Provision of training regarding appropriate access by behavioral health consumer advocates to behavioral health providers or facilities according to standards adopted by the office;

(4) Establishment of a toll-free telephone number, website, and other appropriate technology to facilitate access to contracting advocacy organization services for patients, residents, and clients of behavioral health providers or facilities;

(5) Establishment of a statewide uniform reporting system to collect and analyze data relating to complaints and conditions provided by behavioral health providers or facilities for the purpose of identifying and resolving significant problems, with permission to submit the data to all appropriate state agencies on a regular basis;

(6) Establishment of procedures consistent with the standards adopted by the office to protect the confidentiality of the office's records, including the records of patients, residents, clients, providers, and complainants;

(7) Establishment of a statewide advisory council, a majority of which must be composed of people with lived experience, that shall include:

(a) Individuals with a history of mental illness including one or more members from the black community, the indigenous community, or a community of color;

(b) Individuals with a history of substance use disorder including one or more members from the black community, the indigenous community, or a community of color;

(c) Family members of individuals with behavioral health needs including one or more members from the black community, the indigenous community, or a community of color;

(d) One or more representatives of an organization representing consumers of behavioral health services;

(e) Representatives of behavioral health providers and facilities, including representatives of facilities offering inpatient and residential behavioral health services;

(f) One or more certified peer support specialists;

(g) One or more medical clinicians serving individuals with behavioral health needs;

(h) One or more nonmedical providers serving individuals with behavioral health needs;

(i) One representative from a behavioral health administrative services organization;

(j) Two parents or caregivers of a child who received behavioral health services, including one parent or caregiver of a child who received complex, multisystem behavioral health services, one parent or caregiver of a child ages one through 12, or one parent or caregiver of a child ages 13 through 17;

(k) Two representatives of medicaid managed care organizations, one of which must provide managed care to children and youth receiving child welfare services;

(1) Other community representatives, as determined by the office; and

(m) One representative from a labor union representing workers who work in settings serving individuals with behavioral health conditions;

(8) Monitoring the development of and recommend improvements in the implementation of federal, state, and local laws, rules, regulations, and policies with respect to the provision of behavioral health services in the state and advocate for consumers;

(9) Development and delivery of educational programs and information statewide to patients, residents, and clients of behavioral health providers or facilities, and their families on topics including, but not limited to, the execution of mental health advance directives, wellness recovery action plans, crisis services and contacts, peer services and supports, family advocacy and rights, family-initiated treatment and other behavioral health service options for minors, and involuntary treatment; and

(10) Reporting to the office, the legislature, and all appropriate public agencies regarding the quality of services, complaints, problems for individuals receiving services from behavioral health providers or facilities, and any recommendations for improved services for behavioral health consumers.

Sec. 24. RCW 71.40.090 and 2022 c 134 s 5 are each amended to read as follows:

The contracting advocacy organization shall develop and submit, for approval by the office, a process to train and certify all behavioral health consumer advocates, whether paid or volunteer, authorized by this chapter as follows:

(1) Certified behavioral health consumer advocates must have training or experience in the following areas:

(a) Behavioral health and other related social services programs, including behavioral health services for minors;

(b) The legal system, including differences in state or federal law between voluntary and involuntary patients, residents, or clients;

(c) Advocacy and supporting self-advocacy;

(d) Dispute or problem resolution techniques, including investigation, mediation, and negotiation; and

(e) All applicable patient, resident, and client rights established by either state or federal law.

(2) A certified behavioral health consumer advocate may not have been employed by any behavioral health provider or facility within the previous twelve months, except as a certified peer <u>support</u> specialist or where prior to July 25, 2021, the person has been employed by a regional behavioral health consumer advocate.

(3) No certified behavioral health consumer advocate or any member of a certified behavioral health consumer advocate's family may have, or have had, within the previous twelve months, any significant ownership or financial interest in the provision of behavioral health services.

<u>NEW SECTION.</u> Sec. 25. If specific funding for the purposes of sections 2 and 3 of this act, referencing sections 2 and 3 of this act by bill or chapter number and section number, is not provided by June 30, 2025, in the omnibus appropriations act, sections 2 and 3 of this act are null and void.

Passed by the House March 11, 2025. Passed by the Senate April 16, 2025. Approved by the Governor May 19, 2025. Filed in Office of Secretary of State May 20, 2025.

CHAPTER 361

[Second Substitute House Bill 1515] ALCOHOL SERVICE IN PUBLIC SPACES

AN ACT Relating to modernizing the regulation of alcohol service in public spaces; amending RCW 66.24.380, 66.24.710, 66.08.030, 66.44.100, and 66.24.690; creating new sections; prescribing penalties; and providing an expiration date.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> Sec. 1. (1) The legislature finds that updating and modernizing the regulation of alcohol service in public spaces by building upon the regulatory framework established in agency rules governing this activity will benefit the citizens of Washington, the restaurant and hospitality industry, nonprofit organizations, as well as local and state government in Washington, and will help prepare Washington to successfully host a major international sports event in 2026.

(2) The legislature intends that passage and implementation of this act will allow for event environments that emphasize safe crowd management of high volumes of people, a pleasant event experience that maximizes mobility for event guests, especially families, and maintains safe operations that ensure alcohol is not accessed or consumed by persons under age 21, overservice is prevented, and alcohol does not leave the premises.

(3) Therefore, subject to the requirements in this section:

(a) From the effective date of this section until December 31, 2027, the legislature intends to authorize local governments to request from the liquor and cannabis board, and for the board to reasonably approve, that expanded outdoor alcohol service in public spaces be allowed for liquor licensees in their jurisdictions;

(b) From the effective date of this section until December 31, 2027, the legislature intends to authorize certain cities to request from the liquor and cannabis board, and for the board to reasonably approve, that expanded outdoor

and indoor alcohol service in public spaces be allowed for liquor licensees operating during events on publicly owned civic campuses; and

(c) During the months of June and July of 2026, the legislature intends to authorize certain local governments to request from the liquor and cannabis board, and for the board to reasonably approve, that expanded outdoor and indoor alcohol service in public spaces be allowed for certain liquor licensees operating during a single multiday event in an approved area or areas of a city, town, county, or port authority that is a designated fan zone or host city.

<u>NEW SECTION.</u> Sec. 2. (1)(a) Beginning on the effective date of this section until December 31, 2027, and subject to (d) of this subsection (1) and subsection (5) of this section, a city, town, county, or port authority may request, and the board may approve, expanded outdoor alcohol service for liquor licensees within the whole city, town, county, or port authority, or within a specific area or areas of the city, town, county, or port authority as provided in (b) and (c) of this subsection (1). If requested by a county, the approval may only be for unincorporated areas of the county.

(b) For licensees identified in (c) of this subsection (1) who have requested approval from and been authorized by the board's licensing division to conduct outdoor alcohol service, and who are located within an area of a city, town, or county that has been approved by the board for expanded outdoor alcohol service, the following authorizations and requirements apply until December 31, 2027:

(i) All outdoor alcohol service areas may be enclosed, at the licensee's discretion, by means of a permanent or movable barrier or by means of a permanent fence-free demarcation;

(ii) For an outdoor alcohol service area enclosed by means of a permanent or movable barrier of a minimum height specified by the board, the permanent or movable barrier is not required to meet minimum height requirements on sloped site conditions;

(iii) The openings into and out of an outdoor alcohol service area may be up to a maximum distance apart as determined appropriate by the applicable city, town, or county;

(iv) Licensees may share use of an outdoor alcohol service area with other licensees and licensees may share use of an outdoor alcohol service area with businesses that do not engage in the sale or service of alcohol, subject to requirements of the board. All participating licensees are jointly responsible for any violation or enforcement issues unless it can be demonstrated that the violation or enforcement issue was due to one or more licensee's specific conduct or action, in which case the violation or enforcement applies only to those identified licensees; and

(v) An employee of the licensee must be assigned to, but is not required to be in, the outdoor alcohol service area at all times that patrons are present. A direct line of sight is not required from inside the licensed premises to the outdoor alcohol service area.

(c) The authorization in this subsection (1) is available to the following liquor licensees: Beer and wine restaurants; spirits, beer, and wine restaurants; taverns; domestic wineries; domestic breweries and microbreweries; distilleries; and snack bars.

(d) A city, town, county, or port authority that requests and is approved for expanded outdoor alcohol service shall provide, and document the provision of:

(i) Adequate local resources, including law enforcement patrols in the area, to ensure safe operations of activities and the safety of the community; and

(ii) Services to keep the area of the jurisdiction in which the activities occur clean and free of litter or other remnants of the use of public spaces for expanded outdoor alcohol service.

(2)(a) A city with a population of more than 220,000 may request, and the board may approve, expanded alcohol service during events on a publicly owned civic campus in the city, as provided in (b) through (f) of this subsection (2) and subject to subsection (5) of this section. No more than 25 events per year, up to seven of which may be multiday events, may be authorized for a city under this subsection (2).

(b) Multiple licensees located on a publicly owned civic campus in a city with a population of more than 220,000 that has been approved under (a) of this subsection (2) may share an alcohol service area encompassing the entire publicly owned civic campus, or part of the publicly owned civic campus, so long as:

(i) The board approves of the event perimeter enclosing the alcohol service area;

(ii) Security and physical barriers are provided at all entry points to the event;

(iii) The campus operator notifies the board within a minimum time required by the board in rule before the event begins;

(iv) Signage is conspicuously posted during the event notifying the public that the area is in use as an expanded alcohol service area and public notice of the upcoming use of the area as an expanded alcohol service area was conspicuously posted at least seven days in advance; and

(v) All participating licensees submit a joint operating plan to the board for approval, in a format designated by the board, that describes: (A) How the licensees will prevent the sale and service of alcohol to persons under 21 years of age and those who appear to be intoxicated; (B) the ratio of alcohol service staff and security staff to the anticipated number of attendees, subject to a ratio requirement that may be set by the board; (C) training provided to staff who serve, regulate, or supervise the service of alcohol including that alcohol server training is required for all such staff; (D) the licensees' policy on the number of alcoholic beverages that will be served to an individual patron during one transaction, subject to a limit determined by the board; (E) an explanation of the alcoholic beverage containers that will be used to ensure they are significantly different from containers used from nonalcoholic beverages; (F) the barriers or demarcations to be used for an alcohol service area or event perimeter; and (G) other information required by the board in rule.

(c) At the board's discretion, violations of (b)(iii) or (iv) of this subsection can be cause for denial of approval of events conducted under this subsection and violations of (b)(iv) of this subsection can also be cause for denial of a license of the participating licensees or denial of participation in future events under this section.

(d) Multiple licensees located on a publicly owned civic campus in a city with a population of more than 220,000 that has been approved under (a) of this

subsection (2) may share an indoor alcohol service area at certain times authorized by the campus operator, so long as:

(i) The campus operator notifies the board at least seven days in advance of the date licensees intend to begin operating the shared indoor alcohol service area;

(ii) The campus operator ensures security and physical barriers are provided at all entry points to the indoor alcohol service area; and

(iii) The licensees submit a joint operating plan to the board for approval meeting the requirements of (b)(v) of this subsection (2).

(e) With respect to multiple licensees sharing an alcohol service area as authorized under (b) or (d) of this subsection (2), all participating licensees are jointly responsible for any violation or enforcement issues unless it can be demonstrated that the violation or enforcement issue was due to one or more licensee's specific conduct or action, in which case the violation or enforcement applies only to those identified licensees.

(f) During the times a licensee is operating under the authorization in this subsection (2) or subsection (4) of this section, the licensee may:

(i) Operate without a permit from their local jurisdiction that may otherwise be required to allow the business to use the public space as an alcohol service area;

(ii) Share an alcohol service area with another licensee: (A) Without individually requesting approval from the board's licensing division; and (B) regardless of whether the licensees' property parcels or buildings are located in direct physical proximity to one another; and

(iii) Sell and serve alcohol to customers from an alcohol service area without offering food service menu options, except that any required food service must still be provided within the licensed premises, and in any preexisting alcohol service area operated by the licensee under the board's rules that does not rely on the authorization in this section, if the preexisting alcohol service area remains in place during an event.

(3)(a) The authorization in subsections (2) and (4) of this section is available to: Beer and wine restaurants; spirits, beer, and wine restaurants; taverns; domestic wineries; domestic breweries and microbreweries; distilleries; snack bars; and special occasion licensees under RCW 66.24.380.

(b) A caterer's license shall be issued to an eligible applicant under RCW 66.24.690 for an event open to the public and held on a publicly owned civic campus in a city with a population of more than 220,000 under subsection (2) of this section or in an area or areas of a jurisdiction approved under subsection (4) of this section, even if the sponsor of the event for which catering services are being provided is not a society or organization as defined in RCW 66.24.375, if license and regulatory requirements are otherwise met.

(4)(a) A city, town, county, or port authority that has been designated as a fan zone or host city from an international self-regulatory governing body of a sports association, or a nonprofit organization authorized by such an entity, may request, and the board may approve, expanded outdoor and indoor alcohol service for liquor licensees within an area or areas of the jurisdiction. The authorization in this subsection (4) may be used to allow expanded alcohol sales and service only during a single multiday event in each approved jurisdiction in either of the months of June or July of 2026.

(b) Multiple licensees located within an area of a city, town, county, or port authority approved under this subsection for expanded alcohol service may share an alcohol service area encompassing the entire approved area or areas, during the event, so long as:

(i) The board approves of the event perimeter enclosing the alcohol service area;

(ii) Security and physical barriers are provided at all entry points to the event;

(iii) The applicable city, town, county, or port authority through a designated official notifies the board within a minimum time required by the board in rule before the event begins;

(iv) Signage is conspicuously posted during the event notifying the public that the area is in use as an expanded alcohol service area and public notice of the upcoming use of the area as an expanded alcohol service area was conspicuously posted at least seven days in advance; and

(v) All participating licensees submit a joint operating plan to the board for approval, in a format designated by the board, that meets the requirements of subsection (2)(b)(v) of this section.

(c) Licensees operating under this subsection (4) may share use of an alcohol service area with other licensees and licensees may share use of an alcohol service area with businesses that do not engage in the sale or service of alcohol, subject to requirements of the board. All participating licensees are jointly responsible for any violation or enforcement issues unless it can be demonstrated that the violation or enforcement issue was due to one or more licensee's specific conduct or action, in which case the violation or enforcement applies only to those identified licensees.

(d) During the times a licensee is operating under the authorization in this subsection (4), the licensee may operate as provided in subsection (2)(f) of this section.

(5) The board must impose a fee on any or all of the following licensees and local governments in order to cover but not exceed the board's administrative and enforcement costs related to activities authorized under this section:

(a) A licensee seeking to operate under the authorization in this section, as a condition to exercising privileges in this section;

(b) A city, town, county, or port authority applying for expanded outdoor alcohol service privileges for licensees under subsection (1) of this section;

(c) A city with a population of more than 220,000 applying for expanded alcohol service privileges for licensees during events on a publicly owned civic campus under subsection (2) of this section; and

(d) A city, town, county, or port authority designated as a fan zone or host city applying for expanded alcohol service privileges for licensees during an event in June or July of 2026 in an approved area or areas of the jurisdiction.

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

(a) "Alcohol service area" means an area in which liquor may be sold, served, and consumed as authorized under this title and rules of the board.

(b) "Board" means the liquor and cannabis board.

(c) "Campus operator" means the person who has primary responsibility for making managerial or executive decisions relating to operations and activities at a publicly owned civic campus or the person's designee.

(d) "Publicly owned civic campus" means the buildings, facilities, grounds, lands, and spaces owned by a city and designated as a city center, and used for civic, arts, cultural, sports, and other community and family events and activities, being not more than 100 acres in size on the effective date of this section.

Sec. 3. RCW 66.24.380 and 2016 c 235 s 2 are each amended to read as follows:

There is a retailer's license to be designated as a special occasion license to be issued to a not-for-profit society or organization to sell spirits, beer, and wine by the individual serving for on-premises consumption at a specified event, such as at picnics or other special occasions, at a specified date and place; fee ((sixty dollars)) <u>\$60</u> per day except the board may establish an additional daily fee for each day of operation at an event conducted under section 2 (2) or (4) of this act.

(1) The not-for-profit society or organization is limited to sales of no more than $((\frac{\text{twelve}}))$ <u>12</u> calendar days per year, except that this limitation is waived for participation in any event conducted under section 2 (2) or (4) of this act which may not count toward a not-for-profit society or organization's 12 calendar days of sales. For the purposes of this subsection, special occasion licensees that are "agricultural area fairs" or "agricultural county, district, and area fairs," as defined by RCW 15.76.120, that receive a special occasion license may, once per calendar year, count as one event fairs that last multiple days, so long as alcohol sales are at set dates, times, and locations, and the board receives prior notification of the dates, times, and locations. The special occasion license applicant will pay the (($\frac{\text{sixty dollars}}$)) <u>\$60</u> per day for this event.

(2) The licensee may sell spirits, beer, and/or wine in original, unopened containers for off-premises consumption if permission is obtained from the board prior to the event.

(3) In addition to offering the sale of wine by the individual serving for onpremises consumption, the licensee may sell wine in original, unopened containers for on-premises consumption if permission is obtained from the board prior to the event. The authorization in this subsection (3) is not available at events conducted under section 2 (2) or (4) of this act.

(4) Sale, service, and consumption of spirits, beer, and wine is to be confined to specified premises or designated areas only, except as authorized in section 2 (2) and (4) of this act.

(5) Liquor sold under this special occasion license must be purchased from a licensee of the board.

(6) Any violation of this section is a class 1 civil infraction having a maximum penalty of ((two hundred fifty dollars)) <u>\$250</u> as provided for in chapter 7.80 RCW. At the board's discretion, repeat violations at an event authorized under section 2 (2) or (4) of this act within a two-year period can be cause for denial of a license under this section or participation in future events.

Sec. 4. RCW 66.24.710 and 2023 c 279 s 1 are each amended to read as follows:

(1)(a) Except as provided in (b) of this subsection, the following licensees may sell alcohol products at retail for takeout or delivery or both under liquor and cannabis board licenses and endorsements: Beer and wine restaurants; spirits, beer, and wine restaurants; taverns; domestic wineries; domestic breweries and microbreweries; distilleries; snack bars; nonprofit arts licensees; and caterers.

(b) No alcohol products may be sold by delivery under this section after July 1, 2025.

(2) Spirits, beer, and wine restaurant licensees may sell premixed cocktails for takeout and, until July 1, 2025, for delivery. The board may establish by rule the manner in which premixed cocktails for off-premises consumption must be provided. This subsection does not authorize the sale of bottles of spirits by licensees for off-premises consumption.

(3) Spirits, beer, and wine restaurant licensees may sell wine by the glass or premixed wine and spirits cocktails for takeout and, until July 1, 2025, delivery. Beer and wine restaurant licensees may sell wine or premixed wine drinks by the glass for takeout and, until July 1, 2025, delivery. The board may establish by rule the manner in which wine by the glass and premixed cocktails for off-premises consumption must be provided.

(4) Licensees that were authorized by statute or rule before January 1, 2020, to sell growlers for on-premises consumption may sell growlers for off-premises consumption through takeout or, until July 1, 2025, delivery. Sale of growlers under this subsection must meet federal alcohol and tobacco tax and trade bureau requirements.

(5)(a) Licensees must obtain from the board an endorsement to their license in order to conduct activities authorized under subsections (1) through (4) of this section. The board may adopt rules governing the manner in which the activities authorized under this section must be conducted. Licensees must not be charged a fee in order to obtain an endorsement required under this section.

(b)(i) Alcohol delivery under this section must be performed by an employee of an alcohol delivery endorsement holder who is 21 years of age or older and possesses a class 12 permit, in accordance with RCW 66.20.310.

(ii) Delivery services conducted by beer and wine restaurant licensees and spirits, beer, and wine restaurant licensees under this section must be accompanied by a purchased meal prepared and sold by the license holder.

(c) Alcohol sold for takeout by beer and wine restaurant licensees and spirits, beer, and wine restaurant licensees under this section must be accompanied by a purchased meal prepared and sold by the license holder.

(d) Any alcohol product sold for takeout or delivery under this section must be in a factory sealed container or a tamper-resistant container.

(6) Beer and wine specialty shops licensed under RCW 66.24.371 and domestic breweries and microbreweries may sell prefilled growlers for offpremises consumption through takeout and, until July 1, 2025, delivery, provided that prefilled growlers are sold the same day they are prepared for sale and not stored overnight for sale on future days.

(7) ((The)) Subject to section 2 of this act, the board must adopt or revise current rules to allow for outdoor service of alcohol by on-premises licensees

holding licenses issued by the board for the following license types: Beer and wine restaurants; spirits, beer, and wine restaurants; taverns; domestic wineries; domestic breweries and microbreweries; distilleries; snack bars; ((and)) private clubs licensed under RCW 66.24.450 and 66.24.452; and special occasion licensees under RCW 66.24.380. The board may adopt requirements providing for clear accountability at locations where multiple licensees use a shared space for serving customers, and at locations where a licensee or licensees use a shared space with another business or businesses that do not engage in the sale or service of alcohol under section 2 of this act.

(8) Upon delivery of any alcohol product authorized to be delivered under this section, the signature of the person age 21 or over receiving the delivery must be obtained.

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

(a) "Board" means the liquor and cannabis board.

(b) "Growlers")) For the purposes of this section, "growlers" means sanitary containers brought to the premises by the purchaser or furnished by the licensee and filled by the retailer at the time of sale.

Sec. 5. RCW 66.08.030 and 2014 c 63 s 2 are each amended to read as follows:

The power of the board to ((make regulations)) adopt rules under chapter 34.05 RCW extends to:

(1) Prescribing the duties of the employees of the board, and regulating their conduct in the discharge of their duties;

(2) Prescribing an official seal and official labels and stamps and determining the manner in which they must be attached to every package of liquor sold or sealed under this title, including the prescribing of different official seals or different official labels for different classes of liquor;

(3) Prescribing forms to be used for purposes of this title or the regulations, and the terms and conditions to be contained in permits and licenses issued under this title, and the qualifications for receiving a permit or license issued under this title, including a criminal history record information check. The board may submit the criminal history record information check to the Washington state patrol and to the identification division of the federal bureau of investigation in order that these agencies may search their records for prior arrests and convictions of the individual or individuals who filled out the forms. The board must require fingerprinting of any applicant whose criminal history record information check is submitted to the federal bureau of investigation;

(4) Prescribing the fees payable in respect of permits and licenses issued under this title for which no fees are prescribed in this title, and prescribing the fees for anything done or permitted to be done under the regulations;

(5) Prescribing the kinds and quantities of liquor which may be kept on hand by the holder of a special permit for the purposes named in the permit, regulating the manner in which the same is kept and disposed of, and providing for the inspection of the same at any time at the instance of the board;

(6) Regulating the sale of liquor kept by the holders of licenses which entitle the holder to purchase and keep liquor for sale; (7) Prescribing the records of purchases or sales of liquor kept by the holders of licenses, and the reports to be made thereon to the board, and providing for inspection of the records so kept;

(8) Prescribing the kinds and quantities of liquor for which a prescription may be given, and the number of prescriptions which may be given to the same patient within a stated period;

(9) Prescribing the manner of giving and serving notices required by this title or the regulations, where not otherwise provided for in this title;

(10) Regulating premises in which liquor is kept for export from the state, or from which liquor is exported, prescribing the books and records to be kept therein and the reports to be made thereon to the board, and providing for the inspection of the premises and the books, records and the liquor so kept;

(11) Prescribing the conditions and qualifications requisite for the obtaining of club licenses and the books and records to be kept and the returns to be made by clubs, prescribing the manner of licensing clubs in any municipality or other locality, and providing for the inspection of clubs;

(12) ((Prescribing)) Subject to section 2 of this act, prescribing the conditions, accommodations, and qualifications requisite for the obtaining of licenses to sell beer, wines, and spirits, and regulating the sale of beer, wines, and spirits thereunder;

(13) Specifying and regulating the time and periods when, and the manner, methods and means by which manufacturers must deliver liquor within the state; and the time and periods when, and the manner, methods and means by which liquor may lawfully be conveyed or carried within the state;

(14) Providing for the making of returns by brewers of their sales of beer shipped within the state, or from the state, showing the gross amount of such sales and providing for the inspection of brewers' books and records, and for the checking of the accuracy of any such returns;

(15) Providing for the making of returns by the wholesalers of beer whose breweries are located beyond the boundaries of the state;

(16) Providing for the making of returns by any other liquor manufacturers, showing the gross amount of liquor produced or purchased, the amount sold within and exported from the state, and to whom so sold or exported, and providing for the inspection of the premises of any such liquor manufacturers, their books and records, and for the checking of any such return;

(17) Providing for the giving of fidelity bonds by any or all of the employees of the board. However, the premiums therefor must be paid by the board;

(18) Providing for the shipment of liquor to any person holding a permit and residing in any unit which has, by election pursuant to this title, prohibited the sale of liquor therein;

(19) Prescribing methods of manufacture, conditions of sanitation, standards of ingredients, quality and identity of alcoholic beverages manufactured, sold, bottled, or handled by licensees and the board; and conducting from time to time, in the interest of the public health and general welfare, scientific studies and research relating to alcoholic beverages and the use and effect thereof;

(20) Seizing, confiscating and destroying all alcoholic beverages manufactured, sold or offered for sale within this state which do not conform in

all respects to the standards prescribed by this title or the regulations of the board. However, nothing herein contained may be construed as authorizing the ((liquor)) board to prescribe, alter, limit or in any way change the present law as to the quantity or percentage of alcohol used in the manufacturing of wine or other alcoholic beverages;

(21) Monitoring and regulating the practices of license holders as necessary in order to prevent the theft and illegal trafficking of liquor pursuant to RCW 66.28.350; and

(22) Imposing reasonable requirements on licensees' operations of alcohol service areas and the sale, service, and consumption of alcohol, consistent with RCW 66.24.710 and section 2 of this act.

Sec. 6. RCW 66.44.100 and 1999 c 189 s 3 are each amended to read as follows:

Except as permitted by this title, <u>including as allowed under section 2 of this</u> <u>act</u>, no person shall open the package containing liquor or consume liquor in a public place. Every person who violates any provision of this section shall be guilty of a class 3 civil infraction under chapter 7.80 RCW.

Sec. 7. RCW 66.24.690 and 2021 c 6 s 19 are each amended to read as follows:

(1) There shall be a caterer's license to sell spirits, beer, and wine, by the individual serving, at retail, for consumption on the premises at an event location that is either owned, leased, or operated either by the caterer or the sponsor of the event for which catering services are being provided. If the event is open to the public, except as provided in section 2(3) of this act, it must be sponsored by a society or organization as defined in RCW 66.24.375. If attendance at the event is limited to members or invited guests of the sponsoring individual, society, or organization, the requirement that the sponsor must be a society or organization as defined in RCW 66.24.375 is waived. The licensee must serve food as required by rules of the board.

(2)(a) The annual fee is two hundred dollars for the beer license, two hundred dollars for the wine license, or four hundred dollars for a combination beer and wine license. The annual fee for a combined beer, wine, and spirits license is one thousand dollars.

(b) The annual fees in (a) of this subsection are waived during the 12-month period beginning with the second calendar month after February 28, 2021, for:

(i) Licenses that expire during the 12-month waiver period under this subsection (2)(b); and

(ii) Licenses issued to persons previously licensed under this section at any time during the 12-month period prior to the 12-month waiver period under this subsection (2)(b).

(c) The waivers in (b) of this subsection do not apply to any licensee that:

(i) Had their license suspended by the board for health and safety violations of state COVID-19 guidelines; or

(ii) Received an order of immediate restraint or citation from the department of labor and industries for allowing an employee to perform work where business activity was prohibited in violation of an emergency proclamation of the governor under RCW 43.06.220. (d) Upon request of the department of revenue, the board and the department of labor and industries must both provide a list of persons that they have determined to be ineligible for a fee waiver under (b) of this subsection for the reasons described in (c) of this subsection. Unless otherwise agreed, any list must be received by the department of revenue no later than 15 calendar days after the request is made.

(3) The holder of this license shall notify the board or its designee of the date, time, place, and location of any catered event at which liquor will be served, sold, or consumed. The board shall create rules detailing notification requirements. Upon request, the licensee shall provide to the board all necessary or requested information concerning the individual, society, or organization that will be holding the catered function at which the caterer's liquor license will be utilized.

(4) The holder of this license may, under conditions established by the board, store liquor on other premises operated by the licensee so long as the other premises are owned or controlled by a leasehold interest by that licensee.

(5) The holder of this license is prohibited from catering events at locations that are already licensed to sell liquor under this chapter.

(6) The holder of this license is responsible for all sales, service, and consumption of alcohol at the location of the catered event.

<u>NEW SECTION.</u> Sec. 8. A publicly owned civic campus identified in section 2(2) of this act in a city with a population of more than 220,000 that has requested and been approved for expanded alcohol service and that uses the authorization, must report to the legislature and the liquor and cannabis board by January 1, 2027, and include a description of the activities conducted, the benefits realized, and challenges encountered, while this legislation was in effect.

<u>NEW SECTION.</u> Sec. 9. (1) By September 1, 2026, a city, town, county, or port authority that has requested and been approved by the liquor and cannabis board for expanded alcohol service under section 2 (1), (2), or (4) of this act, and that uses the authorization, shall conduct a public engagement review by contacting local organizations, individual residents, businesses, and others in the local community where expanded alcohol sales and service occurred or is occurring, to gain a balanced understanding of how the activities were or are being experienced by people in the community. The public engagement review required by this section must include examining:

(a) Whether adequate local resources, including law enforcement patrols in the area, were or are provided during times that expanded alcohol service was or is offered, to ensure community safety;

(b) Whether services were or are provided to keep the area of the jurisdiction in which the activities occurred or are occurring clean and free of litter or other remnants of the use of public spaces for expanded alcohol service; and

(c) The costs and benefits to the community of expanded alcohol sales and service perceived by residents throughout the community.

(2) A city, town, county, or port authority conducting a review under this section shall submit the results in a report to the liquor and cannabis board by September 1, 2026.

NEW SECTION. Sec. 10. This act expires December 31, 2027.

<u>NEW SECTION.</u> Sec. 11. If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2025, in the omnibus appropriations act, this act is null and void.

Passed by the House April 22, 2025. Passed by the Senate April 16, 2025. Approved by the Governor May 19, 2025. Filed in Office of Secretary of State May 20, 2025.

CHAPTER 362

[House Bill 1552]

REAL ESTATE—BROKER LICENSE FEE

AN ACT Relating to extending the fee on real estate broker licenses to fund the Washington center for real estate research and adjusting the fee to account for inflation; amending RCW 18.85.451, 18.85.461, and 18.85.471; and providing expiration dates.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 18.85.451 and 2015 c 175 s 1 are each amended to read as follows:

(1) A fee of ((ten)) <u>20</u> dollars is created and shall be assessed on each real estate broker and managing broker's original license and upon each renewal of a license with an expiration date after October 1, 1999, including renewals of inactive licenses.

(2) This section expires September 30, ((2025)) 2035.

Sec. 2. RCW 18.85.461 and 2016 sp.s. c 36 s 915 are each amended to read as follows:

(1) The Washington real estate research account is created in the state treasury. All receipts from the fee under RCW 18.85.451 shall be deposited into the account. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for the purposes of RCW 18.85.471.

(2) ((During the 2015 2017 fiscal biennium, the legislature may transfer moneys from the real estate research account to the state general fund such amounts as reflect the excess fund balance of the account.

(3))) This section expires September 30, ((2025)) 2035.

Sec. 3. RCW 18.85.471 and 2015 c 175 s 3 are each amended to read as follows:

(1) The purpose of a real estate research center in Washington state is to provide credible research, value-added information, education services, and project-oriented research to real estate licensees, real estate consumers, real estate service providers, institutional customers, public agencies, and communities in Washington state and the Pacific Northwest region. The center may:

(a) Conduct studies and research on affordable housing and strategies to meet the affordable housing needs of the state;

(b) Conduct studies in all areas directly or indirectly related to real estate and urban or rural economics and economically isolated communities; (d) Supply research results and educational expertise to the Washington state real estate commission to support its regulatory functions, as requested;

(e) Prepare information of interest to real estate consumers and make the information available to the general public, universities, or colleges, and appropriate state agencies;

(f) Encourage economic growth and development within the state of Washington;

(g) Support the professional development and continuing education of real estate licensees in Washington;

(h) Study and recommend changes in state statutes relating to real estate; and

(i) Develop a vacancy rate standard for low-income housing in the state.

(2) The director shall establish a memorandum of understanding with an institution of higher learning that establishes a real estate research center for the purposes under subsection (1) of this section.

(3) This section expires September 30, ((2025)) 2035.

Passed by the House April 19, 2025.

Passed by the Senate April 26, 2025.

Approved by the Governor May 19, 2025.

Filed in Office of Secretary of State May 20, 2025.

CHAPTER 363

[Engrossed Substitute House Bill 1837]

INTERCITY PASSENGER RAIL—IMPROVEMENT PRIORITIES

AN ACT Relating to establishing intercity passenger rail improvement priorities; and adding a new section to chapter 47.79 RCW.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> Sec. 1. A new section is added to chapter 47.79 RCW to read as follows:

(1) The legislature recognizes that intercity passenger rail is an integral part of the state's transportation system and is critical to the state's ability to meet the climate, public health, equity, and mobility goals of the state as it continues to experience growth. The legislature finds that intercity passenger rail is a highly efficient mode of transportation that connects small towns and major urban centers, and that the improvement of intercity passenger rail service through improvements to trip times, frequency, and reliability can enhance local economies and increase mobility options for Washington residents. Therefore, the legislature intends to reemphasize the need to prioritize the improvement of intercity passenger rail through data-driven analyses as it conducts project development work, including for the federal corridor identification and development program.

(2) The department shall prioritize the target goals in this subsection for the Amtrak Cascades service, with a goal of meeting them by 2035. The legislature recognizes that voluntary investments by the government of Canada, crown

corporations, provincial entities, and Oregon state entities, will be required to achieve these target goals outside of Washington state borders.

(a) Service reliability: Increase on-time performance with a minimum trip reliability goal of 88 percent on-time performance.

(b) Service frequencies: A minimum of 14 round trips per day between Seattle and Portland and a minimum of five round trips per day between Seattle and Vancouver, British Columbia.

(c) Improvements to first and last mile connections: Create improved multimodal connectivity to other transportation options at stations.

(d) Emission reductions: Reduce greenhouse gas emissions in alignment with state goals.

(3) The department is required to prioritize the target goals set in subsection (2) of this section as it conducts project development work, including for the federal corridor identification and development program and for work that may be done in the future as part of the federal-state partnership for intercity passenger rail grant program. Project development work carried out by the department must include infrastructure investments and extensive coordination with host railroads, and other service partners, as necessary to achieve these target goals.

(4)(a) The department shall report to the transportation committees of the legislature, as well as to the joint transportation committee, annually on analyses conducted and progress made to achieve the target goals in subsection (2) of this section, including any information required to be disclosed under this subsection (4).

(b)(i) If the department finds that one or more of the target goals set in subsection (2) of this section cannot be achieved due to a constraint unless it is mitigated by the legislature or another party, it must provide a full explanation of the constraint and detail what is necessary to mitigate it as part of the annual reporting requirement under (a) of this subsection.

(ii) If the department finds that one or more of the target goals set in subsection (2) of this section cannot be achieved due to a constraint that cannot be mitigated, even with assistance from the legislature or another party, it must provide a detailed explanation of the reasons it believes a target goal should be modified, either temporarily or for the indefinite future, to accommodate the identified unavoidable constraint as part of the annual reporting requirement under (a) of this subsection.

(5)(a) The joint transportation committee must conduct an independent review of the Amtrak Cascades 2024 preliminary service development plan and any subsequent public draft or final documents related to the system development plan that are released by December 31, 2026. The review must analyze the technical aspects of the plan, the public engagement strategies used in development of the plan, and the effectiveness of the communication within plan documents. The technical aspects of the plan include, but are not limited to, the ridership analysis, capacity analysis, future travel scenarios analysis, and identification of proposed infrastructure improvements. To the extent practicable, the review must include a cost benefit analysis of travel time improvements realized by projects in relation to project costs estimates.

(b) A final report summarizing findings of the review and recommendations for improving technical plan elements, as well as engagement and

Passed by the House April 21, 2025. Passed by the Senate April 16, 2025. Approved by the Governor May 19, 2025. Filed in Office of Secretary of State May 20, 2025.

CHAPTER 364

[Substitute House Bill 1848]

TRAUMATIC BRAIN INJURIES—SERVICES AND SUPPORTS—VARIOUS PROVISIONS

AN ACT Relating to services and supports for individuals with traumatic brain injuries; amending RCW 46.63.110, 74.31.040, 74.31.050, and 74.31.060; and creating a new section.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> Sec. 1. The legislature finds that individuals living with traumatic brain injuries face significant barriers to accessing necessary support services, community integration programs, and peer-led recovery opportunities. The legislature acknowledges that traumatic brain injuries can lead to long-term cognitive, emotional, and physical challenges, often resulting in social isolation, difficulty in maintaining employment, and limited access to rehabilitation services. Additionally, family members and caregivers of individuals with a traumatic brain injury require ongoing support and guidance to navigate the complexities of available resources. Recent trends indicate that allocations have disproportionately favored virtual education and state-affiliated programs, leaving direct peer-to-peer groups and community-based support underfunded. The disappearance of many in-person support groups, due to financial constraints, has severely limited opportunities for individuals with a traumatic brain injury to connect, build essential life skills, and engage in meaningful recovery-focused activities.

The legislature recognizes the urgent need to rebalance funding priorities to ensure that in-person support groups and community integration programs are adequately supported.

Sec. 2. RCW 46.63.110 and 2024 c 308 s 3 are each amended to read as follows:

(1)(a) A person found to have committed a traffic infraction shall be assessed a monetary penalty. No penalty may exceed \$250 for each offense unless authorized by this chapter or title.

(b) The court may waive or remit any monetary penalty, fee, cost, assessment, or other monetary obligation associated with a traffic infraction unless the specific monetary obligation in question is prohibited from being waived or remitted by state law.

(2) The monetary penalty for a violation of (a) RCW 46.55.105(2) is \$250 for each offense; (b) RCW 46.61.210(1) is \$500 for each offense. No penalty assessed under this subsection (2) may be reduced.

(3) The supreme court shall prescribe by rule a schedule of monetary penalties for designated traffic infractions. This rule shall also specify the conditions under which local courts may exercise discretion in assessing fines and penalties for traffic infractions. The legislature respectfully requests the supreme court to adjust this schedule every two years for inflation.

(4) There shall be a penalty of \$25 for failure to respond to a notice of traffic infraction except where the infraction relates to parking as defined by local law, ordinance, regulation, or resolution or failure to pay a monetary penalty imposed pursuant to this chapter. A local legislative body may set a monetary penalty not to exceed \$25 for failure to respond to a notice of traffic infraction relating to parking as defined by local law, ordinance, regulation, or resolution. The local court, whether a municipal, police, or district court, shall impose the monetary penalty set by the local legislative body.

(5) Monetary penalties provided for in chapter 46.70 RCW which are civil in nature and penalties which may be assessed for violations of chapter 46.44 RCW relating to size, weight, and load of motor vehicles are not subject to the limitation on the amount of monetary penalties which may be imposed pursuant to this chapter.

(6) Whenever a monetary penalty, fee, cost, assessment, or other monetary obligation is imposed by a court under this chapter, it is immediately payable and is enforceable as a civil judgment under Title 6 RCW. If the court determines that a person is not able to pay a monetary obligation in full, the court shall enter into a payment plan with the person in accordance with RCW 46.63.190 and standards that may be set out in court rule.

(7) In addition to any other penalties imposed under this section and not subject to the limitation of subsection (1) of this section, a person found to have committed a traffic infraction shall be assessed:

(a) A fee of \$5 per infraction. Under no circumstances shall this fee be reduced or waived. Revenue from this fee shall be forwarded to the state treasurer for deposit in the emergency medical services and trauma care system trust account under RCW 70.168.040;

(b) A fee of \$10 per infraction. Under no circumstances shall this fee be reduced or waived. Revenue from this fee shall be forwarded to the state treasurer for deposit in the general fund; and

(c) A fee of ((\$5)) <u>\$10</u> per infraction. Under no circumstances shall this fee be reduced or waived. Revenue from this fee shall be forwarded to the state treasurer for deposit in the traumatic brain injury account established in RCW 74.31.060.

(8)(a) In addition to any other penalties imposed under this section and not subject to the limitation of subsection (1) of this section, a person found to have committed a traffic infraction other than of RCW 46.61.527 or 46.61.212 shall be assessed an additional penalty of \$24. The court may not reduce, waive, or suspend the additional penalty unless the court finds the offender to be indigent. If a court authorized community restitution program for offenders is available in the jurisdiction, the court shall allow offenders to offset all or a part of the penalty due under this subsection (8) by participation in the court authorized community restitution program.

(b) \$12.50 of the additional penalty under (a) of this subsection shall be remitted to the state treasurer. The remaining revenue from the additional penalty must be remitted under chapters 2.08, 3.46, 3.50, 3.62, 10.82, and 35.20 RCW. Money remitted under this subsection to the state treasurer must be deposited as follows: \$8.50 in the state general fund and \$4 in the driver

licensing technology support account created under RCW 46.68.067. The moneys deposited into the driver licensing technology support account must be used to support information technology systems used by the department to communicate with the judicial information system, manage driving records, and implement court orders. The balance of the revenue received by the county or city treasurer under this subsection must be deposited into the county or city current expense fund. Moneys retained by the city or county under this subsection shall constitute reimbursement for any liabilities under RCW 43.135.060.

(9) If a legal proceeding, such as garnishment, has commenced to collect any delinquent amount owed by the person for any penalty imposed by the court under this section, the person may request a payment plan pursuant to RCW 46.63.190.

(10) The monetary penalty for violating RCW 46.37.395 is: (a) \$250 for the first violation; (b) \$500 for the second violation; and (c) \$750 for each violation thereafter.

(11) The additional monetary penalty for a violation of RCW 46.20.500 is not subject to assessments or fees provided under this section.

(12) The additional monetary fine for a violation of RCW 46.61.110, 46.61.145, 46.61.180, 46.61.185, 46.61.190, and 46.61.205 is not subject to assessments or fees provided under this section.

(13) The additional monetary penalties for a violation of RCW 46.61.165 are not subject to assessments or fees provided under this section.

(14) The monetary penalty for a violation of RCW 46.63.200 is not subject to assessments or fees provided under this section.

Sec. 3. RCW 74.31.040 and 2011 c 143 s 4 are each amended to read as follows:

In collaboration with the council, the department shall conduct a public awareness campaign that utilizes funding from the traumatic brain injury account to leverage a private advertising campaign to persuade Washington residents to be aware and concerned about the issues facing individuals with traumatic brain injuries through all forms of media including <u>internet</u>, television, radio, and print. The public awareness campaign must also include information on the availability and benefits of in-person peer support groups, community integration programs, and other services designed to assist individuals with traumatic brain injuries and their families.

Sec. 4. RCW 74.31.050 and 2011 c 143 s 5 are each amended to read as follows:

(1) The department shall provide funding from the traumatic brain injury account established by RCW 74.31.060 to programs that facilitate support groups to individuals with traumatic brain injuries and their families.

(2) The department shall use a request for proposal process to select the programs to receive funding. The council shall provide recommendations to the department on the criteria to be used in selecting the programs.

(3) At least 30 percent of the annual expenditures from the traumatic brain injury account must be allocated to in-person support groups and community integration activities. The department shall ensure that funds dedicated to inperson support groups, the expansion of structured programs that facilitate direct

peer-to-peer connection for individuals and family members impacted by traumatic brain injuries, and community integration programs prioritize peer engagement and are not disproportionately allocated to virtual-only support structures or other department-affiliated programs that do not. The council shall review and approve annual funding proposals for in-person support and community integration programs to ensure transparency and adherence to legislative intent. The department shall make every effort to disburse the incremental revenue that is the result of the fee under RCW 46.63.110(7)(c) or federal funds under RCW 74.31.060(2) in a diverse manner to include rural areas of the state.

Sec. 5. RCW 74.31.060 and 2019 c 181 s 2 are each amended to read as follows:

(1) The traumatic brain injury account is created in the state treasury. The fee imposed under RCW 46.63.110(7)(c) must be deposited into the account. Moneys in the account may be spent only after appropriation, and may be used only to support the activities in the statewide traumatic brain injury comprehensive plan, to provide a public awareness campaign and services relating to traumatic brain injury under RCW 74.31.040 and 74.31.050, for information and referral services, and for costs of required department staff who are providing support for the council under RCW 74.31.020 and 74.31.030. Additionally, at least 30 percent of the annual expenditures from the account must be for in-person support groups and community integration activities that promote social connections between individuals impacted by traumatic brain injury. The secretary of the department of social and health services ((has the authority to)) shall administer the funds in alignment with the priorities outlined in this section and ensure compliance with all allocation requirements. The department must make every effort to disburse the incremental revenue that is the result of the fee increased under RCW 46.63.110(7)(c) in a diverse manner to include rural areas of the state.

(2) The department shall proactively seek, apply for, and secure federal funding opportunities, including but not limited to grants available through the administration for community living and other federal programs. These efforts must be conducted in coordination with the council and in alignment with the council's mission and priorities. Federal funds obtained pursuant to this subsection must supplement the fee amounts collected pursuant to RCW 46.63.110(7)(c) and must be deposited into the traumatic brain injury account. The department shall ensure that any federal funds received enhance, rather than supplant, existing state funding dedicated to in-person support groups, community integration activities, and peer-to-peer recovery initiatives.

(3) A minimum of 30 percent of the annual fee revenue collected under RCW 46.63.110(7)(c) must be used exclusively for:

(a) Establishing and maintaining peer led and community-based in-person support groups for individuals with a traumatic brain injury and their families;

(b) Developing structured skills-building programs designed to promote social integration and functional recovery for individuals of all ages, including pediatric-focused initiatives;

(c) Supporting initiatives that provide direct peer-to-peer mentoring and navigation assistance for newly injured individuals and their families, including hospital-to-community transition support; and

(d) Ensuring equitable access to support groups and community-based programs across urban and rural regions.

Passed by the House April 18, 2025. Passed by the Senate April 26, 2025. Approved by the Governor May 19, 2025. Filed in Office of Secretary of State May 20, 2025.

CHAPTER 365

[Engrossed Substitute House Bill 1902] TRANSPORTATION PROJECT PERMITTING—WORK GROUP

AN ACT Relating to convening a work group regarding the streamlining of permitting for transportation projects; creating a new section; and providing an expiration date.

Be it enacted by the Legislature of the State of Washington:

<u>NEW SECTION.</u> Sec. 1. (1) The department of transportation, in consultation with the department of ecology, shall convene a work group to develop recommendations to streamline the permitting of transportation projects, by aligning priorities, legal requirements, timelines, processing, and interests, in permitting. The work group shall designate the entity or entities responsible for the implementation of each recommendation, including the entity primarily responsible for the implementation of each recommendation.

(2) The work group shall consist of the following members:

(a) One representative from the department of transportation, to be appointed by the secretary of the department;

(b) One representative from the department of ecology, to be appointed by the director of the department;

(c) One representative from the department of fish and wildlife, to be appointed by the director of the department;

(d) One representative from the department of commerce, to be appointed by the director of the department;

(e) One representative from the office of equity, to be appointed by the director of the office;

(f) One representative from the association of Washington cities;

(g) One representative from the Washington state association of counties;

(h) One representative from the Washington public ports association;

(i) One representative from an organization representing general contractors;

(j) One representative from a statewide organization representing construction trades labor;

(k) One representative from the Washington state transit association;

(1) One representative from the United States army corps of engineers, to be invited by the secretary of the department of transportation;

(m) One representative of the consultant engineering community; and

(n) At least one, but not limited to, representative from tribes, and additional coordination from the governor's office of Indian affairs.

(3) The work group shall develop recommendations to reduce project costs and the time required from project conception to project completion. These recommendations must ensure that all appropriate environmental and regulatory protections are maintained.

(4) Staff support to the work group must be provided by the department of transportation.

(5) The work group shall convene its first meeting by October 1, 2025, and shall submit an interim report to the legislature by January 1, 2026, outlining its work to date, along with information on any permits or processes the work group may focus on during the course of their work, and a final report to the legislature detailing its work and any recommendations, including any recommendations for legislation, by November 1, 2026.

(6) This section expires December 31, 2026.

Passed by the House April 24, 2025. Passed by the Senate April 16, 2025. Approved by the Governor May 19, 2025. Filed in Office of Secretary of State May 20, 2025.

CHAPTER 366

[Substitute House Bill 2047]

WASHINGTON EMPLOYEE OWNERSHIP PROGRAM-EXPIRATION

AN ACT Relating to eliminating the Washington employee ownership program; amending RCW 82.04.4488, 43.330.590, 43.330.592, and 43.330.595; and providing expiration dates.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 82.04.4488 and 2023 c 392 s 5 are each amended to read as follows:

(1) Beginning July 1, 2024, in computing the tax imposed under this chapter, a credit is allowed for costs related to converting a qualifying business to a worker-owned cooperative, employee ownership trust, or an employee stock ownership plan, as provided in this section.

(2) The credit is equal to:

(a) Up to 50 percent of the conversion costs, not to exceed \$25,000, incurred by a qualified business for converting the qualified business to a worker-owned cooperative or an employee ownership trust; or

(b) Up to 50 percent of the conversion costs, not to exceed \$100,000, incurred by a qualified business for converting the qualified business to an employee stock ownership plan.

(3)(a) Credit under this section is earned, and claimed against taxes due under this chapter, for the tax reporting period in which the conversion to a worker-owned cooperative, employee ownership trust, or an employee stock ownership plan is complete, or subsequent tax reporting periods as provided in (c) of this subsection.

(b) The credit must not exceed the tax otherwise due under this chapter for the tax reporting period.

(c) Unused credit may be carried over and used in subsequent tax reporting periods, except that no credit may be claimed more than 12 months from the end of the tax reporting period in which the credit was earned.

(d) No refunds may be granted for credits under this section.

(4)(a) The total amount of credits authorized under this section may not exceed an annual statewide limit of \$2,000,000.

(b) Credits must be authorized on a first-in-time basis.

(c) No credit may be earned, during any calendar year, on or after the last day of the calendar month immediately following the month the department has determined that \$2,000,000 in credit has been earned.

(5)(a) The department may require persons claiming a credit under this section to provide appropriate documentation, in a manner as determined by the department, for the purposes of determining eligibility under this section.

(b) Every person claiming a credit under this section must preserve, for a period of five years, any documentation to substantiate the amount of credit claimed.

(6) For the purposes of this section:

(a) "Conversion costs" means professional services, including accounting, legal, and business advisory services, as detailed in the guidelines issued by the department, for: (i) A feasibility study or other preliminary assessments regarding a transition of a business to an employee stock ownership plan, a worker-owned cooperative, or an employee ownership trust; or (ii) the transition of a business to an employee stock ownership plan, a worker-owned cooperative, or an employee stock ownership plan, a worker-owned cooperative, or an employee stock ownership plan, a worker-owned cooperative, or an employee stock ownership plan, a worker-owned cooperative, or an employee stock ownership plan, a worker-owned cooperative, or an employee stock ownership plan, a worker-owned cooperative, or an employee stock ownership plan, a worker-owned cooperative, or an employee stock ownership plan, a worker-owned cooperative, or an employee stock ownership plan, a worker-owned cooperative, or an employee stock ownership plan, a worker-owned cooperative, or an employee stock ownership plan, a worker-owned cooperative, or an employee stock ownership plan, a worker-owned cooperative, or an employee stock ownership plan, a worker-owned cooperative, or an employee stock ownership plan, a worker-owned cooperative, or an employee stock ownership plan, a worker-owned cooperative, or an employee stock ownership plan, a worker-owned cooperative, or an employee stock ownership plan, a worker-owned cooperative, or an employee stock ownership plan, a worker-owned cooperative, or an employee stock ownership plan, a worker-owned cooperative, or an employee stock ownership plan, a worker-owned cooperative, or an employee stock ownership plan, a worker-owned cooperative, or an employee stock ownership plan, a worker-owned cooperative, or an employee stock ownership plan,

(b) "Employee ownership trust" means an indirect form of employee ownership in which a trust holds a controlling stake in a qualified business and benefits all employees on an equal basis.

(c) "Employee stock ownership plan" has the same meaning as set forth in 26 U.S.C. Sec. 4975(e)(7), as of July 1, 2024.

(d) "Qualified business" means a person subject to tax under this chapter, including but not limited to a C corporation, S corporation, limited liability company, partnership, limited liability partnership, sole proprietorship, or other similar pass-through entity, that is not owned in whole or in part by an employee ownership trust, that does not have an employee stock ownership plan, or that is not, in whole or in part, a worker-owned cooperative, and that is approved by the department for the tax credit in this section.

(e) "Worker-owned cooperative" has the same meaning as set forth in 26 U.S.C. Sec. 1042(c)(2), as of July 1, 2024, or such subsequent dates as may be provided by rule by the department, consistent with the purposes of this section.

(7) Credits allowed under this section can be earned for tax reporting periods starting on or before June 30, $((\frac{2029}{2}))$ 2025. No credits can be claimed on returns filed for tax periods starting on or after July 1, $((\frac{2030}{2}))$ 2026.

(8) This section expires July 1, ((2030)) <u>2026</u>.

Sec. 2. RCW 43.330.590 and 2023 c 392 s 2 are each amended to read as follows:

(1) ((The)) Subject to the availability of amounts appropriated for this specific purpose, the Washington employee ownership program is created to support the efforts of businesses considering a sale to an employee ownership structure. The Washington employee ownership program must be administered by the department and overseen by the Washington employee ownership commission established in RCW 43.330.592.

(2)(a) In implementing the Washington employee ownership program, the director must:

(i) Create a network of technical support and service providers for businesses considering employee ownership structures;

(ii) Work with state agencies whose regulations and programs affect employee-owned businesses, and businesses with the potential to become employee owned, to enhance opportunities and reduce barriers;

(iii) Partner with relevant private, nonprofit, and public organizations including, but not limited to, professional and trade associations, financial institutions, unions, small business development centers, economic and workforce development organizations, and nonprofit entities to promote employee ownership benefits and succession models;

(iv) Develop and make available materials regarding employee ownership benefits and succession models;

(v) Provide a referral service to help qualified business owners find appropriate legal, financial, and technical employee ownership resources and services;

(vi) Work with the department of financial institutions and appropriate state, private, and nonprofit entities to shape and implement guidance on lending to broad-based employee ownership vehicles;

(vii) Create an inventory of employee-owned businesses in the state including employee stock ownership plans, worker cooperatives, and employee ownership trusts; and

(viii) Subject to the successful award of federal funding for this purpose, establish a revolving loan program to assist existing small businesses to finance a transition to employee ownership.

(b) Loans offered by the revolving loan program must be used to help facilitate the purchase of an interest in an employee stock ownership plan or worker-owned cooperative from the owner or owners of a qualified business, provided that:

(i) The transaction results in the employee stock ownership plan or worker cooperative holding a majority interest in the business, on a fully diluted basis; and

(ii) If used to assist in the purchase of an interest in an employee stock ownership plan, the employee stock ownership plan: (A) Has appointed an independent trustee; or (B) has, as a trustee, person, or entity, completed education on best practices for employee stock ownership plans.

(c) Loans financing the sale of an interest to a worker cooperative shall be extended based on repayment ability and shall not require a personal or entity guarantee. In meeting the requirement in (b) of this subsection, lending guidelines must be established for worker cooperatives not based on any personal or entity guarantees provided by the member owners or the selling business owner. These guidelines may include but are not limited to cash flowbased underwriting, character-based lending, and reliance on business assets.

(d) In order to support the revolving loan program, the director or the director's designee must apply for federal funding opportunities that:

(i) Support capitalization of state revolving loan programs; and

(ii) Support businesses that seek to transition to employee ownership.

(e) Amounts from the repayment of loans offered by the revolving loan program must be deposited in the employee ownership revolving loan program account established in RCW 43.330.595.

(3) The director or the director's designee may contract with consultants, agents, or advisors necessary to further the purposes of this section.

(4) ((By)) Subject to the availability of amounts appropriated for this specific purpose, by December 1st each year, the department must submit a report to the appropriate committees of the legislature on program activities and the number of employee-owned businesses and employee-owned trusts in the state, including recommendations for improvement and barriers for businesses considering employee ownership structures in Washington state. The first report must include rules and guidelines for the administration of the program, as established by the Washington employee ownership commission.

(5) For the purposes of this section:

(a) "Employee-owned business" means:

(i) An employee cooperative established under chapter 23.78, 23.86, 23.100, or 24.06 RCW that has at least 50 percent of its board of directors consisting of, and elected by, its employees; or

(ii) An entity owned in whole or in part by employee stock ownership plans as defined in 26 U.S.C. Sec. 4975(e)(7).

(b) "Qualified business" means a person subject to tax under Title 82 RCW, including but not limited to a C corporation, S corporation, limited liability company, partnership, limited liability partnership, sole proprietorship, or other similar pass-through entity, that is not owned in whole or in part by an employee ownership trust, that does not have an employee stock ownership plan, or that is not, in whole or in part, a worker-owned cooperative.

(6) Program support shall only be made available to businesses headquartered in Washington state. For the purposes of this section, "headquartered in Washington state" means that Washington state is its principal place of business or the state where it is incorporated.

(7) The director shall adopt rules as necessary to implement this section.

(8) This section expires June 30, 2030.

Sec. 3. RCW 43.330.592 and 2023 c 392 s 3 are each amended to read as follows:

(1) ((The)) Subject to the availability of amounts appropriated for this specific purpose, the Washington employee ownership commission is hereby created to exercise the powers in developing and supervising the program created in RCW 43.330.590.

(2) The commission shall consist of:

(a) One member from each of the two major caucuses of the house of representatives to be appointed by the speaker of the house and one member from each of the two major caucuses of the senate to be appointed by the president of the senate. The initial term shall be two years; and

(b) The following members appointed by the governor:

(i) Five members who represent the private sector or professional organizations as follows:

(A) One representative of a worker cooperative business. The initial term shall be four years;

(B) One representative of an employee stock ownership plan business. The initial term shall be four years;

(C) One representative from a statewide business association. The initial term shall be two years;

(D) One economic development expert, from the private sector, with employee ownership knowledge and experience. The initial term shall be four years; and

(E) One representative from a financial institution with expertise in assisting businesses transitioning into an employee ownership structure. The initial term shall be two years; and

(ii) Two members who represent the public sector as follows:

(A) One economic development expert, from the public sector. The initial term shall be four years; and

(B) One representative from the department of commerce, who will chair the first meeting prior to the election of the chair. The initial term shall be four years.

(3) After the initial term of appointment, all members shall serve terms of four years and shall hold office until successors are appointed.

(4) The commission shall be led by a chair selected and voted on by members of the commission. The chair shall serve a one-year term but may serve more than one term if selected to do so by members of the commission.

(5) The commission shall develop, in consultation with the director, rules and guidelines to administer the program. Rules and guidelines for the administration of the program must be included in the first report to the legislature required in RCW 43.330.590.

(6) Before making any appointments to the commission, the governor must seek nominations from recognized organizations that represent the entities or interests identified in this section. The governor must select appointees to represent private sector industries from a list of three nominations provided by the trade associations representing the industry, unless no names are put forth by the trade associations.

(7) The commission shall conduct market research for the purposes of, or to support, a future application to the federal government for a program to assist in the purchase of an interest in an employee stock ownership plan qualifying under section 401 of the internal revenue code, worker cooperative, or related broad-based employee ownership vehicle.

(8) For purposes of this section, a "professional organization" includes an entity whose members are engaged in a particular lawful vocation, occupation, or field of activity of a specialized nature including, but not limited to, associations, boards, educational institutions, and nonprofit organizations.

(9) This section expires June 30, 2030.

Sec. 4. RCW 43.330.595 and 2023 c 392 s 6 are each amended to read as follows:

(1) The employee ownership revolving loan program account is created in the custody of the state treasury. All transfers and appropriations by the legislature, repayments of loans, private contributions, and all other sources must be deposited into the account. Expenditures from the account may be used only for the purposes of the Washington employee ownership program created in RCW 43.330.590. Only the director or the director's designee may authorize expenditures from the account. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

(2) This section expires June 30, 2030.

Passed by the House April 26, 2025. Passed by the Senate April 26, 2025. Approved by the Governor May 19, 2025. Filed in Office of Secretary of State May 20, 2025.

CHAPTER 367

[Substitute House Bill 2051]

DIFFICULT TO DISCHARGE MEDICAID PATIENTS-ACUTE CARE HOSPITALS-BILLING

AN ACT Relating to payment to acute care hospitals for difficult to discharge medicaid patients; and reenacting and amending RCW 74.09.520.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 74.09.520 and 2023 c 315 s 1 and 2023 c 299 s 1 are each reenacted and amended to read as follows:

(1) The term "medical assistance" may include the following care and services subject to rules adopted by the authority or department: (a) Inpatient hospital services; (b) outpatient hospital services; (c) other laboratory and X-ray services; (d) nursing facility services; (e) physicians' services, which shall include prescribed medication and instruction on birth control devices; (f) medical care, or any other type of remedial care as may be established by the secretary or director; (g) home health care services; (h) private duty nursing services; (i) dental services; (j) physical and occupational therapy and related services; (k) prescribed drugs, dentures, and prosthetic devices; and eyeglasses prescribed by a physician skilled in diseases of the eye or by an optometrist, whichever the individual may select; (1) personal care services, as provided in this section; (m) hospice services; (n) other diagnostic, screening, preventive, and rehabilitative services; and (o) like services when furnished to a child by a school district in a manner consistent with the requirements of this chapter. For the purposes of this section, neither the authority nor the department may cut off any prescription medications, oxygen supplies, respiratory services, or other lifesustaining medical services or supplies.

"Medical assistance," notwithstanding any other provision of law, shall not include routine foot care, or dental services delivered by any health care provider, that are not mandated by Title XIX of the social security act unless there is a specific appropriation for these services.

(2) The department shall adopt, amend, or rescind such administrative rules as are necessary to ensure that Title XIX personal care services are provided to eligible persons in conformance with federal regulations.

(a) These administrative rules shall include financial eligibility indexed according to the requirements of the social security act providing for medicaid eligibility.

(b) The rules shall require clients be assessed as having a medical condition requiring assistance with personal care tasks. Plans of care for clients requiring health-related consultation for assessment and service planning may be reviewed by a nurse.

(c) The department shall determine by rule which clients have a healthrelated assessment or service planning need requiring registered nurse consultation or review. This definition may include clients that meet indicators or protocols for review, consultation, or visit.

(3) The department shall design and implement a means to assess the level of functional disability of persons eligible for personal care services under this section. The personal care services benefit shall be provided to the extent funding is available according to the assessed level of functional disability. Any reductions in services made necessary for funding reasons should be accomplished in a manner that assures that priority for maintaining services is given to persons with the greatest need as determined by the assessment of functional disability.

(4) Effective July 1, 1989, the authority shall offer hospice services in accordance with available funds.

(5) For Title XIX personal care services administered by the department, the department shall contract with area agencies on aging or may contract with a federally recognized Indian tribe under RCW 74.39A.090(3):

(a) To provide case management services to individuals receiving Title XIX personal care services in their own home; and

(b) To reassess and reauthorize Title XIX personal care services or other home and community services as defined in RCW 74.39A.009 in home or in other settings for individuals consistent with the intent of this section:

(i) Who have been initially authorized by the department to receive Title XIX personal care services or other home and community services as defined in RCW 74.39A.009; and

(ii) Who, at the time of reassessment and reauthorization, are receiving such services in their own home.

(6) In the event that an area agency on aging or federally recognized Indian tribe is unwilling to enter into or satisfactorily fulfill a contract or an individual consumer's need for case management services will be met through an alternative delivery system, the department is authorized to:

(a) Obtain the services through competitive bid; and

(b) Provide the services directly until a qualified contractor can be found.

(7) Subject to the availability of amounts appropriated for this specific purpose, the authority may offer medicare part D prescription drug copayment coverage to full benefit dual eligible beneficiaries.

(8) Effective January 1, 2016, the authority shall require universal screening and provider payment for autism and developmental delays as recommended by the bright futures guidelines of the American academy of pediatrics, as they existed on August 27, 2015. This requirement is subject to the availability of funds.

(9) Subject to the availability of amounts appropriated for this specific purpose, effective January 1, 2018, the authority shall require provider payment for annual depression screening for youth ages twelve through eighteen as recommended by the bright futures guidelines of the American academy of pediatrics, as they existed on January 1, 2017. Providers may include, but are not limited to, primary care providers, public health nurses, and other providers in a clinical setting. This requirement is subject to the availability of funds appropriated for this specific purpose.

(10) Subject to the availability of amounts appropriated for this specific purpose, effective January 1, 2018, the authority shall require provider payment

for maternal depression screening for mothers of children ages birth to six months. This requirement is subject to the availability of funds appropriated for this specific purpose.

(11) Subject to the availability of amounts appropriated for this specific purpose, the authority shall:

(a) Allow otherwise eligible reimbursement for the following related to mental health assessment and diagnosis of children from birth through five years of age:

(i) Up to five sessions for purposes of intake and assessment, if necessary;

(ii) Assessments in home or community settings, including reimbursement for provider travel; and

(b) Require providers to use the current version of the DC:0-5 diagnostic classification system for mental health assessment and diagnosis of children from birth through five years of age.

(12) Effective January 1, 2024, the authority shall require coverage for noninvasive preventive colorectal cancer screening tests assigned either a grade of A or grade of B by the United States preventive services task force and shall require coverage for colonoscopies performed as a result of a positive result from such a test.

(13)(a) The authority shall require or provide payment to the hospital for any day of a hospital stay in which an adult or child patient enrolled in medical assistance, including home and community services or with a medicaid managed care organization, under this chapter:

(i) Does not meet the criteria for acute inpatient level of care as defined by the authority;

(ii) Meets the criteria for discharge, as defined by the authority or department, to any appropriate placement including, but not limited to:

(A) A nursing home licensed under chapter 18.51 RCW;

(B) An assisted living facility licensed under chapter 18.20 RCW;

(C) An adult family home licensed under chapter 70.128 RCW; or

(D) A setting in which residential services are provided or funded by the developmental disabilities administration of the department, including supported living as defined in RCW 71A.10.020; and

(iii) Is not discharged from the hospital because placement in the appropriate location described in (a)(ii) of this subsection is not available.

(b) ((The authority shall adopt rules identifying which services are included in the payment described in (a) of this subsection and which services may be billed separately, including specific revenue codes or services required on the inpatient claim.

(c) Allowable medically necessary services performed during a stay described in (a) of this subsection shall be billed by and paid to the hospital separately. Such services may include but are not limited to hemodialysis, laboratory charges, and x-rays.

(d))) Pharmacy services and pharmaceuticals shall be billed by and paid to the hospital separately.

(((e))) (c) The requirements of this subsection do not alter requirements for billing or payment for inpatient care.

(((f))) (d) The authority shall adopt, amend, or rescind such administrative rules as necessary to facilitate calculation and payment of the amounts described in this subsection, including for clients of medicaid managed care organizations.

 $((\frac{e}{2}))$ (e) The authority shall adopt rules requiring medicaid managed care organizations to establish specific and uniform administrative and review processes for payment under this subsection.

 $(((\frac{h})))$ (f) For patients meeting the criteria in (a)(ii)(A) of this subsection, hospitals must utilize swing beds or skilled nursing beds to the extent the services are available within their facility and the associated reimbursement methodology prior to the billing under the methodology in (a) of this subsection, if the hospital determines that such swing bed or skilled nursing bed placement is appropriate for the patient's care needs, the patient is appropriate for the existing patient mix, and appropriate staffing is available.

Passed by the House April 17, 2025. Passed by the Senate April 26, 2025. Approved by the Governor May 19, 2025. Filed in Office of Secretary of State May 20, 2025.

CHAPTER 368

[Engrossed Second Substitute Senate Bill 5263] SPECIAL EDUCATION—FUNDING AND STATEWIDE ACTIVITIES

AN ACT Relating to special education funding; amending RCW 28A.150.390, 43.216.580, 28A.150.392, and 28A.150.560; adding new sections to chapter 28A.155 RCW; adding a new section to chapter 28A.150 RCW; creating a new section; and providing an effective date.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 28A.150.390 and 2024 c 229 s 1 are each amended to read as follows:

(1) The superintendent of public instruction shall submit to each regular session of the legislature during an odd-numbered year a programmed budget request for special education programs for students with disabilities. Funding for programs operated by local school districts shall be on an excess cost basis from appropriations provided by the legislature for special education programs for students with disabilities and shall take account of state funds accruing through RCW 28A.150.260 (4)(a), (5), (6), and (8) and 28A.150.415.

(2) The excess cost allocation to school districts shall be based on the following:

(a) A district's annual average head count enrollment of students ages three and four and those five year olds not yet enrolled in kindergarten who are eligible for and receiving special education, multiplied by the district's base allocation per full-time equivalent student, multiplied by 1.2;

(b)(((i) Subject to the limitation in (b)(ii) of this subsection (2), a)) <u>A</u> district's annual average enrollment of resident students who are eligible for and receiving special education, excluding students ages three and four and those five year olds not yet enrolled in kindergarten, multiplied by the district's base allocation per full-time equivalent student, multiplied by the special education cost multiplier rate of((\div

(A) Beginning in the 2020-21 school year, either:

(I) 1.0075 for students eligible for and receiving special education and reported to be in the general education setting for 80 percent or more of the school day; or

(II) 0.995 for students eligible for and receiving special education and reported to be in the general education setting for less than 80 percent of the school day;

(B) Beginning in the 2023-24 school year, either:

(I) 1.12 for students eligible for and receiving special education and reported to be in the general education setting for 80 percent or more of the school day; or

(II) 1.06 for students eligible for and receiving special education and reported to be in the general education setting for less than 80 percent of the school day.

(ii) If the enrollment percent exceeds 16 percent, the excess cost allocation ealculated under (b)(i) of this subsection must be adjusted by multiplying the allocation by 16 percent divided by the enrollment percent) 1.16.

(3) The superintendent of public instruction may reserve amounts up to 0.006 of the funding generated under subsection (2) of this section for statewide special education activities under section 2 of this act.

(4) As used in this section((÷

(a) "Base)), "base allocation" means the total state allocation to all schools in the district generated by the distribution formula under RCW 28A.150.260 (4)(a), (5), (6), and (8) and the allocation under RCW 28A.150.415, to be divided by the district's full-time equivalent enrollment.

(((b) "Basic education enrollment" means enrollment of resident students including nonresident students enrolled under RCW 28A.225.225 and students from nonhigh districts enrolled under RCW 28A.225.210 and excluding students residing in another district enrolled as part of an interdistrict cooperative program under RCW 28A.225.250.

(c) "Enrollment percent" means the district's resident annual average enrollment of students who are eligible for and receiving special education, excluding students ages three and four and those five year olds not yet enrolled in kindergarten and students enrolled in institutional education programs, as a percent of the district's annual average full-time equivalent basic education enrollment.))

<u>NEW SECTION.</u> Sec. 2. A new section is added to chapter 28A.155 RCW to read as follows:

(1) The superintendent of public instruction shall engage in statewide special education activities to support students receiving special education services.

(a) The statewide activities must include:

(i) Annually reviewing data from local education agencies, including the percentage of students receiving special education services, to ensure there is not a disproportionate identification of students, as defined by the superintendent of public instruction in accordance with federal requirements of the individuals with disabilities education act, 20 U.S.C. Sec. 1400;

(ii) Providing technical assistance to school districts with disproportionate data;

(iii) Requiring districts with disproportionate data to complete and submit to the office of the superintendent of public instruction a self-assessment that includes an audit of student evaluations and individualized education programs;

(iv) Implementing follow-up actions based on the results of the self-assessment required in (a)(iii) of this subsection if determined necessary; and

(v) Developing and maintaining a statewide online system for individualized education programs as directed under section 3 of this act.

(b) The statewide activities may include:

(i) Providing professional development in inclusionary practices to local education agencies, schools, and community partners in promoting inclusionary teaching practices within a multitiered system of supports framework to help safeguard against over-identification and other issues related to disproportionality; and

(ii) Providing a funding match to local education agencies that opt to allocate federal funding for coordinated, early intervening services per 34 C.F.R. Sec. 300.226.

(2) The superintendent of public instruction shall annually report to the education committees of the legislature, in accordance with RCW 43.01.036, by December 1st on the statewide activities funded under RCW 28A.150.390(3). The 2025 and 2026 annual reports must include an update on the impact of removing the cap on the special education enrollment percentage, including the impact on safety net needs.

<u>NEW SECTION.</u> Sec. 3. A new section is added to chapter 28A.155 RCW to read as follows:

(1) The superintendent of public instruction shall develop and maintain a statewide online system for individualized education programs. In developing and implementing the online system, the superintendent of public instruction must collaborate with educational service districts or an information processing cooperative established under chapter 28A.310 RCW by agreement pursuant to chapter 39.34 RCW. The superintendent may delegate implementation of the online system as authorized under RCW 28A.310.470.

(2) The purpose of the online system is to:

(a) Provide a uniform, centralized platform for creating and managing individualized education programs;

(b) Ensure compliance with federal and state special education requirements;

(c) Improve the efficiency and effectiveness of individualized education program development and oversight; and

(d) Improve educator collaboration and serve as an instructional tool designed to improve educational outcomes by aligning individualized supports and services with evidence-based instructional practices.

(3) The online system must:

(a) Have a statewide model that is made available at no cost to school districts, charter schools established under chapter 28A.710 RCW, and state-tribal education compact schools subject to chapter 28A.715 RCW;

(b) Incorporate safeguards to protect confidential student information, including compliance with the federal family educational rights and privacy act and any other applicable privacy laws;

(c) Allow for secure, role-based access so that only authorized users may view or modify individualized education programs;

(d) Be able to integrate emerging technologies to continually enhance its functionality and effectiveness;

(e) Ensure that individualized education programs can show evidence of access to grade-level standards, reasonable progress, improved student outcomes, and students' strengths and needs;

(f) Include integrated language support and translation services;

(g) Allow for robust family engagement, including access to information about student progress that includes both qualitative and quantitative data and that provides information about how individualized education program goals connect to grade-level standards; and

(h) Comply with applicable state and federal accessibility standards.

(4) The superintendent of public instruction shall ensure statewide professional development opportunities are available to educators, administrators, and families to support the effective use and implementation of the statewide online system for individualized education programs, including targeted technical assistance.

<u>NEW SECTION.</u> Sec. 4. A new section is added to chapter 28A.150 RCW to read as follows:

(1) Subject to availability of amounts appropriated for this specific purpose, the office of the superintendent of public instruction must award grants to up to 20 pilot schools to support school-wide centers of excellence for inclusionary practices. School districts may apply for grant funding on behalf of a school within their district. The selected schools will generate a grant equivalent to the amount needed to bring the school to a multiplier of 1.5 for all students eligible for, and receiving special education in, the school in each school year over a four-year period. Grant amounts provided in this section must be spent on qualifying expenses for special education programs for students with disabilities.

(2) The superintendent of public instruction must select grant recipients based on the criteria in this subsection (2). Selected pilot schools must be diverse geographically and in size of enrollment. Successful school applicants must:

(a) Demonstrate engaged and committed school leadership and faculty in support of inclusionary practices, which may include, but are not limited to, the following practices:

(i) A willingness to make master schedule changes to allow for common collaboration time;

(ii) A plan for transformational change in building practices in support of inclusion;

(iii) Broadly communicating a commitment to the shift in practices; and

(iv) A commitment to, and understanding of, universal design for learning;

(b) Demonstrate that all school staff, including classified staff, are appropriately trained in inclusionary practices or submit a plan for all staff to obtain the appropriate training by the end of the following school year;

(c) Provide data demonstrating the school's existing success in inclusionary practices or recent improvements in inclusionary practices; and

(d) Describe how staff training and support in inclusionary practices will be sustained after initial training is provided.

(3) Beginning December 1, 2026, and annually thereafter, the office of the superintendent of public instruction shall submit a report to the appropriate committees of the legislature on the grant program. The report must include, at a minimum:

(a) A list of the grant recipients from the previous school year;

(b) The additional funding provided to each grant recipient as required in subsection (1) of this section; and

(c) The effectiveness of the grant funds in increasing staff training in inclusionary practices and improving student outcomes.

(4) The funding provided under this section is not part of the state's statutory program of basic education.

Sec. 5. RCW 43.216.580 and 2024 c 284 s 1 are each amended to read as follows:

(1) The department is the state lead agency for Part C of the federal individuals with disabilities education act. The department shall administer the early support for infants and toddlers program, to provide early intervention services to all eligible children with disabilities from birth to three years of age. Eligibility shall be determined according to Part C of the federal individuals with disabilities education act or other applicable federal and state laws, and as specified in the Washington Administrative Code adopted by the department. Services provided under this section shall not supplant services or funding currently provided in the state for early intervention services to eligible children with disabilities from birth to three years of age.

(2)(a) Funding for the early support for infants and toddlers program shall be appropriated to the department based on the annual average head count of children ages birth to three who are eligible for and receiving early intervention services, multiplied by the total statewide allocation generated by the distribution formula under RCW 28A.150.260 (4)(a), (5), (6), and (8) and the allocation under RCW 28A.150.415, per the statewide full-time equivalent enrollment in common schools, multiplied by ((1-15)) the multiplier used in RCW 28A.150.390(2)(a).

(b) The department shall distribute funds to early intervention services providers, and, when appropriate, to county lead agencies.

(c) For the purposes of this subsection (2), a child is receiving early intervention services if the child has received services within the same month as the monthly count day, which is the last business day of the month.

(3) Federal funds associated with Part C of the federal individuals with disabilities education act shall be subject to payor of last resort requirements pursuant to 34 C.F.R. Sec. 303.510 (2020) for birth-to-three early intervention services provided under this section.

(4) The services in this section are not part of the state's program of basic education pursuant to Article IX of the state Constitution.

Sec. 6. RCW 28A.150.392 and 2024 c 127 s 2 are each amended to read as follows:

(1)(a) To the extent necessary, funds shall be made available for safety net awards for districts with demonstrated needs for special education funding beyond the amounts provided through the special education funding formula under RCW 28A.150.390.

(b) If the federal safety net awards based on the federal eligibility threshold exceed the federal appropriation in any fiscal year, then the superintendent shall expend all available federal discretionary funds necessary to meet this need.

(2) Safety net funds shall be awarded by the state safety net oversight committee subject to the following conditions and limitations:

(a) The committee shall award additional funds for districts that can convincingly demonstrate that all legitimate expenditures for special education exceed all available revenues from state funding formulas. When determining award eligibility and amounts($(\frac{1}{1,1})$)_a the committee shall limit its review to relevant documentation that illustrates adherence to award criteria. The committee shall not make determinations regarding the content of individualized education programs beyond confirming documented and quantified services and evidence of corresponding expenditures for which a school district seeks reimbursement.

(b) In the determination of need, the committee shall consider additional available revenues from federal sources.

(c) Differences in program costs attributable to district philosophy, service delivery choice, or accounting practices are not a legitimate basis for safety net awards.

(d) In the determination of need, the committee shall require that districts demonstrate that they are maximizing their eligibility for all state revenues related to services for students eligible for special education and all federal revenues from federal impact aid, medicaid, and the individuals with disabilities education act-Part B and appropriate special projects. Awards associated with (e) ((and (f))) of this subsection shall not exceed the total of a district's specific determination of need.

(e) The committee shall then consider the extraordinary high cost needs of one or more individual students eligible for and receiving special education. Differences in costs attributable to district philosophy, service delivery choice, or accounting practices are not a legitimate basis for safety net awards.

(f) ((Using criteria developed by the committee, the committee shall then eonsider extraordinary costs associated with communities that draw a larger number of families with children in need of special education services, which may include consideration of proximity to group homes, military bases, and regional hospitals. Safety net awards under this subsection (2)(f) shall be adjusted to reflect amounts awarded under (e) of this subsection.

(g))) The committee shall then consider the extraordinary high cost needs of one or more individual students eligible for and receiving special education served in residential schools, programs for juveniles under the department of corrections, and programs for juveniles operated by city and county jails to the extent they are providing a secondary program of education.

 $((\frac{h}))$ (g) The maximum allowable indirect cost for calculating safety net eligibility may not exceed the federal restricted indirect cost rate for the district plus one percent.

(((i))) (h) Safety net awards shall be adjusted based on the percent of potential medicaid eligible students billed as calculated by the superintendent of public instruction in accordance with chapter 318, Laws of 1999.

 $(((\frac{1}{2})))$ (i) Safety net awards must be adjusted for any unresolved audit findings or exceptions related to special education funding. Safety net awards

may only be adjusted for errors in safety net applications or individualized education programs that materially affect the demonstration of need.

(3) The superintendent of public instruction shall adopt such rules and procedures as are necessary to administer the special education funding and safety net award process. By December 1, 2018, the superintendent shall review and revise the rules to achieve full and complete implementation of the requirements of this subsection and subsection (4) of this section including revisions to rules that provide additional flexibility to access community impact awards. Before revising any standards, procedures, or rules, the superintendent shall consult with the office of financial management and the fiscal committees of the legislature. In adopting and revising the rules, the superintendent shall ensure the application process to access safety net funding is streamlined, timelines for submission are not in conflict, feedback to school districts is timely and provides sufficient information to allow school districts to understand how to correct any deficiencies in a safety net application, and that there is consistency between awards approved by school district and by application period. The office of the superintendent of public instruction shall also provide technical assistance to school districts in preparing and submitting special education safety net applications.

(4)(a) On an annual basis, the superintendent shall survey districts regarding their satisfaction with the safety net process and consider feedback from districts to improve the safety net process. Each year by December 1st, the superintendent shall prepare and submit a report to the office of financial management and the appropriate policy and fiscal committees of the legislature that summarizes the survey results and those changes made to the safety net process as a result of the school district feedback.

(b) By December 1, 2024, the office of the superintendent of public instruction must develop a survey requesting specific feedback on the safety net application process from school districts with 3,000 or fewer students. The survey must include, at a minimum, questions regarding the average amount of time school district staff spend gathering safety net application data, filling out application forms, and correcting application deficiencies. The survey must also include questions to help identify which application components are the most challenging and time consuming for school districts to complete. By December 1, 2025, the office of the superintendent of public instruction must use this feedback to implement a simplified, standardized safety net application for all school districts that reduces barriers to safety net funding.

(5) The safety net oversight committee appointed by the superintendent of public instruction shall consist of:

(a) One staff member from the office of the superintendent of public instruction;

(b) Staff of the office of the state auditor who shall be nonvoting members of the committee; and

(c) One or more representatives from school districts or educational service districts knowledgeable of special education programs and funding.

(6)(((a))) <u>Beginning in the 2026-27 school year, the office of the superintendent of public instruction must distribute safety net awards to school districts on a quarterly basis if the following criteria are met:</u>

(a) The safety net award is provided for a high cost student who receives special education services from an authorized entity, as defined under RCW 28A.300.690, located outside of the state of Washington;

(b) The school district successfully applied for and received a safety net award for the high cost student in a prior school year and the student's placement has not changed since that safety net award was granted; and

(c) The school district meets all other safety net award eligibility requirements as determined by the safety net oversight committee.

(7) Beginning in the 2026-27 school year, the office of the superintendent of public instruction must distribute safety net awards to second-class school districts on a quarterly basis.

(8) Beginning in the $((\frac{2019-20}{2019-20}))$ 2025-26 school year, a high-need student is eligible for safety net awards from state funding under subsection (2)(e) and $((\frac{(g)}{200}))$ (f) of this section ((if the student's individualized education program costs exceed two and three-tenths times the average per-pupil expenditure as defined in Title 20 U.S.C. Sec. 7801, the every student succeeds act of 2015.

(b) Beginning in the 2023-24 school year, a high need student is eligible for safety net awards from state funding under subsection (2)(e) and (g) of this section)) if the student's individualized education program costs exceed:

 $((\frac{1}{2}))$ (a) 1.8 times the average per-pupil expenditure((;)) for school districts that meet any of the following criteria:

(i) The school district((s with)) has fewer than 1,000 full-time equivalent students;

(ii) ((2.2)) <u>The school district has a percentage of identified students as</u> defined in RCW 28A.235.300 of at least 60 percent; or

(iii) The school district has at least 60 percent of students enrolled in the transitional bilingual instructional program under chapter 28A.180 RCW.

(b) 2 times the average per-pupil expenditure((;)) for school districts ((with 1,000 or more full-time equivalent students)) that meet none of the criteria listed in (a) of this subsection.

(c) For purposes of (((b) of)) this subsection, "average per-pupil expenditure" has the same meaning as in 20 U.S.C. Sec. 7801, the every student succeeds act of 2015, and excludes safety net funding provided in this section.

Sec. 7. RCW 28A.150.560 and 2023 c 417 s 6 are each amended to read as follows:

(1) It is the policy of the state that for purposes of state funding allocations, students eligible for and receiving special education generate the full basic education allocation under RCW 28A.150.260 and, as a class, are to receive the benefits of this allocation for the entire school day, as defined in RCW 28A.150.203, whether the student is placed in the general education setting or another setting.

(2) The superintendent of public instruction shall develop an allocation and cost accounting methodology ((that ensures state general apportionment funding for students who receive their basic education services primarily in an alternative elassroom or setting are prorated and allocated to the special education program and accounted for before calculating special education excess costs)) to account for expenditures beyond amounts provided through the special education funding formula under RCW 28A.150.390. This method of accounting must shift 25 percent of a school district's base allocation as defined in RCW

28A.150.390 for students eligible for and receiving special education to the school district's special education program for expenditure.

(3) To the extent that a school district's special education program expenditures exceed state funding in a school year provided under RCW 28A.150.390 and 28A.150.392, and redirected general apportionment revenue under subsection (2) of this section, the school district must use the remaining portion of the school district's base allocation as defined in RCW 28A.150.390 for students eligible for and receiving special education for the expenditures prior to using other funding sources.

(4) Unless otherwise prohibited by law, nothing in this section prohibits school districts from using other funding and state allocations above the amounts provided under RCW 28A.150.390 and subsections (2) and (3) of this section to serve students eligible for and receiving special education.

(5) Nothing in this section requires districts to provide services in a manner inconsistent with the student's individualized education program or other than in the least restrictive environment as determined by the individualized education program team.

(((3))) (6) The superintendent of public instruction shall provide the legislature with an accounting of prorated general apportionment allocations provided to special education programs broken down by school district by January 1, 2024, and then every January 1st of odd-numbered years thereafter.

<u>NEW SECTION.</u> Sec. 8. Sections 1 and 5 of this act takes effect September 1, 2025.

<u>NEW SECTION.</u> Sec. 9. If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2025, in the omnibus appropriations act, this act is null and void.

Passed by the Senate April 25, 2025.

Passed by the House April 24, 2025.

Approved by the Governor May 19, 2025.

Filed in Office of Secretary of State May 20, 2025.

CHAPTER 369

[Engrossed Substitute House Bill 1296]

PUBLIC EDUCATION SYSTEM—RIGHTS

AN ACT Relating to promoting a safe and supportive public education system through student rights, parental and guardian rights, employee protections, and requirements for state and local education entities; amending RCW 28A.642.010, 28A.230.094, 43.06B.070, 28A.300.286, 28A.343.360, 28A.710.185, 28A.605.005, 28A.320.160, and 28A.400.317; adding a new section to chapter 28A.320 RCW; adding a new section to chapter 28A.642 RCW; adding a new section to chapter 28A.230 RCW; adding new section to chapter 28A.300 RCW; adding a new section to chapter 28A.410 RCW; adding a new section to chapter 28A.710 RCW; adding a new section to chapter 28A.710 RCW; adding a new section to chapter 28A.710 RCW; adding a new section to chapter 28A.400 RCW; creating new sections; providing an effective date; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

PART ONE

PROTECTION OF STUDENTS' SAFETY, EDUCATION ACCESS, AND PRIVACY

<u>NEW SECTION.</u> Sec. 101. A new section is added to chapter 28A.320 RCW to read as follows:

(1) It is the policy of the state of Washington that policies and procedures adopted by school districts under this title must prioritize the protection of every student's safety, access to an academic environment free of discrimination, access to the state's statutory program of basic education as defined in RCW 28A.150.203, and privacy, to the fullest extent possible, except as required by state or federal law. This policy serves as a supplement to school district policies and procedures established under this title, both before and after the effective date of this section, and must be considered an integral part of those school district policies and procedures.

(2) The office of the superintendent of public instruction shall develop technical assistance and related materials to assist school districts with the implementation of subsection (1) of this section. The assistance and related materials must include a summary of: The privacy rights of minors; and the licensure or other professional requirements for school district employment classifications, if any, related to protecting student privacy.

(3) The office of the superintendent of public instruction may enforce and obtain compliance with subsection (1) of this section by using the process established in section 303 of this act to the extent there is a valid complaint and subsequent finding of willful noncompliance with state law as defined in section 302 of this act.

(4) This section governs school operation and management under RCW 28A.710.040 and 28A.715.020, and applies to charter schools established under chapter 28A.710 RCW and state-tribal education compact schools subject to chapter 28A.715 RCW to the same extent as it applies to school districts.

<u>NEW SECTION.</u> Sec. 102. A new section is added to chapter 28A.642 RCW to read as follows:

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

(1) "Ethnicity" means a connection to a population group that shares a common cultural heritage or ancestry.

(2) "Gender expression" means the external appearance of one's gender identity, usually expressed through behavior, clothing, body characteristics, or voice, and which may or may not conform to socially defined behaviors and characteristics typically associated with being either masculine or feminine.

(3) "Gender identity" means a person's internal sense of being male, female, both, neither, or in-between, independent of how it is expressed or perceived by others.

(4) "Homelessness" means without a fixed, regular, and adequate nighttime residence, including circumstances such as sharing the housing of other persons due to loss of housing, economic hardship, fleeing domestic violence, or a similar reason as set forth in the federal McKinney-Vento homeless assistance act, 42 U.S.C. Sec. 11301 et seq.

(5) "Immigration or citizenship status" has the same meaning as defined in RCW 43.17.420.

(6) "Neurodivergence" means neurological differences including, but not limited to, autism spectrum disorder, dyslexia, and attention deficit hyperactivity disorder. Neurodivergent individuals may or may not identify as disabled.

(7) "Sexual orientation" means an individual's enduring pattern of romantic, emotional, or sexual attraction to people of the same gender, a different gender, or multiple genders.

Sec. 103. RCW 28A.642.010 and 2010 c 240 s 2 are each amended to read as follows:

Discrimination in Washington public schools on the basis of race, <u>ethnicity</u>, creed, religion, color, national origin, honorably discharged veteran or military status, sexual orientation ((<u>ineluding</u>)), gender expression ((or)), gender identity, <u>homelessness</u>, <u>immigration or citizenship status</u>, the presence of any sensory, mental, or physical disability, <u>neurodivergence</u>, or the use of a trained dog guide or service animal by a person with a disability is prohibited. The definitions given these terms in chapter 49.60 RCW apply throughout this chapter <u>except as provided in section 102 of this act and</u> unless the context clearly requires otherwise.

PART TWO

THE STATEMENT OF STUDENT RIGHTS

<u>NEW SECTION.</u> Sec. 201. (1) The legislature finds that public education is a cornerstone of a healthy, diverse, and productive society.

(2) Article IX of the state Constitution requires the state to make ample provision for the education of all children residing within its borders. This requirement recognizes that public schools are foundational to our democracy, working in partnership with families and communities to shape the next generation of leaders into respectful and engaged critical thinkers, resulting in economic prosperity and innovation for the state and its residents.

(3) In recognition of the role that public education can play in providing students with information about their rights and about how to employ their rights for the betterment of education and society, the legislature intends to require each school district, charter school, and state-tribal education compact school to develop student-focused educational and promotional materials, for communication and classroom use, that incorporate the statement of student rights established in section 202 of this act.

<u>NEW SECTION.</u> Sec. 202. A new section is added to chapter 28A.230 RCW to read as follows:

(1)(a)(i) Each school district, charter school, and state-tribal education compact school shall develop student-focused educational and promotional materials that incorporate the statement of student rights provided by this section. A link to the materials must be made available on school district, charter school, and state-tribal education compact school websites, social media platforms, and other communication channels used by students.

(ii) The materials described in this subsection must also be incorporated into civics education materials and resources provided to students in accordance with RCW 28A.230.094.

(b) The office of the superintendent of public instruction shall make the statement of student rights available on its website and is encouraged to include the statement in materials provided under RCW 28A.230.150.

(2) The statement of student rights is as follows:

(a) Public school students are the beneficiaries of the foundational principles of individual liberty and equality, as established in the Declaration of Independence, and are entitled to numerous rights and protections under the Constitution of the United States, the Constitution of the state of Washington, and federal and state laws and regulations.

(b) These rights and protections include, but are not limited to, the following:

(i) The right to access an amply funded program of basic education, established pursuant to Article IX of the Constitution of the state of Washington, that provides an opportunity to develop the knowledge and skills necessary to meet state-established graduation requirements, which are intended to provide students with the opportunity to graduate with a meaningful diploma that prepares them for postsecondary education, gainful employment, and citizenship as established in RCW 28A.150.200;

(ii) The right to learn in a safe, supportive learning environment, free from harassment, intimidation, or bullying and the right to file a complaint under RCW 28A.600.477 if they are subject to this behavior;

(iii) The right to access an academic environment free of discrimination according to the provisions established in chapters 28A.640, 28A.642, and 49.60 RCW;

(iv) The right to exercise constitutionally protected freedoms as established in the United States and Washington state Constitutions and as further interpreted in applicable case law including, but not limited to, the freedoms of speech, assembly, and exercise of religion;

(v) The right, in accordance with RCW 28A.300.286 and 28A.600.010, to receive copies of all school policies and procedures related to students including, but not limited to: Student conduct; nondiscrimination rules; antiharassment, intimidation, and bullying rules; discipline rules and rules related to due process rights for disciplinary actions; and the opportunity to receive educational services;

(vi) The right of students with qualifying disabilities to receive special education and related services that address their individual needs in accordance with federal law and chapter 28A.155 RCW;

(vii) The right of youth to access education programs while residing in institutional education facilities, including adult correctional facilities, in accordance with RCW 28A.150.200 and chapters 28A.190 and 28A.193 RCW;

(viii) The right of qualified students to use education facilities and services established under chapter 72.40 RCW and funded for the benefit of persons who are deaf, blind, or both; and

(ix) The right to access academic courses and instructional materials with historically and scientifically accurate information that includes the histories, contributions, and perspectives of historically marginalized and underrepresented groups in accordance with RCW 28A.345.130.

(3) The rights identified in this section are not intended to be a comprehensive delineation of student rights, the manner in which they are

derived, or the associated legal limits, nor is this section intended to have any application to rights established in other titles or in other provisions of state and federal law.

(4) For purposes of this section, "public schools" has the same meaning as in RCW 28A.150.010.

(5) Nothing in this section creates a private right of action.

Sec. 203. RCW 28A.230.094 and 2020 c 208 s 9 are each amended to read as follows:

(1)(a) Beginning with or before the 2020-21 school year, each school district that operates a high school must provide a mandatory one-half credit stand-alone course in civics for each high school student. Except as provided by (c) of this subsection, civics content and instruction embedded in other social studies courses do not satisfy the requirements of this subsection.

(b) Credit awarded to students who complete the civics course must be applied to course credit requirements in social studies that are required for high school graduation.

(c) Civics content and instruction required by this section may be embedded in social studies courses that offer students the opportunity to earn both high school and postsecondary credit.

(2) The content of the civics course must include, but is not limited to:

(a) Federal, state, tribal, and local government organization and procedures;

(b) Rights and responsibilities of citizens addressed in the Washington state and United States Constitutions, including the statement of student rights and materials delineated in section 202 of this act;

(c) Current issues addressed at each level of government;

(d) Electoral issues, including elections, ballot measures, initiatives, and referenda;

(e) The study and completion of the civics component of the federally administered naturalization test required of persons seeking to become naturalized United States citizens; and

(f) The importance in a free society of living the basic values and character traits specified in RCW 28A.150.211.

(3) By September 1, 2020, the office of the superintendent of public instruction, in collaboration with the Washington state association of county auditors and a 501(c)(3) nonprofit organization engaged in voter outreach and increasing voter participation, shall identify and make available civics materials and resources for use in courses under this section. The materials and resources must be posted on the office of the superintendent of public instruction's website.

<u>NEW SECTION.</u> Sec. 204. Sections 201 through 203 of this act may be known and cited as the statement of student rights act.

PART THREE

ENSURING PROTECTION OF STUDENTS' SAFETY, EDUCATION ACCESS, CIVIL RIGHTS, AND PRIVACY

<u>NEW SECTION.</u> Sec. 301. (1) The legislature acknowledges and supports the importance of local control for school district governance. Local school boards and superintendents are in the best position to effectively and quickly respond to the needs of their communities. However, local control is not absolute and must also be balanced against the need to ensure all students have access to a

healthy, safe learning environment that celebrates and protects their diversity and civil rights. There are certain areas of state law that are critically important to ensuring every student has equal access to this type of supportive and responsive learning environment.

(2) The legislature is aware that some school districts are intentionally not complying with certain requirements in state law and that this noncompliance is negatively impacting students. School board members and superintendents are uniquely responsible for ensuring that their school district is in compliance with those state laws and members of the school district should have a mechanism to hold those individuals accountable if state laws are not followed.

(3) The legislature therefore intends to establish a complaint process for students, parents, and community members to address willful noncompliance with certain state laws that are necessary for protecting the health, safety, and civil rights of students in order to ensure every student has access to a positive learning environment.

<u>NEW SECTION.</u> Sec. 302. Unless the context clearly requires otherwise, the definitions in this section apply throughout sections 303 through 305 of this act.

(1) "Broad complaint" means a complaint that impacts an entire student body, an entire subgroup of students within a student body, an entire school, or an entire school district.

(2) "Limited complaint" means a complaint that impacts one or more individual students.

(3) "Negligent" means the failure to exercise ordinary care by a local school district superintendent, a local school district board of directors, or an individual member or members of a board of directors, and the actor knew or reasonably should have known that the failure to exercise ordinary care would result in noncompliance with state law as defined in this section.

(4) "Noncompliance with state law" means action or inaction by a local school district superintendent, a local school district board of directors, or an individual member or members of a board of directors, that results in noncompliance with the following state laws, which are intended to ensure academic rights and protections for students in the educational environment:

(a) State civil rights and nondiscrimination, including the nondiscrimination and sexual equality laws and model policy and procedure requirements related to protecting students' rights as established in chapters 28A.640 and 28A.642 RCW;

(b) "Harassment, intimidation, or bullying" requirements as established in RCW 28A.600.477;

(c) Curriculum requirements as described in RCW 28A.150.230, 28A.300.475, and 28A.320.170; the policies and procedures related to the selection or deletion of instructional materials required in RCW 28A.320.230; and the review and removal of supplemental instructional materials required in RCW 28A.320.235;

(d) The use of restraint or isolation on a student as described in RCW 28A.600.485; or

(e) Student discipline as described in chapter 28A.600 RCW.

(5) "Willful" means nonaccidental action or inaction by a local school district superintendent, a local school district board of directors, or an individual

member or members of a board of directors, that the actor knew or reasonably should have known would result in noncompliance with state law.

<u>NEW SECTION.</u> Sec. 303. (1) By July 1, 2026, the office of the superintendent of public instruction must establish a process to investigate and secure equitable resolutions for two types of complaints alleging willful noncompliance with the state laws listed in section 302(4) of this act:

(a) Limited complaints; and

(b) Broad complaints.

(2)(a)(i) Any student who is enrolled in the school district or any parent or legal guardian who has a student enrolled in the school district may file a limited or broad complaint with the office of the superintendent of public instruction alleging willful noncompliance with a state law listed in section 302(4) of this act.

(ii) Anyone residing within the boundaries of the school district may file a broad complaint with the office of the superintendent of public instruction alleging willful noncompliance with a state law listed in section 302(4) of this act.

(b) Limited and broad complaints may be filed against a local school district superintendent, a local school district board of directors, or an individual member or members of a board of directors.

(c) Before a person may file a complaint with the office of the superintendent of public instruction, the person must exhaust available complaint procedures, if such procedures exist, including procedures established under state law including, but not limited to, RCW 28A.320.124, 28A.320.230, 28A.410.090, 28A.600.477, 28A.640.020, and 28A.642.030, and local policy and procedure. If there are no complaint procedures available, the person who intends to file the complaint must provide notice of the complaint to the local school district superintendent before filing the complaint with the office of the superintendent of public instruction.

(3)(a) The office of the superintendent of public instruction must adopt rules that ensure due process regarding the complaint process, timelines, compliance action plans, and consequences established under this section and sections 304 and 305 of this act.

(b)(i) The office of the superintendent of public instruction must consult with the state board of education to build a connection between the rules adopted under this subsection and the state board of education's rules on basic education compliance established under RCW 28A.150.220 for complaints regarding willful noncompliance with curriculum requirements as described in section 302(4)(c) of this act.

(ii) The office of the superintendent of public instruction must consult with the office of the education ombuds about how to include the complaint process established under this section into the simple and uniform access point for the receipt of complaints created under RCW 43.06B.070.

(c) The office of the superintendent of public instruction may adopt rules to expedite the investigation of complaints related to an immediate health or safety concern.

(d) The office of the superintendent of public instruction may not take action against a school district or school district superintendent under the provisions established in section 305 of this act unless there is evidence that the school district superintendent, school district board of directors, or individual member or members of a board of directors acted in a willful manner or the school district has received a second notice of continued noncompliance.

<u>NEW SECTION.</u> Sec. 304. (1)(a) Upon receipt of a complaint filed under section 303 of this act, the office of the superintendent of public instruction must make an initial determination as to whether the complaint reasonably contains enough facts to allege noncompliance with state law as defined in section 302 of this act and whether other available complaint procedures have been exhausted as required by section 303 of this act.

(b) If the requirements in (a) of this subsection are met, the office of the superintendent of public instruction shall conduct a full investigation of the allegations in the complaint.

(c) If the requirements in (a) of this subsection are not met, the office of the superintendent of public instruction shall notify the complainant of that finding and is not required to investigate further.

(2)(a) If, after a full investigation as required under subsection (1)(b) of this section, the office of the superintendent of public instruction finds noncompliance with state law, but determines the noncompliance is not willful, the office of the superintendent of public instruction shall provide the school district with a first notice stating its determination of noncompliance and identify corrective actions and a timeline that the school district may take to come into compliance.

(b) If the school district fails to comply with the corrective actions identified in the first notice within the prescribed timeline, the office of the superintendent of public instruction shall provide the school district a second notice stating that continued failure to comply with corrective actions may result in consequences as established in section 305 of this act. Upon receipt of a second notice, the school district superintendent and school district board of directors must adopt and submit a compliance action plan to the office of the superintendent of public instruction for approval. The compliance action plan must describe how the school district will implement the corrective actions identified by the office of the superintendent of public instruction. Unless otherwise required by subsection (4) of this section, the compliance action plan must be submitted under a timeline as required by the office of the superintendent of public instruction.

(c) Before submitting the compliance action plan to the office of the superintendent of public instruction for approval, the school district board of directors must hold a public meeting to present the proposed compliance action plan to the community and allow for public comment on the proposed plan. For all such public meetings, individual students may not be identified without their consent, and the public meetings and materials prepared for such meetings must adhere to nondisclosure of personally identifiable information consistent with state and federal student privacy laws.

(3)(a) If, after a full investigation as required under subsection (1)(b) of this section, the office of the superintendent of public instruction finds willful noncompliance with state law, the office of the superintendent of public instruction shall provide the school district with a first notice stating its determination of willful noncompliance and identify corrective actions and a timeline that the school district may take to come into compliance. Upon receipt of the first notice, the school district board of directors shall hold a public

meeting to present the finding of willful noncompliance with state law, the identified corrective actions and timeline for those actions, and take public comment on what additional actions the public thinks may be needed to come into compliance with state law.

(b) If the school district fails to comply with the corrective actions identified in the first notice within the prescribed timeline, the office of the superintendent of public instruction shall provide the school district a second notice stating that continued failure to comply with corrective actions may result in consequences as established in section 305 of this act. Upon receipt of a second notice, the school district superintendent and school district board of directors must adopt and submit a compliance action plan to the office of the superintendent of public instruction for approval. The compliance action plan must describe how the school district will implement the corrective actions identified by the office of the superintendent of public instruction. Unless otherwise required by subsection (4) of this section, the compliance action plan must be submitted under a timeline as required by the office of the superintendent of public instruction. The compliance action plan must be developed in collaboration with the office of the superintendent of public instruction. In developing the compliance action plan, the school district must provide school district administrators, teachers, and other staff, parents of children attending a school within the school district, unions representing employees within the school district, students from the school district, and other impacted communities as appropriate with an opportunity to provide input on the development of the plan.

(c) Before submitting the compliance action plan to the office of the superintendent of public instruction for approval, the school district board of directors must hold a public meeting to present the proposed compliance action plan to the community and allow for public comment on the proposed plan. For all such public meetings, individual students may not be identified without their consent, and the public meetings and materials prepared for such meetings must adhere to nondisclosure of personally identifiable information consistent with state and federal student privacy laws.

(d) After submission and approval of the compliance action plan, the school district shall conduct additional public meetings with an opportunity for public comment at least once every six months to present school district progress on implementation of the compliance action plan until the superintendent of public instruction finds that the school district has come into compliance with state law.

(4) A compliance action plan developed under this section must, at a minimum, include the following:

(a) A description of the changes in the school district's or school's existing policies, structures, agreements, processes, and practices needed to come into compliance with state law; and

(b) The timeline for coming into compliance with state law.

(5) Compliance action plans must be developed in accordance with chapters 41.56 and 41.59 RCW where applicable.

(6) The office of the superintendent of public instruction may develop and publish additional guidelines for the development of compliance action plans as required by this section for use by school districts.

<u>NEW SECTION.</u> Sec. 305. (1) The office of the superintendent of public instruction may impose any of the following consequences on a school district if

the district has been sent a second notice under the provisions of section 304 of this act:

(a) Require the school district to adopt or readopt policies and procedures to come into compliance with state law;

(b) Find that a local school district superintendent committed an act of unprofessional conduct under section 309 of this act and may be held accountable for such conduct under rules established under section 309 of this act; and

(c) As a last resort, withhold and redirect up to 20 percent of state funds allocated to the school district for basic education to support the compliance action plan required in section 304 of this act until the office of the superintendent of public instruction finds that the school district has come into compliance with state law. The office of the superintendent of public instruction must consider the school district's overall financial health when determining the amount of funds to withhold and redirect under this subsection. Written notice of the intent to withhold and redirect state funds, with reasons stated for this action, must be made to the school district by the office of the superintendent of public instruction before any portion of the state allocation is withheld and redirected.

(2) Willful or negligent noncompliance with state law constitutes a violation of the oath of office under RCW 29A.56.110, and a member of a board of directors may be subject to recall and discharge under chapter 29A.56 RCW.

(3) Sections 303 and 304 of this act and this section do not restrict any existing authority the office of the superintendent of public instruction has to enforce compliance with state law, including health and safety requirements.

(4) Any party to a complaint may file a notice of appeal with the office of the superintendent of public instruction within 30 days of the final decision. An administrative law judge of the office of administrative hearings will hear and determine the appeal. Appeal proceedings must be conducted pursuant to chapter 34.05 RCW. An appeal of the administrative law judge's determination or order shall be to the superior court. The superior court's decision is subject only to discretionary review under the rules of appellate procedure.

<u>NEW SECTION.</u> Sec. 306. The office of the superintendent of public instruction may enact rules for implementation of sections 302 through 305, 312, and 313 of this act.

Sec. 307. RCW 43.06B.070 and 2024 c 219 s 1 are each amended to read as follows:

(1) By July 1, 2025, and in compliance with this section, the office of the education ombuds shall create a simple and uniform access point for the receipt of complaints involving the elementary and secondary education system. The purpose of the access point is to provide a single point of entry for complaints to be reported and then referred to the most appropriate individual or entity for dispute resolution at the lowest level of intercession.

(2) Any individual who has firsthand knowledge of a violation of federal, state, or local laws, policies or procedures, or of improper or illegal actions related to elementary or secondary education and performed by an employee, contractor, student, parent or legal guardian of a student, or member of the public may submit a complaint to the office of the education ombuds.

(3)(a) The office shall delineate a complaint resolution and referral process for reports received through the access point. The process must:

(i) Require that the office of the education ombuds assign a unique identifier to a complaint upon receipt before referring the complaint to the appropriate individual or entity for dispute resolution at the lowest level of intercession;

(ii) Link to all existing relevant complaint and investigative processes, such as the special education community complaint process, the discrimination complaint process, the process for reporting complaints related to harassment, intimidation, and bullying, the complaint process established under section 303 of this act, and the complaint and investigation provisions under RCW 28A.410.090 and 28A.410.095; and

(iii) Discourage frivolous complaints and complaints made in bad faith.

(b) The establishment of a process as required in this section does not confer additional authority to the office of the education ombuds to mitigate or oversee disputes.

(4) The office of the education ombuds, in collaboration with the office of the superintendent of public instruction, must develop protocols for the receipt, resolution, and referral of complaints and must design a communications plan to inform individuals who report complaints through the access point about the steps in the complaint resolution and referral process, including when to expect a response from the individual or entity charged with resolving the complaint.

(5) For the purposes of this section, "employee" or "contractor" means employees and contractors of the state educational agencies, educational service districts, public schools as defined in RCW 28A.150.010, the state school for the blind, and the center for deaf and hard of hearing youth.

Sec. 308. RCW 28A.300.286 and 2023 c 242 s 1 are each amended to read as follows:

(1) The office of the superintendent of public instruction shall develop, and periodically update, model student handbook language that includes information about ((policies)):

(b) A description of the services available through the office of the education ombuds and the contact information for the office of the education ombuds; and

(c) The complaint process established under section 303 of this act.

(2) The model student handbook language must be aligned with existing requirements in state law including chapters 28A.640 and 28A.642 RCW and RCW 28A.600.477 and 28A.600.510. The model student handbook language must be jointly developed with the Washington state school directors' association, and in consultation with the office of the education ombuds. The model student handbook language must be posted publicly on the office of the superintendent of public instruction's website beginning July 1, 2024.

 $(((\frac{2})))$ (3) Beginning with the 2024-25 school year, each school district must include the model student handbook language developed under subsection (1) of this section in any student, parent, employee, and volunteer handbook that it or

one of its schools publishes and on the school district's website, and any school's website, if a school or the school district maintains a website. If a school district neither publishes a handbook nor maintains a website, it must provide the model student handbook language developed under subsection (1) of this section to each student, parent, employee, and volunteer at least annually.

<u>NEW SECTION.</u> Sec. 309. A new section is added to chapter 28A.410 RCW to read as follows:

(1) The Washington professional educator standards board must adopt rules that make a local school district superintendent's or chief administrator's willful noncompliance with state law an act of unprofessional conduct and provide that a superintendent or chief administrator, whether certificated or not, may be held accountable for such conduct under rules established under this section. It is a defense to a finding of willful noncompliance with state law if the superintendent or chief administrator can show that they were actively attempting to bring the school district, charter school, or state-tribal education compact school into compliance with the applicable state law.

(2) For the purposes of this section, "willful" and "noncompliance with state law" have the same meaning as in section 302 of this act.

Sec. 310. RCW 28A.343.360 and 1990 c 33 s 314 are each amended to read as follows:

Every person elected or appointed to the office of school director, before entering upon the discharge of the duties thereof, shall take an oath or affirmation to support the Constitution of the United States and the state of Washington and the laws of the state of Washington and to faithfully discharge the duties of the office according to the best of his or her ability. In case any official has a written appointment or commission, the official's oath or affirmation shall be endorsed thereon and sworn to before any officer authorized to administer oaths. School officials are hereby authorized to administer all oaths or affirmations pertaining to their respective offices without charge or fee. All oaths of office, when properly made, shall be filed with the county auditor. Every person elected to the office of school director shall begin his or her term of office at the first official meeting of the board of directors following certification of the election results.

Sec. 311. RCW 28A.710.185 and 2023 c 356 s 11 are each amended to read as follows:

(1)(a) By November 1, 2023, the commission shall establish and maintain on its website an online system for students who attend charter schools, and the parents of those students, to submit complaints about the operation and administration of one or more charter schools, including complaints about the provision of education services and complaints alleging noncompliance with the requirements of this chapter or other provisions governing charter schools.

(b)(i) The commission shall acknowledge the receipt of each received complaint within 10 business days and shall, in a timely manner, perform any inquiries or other actions it deems necessary and appropriate to respond to each received complaint, unless the complaint is alleging willful noncompliance with state law as defined in section 302 of this act.

(ii) After determining that a person has exhausted any available complaint procedures in accordance with section 303(2)(c) of this act, the commission shall

forward any complaints alleging willful noncompliance with state law as defined in section 302 of this act to the office of the superintendent of public instruction and these complaints must follow the process established under sections 303 through 305 of this act.

(2) The commission shall adopt and revise as necessary rules to implement this section.

<u>NEW SECTION.</u> Sec. 312. A new section is added to chapter 28A.710 RCW to read as follows:

(1) Except as provided otherwise by this section, sections 302 through 305 of this act govern school operation and management under RCW 28A.710.040 and apply to charter schools established under this chapter.

(2) Section 302(4) of this act governs school operation and management under RCW 28A.710.040 and applies to charter schools to the extent that a statute or chapter listed in section 302(4) of this act applies to charter schools under RCW 28A.710.040.

<u>NEW SECTION.</u> Sec. 313. A new section is added to chapter 28A.715 RCW to read as follows:

(1) Except as provided otherwise by this section, sections 302 through 305 of this act govern school operation and management under RCW 28A.715.020 and apply to state-tribal education compact schools subject to this chapter to the same extent as it applies to school districts.

(2) Section 302(4) of this act governs school operation and management under RCW 28A.715.020 and applies to state-tribal education compact schools subject to this chapter to the extent that a statute or chapter listed in section 302(4) of this act applies to state-tribal education compact schools under RCW 28A.715.020.

<u>NEW SECTION.</u> Sec. 314. Sections 302 through 305 of this act are each added to chapter 28A.300 RCW.

<u>NEW SECTION.</u> Sec. 315. Section 308 of this act takes effect August 1, 2025.

PART FOUR RETALIATION PROTECTIONS

<u>NEW SECTION.</u> Sec. 401. A new section is added to chapter 28A.400 RCW to read as follows:

(1) School district employees and directors may not take an adverse employment action against any employee of the school district for:

(a) Supporting students in the exercise of their legal rights, including their right to a learning environment with historically and scientifically accurate information that: Includes the histories, contributions, and perspectives of historically marginalized and underrepresented groups as provided in RCW 28A.345.130; and provides students with an appreciation for the contributions and perspectives of diverse, global cultures; or

(b) Performing work in a manner consistent with RCW 28A.642.080, 28A.642.020, and 28A.605.005, and sections 101, 201, and 202 of this act.

(2) In addition to the prohibitions established in subsection (1) of this section, school district employees and directors may not take an adverse employment action against a teacher of the school district for:

(a) Instructing students in a manner consistent with state learning standards; or

(b) Using instructional materials approved in accordance with RCW 28A.320.230 that are culturally and experientially representative, including materials on the study of the role and contributions of individuals or groups that are part of a protected class under RCW 28A.642.010 and 28A.640.010.

(3) For the purposes of this section, an "adverse employment action" includes termination, demotion, suspension, discipline, denial of promotion, reassignment, negatively impacting the evaluation of certificated staff under RCW 28A.405.100, removal from, or denying access to, a supplemental contract, or otherwise taking any negative employment action against the employee.

(4) This section governs school operation and management under RCW 28A.710.040 and 28A.715.020, and applies to charter schools established under chapter 28A.710 RCW and state-tribal education compact schools subject to chapter 28A.715 RCW to the same extent as it applies to school districts.

PART FIVE

RIGHTS OF PARENTS AND LEGAL GUARDIANS

Sec. 501. RCW 28A.605.005 and 2024 c 4 s 1 are each amended to read as follows:

(1) The legislature finds that: (a) Parents are the primary stakeholders in their children's upbringing; (b) parental involvement is a significant factor in increasing student achievement; and (c) access to student information encourages greater parental involvement.

(2) Parents and legal guardians of ((public school children younger than 18 years old have all of)) children enrolled in public schools as defined in RCW 28A.150.010 have the following rights:

(a) To access their child's classroom and school-sponsored activities to observe in accordance with RCW 28A.605.020 and to examine the curriculum, textbooks, ((eurriculum)) instructional materials, and supplemental ((material)) instructional materials used in their child's classroom in accordance with policies and procedures;

(b)(i) To inspect <u>and review</u> their child's ((public school)) <u>education</u> records ((in accordance with RCW 28A.605.030,)) and to <u>request and</u> receive a copy of their child's <u>education</u> records within ((10 business days of submitting a written request, either electronically or on paper)) <u>a reasonable period of time, but not more than 45 days, of submitting a request in accordance with the federal family educational rights and privacy act of 1974, Title 20 U.S.C. Sec. 1232g, as in effect on January 1, 2025, and RCW 28A.605.030.</u>

(ii) Parents ((\overline{or})) and legal guardians ((\overline{must})) choosing to inspect and review their child's education records may not be required by a public school to appear in person for the purposes of requesting or validating a request for their child's (($\overline{public \ school}$)) education records, provided the public school can ascertain the identity of the requestor.

(iii) No charge may be imposed on a parent or legal guardian to ((receive such records electronically)) inspect or review their child's education records or for the costs of searching for or retrieving the education records. Any charges for a ((paper)) copy of such records must be reasonable ((and)), not prevent a parent, legal guardian, or eligible child from exercising the right to inspect and review

the child's education records, and be set forth in the official policies and procedures of the school district and public school.

(iv) ((Public school records include all of the following:

(A) Academic records including, but not limited to, test and assessment scores in accordance with RCW 28A.230.195;

(B) Medical or health records;

(C) Records of any mental health counseling;

(D) Records of any vocational counseling;

(E) Records of discipline, including expulsions and suspensions under RCW 28A.600.015;

(F) Records of attendance, including unexcused absences in accordance with RCW 28A.225.020;

(G) Records associated with a child's screening for learning challenges, exceptionalities, plans for an individualized education program, or plan adopted under section 504 of the rehabilitation act of 1973; and

(H) Any other student-specific files, documents, or other materials that are maintained by the public school)) Education records means those official records, files, and data directly related to a student and maintained by the public school including, but not limited to, records encompassing all the material kept in the child's cumulative folder, such as general identifying data, records of attendance and of academic work completed, records of achievement and results of evaluative tests, disciplinary status, test protocols, and individualized education programs;

(v) Education records do not include records that are kept in the sole possession of the maker, are used only as a personal memory aid, and are not accessible or revealed to any other person except a temporary substitute for the maker of the record;

(vi) Nothing in this section changes the access and disclosure provisions established in chapter 70.02 RCW related to health care information;

(c) ((To receive prior notification when medical services are being offered to their child, except where emergency medical treatment is required. In cases where emergency medical treatment is required, the parent and legal guardian must be notified as soon as practicable after the treatment is rendered;

(d) To receive notification when any medical service or medications have been provided to their child that could result in any financial impact to the parent's or legal guardian's health insurance payments or copays;

(e) To receive notification when the school has arranged directly or indirectly for medical treatment that results in follow-up care beyond normal school hours. Follow-up care includes monitoring the child for aches and pains, medications, medical devices such as crutches, and emotional care needed for the healing process;

(f))) To receive immediate notification ((if)) upon receipt of a report that a criminal action is ((deemed)) alleged to have been committed against their child ((or by their child)) on school property during the school day or during a school sponsored activity, including immediate notification if there has been a shooting on school property, or their child has been detained based on probable cause of involvement in criminal activity on school property during the school day;

(((g))) (d) To receive immediate notification upon receipt of a report that their child is alleged to be the victim, target, or recipient of physical or sexual

abuse, sexual misconduct, or assault by a school employee or school contractor, as required by RCW 28A.320.160;

(e) To receive immediate notification if law enforcement personnel question their child <u>during a custodial interrogation at the school during the school day</u>, except in cases where the parent or legal guardian has been accused of abusing or neglecting the child;

(((h))) (f) To ((receive immediate notification if their child is taken or removed from the public school campus without parental permission, including to stay at a youth shelter or "host home" as defined in RCW 74.15.020;

(i) To receive assurance their child's public school will not discriminate against their child based upon the sincerely held religious beliefs of the child's family in accordance with chapter)) not have their child removed from school grounds or buildings during school hours without authorization of a parent or legal guardian according to the provisions in RCW 28A.605.010. Nothing in this section affects the provisions in RCW 74.15.020, 13.32A.082, 26.44.050, or 26.44.115;

(g) To have their child receive a public education in a setting in which discrimination on the basis of sex, race, creed, religion, color, national origin, honorably discharged veteran or military status, sexual orientation, gender expression, gender identity, the presence of any sensory, mental, or physical disability, or the use of a trained dog guide or service animal by a person with a disability is prohibited under chapters 28A.640 and 28A.642 RCW;

 $((\frac{1}{1})$ To)) (h) In accordance with the protection of pupil rights, Title 20 U.S.C. Sec. 1232h, the right to receive written notice and the option to opt their child out of any ((surveys, assignments, questionnaires, role playing activities, recordings of their child, or other student engagements that include questions about any of the following:

(i) The child's sexual experiences or attractions;

(ii) The child's family beliefs, morality, religion, or political affiliations;

(iii) Any mental health or psychological problems of the child or a family member; and

(iv) All surveys, analyses, and evaluations subject to areas covered by the protection of pupil rights amendment of the family educational rights and privacy aet)) survey, analysis, or evaluation that reveals information concerning:

(i) Political affiliations or beliefs of the student or the student's parent or legal guardian;

(ii) Mental or psychological problems of the student or the student's family; (iii) Sex behavior and attitudes;

(iv) Illegal, antisocial, self-incriminating or demeaning behavior;

(v) Critical appraisals of other individuals with whom respondents have close family relationships;

(vi) Legally recognized privileged or analogous relationships, such as those of lawyers, physicians, and ministers;

(vii) Religious practices, affiliations, or beliefs of the student or student's parent or legal guardian; or

(viii) Income, other than that required by law to determine eligibility for participation in a program or for receiving financial assistance under such program;

(((k))) (i) To receive written notice and have the option to opt their child out of ((instruction on topics associated with sexual activity)) comprehensive sexual health education in accordance with RCW 28A.300.475;

(((1))) (j) To receive from the public school the annual school calendar, no later than 30 days prior to the beginning of the school year, and to be notified in writing as soon as feasible of any revisions to such calendar. Such calendar must be posted to the public school's website and must include, at a minimum, student attendance days and any known event that requires parent, legal guardian, or student attendance outside of normal school days or hours;

 $(((\frac{m})))$ (k) To receive in writing each year or to view on the public school's website a comprehensive listing of any required fee and its purpose and use and a description of how economic hardships may be ((addressed;

(n))) considered in the administration of fees;

(1) To receive in writing each year or to view on the <u>public</u> school's website a description of the school's required dress code or uniform established pursuant to <u>the policies established and allowed by</u> RCW 28A.320.140, if applicable, for students; ((and

(o))) (m) To be informed if their child's academic ((performance, including whether their child is provided a student learning plan under RCW 28A.655.270)) progress, including the right to receive periodic reports on their child's educational growth and development in accordance with RCW 28A.150.240 and to receive notice of their child's performance on state learning standards tests and assessments in accordance with RCW 28A.230.195, and whether the performance, is such that it could threaten the child's ability to be promoted to the next grade level ((and to be offered)). A parent or legal guardian also has the right to request an in-person meeting with the child's classroom teacher and principal to discuss any resources or strategies available to support and encourage the child's academic improvement:

(n) To file a complaint on behalf of their child under RCW 28A.600.477 relating to harassment, intimidation, and bullying;

(o) To have their child qualify for enrollment in a school district if they are transferred to, or pending transfer to, a military installation within the state in accordance with RCW 28A.225.216;

(p) To request enrollment for their child in a charter school established under chapter 28A.710 RCW;

(q) To have their child qualify without a legal residence for enrollment in a school district in accordance with RCW 28A.225.215;

(r) To have their child whose primary language is not English access supplemental instruction and services through the transitional bilingual instruction program in accordance with RCW 28A.150.220;

(s) To receive annual notice of the public school's language access policies and services, the parents' rights to free language access services under Title VI of the civil rights act of 1964, 42 U.S.C. Sec. 2000d, et seq., and the contact information for any language access services under RCW 28A.183.040;

(t) To request enrollment for their child in a nonresident school district in accordance with RCW 28A.225.220, 28A.225.225, and 28A.225.230;

(u) To be notified of unexcused absences and to engage in efforts to eliminate or reduce their child's absences in accordance with RCW 28A.225.015, 28A.225.018, and 28A.225.020;

(v) To request, under RCW 28A.155.090, information about special education programs and assistance for their child if their child is eligible for but not receiving special education services, including due to illness;

(w) To request an appeal to the superintendent of public instruction under RCW 28A.155.080 if their child with disabilities has been denied the opportunity of a special education program by a school district or public school; and

(x) To access special education due process hearings regarding their child as required by RCW 28A.155.020.

(3) Notwithstanding anything to the contrary, a public school shall not be required to release any records or information regarding a student's ((medical or health records or mental health counseling)) health care, social work, counseling, or disciplinary records to a parent or legal guardian who is the defendant in a criminal proceeding where the student is the named victim or during the pendency of an investigation of child abuse or neglect conducted by any law enforcement agency or the department of children, youth, and families where the parent or legal guardian has obtained a court order.

(4) ((As used in this section "public school" has the same meaning as in RCW 28A.150.010)) Nothing in this section creates a private right of action.

PART SIX MISCELLANEOUS PROVISIONS

Sec. 601. RCW 28A.320.160 and 2005 c 274 s 244 are each amended to read as follows:

((School districts must, at the first opportunity but in all cases within fortyeight hours of receiving a report alleging sexual misconduct by a school employee, notify the parents of a student alleged to be the victim, target, or receipient of the misconduct.)) (1) After receiving a report of an allegation that a student is a victim, target, or recipient of physical or sexual abuse, sexual misconduct, or assault by a school employee or school contractor, the school district must immediately notify the parents or legal guardians of that student.

(2) School districts shall provide parents and legal guardians with information regarding their rights under the public records act, chapter 42.56 RCW, to request the public records regarding school employee discipline. This information ((shall)) <u>must</u> be provided to all parents <u>and legal guardians</u> on an annual basis.

(3) This section governs school operation and management under RCW 28A.710.040 and 28A.715.020, and applies to charter schools established under chapter 28A.710 RCW and state-tribal education compact schools subject to chapter 28A.715 RCW to the same extent it applies to school districts.

Sec. 602. RCW 28A.400.317 and 2013 c 10 s 4 are each amended to read as follows:

(1) A certificated or classified school employee <u>or school contractor</u> who has knowledge or reasonable cause to believe that a student has been a victim, <u>target</u>, <u>or recipient</u> of physical <u>or sexual</u> abuse $((\overline{or}))_{a}$ sexual misconduct, <u>or assault</u> by another school employee <u>or contractor</u>, shall report such abuse $((\overline{or}))_{a}$ misconduct, <u>or assault</u> to the appropriate school administrator. The school administrator shall cause a report to be made to the proper law enforcement

agency if he or she has reasonable cause to believe that the <u>sexual</u> misconduct $((\frac{\Theta r}{r}))$, <u>physical or sexual</u> abuse, <u>or assault</u> has occurred as required under RCW 26.44.030. During the process of making a reasonable cause determination, the school administrator shall contact all parties involved in the complaint <u>and immediately notify parents and legal guardians as required by RCW</u> 28A.320.160.

(2) Certificated and classified school employees shall receive training regarding their reporting obligations under state law in their orientation training when hired and then every three years thereafter. The training required under this subsection may be incorporated within existing training programs and related resources.

(3) Nothing in this section changes any of the duties established under RCW 26.44.030.

<u>NEW SECTION.</u> Sec. 603. Except for section 308 of this act, this act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

Passed by the House April 24, 2025. Passed by the Senate April 11, 2025. Approved by the Governor May 20, 2025. Filed in Office of Secretary of State May 21, 2025.

CHAPTER 370

[Engrossed Second Substitute House Bill 1163] FIREARMS—PURCHASE AND TRANSFER—PERMIT

AN ACT Relating to enhancing requirements relating to the purchase, transfer, and possession of firearms by requiring a permit to purchase firearms, specifying requirements and standards for firearms safety training programs and issuance of concealed pistol licenses, specifying circumstances where a firearm transfer may be delayed, requiring recordkeeping for all firearm transfers, and establishing reporting requirements regarding permits to purchase firearms and concealed pistol licenses; amending RCW 9.41.090, 9.41.1132, 43.43.590, 9.41.047, 9.41.070, 9.41.075, 9.41.075, 9.41.097, 9.41.075, 9.41.097, 9.41.075, 9.41.270, 7.105.350, and 43.43.580; adding new sections to chapter 9.41 RCW; adding a new section to chapter 43.43 RCW; creating new sections; and providing an effective date.

Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 9.41.090 and 2023 c 161 s 1 are each amended to read as follows:

(1) In addition to the other requirements of this chapter, no dealer may deliver a firearm to the purchaser <u>or transferee</u> thereof until:

(a) The purchaser ((provides proof of completion of a recognized firearm safety training program within the last five years that complies with the requirements in RCW 9.41.1132, or proof that the purchaser is exempt from the training requirement)) or transferee produces a valid permit to purchase firearms under section 2 of this act;

(b) The dealer is notified by the Washington state patrol firearms background check program that the purchaser <u>or transferee</u> is eligible to possess a firearm under state and federal law; and (c) The requirements and time periods in RCW 9.41.092 have been satisfied.

(2) In determining whether the purchaser <u>or transferee</u> is eligible to possess a firearm, the Washington state patrol firearms background check program shall check with the national instant criminal background check system, provided for by the Brady handgun violence prevention act (18 U.S.C. Sec. 921 et seq.), the Washington state patrol electronic database, the health care authority electronic database, the administrative office of the courts, LInX-NW, and with other agencies or resources as appropriate, to determine whether the applicant is ineligible under RCW 9.41.040 to possess a firearm.

(3)(a) In any case where there is an outstanding warrant for the applicant's arrest from any court of competent jurisdiction for a felony or misdemeanor, the Washington state patrol firearms background check program shall advise the dealer that the delivery of the firearm is delayed. The Washington state patrol firearms background check program shall confirm the existence of outstanding warrants after notification of the application to purchase a firearm is received. Upon confirming that the warrant is valid, the Washington state patrol firearms background check program will advise the dealer that transfer of the firearm is denied.

(b) The Washington state patrol firearms background check program shall notify the dealer that delivery of the firearm must be delayed in any case where it cannot confirm the applicant's identity or determine the applicant's eligibility to purchase and possess a firearm due to disposition records in this state or elsewhere reflecting: (i) Open criminal charges; (ii) pending criminal charges; (iii) pending commitment proceedings; or (iv) an arrest for an offense making a person ineligible to possess a firearm under RCW 9.41.040.

(4)(a) At the time of applying for the purchase of a firearm, the ((purchaser)) applicant shall ((sign and deliver to the dealer an application containing)) provide the firearm dealer the application information necessary to submit the background check to the Washington state patrol background check system, including:

(i) ((His or her)) The applicant's full name, residential address, date and place of birth, race, and gender;

(ii) The date and hour of the application;

(iii) The applicant's driver's license number or state identification card number;

(iv) The identification number of the applicant's permit to purchase firearms:

 (\underline{v}) A description of the firearm including the make, model, caliber and <u>if</u> <u>available the</u> manufacturer's number ((if available at the time of applying for the purchase of the firearm. If the manufacturer's number is not available at the time of applying for the purchase of a firearm, the application may be processed, but delivery of the firearm to the purchaser may not occur unless the manufacturer's number is recorded on the application by the dealer and transmitted to the Washington state patrol firearms background check program)); and

(((v))) (vi) A statement that the ((purchaser)) applicant is eligible to purchase and possess a firearm under state and federal law.

(b) The dealer shall provide the applicant with information that contains two warnings substantially stated as follows:

(i) CAUTION: Although state and local laws do not differ, federal law and state law on the possession of firearms differ. If you are prohibited by federal law from possessing a firearm, you may be prosecuted in federal court. State permission to purchase a firearm is not a defense to a federal prosecution; and

(ii) CAUTION: The presence of a firearm in the home has been associated with an increased risk of death to self and others, including an increased risk of suicide, death during domestic violence incidents, and unintentional deaths to children and others.

The ((purchaser)) <u>applicant</u> shall be given a copy of the department of fish and wildlife pamphlet on the legal limits of the use of firearms and firearms safety.

(c) The dealer shall((, by the end of the business day,)) transmit the information from the application through secure automated firearms e-check (SAFE) to the Washington state patrol firearms background check program. ((The original application shall be retained by the dealer for six years.))

(d) The dealer shall deliver the firearm to the purchaser <u>or transferee</u> once the requirements and period of time specified in this chapter are satisfied. The application shall not be denied unless the purchaser <u>or transferee</u> is not eligible to purchase or possess the firearm under state or federal law or has not complied with the requirements of this section.

(e) The Washington state patrol firearms background check program shall retain or destroy applications to purchase a firearm in accordance with the requirements of 18 U.S.C. Sec. 922.

(((4))) (5) A person who knowingly makes a false statement regarding identity or eligibility requirements on the application to purchase a firearm is guilty of false swearing under RCW 9A.72.040.

(((5))) (6) This section does not apply to sales to licensed dealers for resale or to the sale of antique firearms.

<u>NEW SECTION.</u> Sec. 2. A new section is added to chapter 9.41 RCW to read as follows:

(1) A person may apply for a permit to purchase firearms with the Washington state patrol firearms background check program.

(2) An applicant for a permit to purchase firearms must submit to the Washington state patrol firearms background check program:

(a) A completed permit application as provided in subsection (3) of this section;

(b) A complete set of fingerprints taken by the local law enforcement agency in the jurisdiction in which the applicant resides;

(c) A certificate of completion of a certified firearms safety training program within the last five years, or proof that the applicant is exempt from the training requirement, as provided in RCW 9.41.1132; and

(d) The permit application fee as provided in subsection (11) of this section.

(3) An application for a permit to purchase firearms must include the applicant's:

(a) Full name and place and date of birth;

(b) Residential address and current mailing address if different from the residential address;

(c) Driver's license number or state identification card number;

(d) Physical description;

(e) Race and gender;

(f) Telephone number and email address, at the option of the applicant; and

(g) Electronic signature.

(4) The application must contain questions about the applicant's eligibility to possess firearms under state and federal law and whether the applicant is a United States citizen. If the applicant is not a United States citizen, the applicant must provide the applicant's country of citizenship, United States-issued alien number or admission number, and the basis on which the applicant claims to be exempt from federal prohibitions on firearm possession by aliens. The applicant shall not be required to produce a birth certificate or other evidence of citizenship. A person who is not a citizen of the United States shall, if applicable, meet the additional requirements of RCW 9.41.173 and produce proof of compliance with RCW 9.41.173 upon application.

(5) A signed application for a permit to purchase firearms shall constitute a waiver of confidentiality and written request that courts, the health care authority, mental health institutions, and other health care facilities release information relevant to the applicant's eligibility for a permit to purchase firearms to an inquiring court or the Washington state patrol firearms background check program.

(6) The Washington state patrol firearms background check program shall issue a permit to purchase firearms to an eligible applicant, or deny the completed application, within 30 days of the date the completed application was filed, or within 60 days of when the completed application was filed if the applicant does not have a valid permanent Washington driver's license or Washington state identification card or has not been a resident of the state for the previous consecutive 90 days, unless additional time is necessary in order to obtain all required information and records needed for determining the applicant's eligibility for the permit.

(7)(a) A permit to purchase firearms shall be issued unless the applicant is disqualified because the applicant:

(i) Is prohibited from purchasing or possessing a firearm under state or federal law;

(ii) Is subject to a court order or injunction regarding firearms issued pursuant to chapter 7.105, 9A.40, 9A.44, 9A.46, 9A.88, 10.99, 26.09, 26.26B, or 26.26A RCW, or any of the former chapters 10.14, 26.10, and 26.50 RCW;

(iii) Has an outstanding warrant for the applicant's arrest from any court of competent jurisdiction for a felony or misdemeanor making a person ineligible to possess a firearm under RCW 9.41.040; or

(iv) Has failed to produce a certificate of completion of a certified firearms safety training program within the last five years, or proof that the applicant is exempt from the training requirement.

(b) If an application for a permit to purchase firearms is denied, the Washington state patrol firearms background check program shall send the applicant a written notice of the denial stating the specific grounds on which the permit to purchase firearms is denied. If the applicant provides an email address at the time of application, the Washington state patrol firearms background check program may send the denial notice to the applicant's email address.

(8)(a) In determining whether the applicant is eligible for a permit to purchase firearms, the Washington state patrol firearms background check program shall check with the national instant criminal background check system, the Washington state patrol electronic database, the health care authority electronic database, the administrative office of the courts, LInX-NW, and with other agencies or resources as appropriate.

(b) A background check for an original permit must be conducted through the Washington state patrol criminal records division and shall include a national check from the federal bureau of investigation through the submission of fingerprints. The results will be returned to the Washington state patrol firearms background check program. The applicant may request and receive a copy of the results of the background check from the Washington state patrol. If the applicant seeks to amend or correct their record, the applicant must contact the Washington state patrol for a Washington state record or the federal bureau of investigation for records from other jurisdictions.

(9) The Washington state patrol firearms background check program shall develop procedures to verify on an annual basis that persons who have been issued a permit to purchase firearms remain eligible to possess firearms under state and federal law and continue to meet other firearm eligibility requirements. If a person is determined to be ineligible, the Washington state patrol firearms background check program shall revoke the permit under subsection (14) of this section, and provide notification of the revocation and relevant information to the chief of police or the sheriff of the jurisdiction in which the permit holder resides so that local law enforcement may take steps to ensure the permit holder is not illegally in possession of firearms.

(10) The permit to purchase firearms must be in a form prescribed by the Washington state patrol firearms background check program and must contain a unique permit number, expiration date, and the name, date of birth, residential address, and brief description of the licensee.

(11)(a) A permit to purchase firearms is valid for a period of five years. A person may renew a permit to purchase firearms by applying for renewal in accordance with the requirements of this section within 90 days before or after the expiration date of the permit. A renewed permit to purchase firearms takes effect on the expiration date of the prior permit to purchase firearms and is valid for a period of five years.

(b)(i) The Washington state patrol firearms background check program may charge permit application fees which will cover as nearly as practicable the direct and indirect costs to the Washington state patrol incurred in creating and administering the permit to purchase firearms program. The Washington state patrol firearms background check program shall establish a late penalty for late renewal of a permit to purchase firearms. The Washington state patrol firearms background check program shall transmit the fees collected to the state treasurer for deposit in the state firearms background check system account created in RCW 43.43.590.

(ii) In addition to the permit application fee, an applicant for a permit to purchase firearms must pay the fingerprint processing fee under RCW 43.43.742.

(12) The Washington state patrol firearms background check program shall mail a renewal notice to the holder of a permit to purchase firearms

approximately 90 days before the expiration date of the permit at the address listed on the application, or to the permit holder's new address if the permit holder has notified the Washington state patrol firearms background check program of a change of address. If the permit holder provides an email address at the time of application, the Washington state patrol firearms background check program may send the renewal notice to the permit holder's email address. The notice must contain the date the permit to purchase firearms will expire, the amount of the renewal fee, the penalty for late renewal, and instructions on how to renew the permit to purchase firearms.

(13) A permit to purchase firearms issued under this section does not authorize the holder of the permit to carry a concealed pistol.

(14) The Washington state patrol firearms background check program shall revoke a permit to purchase firearms on the occurrence of any act or condition that would prevent the issuance of a permit to purchase firearms. The Washington state patrol firearms background check program shall send the permit holder a written notice of the revocation stating the specific grounds on which the permit is revoked.

(15) If a permit application is denied or a permit is revoked, a person aggrieved by the denial or revocation is entitled to seek relief of the denial or revocation in superior court pursuant to RCW 9.41.0975.

(16) Not later than one year after the effective date of this section and annually thereafter, the Washington state patrol firearms background check program shall submit to the state legislature a report that includes all of the following information for the preceding year:

(a) The number of permit applications submitted, issued, and denied;

(b) Aggregate and anonymized demographic data on the number of applicants seeking permits that were issued, including race, gender, date of birth, and county of residence;

(c) Aggregate and anonymized demographic data on the number of applicants seeking permits that were denied, including race, gender, date of birth, and county of residence;

(d) The frequency with which permits were denied for each of the statutory disqualifying factors listed in this section;

(e) The number of permit denial decisions appealed by permit applicants and the disposition of those appeals;

(f) The number of issued permits revoked; and

(g) The number of cases that the Washington state patrol has provided notice of permit revocations and relevant information to local law enforcement agencies, and the number of cases that local law enforcement agencies have taken action to remove firearms purchased with a permit that was subsequently revoked and the number of firearms recovered in such cases.

Sec. 3. RCW 9.41.1132 and 2023 c 161 s 2 are each amended to read as follows:

(1) A person applying for ((the purchase or transfer of a firearm)) a permit to purchase firearms must provide ((proof)) a certificate of completion of a ((recognized)) certified firearms safety training program within the last five years that, at a minimum, includes instruction on:

(a) Basic firearms safety rules;

(b) Firearms and children, including secure gun storage and talking to children about gun safety;

(c) Firearms and suicide prevention;

(d) Secure gun storage to prevent unauthorized access and use;

(e) Safe handling of firearms;

(f) State and federal firearms laws, including prohibited firearms transfers and locations where firearms are prohibited;

(g) State laws pertaining to the use of deadly force for self-defense; ((and))

(h) Techniques for avoiding a criminal attack and how to manage a violent confrontation, including conflict resolution; and

(i) Live-fire shooting exercises on a firing range that include a demonstration by the applicant of the safe handling of, and shooting proficiency with, firearms.

(2) As it relates to the renewal of a permit to purchase firearms pursuant to section 2 of this act, the live-fire component of subsection (1)(i) of this section must be completed within the last 10 years.

(3) The training must be sponsored by a federal, state, tribal, county, or municipal law enforcement agency, a college or university, a nationally recognized organization that customarily offers firearms training, or a firearms training school with instructors certified by a nationally recognized organization that customarily offers firearms training. The ((proof)) certificate of training shall be in the form ((of a certification that states under the penalty of perjury that the training included the minimum requirements)) and manner of documentation developed by the Washington state patrol under section 4 of this act.

(((3))) (4) The training may include stories provided by individuals with lived experience in the topics listed in subsection (1)(a) through (g) of this section or an understanding of the legal and social impacts of discharging a firearm.

(((4))) (5) The firearms safety training requirement of this section does not apply to:

(a) ((A)) <u>Upon showing proper identification, a person who is a:</u>

(i) General authority Washington peace officer as defined in RCW 10.93.020;

(ii) Limited authority Washington peace officer as defined in RCW 10.93.020 who as a normal part of their duties has arrest powers and carries a firearm;

(iii) Specially commissioned Washington peace officer as defined in RCW 10.93.020 who as a normal part of their duties has arrest powers and carries a firearm; ((or))

(iv) Federal peace officer as defined in RCW 10.93.020 who as a normal part of their duties has arrest powers and carries a firearm; or

(v) Tribal police officer;

(b) ((A)) <u>Upon showing proper identification, a</u> person who is an active duty member of the armed forces of the United States, an active member of the national guard, or an active member of the armed forces reserves ((who, as part of the applicant's service, has completed, within the last five years, a course of training in firearms proficiency or familiarization that included training on the safe handling and shooting proficiency with firearms)). For the purposes of this

section, proper identification includes the armed forces identification card or other written documentation certifying that the individual is an active military member;

(c) Upon showing proper identification, a person who is an armed private investigator licensed pursuant to chapter 18.165 RCW. For the purposes of this section, proper identification includes the armed private investigator license card issued pursuant to RCW 18.165.080 or other written documentation certifying that the individual is a licensed armed private investigator; or

(d) Upon showing proper identification, a person who is an armed security guard licensed pursuant to chapter 18.170 RCW. For the purposes of this section, proper identification includes the armed security guard license card issued pursuant to RCW 18.170.070 or other written documentation certifying that the individual is a licensed armed security guard.

(6) The exceptions to the firearms safety training requirement established in subsection (5)(c) and (d) of this section shall only apply so long as the criminal justice training commission's private security firearms certificate training meets the requirements of this section.

<u>NEW SECTION.</u> Sec. 4. A new section is added to chapter 43.43 RCW to read as follows:

The Washington state patrol shall establish a program to provide certifications for firearms safety training programs that meet the requirements of RCW 9.41.070 and 9.41.1132, and to require certified firearms safety programs to apply for recertification every five years. The Washington state patrol shall develop the form and manner of documentation for applicants for permits to purchase firearms to provide proof of completion of a certified firearms safety training program, for concealed pistol license applicants to provide proof of completion of a certified concealed carry firearms safety training program, and for use as proof of qualifying for an exemption from the firearms safety training requirement.

Sec. 5. RCW 43.43.590 and 2020 c 28 s 3 are each amended to read as follows:

The state firearms background check system account is created in the custody of the state treasurer. All receipts under RCW 43.43.580 and section 2 of this act must be deposited into the account. Expenditures from the account may be used only for the creation, operation, and maintenance of the automated firearms background check system under RCW 43.43.580, and for costs incurred in establishing and administering the permit to purchase firearms program under section 2 of this act. Only the chief of the Washington state patrol or the chief's designee may authorize expenditures from the account. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures. The account must provide reimbursement of any amounts appropriated for the purposes of initial establishment of the permit to purchase firearms program by June 30, 2029.

<u>NEW SECTION.</u> Sec. 6. The Washington state patrol may adopt rules and undertake actions necessary for the implementation and administration of sections 2, 4, and 5 of this act.

<u>NEW SECTION.</u> Sec. 7. A new section is added to chapter 9.41 RCW to read as follows:

A local law enforcement agency taking fingerprints pursuant to section 2 of this act may charge a reasonable fee to recover as nearly as practicable the direct and indirect costs to the local law enforcement agency of taking and transmitting the fingerprints. A local law enforcement agency taking fingerprints pursuant to section 2 of this act must check for valid existing warrants for arrest of the applicant.

Sec. 8. RCW 9.41.047 and 2024 c 290 s 1 are each amended to read as follows:

(1)(a) At the time a person is convicted or found not guilty by reason of insanity of an offense making the person ineligible to possess a firearm under state or federal law, including if the person was convicted of possession under RCW 69.50.4011, 69.50.4013, 69.50.4014, or 69.41.030, or at the time a person is committed by court order under RCW 71.05.240, 71.05.320, 71.34.740, 71.34.750, or chapter 10.77 RCW for treatment for a mental disorder, or at the time that charges are dismissed based on incompetency to stand trial under RCW 10.77.086, or the charges are dismissed based on incompetency to stand trial under RCW 10.77.088 and the court makes a finding that the person has a history of one or more violent acts, the court shall notify the person, orally and in writing, that the person must immediately surrender all firearms to their local law enforcement agency and any concealed pistol license and that the person may not possess a firearm unless the person's right to do so is restored by the superior court that issued the order.

(b) The court shall forward within three judicial days following conviction or finding of not guilty by reason of insanity a copy of the person's driver's license or identicard, or comparable information such as the person's name, address, and date of birth, along with the date of conviction or finding of not guilty by reason of insanity, to the department of licensing and to the Washington state patrol firearms background check program.

(c) The court shall forward within three judicial days following commitment by court order under RCW 71.05.240, 71.05.320, 71.34.740, 71.34.750, or chapter 10.77 RCW, for treatment for a mental disorder, or upon dismissal of charges based on incompetency to stand trial under RCW 10.77.086, or the charges are dismissed based on incompetency to stand trial under RCW 10.77.088 when the court makes a finding that the person has a history of one or more violent acts, a copy of the person's driver's license or identicard, or comparable information such as the person's name, address, and date of birth, along with the date of commitment or date charges are dismissed, to the national instant criminal background check system index, denied persons file, created by the federal Brady handgun violence prevention act (P.L. 103-159), and to the department of licensing, Washington state patrol firearms background check program, and the criminal division of the county prosecutor in the county of commitment or the county in which charges are dismissed. The petitioning party shall provide the court with the information required. If more than one commitment order is entered under one cause number, only one notification to the national instant criminal background check system, the department of licensing, the Washington state patrol firearms background check program, and

the criminal division of the county prosecutor in the county of commitment or county in which charges are dismissed is required.

(2)(a) Upon receipt of the information provided in subsection (1) of this section, the Washington state patrol firearms background check program shall determine if the convicted or committed person, or the person whose charges are dismissed based on incompetency to stand trial, has a permit to purchase firearms. If the person does have a permit to purchase firearms, the Washington state patrol firearms background check program shall immediately revoke the permit.

(b) Upon receipt of the information provided for by subsection (1) of this section, the department of licensing shall determine if the person has a concealed pistol license. If the person has a concealed pistol license, the department of licensing shall immediately notify ((the license issuing authority which, upon)) the issuing law enforcement agency that the court has directed revocation of the license. Upon receipt of such notification, the issuing law enforcement agency shall immediately revoke the license.

(3)(a) A person who is prohibited from possessing a firearm, by reason of having been involuntarily committed for treatment for a mental disorder under RCW 71.05.240, 71.05.320, 71.34.740, 71.34.750, chapter 10.77 RCW, or equivalent statutes of another jurisdiction, or by reason of having been detained under RCW 71.05.150 or 71.05.153, or because the person's charges were dismissed based on incompetency to stand trial under RCW 10.77.086, or the charges were dismissed based on incompetency to stand trial under RCW 10.77.088 and the court made a finding that the person has a history of one or more violent acts, may, upon discharge, petition the superior court to have ((his or her))) the person's right to possess a firearm restored, except that a person found not guilty by reason of insanity may not petition for restoration of the right to possess a firearm until one year after discharge.

(b) The petition must be brought in the superior court that ordered the involuntary commitment or dismissed the charges based on incompetency to stand trial or the superior court of the county in which the petitioner resides.

(c) Except as provided in (d) and (e) of this subsection, firearm rights shall be restored if the person petitioning for restoration of firearm rights proves by a preponderance of the evidence that:

(i) The person petitioning for restoration of firearm rights is no longer required to participate in court-ordered inpatient or outpatient treatment;

(ii) The person petitioning for restoration of firearm rights has successfully managed the condition related to the commitment or detention or incompetency;

(iii) The person petitioning for restoration of firearm rights no longer presents a substantial danger to self or to the public;

(iv) The symptoms related to the commitment or detention or incompetency are not reasonably likely to recur; and

(v) There is no active extreme risk protection order or order to surrender and prohibit weapons entered against the petitioner.

(d) If a preponderance of the evidence in the record supports a finding that the person petitioning for restoration of firearm rights has engaged in violence and that it is more likely than not that the person will engage in violence after the person's right to possess a firearm is restored, the person petitioning for restoration of firearm rights shall bear the burden of proving by clear, cogent, and convincing evidence that the person does not present a substantial danger to the safety of others.

(e) If the person seeking restoration of firearm rights seeks restoration after having been detained under RCW 71.05.150 or 71.05.153, the state shall bear the burden of proof to show, by a preponderance of the evidence, that the person does not meet the restoration criteria in (c) of this subsection.

(f) When a person's right to possess a firearm has been restored under this subsection, the court shall forward, within three judicial days after entry of the restoration order, notification that the person's right to possess a firearm has been restored to the department of licensing and the Washington state patrol criminal records division, with a copy of the person's driver's license or identicard, or comparable identification such as the person's name, address, and date of birth, and to the health care authority, and the national instant criminal background check system index, denied persons file. In the case of a person whose right to possess a firearm has been suspended for six months as provided in RCW 71.05.182, the department of licensing shall forward notification of the restoration order to the licensing authority, which, upon receipt of such notification, shall immediately lift the suspension, restoring the person's concealed pistol license.

(4) No person who has been found not guilty by reason of insanity may petition a court for restoration of the right to possess a firearm unless the person meets the requirements for the restoration of the right to possess a firearm under RCW 9.41.041.

Sec. 9. RCW 9.41.070 and 2021 c 215 s 94 are each amended to read as follows:

(1) The chief of police of a municipality or the sheriff of a county shall within thirty days after the filing of an application of any person, issue a license to such person to carry a <u>concealed</u> pistol ((concealed on his or her person)) within this state for five years from date of issue, for the purposes of protection or while engaged in business, sport, or while traveling. However, if the applicant does not have a valid permanent Washington driver's license or Washington state identification card or has not been a resident of the state for the previous consecutive ninety days, the issuing authority shall have up to sixty days after the filing of the application to issue a license. The issuing authority shall not refuse to accept completed applications for concealed pistol licenses during regular business hours.

((The applicant's constitutional right to bear arms shall not be denied, unless)) <u>A concealed pistol license application shall be issued unless the applicant is disqualified because the applicant:</u>

(a) ((He or she is)) <u>Is</u> ineligible to possess a firearm under the provisions of RCW 9.41.040 or 9.41.045, or is prohibited from possessing a firearm under federal law;

(b) The applicant's concealed pistol license is in a revoked status;

(c) ((He or she is)) Is under twenty-one years of age;

(d) ((He or she is)) <u>Is</u> subject to a court order or injunction regarding firearms pursuant to chapter 7.105 RCW, or RCW 9A.46.080, 10.99.040, 10.99.045, 26.09.050, 26.09.060, 26.10.040, 26.26B.020, or 26.26A.470, or any of the former RCW 10.14.080, 26.10.115, 26.50.060, and 26.50.070;

(e) ((He or she is)) <u>Is</u> free on bond or personal recognizance pending trial, appeal, or sentencing for a felony offense;

(f) ((He or she has)) <u>Has</u> an outstanding warrant for ((his or her)) <u>the</u> <u>applicant's</u> arrest from any court of competent jurisdiction for a felony or misdemeanor; ((or))

(g) ((He or she has)) <u>Has</u> been ordered to forfeit a firearm under RCW 9.41.098(1)(e) within one year before filing an application ((to carry a pistol)) for a concealed ((on his or her person)) pistol license; or

(h) Has failed to produce a certificate of completion from a certified concealed carry firearms safety training program within the last five years, as provided under subsection (5) of this section and section 4 of this act, or proof that the applicant is exempt from the training requirement.

No person convicted of a felony may have $((\frac{\text{his or her}}))$ the person's right to possess firearms restored or $((\frac{\text{his or her}}))$ privilege to carry a concealed pistol restored, unless the person has been granted relief from disabilities by the attorney general under 18 U.S.C. Sec. 925(c), or RCW 9.41.040 (3) or (4) applies.

(2)(a) The issuing authority shall conduct a check through the national instant criminal background check system, the Washington state patrol electronic database, the administrative office of the courts, LINX-NW, the health care authority electronic database, and with other agencies or resources as appropriate, to determine whether the applicant is ineligible under RCW 9.41.040 or 9.41.045 to possess a firearm, or is prohibited from possessing a firearm under federal or state law, and therefore ineligible for a concealed pistol license.

(b) The issuing authority shall deny a ((permit)) <u>license</u> to anyone who is found to be prohibited from possessing a firearm under federal or state law <u>or</u> <u>otherwise disqualified from obtaining a concealed pistol license under the requirements of this section</u>.

(c) (a) and (b) of this subsection apply whether the applicant is applying for a new concealed pistol license or to renew a concealed pistol license.

(d) A background check for an original license must be conducted through the Washington state patrol criminal identification section and shall include a national check from the federal bureau of investigation through the submission of fingerprints. The results will be returned to the issuing authority. The applicant may request and receive a copy of the results of the background check from the issuing authority. If the applicant seeks to amend or correct their record, the applicant must contact the Washington state patrol for a Washington state record or the federal bureau of investigation for records from other jurisdictions. <u>An applicant presenting a valid permit to purchase firearms is exempt from the fingerprint check requirement in a concealed pistol license application.</u>

(e)(i) If an application for a concealed pistol license is denied, the issuing authority shall send the applicant a written notice of the denial citing the specific statute under which the application is denied, and providing specific details regarding the grounds for denial in compliance with rules governing the dissemination of criminal history information. If the applicant provides an email address at the time of application, the issuing authority may send the denial notice to the applicant's email address. The written notice also must include information on the procedure for an applicant to request that the issuing authority reconsider the denial of the application.

(ii) If the issuing authority after reconsideration upholds the decision to deny the application, the applicant may seek judicial relief of the denial in superior court pursuant to RCW 9.41.0975.

(3) Any person whose firearms rights have been restricted and who has been granted relief from disabilities by the attorney general under 18 U.S.C. Sec. 925(c) or who is exempt under 18 U.S.C. Sec. 921(a)(20)(A) shall have ((his or her)) the person's right to acquire, receive, transfer, ship, transport, carry, and possess firearms in accordance with Washington state law restored except as otherwise prohibited by this chapter.

(4) The license application shall bear the full name, residential address, telephone number at the option of the applicant, email address at the option of the applicant, date and place of birth, race, gender, <u>physical</u> description, a complete set of fingerprints <u>unless the applicant presents a valid permit to</u> <u>purchase firearms issued under section 2 of this act</u>, ((and)) signature of the licensee, and the licensee's driver's license number or state identification card number if used for identification in applying for the license. A signed application for a concealed pistol license shall constitute a waiver of confidentiality and written request that the health care authority, mental health institutions, and other health care facilities release information relevant to the applicant's eligibility for a concealed pistol license to an inquiring court or law enforcement agency.

The application for an original license shall include a complete set of fingerprints to be forwarded to the Washington state patrol <u>unless the applicant</u> presents a valid permit to purchase firearms issued under section 2 of this act.

The license and application shall contain a warning substantially as follows:

CAUTION: Although state and local laws do not differ, federal law and state law on the possession of firearms differ. If you are prohibited by federal law from possessing a firearm, you may be prosecuted in federal court. A state license is not a defense to a federal prosecution.

The license shall contain a description of the major differences between state and federal law and an explanation of the fact that local laws and ordinances on firearms are preempted by state law and must be consistent with state law.

The application shall contain questions about the applicant's eligibility under RCW 9.41.040 and federal law to possess a pistol, the applicant's place of birth, and whether the applicant is a United States citizen. If the applicant is not a United States citizen, the applicant must provide the applicant's country of citizenship, United States issued alien number or admission number, and the basis on which the applicant claims to be exempt from federal prohibitions on firearm possession by aliens. The applicant shall not be required to produce a birth certificate or other evidence of citizenship. A person who is not a citizen of the United States shall, if applicable, meet the additional requirements of RCW 9.41.173 and produce proof of compliance with RCW 9.41.173 upon application. The license may be in triplicate or in a form to be prescribed by the department of licensing.

A photograph of the applicant may be required as part of the application and printed on the face of the license.

The original thereof shall be delivered to the licensee, the duplicate shall within seven days be sent to the director of licensing and the triplicate shall be preserved for six years, by the authority issuing the license.

The department of licensing shall make available to law enforcement and corrections agencies, in an online format, all information received under this subsection.

(5)(a) The training required for issuance of a license under this section must be from a concealed carry firearms safety training program certified under section 4 of this act that includes live-fire shooting exercises on a firing range that include a demonstration by the applicant of the safe handling of, and shooting proficiency with, firearms, including a minimum of 50 rounds of ammunition firing training at a firing range under the supervision of an instructor.

(b) Concealed pistol license applicants are exempt from the training requirement in this section if they can demonstrate they are exempt under RCW 9.41.1132(5).

<u>(6)(a)</u> The nonrefundable fee, paid upon application, for the original fiveyear license shall be thirty-six dollars plus additional charges imposed by the federal bureau of investigation that are passed on to the applicant. No other state or local branch or unit of government may impose any additional charges on the applicant for the issuance of the license.

The fee shall be distributed as follows:

(((a))) (i) Fifteen dollars shall be paid to the state general fund;

(((b))) (ii) Four dollars shall be paid to the agency taking the fingerprints of the person licensed;

(((-))) (iii) Fourteen dollars shall be paid to the issuing authority for the purpose of enforcing this chapter;

 $(((\frac{d})))$ (iv) Two dollars and sixteen cents to the firearms range account in the general fund; and

(((-))) (v) Eighty-four cents to the concealed pistol license renewal notification account created in RCW 43.79.540.

(((6))) (b) The nonrefundable fee for the renewal of such license shall be thirty-two dollars. No other branch or unit of government may impose any additional charges on the applicant for the renewal of the license.

The renewal fee shall be distributed as follows:

(((a))) (i) Fifteen dollars shall be paid to the state general fund;

(((b))) (ii) Fourteen dollars shall be paid to the issuing authority for the purpose of enforcing this chapter;

(((-))) (iii) Two dollars and sixteen cents to the firearms range account in the general fund; and

(((d))) (iv) Eighty-four cents to the concealed pistol license renewal notification account created in RCW 43.79.540.

(((7))) (c) The nonrefundable fee for replacement of lost or damaged licenses is ten dollars to be paid to the issuing authority.

(((8))) (d) Payment shall be by cash, check, or money order at the option of the applicant. Additional methods of payment may be allowed at the option of the issuing authority.

(((9))) (7)(a) A licensee may renew a license if the licensee applies for renewal within ninety days before or after the expiration date of the license. A

license so renewed shall take effect on the expiration date of the prior license. A licensee renewing after the expiration date of the license must pay a late renewal penalty of ten dollars in addition to the renewal fee specified in subsection (6) of this section. The fee shall be distributed as follows:

(i) Three dollars shall be deposited in the limited fish and wildlife account and used exclusively first for the printing and distribution of a pamphlet on the legal limits of the use of firearms, firearms safety, and the preemptive nature of state law, and subsequently the support of volunteer instructors in the basic firearms safety training program conducted by the department of fish and wildlife. The pamphlet shall be given to each applicant for a license; and

(ii) Seven dollars shall be paid to the issuing authority for the purpose of enforcing this chapter.

(b) Beginning with concealed pistol licenses that expire on or after August 1, 2018, the department of licensing shall mail a renewal notice approximately ninety days before the license expiration date to the licensee at the address listed on the concealed pistol license application, or to the licensee's new address if the licensee has notified the department of licensing of a change of address. Alternatively, if the licensee provides an email address at the time of license application, the department of licensing may send the renewal notice to the licensee's email address. The notice must contain the date the concealed pistol license will expire, the amount of renewal fee, the penalty for late renewal, and instructions on how to renew the license.

(((10))) (8) Notwithstanding the requirements of subsections (1) through (((9))) (7) of this section, the chief of police of the municipality or the sheriff of the county of the applicant's residence may issue a temporary emergency license for good cause pending review under subsection (1) of this section. However, a temporary emergency license issued under this subsection shall not exempt the holder of the license from any records check requirement. Temporary emergency licenses shall be easily distinguishable from regular licenses.

(((11))) (9) A political subdivision of the state shall not modify the requirements of this section or chapter, nor may a political subdivision ask the applicant to voluntarily submit any information not required by this section.

 $(((\frac{12})))$ (10) A person who knowingly makes a false statement regarding citizenship or identity on an application for a concealed pistol license is guilty of false swearing under RCW 9A.72.040. In addition to any other penalty provided for by law, the concealed pistol license of a person who knowingly makes a false statement shall be revoked, and the person shall be permanently ineligible for a concealed pistol license.

(((13))) (11) A person may apply for a concealed pistol license:

(a) To the municipality or to the county in which the applicant resides if the applicant resides in a municipality;

(b) To the county in which the applicant resides if the applicant resides in an unincorporated area; or

(c) Anywhere in the state if the applicant is a nonresident.

(((14))) (12) Any person who, as a member of the armed forces, including the national guard and armed forces reserves, is unable to renew ((his or her)) a license under ((subsections (6) and (9))) subsection (7) of this section because of the person's assignment, reassignment, or deployment for out-of-state military service may renew ((his or her)) the license within ninety days after the person

returns to this state from out-of-state military service, if the person provides the following to the issuing authority no later than ninety days after the person's date of discharge or assignment, reassignment, or deployment back to this state: (a) A copy of the person's original order designating the specific period of assignment, reassignment, or deployment for out-of-state military service, and (b) if appropriate, a copy of the person's discharge or amended or subsequent assignment, reassignment, reassignment, or deployment order back to this state. A license ((so)) renewed under this subsection (((14))) shall take effect on the expiration date of the prior license. A licensee renewing after the expiration date of the license under this subsection (((14))) shall pay only the renewal fee specified in subsection (6) of this section and shall not be required to pay a late renewal penalty in addition to the renewal fee.

 $((\frac{(15)}{2}))$ (13)(a) By October 1, 2019, law enforcement agencies that issue concealed pistol licenses shall develop and implement a procedure for the renewal of concealed pistol licenses through a mail application process, and may develop an online renewal application process, for any person who, as a member of the armed forces, including the national guard and armed forces reserves, is unable to renew ((his or her)) a license under ((subsections (6) and (9))) subsection (7) of this section because of the person's assignment, reassignment, or deployment for out-of-state military service.

(b) A person applying for a license renewal under this subsection shall:

(i) Provide a copy of the person's original order designating the specific period of assignment, reassignment, or deployment for out-of-state military service;

(ii) Apply for renewal within ninety days before or after the expiration date of the license; and

(iii) Pay the renewal licensing fee under subsection (6) of this section, and, if applicable, the late renewal penalty under subsection (((9))) (7) of this section.

(c) A license renewed under this subsection takes effect on the expiration date of the prior license and is valid for a period of one year.

(14) Not later than one year after the effective date of this section and annually thereafter, issuing authorities shall submit aggregate license application data as set forth in this section to the Washington state patrol firearms background check program for statewide analysis of the uniformity of the licensing system and any potential demographic disparities. Not later than 18 months after the effective date of this section and annually thereafter, the Washington state patrol firearms background check program shall submit to the state legislature a report that includes all of the following information, to the extent available, regarding concealed pistol licenses for the preceding year:

(a) The number of license applications submitted, issued, and denied;

(b) Aggregate and anonymized demographic data on the number of applicants seeking licenses that were issued, including race, gender, date of birth, and county of residence;

(c) Aggregate and anonymized demographic data on the number of applicants seeking licenses that were denied, including race, gender, date of birth, and county of residence;

(d) The frequency with which licenses were denied for each of the statutory disqualifying factors listed in this section:

(e) The number of license denial decisions appealed by license applicants and the disposition of those appeals;

(f) The number of issued licenses revoked; and

(g) Information on the barriers, if any, to compiling and analyzing the information listed in (a) through (f) of this subsection.

Sec. 10. RCW 9.41.075 and 2021 c 215 s 73 are each amended to read as follows:

(1) The license shall be revoked by a law enforcement agency immediately upon:

(a) Discovery by the law enforcement agency that the licensee was ineligible under RCW 9.41.070 for a concealed pistol license when applying for the license or license renewal <u>or has become ineligible after the license was issued;</u>

(b) Conviction of the licensee, or the licensee being found not guilty by reason of insanity, of an offense, or commitment of the licensee for mental health treatment, that makes a person ineligible under RCW 9.41.040 to possess a firearm;

(c) Conviction of the licensee for a third violation of this chapter within five calendar years;

(d) An order that the licensee for feit a firearm under RCW 9.41.098(1)(d); or

(e) The law enforcement agency's receipt of an order to surrender and prohibit weapons or an extreme risk protection order, other than an ex parte temporary protection order, issued against the licensee.

(2) The law enforcement agency must provide a written notice of the revocation to the license holder citing the specific statute under which the license is revoked, and providing details regarding the grounds for revocation in compliance with rules governing the dissemination of criminal history information. The written notice also must include information on the procedure for the license holder to request that the law enforcement agency reconsider the revocation determination. If the agency after reconsideration upholds the decision to revoke the license, the license holder may seek relief of the denial in superior court pursuant to RCW 9.41.0975.

(3)(a) Unless the person may lawfully possess a pistol without a concealed pistol license, an ineligible person to whom a concealed pistol license was issued shall, within 14 days of license revocation, lawfully transfer ownership of any pistol acquired while the person was in possession of the license.

(b) Upon discovering a person issued a concealed pistol license was ineligible for the license, the law enforcement agency shall contact the department of licensing to determine whether the person purchased a pistol while in possession of the license. If the person did purchase a pistol while in possession of the concealed pistol license, if the person may not lawfully possess a pistol without a concealed pistol license, the law enforcement agency shall require the person to present satisfactory evidence of having lawfully transferred ownership of the pistol. The law enforcement agency shall require the person to produce the evidence within 15 days of the revocation of the license.

(((3))) (4) When a licensee is ordered to forfeit a firearm under RCW 9.41.098(1)(d), the law enforcement agency shall:

(a) On the first forfeiture, revoke the license for one year;

(b) On the second forfeiture, revoke the license for two years; or

(c) On the third or subsequent forfeiture, revoke the license for five years.

Any person whose license is revoked as a result of a forfeiture of a firearm under RCW 9.41.098(1)(d) may not reapply for a new license until the end of the revocation period.

(((4))) (5) The law enforcement agency shall notify, in writing, the department of licensing of the revocation of a license. The department of licensing shall record the revocation.

Sec. 11. RCW 9.41.097 and 2023 c 161 s 6 are each amended to read as follows:

(1) The health care authority, mental health institutions, and other health care facilities shall, upon request of a court, law enforcement agency, or the state, supply such relevant information as is necessary to determine the eligibility of a person to possess a firearm, to be issued a <u>permit to purchase firearms under section 2 of this act or a</u> concealed pistol license under RCW 9.41.070, or to purchase a firearm under RCW 9.41.090.

(2) Mental health information received by: (a) The department of licensing pursuant to RCW 9.41.047 or 9.41.173; (b) an issuing authority pursuant to RCW 9.41.047 or 9.41.070; (c) a chief of police or sheriff pursuant to RCW 9.41.090 or 9.41.173; (d) a court or law enforcement agency pursuant to subsection (1) of this section; or (e) the Washington state patrol firearms background check program pursuant to RCW 9.41.090, shall not be disclosed except as provided in RCW 42.56.240(4).

Sec. 12. RCW 9.41.0975 and 2023 c 161 s 7 are each amended to read as follows:

(1) The state, local governmental entities, any public or private agency, and the employees of any state or local governmental entity or public or private agency, acting in good faith, are immune from liability:

(a) For failure to prevent the sale or transfer of a firearm to a person whose receipt or possession of the firearm is unlawful;

(b) For preventing the sale or transfer of a firearm to a person who may lawfully receive or possess a firearm;

(c) For issuing a <u>permit to purchase firearms</u>, concealed pistol license, or alien firearm license to a person ineligible for such a license;

(d) For failing to issue a <u>permit to purchase firearms</u>, concealed pistol license, or alien firearm license to a person eligible for such a license;

(e) For revoking or failing to revoke an issued <u>permit to purchase firearms</u>, concealed pistol license, or alien firearm license;

(f) For errors in preparing or transmitting information as part of determining a person's eligibility to receive or possess a firearm, or eligibility for a <u>permit to</u> <u>purchase firearms</u>, concealed pistol license, or alien firearm license;

(g) For issuing a dealer's license to a person ineligible for such a license; or

(h) For failing to issue a dealer's license to a person eligible for such a license.

(2) An application may be made to a court of competent jurisdiction for a writ of mandamus:

(a) Directing an issuing agency to issue a concealed pistol license, permit to purchase firearms, or alien firearm license wrongfully refused, or to reinstate a concealed pistol license or permit to purchase firearms wrongfully revoked;

(b) Directing the Washington state patrol firearms background check program to approve an application to purchase a firearm wrongfully denied;

(c) Directing that erroneous information resulting either in the wrongful refusal to issue a <u>permit to purchase firearms</u>, concealed pistol license, or alien firearm license or in the wrongful denial of ((a <u>purchase</u>)) an application for <u>the purchase</u> or transfer of a firearm be corrected; or

(d) Directing a law enforcement agency to approve a dealer's license wrongfully denied.

The application for the writ may be made in the county in which the application for a <u>permit to purchase firearms</u>, concealed pistol license, or alien firearm license or an application to purchase a firearm was made, or in Thurston county, at the discretion of the petitioner. A court shall provide an expedited hearing for an application brought under this subsection (2) for a writ of mandamus. A person granted a writ of mandamus under this subsection (2) shall be awarded reasonable attorneys' fees and costs.

Sec. 13. RCW 9.41.110 and 2024 c 288 s 1 are each amended to read as follows:

(1) No dealer may sell or otherwise transfer, or expose for sale or transfer, or have in ((his or her)) the dealer's possession with intent to sell, or otherwise transfer, any pistol without being licensed as provided in this section.

(2) No dealer may sell or otherwise transfer, or expose for sale or transfer, or have in ((his or her)) the dealer's possession with intent to sell, or otherwise transfer, any firearm other than a pistol without being licensed as provided in this section.

(3) No dealer may sell or otherwise transfer, or expose for sale or transfer, or have in ((his or her)) the dealer's possession with intent to sell, or otherwise transfer, any ammunition without being licensed as provided in this section.

(4) The duly constituted licensing authorities of any city, town, or political subdivision of this state shall grant licenses in forms prescribed by the director of licensing effective for not more than one year from the date of issue permitting the licensee to sell firearms within this state subject to the following conditions, for breach of any of which the license shall be forfeited and the licensee subject to punishment as provided in this chapter. A licensing authority shall forward a copy of each license granted to the department of licensing. The department of licensing shall notify the department of revenue of the name and address of each dealer licensed under this section. Any law enforcement agency acting within the scope of its jurisdiction may investigate a breach of the licensing conditions established in this chapter.

(5)(a) A licensing authority shall, within 30 days after the filing of an application of any person for a dealer's license, determine whether to grant the license. However, if the applicant does not have a valid permanent Washington driver's license or Washington state identification card, or has not been a resident of the state for the previous consecutive 90 days, the licensing authority shall have up to 60 days to determine whether to issue a license. No person shall qualify for a license under this section without first receiving a federal firearms license and undergoing fingerprinting and a background check. In addition, no

person ineligible to possess a firearm under RCW 9.41.040 or ineligible for a concealed pistol license under RCW 9.41.070 shall qualify for a dealer's license.

(b) A dealer shall require every employee who may sell a firearm in the course of ((his or her)) employment to undergo fingerprinting and a background check in advance of engaging in the sale or transfer of firearms and to undergo a background check annually thereafter. An employee must be at least 21 years of age, eligible to possess a firearm, and must not have been convicted of a crime that would make the person ineligible for a concealed pistol license, before being permitted to sell a firearm. Every employee shall comply with requirements concerning purchase applications and restrictions on delivery of firearms that are applicable to dealers.

(6) As a condition of licensure, a dealer shall annually certify to the licensing authority, in writing and under penalty of perjury, that the dealer is in compliance with each licensure requirement established in this section.

(7)(a) Except as otherwise provided in (b) of this subsection, the business shall be carried on only in the building designated in the license. For the purpose of this section, advertising firearms for sale shall not be considered the carrying on of business.

(b) A dealer may conduct business temporarily at a location other than the building designated in the license, if the temporary location is within Washington state and is the location of a gun show sponsored by a national, state, or local organization, or an affiliate of any such organization, devoted to the collection, competitive use, or other sporting use of firearms in the community. Nothing in this subsection (7)(b) authorizes a dealer to conduct business in or from a motorized or towed vehicle.

In conducting business temporarily at a location other than the building designated in the license, the dealer shall comply with all other requirements imposed on dealers by RCW 9.41.090, 9.41.100, and this section. The license of a dealer who fails to comply with the requirements of RCW 9.41.080 and 9.41.090 and subsection (16) of this section while conducting business at a temporary location shall be revoked, and the dealer shall be permanently ineligible for a dealer's license.

(8) The license or a copy thereof, certified by the issuing authority, shall be displayed on the premises in the area where firearms are sold, or at the temporary location, where it can easily be read.

(9)(a) The business building location designated in the license shall be secured:

(i) With at least one of the following features designed to prevent unauthorized entry, which must be installed on each exterior door and window of the place of business:

(A) Bars or grates;

(B) Security screens; or

(C) Commercial grade metal doors; and

(ii) With a security alarm system that is:

(A) Properly installed and maintained in good condition;

(B) Monitored by a remote central station that can contact law enforcement in the event of an alarm;

(C) Capable of real-time monitoring of all exterior doors and windows, and all areas where firearms are stored; and

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(D) Equipped with, at minimum, detectors that can perceive entry, motion, and sound.

(b) It is not a violation of this subsection if any security feature or system becomes temporarily inoperable through no fault of the dealer.

(10)(a) Dealers shall secure each firearm during business hours, except when the firearm is being shown to a customer, repaired, or otherwise worked on, in a manner that prevents a customer or other member of the public from accessing or using the firearm, which may include keeping the firearm in a locked container or in a locked display case.

(b) Other than during business hours, all firearms shall be secured (i) on the dealer's business premises in a locked fireproof safe or vault, (ii) in a room or building that meets all requirements of subsection (9)(a) of this section, or (iii) in a secured and locked area under the dealer's control while the dealer is conducting business at a temporary location.

(11)(a) A dealer shall ensure that its business location designated in the license is monitored by a digital video surveillance system that meets all of the following requirements:

(i) The system shall clearly record images and, for systems located inside the premises, audio, of the area under surveillance;

(ii) Each camera shall be permanently mounted in a fixed location. Cameras shall be placed in locations that allow the camera to clearly record activity occurring in all areas described in (a)(iii) of this subsection and reasonably produce recordings that allow for the clear identification of any person;

(iii) The areas recorded shall include, but are not limited to, all of the following:

(A) Interior views of all exterior doors, windows, and any other entries or exits to the premises;

(B) All areas where firearms are displayed; and

(C) All points of sale, sufficient to identify the parties involved in the transaction;

(iv) The system shall be capable of recording 24 hours per day at a frame rate no less than 15 frames per second, and must either (A) record continuously or (B) be activated by motion and remain active for at least 15 seconds after motion ceases to be detected;

(v) The media or device on which recordings are stored shall be secured in a manner to protect the recording from tampering, unauthorized access or use, or theft;

(vi) Recordings shall be maintained for a minimum of 90 days for all recordings of areas where firearms are displayed and points of sale, and for a minimum of 45 days for all recordings of interior views of exterior doors, windows, and any other entries or exits;

(vii) Recorded images shall clearly and accurately display the date and time;

(viii) The system shall be equipped with a failure notification system that provides notification to the licensee of any interruption or failure of the system or storage device.

(b) A licensed dealer shall not use, share, allow access to, or otherwise release surveillance recordings, to any person except as follows:

(i) A dealer shall allow access to the system or release recordings to any person pursuant to search warrant or other court order.

(ii) A dealer may allow access to the system or release recordings to any person in response to an insurance claim or as part of the civil discovery process including, but not limited to, in response to subpoenas, request for production or inspection, or other court order.

(c) The dealer shall post a sign in a conspicuous place at each entrance to the premises that states in block letters not less than one inch in height: "THESE PREMISES ARE UNDER VIDEO AND AUDIO SURVEILLANCE. YOUR IMAGE AND CONVERSATIONS MAY BE RECORDED."

(d) This section does not preclude any local authority or local governing body from adopting or enforcing local laws or policies regarding video surveillance that do not contradict or conflict with the requirements of this section.

(e) It is not a violation of this subsection if the surveillance system becomes temporarily inoperable through no fault of the dealer.

(12) A dealer shall:

(a) Promptly review and respond to all requests from law enforcement agencies and officers, including trace requests and requests for documents and records, as soon as practicably possible and no later than 24 hours after learning of the request;

(b) Promptly notify local law enforcement agencies and the bureau of alcohol, tobacco, firearms and explosives of any loss, theft, or unlawful transfer of any firearm or ammunition as soon as practicably possible and no later than 24 hours after the dealer knows or should know of the reportable event.

(13) A dealer shall:

(a) Establish and maintain a book, or if the dealer should choose, an electronic-based record of purchase, sale, inventory, and other records at the dealer's place of business and shall make all such records available to law enforcement upon request. Such records shall at a minimum include the make, model, caliber or gauge, manufacturer's name, and serial number of all firearms that are acquired or disposed of not later than one business day after their acquisition or disposition;

(b) Maintain monthly backups of the records required by (a) of this subsection in a secure container designed to prevent loss by fire, theft, or flood. If the dealer chooses to maintain an electronic-based record system, those records shall be backed up on an external server or over the internet at the close of each business day;

(c) Account for all firearms acquired but not yet disposed of through an inventory check prepared each month and maintained in a secure location;

(d) Maintain and make available at any time to government law enforcement agencies and to the manufacturer of the weapon or its designee, firearm disposition information, including the serial numbers of firearms sold, dates of sale, and identity of purchasers;

(e) Retain all bureau of alcohol, tobacco, firearms and explosives form 4473 transaction records on the dealer's business premises in a secure container designed to prevent loss by fire, theft, or flood;

(f) Maintain for six years copies of trace requests received, including notations for trace requests received by phone for six years;

(g) Provide annual reporting to the Washington state attorney general concerning trace requests, including at a minimum the following:

(i) The total number of trace requests received;

(ii) For each trace, the make and model of the gun and date of sale; and

(iii) Whether the dealer was inspected by the bureau of alcohol, tobacco, firearms and explosives, and copies of any reports of violations or letters received from the bureau of alcohol, tobacco, firearms and explosives.

(14) The attorney general may create, publish, and require firearm dealers to file a uniform for all annual dealer reports required by subsection (13)(g) of this section.

(15) A dealer shall carry a general liability insurance policy providing at least \$1,000,000 of coverage per incident.

(16)(a) No firearm may be sold <u>or transferred</u>: (i) In violation of any provisions of this chapter; nor (ii) under any circumstances unless the purchaser <u>or transferee</u> is personally known to the dealer or shall present clear evidence of ((his or her)) the purchaser's or transferee's identity and the purchaser or transferee presents a valid permit to purchase firearms.

(b) A dealer who sells or delivers any firearm in violation of RCW 9.41.080 is guilty of a class C felony. In addition to any other penalty provided for by law, the dealer is subject to mandatory permanent revocation of ((his or her)) the dealer's license and permanent ineligibility for a dealer's license.

(c) The license fee for pistols shall be one hundred twenty-five dollars. The license fee for firearms other than pistols shall be one hundred twenty-five dollars. The license fee for ammunition shall be one hundred twenty-five dollars. Any dealer who obtains any license under subsection (1), (2), or (3) of this section may also obtain the remaining licenses without payment of any fee. The fees received under this section shall be deposited in the state general fund.

(17)(a) A true record shall be made of every ((pistel or semiautomatic assault rifle)) firearm sold((, in a book kept for the purpose, the form of which may be preseribed by the director of licensing and shall be personally signed by the purchaser and by the person effecting the sale, each in the presence of the other, and)) or transferred, which shall contain the date of sale, the caliber, make, model and manufacturer's number of the weapon, the name, address, occupation, and place of birth of the purchaser or transferee, the identification number of the purchaser's or transferee's permit to purchase firearms, and a statement signed by the purchaser or transferee that ((he or she)) the purchaser or transferee is not ineligible under state or federal law to possess a firearm. ((The dealer shall retain the transfer record for six years.))

(b) The dealer shall transmit the information from the firearm transfer application, and the information from the sale or transfer record, through secure automated firearms e-check (SAFE) to the Washington state patrol firearms background check program. The Washington state patrol firearms background check program shall transmit the application information for ((pistol and semiautomatic assault rifle)) firearm transfer applications and firearm sale or transfer records to the director of licensing daily. ((The original application shall be retained by the dealer for six years.))

(18) Subsections (2) through (17) of this section shall not apply to sales at wholesale.

(19) Subsections (6) and (9) through (15) of this section shall not apply to dealers with a sales volume of \$1,000 or less per month on average over the preceding 12 months. A dealer that previously operated under this threshold and

subsequently exceeds it must comply with the requirements of subsections (6) and (9) through (15) of this section within one year of exceeding the threshold.

(20) The dealer's licenses authorized to be issued by this section are general licenses covering all sales by the licensee within the effective period of the licenses. The department shall provide a single application form for dealer's licenses and a single license form which shall indicate the type or types of licenses granted.

(21) Except as otherwise provided in this chapter, every city, town, and political subdivision of this state is prohibited from requiring the purchaser to secure a permit to purchase or from requiring the dealer to secure an individual permit for each sale.

Sec. 14. RCW 9.41.129 and 2019 c 3 s 14 are each amended to read as follows:

The department of licensing shall keep copies or records of applications for concealed pistol licenses provided for in RCW 9.41.070, copies or records of applications for alien firearm licenses, copies or records of applications $((t \Theta))$ for the purchase ((pistols or semiautomatic assault rifles)) or transfer of firearms provided for in RCW 9.41.090, and copies or records of ((pistol or semiautomatic assault rifle)) firearm transfers provided for in RCW 9.41.110. The copies and records shall not be disclosed except as provided in RCW 42.56.240(4).

Sec. 15. RCW 9.41.270 and 1994 sp.s. c 7 s 426 are each amended to read as follows:

(1) It shall be unlawful for any person to carry, exhibit, display, or draw any firearm, dagger, sword, knife or other cutting or stabbing instrument, club, or any other weapon apparently capable of producing bodily harm, in a manner, under circumstances, and at a time and place that either manifests an intent to intimidate another or that warrants alarm for the safety of other persons.

(2) Any person violating the provisions of subsection (1) above shall be guilty of a gross misdemeanor. If any person is convicted of a violation of subsection (1) of this section, the person shall lose ((his or her)) the person's concealed pistol license and permit to purchase firearms, if any. The court shall send notice of the required revocation of any concealed pistol license to the department of licensing, and the city, town, or county which issued the license, and notice of the required revocation of any permit to purchase firearms to the Washington state patrol firearms background check program.

(3) Subsection (1) of this section shall not apply to or affect the following:

(a) Any act committed by a person while in ((his or her)) the person's place of abode or fixed place of business;

(b) Any person who by virtue of ((his or her)) the person's office or public employment is vested by law with a duty to preserve public safety, maintain public order, or to make arrests for offenses, while in the performance of such duty;

(c) Any person acting for the purpose of protecting himself or herself against the use of presently threatened unlawful force by another, or for the purpose of protecting another against the use of such unlawful force by a third person;

(d) Any person making or assisting in making a lawful arrest for the commission of a felony; or

(e) Any person engaged in military activities sponsored by the federal or state governments.

Sec. 16. RCW 7.105.350 and 2021 c 215 s 47 are each amended to read as follows:

(1) The clerk of the court shall enter any extreme risk protection order, including temporary extreme risk protection orders, issued under this chapter into a statewide judicial information system on the same day such order is issued, if possible, but no later than the next judicial day.

(2) A copy of an extreme risk protection order granted under this chapter, including temporary extreme risk protection orders, must be forwarded immediately by the clerk of the court, by electronic means if possible, to the law enforcement agency specified in the order. Upon receipt of the order, the law enforcement agency shall immediately enter the order into the national instant criminal background check system, any other federal or state computer-based systems used by law enforcement or others to identify prohibited purchasers of firearms, and any computer-based criminal intelligence information system available in this state used by law enforcement agencies to list outstanding warrants. The order must remain in each system for the period stated in the order, and the law enforcement agency shall only expunge orders from the systems that have expired or terminated. Entry into the computer-based criminal intelligence information system constitutes notice to all law enforcement agencies of the existence of the order. The order is fully enforceable in any county in the state.

(3) The information entered into the computer-based criminal intelligence information system must include notice to law enforcement whether the order was personally served, served by electronic means, served by publication, or served by mail.

(4) If a law enforcement agency receives a protection order for entry or service, but the order falls outside the agency's jurisdiction, the agency may enter and serve the order or may immediately forward it to the appropriate law enforcement agency for entry and service, and shall provide documentation back to the court verifying which law enforcement agency has entered and will serve the order.

(5) The issuing court shall, within three judicial days after the issuance of any extreme risk protection order, including a temporary extreme risk protection order, forward a copy of the respondent's driver's license or identicard, or comparable information, along with the date of order issuance, to the department of licensing <u>and the Washington state patrol firearms background check</u> <u>program</u>. Upon receipt of the information, the department of licensing shall determine if the respondent has a concealed pistol license. If the respondent does have a concealed pistol license, the department of licensing shall immediately notify a law enforcement agency that the court has directed the revocation of the license. The law enforcement agency, upon receipt of such notification, shall immediately revoke the license. <u>Upon receipt of the information, the</u> <u>Washington state patrol firearms background check program shall determine if the respondent has a permit to purchase firearms. If the respondent does have a</u> permit to purchase firearms, the Washington state patrol firearms background check program shall immediately revoke the permit.

(6) If an extreme risk protection order is terminated before its expiration date, the clerk of the court shall forward on the same day a copy of the termination order to the department of licensing and the law enforcement agency specified in the termination order. Upon receipt of the order, the law enforcement agency shall promptly remove the order from any computer-based system in which it was entered pursuant to subsection (2) of this section.

Sec. 17. RCW 43.43.580 and 2024 c 289 s 7 are each amended to read as follows:

(1) The Washington state patrol shall establish a firearms background check program to serve as a centralized single point of contact for dealers to conduct background checks for firearms sales or transfers required under chapter 9.41 RCW and the federal Brady handgun violence prevention act (18 U.S.C. Sec. 921 et seq.). The Washington state patrol shall establish an automated firearms background check system to conduct background checks on applicants for the purchase or transfer of a firearm. The system must include the following characteristics:

(a) Allow a dealer to contact the Washington state patrol through a web portal or other electronic means and by telephone to request a background check of an applicant for the purchase or transfer of a firearm;

(b) Provide a dealer with a notification that a firearm purchase or transfer application has been received;

(c) Assign a unique identifier to the background check inquiry;

(d) Provide an automated response to the dealer indicating whether the transfer may proceed or is denied, or that the check is indeterminate and will require further investigation;

(e) Include measures to ensure data integrity and the confidentiality and security of all records and data transmitted and received by the system; and

(f) Include a performance metrics tracking system to evaluate the performance of the background check system.

(2) Upon receipt of a request from a dealer for a background check in connection with the sale or transfer of a firearm, the Washington state patrol shall:

(a) Provide the dealer with a notification that a firearm transfer application has been received;

(b) Conduct a check of the national instant criminal background check system and the following additional records systems to determine whether the transferee is prohibited from possessing a firearm under state or federal law: (i) The Washington crime information center and Washington state identification system; (ii) the health care authority electronic database; (iii) the federal bureau of investigation national data exchange database and any available repository of statewide local law enforcement record management systems information; (iv) the administrative office of the courts case management system; and (v) other databases or resources as appropriate;

(c) Perform an equivalency analysis on criminal charges in foreign jurisdictions to determine if the applicant has been convicted as defined in RCW 9.41.040(3) and if the offense is equivalent to a Washington felony as defined in RCW 9.41.010; (d) Notify the dealer without delay that the records indicate the individual is prohibited from possessing a firearm and the transfer is denied or that the individual is approved to complete the transfer. If the results of the background check are indeterminate, the Washington state patrol shall notify the dealer of the delay and conduct necessary research and investigation to resolve the inquiry; and

(e) Provide the dealer with a unique identifier for the inquiry.

(3) The Washington state patrol may hold the delivery of a firearm to an applicant under the circumstances provided in RCW 9.41.090 (((4) and (5))) (3).

(4)(a) The Washington state patrol shall require a dealer to charge each firearm purchaser or transferee a fee for performing background checks in connection with firearms transfers. The fee must be set at an amount necessary to cover the annual costs of operating and maintaining the firearm background check system but shall not exceed eighteen dollars. The Washington state patrol shall transmit the fees collected to the state treasurer for deposit in the state firearms background check system account created in RCW 43.43.590. ((It is the intent of the legislature that once the state firearm background check system is established, the fee established in this section will replace the fee required in RCW 9.41.090(7).))

(b) The background check fee required under this subsection does not apply to any background check conducted in connection with a pawnbroker's receipt of a pawned firearm or the redemption of a pawned firearm.

(5) The Washington state patrol shall establish a procedure for a person who has been denied a firearms transfer as the result of a background check to appeal the denial to the Washington state patrol and to obtain information on the basis for the denial and procedures to review and correct any erroneous records that led to the denial.

(6) The Washington state patrol shall work with the administrative office of the courts to build a link between the firearm background check system and the administrative office of the courts case management system for the purpose of accessing court records to determine a person's eligibility to possess a firearm.

(7) Upon establishment of the firearm background check system under this section, the Washington state patrol shall notify each dealer in the state of the existence of the system, and the dealer must use the system to conduct background checks for firearm sales or transfers beginning on the date that is thirty days after issuance of the notification.

(8) The Washington state patrol shall consult with the Washington background check advisory board created in RCW 43.43.585 in carrying out its duties under this section.

(9) No later than July 1, 2025, and annually thereafter, the Washington state patrol firearms background check program shall report to the appropriate committees of the legislature the average time between receipt of request for a background check and final decision.

(10) All records and information prepared, obtained, used, or retained by the Washington state patrol in connection with a request for a firearm background check are exempt from public inspection and copying under chapter 42.56 RCW.

(11) The Washington state patrol may adopt rules necessary to carry out the purposes of this section.

(12) For the purposes of this section, "dealer" has the same meaning as given in RCW 9.41.010.

<u>NEW SECTION.</u> Sec. 18. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

<u>NEW SECTION.</u> Sec. 19. Except for section 6 of this act, this act takes effect May 1, 2027.

<u>NEW SECTION.</u> Sec. 20. If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2025, in the omnibus appropriations act, this act is null and void.

Passed by the House April 22, 2025. Passed by the Senate April 14, 2025. Approved by the Governor May 20, 2025. Filed in Office of Secretary of State May 21, 2025.

AUTHENTICATION

I, Kathleen Buchli, Code Reviser of the State of Washington, certify that, with the exception of such corrections as I have made in accordance with the powers vested in me by RCW 44.20.060, the laws published in this volume are a true and correct reproduction of the copies of the enrolled laws of the 2025 session (69th Legislature), chapters 201 through 370, as certified and transmitted to the Statute Law Committee by the Secretary of State under RCW 44.20.020.

IN TESTIMONY WHEREOF, I have hereunto set my hand at Olympia, Washington, this 23rd day of June, 2025.

Kathleen Buchli Code Reviser