

NINETY NINTH DAY, APRIL 22, 2019

2019 REGULAR SESSION

NINETY NINTH DAY

MORNING SESSION

Senate Chamber, Olympia
Monday, April 22, 2019

The Senate was called to order at 10:02 a.m. by the President Pro Tempore, Senator Keiser presiding. The Secretary called the roll and announced to the President Pro Tempore that all senators were present.

The Sergeant at Arms Color Guard consisting of Pages Mr. Nick Thompson and Miss Serenity West, presented the Colors. Page Miss Bethany Jacks led the Senate in the Pledge of Allegiance.

The prayer was offered by Reverend Aaron Stewart, Senior Pastor, University Place Presbyterian Church.

The President called upon the Secretary to read the journal of the preceding day.

MOTION

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

MOTION

On motion of Senator Liias, Rule 15 was suspended for the remainder of the day for the purpose of allowing continued floor action.

EDITOR'S NOTE: Senate Rule 15 establishes the floor schedule and calls for a lunch and dinner break of 90 minutes each per day during regular daily sessions.

MOTION

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

REPORTS OF STANDING COMMITTEES

April 18, 2019

SB 5996 Prime Sponsor, Senator Van De Wege: Funding fire prevention and suppression activities. Reported by Committee on Ways & Means

MAJORITY recommendation: That Substitute Senate Bill No. 5996 be substituted therefor, and the substitute bill do pass. Signed by Senators Billig; Rolfes, Chair; Frockt, Vice Chair, Operating, Capital Lead; Pedersen; Palumbo; Liias; Keiser; Hunt; Hasegawa; Darneille; Conway; Carlyle and Van De Wege.

MINORITY recommendation: Do not pass. Signed by Senators Becker; Bailey; Honeyford, Assistant Ranking Member, Capital; Brown, Assistant Ranking Member, Operating; Braun, Ranking Member; Mullet, Capital Budget Cabinet; Wilson, L.; Warnick; Wagoner and Schoesler.

Referred to Committee on Rules for second reading.

April 18, 2019

SB 6012 Prime Sponsor, Senator Hawkins: Promoting

renewable energy through modifying tax incentives. Reported by Committee on Ways & Means

MAJORITY recommendation: That Substitute Senate Bill No. 6012 be substituted therefor, and the substitute bill do pass. Signed by Senators Rolfes, Chair; Schoesler; Frockt, Vice Chair, Operating, Capital Lead; Mullet, Capital Budget Cabinet; Braun, Ranking Member; Brown, Assistant Ranking Member, Operating; Honeyford, Assistant Ranking Member, Capital; Bailey; Becker; Billig; Darneille; Hunt; Palumbo; Pedersen; Rivers; Van De Wege; Wagoner; Warnick; Wilson, L. and Carlyle.

MINORITY recommendation: That it be referred without recommendation. Signed by Senators Conway; Hasegawa and Keiser.

Referred to Committee on Rules for second reading.

April 18, 2019

ESHB 1107 Prime Sponsor, Committee on Finance: Concerning nonprofit homeownership development. Reported by Committee on Ways & Means

MAJORITY recommendation: Do pass. Signed by Senators Rolfes, Chair; Darneille; Frockt, Vice Chair, Operating, Capital Lead; Mullet, Capital Budget Cabinet; Braun, Ranking Member; Brown, Assistant Ranking Member, Operating; Honeyford, Assistant Ranking Member, Capital; Bailey; Becker; Billig; Conway; Hunt; Keiser; Liias; Palumbo; Pedersen; Rivers; Van De Wege; Wagoner; Warnick and Wilson, L..

MINORITY recommendation: That it be referred without recommendation. Signed by Senators Carlyle; Hasegawa and Schoesler.

Referred to Committee on Rules for second reading.

MOTION

On motion of Senator Liias, all measures listed on the Standing Committee report were referred to the committees as designated.

MOTION

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

MESSAGE FROM THE GOVERNOR
GUBERNATORIAL APPOINTMENTS

April 17, 2019

TO THE HONORABLE, THE SENATE OF THE STATE OF WASHINGTON

Ladies and Gentlemen:

I have the honor to submit the following appointment, subject to your confirmation.

GEORGE D. HACKNEY, appointed April 17, 2019, for the term ending June 17, 2020, as Member of the Human Rights Commission.

Sincerely,
JAY INSLEE, Governor

Referred to Committee on Law & Justice as Senate
Gubernatorial Appointment No. 9291.

April 17, 2019

TO THE HONORABLE, THE SENATE OF THE STATE OF
WASHINGTON

Ladies and Gentlemen:

I have the honor to submit the following reappointment,
subject to your confirmation.

JAMES A. McDEVITT, reappointed April 17, 2019, for the
term ending September 25, 2022, as Member of the Clemency and
Pardons Board.

Sincerely,
JAY INSLEE, Governor

Referred to Committee on Human Services, Reentry &
Rehabilitation as Senate Gubernatorial Appointment No. 9292.

MOTION

On motion of Senator Liias, all appointees listed on the
Gubernatorial Appointments report were referred to the
committees as designated.

MOTION

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

INTRODUCTION AND FIRST READING

SJM 8014 by Senators McCoy and Salomon

Concerning logging and mining in the upper Skagit
watershed.

Referred to Committee on Agriculture, Water, Natural
Resources & Parks.

MOTIONS

On motion of Senator Liias, the measure listed on the
Introduction and First Reading report was referred to the
committee as designated.

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

On motion of Senator Liias, Senate Rule 20 was suspended for
the remainder of the day to allow consideration of additional floor
resolutions.

EDITOR'S NOTE: Senate Rule 20 limits consideration of floor
resolutions not essential to the operation of the Senate to one per
day during regular daily sessions.

MOTION

Senator Hunt moved adoption of the following resolution:

SENATE RESOLUTION 8645

By Senator Hunt

WHEREAS, The Washington Interscholastic Activities

Association (WIAA) was formed in 1905 to create equitable
playing conditions between high school sports teams in
Washington; and

WHEREAS, The WIAA consists of nearly eight hundred
member high schools and middle/junior high schools; and

WHEREAS, WIAA oversees athletics and fine arts in the state
of Washington and hosts one hundred twenty state championship
events providing students with valuable life skills; and

WHEREAS, Mike Colbrese has served from 1993-2019 as
Executive Director of the Washington Interscholastic Activities
Association and is retiring August 2019; and

WHEREAS, Mike began his career in 1971 as a high school
librarian, taught high school English for eleven years, and worked
as a high school and college football and basketball official for
fifteen years; and

WHEREAS, Prior to coming to Washington, Mike served six
years as the Commissioner of the Wyoming High School
Activities Association and five years as Assistant to the Executive
Secretary of the Montana High School Association; and

WHEREAS, Mike has had a distinguished forty-eight year
career in public education; and

WHEREAS, In his twenty-six years in Washington, Mike
developed the first in the nation policy outlining procedures and
paths for transgender students to participate in middle and high
school sports; and

WHEREAS, Mike also helped draft the Zackery Lystedt Law,
which became the national model for concussion management,
and was signed into law in 2009 by Governor Christine Gregoire;
and

WHEREAS, The Zackery Lystedt Law requires policies for the
management of concussion and head injury in youth sports and
this model has been adopted by all fifty states; and

WHEREAS, Mike has served on numerous national
committees through the National Federation of State High School
Associations (NFHS) and served as a board member of that
organization; and

WHEREAS, Mike also serves on the Special Olympics
Washington Board of Directors, and is a member of the Seattle 4
Rotary and the Board of Commissioners of the Seattle Sports
Commission; and

WHEREAS, Mike has received numerous honors including the
2019 NFHS Service Citation Award, one of the most highly
regarded achievements in high school athletics and performing
arts, the American Sport Education Program Pat McSwegin
Award, and the NFHS Interscholastic Officials Association
National Distinguished Contributor Award; and

WHEREAS, Mike has dedicated his professional life to
furthering middle and high school activities with passion and
enthusiasm and has championed the WIAA and the integral part
athletics and fine arts plays in the total education experience; and

WHEREAS, Mike has guided the WIAA into being recognized
as one of the top associations in the country;

NOW, THEREFORE, BE IT RESOLVED, That the Senate
honor and thank Mike Colbrese for his outstanding work and
advocacy for interscholastic activities, students, teachers, and
coaches in Washington and for his leadership at the state and
national level; and

BE IT FURTHER RESOLVED, That copies of this resolution
be immediately transmitted by the Secretary of the Senate to Mike
Colbrese and the Washington Interscholastic Activities
Association.

Senators Hunt, King and Liias spoke in favor of adoption of the
resolution.

MOTION

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On motion of Senator Becker, Senators Bailey, Fortunato, Rivers, Wagoner, Walsh, Warnick and Wilson, L. were excused.

The President Pro Tempore declared the question before the Senate to be the adoption of Senate Resolution No. 8645.

The motion by Senator Hunt carried and the resolution was adopted by voice vote.

INTRODUCTION OF SPECIAL GUESTS

The President Pro Tempore welcomed and introduced Mr. Mike Colbrese, Executive Director, Washington Interscholastic Activities Association who was seated in the gallery and recognized by the senate.

MOTION

Senator O’Ban moved adoption of the following resolution:

SENATE RESOLUTION
8649

By Senators O’Ban, Zeiger, Becker, Conway, Darneille, Randall, and Fortunato

WHEREAS, William W. Philip, an esteemed resident of Lakewood, civic leader, and philanthropist, has earned the title of “Mr. Tacoma” for his work in the transformation of the City of Tacoma; and

WHEREAS, Mr. Philip began his mission by spearheading an effort to raise one million dollars to locate the new University of Washington branch campus in downtown Tacoma, with his own contribution being the first one ever given to the new university branch; and

WHEREAS, Mr. Philip successfully raised the money and offered it to University of Washington’s president on the condition that the school be located in downtown Tacoma; and

WHEREAS, After securing the funds, Mr. Philip orchestrated the purchase of the land required to build the campus; and

WHEREAS, Mr. Philip served on the University of Washington Tacoma Advisory Board in support of both graduate and transfer students, while continuing to generate more philanthropic collaboration; and

WHEREAS, In 1993, Mr. Philip helped found Columbia Bank and located its headquarters in Tacoma, where its success continues to drive economic progress in the community in the form of the services the bank provides as well as employment; and

WHEREAS, In his quest to revitalize the City of Tacoma, Mr. Philip and a colleague purchased the property on the west side of Pacific Avenue between 13th and 15th Streets to demolish the broken down old taverns and hotel that catered to drug and other illicit activity, cleaning up the area and reducing crime; and

WHEREAS, Mr. Philip approached the Corner Stone Corporation in Seattle to look at Tacoma for investments, which brought the Murano Hotel and the Financial Building to the City of Tacoma; and

WHEREAS, Mr. Philip was instrumental in keeping the Washington State Historical Society in Tacoma to preserve our history; and

WHEREAS, Mr. Philip has been awarded two honorary degrees for his contributions to our community, one from the University of Washington and one from the University of Puget Sound; and

WHEREAS, Mr. Philip continues to be an active supporter and advocate for the school he help found and its students by serving as the honorary chair of the University of Washington Tacoma fundraising campaign, which raises money for scholarships; and

WHEREAS, The university he so diligently fought for has transformed the neighborhood in which it resides and the lives of thousands since its inception, contributing significantly to the economic and academic well-being of the community;

NOW, THEREFORE, BE IT RESOLVED, That the Washington State Senate honor and recognize Mr. William W. Philip, known as “Mr. Tacoma,” for his tireless and selfless contributions to our community and the state of Washington.

Senators O’Ban, Becker and Conway spoke in favor of adoption of the resolution.

The President Pro Tempore declared the question before the Senate to be the adoption of Senate Resolution No. 8649.

The motion by Senator O’Ban carried and the resolution was adopted by voice vote.

INTRODUCTION OF SPECIAL GUESTS

The President Pro Tempore welcomed and introduced Mr. William W. “Bill” Philip who was seated in the gallery and recognized by the senate.

MOTION

Senator Takko moved adoption of the following resolution:

SENATE RESOLUTION
8652

By Senators Takko, Braun, Bailey, Becker, Billig, Brown, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Ericksen, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Holy, Honeyford, Hunt, Keiser, King, Kuderer, Liias, Lovelett, McCoy, Mullet, Nguyen, O’Ban, Padden, Palumbo, Pedersen, Randall, Rivers, Rolfes, Saldaña, Salomon, Schoesler, Sheldon, Short, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson, C., Wilson, L., and Zeiger

WHEREAS, Cowlitz County Sheriff’s Deputy Justin DeRosier graduated from Kelso High School in 2008 and graduated with a degree in criminal justice from Washington State University in 2012; and

WHEREAS, Deputy DeRosier admirably served the Whitman County Sheriff’s Office beginning in 2013 and the Cowlitz County Sheriff’s Office beginning in 2016; and

WHEREAS, Deputy DeRosier came from a family with a long history of service to their community in Cowlitz County; and

WHEREAS, Deputy DeRosier volunteered to aid the Pierce County Sheriff’s Department in January 2019 after Pierce County Sheriff’s Deputy Daniel McCartney was killed in the line of duty; and

WHEREAS, Deputy DeRosier was killed in the line of duty on April 13, 2019, after a record of exemplary service; and

WHEREAS, Deputy DeRosier will be missed dearly by his colleagues in the Cowlitz County Sheriff’s Office, his community, and his family, including his wife Katie and his five-month old daughter, Lily; and

WHEREAS, Deputy DeRosier was so beloved in his community that hundreds attended a candlelight vigil in his memory at Martin’s Dock on Lake Sacajawea on April 14, 2019;

NOW, THEREFORE, BE IT RESOLVED, That the

Washington State Senate joins with the family, dear friends, and extended family of Deputy Justin DeRosier in mourning their and their community's incalculable personal and professional loss; and

BE IT FURTHER RESOLVED, That the Senate express profound appreciation and enduring gratitude to Deputy DeRosier and the brave men and women who ensure our safety and welfare every day as law enforcement officers; and

BE IT FURTHER RESOLVED, That copies of this resolution be immediately transmitted by the Secretary of the Senate to the surviving family members of Deputy DeRosier and to Cowlitz County Sheriff Brad Thurman.

Senators Takko and Braun spoke in favor of adoption of the resolution.

The President Pro Tempore declared the question before the Senate to be the adoption of Senate Resolution No. 8652.

The motion by Senator Takko carried and the resolution was adopted by voice vote.

MOTION

On motion of Senator Liias and without objection, the names of all senators were added to Senate Resolution No. 8652, remembering Cowlitz County Sheriff's Deputy Justin DeRosier.

At the request of the President Pro Tempore, the senate rose and observed a moment of silence in memory of Cowlitz County Sheriff's Deputy Justin DeRosier, who was killed in the line of duty on Wednesday, April 13, 2019.

EDITOR'S NOTE: On Wednesday, April 24, 2019, a memorial service for Cowlitz County Sheriff's Deputy Justin DeRosier was held at the Earle A. & Virginia H. Chiles Center on the campus of the University of Portland. At the direction of Governor Inslee, the flags of the United States and Washington State were lowered to half-staff on Wednesday, April 24, 2019 in honor of Deputy DeRosier and in recognition of his and his family's sacrifice.

MOTION

On motion of Senator Liias, the Senate reverted to the seventh order of business.

THIRD READING CONFIRMATION OF GUBERNATORIAL APPOINTMENTS

MOTION

Senator Randall moved that Flora Lucatero, Senate Gubernatorial Appointment No. 9127, be confirmed as a member of the Skagit Valley College Board of Trustees.

Senators Randall and Saldaña spoke in favor of passage of the motion.

MOTION

On motion of Senator Padden, Senator O'Ban was excused.

Senator Lovelett spoke in favor of passage of the motion.

APPOINTMENT OF FLORA LUCATERO

The President Pro Tempore declared the question before the Senate to be the confirmation of Flora Lucatero, Senate

Gubernatorial Appointment No. 9127, as a member of the Skagit Valley College Board of Trustees.

The Secretary called the roll on the confirmation of Flora Lucatero, Senate Gubernatorial Appointment No. 9127, as a member of the Skagit Valley College Board of Trustees and the appointment was confirmed by the following vote: Yeas, 41; Nays, 0; Absent, 1; Excused, 7.

Voting yea: Senators Becker, Billig, Braun, Brown, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Ericksen, Fortunato, Frockt, Hasegawa, Hawkins, Holy, Honeyford, Hunt, Keiser, King, Kuderer, Liias, Lovelett, McCoy, Mullet, Nguyen, Padden, Palumbo, Pedersen, Randall, Rolfes, Saldaña, Salomon, Schoesler, Sheldon, Short, Takko, Van De Wege, Wellman, Wilson, C. and Zeiger

Absent: Senator Hobbs

Excused: Senators Bailey, O'Ban, Rivers, Wagoner, Walsh, Warnick and Wilson, L.

Flora Lucatero, Senate Gubernatorial Appointment No. 9127, having received the constitutional majority was declared confirmed as a member of the Skagit Valley College Board of Trustees.

MOTION

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

MESSAGE FROM THE HOUSE

April 10, 2019

MR. PRESIDENT:

The House passed ENGROSSED SUBSTITUTE SENATE BILL NO. 5383 with the following amendment(s): 5383-S.E AMH LG H2716.1

Strike everything after the enacting clause and insert the following:

“NEW SECTION. Sec. 1. Tiny houses have become a trend across the nation to address the shortage of affordable housing. As tiny houses become more acceptable, the legislature finds that it is important to create space in the code for the regulation of tiny house siting. Individual cities and counties may allow tiny houses with wheels to be collected together as tiny house villages using the binding site plan method articulated in chapter 58.17 RCW.

The legislature recognizes that the International Code Council in 2018 has issued tiny house building code standards in Appendix Q of the International Residential Code, which can provide a basis for the standards requested within this act.

Sec. 2. RCW 58.17.040 and 2004 c 239 s 1 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-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 would be bounded by the

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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;

(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 section 5 of this act, 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; and

(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.

Sec. 3. RCW 35.21.684 and 2009 c 79 s 1 are each amended to read as follows:

(1) A city or town may not adopt an ordinance that has the effect, directly or indirectly, of discriminating against consumers' choices in the placement or use of a home in such a manner that is not equally applicable to all homes. Homes built to 42 U.S.C. Sec. 5401-5403 standards (as amended in 2000) must be regulated for the purposes of siting in the same manner as site built homes, factory built homes, or homes built to any other state construction or local design standard. However, except as provided in subsection (2) of this section, any city or town may require that:

(a) A manufactured home be a new manufactured home;

(b) The manufactured home be set upon a permanent foundation, as specified by the manufacturer, and that the space from the bottom of the home to the ground be enclosed by concrete or an approved concrete product which can be either load bearing or decorative;

(c) The manufactured home comply with all local design standards applicable to all other homes within the neighborhood in which the manufactured home is to be located;

(d) The home is thermally equivalent to the state energy code; and

(e) The manufactured home otherwise meets all other requirements for a designated manufactured home as defined in RCW 35.63.160.

A city with a population of one hundred thirty-five thousand or more may choose to designate its building official as the person responsible for issuing all permits, including department of labor and industries permits issued under chapter 43.22 RCW in accordance with an interlocal agreement under chapter 39.34 RCW, for alterations, remodeling, or expansion of manufactured housing located within the city limits under this section.

(2) A city or town may not adopt an ordinance that has the effect, directly or indirectly, of restricting the location of manufactured/mobile homes in manufactured/mobile home communities that were legally in existence before June 12, 2008, based exclusively on the age or dimensions of the manufactured/mobile home. This does not preclude a city or town from restricting the location of a manufactured/mobile home in manufactured/mobile home communities for any other reason including, but not limited to, failure to comply with fire, safety, or other local ordinances or state laws related to manufactured/mobile homes.

(3) Except as provided under subsection (4) of this section, a city or town may not adopt an ordinance that has the effect, directly or indirectly, of preventing the entry or requiring the

removal of a recreational vehicle or tiny house with wheels as defined in section 5 of this act used as a primary residence in manufactured/mobile home communities.

(4) Subsection (3) of this section does not apply to any local ordinance or state law that:

(a) Imposes fire, safety, or other regulations related to recreational vehicles;

(b) Requires utility hookups in manufactured/mobile home communities to meet state or federal building code standards for manufactured/mobile home communities; or

(c) Includes both of the following provisions:

(i) A recreational vehicle or tiny house with wheels as defined in section 5 of this act must contain at least one internal toilet and at least one internal shower; and

(ii) If the requirement in (c)(i) of this subsection is not met, a manufactured/mobile home community must provide toilets and showers.

(5) For the purposes of this section, “manufactured/mobile home community” has the same meaning as in RCW 59.20.030.

(6) This section does not override any legally recorded covenants or deed restrictions of record.

(7) This section does not affect the authority granted under chapter 43.22 RCW.

Sec. 4. RCW 43.22.450 and 2001 c 335 s 8 are each amended to read as follows:

Whenever used in RCW 43.22.450 through 43.22.490:

(1) “Department” means the Washington state department of labor and industries;

(2) “Approved” means approved by the department;

(3) “Factory built housing” means any structure, including a factory built tiny house with or without a chassis (wheels), designed primarily for human occupancy other than a manufactured or mobile home the structure or any room of which is either entirely or substantially prefabricated or assembled at a place other than a building site;

(4) “Install” means the assembly of factory built housing or factory built commercial structures at a building site;

(5) “Building site” means any tract, parcel or subdivision of land upon which factory built housing or a factory built commercial structure is installed or is to be installed;

(6) “Local enforcement agency” means any agency of the governing body of any city or county which enforces laws or ordinances governing the construction of buildings;

(7) “Commercial structure” means a structure designed or used for human habitation, or human occupancy for industrial, educational, assembly, professional or commercial purposes.

NEW SECTION. Sec. 5. A new section is added to chapter 35.21 RCW to read as follows:

(1) A city or town may adopt an ordinance to regulate the creation of tiny house communities.

(2) The owner of the land upon which the community is built shall make reasonable accommodation for utility hookups for the provision of water, power, and sewerage services and comply with all other duties in chapter 59.20 RCW.

(3) Tenants of tiny house communities are entitled to all rights and subject to all duties and penalties required under chapter 59.20 RCW.

(4) For purposes of this section:

(a) “Tiny house” and “tiny house with wheels” means a dwelling to be used as permanent housing with permanent provisions for living, sleeping, eating, cooking, and sanitation built in accordance with the state building code.

(b) “Tiny house communities” means real property rented or held out for rent to others for the placement of tiny houses with

wheels or tiny houses utilizing the binding site plan process in RCW 58.17.035.

Sec. 6. RCW 19.27.035 and 2018 c 207 s 2 are each amended to read as follows:

The building code council shall:

(1)(a) By July 1, 2019, adopt a revised process for the review of proposed statewide amendments to the codes enumerated in RCW 19.27.031; and

((2)) (b) Adopt a process for the review of proposed or enacted local amendments to the codes enumerated in RCW 19.27.031 as amended and adopted by the state building code council.

(2) By December 31, 2019, adopt building code standards specific for tiny houses.

Sec. 7. RCW 35.21.278 and 2012 c 218 s 1 are each amended to read as follows:

(1) Without regard to competitive bidding laws for public works, a county, city, town, school district, metropolitan park district, park and recreation district, port district, or park and recreation service area may contract with a chamber of commerce, a service organization, a community, youth, or athletic association, or other similar association located and providing service in the immediate neighborhood, for drawing design plans, making improvements to a park, school playground, public square, or port habitat site, installing equipment or artworks, or providing maintenance services for a facility or facilities as a community or neighborhood project, or environmental stewardship project, and may reimburse the contracting association its expense. The contracting association may use volunteers in the project and provide the volunteers with clothing or tools; meals or refreshments; accident/injury insurance coverage; and reimbursement of their expenses. The consideration to be received by the public entity through the value of the improvements, artworks, equipment, or maintenance shall have a value at least equal to three times that of the payment to the contracting association. All payments made by a public entity under the authority of this section for all such contracts in any one year shall not exceed twenty-five thousand dollars or two dollars per resident within the boundaries of the public entity, whichever is greater.

(2) A county, city, town, school district, metropolitan park district, park and recreation district, or park and recreation service area may ratify an agreement, which qualifies under subsection (1) of this section and was made before June 9, 1988.

(3) Without regard to competitive bidding laws for public works, a school district, institution of higher education, or other governmental entity that includes training programs for students may contract with a community service organization, nonprofit organization, or other similar entity, to build tiny houses for low-income housing, if the students participating in the building of the tiny houses are in:

(a) Training in a community and technical college construction or construction management program;

(b) A career and technical education program;

(c) A state recognized apprenticeship preparation program; or

(d) Training under a construction career exploration program for high school students administered by a nonprofit organization.”

Correct the title.

and the same are herewith transmitted.

NONA SNELL, Deputy Chief Clerk

MOTION

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Senator Zeiger moved that the Senate concur in the House amendment(s) to Engrossed Substitute Senate Bill No. 5383.

Senator Zeiger spoke in favor of the motion.

The President Pro Tempore declared the question before the Senate to be the motion by Senator Zeiger that the Senate concur in the House amendment(s) to Engrossed Substitute Senate Bill No. 5383.

The motion by Senator Zeiger carried and the Senate concurred in the House amendment(s) to Engrossed Substitute Senate Bill No. 5383 by voice vote.

MOTION

On motion of Senator Mullet, Senator Hobbs was excused.

The President Pro Tempore declared the question before the Senate to be the final passage of Engrossed Substitute Senate Bill No. 5383, as amended by the House.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute Senate Bill No. 5383, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 41; Nays, 1; Absent, 0; Excused, 7.

Voting yea: Senators Becker, Billig, Braun, Brown, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Fortunato, Frockt, Hasegawa, Hawkins, Holy, Honeyford, Hunt, Keiser, King, Kuderer, Liias, Lovelett, McCoy, Mullet, Nguyen, Padden, Palumbo, Pedersen, Randall, Rolfes, Saldaña, Salomon, Schoesler, Sheldon, Short, Takko, Van De Wege, Walsh, Wellman, Wilson, C. and Zeiger

Voting nay: Senator Ericksen

Excused: Senators Bailey, Hobbs, O'Ban, Rivers, Wagoner, Warnick and Wilson, L.

ENGROSSED SUBSTITUTE SENATE BILL NO. 5383, as amended by the House, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MESSAGE FROM THE HOUSE

April 9, 2019

MR. PRESIDENT:

The House passed SUBSTITUTE SENATE BILL NO. 5405 with the following amendment(s): 5405-S AMH HCW H2549.2

Strike everything after the enacting clause and insert the following:

“NEW SECTION. Sec. 1. FINDINGS. (1) The legislature finds that a mental or physical disability does not diminish a person’s right to health care including organ transplantation.

(2) The legislature finds that the Americans with disabilities act of 1990 prohibits discrimination against persons with disabilities, yet many individuals with disabilities still experience discrimination in accessing critical health care services.

(3) The legislature finds that although organ transplant centers must consider medical and psychosocial criteria when determining if a patient is suitable to receive an organ transplant, transplant centers that participate in medicare, medicaid, and other federal funding programs are required to use patient selection criteria that result in a fair and nondiscriminatory distribution of organs.

(4) The legislature finds that Washington residents in need of organ transplants are entitled to assurances that they will not encounter discrimination on the basis of a disability.

NEW SECTION. Sec. 2. DEFINITIONS. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) “Anatomical gift” has the same meaning as provided in RCW 68.64.010.

(2) “Auxiliary aids and services” include, but are not limited to:

(a) Qualified interpreters or other effective methods of making aurally delivered materials available to individuals with hearing impairments;

(b) Qualified readers, taped texts, or other effective methods of making visually delivered materials available to individuals with visual impairments;

(c) Provision of information in a format that is accessible for individuals with cognitive, neurological, developmental, and/or intellectual disabilities;

(d) Provision of supported decision-making services; and

(e) Acquisition or modification of equipment or devices.

(3) “Covered entity” means:

(a) Any licensed provider of health care services, including licensed health care practitioners, hospitals, nursing facilities, laboratories, intermediate care facilities, psychiatric residential treatment facilities, institutions for individuals with intellectual or developmental disabilities, and prison health centers; or

(b) Any entity responsible for matching anatomical gift donors to potential recipients.

(4) “Disability” has the same meaning as provided in the Americans with disabilities act of 1990, as amended by the Americans with disabilities act amendments act of 2008, 42 U.S.C. Sec. 12102.

(5) “Qualified individual” means an individual who, with or without the support networks available to them, provision of auxiliary aids and services, and/or reasonable modifications to policies or practices, meets the essential eligibility requirements for the receipt of an anatomical gift.

(6) “Reasonable modifications to policies or practices” include, but are not limited to:

(a) Communication with individuals responsible for supporting an individual with postsurgical and posttransplantation care, including medication; and

(b) Consideration of support networks available to the individual, including family, friends, and home and community-based services, including home and community-based services funded through medicaid, medicare, another health plan in which the individual is enrolled, or any program or source of funding available to the individual, in determining whether the individual is able to comply with posttransplant medical requirements.

(7) “Supported decision making” means the use of a support person to assist an individual in making medical decisions, communicate information to the individual, or ascertain an individual’s wishes. “Supported decision making” may include:

(a) The inclusion of the individual’s attorney-in-fact, health care proxy, or any person of the individual’s choice in communications about the individual’s medical care;

(b) Permitting the individual to designate a person of their choice for the purposes of supporting that individual in communicating, processing information, or making medical decisions;

(c) Providing auxiliary aids and services to facilitate the individual’s ability to communicate and process health-related information, including use of assistive communication technology;

(d) Providing information to persons designated by the individual, consistent with the provisions of the health insurance portability and accountability act of 1996, 42 U.S.C. Sec. 1301 et seq., and other applicable laws and regulations governing disclosure of health information;

(e) Providing health information in a format that is readily understandable by the individual; and

(f) Working with a court-appointed guardian or other individual responsible for making medical decisions on behalf of the individual, to ensure that the individual is included in decisions involving his or her own health care and that medical decisions are in accordance with the individual's own expressed interests.

NEW SECTION. Sec. 3. PROHIBITION OF DISCRIMINATION. (1) A covered entity may not, solely on the basis of a qualified individual's mental or physical disability:

(a) Deem an individual ineligible to receive an anatomical gift or organ transplant;

(b) Deny medical or related organ transplantation services, including evaluation, surgery, counseling, and postoperative treatment and care;

(c) Refuse to refer the individual to a transplant center or other related specialist for the purpose of evaluation or receipt of an organ transplant;

(d) Refuse to place an individual on an organ transplant waiting list, or placement of the individual at a lower-priority position on the list than the position at which he or she would have been placed if not for his or her disability; or

(e) Decline insurance coverage for any procedure associated with the receipt of the anatomical gift, including posttransplantation care.

(2) Notwithstanding subsection (1) of this section, a covered entity may take an individual's disability into account when making treatment and/or coverage recommendations or decisions, solely to the extent that the physical or mental disability has been found by a physician, following an individualized evaluation of the potential recipient, to be medically significant to the provision of the anatomical gift. The provisions of this section may not be deemed to require referrals or recommendations for, or the performance of, medically inappropriate organ transplants.

(3) If an individual has the necessary support system to provide reasonable assurance that she or he will comply with posttransplant medical requirements, an individual's inability to independently comply with those requirements may not be deemed to be medically significant for the purposes of subsection (2) of this section.

(4) A covered entity must make reasonable modifications to policies, practices, or procedures, when such modifications are necessary to make services such as transplantation-related counseling, information, coverage, or treatment available to qualified individuals with disabilities, unless the entity can demonstrate that making such modifications would fundamentally alter the nature of such services.

(5) A covered entity must take such steps as may be necessary to ensure that no qualified individual with a disability is denied services such as transplantation-related counseling, information, coverage, or treatment because of the absence of auxiliary aids and services, unless the entity can demonstrate that taking such steps would fundamentally alter the nature of the services being offered or would result in an undue burden.

(6) A covered entity must otherwise comply with the requirements of Titles II and III of the Americans with disabilities act of 1990 and the Americans with disabilities act amendments act of 2008.

(7) The provisions of this section apply to each part of the organ

transplant process.

NEW SECTION. Sec. 4. ENFORCEMENT. (1) Any individual who has been subjected to discrimination in violation of this chapter may initiate a civil action in a court of competent jurisdiction to enjoin further violations and recover the cost of the suit including reasonable attorneys' fees.

(2) The court must accord priority on its calendar and expeditiously proceed with an action brought under this chapter.

(3) Nothing in this section is intended to limit or replace available remedies under the Americans with disabilities act of 1990 and the Americans with disabilities act amendments act of 2008 or any other applicable law.

NEW SECTION. Sec. 5. Sections 1 through 4 of this act constitute a new chapter in Title 68 RCW."

Correct the title.

and the same are herewith transmitted.

NONA SNELL, Deputy Chief Clerk

MOTION

Senator Padden moved that the Senate concur in the House amendment(s) to Substitute Senate Bill No. 5405.

Senator Padden spoke in favor of the motion.

The President Pro Tempore declared the question before the Senate to be the motion by Senator Padden that the Senate concur in the House amendment(s) to Substitute Senate Bill No. 5405.

The motion by Senator Padden carried and the Senate concurred in the House amendment(s) to Substitute Senate Bill No. 5405 by voice vote.

The President Pro Tempore declared the question before the Senate to be the final passage of Substitute Senate Bill No. 5405, as amended by the House.

ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 5405, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 42; Nays, 0; Absent, 0; Excused, 7.

Voting yea: Senators Becker, Billig, Braun, Brown, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Ericksen, Fortunato, Frockt, Hasegawa, Hawkins, Holy, Honeyford, Hunt, Keiser, King, Kuderer, Liias, Lovelett, McCoy, Mullet, Nguyen, Padden, Palumbo, Pedersen, Randall, Rolfes, Saldaña, Salomon, Schoesler, Sheldon, Short, Takko, Van De Wege, Walsh, Wellman, Wilson, C. and Zeiger

Excused: Senators Bailey, Hobbs, O'Ban, Rivers, Wagoner, Warnick and Wilson, L.

SUBSTITUTE SENATE BILL NO. 5405, as amended by the House, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MESSAGE FROM THE HOUSE

April 11, 2019

MR. PRESIDENT:

The House passed SENATE BILL NO. 5415 with the following amendment(s): 5415 AMH HCW H2616.1

Strike everything after the enacting clause and insert the

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following:

“NEW SECTION. Sec. 1. (1) The legislature finds that:

(a) As set forth in 25 U.S.C. Sec. 1602, it is the policy of the nation, in fulfillment of its special trust responsibilities and legal obligations to American Indians and Alaska Natives, to:

(i) Ensure the highest possible health status for American Indians and Alaska Natives and to provide all resources necessary to effect that policy;

(ii) Raise the health status of American Indians and Alaska Natives to at least the levels set forth in the goals contained within the healthy people 2020 initiative or successor objectives; and

(iii) Ensure tribal self-determination and maximum participation by American Indians and Alaska Natives in the direction of health care services so as to render the persons administering such services and the services themselves more responsive to the needs and desires of tribes and American Indian and Alaska Native communities;

(b) According to the northwest tribal epidemiology center and the department of health, American Indians and Alaska Natives in the state experience some of the greatest health disparities compared to other groups, including excessively high rates of:

(i) Premature mortality due to suicide, overdose, unintentional injury, and various chronic diseases; and

(ii) Asthma, coronary heart disease, hypertension, diabetes, prediabetes, obesity, dental caries, poor mental health, youth depressive feelings, cigarette smoking and vaping, and cannabis use;

(c) These health disparities are a direct result of both historical trauma, leading to adverse childhood experiences across multiple generations, and inadequate levels of federal funding to the Indian health service;

(d) Under a 2016 update in payment policy from the centers for medicare and medicaid services, the state has the opportunity to shift more of the cost of care for American Indian and Alaska Native medicaid enrollees from the state general fund to the federal government if all of the federal requirements are met;

(e) Because the federal requirements to achieve this cost shift and obtain the new federal funds place significant administrative burdens on Indian health service and tribal health facilities, the state has no way to shift these costs of care to the federal government unless the state provides incentives for tribes to take on these administrative burdens; and

(f) The federal government’s intent for this update in payment policy is to help states, the Indian health service, and tribes to improve delivery systems for American Indians and Alaska Natives by increasing access to care, strengthening continuity of care, and improving population health.

(2) The legislature, therefore, intends to:

(a) Establish that it is the policy of this state and the intent of this chapter, in fulfillment of the state’s unique relationships and shared respect between sovereign governments, to:

(i) Recognize the United States’ special trust responsibility to provide quality health care and allied health services to American Indians and Alaska Natives, including those individuals who are residents of this state; and

(ii) Implement the national policies of Indian self-determination with the goal of reducing health inequities for American Indians and Alaska Natives;

(b) Establish the governor’s Indian health advisory council to:

(i) Adopt a biennial Indian health improvement advisory plan, developed by the reinvestment committee;

(ii) Address issues with tribal implications that are not able to be resolved at the agency level; and

(iii) Provide oversight of the Indian health improvement reinvestment account;

(c) Establish the Indian health improvement reinvestment account in order to provide incentives for tribes to assume the administrative burdens created by the federal requirements for the state to shift health care costs to the federal government;

(d) Appropriate and deposit into the reinvestment account all of the new state savings, subject to federal appropriations and less agreed upon administrative costs to maintain fiscal neutrality to the state general fund; and

(e) Require the funds in the reinvestment account to be spent only on costs for projects, programs, or activities identified in the advisory plan.

NEW SECTION. Sec. 2. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) “Advisory council” means the governor’s Indian health advisory council established in section 3 of this act.

(2) “Advisory plan” means the plan described in section 4 of this act.

(3) “American Indian” or “Alaska Native” means any individual who is: (a) A member of a federally recognized tribe; or (b) eligible for the Indian health service.

(4) “Authority” means the health care authority.

(5) “Board” means the northwest Portland area Indian health board, an Oregon nonprofit corporation wholly controlled by the tribes in the states of Idaho, Oregon, and Washington.

(6) “Commission” means the American Indian health commission for Washington state, a Washington nonprofit corporation wholly controlled by the tribes and urban Indian organizations in the state.

(7) “Community health aide” means a tribal community health provider 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, who can perform a wide range of duties within the provider’s scope of certified practice in health programs of a tribe, tribal organization, Indian health service facility, or urban Indian organization to improve access to culturally appropriate, quality care for American Indians and Alaska Natives and their families and communities, including but not limited to community health aides, community health practitioners, behavioral health aides, behavioral health practitioners, dental health aides, and dental health aide therapists.

(8) “Community health aide program” means a community health aide certification board for the state consistent with 25 U.S.C. Sec. 1616l and the training programs and certification requirements established thereunder.

(9) “Fee-for-service” means the state’s medicaid program for which payments are made under the state plan, without a managed care entity, in accordance with the fee-for-service payment methodology.

(10) “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 25 U.S.C. Sec. 1603.

(11) “Indian health service” means the federal agency within the United States department of health and human services.

(12) “New state savings” means the savings to the state general fund that are achieved as a result of the centers for medicare and medicaid services state health official letter 16-002 and related guidance, calculated as the difference between (a) medicaid payments received from the centers for medicare and medicaid services based on the one hundred percent federal medical assistance percentage; and (b) medicaid payments received from the centers for medicare and medicaid services based on the federal medical assistance percentage that would apply in the

absence of state health official letter 16-002 and related guidance.

(13) "Reinvestment account" means the Indian health improvement reinvestment account created in section 5 of this act.

(14) "Reinvestment committee" means the Indian health improvement reinvestment committee established in section 3(4) of this act.

(15) "Tribal organization" has the meaning set forth in 25 U.S.C. Sec. 5304.

(16) "Tribally operated facility" means a health care facility operated by one or more tribes or tribal organizations to provide specialty services, including but not limited to evaluation and treatment services, secure detox services, inpatient psychiatric services, nursing home services, and residential substance use disorder services.

(17) "Tribe" means any Indian tribe, band, nation, or other organized group or community, including any Alaska Native village or group or regional or village corporation as defined in or established pursuant to the Alaska Native claims settlement act (43 U.S.C. Sec. 1601 et seq.) which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

(18) "Urban Indian" means any individual who resides in an urban center and is: (a) A member of a tribe terminated since 1940 and those tribes recognized now or in the future by the state in which they reside, or who is a descendant, in the first or second degree, of any such member; (b) an Eskimo or Aleut or other Alaska Native; (c) considered by the secretary of the interior to be an Indian for any purpose; or (d) considered by the United States secretary of health and human services to be an Indian for purposes of eligibility for Indian health services, including as a California Indian, Eskimo, Aleut, or other Alaska Native.

(19) "Urban Indian organization" means an urban Indian organization, as defined by 25 U.S.C. Sec. 1603.

NEW SECTION. Sec. 3. (1) The governor's Indian health advisory council is established, consisting of:

(a) The following voting members:

(i) One representative from each tribe, designated by the tribal council, who is either the tribe's commission delegate or an individual specifically designated for this role, or his or her designee;

(ii) The chief executive officer of each urban Indian organization, or the urban Indian organization's commission delegate if applicable, or his or her designee;

(iii) One member from each of the two largest caucuses of the house of representatives, appointed by the speaker of the house of representatives;

(iv) One member from each of the two largest caucuses of the senate, appointed by the president of the senate; and

(v) One member representing the governor's office; and

(b) The following nonvoting members:

(i) One member of the executive leadership team from each of the following state agencies: The authority; the department of children, youth, and families; the department of commerce; the department of corrections; the department of health; the department of social and health services; the office of the insurance commissioner; the office of the superintendent of public instruction; and the Washington health benefit exchange;

(ii) The chief operating officer of each Indian health service area office and service unit, or his or her designee;

(iii) The executive director of the commission, or his or her designee; and

(iv) The executive director of the board, or his or her designee.

(2) The advisory council shall meet at least three times per year when the legislature is not in session, in a forum that offers both in-person and remote participation where everyone can hear and

be heard.

(3) The advisory council has the responsibility to:

(a) Adopt the biennial Indian health improvement advisory plan prepared and amended by the reinvestment committee as described in section 4 of this act no later than November 1st of each odd-numbered year;

(b) Address current or proposed policies or actions that have tribal implications and are not able to be resolved or addressed at the agency level;

(c) Facilitate better understanding among advisory council members and their support staff of the Indian health system, American Indian and Alaska Native health disparities and historical trauma, and tribal sovereignty and self-governance;

(d) Provide oversight of contracting and performance of service coordination organizations or service contracting entities as defined in RCW 70.320.010 in order to address their impacts on services to American Indians and Alaska Natives and relationships with Indian health care providers; and

(e) Provide oversight of the Indian health improvement reinvestment account created in section 5 of this act, ensuring that amounts expended from the reinvestment account are consistent with the advisory plan adopted under section 4 of this act.

(4) The reinvestment committee of the advisory council is established, consisting of the following members of the advisory council:

(a) With voting rights on the reinvestment committee, every advisory council member who represents a tribe or an urban Indian organization; and

(b) With nonvoting rights on the reinvestment committee, every advisory council member who represents a state agency, the Indian health service area office or a service unit, the commission, and the board.

(5) The advisory council may appoint technical advisory committees, which may include members of the advisory council, as needed to address specific issues and concerns.

(6) The authority, in conjunction with the represented state agencies on the advisory council, shall supply such information and assistance as are deemed necessary for the advisory council and its committees to carry out its duties under this section.

(7) The authority shall provide (a) administrative and clerical assistance to the advisory council and its committees and (b) technical assistance with the assistance of the commission.

(8) The advisory council meetings, reports and recommendations, and other forms of collaboration described in this chapter support the tribal consultation process but are not a substitute for the requirements for state agencies to conduct consultation or maintain government-to-government relationships with tribes under federal and state law.

NEW SECTION. Sec. 4. (1) With assistance from the authority, the commission, and other member entities of the advisory council, the reinvestment committee of the advisory council shall prepare and amend from time to time a biennial Indian health improvement advisory plan to:

(a) Develop programs directed at raising the health status of American Indians and Alaska Natives and reducing the health inequities that these communities experience; or

(b) Help the state, the Indian health service, tribes, and urban Indian organizations, statewide or in regions, improve delivery systems for American Indians and Alaska Natives by increasing access to care, strengthening continuity of care, and improving population health through investments in capacity and infrastructure.

(2) The advisory plan shall include the following:

(a) An assessment of Indian health and Indian health care in the state;

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(b) Specific recommendations for programs, projects, or activities, along with recommended reinvestment account expenditure amounts and priorities for expenditures, for the next two state fiscal bienniums. The programs, projects, and activities may include but are not limited to:

(i) The creation and expansion of facilities operated by Indian health services, tribes, and urban Indian health programs providing evaluation, treatment, and recovery services for opioid use disorder, other substance use disorders, mental illness, or specialty care;

(ii) Improvement in access to, and utilization of, culturally appropriate primary care, mental health, and substance use disorder and recovery services;

(iii) The elimination of barriers to, and maximization of, federal funding of substance use disorder and mental health services under the programs established in chapter 74.09 RCW;

(iv) Increased availability of, and identification of barriers to, crisis and related services established in chapter 71.05 RCW, with recommendations to increase access including, but not limited to, involuntary commitment orders, designated crisis responders, and discharge planning;

(v) Increased access to quality, culturally appropriate, trauma-informed specialty services, including adult and pediatric psychiatric services, medication consultation, and addiction or geriatric psychiatry;

(vi) A third-party administrative entity to provide, arrange, and make payment for services for American Indians and Alaska Natives;

(vii) Expansion of suicide prevention services, including culture-based programming, to instill and fortify cultural practices as a protective factor;

(viii) Expansion of traditional healing services;

(ix) Development of a community health aide program, including a community health aide certification board for the state consistent with 25 U.S.C. Sec. 1616l, and support for community health aide services;

(x) Health information technology capability within tribes and urban Indian organizations to assure the technological capacity to: (A) Produce sound evidence for Indian health care provider best practices; (B) effectively coordinate care between Indian health care providers and non-Indian health care providers; (C) provide interoperability with state claims and reportable data systems, such as for immunizations and reportable conditions; and (D) support patient-centered medical home models, including sufficient resources to purchase and implement certified electronic health record systems, such as hardware, software, training, and staffing;

(xi) Support for care coordination by tribes and other Indian health care providers to mitigate barriers to access to care for American Indians and Alaska Natives, with duties to include without limitation: (A) Follow-up of referred appointments; (B) routine follow-up care for management of chronic disease; (C) transportation; and (D) increasing patient understanding of provider instructions;

(xii) Expanded support for tribal and urban Indian epidemiology centers to create a system of epidemiological analysis that meets the needs of the state's American Indian and Alaska Native population; and

(xiii) Other health care services and public health services that contribute to reducing health inequities for American Indians and Alaska Natives in the state and increasing access to quality, culturally appropriate health care for American Indians and Alaska Natives in the state; and

(c) Review of how programs, projects, or activities that have received investments from the reinvestment account have or have

not achieved the objectives and why.

NEW SECTION. Sec. 5. (1) The Indian health improvement reinvestment account is created in the custody of the state treasurer. All receipts from new state savings as defined in section 2 of this act and any other moneys appropriated to the account must be deposited into the account. Expenditures from the account may be used only for projects, programs, and activities authorized by section 4 of this act. Only the director of the authority 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) Beginning November 1, 2019, the new state savings as defined in section 2 of this act, less the state's administrative costs as agreed upon by the state and the reinvestment committee, shall be deposited into the reinvestment account. With advice from the advisory council, the authority shall develop a report and methodology to identify and track the new state savings. Each fall, to assure alignment with existing budget processes, the methodology selected shall involve the same forecasting procedures that inform the authority's medical assistance and behavioral health appropriations to prospectively identify new state savings each fiscal year, as defined in section 2 of this act.

(3) The authority shall pursue new state savings for medicaid managed care premiums on an actuarial basis and in consultation with tribes.

NEW SECTION. Sec. 6. This chapter may be known and cited as the "Washington Indian health improvement act."

Sec. 7. RCW 43.79A.040 and 2018 c 260 s 28, 2018 c 258 s 4, and 2018 c 127 s 6 are each reenacted and amended to read as follows:

(1) Money in the treasurer's trust fund may be deposited, invested, and reinvested by the state treasurer in accordance with RCW 43.84.080 in the same manner and to the same extent as if the money were in the state treasury, and may be commingled with moneys in the state treasury for cash management and cash balance purposes.

(2) All income received from investment of the treasurer's trust fund must be set aside in an account in the treasury trust fund to be known as the investment income account.

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

(4)(a) Monthly, the state treasurer must distribute the earnings credited to the investment income account to the state general fund except under (b), (c), and (d) of this subsection.

(b) The following accounts and funds must receive their proportionate share of earnings based upon each account's or fund's average daily balance for the period: The 24/7 sobriety account, the Washington promise scholarship account, the Gina Grant Bull memorial legislative page scholarship account, the Washington advanced college tuition payment program account, the Washington college savings program account, the accessible communities account, the Washington achieving a better life experience program account, the community and technical college innovation account, the agricultural local fund, the American Indian scholarship endowment fund, the foster care scholarship endowment fund, the foster care endowed scholarship trust fund, the contract harvesting revolving account, the

Washington state combined fund drive account, the commemorative works account, the county enhanced 911 excise tax account, the toll collection account, the developmental disabilities endowment trust fund, the energy account, the fair fund, the family and medical leave insurance account, the fish and wildlife federal lands revolving account, the natural resources federal lands revolving account, the food animal veterinarian conditional scholarship account, the forest health revolving account, the fruit and vegetable inspection account, the future teachers conditional scholarship account, the game farm alternative account, the GET ready for math and science scholarship account, the Washington global health technologies and product development account, the grain inspection revolving fund, the Washington history day account, the industrial insurance rainy day fund, the juvenile accountability incentive account, the law enforcement officers' and firefighters' plan 2 expense fund, the local tourism promotion account, the low-income home rehabilitation revolving loan program account, the multiagency permitting team account, the northeast Washington wolf-livestock management account, the pilotage account, the produce railcar pool account, the regional transportation investment district account, the rural rehabilitation account, the Washington sexual assault kit account, the stadium and exhibition center account, the youth athletic facility account, the self-insurance revolving fund, the children's trust fund, the Washington horse racing commission Washington bred owners' bonus fund and breeder awards account, the Washington horse racing commission class C purse fund account, the individual development account program account, the Washington horse racing commission operating account, the life sciences discovery fund, the Washington state heritage center account, the reduced cigarette ignition propensity account, the center for childhood deafness and hearing loss account, the school for the blind account, the Millersylvania park trust fund, the public employees' and retirees' insurance reserve fund, the school employees' benefits board insurance reserve fund, ~~((the))~~ the public employees' and retirees' insurance account, ~~((the))~~ the school employees' insurance account, ~~((and))~~ the radiation perpetual maintenance fund, and the Indian health improvement reinvestment account.

(c) The following accounts and funds must receive eighty percent of their proportionate share of earnings based upon each account's or fund's average daily balance for the period: The advanced right-of-way revolving fund, the advanced environmental mitigation revolving account, the federal narcotics asset forfeitures account, the high occupancy vehicle account, the local rail service assistance account, and the miscellaneous transportation programs account.

(d) Any state agency that has independent authority over accounts or funds not statutorily required to be held in the custody of the state treasurer that deposits funds into a fund or account in the custody of the state treasurer 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 trust accounts or funds shall be allocated earnings without the specific affirmative directive of this section.

NEW SECTION. Sec. 8. Sections 1 through 6 of this act constitute a new chapter in Title 43 RCW."

Correct the title.

and the same are herewith transmitted.

NONA SNELL, Deputy Chief Clerk

MOTION

Senator McCoy moved that the Senate concur in the House amendment(s) to Senate Bill No. 5415.

Senator McCoy spoke in favor of the motion.

The Vice President Pro Tempore declared the question before the Senate to be the motion by Senator McCoy that the Senate concur in the House amendment(s) to Senate Bill No. 5415.

The motion by Senator McCoy carried and the Senate concurred in the House amendment(s) to Senate Bill No. 5415 by voice vote.

The Vice President Pro Tempore declared the question before the Senate to be the final passage of Senate Bill No. 5415, as amended by the House.

ROLL CALL

The Secretary called the roll on the final passage of Senate Bill No. 5415, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 42; Nays, 0; Absent, 0; Excused, 7.

Voting yea: Senators Becker, Billig, Braun, Brown, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Ericksen, Fortunato, Frockt, Hasegawa, Hawkins, Holy, Honeyford, Hunt, Keiser, King, Kuderer, Liias, Lovelett, McCoy, Mullet, Nguyen, Padden, Palumbo, Pedersen, Randall, Rolfes, Saldaña, Salomon, Schoesler, Sheldon, Short, Takko, Van De Wege, Walsh, Wellman, Wilson, C. and Zeiger

Excused: Senators Bailey, Hobbs, O'Ban, Rivers, Wagoner, Warnick and Wilson, L.

SENATE BILL NO. 5415, as amended by the House, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MESSAGE FROM THE HOUSE

April 10, 2019

MR. PRESIDENT:

The House passed SECOND SUBSTITUTE SENATE BILL NO. 5433 with the following amendment(s): 5433-S2 AMH CWD H2640.1

Strike everything after the enacting clause and insert the following:

"**Sec. 1.** 2017 c 120 s 1 (uncodified) is amended to read as follows:"

(1) The legislature finds that studies clearly and consistently demonstrate that incarcerated adults who obtain ~~((associate degree))~~ postsecondary education and training are more likely to be employed following release, which leads to a dramatic reduction in recidivism rates, significant improvements in public safety, and a major return on investment. The legislature finds that reducing recidivism would decrease the financial burden to taxpayers and the emotional burden of victims.

(2) The legislature finds that research indicates that ~~((associate degree))~~ postsecondary education and training is an effective evidence-based practice for reducing recidivism. An analysis commissioned by the United States department of justice determined that adults who received such education while incarcerated were forty-three percent less likely to recidivate.

(3) Ninety-five percent of incarcerated adults ultimately return to their communities to obtain employment and contribute to society. The legislature finds that according to the bureau of labor

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statistics, unemployment rates for people with only a high school education are twice that of those with an associate degree. Research has shown that adults who participated in such education while incarcerated were thirteen percent more likely to be employed.

(4) The legislature further finds that correctional education is cost-effective. A 2014 study by the Washington state institute for public policy estimated that the state received a return on investment of twenty dollars for every dollar invested in correctional education.

(5) It is the intent of the legislature to enhance public safety ~~((by reducing)), reduce crime ((and increasing)), and increase employment rates in a cost-effective manner by ((authorizing associate degree))~~ exploring benefits and costs associated with providing postsecondary education degree opportunities and training ((of)) to incarcerated adults through expanded partnerships between the community and technical colleges and the department of corrections.

~~(6) ((The legislature does not intend to provide additional funding to the department of corrections with chapter 120, Laws of 2017 and intends that the department of corrections incorporate associate degree education into its available educational and vocational opportunities for offenders within existing funds set aside for this purpose.))~~ It is the intent of the legislature to support exploring the use of secure internet connections expressly for the purposes of furthering postsecondary education degree opportunities and training of incarcerated adults. The legislature intends for the department to be able to provide complete assurance that all offender-used internet connections are secure.

NEW SECTION. Sec. 2. (1) Subject to the availability of amounts appropriated for this specific purpose, the department of corrections, the state board for community and technical colleges, and the office of the chief information officer shall submit, in compliance with RCW 43.01.036, a report to the governor and the appropriate committees of the legislature by December 1, 2019, including the following:

(a) A plan for implementing secure internet connections to achieve the purposes of this act;

(b) The barriers and costs associated with implementing secure internet connections for the purpose of postsecondary education and training of incarcerated individuals;

(c) A review of the fiscal impacts, including any estimated capital and operating costs associated with expanding current educational opportunities to include providing postsecondary education degree opportunities and training to incarcerated adults through expanded partnerships between the community and technical colleges and the department of corrections;

(d) A plan for implementing the expansion of postsecondary education degree opportunities, specifying the estimated period of time necessary for implementation, within the estimated costs associated with the fiscal impacts reviewed in (c) of this subsection.

(2) The department may conduct a proof of concept pilot at one correctional institution for a new secure internet connection for offender postsecondary education. Results of the proof of concept pilot must be used to inform the report required in subsection (1) of this section.

(3) This section expires December 31, 2019.”

Correct the title.

and the same are herewith transmitted.

NONA SNELL, Deputy Chief Clerk

MOTION

Senator Wilson, C. moved that the Senate concur in the House

amendment(s) to Second Substitute Senate Bill No. 5433.

Senator Wilson, C. spoke in favor of the motion.

The President Pro Tempore declared the question before the Senate to be the motion by Senator Wilson, C. that the Senate concur in the House amendment(s) to Second Substitute Senate Bill No. 5433.

The motion by Senator Wilson, C. carried and the Senate concurred in the House amendment(s) to Second Substitute Senate Bill No. 5433 by voice vote.

The President Pro Tempore declared the question before the Senate to be the final passage of Second Substitute Senate Bill No. 5433, as amended by the House.

ROLL CALL

The Secretary called the roll on the final passage of Second Substitute Senate Bill No. 5433, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 32; Nays, 10; Absent, 1; Excused, 6.

Voting yea: Senators Billig, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Frockt, Hasegawa, Hawkins, Hobbs, Holy, Hunt, Keiser, Kuderer, Liias, Lovelett, McCoy, Mullet, Nguyen, Palumbo, Pedersen, Randall, Rolfes, Saldaña, Salomon, Sheldon, Takko, Van De Wege, Wellman, Wilson, C. and Zeiger

Voting nay: Senators Becker, Braun, Brown, Ericksen, Fortunato, Honeyford, King, Padden, Schoesler and Short

Absent: Senator Walsh

Excused: Senators Bailey, O’Ban, Rivers, Wagoner, Warnick and Wilson, L.

SECOND SUBSTITUTE SENATE BILL NO. 5433, as amended by the House, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MOTION

On motion of Senator Becker, Senator Walsh was excused.

MESSAGE FROM THE HOUSE

April 11, 2019

MR. PRESIDENT:

The House passed SECOND SUBSTITUTE SENATE BILL NO. 5437 with the following amendment(s): 5437-S2 AMH HSEL H2492.1

Strike everything after the enacting clause and insert the following:

“**NEW SECTION. Sec. 1.** The legislature finds that the family income eligibility limit of one hundred ten percent of the federal poverty level for the early childhood education and assistance program hinders the state’s ability to recruit and enroll qualified families, particularly in rural areas of the state and in tribal communities. This income barrier results in unused preschool slots and growing waiting lists of children who are from low-income families but who are over the established income limits. Therefore, the legislature intends to keep the qualifying income for the early childhood education and assistance program at one hundred ten percent of the federal poverty level for the purposes of entitlement caseload forecasting and allow for the flexibility to serve additional children with family incomes up to two hundred percent of the federal poverty level.

Sec. 2. RCW 43.216.505 and 2017 3rd sp.s. c 6 s 210 are each amended to read as follows:

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

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

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

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

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

(a) Has a family income ((is)) at or below one hundred ten percent of the federal poverty level, as published annually by the federal department of health and human services((-and includes a child whose family is eligible for public assistance, and who is not a participant in a federal or state program providing comprehensive services)); ((a child))

(b) Is eligible for special education due to disability under RCW 28A.155.020; ((and may include children who are eligible)) or

(c) Meets criteria under rules adopted by the department if the number of such children equals not more than ten percent of the total enrollment in the early childhood program. ((Priority)) 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.

Sec. 3. RCW 43.216.556 and 2017 3rd sp.s. c 22 s 1 are each amended to read as follows:

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

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

(3) ~~((For the initial phase of the early learning program in school years 2011-12 and 2012-13, the legislature shall appropriate funding to the department for implementation of the program in an amount not less than the 2009-2011 enacted budget for the early childhood education and assistance program. The appropriation shall be sufficient to fund an equivalent number of slots as funded in the 2009-2011 enacted budget.~~

(4) Beginning in the 2013-14 school year, additional funding for the program must be phased in beginning in school districts

~~providing all-day kindergarten programs under RCW 28A.150.315.~~

~~((5))~~ Funding shall continue to be phased in each year until full statewide implementation of the early learning program is achieved in the 2022-23 school year, at which time any eligible child ~~((shall be))~~ is entitled to be enrolled in the program.

~~((6))~~ (4) School districts and approved community-based early learning providers may contract with the department to provide services under the program. The department shall collaborate with school districts, community-based providers, and educational service districts to promote an adequate supply of approved providers.

Sec. 4. RCW 43.216.512 and 2018 c 155 s 2 are each amended to read as follows:

(1) The department shall adopt rules that allow the ~~((inclusion))~~ enrollment of children in the early childhood education and assistance program, as space is available if the number of such children equals not more than twenty-five percent of total statewide enrollment, whose family income is:

(a) Above one hundred ten percent but less than or equal to one hundred thirty percent of the federal poverty level ((if the number of such children equals not more than twenty-five)); or

(b) Above one hundred thirty percent but less than or equal to two hundred percent of ((total statewide enrollment)) the federal poverty level if the child meets at least one of the risk factor criterion described in subsection (2) of this section.

(2) Children ~~((included))~~ enrolled in the early childhood education and assistance program ~~((under))~~ pursuant to subsection (1)(b) of this section must be ((homeless or impacted by specific developmental or environmental)) prioritized for available funded slots according to a prioritization system adopted in rule by the department that considers risk factors that ((are linked by research to school performance. "Homeless" means without a fixed, regular, and adequate nighttime residence as set forth in the federal McKinney-Vento homeless assistance act, P.L. 100-77, July 22, 1987, 101 Stat. 482, and runaway and homeless youth act, P.L. 93-415, Title III, September 7, 1974, 88 Stat. 1129)) 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) Children ~~((included))~~ enrolled in the early childhood education and assistance program under this section are not ~~((to be))~~ 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 43.216.512 and 2018 c 155 s 2 are each amended to read as follows:

(1) The department shall adopt rules that allow the ~~((inclusion))~~ enrollment of children in the early childhood education and assistance program, as space is available if the number of such children equals not more than twenty-five percent of total

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statewide enrollment, whose family income is:

(a) Above one hundred ten percent but less than or equal to one hundred thirty percent of the federal poverty level ((if the number of such children equals not more than twenty-five)); or

(b) Above one hundred thirty percent but less than or equal to two hundred percent of ((total statewide enrollment)) the federal poverty level if the child meets at least one of the risk factor criterion described in subsection (2) of this section.

(2) Children ~~((included))~~ enrolled in the early childhood education and assistance program ~~((under))~~ pursuant to subsection (1)(b) of this section must be ((homeless or impacted by specific developmental or environmental)) prioritized for available funded slots according to a prioritization system adopted in rule by the department that considers risk factors that ((are linked by research to school performance. "Homeless" means without a fixed, regular, and adequate nighttime residence as set forth in the federal McKinney Vento homeless assistance act, P.L. 100-77, July 22, 1987, 101 Stat. 482, and runaway and homeless youth act, P.L. 93-415, Title III, September 7, 1974, 88 Stat. 1129)) 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 child to enroll in the early childhood education and assistance program, as space is available, when the child is not eligible under RCW 43.216.505 and the child turns three years old at any time during the school year when the child:

- (a) Has a family income at or below two hundred percent of the federal poverty level or meets at least one risk factor criterion adopted by the department in rule; and
- (b) Has received services from or participated in:
 - (i) The early support for infants and toddlers program;
 - (ii) The early head start or a successor federal program providing comprehensive services for children from birth through two years of age; or
 - (iii) The birth to three early childhood education and assistance program, if such a program is established.

(4) Children ~~((included))~~ enrolled in the early childhood education and assistance program under this section are not ~~((be))~~ 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.

NEW SECTION. Sec. 6. (1) The department of children, youth, and families must consult with the state's federally recognized tribes as described in chapter 43.376 RCW to explore creating a pathway or funding stream within the early childhood education and assistance program to address the unique characteristics of tribal nations in order to substantially close the opportunity gap for tribal children.

(2) By December 1, 2020, the department of children, youth, and families must report related recommendations to the legislature that may include the modification of early childhood

education and assistance program eligibility criteria and performance standards.

(3) This section expires December 31, 2020.

Sec. 7. RCW 43.216.514 and 2018 c 155 s 3 are each amended to read as follows:

(1) The department shall prioritize children for enrollment in the early childhood education and assistance program who are eligible pursuant to RCW 43.216.505.

(2) As space is available, children may be included in the early childhood education and assistance program pursuant to RCW 43.216.512. Priority within this group must be given first to children ~~((who are experiencing homelessness, child welfare system involvement, or a developmental delay or disability that does not meet the eligibility criteria for special education adopted under RCW 28A.155.020))~~ with incomes up to one hundred thirty percent of the federal poverty level.

NEW SECTION. Sec. 8. A new section is added to chapter 43.216 RCW to read as follows:

(1) Within resources available under the federal preschool development grant birth to five grant award received in December 2018, the department shall develop a plan for phased implementation of a birth to three early childhood education and assistance program pilot project for eligible children under thirty-six months old. Funds to implement the pilot project may include a combination of federal, state, or private sources.

(2) The department may adopt rules to implement the pilot project and may waive or adapt early childhood education and assistance program requirements when necessary to allow for the operation of the birth to three early childhood education and assistance program. The department shall consider early head start rules and regulations when developing the provider and family eligibility requirements and program requirements. Any deviations from early head start standards, rules, or regulations must be identified and explained by the department in its annual report under subsection (6) of this section.

(3)(a) Upon securing adequate funds to begin implementation, the pilot project programs must be delivered through child care centers and family home providers who meet minimum licensing standards and are enrolled in the early achievers program.

(b) The department must determine minimum early achievers ratings scores for programs participating in the pilot project.

(4) When selecting pilot project locations for service delivery, the department may allow each pilot project location to have up to three classrooms per location. When selecting and approving pilot project locations, the department shall attempt to select a combination of rural, urban, and suburban locations. The department shall prioritize locations with programs currently operating early head start, head start, or the early childhood education and assistance program.

(5) To be eligible for the birth to three early childhood education and assistance program, a child's family income must be at or below one hundred thirty percent of the federal poverty level and the child must be under thirty-six months old.

(6) Beginning November 1, 2020, and each November 1st thereafter during pilot project activity, the department shall submit an annual report to the governor and legislature that includes a status update that describes the planning work completed, the status of funds secured, and any implementation activities of the pilot project. Implementation activity reports must include a description of the participating programs and number of children and families served.

Sec. 9. RCW 43.216.555 and 2018 c 155 s 4 are each amended to read as follows:

(1) ~~((Beginning September 1, 2011,))~~ An early learning

program to provide voluntary preschool opportunities for children ages three ~~(and four)~~ to five years ~~(of)~~ old who are not age-eligible for kindergarten shall be implemented according to the funding and implementation plan in RCW 43.216.556. The program must offer a comprehensive program of early childhood education and family support, including parental involvement and health information, screening, and referral services, based on family need. Participation in the program is voluntary. On a space available basis, the program may allow enrollment of children who are not otherwise eligible by assessing a fee.

(2) The program shall be implemented by utilizing the program standards and eligibility criteria in the early childhood education and assistance program in RCW 43.216.500 through 43.216.550.

(3)(a) ~~((Beginning in the 2015-16 school year,))~~ The program implementation in this section shall prioritize early childhood education and assistance programs located in low-income neighborhoods within high-need geographical areas.

(b) Following the priority in (a) of this subsection, preference shall be given to programs meeting at least one of the following characteristics:

(i) Programs offering an extended day program for early care and education;

(ii) Programs offering services to children diagnosed with a special need; or

(iii) Programs offering services to children involved in the child welfare system.

(4) The secretary shall adopt rules for the following program components, as appropriate and necessary during the phased implementation of the program, consistent with early achievers program standards established in RCW 43.216.085:

(a) Minimum program standards;

(b) Approval of program providers; and

(c) Accountability and adherence to performance standards.

(5) The department has administrative responsibility for:

(a) Approving and contracting with providers according to rules developed by the secretary under this section;

(b) In partnership with school districts, monitoring program quality and assuring the program is responsive to the needs of eligible children;

(c) Assuring that program providers work cooperatively with school districts to coordinate the transition from preschool to kindergarten so that children and their families are well-prepared and supported; and

(d) Providing technical assistance to contracted providers.

Sec. 10. RCW 43.216.080 and 2017 c 178 s 2 are each amended to read as follows:

(1) The foundation of quality in the early care and education system in Washington is the quality rating and improvement system entitled the early achievers program. In an effort to build on the existing quality framework, enhance access to quality care for children, and strengthen the entire early care and education systems in the state, it is important to integrate the efforts of state and local governments, school districts, institutions of higher education as defined in RCW 28B.10.016, and nonprofit organizations.

(2) Local governments, school districts, institutions of higher education as defined in RCW 28B.10.016, and nonprofit organizations are encouraged to collaborate with the department when establishing and strengthening early learning programs for residents.

(3) Local governments, school districts, institutions of higher education as defined in RCW 28B.10.016, and nonprofit organizations may contribute funds to the department for the following purposes:

(a) Initial investments to build capacity and quality in local

early care and education programming;

(b) Reductions in copayments charged to parents or caregivers;

(c) To expand access and eligibility in the early childhood education and assistance program.

(4) Funds contributed to the department by local governments, school districts, institutions of higher education as defined in RCW 28B.10.016, and nonprofit organizations must be deposited in the early start account established in RCW ~~((43.215.195))~~ 43.216.165.

(5) Children enrolled in the early childhood education and assistance program with funds contributed in accordance with subsection (3)(c) of this section are not considered to be eligible children as defined in RCW ~~((43.215.405))~~ 43.216.505 and are not considered to be part of the state-funded entitlement required in RCW ~~((43.215.456))~~ 43.216.556.

Sec. 11. RCW 43.216.540 and 1994 c 166 s 10 are each amended to read as follows:

For the purposes of RCW ~~((28A.215.100))~~ 43.216.500 through ~~((28A.215.200))~~ 43.216.550 and ~~((28A.215.900 through 28A.215.908))~~ 43.216.900 and 43.216.901, the department may award state support under RCW ~~((28A.215.100))~~ 43.216.500 through ~~((28A.215.160))~~ 43.216.530 to increase the numbers of eligible children assisted by the federal or state-supported early childhood programs in this state. Priority shall be given to those geographical areas which include a high percentage of families qualifying under the "eligible child" criteria. The overall program funding level shall be based on an average grant per child consistent with state appropriations made for program costs: **PROVIDED**, That programs addressing special needs of selected groups or communities shall be recognized in the department's rules.

Sec. 12. RCW 43.216.550 and 1994 c 166 s 11 are each amended to read as follows:

The department may solicit gifts, grants, conveyances, bequests and devises for the use or benefit of the early childhood state education and assistance program established by RCW ~~((28A.215.100))~~ 43.216.500 through ~~((28A.215.200))~~ 43.216.550 and ~~((28A.215.900 through 28A.215.908))~~ 43.216.900 and 43.216.901. The department shall actively solicit support from business and industry and from the federal government for the state early childhood education and assistance program and shall assist local programs in developing partnerships with the community for eligible children.

NEW SECTION. Sec. 13. (1) Section 5 of this act takes effect only if chapter . . . (Substitute Senate Bill No. 5089), Laws of 2019 is enacted by the effective date of this section.

(2) Section 4 of this act takes effect only if section 5 of this act does not take effect by the effective date of this section."

Correct the title.

and the same are herewith transmitted.

NONA SNELL, Deputy Chief Clerk

MOTION

Senator Wilson, C. moved that the Senate concur in the House amendment(s) to Second Substitute Senate Bill No. 5437.

Senator Wilson, C. spoke in favor of the motion.

The President Pro Tempore declared the question before the Senate to be the motion by Senator Wilson, C. that the Senate concur in the House amendment(s) to Second Substitute Senate Bill No. 5437.

The motion by Senator Wilson, C. carried and the Senate concurred in the House amendment(s) to Second Substitute

Senate Bill No. 5437 by voice vote.

The President Pro Tempore declared the question before the Senate to be the final passage of Second Substitute Senate Bill No. 5437, as amended by the House.

ROLL CALL

The Secretary called the roll on the final passage of Second Substitute Senate Bill No. 5437, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 45; Nays, 2; Absent, 0; Excused, 2.

Voting yea: Senators Bailey, Becker, Billig, Braun, Brown, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Ericksen, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Holy, Honeyford, Hunt, Keiser, King, Kuderer, Liias, Lovelett, McCoy, Mullet, Nguyen, O’Ban, Palumbo, Pedersen, Randall, Rolfes, Saldaña, Salomon, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Wellman, Wilson, C., Wilson, L. and Zeiger

Voting nay: Senators Padden and Warnick

Excused: Senators Rivers and Walsh

SECOND SUBSTITUTE SENATE BILL NO. 5437, as amended by the House, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MOTION

On motion of Senator Bailey, Senator Walsh was excused.

MESSAGE FROM THE HOUSE

April 11, 2019

MR. PRESIDENT:

The House passed ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 5438 with the following amendment(s): 5438-S2.E AMH APP H2885.1

Strike everything after the enacting clause and insert the following:

NEW SECTION. Sec. 1. The legislature finds that the agricultural industry in the state of Washington employs more than one hundred thousand workers per year and brings more than seven billion dollars of economic activity to our state. This industry and its workers are a vital part of Washington’s role in the global economy. The legislature further finds the number of the H-2A temporary agricultural workers coming into the state of Washington to harvest crops has grown by more than one thousand percent since 2007 and the funding provided by the federal government is insufficient to adequately ensure the protection of workers and growers. The legislature also finds the need to ensure this growth does not have an adverse impact on the domestic agricultural labor force.

The legislature declares it to be in the public interest to clarify the state’s role in the H-2A temporary agricultural program to provide adequate protections for foreign and domestic workers and provide education and outreach opportunities to help growers maintain the stable workforce they need.

NEW SECTION. Sec. 2. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) “Commissioner” means the commissioner of the employment security department.

(2) “Department” means the employment security department.

(3) “Employer” has the same meaning as in 20 C.F.R. Sec. 655.103. “Employer” also includes a “fixed-site employer,” as defined in 20 C.F.R. Sec. 655.103, and an employer in a “joint employment” relationship, as defined in 20 C.F.R. Sec. 655.103.

(4) “Field check” means an unannounced inspection and audit of an employer to determine and document whether the employer is providing wages, hours, and working and housing conditions as specified in the employer’s approved H-2A application, as required by the United States department of labor.

(5) “Field visit” means a scheduled visit to an employer’s premises where H-2A workers work, live, and gather to discuss employment services and other employment-related programs with workers, as required by the United States department of labor.

(6) “H-2A application” means an agricultural food processing clearance order form ETA 790 that describes the material terms and conditions of employment and is submitted in connection with a future application for temporary employment certification for H-2A workers to the United States department of labor under 20 C.F.R. Part 655, as amended.

(7) “H-2A worker” means any temporary foreign worker who is lawfully present in the United States to perform agricultural labor or services of a temporary or seasonal nature pursuant to Title 8 U.S.C. Sec. 1101(a)(15)(H)(ii)(a) of the immigration and nationality act, as amended.

(8) “Office” means the office of agricultural and seasonal workforce services established in section 3 of this act.

NEW SECTION. Sec. 3. (1) The office of agricultural and seasonal workforce services is established within the department.

(2) The duties of the office are:

(a) Processing and adjudicating foreign labor certification applications from employers;

(b) Processing complaints consistent with 20 C.F.R. Part 658, Subpart E;

(c) Conducting field checks and field visits, as required by the United States department of labor. When conducting a field check, the office shall coordinate, to the extent possible, with the department of labor and industries, department of health, and department of agriculture in order to limit disruption to agricultural employers and efficiently use government resources;

(d) Administering the discontinuation and reinstatement of services process pursuant to 20 C.F.R. Part 658, Subpart F; and

(e) Conducting training and outreach activities to employers who are using agricultural and seasonal workforce services and programs within the employment security department.

NEW SECTION. Sec. 4. (1) An employer must submit an H-2A application in the manner and on a form prescribed by the department. The H-2A application is not subject to chapter 50.13 RCW.

(2) The department may not process an H-2A application if the:

(a) Employer refuses to agree to be subject to field checks and field visits; or

(b) Department discontinued services to the employer pursuant to 20 C.F.R. Part 658, Subpart F and that discontinuation remains in effect.

NEW SECTION. Sec. 5. (1) The commissioner shall appoint an advisory committee to review issues and topics of interest related to this chapter.

(2)(a) The committee is composed of eight voting members:

(i) Four voting members representing agricultural workers’ interests: One of whom shall be a farmworker; and all of whom shall be appointed from a list of at least four names submitted by a recognized statewide organization of workers;

(ii) Four voting members representing agricultural employers: One of whom shall be an agricultural employer; and all of whom shall be appointed from a list of at least four names submitted by a recognized statewide organization of agricultural employers; and

(iii) One ex officio member, without a vote, shall represent the department and serve as the chair.

(b) The department of labor and industries, department of health, and department of agriculture shall each have one nonvoting ex officio member serve on the advisory committee.

(3) On issues and topics of interest related to this chapter, the committee shall provide comment on department rule making, policies, implementation of this chapter, and initiatives, and study issues the committee determines require consideration.

(4) In even years, the committee shall submit a report to the governor and the legislature by October 31st that:

(a) Identifies and recommends approaches to increase the effectiveness of the employment security department's recruitment process as part of the H-2A application. If deemed advisable by the committee, the report may include recommended changes to state law that would lead to increased recruitment and hiring of domestic workers in agricultural employment in Washington; and

(b) Analyzes the costs incurred by the office to administer the H-2A program, the funds to administer other department programs for farmworkers, and the amount of funds allocated by the federal government to administer the H-2A program and all other agricultural programs within the department.

(5) The committee members shall serve without compensation, but are entitled to reimbursement for travel expenses as provided in RCW 43.03.050 and 43.03.060. The committee may utilize department personnel and facilities as it needs, without charge.

NEW SECTION. 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.

NEW SECTION. 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.

NEW SECTION. Sec. 8. Sections 1 through 6 of this act constitute a new chapter in Title 50 RCW."

Correct the title.

and the same are herewith transmitted.

NONA SNELL, Deputy Chief Clerk

MOTION

Senator McCoy moved that the Senate concur in the House amendment(s) to Engrossed Second Substitute Senate Bill No. 5438.

Senator McCoy spoke in favor of the motion.

The President Pro Tempore declared the question before the Senate to be the motion by Senator McCoy that the Senate concur in the House amendment(s) to Engrossed Second Substitute Senate Bill No. 5438.

The motion by Senator McCoy carried and the Senate concurred in the House amendment(s) to Engrossed Second Substitute Senate Bill No. 5438 by voice vote.

The President Pro Tempore declared the question before the Senate to be the final passage of Engrossed Second Substitute Senate Bill No. 5438, as amended by the House.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Second Substitute Senate Bill No. 5438, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 35; Nays, 12; Absent, 0; Excused, 2.

Voting yea: Senators Billig, Braun, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Fortunato, Frockt, Hasegawa, Hobbs, Holy, Hunt, Keiser, King, Kuderer, Lias, Lovelett, McCoy, Mullet, Nguyen, O'Ban, Palumbo, Pedersen, Randall, Rolfes, Saldaña, Salomon, Takko, Wagoner, Warnick, Wellman, Wilson, C. and Zeiger

Voting nay: Senators Bailey, Becker, Brown, Erickson, Hawkins, Honeyford, Padden, Schoesler, Sheldon, Short, Van De Wege and Wilson, L.

Excused: Senators Rivers and Walsh

ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 5438, as amended by the House, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MESSAGE FROM THE HOUSE

April 4, 2019

MR. PRESIDENT:

The House passed SENATE BILL NO. 5508 with the following amendment(s): 5508 AMH CRJ H2571.1

Strike everything after the enacting clause and insert the following:

"**Sec. 1.** RCW 9.41.070 and 2018 c 226 s 2 and 2018 c 201 s 6002 are each reenacted and 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 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:

(a) He or she is 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 under twenty-one years of age;

(d) He or she is subject to a court order or injunction regarding firearms pursuant to chapter((s)) 7.90, 7.92, or 7.94 RCW, or

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RCW 9A.46.080, 10.14.080, 10.99.040, 10.99.045, 26.09.050, 26.09.060, 26.10.040, 26.10.115, (~~26.26.130~~) 26.26B.020, 26.50.060, 26.50.070, or 26.26.590;

(e) He or she is free on bond or personal recognizance pending trial, appeal, or sentencing for a felony offense;

(f) He or she has an outstanding warrant for his or her arrest from any court of competent jurisdiction for a felony or misdemeanor; or

(g) He or she has been ordered to forfeit a firearm under RCW 9.41.098(1)(e) within one year before filing an application to carry a pistol concealed on his or her person.

No person convicted of a felony may have his or her right to possess firearms restored or 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 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 law, and therefore ineligible for a concealed pistol license.

(b) The issuing authority shall deny a permit to anyone who is found to be prohibited from possessing a firearm under federal or state law.

(c) (a) and (b) of this subsection ((applies)) 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.

(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 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, description, a complete set of fingerprints, 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.

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 on-line format, all information received under this subsection.

(5) The nonrefundable fee, paid upon application, for the original five-year 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) Fifteen dollars shall be paid to the state general fund;

(b) Four dollars shall be paid to the agency taking the fingerprints of the person licensed;

(c) Fourteen dollars shall be paid to the issuing authority for the purpose of enforcing this chapter;

(d) Two dollars and sixteen cents to the firearms range account in the general fund; and

(e) Eighty-four cents to the concealed pistol license renewal notification account created in RCW 43.79.540.

(6) 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) Fifteen dollars shall be paid to the state general fund;

(b) Fourteen dollars shall be paid to the issuing authority for the purpose of enforcing this chapter;

(c) Two dollars and sixteen cents to the firearms range account in the general fund; and

(d) Eighty-four cents to the concealed pistol license renewal notification account created in RCW 43.79.540.

(7) The nonrefundable fee for replacement of lost or damaged licenses is ten dollars to be paid to the issuing authority.

(8) 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)(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 state 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) Notwithstanding the requirements of subsections (1) through (9) 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) 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.

(12) 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) 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) 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 license under subsections (6) and (9) of this section because of the person's assignment, reassignment, or deployment for out-of-state military service may renew his or her 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, 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.

NEW SECTION. **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 immediately."

Correct the title.

and the same are herewith transmitted.

NONA SNELL, Deputy Chief Clerk

MOTION

Senator Fortunato moved that the Senate concur in the House amendment(s) to Senate Bill No. 5508.

Senator Fortunato spoke in favor of the motion.

The President Pro Tempore declared the question before the Senate to be the motion by Senator Fortunato that the Senate concur in the House amendment(s) to Senate Bill No. 5508.

The motion by Senator Fortunato carried and the Senate concurred in the House amendment(s) to Senate Bill No. 5508 by voice vote.

The President Pro Tempore declared the question before the Senate to be the final passage of Senate Bill No. 5508, as amended by the House.

ROLL CALL

The Secretary called the roll on the final passage of Senate Bill No. 5508, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 47; Nays, 0; Absent, 0; Excused, 2.

Voting yea: Senators Bailey, Becker, Billig, Braun, Brown, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Erickson, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Holy, Honeyford, Hunt, Keiser, King, Kuderer, Liias, Lovelett, McCoy, Mullet, Nguyen, O'Ban, Padden, Palumbo, Pedersen, Randall, Rolfes, Saldaña, Salomon, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Warnick, Wellman, Wilson, C., Wilson, L. and Zeiger

Excused: Senators Rivers and Walsh

SENATE BILL NO. 5508, as amended by the House, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MESSAGE FROM THE HOUSE

April 10, 2019

MR. PRESIDENT:

The House passed SUBSTITUTE SENATE BILL NO. 5550 with the following amendment(s): 5550-S AMH LAWS H2696.1

Strike everything after the enacting clause and insert the following:

"NEW SECTION. **Sec. 1.** (1) In 2018, the legislature passed

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Engrossed Second Substitute Senate Bill No. 6529. The bill recognized that farmers, farmworkers, and the broader community share an interest in minimizing human exposure to pesticides. It also recognized that gains have been made in reducing human exposure to pesticides and that collaboration between state agencies and the farming community could further reduce agricultural workers exposure to pesticide drift.

(2) The legislation established a pesticide application safety work group that would make recommendations for improving pesticide application safety. Work group members included legislators from both chambers and caucuses, as well as representation from state agencies and the commission on Hispanic affairs. The work group sought public participation to learn more about pesticide application safety. Many stakeholders including but not limited to local farm hosts, the agricultural industry, and members of the agricultural workforce contributed valuable assistance and input.

(3) The work group reached two noteworthy recommendations regarding what can be done now to improve pesticide application safety. The recommendations are to:

(a) Expand training because the department of agriculture lacks sufficient resources to meet the training demand from pesticide applicators and handlers; and

(b) Establish a new pesticide application safety panel to provide an opportunity to evaluate and recommend policy options, and investigate exposure cases.

(4) The work group concluded that legislation is warranted to expand funding for a training program and set up a new pesticide application safety panel with clear objectives.

(5) This section expires July 1, 2025.

NEW SECTION. Sec. 2. A new section is added to chapter 70.104 RCW to read as follows:

(1) The pesticide application safety committee is established. Appointments to the committee must be made as soon as possible after the legislature convenes in regular session. The committee is composed of the following members:

(a) One member from each of the two largest caucuses of the house of representatives, appointed by the speaker of the house of representatives;

(b) One member from each of the two largest caucuses of the senate, appointed by the president of the senate;

(c) The director of the department of agriculture, or an assistant director designated by the director;

(d) The secretary of the department of health, or an assistant secretary designated by the secretary;

(e) The director of the department of labor and industries, or an assistant director designated by the director;

(f) The commissioner of public lands, or an assistant commissioner designated by the commissioner;

(g) The dean of the college of agricultural, human, and natural resource sciences at the Washington State University, or an assistant dean designated by the dean;

(h) The pesticide safety education coordinator at the Washington State University cooperative extension; and

(i) The director of the University of Washington Pacific Northwest agricultural safety and health center, or an assistant designated by the director.

(2) The committee shall be cochaired by the secretary of the department of health, or the assistant secretary designated by the secretary, and the director of the department of agriculture, or the assistant director designated by the director.

(3) Primary responsibility for administrative support for the committee, including developing reports, research, and other organizational support, shall be provided by the department of health and the department of agriculture. The committee must

hold its first meeting by September 2019. The committee must meet at least three times each year. The meetings shall be at a time and place specified by the cochairs, or at the call of a majority of the committee. When determining the time and place of meetings, the cochairs must consider costs and conduct committee meetings in Olympia when this choice would reduce costs to the state.

(4)(a) An advisory work group is created to collect information and make recommendations to the full committee on topics requiring unique expertise and perspectives on issues within the jurisdiction of the committee.

(b) The advisory work group shall consist of a representative from the department of agriculture, two representatives of employee organizations that represent farmworkers, two farmworkers with expertise on pesticide application, a representative of community and migrant health centers, a toxicologist, a representative of growers who use air blast sprayers, a representative of growers who use aerial pesticide application, a representative of growers who use fumigation to apply pesticides, and a representative of aerial applicators. The secretary of health, in consultation with the director of the department of agriculture and the full committee, must appoint members of the advisory work group, and the department of health must staff the advisory work group. The letter of appointment to the advisory work group members must be signed by both cochairs.

(c) The advisory work group must hold meetings only upon the committee's request. To reduce costs, the advisory work group must conduct meetings using teleconferencing or other methods, but may hold one in-person meeting per fiscal year.

(d) Members of the advisory work group shall be reimbursed for mileage expenses in accordance with RCW 43.03.060.

(e) The advisory work group must provide a report on their activities and recommendations to the full committee by November 9th of each year.

(5) The first priority of the committee is to explore how the departments of agriculture, labor and industries, and health, and the Washington poison center collect and track data. The committee must also consider the feasibility and requirements of developing a shared database, including how the department of health could use existing tools, such as the tracking network, to better display multiagency data regarding pesticides. The committee may also evaluate and recommend policy options that would take action to:

(a) Improve pesticide application safety with agricultural applications;

(b) Lead an effort to establish baseline data for the type and quantity of pesticide applications used in Washington to be able to compare the number of exposures with overall number of applications;

(c) Research ways to improve pesticide application communication among different members of the agricultural community, including educating the public in English and Spanish about acute and chronic health information about pesticides;

(d) Compile industry's best practices for use to improve pesticide application safety to limit pesticide exposure;

(e) Continue to investigate reasons why members of the agricultural workforce do not or may not report pesticide exposure;

(f) Explore new avenues for reporting with investigation without fear of retaliation;

(g) Work with stakeholders to consider trainings for how and when to report;

(h) Explore incentives for using new technology by funding a partial buy-out program for old spray technology;

(i) Consider developing an effective community health education plan;

(j) Consult with community partners to enhance educational initiatives that work with the agricultural workforce, their families, and surrounding communities to reduce the risk of pesticide exposure;

(k) Enhance efforts to work with pesticide manufacturers and the environmental protection agency to improve access to non-English pesticide labeling in the United States;

(l) Work with research partners to develop, or promote the use of translation apps for pesticide label safety information, or both;

(m) Evaluate prevention techniques to minimize exposure events;

(n) Develop more Spanish language and other language educational materials for distribution, including through social media and app-based learning for agricultural workforce communities;

(o) Explore development of an agricultural workforce education safety program to improve the understanding about leaving an area being sprayed; and

(p) Work with the industry and the agricultural workforce to improve protocols and best practices for use of personal safety equipment for applicators and reflective gear for the general workforce.

(6) The committee must provide a report to the appropriate committees of the legislature by May 1, 2020, and each year thereafter. An initial report on the progress of the committee must be provided in January 2020. The report may include recommendations the committee determines necessary, and must document the activities of the committee and report on the subjects listed in subsection (5) of this section. The department of health and the department of agriculture must provide staff support to the committee for the purpose of authoring the report and transmitting it to the legislature. Any member of the committee may provide a minority report as an appendix to the report submitted to the legislature under this section.

(7) This section expires July 1, 2025.”
and the same are herewith transmitted.

NONA SNELL, Deputy Chief Clerk

MOTION

Senator Saldaña moved that the Senate concur in the House amendment(s) to Substitute Senate Bill No. 5550.

Senators Saldaña and Warnick spoke in favor of the motion.

The President Pro Tempore declared the question before the Senate to be the motion by Senator Saldaña that the Senate concur in the House amendment(s) to Substitute Senate Bill No. 5550.

The motion by Senator Saldaña carried and the Senate concurred in the House amendment(s) to Substitute Senate Bill No. 5550 by voice vote.

The President Pro Tempore declared the question before the Senate to be the final passage of Substitute Senate Bill No. 5550, as amended by the House.

ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 5550, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 45; Nays, 2; Absent, 0; Excused, 2.

Voting yea: Senators Bailey, Becker, Billig, Braun, Brown, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Holy, Honeyford, Hunt,

Keiser, King, Kuderer, Liias, Lovelett, McCoy, Mullet, Nguyen, O'Ban, Padden, Palumbo, Pedersen, Randall, Rolfes, Saldaña, Salomon, Schoesler, Sheldon, Short, Takko, Van De Wege, Warnick, Wellman, Wilson, C., Wilson, L. and Zeiger

Voting nay: Senators Ericksen and Wagoner

Excused: Senators Rivers and Walsh

SUBSTITUTE SENATE BILL NO. 5550, as amended by the House, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MESSAGE FROM THE HOUSE

April 9, 2019

MR. PRESIDENT:

The House passed ENGROSSED SENATE BILL NO. 5573 with the following amendment(s): 5573.E AMH PS H2580.1

Strike everything after the enacting clause and insert the following:

“NEW SECTION. **Sec. 1.** A new section is added to chapter 74.31 RCW to read as follows:

(1) The department, in consultation with the council and at least one representative of a community-based domestic violence program and one medical professional with experience treating survivors of domestic violence, shall develop recommendations to improve the statewide response to traumatic brain injuries suffered by domestic violence survivors. In developing recommendations, the department may consider the creation of an educational handout, to be updated on a periodic basis, regarding traumatic brain injury to be provided to victims of domestic violence. The handout may include the information and screening tool described in subsection (2) of this section.

(2)(a) The department, in consultation with the council, shall establish and recommend or develop content for a statewide web site for victims of domestic violence to include:

(i) An explanation of the potential for domestic abuse to lead to traumatic brain injury;

(ii) Information on recognizing cognitive, behavioral, and physical symptoms of traumatic brain injury as well as potential impacts to a person's emotional well-being and mental health;

(iii) A self-screening tool for traumatic brain injury; and

(iv) Recommendations for persons with traumatic brain injury to help address or cope with the injury.

(b) The department must update the web site created under this subsection on a periodic basis.

Sec. 2. RCW 10.99.030 and 2016 c 136 s 5 are each amended to read as follows:

(1) All training relating to the handling of domestic violence complaints by law enforcement officers shall stress enforcement of criminal laws in domestic situations, availability of community resources, and protection of the victim. Law enforcement agencies and community organizations with expertise in the issue of domestic violence shall cooperate in all aspects of such training.

(2) The criminal justice training commission shall implement by January 1, 1997, a course of instruction for the training of law enforcement officers in Washington in the handling of domestic violence complaints. The basic law enforcement curriculum of the criminal justice training commission shall include at least twenty hours of basic training instruction on the law enforcement response to domestic violence. The course of instruction, the learning and performance objectives, and the standards for the

training shall be developed by the commission and focus on enforcing the criminal laws, safety of the victim, and holding the perpetrator accountable for the violence. The curriculum shall include training on the extent and prevalence of domestic violence, the importance of criminal justice intervention, techniques for responding to incidents that minimize the likelihood of officer injury and that promote victim safety, investigation and interviewing skills, evidence gathering and report writing, assistance to and services for victims and children, understanding the risks of traumatic brain injury posed by domestic violence, verification and enforcement of court orders, liability, and any additional provisions that are necessary to carry out the intention of this subsection.

(3) The criminal justice training commission shall develop and update annually an in-service training program to familiarize law enforcement officers with the domestic violence laws. The program shall include techniques for handling incidents of domestic violence that minimize the likelihood of injury to the officer and that promote the safety of all parties. The commission shall make the training program available to all law enforcement agencies in the state.

(4) Development of the training in subsections (2) and (3) of this section shall be conducted in conjunction with agencies having a primary responsibility for serving victims of domestic violence with emergency shelter and other services, and representatives to the statewide organization providing training and education to these organizations and to the general public.

(5) The primary duty of peace officers, when responding to a domestic violence situation, is to enforce the laws allegedly violated and to protect the complaining party.

(6)(a) When a peace officer responds to a domestic violence call and has probable cause to believe that a crime has been committed, the peace officer shall exercise arrest powers with reference to the criteria in RCW 10.31.100. The officer shall notify the victim of the victim’s right to initiate a criminal proceeding in all cases where the officer has not exercised arrest powers or decided to initiate criminal proceedings by citation or otherwise. The parties in such cases shall also be advised of the importance of preserving evidence.

(b) A peace officer responding to a domestic violence call shall take a complete offense report including the officer’s disposition of the case.

(7) When a peace officer responds to a domestic violence call((?));

(a) The officer shall advise victims of all reasonable means to prevent further abuse, including advising each person of the availability of a shelter or other services in the community, and giving each person immediate notice of the legal rights and remedies available. The notice shall include handing each person a copy of the following statement:

“IF YOU ARE THE VICTIM OF DOMESTIC VIOLENCE, you can ask the city or county prosecuting attorney to file a criminal complaint. You also have the right to file a petition in superior, district, or municipal court requesting an order for protection from domestic abuse which could include any of the following: (a) An order restraining your abuser from further acts of abuse; (b) an order directing your abuser to leave your household; (c) an order preventing your abuser from entering your residence, school, business, or place of employment; (d) an order awarding you or the other parent custody of or visitation with your minor child or children; and (e) an order restraining your abuser from molesting or interfering with minor children in your custody. The forms you need to obtain a protection order are available in any municipal,

district, or superior court.

Information about shelters and alternatives to domestic violence is available from a statewide twenty-four-hour toll-free hotline at (include appropriate phone number). The battered women’s shelter and other resources in your area are (include local information)”; and

(b) The officer is encouraged to inform victims that information on traumatic brain injury can be found on the statewide web site developed under section 1 of this act.

(8) The peace officer may offer, arrange, or facilitate transportation for the victim to a hospital for treatment of injuries or to a place of safety or shelter.

(9) The law enforcement agency shall forward the offense report to the appropriate prosecutor within ten days of making such report if there is probable cause to believe that an offense has been committed, unless the case is under active investigation. Upon receiving the offense report, the prosecuting agency may, in its discretion, choose not to file the information as a domestic violence offense, if the offense was committed against a sibling, parent, stepparent, or grandparent.

(10) Each law enforcement agency shall make as soon as practicable a written record and shall maintain records of all incidents of domestic violence reported to it.

(11) Records kept pursuant to subsections (6) and (10) of this section shall be made identifiable by means of a departmental code for domestic violence.

(12) Commencing January 1, 1994, records of incidents of domestic violence shall be submitted, in accordance with procedures described in this subsection, to the Washington association of sheriffs and police chiefs by all law enforcement agencies. The Washington criminal justice training commission shall amend its contract for collection of statewide crime data with the Washington association of sheriffs and police chiefs:

(a) To include a table, in the annual report of crime in Washington produced by the Washington association of sheriffs and police chiefs pursuant to the contract, showing the total number of actual offenses and the number and percent of the offenses that are domestic violence incidents for the following crimes: (i) Criminal homicide, with subtotals for murder and nonnegligent homicide and manslaughter by negligence; (ii) forcible rape, with subtotals for rape by force and attempted forcible rape; (iii) robbery, with subtotals for firearm, knife or cutting instrument, or other dangerous weapon, and strongarm robbery; (iv) assault, with subtotals for firearm, knife or cutting instrument, other dangerous weapon, hands, feet, aggravated, and other nonaggravated assaults; (v) burglary, with subtotals for forcible entry, nonforcible unlawful entry, and attempted forcible entry; (vi) larceny theft, except motor vehicle theft; (vii) motor vehicle theft, with subtotals for autos, trucks and buses, and other vehicles; (viii) arson; and (ix) violations of the provisions of a protection order or no-contact order restraining the person from going onto the grounds of or entering a residence, workplace, school, or day care, provided that specific appropriations are subsequently made for the collection and compilation of data regarding violations of protection orders or no-contact orders;

(b) To require that the table shall continue to be prepared and contained in the annual report of crime in Washington until that time as comparable or more detailed information about domestic violence incidents is available through the Washington state incident based reporting system and the information is prepared and contained in the annual report of crime in Washington; and

(c) To require that, in consultation with interested persons, the Washington association of sheriffs and police chiefs prepare and disseminate procedures to all law enforcement agencies in the

state as to how the agencies shall code and report domestic violence incidents to the Washington association of sheriffs and police chiefs.”

Correct the title.

and the same are herewith transmitted.

NONA SNELL, Deputy Chief Clerk

MOTION

Senator Liias moved that the Senate concur in the House amendment(s) to Engrossed Senate Bill No. 5573.

Senator Liias spoke in favor of the motion.

The President Pro Tempore declared the question before the Senate to be the motion by Senator Liias that the Senate concur in the House amendment(s) to Engrossed Senate Bill No. 5573.

The motion by Senator Liias carried and the Senate concurred in the House amendment(s) to Engrossed Senate Bill No. 5573 by voice vote.

The President Pro Tempore declared the question before the Senate to be the final passage of Engrossed Senate Bill No. 5573, as amended by the House.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Senate Bill No. 5573, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 47; Nays, 0; Absent, 0; Excused, 2.

Voting yea: Senators Bailey, Becker, Billig, Braun, Brown, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Ericksen, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Holy, Honeyford, Hunt, Keiser, King, Kuderer, Liias, Lovelett, McCoy, Mullet, Nguyen, O'Ban, Padden, Palumbo, Pedersen, Randall, Rolfes, Saldaña, Salomon, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Warnick, Wellman, Wilson, C., Wilson, L. and Zeiger

Excused: Senators Rivers and Walsh

ENGROSSED SENATE BILL NO. 5573, as amended by the House, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MESSAGE FROM THE HOUSE

April 11, 2019

MR. PRESIDENT:

The House passed SENATE BILL NO. 5651 with the following amendment(s): 5651 AMH APP H2812.1

Strike everything after the enacting clause and insert the following:

“NEW SECTION. **Sec. 1.** A new section is added to chapter 2.53 RCW to read as follows:

(1) Subject to amounts specifically appropriated for this purpose, the role of kinship care legal aid coordinator is hereby created at the office of civil legal aid. The office may contract with a separate nonprofit legal aid organization to satisfy the requirements of this section.

(2)(a) The kinship care legal aid coordinator shall consult with the following entities:

(i) The kinship care oversight committee as provided for in RCW 74.13.621;

(ii) The Washington state supreme court access to justice board’s pro bono council;

(iii) The Washington state bar association moderate means program;

(iv) The department of social and health services, aging and long-term support administration; and

(v) The office of public defense.

(b) The kinship care legal aid coordinator shall work with entities stated in (a) of this subsection to identify and facilitate the development of local and regional kinship care legal aid initiatives, and further efforts to implement relevant recommendations from the kinship care oversight committee as provided for in RCW 74.13.621.

(3) The kinship care legal aid coordinator shall maintain the following duties:

(a) Develop, expand, and deliver training materials designed to help pro bono and low bono attorneys provide legal advice and assistance to kinship caregivers on matters that relate to their ability to meet physical, mental, social, educational, and other needs of children and youth in their care;

(b) Produce a biennial report outlining activities undertaken by the coordinator; legal aid resources developed at the statewide, regional, and local levels; and other information regarding development and expansion of legal aid services to kinship caregivers in Washington state. Reports are due to the department of children, youth, and families, department of social and health services, and relevant standing committees of the legislature by December 1st of each even-numbered year.

Sec. 2. RCW 74.13.621 and 2017 3rd sp.s. c 1 s 982 are each amended to read as follows:

(1) Within existing resources, the department shall establish an oversight committee to monitor, guide, and report on kinship care recommendations and implementation activities. The committee shall:

(a) Draft a kinship care definition that is restricted to persons related by blood, marriage, or adoption, including marriages that have been dissolved, or for a minor defined as an “Indian child” under the federal Indian child welfare act (25 U.S.C. Sec. 1901 et seq.), the definition of “extended family member” under the federal Indian child welfare act, and a set of principles. If the committee concludes that one or more programs or services would be more efficiently and effectively delivered under a different definition of kin, it shall state what definition is needed, and identify the program or service in the report. It shall also provide evidence of how the program or service will be more efficiently and effectively delivered under the different definition. The department shall not adopt rules or policies changing the definition of kin without authorizing legislation;

(b) Monitor and provide consultation on the implementation of recommendations contained in the 2002 kinship care report, including but not limited to the recommendations relating to legal and respite care services and resources;

(c) Partner with nonprofit organizations and private sector businesses to guide a public education awareness campaign; (~~and~~)

(d) Assist with developing future recommendations on kinship care issues; ~~and~~

(e) Coordinate with the kinship care legal aid coordinator to develop, expand, and deliver training materials designed to help pro bono and low bono attorneys provide legal advice and assistance to kinship caregivers on matters that relate to their ability to meet physical, mental, social, educational, and other needs of children and youth in their care.

(2) The department shall consult with the oversight committee on its efforts to better collaborate and coordinate services to

benefit kinship care families.

(3) The oversight committee must consist of a minimum of thirty percent kinship caregivers, who shall represent a diversity of kinship families. Statewide representation with geographic, ethnic, and gender diversity is required. Other members shall include representatives of the department, representatives of relevant state agencies, representatives of the private nonprofit and business sectors, child advocates, representatives of Washington state Indian tribes as defined under the federal Indian welfare act (25 U.S.C. Sec. 1901 et seq.), and representatives of the legal or judicial field. Birth parents, foster parents, and others who have an interest in these issues may also be included.

(4) To the extent funding is available, the department may reimburse nondepartmental members of the oversight committee for costs incurred in participating in the meetings of the oversight committee.

(5) The kinship care oversight committee shall update the legislature and governor annually on committee activities, with ~~((the first))~~ each update due by ~~((January 1, 2006))~~ December 1st. ~~((6) This section expires June 30, 2019.)~~

NEW SECTION. Sec. 3. If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2019, in the omnibus appropriations act, this act is null and void.

NEW SECTION. 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 June 30, 2019.”

Correct the title.

and the same are herewith transmitted.

NONA SNELL, Deputy Chief Clerk

MOTION

Senator King moved that the Senate concur in the House amendment(s) to Senate Bill No. 5651.

Senator King spoke in favor of the motion.

The President Pro Tempore declared the question before the Senate to be the motion by Senator King that the Senate concur in the House amendment(s) to Senate Bill No. 5651.

The motion by Senator King carried and the Senate concurred in the House amendment(s) to Senate Bill No. 5651 by voice vote.

The President Pro Tempore declared the question before the Senate to be the final passage of Senate Bill No. 5651, as amended by the House.

ROLL CALL

The Secretary called the roll on the final passage of Senate Bill No. 5651, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 47; Nays, 0; Absent, 0; Excused, 2.

Voting yea: Senators Bailey, Becker, Billig, Braun, Brown, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Ericksen, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Holy, Honeyford, Hunt, Keiser, King, Kuderer, Liias, Lovelett, McCoy, Mullet, Nguyen, O’Ban, Padden, Palumbo, Pedersen, Randall, Rolfes, Saldaña, Salomon, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Warnick, Wellman, Wilson, C., Wilson, L. and Zeiger

Excused: Senators Rivers and Walsh

SENATE BILL NO. 5651, as amended by the House, having

received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MESSAGE FROM THE HOUSE

April 10, 2019

MR. PRESIDENT:

The House passed SUBSTITUTE SENATE BILL NO. 5670 with the following amendment(s): 5670-S AMH LG H2451.1

Strike everything after the enacting clause and insert the following:

“**Sec. 1.** RCW 52.12.031 and 2010 c 8 s 15002 are each amended to read as follows:

Any fire protection district organized under this title may:

(1) Lease, acquire, own, maintain, operate, and provide fire and emergency medical apparatus and all other necessary or proper facilities, machinery, and equipment for the prevention and suppression of fires, the providing of emergency medical services and the protection of life and property;

(2) Enter into an interlocal agreement with any local jurisdiction to maintain and repair any vehicle or equipment owned and used exclusively by such county, city, town, school district, or other political subdivision of the state of Washington. As used in this subsection, “local jurisdiction” means any county, city, town, school district, or other political subdivision of the state of Washington;

(3) Lease, acquire, own, maintain, and operate real property, improvements, and fixtures for housing, repairing, and maintaining the apparatus, facilities, machinery, and equipment described in subsection (1) of this section;

~~((3))~~ (4) Contract with any governmental entity under chapter 39.34 RCW or private person or entity to consolidate, provide, or cooperate for fire prevention protection, fire suppression, investigation, and emergency medical purposes. In so contracting, the district or governmental entity is deemed for all purposes to be acting within its governmental capacity. This contracting authority includes the furnishing of fire prevention, fire suppression, investigation, emergency medical services, facilities, and equipment to or by the district, governmental entity, or private person or entity;

~~((4))~~ (5) Encourage uniformity and coordination of fire protection district operations. The fire commissioners of fire protection districts may form an association to secure information of value in suppressing and preventing fires and other district purposes, to hold and attend meetings, and to promote more economical and efficient operation of the associated fire protection districts. The commissioners of fire protection districts in the association shall adopt articles of association or articles of incorporation for a nonprofit corporation, select a chair, secretary, and other officers as they may determine, and may employ and discharge agents and employees as the officers deem convenient to carry out the purposes of the association. The expenses of the association may be paid from funds paid into the association by fire protection districts: PROVIDED, That the aggregate contributions made to the association by a district in a calendar year shall not exceed two and one-half cents per thousand dollars of assessed valuation;

~~((5))~~ (6) Enter into contracts to provide group life insurance for the benefit of the personnel of the fire districts;

~~((6))~~ (7) Perform building and property inspections that the district deems necessary to provide fire prevention services and pre-fire planning within the district and any area that the district serves by contract in accordance with RCW 19.27.110:

PROVIDED, That codes used by the district for building and property inspections shall be limited to the applicable codes adopted by the state, county, city, or town that has jurisdiction over the area in which the property is located. A copy of inspection reports prepared by the district shall be furnished by the district to the appropriate state, county, city, or town that has jurisdiction over the area in which the property is located: PROVIDED, That nothing in this subsection shall be construed to grant code enforcement authority to a district. This subsection shall not be construed as imposing liability on any governmental jurisdiction;

((~~(7)~~)) (8) Determine the origin and cause of fires occurring within the district and any area the district serves by contract. In exercising the authority conferred by this subsection, the fire protection district and its authorized representatives shall comply with the provisions of RCW 43.44.050;

((~~(8)~~)) (9) Perform acts consistent with this title and not otherwise prohibited by law.

NEW SECTION. Sec. 2. A new section is added to chapter 28A.160 RCW to read as follows:

The maintenance and repair of school buses may be provided by a fire protection district pursuant to RCW 52.12.031(1)."

Correct the title.

and the same are herewith transmitted.

NONA SNELL, Deputy Chief Clerk

MOTION

Senator Wagoner moved that the Senate concur in the House amendment(s) to Substitute Senate Bill No. 5670.

Senator Wagoner spoke in favor of the motion.

The President Pro Tempore declared the question before the Senate to be the motion by Senator Wagoner that the Senate concur in the House amendment(s) to Substitute Senate Bill No. 5670.

The motion by Senator Wagoner carried and the Senate concurred in the House amendment(s) to Substitute Senate Bill No. 5670 by voice vote.

The President Pro Tempore declared the question before the Senate to be the final passage of Substitute Senate Bill No. 5670, as amended by the House.

ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 5670, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 47; Nays, 0; Absent, 0; Excused, 2.

Voting yea: Senators Bailey, Becker, Billig, Braun, Brown, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Ericksen, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Holy, Honeyford, Hunt, Keiser, King, Kuderer, Liias, Lovelett, McCoy, Mullet, Nguyen, O'Ban, Padden, Palumbo, Pedersen, Randall, Rolfes, Saldaña, Salomon, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Warnick, Wellman, Wilson, C., Wilson, L. and Zeiger

Excused: Senators Rivers and Walsh

SUBSTITUTE SENATE BILL NO. 5670, as amended by the House, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MESSAGE FROM THE HOUSE

April 10, 2019

MR. PRESIDENT:

The House passed ENGROSSED SUBSTITUTE SENATE BILL NO. 5688 with the following amendment(s): 5688-S.E AMH HCW WEIK 078

Strike everything after the enacting clause and insert the following:

"**Sec. 1.** RCW 18.250.040 and 2007 c 253 s 5 are each amended to read as follows:

(1) It is unlawful for any person to practice or offer to practice as an athletic trainer, or to represent themselves or other persons to be legally able to provide services as an athletic trainer, unless the person is licensed under the provisions of this chapter.

(2) No person may use the title "athletic trainer," the letters "ATC" or "LAT," the terms "sports trainer," "team trainer," "trainer," or any other words, abbreviations, or insignia in connection with his or her name to indicate or imply, directly or indirectly, that he or she is an athletic trainer without being licensed in accordance with this chapter as an athletic trainer.

Sec. 2. RCW 18.250.050 and 2007 c 253 s 6 are each amended to read as follows:

Nothing in this chapter may prohibit, restrict, or require licensure of:

(1) Any person licensed, certified, or registered in this state and performing services within the authorized scope of practice;

(2) The practice by an individual employed by the government of the United States as an athletic trainer while engaged in the performance of duties prescribed by the laws of the United States;

(3) Any person pursuing a supervised course of study in an accredited athletic training educational program, if the person is designated by a title that clearly indicates a student or trainee status;

(4) An athletic trainer from another state for purposes of continuing education, consulting, or performing athletic training services while accompanying his or her group, individual, or representatives into Washington state on a temporary basis for no more than ninety days in a calendar year;

(5) Any elementary, secondary, or postsecondary school teacher, educator, or coach~~(, or authorized volunteer)~~ who does not represent themselves to the public as an athletic trainer; or

(6) A personal or fitness trainer employed by an athletic club or fitness center and not representing themselves as an athletic trainer or performing the duties of an athletic trainer provided under RCW 18.250.010(4)(a) (ii) through (vi).

NEW SECTION. Sec. 3. A new section is added to chapter 18.250 RCW to read as follows:

(1) An athletic trainer licensed under this chapter may purchase, store, and administer over-the-counter topical medications such as hydrocortisone, fluocinonide, topical anesthetics, silver sulfadiazine, lidocaine, magnesium sulfate, zinc oxide, and other similar medications, as prescribed by an authorized health care practitioner for the practice of athletic training.

(a) An athletic trainer may not administer any medications to a student in a public school as defined in RCW 28A.150.010 or private schools governed by chapter 28A.195 RCW.

(b) An athletic trainer may administer medications consistent with this section to a minor in a setting other than a school, if the minor's parent or guardian provides written consent.

(2) An athletic trainer licensed under this chapter who has completed an anaphylaxis training program in accordance with

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RCW 70.54.440 may administer an epinephrine autoinjector to any individual who the athletic trainer believes in good faith is experiencing anaphylaxis as authorized by RCW 70.54.440.

Sec. 4. RCW 43.70.442 and 2016 c 90 s 5 are each amended to read as follows:

(1)(a) Each of the following professionals certified or licensed under Title 18 RCW shall, at least once every six years, complete training in suicide assessment, treatment, and management that is approved, in rule, by the relevant disciplining authority:

- (i) An adviser or counselor certified under chapter 18.19 RCW;
- (ii) A chemical dependency professional licensed under chapter 18.205 RCW;
- (iii) A marriage and family therapist licensed under chapter 18.225 RCW;
- (iv) A mental health counselor licensed under chapter 18.225 RCW;
- (v) An occupational therapy practitioner licensed under chapter 18.59 RCW;
- (vi) A psychologist licensed under chapter 18.83 RCW;
- (vii) An advanced social worker or independent clinical social worker licensed under chapter 18.225 RCW; and
- (viii) A social worker associate—advanced or social worker associate—independent clinical licensed under chapter 18.225 RCW.

(b) The requirements in (a) of this subsection apply to a person holding a retired active license for one of the professions in (a) of this subsection.

(c) The training required by this subsection must be at least six hours in length, unless a disciplining authority has determined, under subsection (10)(b) of this section, that training that includes only screening and referral elements is appropriate for the profession in question, in which case the training must be at least three hours in length.

(d) Beginning July 1, 2017, the training required by this subsection must be on the model list developed under subsection (6) of this section. Nothing in this subsection (1)(d) affects the validity of training completed prior to July 1, 2017.

(2)(a) Except as provided in (b) of this subsection, a professional listed in subsection (1)(a) of this section must complete the first training required by this section by the end of the first full continuing education reporting period after January 1, 2014, or during the first full continuing education reporting period after initial licensure or certification, whichever occurs later.

(b) A professional listed in subsection (1)(a) of this section applying for initial licensure may delay completion of the first training required by this section for six years after initial licensure if he or she can demonstrate successful completion of the training required in subsection (1) of this section no more than six years prior to the application for initial licensure.

(3) The hours spent completing training in suicide assessment, treatment, and management under this section count toward meeting any applicable continuing education or continuing competency requirements for each profession.

(4)(a) A disciplining authority may, by rule, specify minimum training and experience that is sufficient to exempt an individual professional from the training requirements in subsections (1) and (5) of this section. Nothing in this subsection (4)(a) allows a disciplining authority to provide blanket exemptions to broad categories or specialties within a profession.

(b) A disciplining authority may exempt a professional from the training requirements of subsections (1) and (5) of this section if the professional has only brief or limited patient contact.

(5)(a) Each of the following professionals credentialed under Title 18 RCW shall complete a one-time training in suicide

assessment, treatment, and management that is approved by the relevant disciplining authority:

- (i) A chiropractor licensed under chapter 18.25 RCW;
- (ii) A naturopath licensed under chapter 18.36A RCW;
- (iii) A licensed practical nurse, registered nurse, or advanced registered nurse practitioner, other than a certified registered nurse anesthetist, licensed under chapter 18.79 RCW;
- (iv) An osteopathic physician and surgeon licensed under chapter 18.57 RCW, other than a holder of a postgraduate osteopathic medicine and surgery license issued under RCW 18.57.035;
- (v) An osteopathic physician assistant licensed under chapter 18.57A RCW;
- (vi) A physical therapist or physical therapist assistant licensed under chapter 18.74 RCW;
- (vii) A physician licensed under chapter 18.71 RCW, other than a resident holding a limited license issued under RCW 18.71.095(3);
- (viii) A physician assistant licensed under chapter 18.71A RCW;
- (ix) A pharmacist licensed under chapter 18.64 RCW; ~~((and))~~
- (x) An athletic trainer licensed under chapter 18.250 RCW; and
- (xi) A person holding a retired active license for one of the professions listed in (a)(i) through ~~((ix))~~ (x) of this subsection.

(b)(i) A professional listed in (a)(i) through (viii) of this subsection or a person holding a retired active license for one of the professions listed in (a)(i) through (viii) of this subsection must complete the one-time training by the end of the first full continuing education reporting period after January 1, 2016, or during the first full continuing education reporting period after initial licensure, whichever is later. Training completed between June 12, 2014, and January 1, 2016, that meets the requirements of this section, other than the timing requirements of this subsection (5)(b), must be accepted by the disciplining authority as meeting the one-time training requirement of this subsection (5).

(ii) A licensed pharmacist or a person holding a retired active pharmacist license must complete the one-time training by the end of the first full continuing education reporting period after January 1, 2017, or during the first full continuing education reporting period after initial licensure, whichever is later.

(c) The training required by this subsection must be at least six hours in length, unless a disciplining authority has determined, under subsection (10)(b) of this section, that training that includes only screening and referral elements is appropriate for the profession in question, in which case the training must be at least three hours in length.

(d) Beginning July 1, 2017, the training required by this subsection must be on the model list developed under subsection (6) of this section. Nothing in this subsection (5)(d) affects the validity of training completed prior to July 1, 2017.

(6)(a) The secretary and the disciplining authorities shall work collaboratively to develop a model list of training programs in suicide assessment, treatment, and management.

(b) The secretary and the disciplining authorities shall update the list at least once every two years.

(c) By June 30, 2016, the department shall adopt rules establishing minimum standards for the training programs included on the model list. The minimum standards must require that six-hour trainings include content specific to veterans and the assessment of issues related to imminent harm via lethal means or self-injurious behaviors and that three-hour trainings for pharmacists include content related to the assessment of issues related to imminent harm via lethal means. When adopting the rules required under this subsection (6)(c), the department shall:

(i) Consult with the affected disciplining authorities, public and private institutions of higher education, educators, experts in suicide assessment, treatment, and management, the Washington department of veterans affairs, and affected professional associations; and

(ii) Consider standards related to the best practices registry of the American foundation for suicide prevention and the suicide prevention resource center.

(d) Beginning January 1, 2017:

(i) The model list must include only trainings that meet the minimum standards established in the rules adopted under (c) of this subsection and any three-hour trainings that met the requirements of this section on or before July 24, 2015;

(ii) The model list must include six-hour trainings in suicide assessment, treatment, and management, and three-hour trainings that include only screening and referral elements; and

(iii) A person or entity providing the training required in this section may petition the department for inclusion on the model list. The department shall add the training to the list only if the department determines that the training meets the minimum standards established in the rules adopted under (c) of this subsection.

(7) The department shall provide the health profession training standards created in this section to the professional educator standards board as a model in meeting the requirements of RCW 28A.410.226 and provide technical assistance, as requested, in the review and evaluation of educator training programs. The educator training programs approved by the professional educator standards board may be included in the department's model list.

(8) Nothing in this section may be interpreted to expand or limit the scope of practice of any profession regulated under chapter 18.130 RCW.

(9) The secretary and the disciplining authorities affected by this section shall adopt any rules necessary to implement this section.

(10) For purposes of this section:

(a) "Disciplining authority" has the same meaning as in RCW 18.130.020.

(b) "Training in suicide assessment, treatment, and management" means empirically supported training approved by the appropriate disciplining authority that contains the following elements: Suicide assessment, including screening and referral, suicide treatment, and suicide management. However, the disciplining authority may approve training that includes only screening and referral elements if appropriate for the profession in question based on the profession's scope of practice. The board of occupational therapy may also approve training that includes only screening and referral elements if appropriate for occupational therapy practitioners based on practice setting.

(11) A state or local government employee is exempt from the requirements of this section if he or she receives a total of at least six hours of training in suicide assessment, treatment, and management from his or her employer every six years. For purposes of this subsection, the training may be provided in one six-hour block or may be spread among shorter training sessions at the employer's discretion.

(12) An employee of a community mental health agency licensed under chapter 71.24 RCW or a chemical dependency program certified under chapter ~~(70.96A)~~ 71.24 RCW is exempt from the requirements of this section if he or she receives a total of at least six hours of training in suicide assessment, treatment, and management from his or her employer every six years. For purposes of this subsection, the training may be provided in one six-hour block or may be spread among shorter training sessions at the employer's discretion.

Sec. 5. RCW 43.70.442 and 2017 c 262 s 4 are each amended to read as follows:

(1)(a) Each of the following professionals certified or licensed under Title 18 RCW shall, at least once every six years, complete training in suicide assessment, treatment, and management that is approved, in rule, by the relevant disciplining authority:

(i) An adviser or counselor certified under chapter 18.19 RCW;

(ii) A chemical dependency professional licensed under chapter 18.205 RCW;

(iii) A marriage and family therapist licensed under chapter 18.225 RCW;

(iv) A mental health counselor licensed under chapter 18.225 RCW;

(v) An occupational therapy practitioner licensed under chapter 18.59 RCW;

(vi) A psychologist licensed under chapter 18.83 RCW;

(vii) An advanced social worker or independent clinical social worker licensed under chapter 18.225 RCW; and

(viii) A social worker associate—advanced or social worker associate—dependent clinical licensed under chapter 18.225 RCW.

(b) The requirements in (a) of this subsection apply to a person holding a retired active license for one of the professions in (a) of this subsection.

(c) The training required by this subsection must be at least six hours in length, unless a disciplining authority has determined, under subsection (10)(b) of this section, that training that includes only screening and referral elements is appropriate for the profession in question, in which case the training must be at least three hours in length.

(d) Beginning July 1, 2017, the training required by this subsection must be on the model list developed under subsection (6) of this section. Nothing in this subsection (1)(d) affects the validity of training completed prior to July 1, 2017.

(2)(a) Except as provided in (b) of this subsection, a professional listed in subsection (1)(a) of this section must complete the first training required by this section by the end of the first full continuing education reporting period after January 1, 2014, or during the first full continuing education reporting period after initial licensure or certification, whichever occurs later.

(b) A professional listed in subsection (1)(a) of this section applying for initial licensure may delay completion of the first training required by this section for six years after initial licensure if he or she can demonstrate successful completion of the training required in subsection (1) of this section no more than six years prior to the application for initial licensure.

(3) The hours spent completing training in suicide assessment, treatment, and management under this section count toward meeting any applicable continuing education or continuing competency requirements for each profession.

(4)(a) A disciplining authority may, by rule, specify minimum training and experience that is sufficient to exempt an individual professional from the training requirements in subsections (1) and (5) of this section. Nothing in this subsection (4)(a) allows a disciplining authority to provide blanket exemptions to broad categories or specialties within a profession.

(b) A disciplining authority may exempt a professional from the training requirements of subsections (1) and (5) of this section if the professional has only brief or limited patient contact.

(5)(a) Each of the following professionals credentialed under Title 18 RCW shall complete a one-time training in suicide assessment, treatment, and management that is approved by the relevant disciplining authority:

(i) A chiropractor licensed under chapter 18.25 RCW;

(ii) A naturopath licensed under chapter 18.36A RCW;

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(iii) A licensed practical nurse, registered nurse, or advanced registered nurse practitioner, other than a certified registered nurse anesthetist, licensed under chapter 18.79 RCW;

(iv) An osteopathic physician and surgeon licensed under chapter 18.57 RCW, other than a holder of a postgraduate osteopathic medicine and surgery license issued under RCW 18.57.035;

(v) An osteopathic physician assistant licensed under chapter 18.57A RCW;

(vi) A physical therapist or physical therapist assistant licensed under chapter 18.74 RCW;

(vii) A physician licensed under chapter 18.71 RCW, other than a resident holding a limited license issued under RCW 18.71.095(3);

(viii) A physician assistant licensed under chapter 18.71A RCW;

(ix) A pharmacist licensed under chapter 18.64 RCW;

(x) A dentist licensed under chapter 18.32 RCW;

(xi) A dental hygienist licensed under chapter 18.29 RCW; ~~(and)~~

(xii) An athletic trainer licensed under chapter 18.250 RCW; and

~~(xiii)~~ A person holding a retired active license for one of the professions listed in (a)(i) through ~~((xii))~~ (xii) of this subsection.

(b)(i) A professional listed in (a)(i) through (viii) of this subsection or a person holding a retired active license for one of the professions listed in (a)(i) through (viii) of this subsection must complete the one-time training by the end of the first full continuing education reporting period after January 1, 2016, or during the first full continuing education reporting period after initial licensure, whichever is later. Training completed between June 12, 2014, and January 1, 2016, that meets the requirements of this section, other than the timing requirements of this subsection (5)(b), must be accepted by the disciplining authority as meeting the one-time training requirement of this subsection (5).

(ii) A licensed pharmacist or a person holding a retired active pharmacist license must complete the one-time training by the end of the first full continuing education reporting period after January 1, 2017, or during the first full continuing education reporting period after initial licensure, whichever is later.

(iii) A licensed dentist, a licensed dental hygienist, or a person holding a retired active license as a dentist shall complete the one-time training by the end of the full continuing education reporting period after August 1, 2020, or during the first full continuing education reporting period after initial licensure, whichever is later. Training completed between July 23, 2017, and August 1, 2020, that meets the requirements of this section, other than the timing requirements of this subsection (5)(b)(iii), must be accepted by the disciplining authority as meeting the one-time training requirement of this subsection (5).

(c) The training required by this subsection must be at least six hours in length, unless a disciplining authority has determined, under subsection (10)(b) of this section, that training that includes only screening and referral elements is appropriate for the profession in question, in which case the training must be at least three hours in length.

(d) Beginning July 1, 2017, the training required by this subsection must be on the model list developed under subsection (6) of this section. Nothing in this subsection (5)(d) affects the validity of training completed prior to July 1, 2017.

(6)(a) The secretary and the disciplining authorities shall work collaboratively to develop a model list of training programs in suicide assessment, treatment, and management.

(b) The secretary and the disciplining authorities shall update

the list at least once every two years.

(c) By June 30, 2016, the department shall adopt rules establishing minimum standards for the training programs included on the model list. The minimum standards must require that six-hour trainings include content specific to veterans and the assessment of issues related to imminent harm via lethal means or self-injurious behaviors and that three-hour trainings for pharmacists or dentists include content related to the assessment of issues related to imminent harm via lethal means. When adopting the rules required under this subsection (6)(c), the department shall:

(i) Consult with the affected disciplining authorities, public and private institutions of higher education, educators, experts in suicide assessment, treatment, and management, the Washington department of veterans affairs, and affected professional associations; and

(ii) Consider standards related to the best practices registry of the American foundation for suicide prevention and the suicide prevention resource center.

(d) Beginning January 1, 2017:

(i) The model list must include only trainings that meet the minimum standards established in the rules adopted under (c) of this subsection and any three-hour trainings that met the requirements of this section on or before July 24, 2015;

(ii) The model list must include six-hour trainings in suicide assessment, treatment, and management, and three-hour trainings that include only screening and referral elements; and

(iii) A person or entity providing the training required in this section may petition the department for inclusion on the model list. The department shall add the training to the list only if the department determines that the training meets the minimum standards established in the rules adopted under (c) of this subsection.

(7) The department shall provide the health profession training standards created in this section to the professional educator standards board as a model in meeting the requirements of RCW 28A.410.226 and provide technical assistance, as requested, in the review and evaluation of educator training programs. The educator training programs approved by the professional educator standards board may be included in the department's model list.

(8) Nothing in this section may be interpreted to expand or limit the scope of practice of any profession regulated under chapter 18.130 RCW.

(9) The secretary and the disciplining authorities affected by this section shall adopt any rules necessary to implement this section.

(10) For purposes of this section:

(a) "Disciplining authority" has the same meaning as in RCW 18.130.020.

(b) "Training in suicide assessment, treatment, and management" means empirically supported training approved by the appropriate disciplining authority that contains the following elements: Suicide assessment, including screening and referral, suicide treatment, and suicide management. However, the disciplining authority may approve training that includes only screening and referral elements if appropriate for the profession in question based on the profession's scope of practice. The board of occupational therapy may also approve training that includes only screening and referral elements if appropriate for occupational therapy practitioners based on practice setting.

(11) A state or local government employee is exempt from the requirements of this section if he or she receives a total of at least six hours of training in suicide assessment, treatment, and management from his or her employer every six years. For purposes of this subsection, the training may be provided in one

six-hour block or may be spread among shorter training sessions at the employer's discretion.

(12) An employee of a community mental health agency licensed under chapter 71.24 RCW or a chemical dependency program certified under chapter ~~((70.96A))~~ 71.24 RCW is exempt from the requirements of this section if he or she receives a total of at least six hours of training in suicide assessment, treatment, and management from his or her employer every six years. For purposes of this subsection, the training may be provided in one six-hour block or may be spread among shorter training sessions at the employer's discretion.

Sec. 6. RCW 69.41.010 and 2016 c 148 s 10 and 2016 c 97 s 2 are each reenacted and amended to read as follows:

As used in this chapter, the following terms have the meanings indicated unless the context clearly requires otherwise:

(1) "Administer" means the direct application of a legend drug whether by injection, inhalation, ingestion, or any other means, to the body of a patient or research subject by:

(a) A practitioner; or
(b) The patient or research subject at the direction of the practitioner.

(2) "Commission" means the pharmacy quality assurance commission.

(3) "Community-based care settings" include: Community residential programs for persons with developmental disabilities, certified by the department of social and health services under chapter 71A.12 RCW; adult family homes licensed under chapter 70.128 RCW; and assisted living facilities licensed under chapter 18.20 RCW. Community-based care settings do not include acute care or skilled nursing facilities.

(4) "Deliver" or "delivery" means the actual, constructive, or attempted transfer from one person to another of a legend drug, whether or not there is an agency relationship.

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

(6) "Dispense" means the interpretation of a prescription or order for a legend drug and, pursuant to that prescription or order, the proper selection, measuring, compounding, labeling, or packaging necessary to prepare that prescription or order for delivery.

(7) "Dispenser" means a practitioner who dispenses.

(8) "Distribute" means to deliver other than by administering or dispensing a legend drug.

(9) "Distributor" means a person who distributes.

(10) "Drug" means:

(a) Substances recognized as drugs in the official United States pharmacopoeia, official homeopathic pharmacopoeia of the United States, or official national formulary, or any supplement to any of them;

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

(c) Substances (other than food, minerals or vitamins) intended to affect the structure or any function of the body of human beings or animals; and

(d) Substances intended for use as a component of any article specified in (a), (b), or (c) of this subsection. It does not include devices or their components, parts, or accessories.

(11) "Electronic communication of prescription information" means the transmission of a prescription or refill authorization for a drug of a practitioner using computer systems. The term does not include a prescription or refill authorization transmitted verbally by telephone nor a facsimile manually signed by the practitioner.

(12) "In-home care settings" include an individual's place of temporary and permanent residence, but does not include acute

care or skilled nursing facilities, and does not include community-based care settings.

(13) "Legend drugs" means any drugs which are required by state law or regulation of the pharmacy quality assurance commission to be dispensed on prescription only or are restricted to use by practitioners only.

(14) "Legible prescription" means a prescription or medication order issued by a practitioner that is capable of being read and understood by the pharmacist filling the prescription or the nurse or other practitioner implementing the medication order. A prescription must be hand printed, typewritten, or electronically generated.

(15) "Medication assistance" means assistance rendered by a nonpractitioner to an individual residing in a community-based care setting or in-home care setting to facilitate the individual's self-administration of a legend drug or controlled substance. It includes reminding or coaching the individual, handing the medication container to the individual, opening the individual's medication container, using an enabler, or placing the medication in the individual's hand, and such other means of medication assistance as defined by rule adopted by the department. A nonpractitioner may help in the preparation of legend drugs or controlled substances for self-administration where a practitioner has determined and communicated orally or by written direction that such medication preparation assistance is necessary and appropriate. Medication assistance shall not include assistance with intravenous medications or injectable medications, except prefilled insulin syringes.

(16) "Person" means individual, corporation, government or governmental subdivision or agency, business trust, estate, trust, partnership or association, or any other legal entity.

(17) "Practitioner" means:

(a) A physician under chapter 18.71 RCW, an osteopathic physician or an osteopathic physician and surgeon under chapter 18.57 RCW, a dentist under chapter 18.32 RCW, a podiatric physician and surgeon under chapter 18.22 RCW, an East Asian medicine practitioner to the extent authorized under chapter 18.06 RCW and the rules adopted under RCW 18.06.010(1)(j), a veterinarian under chapter 18.92 RCW, a registered nurse, advanced registered nurse practitioner, or licensed practical nurse under chapter 18.79 RCW, an optometrist under chapter 18.53 RCW who is certified by the optometry board under RCW 18.53.010, an osteopathic physician assistant under chapter 18.57A RCW, a physician assistant under chapter 18.71A RCW, a naturopath licensed under chapter 18.36A RCW, a licensed athletic trainer to the extent authorized under chapter 18.250 RCW, a pharmacist under chapter 18.64 RCW, or, when acting under the required supervision of a dentist licensed under chapter 18.32 RCW, a dental hygienist licensed under chapter 18.29 RCW;

(b) A pharmacy, hospital, or other institution licensed, registered, or otherwise permitted to distribute, dispense, conduct research with respect to, or to administer a legend drug in the course of professional practice or research in this state; and

(c) A physician licensed to practice medicine and surgery or a physician licensed to practice osteopathic medicine and surgery in any state, or province of Canada, which shares a common border with the state of Washington.

(18) "Secretary" means the secretary of health or the secretary's designee.

NEW SECTION. **Sec. 7.** Section 4 of this act expires August 1, 2020.

NEW SECTION. **Sec. 8.** Section 5 of this act takes effect August 1, 2020."

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Correct the title.
and the same are herewith transmitted.
NONA SNELL, Deputy Chief Clerk

MOTION

Senator Cleveland moved that the Senate concur in the House amendment(s) to Engrossed Substitute Senate Bill No. 5688.
Senator Cleveland spoke in favor of the motion.

The President Pro Tempore declared the question before the Senate to be the motion by Senator Cleveland that the Senate concur in the House amendment(s) to Engrossed Substitute Senate Bill No. 5688.

The motion by Senator Cleveland carried and the Senate concurred in the House amendment(s) to Engrossed Substitute Senate Bill No. 5688 by voice vote.

The President Pro Tempore declared the question before the Senate to be the final passage of Engrossed Substitute Senate Bill No. 5688, as amended by the House.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute Senate Bill No. 5688, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 47; Nays, 0; Absent, 0; Excused, 2.

Voting yea: Senators Bailey, Becker, Billig, Braun, Brown, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Ericksen, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Holy, Honeyford, Hunt, Keiser, King, Kuderer, Liias, Lovelett, McCoy, Mullet, Nguyen, O'Ban, Padden, Palumbo, Pedersen, Randall, Rolfes, Saldaña, Salomon, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Warnick, Wellman, Wilson, C., Wilson, L. and Zeiger

Excused: Senators Rivers and Walsh

ENGROSSED SUBSTITUTE SENATE BILL NO. 5688, as amended by the House, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MESSAGE FROM THE HOUSE

April 11, 2019
MR. PRESIDENT:

The House passed SECOND SUBSTITUTE SENATE BILL NO. 5718 with the following amendment(s): 5718-S2 AMH APP H2841.1

Strike everything after the enacting clause and insert the following:

“**NEW SECTION. Sec. 1.** A new section is added to chapter 74.13 RCW to read as follows:

(1) Beginning July 1, 2020, the department shall establish a child welfare housing assistance pilot program, which provides housing vouchers, rental assistance, navigation, and other support services to eligible families.

(a) The department shall operate or contract for the operation of the child welfare housing assistance pilot program under subsection (3) of this section in one county west of the crest of the Cascade mountain range and one county east of the crest of the Cascade mountain range.

(b) The child welfare housing assistance pilot program is

intended to shorten the time that children remain in out-of-home care.

(2) A parent with a child who is dependent pursuant to chapter 13.34 RCW and whose primary remaining barrier to reunification is the lack of appropriate housing is eligible for the child welfare housing assistance pilot program.

(3) The department shall contract with an outside entity or entities to operate the child welfare housing assistance pilot program. If no outside entity or entities are available to operate the program or specific parts of the program, the department may operate the program or the specific parts that are not operated by an outside entity.

(4) Families may be referred to the child welfare housing assistance pilot program by a caseworker, an attorney, a guardian ad litem as defined in chapter 13.34 RCW, a child welfare parent mentor as defined in RCW 2.70.060, an office of public defense social worker, or the court.

(5) The department shall consult with a stakeholder group that must include, but is not limited to, the following:

- (a) Parent allies;
- (b) Parent attorneys and social workers managed by the office of public defense parent representation program;
- (c) The department of commerce;
- (d) Housing experts;
- (e) Community-based organizations;
- (f) Advocates; and
- (g) Behavioral health providers.

(6) The stakeholder group established in subsection (5) of this section shall begin meeting after the effective date of this section and assist the department in design of the child welfare housing assistance pilot program in areas including, but not limited to:

- (a) Equitable racial, geographic, ethnic, and gender distribution of program support;
- (b) Eligibility criteria;
- (c) Creating a definition of homeless for purposes of eligibility for the program; and
- (d) Options for program design that include outside entities operating the entire program or specific parts of the program.

(7) By December 1, 2021, the department shall report outcomes for the child welfare housing assistance pilot program to the oversight board for children, youth, and families established pursuant to RCW 43.216.015. The report must include racial, geographic, ethnic, and gender distribution of program support.

(8) The child welfare housing assistance pilot program established in this section is subject to the availability of funds appropriated for this purpose.

(9) This section expires June 30, 2022.

NEW SECTION. 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, 2019, in the omnibus appropriations act, this act is null and void.”

Correct the title.
and the same are herewith transmitted.
NONA SNELL, Deputy Chief Clerk

MOTION

Senator Saldaña moved that the Senate concur in the House amendment(s) to Second Substitute Senate Bill No. 5718.
Senator Saldaña spoke in favor of the motion.

The President Pro Tempore declared the question before the Senate to be the motion by Senator Saldaña that the Senate concur in the House amendment(s) to Second Substitute Senate Bill No. 5718.

The motion by Senator Saldaña carried and the Senate concurred in the House amendment(s) to Second Substitute Senate Bill No. 5718 by voice vote.

The President Pro Tempore declared the question before the Senate to be the final passage of Second Substitute Senate Bill No. 5718, as amended by the House.

ROLL CALL

The Secretary called the roll on the final passage of Second Substitute Senate Bill No. 5718, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 47; Nays, 0; Absent, 0; Excused, 2.

Voting yea: Senators Bailey, Becker, Billig, Braun, Brown, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Ericksen, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Holy, Honeyford, Hunt, Keiser, King, Kuderer, Liias, Lovelett, McCoy, Mullet, Nguyen, O'Ban, Padden, Palumbo, Pedersen, Randall, Rolfes, Saldaña, Salomon, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Warnick, Wellman, Wilson, C., Wilson, L. and Zeiger

Excused: Senators Rivers and Walsh

SECOND SUBSTITUTE SENATE BILL NO. 5718, as amended by the House, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MOTION

At 11:42 a.m., on motion of Senator Liias, the Senate was declared to be at ease subject to the call of the President for the purposes of caucus and lunch.

Senator Becker announced a meeting of the Republican Caucus immediately upon going at ease.

Senator McCoy announced a meeting of the Democratic Caucus immediately upon going at ease.

AFTERNOON SESSION

The Senate was called to order at 1:48 p.m. by President Pro Tempore Keiser.

MESSAGE FROM THE HOUSE

April 22, 2019

MR. PRESIDENT:

The House concurred in the Senate amendments to the following bills and passed the bills as amended by the Senate:

SUBSTITUTE HOUSE BILL NO. 1071,

SUBSTITUTE HOUSE BILL NO. 1075,

HOUSE BILL NO. 1133,

HOUSE BILL NO. 1176,

ENGROSSED SUBSTITUTE HOUSE BILL NO. 1379,

ENGROSSED SECOND SUBSTITUTE

HOUSE BILL NO. 1599,

ENGROSSED SUBSTITUTE HOUSE BILL NO. 1692,

ENGROSSED HOUSE BILL NO. 1756,

HOUSE BILL NO. 1792,

ENGROSSED SUBSTITUTE HOUSE BILL NO. 2018,

SUBSTITUTE HOUSE BILL NO. 2049,

HOUSE BILL NO. 2052,

and the same are herewith transmitted.

NONA SNELL, Deputy Chief Clerk

MOTION

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

THIRD READING CONFIRMATION OF GUBERNATORIAL APPOINTMENTS

MOTION

Senator King moved that Patrick Boldoz, Senate Gubernatorial Appointment No. 9055, be confirmed as a member of the Yakima Valley Community College Board of Trustees.

Senator King spoke in favor of the motion.

APPOINTMENT OF PATRICK BOLDOZ

The President Pro Tempore declared the question before the Senate to be the confirmation of Patrick Boldoz, Senate Gubernatorial Appointment No. 9055, as a member of the Yakima Valley Community College Board of Trustees.

The Secretary called the roll on the confirmation of Patrick Boldoz, Senate Gubernatorial Appointment No. 9055, as a member of the Yakima Valley Community College Board of Trustees and the appointment was confirmed by the following vote: Yeas, 48; Nays, 0; Absent, 1; Excused, 0.

Voting yea: Senators Bailey, Becker, Billig, Braun, Brown, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Holy, Honeyford, Hunt, Keiser, King, Kuderer, Liias, Lovelett, McCoy, Mullet, Nguyen, O'Ban, Padden, Palumbo, Pedersen, Randall, Rivers, Rolfes, Saldaña, Salomon, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson, C., Wilson, L. and Zeiger

Absent: Senator Ericksen

Patrick Boldoz, Senate Gubernatorial Appointment No. 9055, having received the constitutional majority was declared confirmed as a member of the Yakima Valley Community College Board of Trustees.

MOTION

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

MESSAGE FROM THE HOUSE

April 9, 2019

MR. PRESIDENT:

The House passed SUBSTITUTE SENATE BILL NO. 5723 with the following amendment(s): 5723-S AMH TR H2751.1

Strike everything after the enacting clause and insert the following:

“NEW SECTION. **Sec. 1.** The legislature finds that a number of the collision types that have resulted in a high number of serious injuries and deaths of vulnerable roadway users can be associated with certain types of traffic infractions. To address the heightened risk to vulnerable roadway users when violations of these traffic infractions occur, the legislature intends to: (1) Introduce an additional fine as a penalty for drivers who commit these violations against a vulnerable roadway user; (2) modify

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when certain vulnerable roadway users may be passed by motor vehicles; and (3) clarify when and how pedestrians and bicyclists may use the roadway. To increase enforcement of all traffic infractions and offenses committed against vulnerable roadway users, the legislature intends for revenue that is collected from the new fine to be dedicated to the education of law enforcement officers, prosecutors, and judges about opportunities for the enforcement of traffic violations committed against vulnerable roadway users, with any remaining funds to be used to increase awareness by the public of the risks and penalties associated with these traffic violations. The goals of this act are to achieve a reduction in the frequency with which drivers violate traffic laws that endanger vulnerable roadway users and to encourage safe sharing of the roadway by drivers, bicyclists, pedestrians, and other vulnerable roadway users.

Sec. 2. RCW 46.04.071 and 2018 c 60 s 2 are each amended to read as follows:

“Bicycle” means every device propelled solely by human power, or an electric-assisted bicycle as defined in RCW 46.04.169, upon which a person or persons may ride, having two tandem wheels either of which is sixteen inches or more in diameter, or three wheels, any one of which is (~~more than~~) twenty inches or more in diameter.

Sec. 3. RCW 46.61.110 and 2005 c 396 s 1 are each amended to read as follows:

The following rules shall govern the overtaking and passing of vehicles proceeding in the same direction (~~subject to those limitations, exceptions and special rules hereinafter stated~~):

(1)(a) The driver of a vehicle overtaking other traffic proceeding in the same direction shall pass to the left (~~thereof~~) 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 (~~that~~), riding an animal, or using a farm tractor or implement of husbandry without an enclosed shell, and who is (~~on~~) traveling in the right lane of a roadway or on the right-hand shoulder or bicycle lane of the roadway, shall (~~pass to the left at a safe distance to clearly avoid coming into contact with the pedestrian or bicyclist, and shall not again drive to the right side of the roadway until safely clear of the overtaken pedestrian or bicyclist~~):

(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 46.61.526(11)(c).

(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. 4. RCW 46.61.145 and 1965 ex.s. c 155 s 24 are each amended to read as follows:

(1) The driver of a motor vehicle shall not follow another vehicle more closely than is reasonable and prudent, having due regard for the speed of such vehicles and the traffic upon and the condition of the highway.

(2) The driver of any motor truck or motor vehicle drawing another vehicle when traveling upon a roadway outside of a business or residence district and which is following another motor truck or motor vehicle drawing another vehicle shall, whenever conditions permit, leave sufficient space so that an overtaking vehicle may enter and occupy such space without danger, except that this shall not prevent a motor truck or motor vehicle drawing another vehicle from overtaking and passing any like vehicle or other vehicle.

(3) Motor vehicles being driven upon any roadway outside of a business or residence district in a caravan or motorcade whether or not towing other vehicles shall be so operated as to allow sufficient space between each such vehicle or combination of vehicles so as to enable any other vehicle to enter and occupy such space without danger. This provision shall not apply to funeral processions.

(4)(a) When the vehicle being followed is a vulnerable user of a public way, a driver of a motor vehicle found to be in violation of this section 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.

(b) For the purposes of this section, “vulnerable user of a public way” has the same meaning as provided in RCW 46.61.526(11)(c).

(5) The additional fine imposed under subsection (4) of this section must be deposited into the vulnerable roadway user education account created in subsection (6) of this section.

(6) The vulnerable roadway user education account is created in the state treasury. All receipts from the additional fine in subsection (4) of 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 by the Washington traffic safety commission solely to:

(a) Support programs dedicated to increasing awareness by law enforcement officers, prosecutors, and judges of opportunities for the enforcement of traffic infractions and offenses committed against vulnerable roadway users; and

(b) With any funds remaining once the program support specified in (a) of this subsection has been provided, support programs dedicated to increasing awareness by the public of the risks and penalties associated with traffic infractions and offenses committed against vulnerable roadway users.

Sec. 5. RCW 46.61.180 and 1975 c 62 s 26 are each amended to read as follows:

(1) When two vehicles approach or enter an intersection from different highways at approximately the same time, the driver of the vehicle on the left shall yield the right-of-way to the vehicle on the right.

(2) The right-of-way rule declared in subsection (1) of this section is modified at arterial highways and otherwise as stated in this chapter.

(3)(a) When the vehicle on the right approaching the intersection is a vulnerable user of a public way, a driver of a motor vehicle found to be in violation of this section 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.

(b) For the purposes of this section, "vulnerable user of a public way" has the same meaning as provided in RCW 46.61.526(11)(c).

(4) The additional fine imposed under subsection (3) of this section must be deposited into the vulnerable roadway user education account created in RCW 46.61.145.

Sec. 6. RCW 46.61.185 and 1965 ex.s. c 155 s 29 are each amended to read as follows:

(1) The driver of a vehicle intending to turn to the left within an intersection or into an alley, private road, or driveway shall yield the right-of-way to any vehicle approaching from the opposite direction which is within the intersection or so close thereto as to constitute an immediate hazard.

(2)(a) When the vehicle approaching from the opposite direction within the intersection or so close that it constitutes an immediate hazard is a vulnerable user of a public way, a driver of a motor vehicle found to be in violation of this section 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.

(b) For the purposes of this section, "vulnerable user of a public way" has the same meaning as provided in RCW 46.61.526(11)(c).

(3) The additional fine imposed under subsection (2) of this section must be deposited into the vulnerable roadway user education account created in RCW 46.61.145.

Sec. 7. RCW 46.61.190 and 2000 c 239 s 5 are each amended to read as follows:

(1) Preferential right-of-way may be indicated by stop signs or yield signs as authorized in RCW 47.36.110.

(2) Except when directed to proceed by a duly authorized

flagger, or a police officer, or a firefighter vested by law with authority to direct, control, or regulate traffic, every driver of a vehicle approaching a stop sign shall stop at a clearly marked stop line, but if none, before entering a marked crosswalk on the near side of the intersection or, if none, then at the point nearest the intersecting roadway where the driver has a view of approaching traffic on the intersecting roadway before entering the roadway, and after having stopped shall yield the right-of-way to any vehicle in the intersection or approaching on another roadway so closely as to constitute an immediate hazard during the time when such driver is moving across or within the intersection or junction of roadways.

(3) The driver of a vehicle approaching a yield sign shall in obedience to such sign slow down to a speed reasonable for the existing conditions and if required for safety to stop, shall stop at a clearly marked stop line, but if none, before entering a marked crosswalk on the near side of the intersection or if none, then at the point nearest the intersecting roadway where the driver has a view of approaching traffic on the intersecting roadway before entering the roadway, and then after slowing or stopping, the driver shall yield the right-of-way to any vehicle in the intersection or approaching on another roadway so closely as to constitute an immediate hazard during the time such driver is moving across or within the intersection or junction of roadways: PROVIDED, That if such a driver is involved in a collision with a vehicle in the intersection or junction of roadways, after driving past a yield sign without stopping, such collision shall be deemed prima facie evidence of the driver's failure to yield right-of-way.

(4)(a) When right-of-way has not been yielded in accordance with this section to a vehicle that is a vulnerable user of a public way, a driver of a motor vehicle found to be in violation of this section 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.

(b) For the purposes of this section, "vulnerable user of a public way" has the same meaning as provided in RCW 46.61.526(11)(c).

(5) The additional fine imposed under subsection (4) of this section must be deposited into the vulnerable roadway user education account created in RCW 46.61.145.

Sec. 8. RCW 46.61.205 and 1990 c 250 s 88 are each amended to read as follows:

(1) The driver of a vehicle about to enter or cross a highway from a private road or driveway shall yield the right-of-way to all vehicles lawfully approaching on said highway.

(2)(a) When right-of-way has not been yielded in accordance with this section to a vehicle that is a vulnerable user of a public way, a driver of a motor vehicle found to be in violation of this section 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.

(b) For the purposes of this section, "vulnerable user of a public way" has the same meaning as provided in RCW 46.61.526(11)(c).

(3) The additional fine imposed under subsection (2) of this section must be deposited into the vulnerable roadway user education account created in RCW 46.61.145.

Sec. 9. RCW 46.61.250 and 1990 c 241 s 6 are each amended

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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, ~~((disabled))~~ 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 ~~((any))~~ or are inaccessible, a pedestrian walking or otherwise moving along and upon a highway shall ~~((s))~~:

(a) When ~~((practicable))~~ shoulders are provided and are accessible, walk ~~((or move only))~~ on the ~~((left side of the roadway or its))~~ shoulder ~~((facing traffic which may approach from the opposite direction and))~~ 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 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 ~~((shall move clear of the roadway))~~.

(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.

Sec. 10. RCW 46.61.770 and 1982 c 55 s 7 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 ~~((as may be appropriate))~~:

(a) While preparing to make or while making turning movements ~~((or))~~ 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 ~~((if such exists))~~.

~~((2))~~ (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.

Sec. 11. RCW 3.62.090 and 2004 c 15 s 5 are each amended

to read as follows:

(1) There shall be assessed and collected in addition to any fines, forfeitures, or penalties assessed, other than for parking infractions, by all courts organized under Title 3 or 35 RCW a public safety and education assessment equal to seventy percent of such fines, forfeitures, or penalties, which shall be remitted as provided in chapters 3.46, 3.50, 3.62, and 35.20 RCW. The assessment required by this section shall not be suspended or waived by the court.

(2) There shall be assessed and collected in addition to any fines, forfeitures, or penalties assessed, other than for parking infractions and for fines levied under RCW 46.61.5055, and in addition to the public safety and education assessment required under subsection (1) of this section, by all courts organized under Title 3 or 35 RCW, an additional public safety and education assessment equal to fifty percent of the public safety and education assessment required under subsection (1) of this section, which shall be remitted to the state treasurer and deposited as provided in RCW 43.08.250. The additional assessment required by this subsection shall not be suspended or waived by the court.

(3) This section does not apply to the fee imposed under RCW 46.63.110(7), the penalty imposed under RCW 46.63.110(8), the additional fine imposed under RCW 46.61.110, 46.61.145, 46.61.180, 46.61.185, 46.61.190, and 46.61.205, or the penalty assessment imposed under RCW 10.99.080.

Sec. 12. RCW 2.68.040 and 1994 c 8 s 2 are each amended to read as follows:

(1) To support the judicial information system account provided for in RCW 2.68.020, the supreme court may provide by rule for an increase in fines, penalties, and assessments, and the increased amount shall be forwarded to the state treasurer for deposit in the account:

(a) Pursuant to the authority of RCW 46.63.110~~((2))~~ (3), the sum of ten dollars to any penalty collected by a court pursuant to supreme court infraction rules for courts of limited jurisdiction;

(b) Pursuant to RCW 3.62.060, a mandatory appearance cost in the initial sum of ten dollars to be assessed on all defendants; and

(c) Pursuant to RCW 46.63.110~~((5))~~ (6), a ten-dollar assessment for each account for which a person requests a time payment schedule.

(2) Notwithstanding a provision of law or rule to the contrary, the assessments provided for in this section may not be waived or suspended and shall be immediately due and payable upon forfeiture, conviction, deferral of prosecution, or request for time payment, as each shall occur.

(3) The supreme court is requested to adjust these assessments for inflation.

(4) This section does not apply to the additional monetary fine under RCW 46.61.110, 46.61.145, 46.61.180, 46.61.185, 46.61.190, and 46.61.205.

Sec. 13. RCW 46.63.110 and 2012 c 82 s 1 are each amended to read as follows:

(1) A person found to have committed a traffic infraction shall be assessed a monetary penalty. No penalty may exceed two hundred and fifty dollars for each offense unless authorized by this chapter or title.

(2) The monetary penalty for a violation of (a) RCW 46.55.105(2) is two hundred fifty dollars for each offense; (b) RCW 46.61.210(1) is five hundred dollars 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 twenty-five dollars 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 twenty-five dollars 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, in its discretion, that a person is not able to pay a monetary obligation in full, and not more than one year has passed since the later of July 1, 2005, or the date the monetary obligation initially became due and payable, the court shall enter into a payment plan with the person, unless the person has previously been granted a payment plan with respect to the same monetary obligation, or unless the person is in noncompliance of any existing or prior payment plan, in which case the court may, at its discretion, implement a payment plan. If the court has notified the department that the person has failed to pay or comply and the person has subsequently entered into a payment plan and made an initial payment, the court shall notify the department that the infraction has been adjudicated, and the department shall rescind any suspension of the person's driver's license or driver's privilege based on failure to respond to that infraction. "Payment plan," as used in this section, means a plan that requires reasonable payments based on the financial ability of the person to pay. The person may voluntarily pay an amount at any time in addition to the payments required under the payment plan.

(a) If a payment required to be made under the payment plan is delinquent or the person fails to complete a community restitution program on or before the time established under the payment plan, unless the court determines good cause therefor and adjusts the payment plan or the community restitution plan accordingly, the court may refer the unpaid monetary penalty, fee, cost, assessment, or other monetary obligation for civil enforcement until all monetary obligations, including those imposed under subsections (3) and (4) of this section, have been paid, and court authorized community restitution has been completed, or until the court has entered into a new time payment or community restitution agreement with the person. For those infractions subject to suspension under RCW 46.20.289, the court shall notify the department of the person's failure to meet the conditions of the plan, and the department shall suspend the person's driver's license or driving privileges.

(b) If a person has not entered into a payment plan with the court and has not paid the monetary obligation in full on or before the time established for payment, the court may refer the unpaid monetary penalty, fee, cost, assessment, or other monetary obligation to a collections agency until all monetary obligations have been paid, including those imposed under subsections (3) and (4) of this section, or until the person has entered into a payment plan under this section. For those infractions subject to

suspension under RCW 46.20.289, the court shall notify the department of the person's delinquency, and the department shall suspend the person's driver's license or driving privileges.

(c) If the payment plan is to be administered by the court, the court may assess the person a reasonable administrative fee to be wholly retained by the city or county with jurisdiction. The administrative fee shall not exceed ten dollars per infraction or twenty-five dollars per payment plan, whichever is less.

(d) Nothing in this section precludes a court from contracting with outside entities to administer its payment plan system. When outside entities are used for the administration of a payment plan, the court may assess the person a reasonable fee for such administrative services, which fee may be calculated on a periodic, percentage, or other basis.

(e) If a court authorized community restitution program for offenders is available in the jurisdiction, the court may allow conversion of all or part of the monetary obligations due under this section to court authorized community restitution in lieu of time payments if the person is unable to make reasonable time payments.

(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 five dollars 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 ten dollars 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 Washington auto theft prevention authority account; and

(c) A fee of two dollars per infraction. 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 twenty dollars. 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) Eight dollars and fifty cents 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 in the state general fund. 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 court may, at its discretion, enter into a payment plan.

(10) The monetary penalty for violating RCW 46.37.395 is: (a) Two hundred fifty dollars for the first violation; (b) five hundred dollars for the second violation; and (c) seven hundred fifty dollars for each violation thereafter.

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(11) 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.

Sec. 14. RCW 43.84.092 and 2018 c 287 s 7, 2018 c 275 s 10, and 2018 c 203 s 14 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 aircraft search and rescue account, the Alaskan Way viaduct replacement project account, the brownfield redevelopment trust fund account, the budget stabilization account, the capital vessel replacement account, the capitol building construction account, the Cedar River channel construction and operation account, the Central Washington University capital projects account, the charitable, educational, penal and reformatory institutions account, the Chehalis basin account, the cleanup settlement account, the Columbia river basin water supply development account, the Columbia river basin taxable bond water supply development account, the Columbia river basin water supply revenue recovery account, the common school construction fund, the community forest trust account, the connecting Washington account, the county arterial preservation account, the county criminal justice assistance account, the deferred compensation administrative account, the deferred compensation principal account, the department of licensing services account, the department of licensing tuition recovery trust fund, the department of retirement systems expense account, the developmental disabilities community trust account, the diesel idle reduction account, the drinking water assistance account, the

drinking water assistance administrative account, the early learning facilities development account, the early learning facilities revolving account, the Eastern Washington University capital projects account, the Interstate 405 express toll lanes operations account, the education construction fund, the education legacy trust account, the election account, the electric vehicle charging infrastructure account, the energy freedom account, the energy recovery act account, the essential rail assistance account, The Evergreen State College capital projects account, the federal forest revolving account, the ferry bond retirement fund, the freight mobility investment account, the freight mobility multimodal account, the grade crossing protective fund, the public health services account, the high capacity transportation account, the state higher education construction account, the higher education construction account, the highway bond retirement fund, the highway infrastructure account, the highway safety fund, the high occupancy toll lanes operations account, the hospital safety net assessment fund, the industrial insurance premium refund account, the judges' retirement account, the judicial retirement administrative account, the judicial retirement principal account, the local leasehold excise tax account, the local real estate excise tax account, the local sales and use tax account, the marine resources stewardship trust account, the medical aid account, the mobile home park relocation fund, the money-purchase retirement savings administrative account, the money-purchase retirement savings principal account, the motor vehicle fund, the motorcycle safety education account, the multimodal transportation account, the multiuse roadway safety account, the municipal criminal justice assistance account, the natural resources deposit account, the oyster reserve land account, the pension funding stabilization account, the perpetual surveillance and maintenance 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 beginning July 1, 2004, 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 taxpayer accountability account, the real estate appraiser commission account, the recreational vehicle account, the regional mobility grant program account, the resource management cost account, the rural arterial trust account, the rural mobility grant program account, the rural Washington loan fund, the sexual assault prevention and response account, the site closure account, the skilled nursing facility safety net trust fund, the small city pavement and sidewalk account, the special category C account, the special wildlife account, the state employees' insurance account, the state employees' insurance reserve account, the state investment board expense account, the state investment board commingled trust fund accounts, the state patrol highway account, the state route number 520 civil penalties account, the state route number 520 corridor account, the state wildlife account, the statewide tourism marketing account, the student achievement council tuition recovery trust fund, the supplemental pension account, the Tacoma Narrows toll bridge account, the teachers' retirement system plan 1 account, the teachers' retirement system combined plan 2 and plan 3 account, the tobacco prevention and control account, the tobacco settlement account, the toll facility bond retirement account, the transportation 2003 account (nickel account), the transportation equipment fund, the transportation future funding program account, the transportation improvement account, the transportation improvement board bond retirement account, the transportation infrastructure account, the

transportation partnership account, the traumatic brain injury account, the tuition recovery trust fund, the University of Washington bond retirement fund, the University of Washington building account, the volunteer firefighters' and reserve officers' relief and pension principal fund, the volunteer firefighters' and reserve officers' administrative fund, the vulnerable roadway user education account, the Washington judicial retirement system account, the Washington law enforcement officers' and firefighters' system plan 1 retirement account, the Washington law enforcement officers' and firefighters' system plan 2 retirement account, the Washington public safety employees' plan 2 retirement account, the Washington school employees' retirement system combined plan 2 and 3 account, the Washington state health insurance pool 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, the state university permanent fund, and the state reclamation revolving account shall be allocated to their respective beneficiary accounts.

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

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

NEW SECTION. **Sec. 15.** This act takes effect January 1, 2020."

Correct the title.
and the same are herewith transmitted.
NONA SNELL, Deputy Chief Clerk

MOTION

Senator Randall moved that the Senate concur in the House amendment(s) to Substitute Senate Bill No. 5723.

Senator Randall spoke in favor of the motion.

The Vice President Pro Tempore declared the question before the Senate to be the motion by Senator Randall that the Senate concur in the House amendment(s) to Substitute Senate Bill No. 5723.

The motion by Senator Randall carried and the Senate concurred in the House amendment(s) to Substitute Senate Bill No. 5723 by voice vote.

The Vice President Pro Tempore declared the question before the Senate to be the final passage of Substitute Senate Bill No. 5723, as amended by the House.

ROLL CALL

The Secretary called the roll on the final passage of Substitute

Senate Bill No. 5723, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 43; Nays, 5; Absent, 1; Excused, 0.

Voting yea: Senators Bailey, Becker, Billig, Brown, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Holy, Hunt, Keiser, King, Kuderer, Liias, Lovelett, McCoy, Mullet, Nguyen, O'Ban, Palumbo, Pedersen, Randall, Rivers, Rolfes, Saldaña, Salomon, Schoesler, Sheldon, Takko, Van De Wege, Wagoner, Warnick, Wellman, Wilson, C., Wilson, L. and Zeiger

Voting nay: Senators Braun, Honeyford, Padden, Short and Walsh

Absent: Senator Ericksen

SUBSTITUTE SENATE BILL NO. 5723, as amended by the House, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MESSAGE FROM THE HOUSE

April 15, 2019

MR. PRESIDENT:

The House passed SECOND SUBSTITUTE SENATE BILL NO. 5577 with the following amendment(s): 5577-S2 AMH APP H2861.1

Strike everything after the enacting clause and insert the following:

"**Sec. 1.** RCW 77.15.740 and 2014 c 48 s 22 are each amended to read as follows:

(1) Except as provided in subsection (2) of this section, it is unlawful for a person to:

(a) Cause a vessel or other object to approach, in any manner, within ~~((two))~~ three hundred yards of a southern resident orca whale;

(b) Position a vessel to be in the path of a southern resident orca whale at any point located within four hundred yards of the whale. This includes intercepting a southern resident orca whale by positioning a vessel so that the prevailing wind or water current carries the vessel into the path of the whale at any point located within four hundred yards of the whale;

(c) Position a vessel behind a southern resident orca whale at any point located within four hundred yards;

~~((two))~~ three hundred yards of a southern resident orca whale; ~~((or~~

~~((d)))~~ (e) Cause a vessel or other object to exceed a speed greater than seven knots over ground at any point located within one-half nautical mile (one thousand thirteen yards) of a southern resident orca whale; or

(f) Feed a southern resident orca whale.

(2) A person is exempt from subsection (1) of this section if that person is:

(a) Operating a federal government vessel in the course of ~~((his or her))~~ official duties, or operating a state, tribal, or local government vessel when engaged in official duties involving law enforcement, search and rescue, or public safety;

(b) Operating a vessel in conjunction with a vessel traffic service established under 33 C.F.R. and following a traffic separation scheme, or complying with a vessel traffic service measure of direction. This also includes support vessels escorting ships in the traffic lanes, such as tug boats;

(c) Engaging in an activity, including scientific research, pursuant to a permit or other authorization from the national marine fisheries service and the department;

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(d) Lawfully engaging in a treaty Indian or commercial fishery that is actively setting, retrieving, or closely tending fishing gear, Commercial fishing vessels in transit are not exempt from subsection (1) of this section;

(e) Conducting vessel operations necessary to avoid an imminent and serious threat to a person, vessel, or the environment, including when necessary for overall safety of navigation and to comply with state and federal navigation requirements; or

(f) Engaging in rescue or clean-up efforts of a beached southern resident orca whale overseen, coordinated, or authorized by a volunteer stranding network.

(3) For the purpose of this section, “vessel” includes aircraft while on the surface of the water, and every description of watercraft on the water that is used or capable of being used as a means of transportation on the water. However, “vessel” does not include inner tubes, air mattresses, sailboards, and small rafts, or flotation devices or toys customarily used by swimmers.

(4)(a) A violation of this section is a natural resource infraction punishable under chapter 7.84 RCW and carries a fine of five hundred dollars, not including statutory assessments added pursuant to RCW 3.62.090.

(b) A person who qualifies for an exemption under subsection (2) of this section may offer that exemption as an affirmative defense, which that person must prove by a preponderance of the evidence.

(5) The enforcement actions required of the department from this section are subject to the availability of amounts appropriated for this specific purpose.

NEW SECTION. Sec. 2. A new section is added to chapter 77.65 RCW to read as follows:

(1) A commercial whale watching license is required for commercial whale watching operators. The annual fee is two hundred dollars in addition to the annual application fee of seventy-five dollars.

(2) The annual fees for a commercial whale watching license as described in subsection (1) of this section must include fees for each motorized or sailing vessel or vessels as follows:

(a) One to twenty-four passengers, three hundred twenty-five dollars;

(b) Twenty-five to fifty passengers, five hundred twenty-five dollars;

(c) Fifty-one to one hundred passengers, eight hundred twenty-five dollars;

(d) One hundred one to one hundred fifty passengers, one thousand eight hundred twenty-five dollars; and

(e) One hundred fifty-one passengers or greater, two thousand dollars.

(3) The annual fees for a commercial whale watching license as described in subsection (1) of this section must include fees for each kayak as follows:

(a) One to ten kayaks, one hundred twenty-five dollars;

(b) Eleven to twenty kayaks, two hundred twenty-five dollars;

(c) Twenty-one to thirty kayaks, four hundred twenty-five dollars; and

(d) Thirty-one or more kayaks, six hundred twenty-five dollars.

(4) The holder of a commercial whale watching license for motorized or sailing vessels required under subsection (2) of this section may substitute the vessel designated on the license, or designate a vessel if none has previously been designated, if the license holder:

(a) Surrenders the previously issued license to the department;

(b) Submits to the department an application that identifies the currently designated vessel, the vessel proposed to be designated, and any other information required by the department; and

(c) Pays to the department a fee of thirty-five dollars and an application fee of one hundred five dollars.

(5) Unless the license holder owns all vessels identified on the application described in subsection (4)(b) of this section, the department may not change the vessel designation on the license more than once per calendar year.

(6) A person who is not the license holder may operate a motorized or sailing commercial whale watching vessel designated on the license only if:

(a) The person holds an alternate operator license issued by the director; and

(b) The person is designated as an alternate operator on the underlying commercial whale watching license.

(7) No individual may hold more than one alternate operator license. An individual who holds an alternate operator license may be designated as an alternate operator on an unlimited number of commercial whale watching licenses.

(8) The annual fee for an alternate operator license is two hundred dollars in addition to an annual application fee of seventy-five dollars.

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

(a) “Commercial whale watching” means the act of taking, or offering to take, passengers aboard a vessel in order to view marine mammals in their natural habitat for a fee.

(b) “Commercial whale watching operators” includes commercial vessels and kayak rentals that are engaged in the business of whale watching.

(c) “Commercial whale watching vessel” means any vessel that is being used as a means of transportation for individuals to engage in commercial whale watching.

NEW SECTION. Sec. 3. A new section is added to chapter 77.65 RCW to read as follows:

(1) The department must adopt rules for holders of a commercial whale watching license established in section 2 of this act for the viewing of southern resident orca whales for the inland waters of Washington by January 1, 2021. The rules must be designed to reduce the daily and cumulative impacts on southern resident orca whales and consider the economic viability of license holders. The department shall at a minimum consider protections for southern resident orca whales by establishing limitations on:

(a) The number of commercial whale watching operators that may view southern resident orca whales at one time;

(b) The number of days and hours that commercial whale watching operators can operate;

(c) The duration spent in the vicinity of southern resident orca whales; and

(d) The areas in which commercial whale watching operators may operate.

(2) The department may phase in requirements, but must adopt rules to implement this section. The department may consider the use of an automatic identification system to enable effective monitoring and compliance.

(3) The department may phase in requirements, but must adopt rules pursuant to chapter 34.05 RCW to implement this section including public, industry, and interested party involvement.

(4) Before January 1, 2021, the department shall convene an independent panel of scientists to review the current body of best available science regarding impacts to southern resident orcas by small vessels and commercial whale watching due to disturbance and noise. The department must use the best available science in the establishment of the southern resident orca whale watching rules and continue to adaptively manage the program using the most current and best available science.

(5) The department shall complete an analysis and report to the governor and the legislature on the effectiveness of and any recommendations for changes to the whale watching rules, license fee structure, and approach distance rules by November 30, 2022, and every two years thereafter until 2026. This report must be in compliance with RCW 43.01.036.

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

(a) "Commercial whale watching" has the same meaning as defined in section 2 of this act.

(b) "Commercial whale watching operators" has the same meaning as defined in section 2 of this act.

(c) "Inland waters of Washington" means Puget Sound and related inland marine waters, including all salt waters of the state of Washington inside the international boundary line between Washington and British Columbia, and lying east of the junction of the Pacific Ocean and the Strait of Juan de Fuca, and the rivers and streams draining to Puget Sound as mapped by water resource inventory areas 1 through 19 in WAC 173-500-040 as it exists on July 1, 2007.

NEW SECTION. Sec. 4. A new section is added to chapter 77.15 RCW to read as follows:

(1) A person is guilty of unlawfully engaging in commercial whale watching in the second degree if the person:

(a) Does not have and possess all licenses and permits required under this title; or

(b) Violates any department rule regarding the operation of a commercial whale watching vessel near a southern resident orca whale.

(2) A person is guilty of engaging in commercial whale watching in the first degree if the person commits the act described in subsection (1) of this section and the violation occurs within one year of the date of a prior conviction under this section.

(3)(a) Unlawful commercial whale watching in the second degree is a misdemeanor.

(b) Unlawful commercial whale watching in the first degree is a gross misdemeanor. Upon conviction, the director shall deny applications submitted by the person for a commercial whale watching license or alternate operator license for two years from the date of conviction.

Sec. 5. RCW 43.384.050 and 2018 c 275 s 6 are each amended to read as follows:

(1) From amounts appropriated to the department for the authority and from other moneys available to it, the authority may incur expenditures for any purpose specifically authorized by this chapter including:

(a) Entering into a contract for a multiple year statewide tourism marketing plan with a statewide nonprofit organization existing on June 7, 2018, whose sole purpose is marketing Washington to tourists. The marketing plan must include, but is not limited to, focuses on rural tourism-dependent counties, natural wonders and outdoor recreation opportunities of the state, including sustainable whale watching, attraction of international tourists, identification of local offerings for tourists, and assistance for tourism areas adversely impacted by natural disasters. In the event that no such organization exists on June 7, 2018, or the initial contractor ceases to exist, the authority may determine criteria for a contractor to carry out a statewide marketing program;

(b) Contracting for the evaluation of the impact of the statewide tourism marketing program; and

(c) Paying for administrative expenses of the authority, which may not exceed two percent of the state portion of funds collected in any fiscal year.

(2) All nonstate moneys received by the authority under RCW 43.384.060 or otherwise provided to the authority for purposes of matching funding must be deposited in the authority's private local account created under RCW 43.384.020(4) and are held in trust for uses authorized solely by this chapter.

(3) "Sustainable whale watching" means an experience that includes whale watching from land or aboard a vessel that reduces the impact on whales, provides a recreational and educational experience, and motivates participants to care about marine mammals, the sea, and marine conservation.

NEW SECTION. Sec. 6. Section 1 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 immediately."

Correct the title.

and the same are herewith transmitted.

NONA SNELL, Deputy Chief Clerk

MOTION

Senator Van De Wege moved that the Senate concur in the House amendment(s) to Second Substitute Senate Bill No. 5577.

Senators Van De Wege and Rolfes spoke in favor of the motion.

Senator Bailey spoke against the motion.

The President Pro Tempore declared the question before the Senate to be the motion by Senator Van De Wege that the Senate concur in the House amendment(s) to Second Substitute Senate Bill No. 5577.

The motion by Senator Van De Wege carried and the Senate concurred in the House amendment(s) to Second Substitute Senate Bill No. 5577 by voice vote.

The President Pro Tempore declared the question before the Senate to be the final passage of Second Substitute Senate Bill No. 5577, as amended by the House.

ROLL CALL

The Secretary called the roll on the final passage of Second Substitute Senate Bill No. 5577, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 44; Nays, 5; Absent, 0; Excused, 0.

Voting yea: Senators Becker, Billig, Braun, Brown, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Holy, Hunt, Keiser, King, Kuderer, Liias, Lovelett, McCoy, Mullet, Nguyen, O'Ban, Palumbo, Pedersen, Randall, Rivers, Rolfes, Saldaña, Salomon, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson, C., Wilson, L. and Zeiger

Voting nay: Senators Bailey, Ericksen, Honeyford, Padden and Schoesler

SECOND SUBSTITUTE SENATE BILL NO. 5577, as amended by the House, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MESSAGE FROM THE HOUSE

April 12, 2019

MR. PRESIDENT:

The House passed SENATE BILL NO. 5918 with the following amendment(s): 5918 AMH APP H2851.1

Strike everything after the enacting clause and insert the following:

“**Sec. 1.** RCW 79A.60.630 and 2011 c 171 s 118 are each amended to read as follows:

(1) The commission shall establish and implement by rule a program to provide required boating safety education. The boating safety education program shall include training on preventing the spread of aquatic invasive species. The boating safety education program shall include educational materials regarding whale watching guidelines and other voluntary and regulatory measures related to whale watching. The program shall be phased in so that all boaters not exempted under RCW 79A.60.640(3) are required to obtain a boater education card by January 1, 2016. To obtain a boater education card, a boater shall provide a certificate of accomplishment issued by a boating educator for taking and passing an accredited boating safety education course, or pass an equivalency exam, or provide proof of completion of a course that meets the standard adopted by the commission.

(2) As part of the boating safety education program, the commission shall:

(a) Establish a program to be phased over eleven years starting July 1, 2005, with full implementation by January 1, 2016. The period July 1, 2005, through December 31, 2007, will be program development, boater notification of the new requirements for mandatory education, and processing cards to be issued to individuals having taken an accredited course prior to January 1, 2008. The schedule for phase-in of the mandatory education requirement by age group is as follows:

- January 1, 2008 - All boat operators twenty years old and younger;
- January 1, 2009 - All boat operators twenty-five years old and younger;
- January 1, 2010 - All boat operators thirty years old and younger;
- January 1, 2011 - All boat operators thirty-five years old and younger;
- January 1, 2012 - All boat operators forty years old and younger;
- January 1, 2013 - All boat operators fifty years old and younger;
- January 1, 2014 - All boat operators sixty years old and younger;
- January 1, 2015 - All boat operators seventy years old and younger;
- January 1, 2016 - All boat operators;

(b) Establish a minimum standard of boating safety education accomplishment. The standard must be consistent with the applicable standard established by the national association of state boating law administrators;

(c) Adopt minimum standards for boating safety education course of instruction and examination that ensures compliance with the national association of state boating law administrators minimum standards;

(d) Approve and provide accreditation to boating safety education courses operated by volunteers, or commercial or nonprofit organizations, including, but not limited to, courses given by the United States coast guard auxiliary and the United States power squadrons;

(e) Develop an equivalency examination that may be taken as an alternative to the boating safety education course;

(f) Establish a fee of ten dollars for the boater education card to fund all commission activities related to the boating safety education program created by chapter 392, Laws of 2005, including the initial costs of developing the program. Any surplus funds resulting from the fees received shall be distributed by the commission as grants to local marine law enforcement programs approved by the commission as provided in RCW 88.02.650;

(g) Establish a fee for the replacement of the boater education card that covers the cost of replacement;

(h) Consider and evaluate public agency and commercial opportunities to assist in program administration with the intent to keep administrative costs to a minimum;

(i) Approve and provide accreditation to boating safety education courses offered online; and

(j) Provide a report to the legislature by January 1, 2008, on its progress of implementation of the mandatory education program.

NEW SECTION. 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, 2019, in the omnibus appropriations act, this act is null and void.”

Correct the title.

and the same are herewith transmitted.

NONA SNELL, Deputy Chief Clerk

MOTION

Senator Lovelett moved that the Senate concur in the House amendment(s) to Senate Bill No. 5918.

Senator Lovelett spoke in favor of the motion.

The President Pro Tempore declared the question before the Senate to be the motion by Senator Lovelett that the Senate concur in the House amendment(s) to Senate Bill No. 5918.

The motion by Senator Lovelett carried and the Senate concurred in the House amendment(s) to Senate Bill No. 5918 by voice vote.

The President Pro Tempore declared the question before the Senate to be the final passage of Senate Bill No. 5918, as amended by the House.

ROLL CALL

The Secretary called the roll on the final passage of Senate Bill No. 5918, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 48; Nays, 1; Absent, 0; Excused, 0.

Voting yea: Senators Bailey, Becker, Billig, Braun, Brown, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Ericksen, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Holy, Hunt, Keiser, King, Kuderer, Liias, Lovelett, McCoy, Mullet, Nguyen, O’Ban, Padden, Palumbo, Pedersen, Randall, Rivers, Rolfes, Saldaña, Salomon, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson, C., Wilson, L. and Zeiger

Voting nay: Senator Honeyford

SENATE BILL NO. 5918, as amended by the House, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MESSAGE FROM THE HOUSE

April 17, 2019

MR. PRESIDENT:

The House passed SUBSTITUTE SENATE BILL NO. 5012 with the following amendment(s): 5012-S AMH APP H2843.1

Strike everything after the enacting clause and insert the following:

“**NEW SECTION. Sec. 1.** The legislature finds that the ability of government to fulfill its constitutional and statutory

responsibilities by continuing to conduct essential functions and services during the periods of significant disruption that follow catastrophic incidents requires both continuity of operations planning by individual agencies and continuity of government planning by state and local government. It is the intent of the legislature that all levels and branches of government, both state and local, take appropriate action to cooperatively conduct appropriate planning and preparation for continuity of operations and government to assist in fulfilling these responsibilities.

Sec. 2. RCW 38.52.010 and 2017 c 312 s 3 are each amended to read as follows:

As used in this chapter:

(1)(a) “Catastrophic incident” means any natural or human-caused incident, including terrorism and enemy attack, that results in extraordinary levels of mass casualties, damage, or disruption severely affecting the population, infrastructure, environment, economy, or government functions.

(b) “Catastrophic incident” does not include an event resulting from individuals exercising their rights, under the first amendment, of freedom of speech, and of the people to peaceably assemble.

(2) “Communication plan,” as used in RCW 38.52.070, means a section in a local comprehensive emergency management plan that addresses emergency notification of life safety information.

((2)) (3) “Continuity of government planning” means the internal effort of all levels and branches of government to provide that the capability exists to continue essential functions and services following a catastrophic incident. These efforts include, but are not limited to, providing for: (a) Orderly succession and appropriate changes of leadership whether appointed or elected; (b) filling vacancies; (c) interoperability communications; and (d) processes and procedures to reconvene government following periods of disruption that may be caused by a catastrophic incident. Continuity of government planning is intended to preserve the constitutional and statutory authority of elected officials at the state and local level and provide for the continued performance of essential functions and services by each level and branch of government.

(4) “Continuity of operations planning” means the internal effort of an organization to ~~(assure)~~ provide that the capability exists to continue essential functions and services in response to a comprehensive array of potential emergencies or disasters.

((3)) (5) “Department” means the state military department.

((4)) (6) “Director” means the adjutant general.

((5)) (7) “Emergency management” or “comprehensive emergency management” means the preparation for and the carrying out of all emergency functions, other than functions for which the military forces are primarily responsible, to mitigate, prepare for, respond to, and recover from emergencies and disasters, and to aid victims suffering from injury or damage, resulting from disasters caused by all hazards, whether natural, technological, or human caused, and to provide support for search and rescue operations for persons and property in distress. However, “emergency management” or “comprehensive emergency management” does not mean preparation for emergency evacuation or relocation of residents in anticipation of nuclear attack.

((6)) (8)(a) “Emergency or disaster” as used in all sections of this chapter except RCW 38.52.430 ~~(shall)~~ means an event or set of circumstances which: (i) Demands immediate action to preserve public health, protect life, protect public property, or to provide relief to any stricken community overtaken by such occurrences; or (ii) reaches such a dimension or degree of destructiveness as to warrant the governor ~~(declaring)~~ proclaiming a state of emergency pursuant to RCW 43.06.010.

(b) “Emergency” as used in RCW 38.52.430 means an incident that requires a normal police, coroner, fire, rescue, emergency medical services, or utility response as a result of a violation of one of the statutes enumerated in RCW 38.52.430.

~~((7))~~ (9) “Emergency response” as used in RCW 38.52.430 means a public agency’s use of emergency services during an emergency or disaster as defined in subsection ~~((6))~~ (8)(b) of this section.

~~((8))~~ (10) “Emergency worker” means any person who is registered with a local emergency management organization or the department and holds an identification card issued by the local emergency management director or the department for the purpose of engaging in authorized emergency management activities or is an employee of the state of Washington or any political subdivision thereof who is called upon to perform emergency management activities.

~~((9))~~ (11) “Executive head” and “executive heads” means the county executive in those charter counties with an elective office of county executive, however designated, and, in the case of other counties, the county legislative authority. In the case of cities and towns, it means the mayor in those cities and towns with mayor-council or commission forms of government, where the mayor is directly elected, and it means the city manager in those cities and towns with council manager forms of government. Cities and towns may also designate an executive head for the purposes of this chapter by ordinance.

~~((10))~~ (12) “Expense of an emergency response” as used in RCW 38.52.430 means reasonable costs incurred by a public agency in reasonably making an appropriate emergency response to the incident, but shall only include those costs directly arising from the response to the particular incident. Reasonable costs shall include the costs of providing police, coroner, firefighting, rescue, emergency medical services, or utility response at the scene of the incident, as well as the salaries of the personnel responding to the incident.

~~((11))~~ (13) “Incident command system” means: (a) An all-hazards, on-scene functional management system that establishes common standards in organization, terminology, and procedures; provides a means (unified command) for the establishment of a common set of incident objectives and strategies during multiagency/multijurisdiction operations while maintaining individual agency/jurisdiction authority, responsibility, and accountability; and is a component of the national interagency incident management system; or (b) an equivalent and compatible all-hazards, on-scene functional management system.

~~((12))~~ (14) “Injury” as used in this chapter shall mean and include accidental injuries and/or occupational diseases arising out of emergency management activities.

~~((13))~~ (15) “Life safety information” means information provided to people during a response to a life-threatening emergency or disaster informing them of actions they can take to preserve their safety. Such information may include, but is not limited to, information regarding evacuation, sheltering, sheltering-in-place, facility lockdown, and where to obtain food and water.

~~((14))~~ (16) “Local director” means the director of a local organization of emergency management or emergency services.

~~((15))~~ (17) “Local organization for emergency services or management” means an organization created in accordance with the provisions of this chapter by state or local authority to perform local emergency management functions.

~~((16))~~ (18) “Political subdivision” means any county, city or town.

~~((17))~~ (19) “Public agency” means the state, and a city, county, municipal corporation, district, town, or public authority located, in whole or in part, within this state which provides or

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may provide firefighting, police, ambulance, medical, or other emergency services.

~~((18))~~ (20) "Radio communications service company" has the meaning ascribed to it in RCW 82.14B.020.

~~((19))~~ (21) "Search and rescue" means the acts of searching for, rescuing, or recovering by means of ground, marine, or air activity any person who becomes lost, injured, or is killed while outdoors or as a result of a natural, technological, or human caused disaster, including instances involving searches for downed aircraft when ground personnel are used. Nothing in this section shall affect appropriate activity by the department of transportation under chapter 47.68 RCW.

Sec. 3. RCW 38.52.030 and 2018 c 26 s 2 are each amended to read as follows:

(1) The director may employ such personnel and may make such expenditures within the appropriation therefor, or from other funds made available for purposes of emergency management, as may be necessary to carry out the purposes of this chapter.

(2) The director, subject to the direction and control of the governor, shall be responsible to the governor for carrying out the program for emergency management of this state. The director shall coordinate the activities of all organizations for emergency management within the state, and shall maintain liaison with and cooperate with emergency management agencies and organizations of other states and of the federal government, and shall have such additional authority, duties, and responsibilities authorized by this chapter, as may be prescribed by the governor.

(3) The director shall develop and maintain a comprehensive, all-hazard emergency plan for the state which shall include an analysis of the natural, technological, or human caused hazards which could affect the state of Washington, and shall include the procedures to be used during emergencies for coordinating local resources, as necessary, and the resources of all state agencies, departments, commissions, and boards. The comprehensive emergency management plan shall direct the department in times of state emergency to administer and manage the state's emergency operations center. This will include representation from all appropriate state agencies and be available as a single point of contact for the authorizing of state resources or actions, including emergency permits. The comprehensive emergency management plan must specify the use of the incident command system for multiagency/multijurisdiction operations. The comprehensive, all-hazard emergency plan authorized under this subsection may not include preparation for emergency evacuation or relocation of residents in anticipation of nuclear attack. This plan shall be known as the comprehensive emergency management plan.

(4) In accordance with the comprehensive emergency management plans and the programs for the emergency management of this state, the director shall procure supplies and equipment, institute training programs and public information programs, and shall take all other preparatory steps, including the partial or full mobilization of emergency management organizations in advance of actual disaster, to insure the furnishing of adequately trained and equipped forces of emergency management personnel in time of need.

(5) The director shall make such studies and surveys of the industries, resources, and facilities in this state as may be necessary to ascertain the capabilities of the state for emergency management, and shall plan for the most efficient emergency use thereof.

(6) The emergency management council shall advise the director on all aspects of the communications and warning systems and facilities operated or controlled under the provisions of this chapter.

(7) The director, through the state enhanced 911 coordinator, shall coordinate and facilitate implementation and operation of a statewide enhanced 911 emergency communications network.

(8) The director shall appoint a state coordinator of search and rescue operations to coordinate those state resources, services and facilities (other than those for which the state director of aeronautics is directly responsible) requested by political subdivisions in support of search and rescue operations, and on request to maintain liaison with and coordinate the resources, services, and facilities of political subdivisions when more than one political subdivision is engaged in joint search and rescue operations.

(9) The director, subject to the direction and control of the governor, shall prepare and administer a state program for emergency assistance to individuals within the state who are victims of a natural, technological, or human caused disaster, as defined by RCW 38.52.010(6). Such program may be integrated into and coordinated with disaster assistance plans and programs of the federal government which provide to the state, or through the state to any political subdivision thereof, services, equipment, supplies, materials, or funds by way of gift, grant, or loan for purposes of assistance to individuals affected by a disaster. Further, such program may include, but shall not be limited to, grants, loans, or gifts of services, equipment, supplies, materials, or funds of the state, or any political subdivision thereof, to individuals who, as a result of a disaster, are in need of assistance and who meet standards of eligibility for disaster assistance established by the department of social and health services: PROVIDED, HOWEVER, That nothing herein shall be construed in any manner inconsistent with the provisions of Article VIII, section 5 or section 7 of the Washington state Constitution.

(10) The director shall appoint a state coordinator for radioactive and hazardous waste emergency response programs. The coordinator shall consult with the state radiation control officer in matters relating to radioactive materials. The duties of the state coordinator for radioactive and hazardous waste emergency response programs shall include:

(a) Assessing the current needs and capabilities of state and local radioactive and hazardous waste emergency response teams on an ongoing basis;

(b) Coordinating training programs for state and local officials for the purpose of updating skills relating to emergency mitigation, preparedness, response, and recovery;

(c) Utilizing appropriate training programs such as those offered by the federal emergency management agency, the department of transportation and the environmental protection agency; and

(d) Undertaking other duties in this area that are deemed appropriate by the director.

(11) The director is responsible to the governor to lead the development and management of a program for interagency coordination and prioritization of continuity of operations planning by state agencies. Each state agency is responsible for developing an organizational continuity of operations plan that is updated and exercised annually in compliance with the program for interagency coordination of continuity of operations planning.

(12) The director shall maintain a copy of the continuity of operations plan for election operations for each county that has a plan available.

(13) Subject to the availability of amounts appropriated for this specific purpose, the director is responsible to the governor to lead the development and management of a program to provide information and education to state and local government officials regarding catastrophic incidents and continuity of government planning to assist with statewide development of continuity of

government plans by all levels and branches of state and local government that address how essential government functions and services will continue to be provided following a catastrophic incident.

Sec. 4. RCW 42.14.010 and 2012 c 117 s 106 are each amended to read as follows:

Unless otherwise clearly required by the context, the following definitions apply:

(1) "Unavailable" means either that a vacancy in the office exists or that the lawful incumbent of the office is absent or unable to exercise the powers and discharge the duties of the office following ~~((an—attack))~~ a catastrophic incident and a ~~((declaration))~~ proclamation of existing emergency by the governor or his or her successor.

(2) "Attack" means any acts of ~~((warfare))~~ aggression taken ~~((by an enemy of))~~ against the United States causing substantial damage or injury to persons or property in the United States and in the state of Washington.

(3)(a) "Catastrophic incident" means any natural or human-caused incident, including terrorism and enemy attack, that results in extraordinary levels of mass casualties, damage, or disruption severely affecting the population, infrastructure, environment, economy, or government functions.

(b) "Catastrophic incident" does not include an event resulting from individuals exercising their rights, under the first amendment, of freedom of speech, and of the people to peaceably assemble.

(4) "Emergency or disaster" means an event or set of circumstances which: (a) Demands immediate action to preserve public health, protect life, protect public property, or to provide relief to any stricken community overtaken by such occurrences; or (b) reaches such a dimension or degree of destructiveness as to warrant the governor proclaiming a state of emergency pursuant to RCW 43.06.010.

Sec. 5. RCW 42.14.020 and 1963 c 203 s 3 are each amended to read as follows:

(1) In the event that all successors to the office of governor as provided by Article 3, section 10, as amended by amendment 6 of the Constitution of the state of Washington are unavailable following ~~((an enemy attack))~~ a catastrophic incident, the powers and duties of the office of governor shall be exercised and discharged by the speaker of the house of representatives.

(2) In the event the speaker of the house is unavailable, the powers and duties of the office of governor shall be exercised and discharged by the president pro tem of the senate.

(3) In the event that neither the speaker nor the president pro tem is available, the house of representatives and the senate in joint assembly shall elect an emergency interim governor.

Sec. 6. RCW 42.14.030 and 2012 c 117 s 107 are each amended to read as follows:

In the event ~~((enemy attack))~~ that a catastrophic incident reduces the number of legislators available for duty, then those legislators available for duty shall constitute the legislature and shall have full power to act in separate or joint assembly by majority vote of those present. In the event of ~~((an attack))~~ a catastrophic incident, (1) quorum requirements for the legislature shall be suspended, and (2) where the affirmative vote of a specified proportion of members for approval of a bill, resolution, or other action would otherwise be required, the same proportion of those voting thereon shall be sufficient. In the event of ~~((an attack))~~ a catastrophic incident, the governor shall call the legislature into session as soon as practicable, and in any case within thirty days following the inception of the ~~((attack))~~ catastrophic incident. If the governor fails to issue such call, the

legislature shall, on the thirtieth day from the date of inception of the ~~((attack))~~ catastrophic incident, automatically convene at the place where the governor then has his or her office. Each legislator shall proceed to the place of session as expeditiously as practicable. At such session or at any session in operation at the inception of the ~~((attack))~~ catastrophic incident, and at any subsequent sessions, limitations on the length of session and on the subjects which may be acted upon shall be suspended.

Sec. 7. RCW 42.14.035 and 1969 ex.s. c 106 s 1 are each amended to read as follows:

Whenever, in the judgment of the governor, it becomes impracticable, due to an emergency resulting from ~~((enemy attack or natural disaster))~~ a catastrophic incident, to convene the legislature in the usual seat of government at Olympia, the governor may call the legislature into emergency session in any location within this or an adjoining state. The first order of business of any legislature so convened shall be the establishment of temporary emergency seats of government for the state. After any emergency relocation, the affairs of state government shall be lawfully conducted at such emergency temporary location or locations for the duration of the emergency.

Sec. 8. RCW 42.14.040 and 1963 c 203 s 5 are each amended to read as follows:

In the event ~~((enemy attack))~~ that a catastrophic incident reduces the number of county commissioners of any county, then those commissioners available for duty shall have full authority to act in all matters as a board of county commissioners. In the event no county commissioner is available for duty, then those elected county officials, except for the members of the county board of education, as are available for duty shall jointly act as the board of county commissioners and shall possess by majority vote the full authority of the board of county commissioners.

Sec. 9. RCW 42.14.050 and 1981 c 213 s 8 are each amended to read as follows:

In the event that the executive head of any city or town is unavailable by reason of ~~((enemy attack))~~ a catastrophic incident to exercise the powers and discharge the duties of the office, then those members of the city or town council or commission available for duty shall by majority vote select one of their number to act as the executive head of such city or town. In the event ~~((enemy attack))~~ that a catastrophic incident reduces the number of city or town councilmembers or commission members, then those members available for duty shall have full power to act by majority vote of those present.

Sec. 10. RCW 42.14.075 and 1969 ex.s. c 106 s 2 are each amended to read as follows:

Whenever, due to a ~~((natural disaster, an attack))~~ catastrophic incident, or when such an ((attack)) event is imminent, it becomes imprudent, inexpedient, or impossible to conduct the affairs of a political subdivision at the regular or usual place or places, the governing body of the political subdivision may meet at any place within or without the territorial limits of the political subdivision on the call of the presiding official or any two members of the governing body. After any emergency relocation, the affairs of political subdivisions shall be lawfully conducted at such emergency temporary location or locations for the duration of the emergency.

NEW SECTION. Sec. 11. Sections 4 through 10 of this act take effect if the proposed amendment to Article II, section 42 of the state Constitution providing governmental continuity during emergency periods resulting from a catastrophic incident (House Joint Resolution No. 4200 or Senate Joint Resolution No. 8200) is validly submitted to and is approved and ratified by the voters

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at the next general election. If the proposed amendment is not approved and ratified, sections 4 through 10 of this act are void in their entirety.

NEW SECTION. 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, 2019, in the omnibus appropriations act, this act is null and void.”

Correct the title.
and the same are herewith transmitted.
NONA SNELL, Deputy Chief Clerk

MOTION

Senator Takko moved that the Senate concur in the House amendment(s) to Substitute Senate Bill No. 5012.

Senator Takko spoke in favor of the motion.

The President Pro Tempore declared the question before the Senate to be the motion by Senator Takko that the Senate concur in the House amendment(s) to Substitute Senate Bill No. 5012.

The motion by Senator Takko carried and the Senate concurred in the House amendment(s) to Substitute Senate Bill No. 5012 by voice vote.

The President Pro Tempore declared the question before the Senate to be the final passage of Substitute Senate Bill No. 5012, as amended by the House.

ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 5012, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 48; Nays, 1; Absent, 0; Excused, 0.

Voting yea: Senators Bailey, Becker, Billig, Braun, Brown, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Erickson, Fortunato, Frockt, Hawkins, Hobbs, Holy, Honeyford, Hunt, Keiser, King, Kuderer, Liias, Lovelett, McCoy, Mullet, Nguyen, O’Ban, Padden, Palumbo, Pedersen, Randall, Rivers, Rolfes, Saldaña, Salomon, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson, C., Wilson, L. and Zeiger

Voting nay: Senator Hasegawa

SUBSTITUTE SENATE BILL NO. 5012, as amended by the House, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MOTION

On motion of Senator Mullet, Senator Rolfes was excused.

MESSAGE FROM THE HOUSE

April 17, 2019

MR. PRESIDENT:

The House passed SUBSTITUTE SENATE BILL NO. 5151 with the following amendment(s): 5151-S AMH APP H2811.1

Strike everything after the enacting clause and insert the following:

“**Sec. 1.** RCW 43.21B.005 and 2018 c 22 s 10 are each amended to read as follows:

(1) There is created an environmental and land use hearings

office of the state of Washington. The environmental and land use hearings office consists of the pollution control hearings board created in RCW 43.21B.010, the shorelines hearings board created in RCW 90.58.170, and the growth management hearings board created in RCW 36.70A.250. The governor shall designate one of the members of the pollution control hearings board or growth management hearings board to be the director of the environmental and land use hearings office during the term of the governor. Membership, powers, functions, and duties of the pollution control hearings board, the shorelines hearings board, and the growth management hearings board shall be as provided by law.

(2) The director of the environmental and land use hearings office may appoint one or more administrative appeals judges in cases before the environmental boards and, with the consent of the chair of the growth management hearings board, one or more hearing examiners in cases before the land use board comprising the office. The administrative appeals judges shall possess the powers and duties conferred by the administrative procedure act, chapter 34.05 RCW, have a demonstrated knowledge of environmental law, and shall be admitted to the practice of law in the state of Washington. The hearing examiners possess the powers and duties provided for in RCW 36.70A.270.

(3) Administrative appeals judges are not subject to chapter 41.06 RCW. The administrative appeals judges appointed under subsection (2) of this section are subject to discipline and termination, for cause, by the director of the environmental and land use hearings office. Upon written request by the person so disciplined or terminated, the director of the environmental and land use hearings office shall state the reasons for such action in writing. The person affected has a right of review by the superior court of Thurston county on petition for reinstatement or other remedy filed within thirty days of receipt of such written reasons.

(4) The director of the environmental and land use hearings office may appoint, discharge, and fix the compensation of such administrative or clerical staff as may be necessary.

(5) The director of the environmental and land use hearings office may also contract for required services.

(6) The director of the environmental and land use hearings office must ensure that timely and accurate growth management hearings board rulings, decisions, and orders are made available to the public through searchable databases accessible through the environmental and land use hearings office web sites. To ensure uniformity and usability of searchable databases and web sites, the director must coordinate with the growth management hearings board, the department of commerce, and other interested stakeholders to develop and maintain a rational system of categorizing growth management hearings board rulings, decisions, and orders. The environmental and land use hearings office web sites must allow a user to search growth management hearings board decisions and orders by topic, party, and geographic location or by natural language. All rulings, decisions, and orders issued before January 1, 2019, must be published by June 30, 2021.

Sec. 2. RCW 36.70A.270 and 2010 c 211 s 6 and 2010 c 210 s 16 are each reenacted and amended to read as follows:

The growth management hearings board shall be governed by the following rules on conduct and procedure:

(1) Any board member may be removed for inefficiency, malfeasance, and misfeasance in office, under specific written charges filed by the governor. The governor shall transmit such written charges to the member accused and the chief justice of the supreme court. The chief justice shall thereupon designate a tribunal composed of three judges of the superior court to hear and adjudicate the charges. Removal of any member of the board

by the tribunal shall disqualify such member for reappointment.

(2) Each board member shall receive reimbursement for travel expenses incurred in the discharge of his or her duties in accordance with RCW 43.03.050 and 43.03.060. Each member shall receive an annual salary to be determined by the governor pursuant to RCW 43.03.040. The principal office of the board shall be located in Olympia.

(3) Each board member shall not: (a) Be a candidate for or hold any other public office or trust; (b) engage in any occupation or business interfering with or inconsistent with his or her duty as a board member; and (c) for a period of one year after the termination of his or her board membership, act in a representative capacity before the board on any matter.

(4) A majority of the board shall constitute a quorum for adopting rules necessary for the conduct of its powers and duties or transacting other official business, and may act even though one position of the board is vacant. One or more members may hold hearings and take testimony to be reported for action by the board when authorized by rule or order of the board. The board shall perform all the powers and duties specified in this chapter or as otherwise provided by law.

(5) The board may use one or more hearing examiners to assist the board in its hearing function, to make conclusions of law and findings of fact and, if requested by the board, to make recommendations to the board for decisions in cases before the board. Such hearing examiners must have demonstrated knowledge of land use planning and law. The board shall specify in its rules of practice and procedure, as required by subsection (7) of this section, the procedure and criteria to be employed for designating hearing examiners as a presiding officer. Hearing examiners used by the board shall meet the requirements of subsection (3) of this section. The findings and conclusions of the hearing examiner shall not become final until they have been formally approved by the board. This authorization to use hearing examiners does not waive the requirement of RCW 36.70A.300 that final orders be issued within one hundred eighty days of board receipt of a petition.

(6) The board shall make findings of fact and prepare a written decision in each case decided by it, and such findings and decision shall be effective upon being signed by two or more members of the regional panel deciding the particular case and upon being filed at the board's principal office, and shall be open for public inspection at all reasonable times.

(7) All proceedings before the board, any of its members, or a hearing examiner appointed by the board shall be conducted in accordance with such administrative rules of practice and procedure as the board prescribes. The board shall develop and adopt rules of practice and procedure, including rules regarding expeditious and summary disposition of appeals and the assignment of cases to regional panels. The board shall publish such rules ~~((and decisions))~~ it renders and arrange for the reasonable distribution of the rules ~~((and decisions))~~. Except as it conflicts with specific provisions of this chapter, the administrative procedure act, chapter 34.05 RCW, and specifically including the provisions of RCW 34.05.455 governing ex parte communications, shall govern the practice and procedure of the board.

(8) The board must ensure all rulings, decisions, and orders are available to the public through the environmental and land use hearings office's web sites as described in RCW 43.21B.005. To ensure uniformity and usability of searchable databases and web sites, the board shall coordinate with the environmental and land use hearings office, the department of commerce, and other interested stakeholders to develop and maintain a rational system of categorizing its decisions and orders.

(9) A board member or hearing examiner is subject to

disqualification under chapter 34.05 RCW. The rules of practice of the board shall establish procedures by which a party to a hearing conducted before the board may file with the board a motion to disqualify, with supporting affidavit, against a board member or hearing examiner assigned to preside at the hearing.

~~((9))~~ (10) All members of the board shall meet on at least an annual basis with the objective of sharing information that promotes the goals and purposes of this chapter.

~~((10))~~ (11) The board shall annually elect one of its members to be the board administrative officer. The duties and responsibilities of the administrative officer include handling day-to-day administrative, budget, and personnel matters on behalf of the board, together with making case assignments to board members in accordance with the board's rules of procedure in order to achieve a fair and balanced workload among all board members. The administrative officer of the board may carry a reduced caseload to allow time for performing the administrative work functions.

NEW SECTION. Sec. 3. If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2019, in the omnibus appropriations act, this act is null and void."

Correct the title.
and the same are herewith transmitted.

NONA SNELL, Deputy Chief Clerk

MOTION

Senator Wilson, L. moved that the Senate concur in the House amendment(s) to Substitute Senate Bill No. 5151.

Senator Wilson, L. spoke in favor of the motion.

The President Pro Tempore declared the question before the Senate to be the motion by Senator Wilson, L. that the Senate concur in the House amendment(s) to Substitute Senate Bill No. 5151.

The motion by Senator Wilson, L. carried and the Senate concurred in the House amendment(s) to Substitute Senate Bill No. 5151 by voice vote.

The President Pro Tempore declared the question before the Senate to be the final passage of Substitute Senate Bill No. 5151, as amended by the House.

ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 5151, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 48; Nays, 0; Absent, 0; Excused, 1.

Voting yea: Senators Bailey, Becker, Billig, Braun, Brown, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Erickson, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Holy, Honeyford, Hunt, Keiser, King, Kuderer, Liias, Lovelett, McCoy, Mullet, Nguyen, O'Ban, Padden, Palumbo, Pedersen, Randall, Rivers, Saldaña, Salomon, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson, C., Wilson, L. and Zeiger

Excused: Senator Rolfes

SUBSTITUTE SENATE BILL NO. 5151, as amended by the House, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

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MESSAGE FROM THE HOUSE

April 12, 2019

MR. PRESIDENT:

The House passed SUBSTITUTE SENATE BILL NO. 5089 with the following amendment(s): 5089-S AMH HSEL H2493.1

Strike everything after the enacting clause and insert the following:

“Sec. 1. RCW 43.216.512 and 2018 c 155 s 2 are each amended to read as follows:

(1) The department shall adopt rules that allow the inclusion of children in the early childhood education and assistance program whose family income is above one hundred ten percent of the federal poverty level if the number of such children equals not more than twenty-five percent of total statewide enrollment.

(2) ~~((Children included in the early childhood education and assistance program under this section must be homeless or impacted by specific developmental or environmental risk factors that are linked by research to school performance. “Homeless” means without a fixed, regular, and adequate nighttime residence as set forth in the federal McKinney Vento homeless assistance act, P.L. 100-77, July 22, 1987, 101 Stat. 482, and runaway and homeless youth act, P.L. 93-415, Title III, September 7, 1974, 88 Stat. 1129-))~~ The department shall adopt rules that allow a child to enroll in the early childhood education and assistance program, as space is available, when the child is not eligible under RCW 43.216.505 and the child turns three years old at any time during the school year when the child:

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

(b) Has received services from or participated in:

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

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

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

(3) Children included in the early childhood education and assistance program under this section are not to be 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. 2. RCW 43.216.512 and 2018 c 155 s 2 are each amended to read as follows:

(1) The department shall adopt rules that allow the ~~((inclusion))~~ enrollment of children in the early childhood education and assistance program, as space is available if the number of such children equals not more than twenty-five percent of total statewide enrollment, whose family income is:

(a) Above one hundred ten percent but less than or equal to one hundred thirty percent of the federal poverty level ~~((if the number of such children equals not more than twenty-five))~~; or

(b) Above one hundred thirty percent but less than or equal to two hundred percent of ~~((total statewide enrollment))~~ the federal poverty level if the child meets at least one of the risk factor criterion described in subsection (2) of this section.

(2) Children ~~((included))~~ enrolled in the early childhood education and assistance program ~~((under))~~ pursuant to subsection (1)(b) of this section must be ~~((homeless or impacted by specific developmental or environmental))~~ prioritized for available funded slots according to a prioritization system adopted in rule by the department that considers risk factors that

~~((are linked by research to school performance. “Homeless” means without a fixed, regular, and adequate nighttime residence as set forth in the federal McKinney Vento homeless assistance act, P.L. 100-77, July 22, 1987, 101 Stat. 482, and runaway and homeless youth act, P.L. 93-415, Title III, September 7, 1974, 88 Stat. 1129))~~ 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 child to enroll in the early childhood education and assistance program, as space is available, when the child is not eligible under RCW 43.216.505 and the child turns three years old at any time during the school year when the child:

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

(b) Has received services from or participated in:

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

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

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

(4) Children ~~((included))~~ enrolled in the early childhood education and assistance program under this section are not ~~((to be))~~ 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.

NEW SECTION. Sec. 3. (1) Section 2 of this act takes effect only if chapter . . . (Second Substitute Senate Bill No. 5437), Laws of 2019 is enacted by the effective date of this section.

(2) Section 1 of this act takes effect only if section 2 of this act does not take effect by the effective date of this section.”

Correct the title.

and the same are herewith transmitted.

NONA SNELL, Deputy Chief Clerk

MOTION

Senator Wellman moved that the Senate concur in the House amendment(s) to Substitute Senate Bill No. 5089.

Senator Wellman spoke in favor of the motion.

The President Pro Tempore declared the question before the Senate to be the motion by Senator Wellman that the Senate concur in the House amendment(s) to Substitute Senate Bill No. 5089.

The motion by Senator Wellman carried and the Senate concurred in the House amendment(s) to Substitute Senate Bill No. 5089 by voice vote.

The President Pro Tempore declared the question before the

Senate to be the final passage of Substitute Senate Bill No. 5089, as amended by the House.

ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 5089, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 47; Nays, 1; Absent, 0; Excused, 1.

Voting yea: Senators Bailey, Becker, Billig, Braun, Brown, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Ericksen, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Holy, Honeyford, Hunt, Keiser, King, Kuderer, Liias, Lovelett, McCoy, Mullet, Nguyen, O'Ban, Palumbo, Pedersen, Randall, Rivers, Saldaña, Salomon, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson, C., Wilson, L. and Zeiger

Voting nay: Senator Padden

Excused: Senator Rolfes

SUBSTITUTE SENATE BILL NO. 5089, as amended by the House, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MESSAGE FROM THE HOUSE

April 12, 2019

MR. PRESIDENT:

The House passed SUBSTITUTE SENATE BILL NO. 5106 with the following amendment(s): 5106-S AMH APP H2847.1

Strike everything after the enacting clause and insert the following:

NEW SECTION. Sec. 1. The legislature finds that residents of this state have been impacted by natural disasters such as floods, landslides, wildfires, and earthquakes and continue to be at risk from these and other natural disasters. In 2016, insured losses from natural disasters in the United States totaled almost twenty-four billion dollars. In 2015, Washington state had the largest wildfire season in state history, with more than one million acres burned and costing more than two hundred fifty-three million dollars. In 2017, four hundred four thousand two hundred twenty-three acres burned in Washington state and there were more than four hundred thirty national flood insurance program claims filed, totaling over seven million dollars.

The legislature finds that Washington state has the second highest earthquake risk in the nation, estimated by the federal emergency management agency to exceed four hundred thirty-eight million dollars per year. The 2001 Nisqually earthquake caused more than two billion dollars in damage. A Seattle fault earthquake will cause an estimated thirty-three billion dollars in damage, and a Cascadia subduction zone earthquake will cause an estimated amount of over forty-nine billion dollars in damage.

The legislature finds that it is critical to better prepare this state for disasters and to put in place strategies to mitigate the impacts of disasters. To address this critical need, the legislature is creating a work group to review disaster mitigation and preparation projects in this state and other states, make recommendations regarding how to coordinate and expand state efforts to mitigate the impacts of natural disasters, and evaluate whether an ongoing disaster resiliency program should be created.

NEW SECTION. Sec. 2. A new section is added to chapter 48.02 RCW to read as follows:

(1) A work group to study and make recommendations on natural disaster and resiliency activities 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 chair of the work group;

(b) One member from each of the two largest caucuses of the house of representatives, appointed by the speaker of the house of representatives;

(c) One member from each of the two largest caucuses of the senate, appointed by the president of the senate;

(d) A representative from the governor's resilient Washington work group;

(e) A representative from the Washington state association of counties;

(f) A representative from the association of Washington cities;

(g) A representative from the state building code council;

(h) The commissioner of the department of natural resources or his or her designee;

(i) The director of the Washington state military department or his or her designee;

(j) The superintendent of public instruction or his or her designee;

(k) The secretary of the state department of transportation or his or her designee;

(l) The director of the department of ecology or his or her designee;

(m) The director of the department of commerce or his or her designee;

(n) A representative from the Washington association of building officials;

(o) A representative from the building industry association of Washington;

(p) Two representatives from the property and casualty insurance industry, to be selected by the insurance commissioner or his or her designee, through an application process;

(q) A representative of emergency and transitional housing providers, to be appointed by the office of the insurance commissioner;

(r) A representative from public utility districts to be selected by a state association of public utility districts;

(s) A representative of water and sewer districts to be selected by a state association of water and sewer districts;

(t) A representative selected by the Washington state commission on African-American affairs, the Washington state commission on Hispanic affairs, the governor's office of Indian affairs, and the Washington state commission on Asian Pacific American affairs to represent the entities on the work group;

(u) A representative from the state department of agriculture;

(v) A representative from the state conservation commission as defined in RCW 89.08.030;

(w) A representative of a federally recognized Indian tribe with a reservation located east of the crest of the Cascade mountains, to be appointed by the governor;

(x) A representative of a federally recognized Indian tribe with a reservation located west of the crest of the Cascade mountains, to be appointed by the governor; and

(y) 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.

(2) The work group shall engage in the following activities:

(a) Review disaster mitigation and resiliency activities being done in this state by public and private entities;

(b) Review disaster mitigation and resiliency activities being done in other states and at the federal level;

(c) Review information on uptake in this state for disaster

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related insurance, such as flood and earthquake insurance;

(d) Review information on how other states are coordinating disaster mitigation and resiliency work including, but not limited to, the work of entities such as the California earthquake authority;

(e) Review how other states and the federal government fund their disaster mitigation and resiliency activities and programs; and

(f) Make recommendations to the legislature and office of the insurance commissioner regarding:

(i) Whether this state should create an ongoing disaster resiliency program;

(ii) What activities the program should engage in;

(iii) How the program should coordinate with state agencies and other entities engaged in disaster mitigation and resiliency work;

(iv) Where the program should be housed; and

(v) How the program should be funded.

(3) The work group shall submit, in compliance with RCW 43.01.036, a preliminary report of recommendations to the legislature, the office of the insurance commissioner, the governor, the office of the superintendent of public instruction, and the commissioner of public lands by November 1, 2019, and a final report by December 1, 2020.

NEW SECTION. Sec. 3. If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2019, in the omnibus appropriations act, this act is null and void.”

Correct the title.
and the same are herewith transmitted.

NONA SNELL, Deputy Chief Clerk

MOTION

Senator Das moved that the Senate concur in the House amendment(s) to Substitute Senate Bill No. 5106.

Senator Das spoke in favor of the motion.

The President Pro Tempore declared the question before the Senate to be the motion by Senator Das that the Senate concur in the House amendment(s) to Substitute Senate Bill No. 5106.

The motion by Senator Das carried and the Senate concurred in the House amendment(s) to Substitute Senate Bill No. 5106 by voice vote.

The President Pro Tempore declared the question before the Senate to be the final passage of Substitute Senate Bill No. 5106, as amended by the House.

ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 5106, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 48; Nays, 0; Absent, 0; Excused, 1.

Voting yea: Senators Bailey, Becker, Billig, Braun, Brown, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Ericksen, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Holy, Honeyford, Hunt, Keiser, King, Kuderer, Liias, Lovelett, McCoy, Mullet, Nguyen, O’Ban, Padden, Palumbo, Pedersen, Randall, Rivers, Saldaña, Salomon, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson, C., Wilson, L. and Zeiger

Excused: Senator Rolfes

SUBSTITUTE SENATE BILL NO. 5106, as amended by the House, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

REMARKS BY THE PRESIDENT PRO TEMPORE

President Pro Tempore Keiser: “Please allow the President a point of personal privilege to apologize for not recognizing members as they stood up. If you don’t see me recognize you in a prompt way, please just speak out, so I don’t overlook you. I’m only, you know we have a Lieutenant Governor who is totally blind and I am only half blind so ... [Laughter]”

MESSAGE FROM THE HOUSE

April 12, 2019

MR. PRESIDENT:

The House passed SENATE BILL NO. 5107 with the following amendment(s): 5107 AMH CPB H2462.1

Strike everything after the enacting clause and insert the following:

“**Sec. 1.** RCW 7.60.025 and 2011 c 214 s 27 and 2011 c 34 s 1 are each reenacted and amended to read as follows:

(1) A receiver may be appointed by the superior court of this state in the following instances, but except in any case in which a receiver’s appointment is expressly required by statute, or any case in which a receiver’s appointment is sought by a state agent whose authority to seek the appointment of a receiver is expressly conferred by statute, or any case in which a receiver’s appointment with respect to real property is sought under (b)(ii) of this subsection, a receiver shall be appointed only if the court additionally determines that the appointment of a receiver is reasonably necessary and that other available remedies either are not available or are inadequate:

(a) On application of any party, when the party is determined to have a probable right to or interest in property that is a subject of the action and in the possession of an adverse party, or when the property or its revenue-producing potential is in danger of being lost or materially injured or impaired. A receiver may be appointed under this subsection (1)(a) whether or not the application for appointment of a receiver is combined with, or is ancillary to, an action seeking a money judgment or other relief;

(b) Provisionally, after commencement of any judicial action or nonjudicial proceeding to foreclose upon any lien against or for forfeiture of any interest in real or personal property, on application of any person, when the interest in the property that is the subject of such an action or proceeding of the person seeking the receiver’s appointment is determined to be probable and either:

(i) The property or its revenue-producing potential is in danger of being lost or materially injured or impaired; or

(ii) The appointment of a receiver with respect to the real or personal property that is the subject of the action or proceeding is provided for by agreement or is reasonably necessary to effectuate or enforce an assignment of rents or other revenues from the property. For purposes of this subsection (1)(b), a judicial action is commenced as provided in superior court civil rule 3(a), a nonjudicial proceeding is commenced under chapter 61.24 RCW upon the service of notice of default described in RCW 61.24.030(8), and a proceeding for forfeiture is commenced under chapter 61.30 RCW upon the recording of the notice of intent to forfeit described in RCW 61.30.060;

(c) After judgment, in order to give effect to the judgment;

(d) To dispose of property according to provisions of a judgment dealing with its disposition;

(e) To the extent that property is not exempt from execution, at the instance of a judgment creditor either before or after the issuance of any execution, to preserve or protect it, or prevent its transfer;

(f) If and to the extent that property is subject to execution to satisfy a judgment, to preserve the property during the pendency of an appeal, or when an execution has been returned unsatisfied, or when an order requiring a judgment debtor to appear for proceedings supplemental to judgment has been issued and the judgment debtor fails to submit to examination as ordered;

(g) Upon an attachment of real or personal property when the property attached is of a perishable nature or is otherwise in danger of waste, impairment, or destruction, or where the abandoned property's owner has absconded with, secreted, or abandoned the property, and it is necessary to collect, conserve, manage, control, or protect it, or to dispose of it promptly, or when the court determines that the nature of the property or the exigency of the case otherwise provides cause for the appointment of a receiver;

(h) In an action by a transferor of real or personal property to avoid or rescind the transfer on the basis of fraud, or in an action to subject property or a fund to the payment of a debt;

(i) In an action against any person who is not an individual if the object of the action is the dissolution of that person, or if that person has been dissolved, or if that person is insolvent or is not generally paying the person's debts as those debts become due unless they are the subject of bona fide dispute, or if that person is in imminent danger of insolvency;

(j) In accordance with RCW 7.08.030 (4) and (6), in cases in which a general assignment for the benefit of creditors has been made;

(k) In quo warranto proceedings under chapter 7.56 RCW;

(l) As provided under RCW 11.64.022;

(m) In an action by the department of licensing under RCW 18.35.220(3) with respect to persons engaged in the business of dispensing of hearing aids, RCW 18.85.430 in the case of persons engaged in the business of a real estate broker, associate real estate broker, or real estate salesperson, or RCW 19.105.470 with respect to persons engaged in the business of camping resorts;

(n) In an action under RCW 18.44.470 or 18.44.490 in the case of persons engaged in the business of escrow agents;

(o) Upon a petition with respect to a nursing home in accordance with and subject to receivership provisions under chapter 18.51 RCW;

(p) ~~(Under RCW 19.40.071(3),)~~ In connection with a proceeding for relief with respect to a voidable transfer ~~((fraudulent))~~ as to a present or future creditor ~~((or creditors))~~ under RCW 19.40.041 or a present creditor under RCW 19.40.051;

(q) Under RCW 19.100.210(1), in an action by the attorney general or director of financial institutions to restrain any actual or threatened violation of the franchise investment protection act;

(r) In an action by the attorney general or by a prosecuting attorney under RCW 19.110.160 with respect to a seller of business opportunities;

(s) In an action by the director of financial institutions under RCW 21.20.390 in cases involving actual or threatened violations of the securities act of Washington or under RCW 21.30.120 in cases involving actual or threatened violations of chapter 21.30 RCW with respect to certain businesses and transactions involving commodities;

(t) In an action for or relating to dissolution of a business corporation under RCW 23B.14.065, 23B.14.300, 23B.14.310, or 23B.14.320, for dissolution of a nonprofit corporation under

RCW 24.03.271, for dissolution of a mutual corporation under RCW 24.06.305, or in any other action for the dissolution or winding up of any other entity provided for by Title 23, 23B, 24, or 25 RCW;

(u) In any action in which the dissolution of any public or private entity is sought, in any action involving any dispute with respect to the ownership or governance of such an entity, or upon the application of a person having an interest in such an entity when the appointment is reasonably necessary to protect the property of the entity or its business or other interests;

(v) Under RCW 25.05.215, in aid of a charging order with respect to a partner's interest in a partnership;

(w) Under and subject to RCW ~~((30.44.100, 30.44.270, and 30.56.030))~~ 30A.44.100, 30A.44.270, and 30A.56.030, in the case of a state commercial bank, section 71 of this act, in the case of a ((bank or) state trust company ((or, under and subject to)), RCW 32.24.070 ~~((through)),~~ 32.24.073, 32.24.080, and 32.24.090, in the case of a ((mutual) state savings bank;

(x) Under and subject to RCW 31.12.637 and 31.12.671 through 31.12.724, in the case of credit unions;

(y) Upon the application of the director of financial institutions under RCW 31.35.090 in actions to enforce chapter 31.35 RCW applicable to agricultural lenders, under RCW 31.40.120 in actions to enforce chapter 31.40 RCW applicable to entities engaged in federally guaranteed small business loans, under RCW 31.45.160 in actions to enforce chapter 31.45 RCW applicable to persons licensed as check cashers or check sellers, or under RCW 19.230.230 in actions to enforce chapter 19.230 RCW applicable to persons licensed under the uniform money services act;

(z) Under RCW 35.82.090 or 35.82.180, with respect to a housing project;

(aa) Under RCW 39.84.160 or 43.180.360, in proceedings to enforce rights under any revenue bonds issued for the purpose of financing industrial development facilities or bonds of the Washington state housing finance commission, or any financing document securing any such bonds;

(bb) Under and subject to RCW 43.70.195, in an action by the secretary of health or by a local health officer with respect to a public water system;

(cc) As contemplated by RCW 61.24.030, with respect to real property that is the subject of nonjudicial foreclosure proceedings under chapter 61.24 RCW;

(dd) As contemplated by RCW 61.30.030(3), with respect to real property that is the subject of judicial or nonjudicial forfeiture proceedings under chapter 61.30 RCW;

(ee) Under RCW 64.32.200(2), in an action or proceeding commenced under chapter 61.12 or 61.24 RCW to foreclose upon a lien for common expenses against a dwelling unit subject to the horizontal property regimes act, chapter 64.32 RCW. For purposes of this subsection (1)(ee), a judicial action is commenced as provided in superior court civil rule 3(a) and a nonjudicial proceeding is commenced under chapter 61.24 RCW upon the service of notice of default described in RCW 61.24.030(8);

(ff) Under RCW 64.34.364(10), in an action or proceeding commenced under chapter 61.12 or 61.24 RCW by a unit owners' association to foreclose a lien for nonpayment of delinquent assessments against condominium units. For purposes of this subsection (1)(ff), a judicial action is commenced as provided in superior court civil rule (3)(a) and a nonjudicial proceeding is commenced under chapter 61.24 RCW upon the service of notice of default described in RCW 61.24.030(8);

(gg) Upon application of the attorney general under RCW 64.36.220(3), in aid of any writ or order restraining or enjoining violations of chapter 64.36 RCW applicable to timeshares;

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(hh) Under RCW 70.95A.050(3), in aid of the enforcement of payment or performance of municipal bonds issued with respect to facilities used to abate, control, or prevent pollution;

(ii) Upon the application of the department of social and health services under RCW 74.42.580, in cases involving nursing homes;

(jj) Upon the application of the utilities and transportation commission under RCW 80.28.040, with respect to a water company or wastewater company that has failed to comply with an order of such commission within the time deadline specified therein;

(kk) Under RCW 87.56.065, in connection with the dissolution of an irrigation district;

(ll) Upon application of the attorney general or the department of licensing, in any proceeding that either of them are authorized by statute to bring to enforce Title 18 or 19 RCW; the securities act of Washington, chapter 21.20 RCW; the Washington commodities act, chapter 21.30 RCW; the land development act, chapter 58.19 RCW; or under chapter 64.36 RCW relating to the regulation of timeshares;

(mm) Upon application of the director of financial institutions in any proceeding that the director of financial institutions is authorized to bring to enforce chapters 31.35, 31.40, and 31.45 RCW; or

(nn) In such other cases as may be provided for by law, or when, in the discretion of the court, it may be necessary to secure ample justice to the parties.

(2) The superior courts of this state shall appoint as receiver of property located in this state a person who has been appointed by a federal or state court located elsewhere as receiver with respect to the property specifically or with respect to the owner's property generally, upon the application of the person or of any party to that foreign proceeding, and following the appointment shall give effect to orders, judgments, and decrees of the foreign court affecting the property in this state held by the receiver, unless the court determines that to do so would be manifestly unjust or inequitable. The venue of such a proceeding may be any county in which the person resides or maintains any office, or any county in which any property over which the receiver is to be appointed is located at the time the proceeding is commenced.

(3) At least seven days' notice of any application for the appointment of a receiver must be given to the owner of property to be subject thereto and to all other parties in the action, and to other parties in interest as the court may require. If any execution by a judgment creditor under Title 6 RCW or any application by a judgment creditor for the appointment of a receiver, with respect to property over which the receiver's appointment is sought, is pending in any other action at the time the application is made, then notice of the application for the receiver's appointment also must be given to the judgment creditor in the other action. The court may shorten or expand the period for notice of an application for the appointment of a receiver upon good cause shown.

(4) The order appointing a receiver in all cases must reasonably describe the property over which the receiver is to take charge, by category, individual items, or both if the receiver is to take charge of less than all of the owner's property. If the order appointing a receiver does not expressly limit the receiver's authority to designated property or categories of property of the owner, the receiver is a general receiver with the authority to take charge over all of the owner's property, wherever located.

(5) The court may condition the appointment of a receiver upon the giving of security by the person seeking the receiver's appointment, in such amount as the court may specify, for the payment of costs and damages incurred or suffered by any person

should it later be determined that the appointment of the receiver was wrongfully obtained.

Sec. 2. RCW 30B.04.005 and 2014 c 37 s 302 are each amended to read as follows:

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

The definitions in this section shall be liberally construed to accomplish the purposes of this title. Additional definitions, as applicable, are contained elsewhere in this title. The department may adopt by rule other definitions to accomplish the purposes of this title.

(1) "Account" means the client relationship established with a trust company involving the transfer of funds or property to the trust company, including a relationship in which the trust company acts as trustee, executor, administrator, guardian, custodian, conservator, bailee, receiver, registrar, or agent, but excluding a relationship in which the trust company acts solely in an advisory capacity.

(2) "Administer" with respect to real or tangible personal property means, as an agent or in another representative capacity, to possess, purchase, sell, lease, insure, safekeep, or otherwise manage the property.

(3) "Affiliate" means a company that (~~directly or indirectly~~) controls, is controlled by, or is under common control with a trust institution (~~or other company~~).

(4) "Authorized trust institution" means a trust institution with authority to engage in trust business in Washington state pursuant to (~~statute~~) federal or state law.

(5) "Bank" has the meaning set forth in 12 U.S.C. Sec. 1813(h); provided that the term "bank" does not include any "foreign bank" as defined in 12 U.S.C. Sec. 3101(7), except for any such foreign bank organized under the laws of a territory of the United States, Puerto Rico, Guam, American Samoa, or the Virgin Islands, the deposits of which are insured by the federal deposit insurance corporation.

(6) "Bank supervisory agency" means:

(a) Any agency of another state with primary responsibility for chartering and supervising a trust institution; and

(b) The office of the comptroller of the currency, the federal deposit insurance corporation, the board of governors of the federal reserve system, and any successor to these agencies.

(7) "Capital" has the meaning ascribed to that term by generally accepted accounting principles and applicable rules of the financial accounting standards board, and includes surplus and undivided profits.

(8) "Charter," (~~means~~) "chartered," and "chartering" mean a charter or other certificate of authority issued by (~~the director or~~) a (~~bank~~) financial services supervisory agency of an applicable governmental entity authorizing a trust institution to engage in business in its home state or other jurisdiction, or the act of granting or having had granted such a charter.

(9) "Client" means a person to whom a trust institution owes a duty or obligation under a trust or other account administered by the trust institution or as an advisor or agent, regardless of whether the trust institution owes a fiduciary duty to the person. The term includes the noncontingent beneficiaries of an account.

(10) "Company" includes a bank, trust company, corporation, limited liability company, partnership, association, business trust, or another trust.

(11) "Conservator" means the director or an agent of the director exercising the powers and duties provided (~~by RCW 30B.46.010~~) in section 85 of this act.

(12) "Control," (~~means~~) "controls," "controlled," and "controlling," except as defined in RCW 30B.53.005 and as used in RCW 30B.04.040(12), 30B.08.030, 30B.12.020 (1) and (2),

and 30B.38.080(1), mean and refer to:

(a) The ownership of or ability or power to vote, directly, acting through one or more other persons, or otherwise indirectly, more than ~~((twenty-five))~~ fifty percent of the outstanding shares of a class of voting securities of a state trust company or other company;

(b) The ability to control the election of a majority of the board of a state trust company or other company;

(c) The power to exercise, directly or indirectly, a controlling influence over the management or policies of the state trust company or other company as determined by the director after notice and an opportunity for hearing; or

(d) The conditioning of the transfer of more than ~~((twenty-five))~~ fifty percent of the outstanding shares or participation shares of a class of voting securities of a state trust company or other company on the transfer of more than ~~((twenty-five))~~ fifty percent of the outstanding shares of a class of voting securities of another state trust company or other company.

(13) "Custodial account" means an account, established by a person with a bank as defined in 26 U.S.C. Sec. 408(n), or with another person approved by the internal revenue service as satisfying the requirements to be a nonbank trustee or a nonbank passive trustee set forth in United States treasury regulations under 26 U.S.C. Sec. 408, that is governed by an instrument concerning the establishment or maintenance, or both, of an individual retirement account, qualified retirement plan, Archer medical savings account, health savings account, Coverdell education savings account, any similar retirement or savings vehicle permitted under the internal revenue code of 1986, or as otherwise defined by the director by rule.

(14) "Department" means the Washington state department of financial institutions.

(15) "Depository institution" means any company chartered to act as a fiduciary and included for any purpose within any of the definitions of "insured depository institution" as set forth in 12 U.S.C. Sec. 1813(c)(2) and (3).

(16) "Director" means the director of the Washington state department of financial institutions.

(17) "Fiduciary record" means a matter written, transcribed, recorded, received, or otherwise in the possession or control of a trust company, whether in physical or electronic form, that is necessary to preserve information concerning an act or event relevant to an account or a client of a trust company.

(18) "Foreign bank" means a foreign bank, as defined in section 1(b)(7) of the international banking act of 1978, chartered to act as a fiduciary in a state other than Washington state. As used in this title, "foreign bank" excludes an alien bank authorized to do business in ~~((this))~~ Washington state under chapter 30A.42 RCW.

(19) "Home state" means:

(a) With respect to a federally chartered trust institution and a foreign bank, the state in which such institution maintains its principal office; and

(b) With respect to any other trust institution, the state which chartered such institution.

(20) "Home state regulator" means the trust institutions supervisory agency with primary responsibility for chartering and supervising an out-of-state trust institution.

(21) "Host state" means a state, other than the home state of a trust institution, or a foreign country in which the trust institution maintains or seeks to acquire or establish an office.

(22) "Insolvent" means a circumstance or condition in which a state trust company:

(a) Has actual cash market value of its assets which are insufficient to pay its liabilities to its creditors;

(b) Is unable or lacks the means to meet its current obligations

as they come due in the regular and ordinary course of business, even if the value of its assets exceeds its liabilities;

(c) Sells or attempts to sell substantially all of its assets other than as provided in RCW 30B.44A.050 or merges or attempts to merge substantially all of its assets or business with another entity other than as provided by chapter 30B.53 RCW; or

(d) Attempts to dissolve or liquidate without approval of the director under chapter 30B.44A RCW;

(e) After demand in writing by the director, fails to cure any deficiency in its reserves as required by statute or rule;

(f) After written demand by the director, the stockholders fail to cure within the time prescribed by the director an impairment of the state trust company's capital or surplus; or

(g) Is insolvent within the meaning of the United States bankruptcy code.

(23) "Instrument" means a revocable or irrevocable trust document created inter vivos or testamentary or any custodial account agreement.

(24) "Internet trust business" means a trust business that holds itself out as a trustee or fiduciary to the general public of ~~((this))~~ Washington state by means of the internet or other electronic means.

(25) "Law firm" means a professional service corporation, professional limited liability company, or limited liability partnership, that is duly organized under the laws of ~~((this))~~ Washington state and whose shareholders, members, or partners, respectively, are exclusively attorneys.

(26) "Limited liability trust company" means an entity organized or reorganized under the ~~((limited liability company act of this state that is chartered as a trust company under this title))~~ provisions of RCW 30B.08.020 to operate as a state trust company in limited liability company form pursuant to the authority of the director under chapter 30B.08 RCW.

(27) "Loans and extensions of credit" means direct or indirect advances of funds by a state trust company to a person that are conditioned on the obligation of the person to repay the funds or that are repayable from specific property pledged by or on behalf of the person.

(28) "Manager" means a person elected to the board of a limited liability trust company.

(29) "Officer" means the presiding officer of the board, the principal executive officer, or another officer appointed by the board of a state trust company or other company, or a person or group of persons acting in a comparable capacity for the state trust company or other company.

(30) "Out-of-state trust institution" means a trust institution that is not a state trust company under this title.

(31) "Person" means an individual, a company, or any other legal entity.

(32) "Principal shareholder" means a person who owns or has the ability or power to vote, directly, acting through one or more other persons, or otherwise indirectly, ten percent or more of the outstanding shares or participation shares of any class of voting securities of a state trust company or other company.

(33) "Private trust" has the meaning set forth in RCW 30B.64.005.

(34) "Private trust company" has the meaning set forth in RCW 30B.64.005.

~~(35) ("Savings association" means a depository institution, other than a credit union, that is not a bank.~~

~~(36))~~ "Share((s))" means ~~((the))~~ a unit((s)) into which ~~((the))~~ a proprietary interest((s)) of a ~~((state))~~ trust ~~((company are))~~ institution is divided or subdivided by means of class((es)), series, relative rights, or preferences, and includes beneficial interests in a state trust company organized as a corporation or limited liability company.

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~~((37))~~ (36) “State” means a state of the United States, the District of Columbia, a territory of the United States, Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, the Virgin Islands, and the Northern Mariana Islands.

~~((38))~~ (37) “State bank” means a bank authorized under Title 30A or 32 RCW to engage in trust business or an alien bank chartered or authorized under chapter 30A.42 RCW to ~~((engage in))~~ exercise trust ((business)) powers in ((this)) Washington state.

~~((39))~~ “State savings association” means a savings association chartered or otherwise authorized under Title 33 RCW to act as a fiduciary by Washington state.

~~(40))~~ (38) “State trust company” means a corporation or a limited liability company organized or reorganized under this title, including a trust company organized under the laws of Washington state before January 5, 2015.

~~((41))~~ (39) “State trust institution,” as used in chapter 30B.10 RCW, means a state trust company or an out-of-state trust institution engaged in trust business in ~~((this))~~ Washington state.

~~((42))~~ “Subsidiary” means a company that is controlled by another person. Subsidiary includes a subsidiary of a subsidiary and a lower tier subsidiary.

~~(43))~~ (40) “Trust business” means the performance of, or holding out by, a person to the public by advertisement, solicitation, or other means that the person is available to perform ((the powers of a state trust company)) one or more of the essential functions of trust business set forth in RCW 30B.08.080(1) ((b) through (k), together with any other activity authorized for a state trust company by the director pursuant to RCW 30B.08.080(1)(q) that the director designates as trust business).

~~((44))~~ (41) “Trust company” means a state trust company or any other company chartered to act as a fiduciary that is neither a depository institution nor a foreign bank.

~~((45))~~ (42) “Trust department” means ~~((that))~~ a division, subdivision, department, or group ((or groups)) of officers and employees of a ((trust company organized under the supervision of officers or employees to whom are designated)) state bank authorized by the board of directors ((the performance of the fiduciary responsibilities of the trust company, whether or not the group or groups are so named)) of the state bank to exercise trust powers pursuant to authority of the director granted pursuant to RCW 30A.08.150 or 32.08.210, as applicable.

~~((46))~~ (43) “Trust deposits” means the client funds held by a state trust company and authorized to be deposited with itself pending investment, distribution, or payment of debts on behalf of the client.

~~((47))~~ (44) “Trust institution” means a depository institution~~((;))~~ or foreign bank engaged in trust business, or a trust company.

~~((48))~~ (45) “Unauthorized trust activity” means to engage in trust business in ~~((this))~~ Washington state without authority or exemption under this title.

(46) “Agent” has the same meaning as an agent at common law.

(47) “Federal trust institution” means a special purpose national banking association authorized by the office of the comptroller of the currency, pursuant to the national bank act, 12 U.S.C. Sec. 92a, whose charter is granted for the purpose of it engaging primarily or solely in trust or other fiduciary activities.

(48) “Shareholder” means the holder of a share as defined in this section.

(49) “Third-party service provider” includes an independent contractor or other person, which a trust institution has engaged to perform services to facilitate the conduct of its business as a trust institution or affiliate, to perform the following functions:

(a) Noninternet-based data storage;

(b) Internet-related services, mobile applications, system and software development and maintenance, and security architecture, maintenance, and monitoring;

(c) Data processing services;

(d) Fiduciary activities or other contracted-for services constituting “trust business” under RCW 30B.04.005;

(e) Activities related to the trading of securities, derivatives, and other commodities;

(f) Bookkeeping, accounting, or similar functions; or

(g) Data analytics with respect to customers or prospective customers, or use of algorithmic technology by the trust institution in the conduct of fiduciary management.

Sec. 3. RCW 30B.04.010 and 2014 c 37 s 303 are each amended to read as follows:

(1) A state trust company or out-of-state trust institution may register any name with the department in connection with establishing an office or otherwise engaged in trust business in ~~((this))~~ Washington state pursuant to this title, except that the director may determine that a name proposed to be registered is potentially misleading to the public and require the registrant to select a name which is not potentially misleading.

(2) Use of “trust” as part of a person’s name or fictitious trade name, or as part of a trademark~~((;))~~ or service mark in connection with transacting business with the public, or as part of advertising by any person to the public, is subject to the prohibitions and restrictions under RCW 30A.04.020.

Sec. 4. RCW 30B.04.040 and 2014 c 37 s 306 are each amended to read as follows:

~~((Notwithstanding any other provision of this title,))~~ A person is exempt from the requirement of a certificate of authority or approval under this title~~((, or from regulation by the director pursuant to this title,))~~ if the person is:

(1) An individual, sole proprietor, or general partnership or joint venture composed of individuals;

(2) Engaging in business in ~~((this))~~ Washington state (a) as a national banking association or (b) as a federal mutual savings bank, federal stock savings bank, or federal savings and loan association under authority of the office of the comptroller of the currency;

(3) Acting in a manner otherwise authorized by law and within the scope of authority as an agent of a trust institution with respect to an activity which is not an unauthorized trust activity;

(4) Acting as a fiduciary solely by reason of being appointed by a court to perform the duties of a trustee, guardian, conservator, or receiver;

(5) While holding oneself out to the public as an attorney-at-law, law firm, or limited license legal technician, performing a service customarily performed as an attorney-at-law, law firm, or limited license legal technician in a manner approved and authorized by the supreme court of the state of Washington;

(6) Acting as an escrow agent pursuant to the escrow agent registration act, chapter 18.44 RCW, or in one’s capacity as an authorized title agent under Title 48 RCW;

(7) Acting as trustee under a deed of trust delivered only as security for the payment of money or for the performance of another act;

(8) Receiving and distributing rents and proceeds of sale as a licensed real estate broker on behalf of a principal in a manner authorized by the Washington department of licensing;

(9) Engaging in a commodities or securities transaction or providing an investment advisory service in the capacity of a ~~((licensed and))~~ registered broker-dealer, investment advisor, or registered representative thereof, provided the activity is

regulated by the department, the United States commodities futures trading commission, or the United States securities and exchange commission;

(10) Engaging in the sale and administration of an insurance product by an insurance company or agent licensed by the office of the insurance commissioner to the extent that the activity is regulated by the office of the insurance commissioner;

(11) Acting as trustee under a voting trust as provided by Washington state law;

(12) Acting as trustee by a public, private, or independent institution of higher education or a university system authorized under Washington state law, including its affiliated foundations or corporations, with respect to endowment funds or other funds owned, controlled, provided to, or otherwise made available to such institution with respect to its educational or research purposes;

(13) Acting as a private trust or private trust company to the extent exempt from regulation of the department as set forth in chapter 30B.64 RCW; or

(14) Engaging in other activities expressly excluded from the application of this title by rule of the director.

Sec. 5. RCW 30B.04.110 and 2014 c 37 s 313 are each amended to read as follows:

A state trust company may not pledge or create a lien on any of its assets except to secure the repayment of money borrowed or as ~~((otherwise))~~ specifically authorized ~~((or required by rules adopted under this chapter))~~ by RCW 30B.20.010, or by rule, or by a finding of the director that such conduct does not violate any other applicable law and serves the convenience of the state trust company and the public. An act, deed, conveyance, pledge, or contract in violation of this section is void.

Sec. 6. RCW 30B.08.020 and 2014 c 37 s 323 are each amended to read as follows:

~~(1) ((The provisions of RCW 30A.08.025 shall govern the organization, conversion, approval of the director, and other matters incidental to the formation and operation of a state trust company as a limited liability company.~~

~~(2) The director may adopt rules necessary to clarify, interpret, and implement this section.))~~ If the conditions of this section are met, an applicant to become a state trust company may organize as a limited liability trust company pursuant to this chapter. An applicant to become a state trust company, which is already organized as a limited liability company pursuant to chapter 25.15 RCW, may reorganize as and convert to a limited liability trust company under this title and be granted a certificate of authority pursuant to this chapter to operate as a state trust company if all conditions of this title are met.

(2)(a) Before a state trust company organized as a corporation may reorganize and convert to a limited liability trust company, the state trust company must obtain approval of the director.

(b)(i) To obtain approval under this subsection from the director, the state trust company must file a request for approval with the director at least sixty days before the day on which the state trust company becomes a limited liability trust company.

(ii) If the director does not disapprove the request for approval within sixty days from the day on which the director receives the request, the request is considered approved.

(iii) When taking action on a request for approval filed pursuant to this subsection, the director may:

(A) Approve the request;

(B) Approve the request subject to terms and conditions the director considers necessary; or

(C) Disapprove the request.

(3) To approve a request, the director must find that:

(a) The state trust company will operate in a safe and sound manner under a limited liability trust company structure; and

(b) The state trust company as a limited liability trust company has the characteristics set forth in subsections (4) and (5) of this section.

(4) Notwithstanding any provision to the contrary contained in chapter 25.15 RCW, a state trust company organized as or reorganized and converted to a limited liability trust company must be perpetual.

(5)(a) All rights, privileges, powers, duties, and obligations of a state trust company, which is organized as a limited liability trust company, and its members and managers shall be consistent with chapter 25.15 RCW, except the following:

(i) Permitting automatic dissolution or suspension of a limited liability company as set forth in RCW 25.15.265(1), pursuant to a statement of limited duration in a certificate of formation;

(ii) Permitting automatic dissolution or suspension of a limited liability company, pursuant to the limited liability company agreement, as set forth in RCW 25.15.265(2);

(iii) Permitting dissolution of the limited liability company agreement based upon agreement of all the members, as set forth in RCW 25.15.265(3);

(iv) Permitting dissociation of all the members of the limited liability company, as set forth in RCW 25.15.265(4); and

(v) Permitting automatic dissolution or suspension of a limited liability company, pursuant to operation of law, as otherwise set forth in chapter 25.15 RCW.

(b) Notwithstanding (a) of this subsection:

(i) For purposes of transferring a member's interests in the state trust company, a member's interest is treated like a share of stock in a corporation; and

(ii) If a member's interest is transferred voluntarily or involuntarily to another person, the person who receives the member's interest obtains the member's entire rights associated with the member's interest, including all economic rights and all voting rights.

(6)(a) Notwithstanding any provision of chapter 25.15 RCW or this section to the contrary, all voting members remain liable and responsible as fiduciaries of the limited liability trust company, regardless of resignation, dissociation, or disqualification, to the same extent that directors of a state trust company organized as a corporation would be or remain liable or responsible to the department.

(b) If death, incapacity, or disqualification of all members of the limited liability trust company would result in a complete dissociation of all members, then the state trust company is deemed nonetheless to remain in existence for purposes of the department having standing under chapter 30B.44B RCW to exercise the powers and authorities of a liquidating agent for the state trust company.

Sec. 7. RCW 30B.08.030 and 2014 c 37 s 324 are each amended to read as follows:

(1) An application ~~((to organize))~~ for a certificate of authority to become a state trust company ~~((charter))~~ must be made under oath and in the form required by the director and must be supported by information, data, records, and opinions of counsel that the director requires including, without limitation and as requested by the department, authorizations by the incorporators and any proposed officer, director, manager, or managing participant to perform third-party background checks on them, plus fingerprints of these persons obtained from acceptable fingerprinting authorities.

(2) Consistent with RCW 30B.12.020(1), the application to organize a state trust company must propose as members of the board of directors not less than five directors, managers, or

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managing participants, at least two of whom shall not be officers, employees, or agents of the state trust company, or otherwise in control of the state trust company, either as a principal or in a representative capacity, as "control" is defined in RCW 30B.53.005.

(3) Prior to issuance of a certificate of authority by the department, the proposed members of the board of directors, as approved by the department, must each submit a declaration in conformity with RCW 30B.12.020(5).

(4) The application must be accompanied by all fees and deposits required by statute or by rule of the director.

~~((3))~~ (5) The director shall issue a certificate of authority to a state trust company ((charter)) only on proof that one or more viable markets exist within or outside of ((this)) Washington state that may be served in a profitable manner by the establishment of the proposed state trust company. In making such a determination, the director shall:

(a) Examine the business plan which shall be submitted as part of the application for a certificate of authority to become a state trust company ((charter)); and

(b) Consider:

(i) The market or markets to be served;

(ii) Whether the proposed organizational and capital structure and amount of initial capitalization is adequate for the proposed business and location;

(iii) Whether the anticipated volume and nature of business indicates a reasonable probability of success and profitability based on the market sought to be served;

(iv) Whether the proposed officers, directors, and managers, or managing participants, as a group, have sufficient fiduciary experience, ability, standing, competence, trustworthiness, and integrity to justify a belief that the proposed state trust company will operate in compliance with law and that success of the proposed state trust company is probable;

(v) Whether each principal shareholder or participant has sufficient experience, ability, standing, competence, trustworthiness, and integrity to justify a belief that the proposed state trust company will be free from improper or unlawful influence or interference with respect to the state trust company's operation in compliance with law; and

(vi) Whether the organizers are acting in good faith.

~~((4))~~ (6) The failure of an applicant to furnish required information, data, opinions of counsel, other material, or the required fee is considered an abandonment of the application.

Sec. 8. RCW 30B.08.040 and 2014 c 37 s 325 are each amended to read as follows:

(1) The director shall notify the organizers when the application is complete and accepted for filing and all required fees and deposits have been paid. ~~((Promptly after this notification, the organizers shall publish notice of the application and solicit comments in a form specified by the director at locations reasonably necessary to solicit the views of potentially affected persons specified by the director by rule.))~~

(2) At the expense of the organizers, the director shall investigate the application and inquire into the identity and character of each proposed director, manager, officer, managing participant, and principal shareholder or participant. ~~((The director shall prepare a written report of the investigation, and any person may request a copy of the nonconfidential portions of the application and written report under chapter 42.56 RCW.))~~

(3) ~~((Rules adopted under this chapter may specify the confidential or nonconfidential character of information obtained by the department under this section.~~

~~((4))~~ The financial statement of a proposed officer, director, manager, or managing participant is confidential and not subject

to public disclosure under chapter 42.56 RCW.

Sec. 9. RCW 30B.08.070 and 2014 c 37 s 328 are each amended to read as follows:

(1) ~~((Notwithstanding any other provision of this title,))~~ A state trust company shall be deemed a distinct ~~((species))~~ type of corporation or limited liability trust company whose ~~((charter))~~ certificate of authority may be granted, conditioned, canceled, or revoked only by the department.

(2) Title 23B RCW applies to a state trust company in corporation form and chapter 25.15 RCW in limited liability company form to the extent not inconsistent with this title or the business of a state trust company, except that:

(a) Any reference to the secretary of state means the director unless the context requires otherwise; and

(b) The right of shareholders or participants to cumulative voting in the election of directors or managers exists only if granted by the state trust company's articles of ~~((association))~~ incorporation or limited liability company agreement.

(3) Unless expressly authorized by this title or a rule of the department, a state trust company may not take an action authorized by Title 23B RCW or chapter 25.15 RCW regarding its corporate status, capital structure, or a matter of corporate governance, of the type for which Title 23B RCW or chapter 25.15 RCW would require a filing with the secretary of state if the state trust company were a business corporation, without first submitting the filing to the director for the same purposes for which it otherwise would be required to be submitted to the secretary of state.

(4) The department may adopt rules to limit or refine the applicability of subsection (2) of this section to a state trust company or to alter or supplement the procedures and requirements of Title 23B RCW or chapter 25.15 RCW applicable to an action taken under this chapter.

Sec. 10. RCW 30B.08.080 and 2014 c 37 s 329 are each amended to read as follows:

(1) Upon the issuance of a certificate of authority to a state trust company as prescribed in this chapter and its commencement of business pursuant to such certificate of authority, ~~((the persons named in the articles of incorporation and their successors))~~ it shall ((thereupon become)) be a corporation or limited liability company ~~((and may engage in trust business and other business, including without limitation:~~

~~(a) Subject to RCW 30B.08.070, exercising the powers of a Washington business corporation under Title 23B RCW or a Washington limited liability company under chapter 25.15 RCW reasonably necessary or helpful to enable exercise of its specific powers under this title;~~

~~(b) Receiving for safekeeping personal property of every description;~~

~~(c) Acting as assignee, bailee, conservator, custodian, recordkeeper, escrow agent, registrar, receiver, or transfer agent;~~

~~(d) Acting as financial advisor, investment advisor or manager, agent, or attorney in fact in any agreed upon capacity;~~

~~(e) Accepting or executing trusts, including:~~

~~(i) Acting as trustee under a written agreement;~~

~~(ii) Receiving money or other property in its capacity as trustee for investment in real or personal property;~~

~~(iii) Acting as trustee and performing the fiduciary duties committed or transferred to it by a valid and applicable court order;~~

~~(iv) Acting as trustee of the estate of a deceased person;~~

~~(v) Acting as trustee for a minor or incapacitated person;~~

~~(vi) Acting as a trustee of collective investment funds or common trust funds; or~~

(vii) ~~Acting as a trustee of statutory or similar trusts;~~
 (f) ~~Administering in any other fiduciary capacity real or tangible personal property;~~
 (g) ~~Acting as an executor, administrator, guardian, or conservator;~~
 (h) ~~Acting as an assignee, receiver, agent, or custodian;~~
 (i) ~~Acting pursuant to valid and applicable court order as executor or administrator of the estate of a deceased person or as a guardian or conservator for a minor or incapacitated person;~~
 (j) ~~Acting in any capacity in which one exercises investment discretion on behalf of another;~~
 (k) ~~Exercising any incidental power or ancillary that is reasonably necessary to enable it to fully exercise, according to commonly accepted fiduciary customs and usages, the trust powers authorized by this title;~~
 (l) ~~Acting as a manager of a limited liability company, limited liability partnership, or similar entity;~~
 (m) ~~Acting as the registrar of stocks and bonds;~~
 (n) ~~Acting as an escrow agent, escrow holder, or managing agent;~~
 (o) ~~Acting as a corporate bond and transfer paying agent;~~
 (p) ~~Acting as a sponsoring or other member of any clearing corporation with respect to securities or other property; or~~
 (q) ~~Acting in any other capacity or for any other activity as determined or approved by the director) for the purpose of engaging in trust business under this title, including:~~
 (a) ~~Accepting or executing trusts, including:~~
 (i) ~~Acting as trustee under a written agreement;~~
 (ii) ~~Receiving money or other property in its capacity as trustee for investment in real or personal property;~~
 (iii) ~~Acting as trustee and performing the fiduciary duties committed or transferred to it by a valid and applicable court order;~~
 (iv) ~~Acting as trustee of the estate of a deceased person;~~
 (v) ~~Acting as trustee for a minor or incapacitated person;~~
 (vi) ~~Acting as a trustee of collective investment funds or common trust funds; or~~
 (vii) ~~Acting as a trustee of statutory or similar trusts;~~
 (b) ~~Acting as an attorney-in-fact in any agreed upon capacity;~~
 (c) ~~Acting pursuant to court order as executor, administrator, guardian, or conservator of an estate; or~~
 (d) ~~Regularly engaging in any other activity that the director determines by rule to be an essential function of a trust business in Washington state upon his or her finding that (i) the proposed activity of the applicant is closely akin to acting as a fiduciary, (ii) the proposed activity cannot be more effectively regulated under a statute of Washington state other than this title, and (iii) the exercise of such powers by the applicant in Washington state (A) would serve the convenience and advantage of trustors and beneficiaries, or the general public, and (B) would maintain the fairness of competition and parity between state trust companies and, as applicable, federal trust institutions or out-of-state trust institutions.~~
 (2) ~~The state trust company also shall be a corporation or limited liability company for the purposes of engaging in trust business under this title if the director otherwise issues a written finding, pursuant to a specific application for a certificate of authority to do business as a state trust institution in Washington state pursuant to this chapter or chapter 30B.38 RCW, that all of the criteria set forth in subsection (1)(d) of this section exist in relation to the applicant.~~
 (3) ~~Pursuant to such certificate of authority, a state trust company may also perform incidental activities, other than trust business, which include:~~
 (a) ~~Acting as a bailee or receiving for safekeeping personal property;~~

(b) Acting as a custodian for money or its equivalent, or for other personal property, which conduct has not otherwise been determined by rule to be trust business pursuant to subsection (1)(d) of this section;

(c) Acting as a recordkeeper for a retirement plan;

(d) Acting as the registrar of or transfer agent for stocks and bonds;

(e) Acting as a sponsoring or other member of any clearing corporation with respect to securities or other property;

(f) Acting as an escrow agent, escrow holder, or managing agent;

(g) Acting as a receiver;

(h) Acting as a manager of a limited liability company, limited liability partnership, or similar entity; or

(i) Conducting such other incidental activities permissible for a state trust company as the director shall prescribe by rule.

(4) The director may prescribe rules for the safe and sound exercise of the powers enumerated in subsections (1) and (3) of this section.

~~((3))~~ (5) A trust department of a state commercial bank, to the extent authorized under ~~((Title 30A or 32))~~ RCW 30A.08.150, ~~((as applicable,))~~ or a trust department of a state savings ~~((association))~~ bank, to the extent authorized under ~~((Title 33))~~ RCW 32.08.210, may exercise all of the powers and authorities of a state trust company under this title ~~((, including in relation to corporate governance matters))~~.

(6) A state trust company, when acting in a fiduciary capacity, either alone or jointly with an individual or individuals, may, with the consent of such individual or individuals, who are hereby authorized to give such consent, cause any stocks, securities, or other property held or acquired to be registered and held in the name of a nominee or nominees of the state trust company without mention of the fiduciary relationship. Any such fiduciary shall be liable for any loss occasioned by the acts of any of its nominees with respect to such stocks, securities, or other property so registered.

Sec. 11. RCW 30B.08.090 and 2014 c 37 s 330 are each amended to read as follows:

(1) Notwithstanding any restrictions, limitations, and requirements of law, in addition to all powers, express or implied, that a state trust company has under the laws of ~~((this))~~ Washington state, a state trust company has the powers and authorities conferred as of ~~((January 5, 2015))~~ the effective date of this section, upon a ~~((federally chartered trust company doing business in this state))~~ federal trust institution. A state trust company may exercise the powers and authorities conferred on a ~~((federally chartered trust company))~~ federal trust institution after this date only if the director finds that the exercise of such powers and authorities:

(a) Serves the convenience and advantage of trustors and beneficiaries, or the general public; and

(b) Maintains the fairness of competition and parity between state trust companies and federally chartered trust companies.

(2) Notwithstanding any other provisions of law, a state trust company has the trust-related and fiduciary-related powers and authorities of an out-of-state trust institution ~~((approved by the director under chapter 30B.38 RCW))~~ that is not a functionally unregulated out-of-state institution under RCW 30B.38.090.

(3) As used in this section, "powers and authorities" include without limitation powers and authorities in corporate governance and operational matters.

(4) The restrictions, limitations, and requirements applicable to specific powers and authorities of federally chartered trust companies and out-of-state ~~((state))~~ trust institutions, as applicable, shall apply to state trust companies exercising those

powers or authorities permitted under this section but only insofar as the restrictions, limitations, and requirements relate to exercising the powers or authorities granted trust companies solely under this section.

(5) Notwithstanding any other provisions of law, in addition to all powers enumerated by this title, and those necessarily implied therefrom, a state trust company may engage in other business activities that have been determined by the board of governors of the federal reserve system or by the United States congress to be closely related to the business of banking, as of ~~((January 5, 2015))~~ the effective date of this section.

(6) A state trust company that desires to perform an activity that is not authorized by subsection (5) of this section shall first apply to the director for authorization to conduct such activity. Within thirty days of the receipt of this application, the director shall determine whether the activity is closely related to the business of banking, whether the public convenience and advantage will be promoted, whether the activity is apt to create an unsafe and unsound practice by the state trust company, and whether the applicant is capable of performing such an activity. If the director finds the activity to be closely related to the business of banking and the state trust company is otherwise qualified, he or she shall immediately inform the applicant that the activity is authorized. If the director determines that such activity is not closely related to the business of banking or that the state trust company is not otherwise qualified, he or she shall promptly inform the applicant in writing. The applicant shall have the right to appeal from an unfavorable determination in accordance with the procedures of the administrative procedure act, chapter 34.05 RCW. In determining whether a particular activity is closely related to the business of banking, the director shall ~~((be guided))~~ consider but is not bound by the rulings of the board of governors of the federal reserve system and the comptroller of the currency ~~((in making determinations in connection with the powers exercisable by bank holding companies, and the activities performed by other commercial banks or their holding companies)).~~

(7) Notwithstanding any of the powers and authorities granted to a state trust company under this section, the director may, upon written notice to a state trust company, disallow any such power or authority if the director finds that such power and authority cannot be exercised by the state trust company in a safe or sound manner.

NEW SECTION. Sec. 12. A new section is added to chapter 30B.10 RCW to read as follows:

SCOPE OF CHAPTER—NONEXCLUSIVE REMEDIES.

(1) This chapter sets forth the authority of the department to supervise and examine state trust institutions and to seek adjudicative enforcement remedies against persons, and their affiliates, officers, directors, managers, employees, and agents, engaged in authorized or nonauthorized and nonexempt trust business in Washington state.

(2) None of the provisions in this chapter shall be deemed to be an exclusive remedy of the department, and the department may, as applicable, exercise other remedies set forth elsewhere in this title and in other Washington law including, without limitation:

(a) The issuance of a supervisory directive, nonadjudicative corrective action order, or nonadjudicative order of conservatorship pursuant to chapter 30B.46 RCW; and

(b) The issuance of nonadjudicative orders for involuntary dissolution and liquidation of a state trust company pursuant to chapter 30B.44B RCW.

NEW SECTION. Sec. 13. A new section is added to chapter 30B.10 RCW to read as follows:

DEFINITIONS.

As used in this chapter, unless the context clearly appears otherwise, the terms in this section mean:

(1) “Affiliate” means the same as defined in RCW 30B.04.005.

(2) “Agent” means the same as defined in RCW 30B.04.005.

(3) “Cause of action” means any of the acts or omissions giving rise to a violation under this chapter for which the department can pursue administrative remedies.

(4) “Presiding officer” means a person who qualifies as a presiding officer under RCW 34.05.425 and has been authorized to act as presiding officer in an administrative proceeding under this chapter.

(5) “Respondent” means a person against whom the director has issued a notice and statement of charges pursuant to this chapter.

(6) “Third-party service provider” means the same as in RCW 30B.04.005.

Sec. 14. RCW 30B.10.005 and 2014 c 37 s 333 are each amended to read as follows:

(1) ~~((In addition to his or her supervision authority over the trust business of state banks and state savings associations.))~~ The director shall exercise supervision authority over state trust companies and also over out-of-state trust institutions as set forth in this chapter or to the extent provided for in cooperative agreements made by the director with the home states of out-of-state trust institutions pursuant to RCW 30B.38.060.

(2) The director shall execute and enforce through the department and such other agents as exist on or after January 5, 2015, all laws which exist on or after January 5, 2015, relating to state trust companies and out-of-state trust institutions engaged in trust business in ~~((this))~~ Washington state.

(3) For the more complete and thorough enforcement of the provisions of this title, the department is authorized to adopt rules not inconsistent with the provisions of this title, as may, in its opinion, be necessary to carry out the provisions of this title and as may be further necessary to insure safe and sound management of trust institutions under its supervision taking into consideration the appropriate interest of the creditors, stockholders, participants, and the public in their relations with such trust institutions.

(4) A state trust company shall conduct its business in a manner consistent with all laws relating to trust companies, and all rules, regulations, and instructions that may be adopted or issued by the department.

NEW SECTION. Sec. 15. A new section is added to chapter 30B.10 RCW to read as follows:

EXAMINATIONS—REQUIREMENTS FOR DIRECT EXAMINATION OF THIRD-PARTY SERVICE PROVIDERS.

(1) The director shall visit each state trust company at least once every twenty-four months, and more often as determined by the director, for the purpose of making a full investigation into the condition of such state trust company.

(2) The director may make such other full or partial examinations as deemed necessary and may visit and examine any affiliate of a state trust company, obtain reports of condition for any such affiliate, and shall have full access to all the books, records, papers, securities, correspondence, bank accounts, and other papers of such business for such purposes.

(3) Before the director may issue notice of its intent to visit and directly examine a third-party service provider without a subpoena pursuant to RCW 30B.10.120, the director must find:

(a) That the third-party service provider either:

(i) Performs services for the state trust company that appear to be necessary for the state trust company to meet its fiduciary duty,

operate in a safe and sound manner, or otherwise comply with this title and other applicable law; or

(i) Appears that the state trust company cannot extricate itself from its client-vendor relationship without adverse material consequences or prolonged delay, including inability to timely find a replacement vendor as third-party service provider;

(b) That either:

(i) The information sought by the director cannot be otherwise accessed or verified by the records of the state trust company without direct examination of the records of the third-party service provider that relate to the state trust company; or

(ii) The third-party service provider manages an application, process, or system for the benefit of the state trust company, the integrity of which cannot be evaluated without direct examination; and

(c) That it appears prior to direct examination of the third-party service provider that an act or omission of the third-party service provider sought to be examined has resulted in a significant heightened risk of the state trust company not meeting its fiduciary duty, committing an unsafe practice or operating in an unsafe or unsound manner, or otherwise violating a provision of this title or other applicable law.

(4) Subject to notice to a state trust company and its third-party service provider accompanied by a written finding by the director that the conditions of subsection (3) of this section have been met, the director may visit and directly examine a third-party service provider of a state trust company in order to determine whether the state trust company, on account of an act or omission of the third-party service provider, is in compliance with this title and other applicable law including, without limitation, the provisions of chapter 30B.24 RCW. If prerequisites for direct examination of such third-party service provider conform to this subsection, then a subpoena pursuant to RCW 30B.10.120 shall not be required prior to a visitation and examination of such third-party service provider.

(5) Any willful false swearing in any examination is perjury in the second degree.

(6) The director may enter into cooperative and reciprocal agreements with the trust institution regulatory authorities of the United States and other states and United States territories, for the periodic examination of state trust institutions and their affiliates. The director may accept reports of examination and other records from such authorities in lieu of conducting his or her own examinations. The director may enter into joint actions with other regulatory bodies having concurrent jurisdiction or may enter into such actions independently to carry out his or her responsibilities under this title and assure compliance with the laws of Washington state.

(7) Copies from the records, books, and accounts of a state trust institution or its affiliate shall be competent evidence in all cases, equal with originals thereof, if there is attached to such copies ~~((an affidavit taken before a notary public or clerk of a court under seal))~~ a declaration under penalty of perjury stating that the ~~((affiant))~~ declarant is the officer of the state trust institution or its affiliate having charge of the original records, and that the copy is true and correct and is full so far as the same relates to the subject matter therein mentioned.

Sec. 16. RCW 30B.10.040 and 2014 c 37 s 337 are each amended to read as follows:

(1) The director is authorized to adopt rules governing the examination standards for a state trust ~~((companies))~~ company, trust department, third-party service provider, and other persons subject to investigation and examination under this title, including the application by rule of examination standards of other federal and state financial institutions regulators and standards adopted

~~((incident to))~~ from cooperative agreements made by the director under RCW 30B.38.060.

(2) Subject to subsection (3) of this section, such rules shall not be inconsistent with the uniform interagency trust rating system, or its equivalent, of the federal financial institutions examination council or its successor agency; and subject to subsection (3) of this section, the director shall apply the standards of the uniform interagency trust rating system, or its equivalent, in its examination and rating of state trust companies and other persons subject to investigation and examination under this title to the extent that the department has not adopted applicable rules.

(3) Notwithstanding subsection (2) of this section, the director may, in lieu of or in addition to applicable rules, prescribe special conditions for a new state trust company or an out-of-state trust company doing business in Washington state, to the extent that such special conditions contain standards of examination and rating for the state trust company or out-of-state trust company that the director deems necessary to address circumstances including, without limitation, an emerging business model, which do not appear to the director to be contemplated or adequately addressed by the uniform interagency trust rating system, or its equivalent, of the federal financial institutions examination council or its successor agency.

Sec. 17. RCW 30B.10.050 and 2014 c 37 s 338 are each amended to read as follows:

(1) Each person subject to the requirement of a certificate of authority ~~((of))~~ or approval from the director ~~((, its subsidiaries,))~~ pursuant to RCW 30B.04.050, and ~~((their respective))~~ any director ~~((s)),~~ officer ~~((s)),~~ manager, employee ~~((s)),~~ ~~((and))~~ or agent ~~((s))~~ of such person, shall not engage in any unauthorized trust activity and shall comply with:

(a) This title and Title 11 RCW;

(b) The rules adopted by the director pertaining to this title and compliance with Title 11 RCW;

(c) Any condition in the department's certificate of authority of a state trust company or in the department's approval of an out-of-state trust company doing business in Washington state including, without limitation, any condition of certificate of authority or approval made pursuant to RCW 30B.10.040(3);

~~((d))~~ Any lawful ~~((directive or))~~ order of the director;

~~((e))~~ (e) Any lawful supervisory agreement with the director or supervisory directive of the director; and

~~((f))~~ (f) All applicable federal laws and regulations affecting trust institutions subject to the authority of the director.

(2) Each ~~((holding company))~~ affiliate of a person subject to the authority of the director under this title, and ~~((its))~~ any director ~~((s)),~~ officer ~~((s)),~~ manager, employee ~~((s)),~~ ~~((and))~~ or agent ~~((s))~~ of such affiliate, shall not engage in any unauthorized trust activity and shall comply with:

(a) The provisions of this title ~~((that are applicable to each of them))~~ and Title 11 RCW, to the extent that any act or omission of the affiliate, or a director, officer, manager, employee, or agent of such affiliate, affects the safety and soundness and compliance with the law of a person subject to the authority of this title;

(b) The rules adopted by the director with respect to such ~~((holding companies))~~ affiliate;

(c) Any lawful ~~((direction or))~~ order of the director;

(d) Any lawful supervisory agreement with the director or supervisory directive of the director; and

(e) All applicable federal laws and regulations affecting a trust institution ~~((s))~~ or its affiliate subject to the authority of the director.

(3) The violation of any supervisory agreement, supervisory directive, order, statute, rule, or regulation referenced in this section, in addition to any other penalty provided in this title,

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shall, at the option of the director, subject the offender to a penalty of up to ten thousand dollars for each offense, payable upon issuance of any order or directive of the director, which may be recovered by the attorney general in a civil action in the name of the department.

Sec. 18. RCW 30B.10.060 and 2014 c 37 s 339 are each amended to read as follows:

The powers and duties of the director and required practices and procedures of the department with respect to all enforcement authority conferred by this title shall be subject to the Washington administrative procedure act, chapter 34.05 RCW, consistent with the administrative procedures applicable to ~~((enforcement actions against banks, their holding companies, and their officers, directors, employees, and agents, as set forth in Title 30A RCW, including but not limited to the following:~~

- ~~(1) Notice of administrative charges under RCW 30A.04.450;~~
- ~~(2) The provisions relating to grounds for, procedure for obtaining, and the effective date of emergency temporary orders under RCW 30A.04.455 through 30A.04.465, inclusive;~~
- ~~(3) Enforcement of department orders under RCW 30A.04.470 and 30A.04.475;~~
- ~~(4) Grounds for removal of officers, directors, and employees under RCW 30A.12.040;~~
- ~~(5) Procedure for suspension of an officer, director, or employee under RCW 30A.12.0401; and~~
- ~~(6) Notice of charges for removal of officers, directors, and employees under RCW 30A.04.042)) this chapter.~~

Sec. 19. RCW 30B.10.070 and 2014 c 37 s 340 are each amended to read as follows:

In addition to any other powers conferred by this title, the director shall have the power, consistent with the requirements of ~~((RCW 30B.10.060)) this chapter, to order:~~

- ~~(1) ((Order)) Any person ((under authority of the director under this title)), its ((holding company, its subsidiary)) affiliate, or any ((of their) director(s), officer(s), manager, employee(s), or agent(s) of such person or its affiliate, subject to the authority of RCW 30B.10.050, to cease and desist engaging in any unauthorized trust activity or violating any provision of this title or any lawful rule;~~
- ~~(2) ((Order)) Any ((authorized)) state trust institution, its ((holding company, its subsidiary)) affiliate, or any ((of their) director(s), officer(s), manager, employee(s), or agent(s) of the state trust institution or its affiliate to cease and desist from a course of conduct that is unsafe or unsound ((and) or which is likely to cause insolvency or dissipation of assets or is likely to jeopardize or otherwise seriously prejudice the interests of the public in their relationship with the ((authorized)) state trust institution;~~
- ~~(3) ((Order any person to cease engaging in an unauthorized trust activity; and~~
- ~~(4) Enter any order pursuant to RCW 30B.38.070.) Any person, its affiliate, or any director, officer, manager, employee, or agent of such person or its affiliate, subject to the authority of RCW 30B.10.050, to take affirmative action to avoid or refrain from unauthorized trust activity, an unsafe or unsound practice, or other violation of this title;~~
- ~~(4) The imposition of fines;~~
- ~~(5) Restitution to beneficiaries, trustors, or other aggrieved persons;~~
- ~~(6) Costs and expenses related to investigation and enforcement, including attorney fees; and~~
- ~~(7) Other remedies authorized by law.~~

NEW SECTION. Sec. 20. A new section is added to chapter 30B.10 RCW to read as follows:

HEARING—WHO MAY CONDUCT—AUTHORITY.

(1) A hearing pursuant to a notice of charges under this chapter must be conducted in accordance with chapter 34.05 RCW, except to the extent otherwise provided in this chapter.

(2) Such hearing may be held at a place designated by the director and, at the option of the director, may be conducted by a delegated presiding officer whom the director appoints without referral to the office of administrative hearings.

(3) The hearing shall be conducted in accordance with this chapter, chapter 34.05 RCW, and chapters 10-08 and 208-08 WAC.

(4) If the department elects to conduct a hearing as permitted by subsection (2) of this section, the director must appoint a presiding officer from outside the division of banks, who may be either an employee from another division, an independent contractor, or an administrative law judge of the office of administrative hearings.

(5) Such hearing shall be private unless the director determines that a public hearing is necessary to protect the public interest upon good cause shown in a motion by the respondent, if any, to make the hearing public.

(6) The director may elect to either retain authority to issue a final order or may delegate such authority to the presiding officer appointed pursuant to subsection (2) of this section.

NEW SECTION. Sec. 21. A new section is added to chapter 30B.10 RCW to read as follows:

NOTICE OF CHARGES—REASONS FOR ISSUANCE—GROUNDS—CONTENTS OF NOTICE.

(1) The director may issue and serve a notice of charges upon:

- (a) A state trust institution;
- (b) An affiliate of a state trust institution;
- (c) A director, officer, manager, employee, or agent of a state trust institution or its affiliate; or
- (d) Any other person subject to the jurisdiction of the department under this title including, without limitation, a person engaged in unauthorized trust activity.

(2) Such notice of charges may be issued to and served upon any person or entity described in subsection (1) of this section whenever such person or entity:

- (a) Has engaged in an unsafe or unsound practice;
- (b) Has violated any provision of RCW 30B.10.050; or
- (c) Is planning, attempting, or currently conducting any act prohibited in (a) or (b) of this subsection.

(3) The notice shall contain a statement of the facts constituting the acts or omissions specified in subsection (2) of this section.

(4) The notice shall set a time and place at which a hearing will be held to determine whether the following remedies should be granted:

- (a) An order to cease and desist any of the acts or omissions specified in subsection (2) of this section;
- (b) An order compelling affirmative action to redress any of the acts or omissions specified in subsection (2) of this section;
- (c) An order imposing fines as authorized by RCW 30B.10.070;
- (d) Restitution to beneficiaries, trustors, or other aggrieved persons;
- (e) Costs and expenses related to investigation and enforcement, including attorney fees; and
- (f) Other remedies authorized by law.

NEW SECTION. Sec. 22. A new section is added to chapter 30B.10 RCW to read as follows:

TIME FOR HEARING—DEFAULT.

(1) The hearing shall be held not earlier than ten days or later than thirty days after service of the notice set forth in section 21

of this act, unless a later date is set by the director for good cause as requested by the respondent.

(2) Unless the respondent appears at the hearing set forth in subsection (1) of this section, a default order granting any of the remedies or sanctions set forth in the notice and statement of charges may be issued by the presiding officer, consistent with RCW 34.05.440(2).

(3) A respondent may file with the presiding officer, within seven days of service of the default order, a motion to set aside a default order consistent with RCW 34.05.440(3). If the presiding officer does not issue a ruling within five business days of the motion being filed, then the motion to set aside is denied.

NEW SECTION. Sec. 23. A new section is added to chapter 30B.10 RCW to read as follows:

ADMINISTRATIVE HEARING—PROCEDURE—ORDER—NO STAY ON JUDICIAL REVIEW.

(1) The presiding officer shall have sixty days after the hearing to issue an order, including findings of fact and conclusions of law, consistent with RCW 34.05.461(3).

(2) If the director has not delegated his or her authority to a presiding officer to issue a final order, a party may bring a petition for review of the presiding officer's initial order before the director, consistent with RCW 34.05.464.

(3) If the director has previously delegated his or her authority for the presiding officer to issue a final order, then the order of such presiding officer shall be final and may be appealable to the superior court of Washington, consistent with RCW 34.05.514.

(4) The commencement of proceedings for judicial review shall not operate as a stay of any order issued by the director unless specifically ordered by the court.

Sec. 24. RCW 30B.10.080 and 2014 c 37 s 341 are each amended to read as follows:

~~(The director has the power to require the suspension and removal from office of any officer, director, or employee of any trust institution subject to the director's authority, its holding company, or its subsidiary, who shall be found to be dishonest, incompetent, or reckless in the management of the affairs of the institution, or who persistently violates the laws of this state or the lawful orders, instructions, and rules issued or adopted by the department.)~~ (1) In addition to the remedies set forth in RCW 30B.10.070, the director may, as applicable, issue and serve a current or former director, officer, manager, or employee of a state trust company or its affiliate with written notice of intent to remove such person from office or employment, or to prohibit such person from participating in the conduct of the affairs of the state trust company, its affiliate, or any depository institution, trust company, or affiliate of such depository institution or trust company, doing business in Washington state, whenever:

(a) Such person has committed an unsafe or unsound practice or a violation or practice involving a breach of fiduciary duty, personal dishonesty, recklessness, or incompetence; and

(b)(i) The state trust company has suffered or is likely to suffer substantial financial loss or other damage as a result of the person's acts or omissions as set forth in (a) of this subsection; or

(ii) The interests of beneficiaries, trustors, shareholders, or the general public could be seriously prejudiced by reason of the person's acts or omissions as set forth in (a) of this subsection.

(2) The director may also serve upon the same respondent a written notice and order suspending the respondent from further participation in any manner in the conduct of the affairs of the state trust company, its affiliate, or any depository institution, trust company, or affiliate of such depository institution or trust company, doing business in Washington state, pending resolution of the charges made pursuant to subsection (1) of this section, if

the director determines that such an action is necessary for the protection of: The state trust company or its affiliate; the interests of beneficiaries, trustors, or shareholders of the state trust company or its affiliate; the interests of any depository institution or its depositories, trust beneficiaries, borrowers, or shareholders; or the general public.

(3) A suspension order issued by the director is effective upon service and, unless the superior court issues a stay of such order, such order shall remain in effect and enforceable until:

(a) The director dismisses the charges contained in the notice served on the person; or

(b) The effective date of a final order for removal of such person.

NEW SECTION. Sec. 25. A new section is added to chapter 30B.10 RCW to read as follows:

EMERGENCY ORDER—ISSUANCE—DIRECT JUDICIAL REVIEW ONLY—LIMITATION OR TIME—STANDARD OF JUDICIAL REVIEW.

(1) When the director finds it necessary for one or more of the purposes set forth in subsection (2) of this section, the director may issue and serve an emergency order upon:

(a) A state trust institution, its affiliate, a director, officer, manager, employee, or agent of such state trust institution or its affiliate, or any person subject to the authority of this title, requiring the respondent to take immediate affirmative action or immediately cease and desist from any act, practice, or omission or failure to act; or

(b) A director, officer, manager, or employee of a state trust company or its affiliate to suspend or remove such person from his or her office or employment with the state trust company or its affiliate pursuant to RCW 30B.10.080.

(2) Such emergency order may be issued to:

(a) Ensure the safety or soundness of the authorized trust institution;

(b) Prevent the state trust institution's insolvency or inability to pay its obligations in the ordinary course of business;

(c) Prevent significant or critical undercapitalization or substantial dissipation of assets;

(d) Compel timely compliance with a supervisory agreement, supervisory directive, or order of the director;

(e) Compel production of or access to its books, papers, records, or affairs as directed by the department or other applicable financial services regulator;

(f) Prevent immediate and irreparable harm to the public interest, interests of the trustors or beneficiaries, or condition of the state trust institution; or

(g) Prevent fraudulent activity.

(3) The emergency order must:

(a) Be served upon each entity or person subject to the order by personal delivery or registered or certified mail, return receipt requested, to the entity or person's last known address;

(b) State the specific acts or omissions at issue and require the entity or person to immediately comply with the order; and

(c) Contain a notice that a request for hearing may be filed by the respondent within ten days of service with the superior court, as set forth in subsection (5) of this section.

(4) Unless a respondent against whom the order is directed files a petition for judicial review with the court within ten days after the order is served under this section, the order is nonappealable and any right to a hearing is deemed conclusively waived as to that respondent.

(5) A petition for judicial review must:

(a) Be filed with the superior court of the county of the principal place of business of the respondent or, in the case of the respondent not being domiciled in Washington state, the Thurston

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county superior court;

- (b) State the specific respondents seeking review of the order; and
 - (c) State the specific grounds and authority to set aside or modify the order.
- (6) Upon receipt of a timely filed petition for review, the court shall set the time and place of a hearing, no later than ten business days after the petition for review is filed, unless otherwise agreed by the parties.
- (7) The department shall bear the burden of proof by a preponderance of evidence.
- (8) Pending judicial review, the emergency order shall continue in full force and effect unless the order is stayed by the department.

NEW SECTION. Sec. 26. A new section is added to chapter 30B.10 RCW to read as follows:

ORDER OF PROHIBITION AGAINST THIRD-PARTY SERVICE PROVIDERS—GROUNDS—NOTICE.

(1) The director may issue and serve a state trust institution, or its affiliate, with written notice of intent to prohibit it from permitting a third-party service provider of such state trust institution or affiliate from participating in the conduct of the affairs of the state trust institution, whenever:

(a) The third-party service provider commits an unsafe or unsound practice, or a violation or practice involving a breach of fiduciary duty, personal dishonesty, recklessness, or incompetence; and

(b)(i) The state trust institution or its affiliate has suffered or is likely to suffer substantial financial loss or other damage; or

(ii) The interests of the state trust institution, or its affiliate, or their beneficiaries, trustors, shareholders, or the general public in Washington state could be seriously prejudiced by reason of the violation or practice of the third-party service provider.

(2) The director shall also serve any affected third-party service provider with the notice described in subsection (1) of this section, and such third-party service provider shall be deemed a real party in interest with the same right to notice and right to intervene in the administrative action and defend against it as if the third-party service provider were the respondent.

NEW SECTION. Sec. 27. A new section is added to chapter 30B.10 RCW to read as follows:

NOTICE OF INTENTION TO REMOVE OR PROHIBIT PARTICIPATION IN CONDUCT OF AFFAIRS—HEARING—ORDER OF REMOVAL AND/OR PROHIBITION.

(1) A notice pursuant to RCW 30B.10.080 or section 26 of this act shall:

(a) Contain a statement of the facts that constitute grounds for removal or prohibition; and

(b) Set a time and place at which a hearing will be held.

(2) The hearing shall be set not earlier than ten days or later than thirty days after the date of service of the notice unless an earlier or later date is set by the director at the request of the board trustee or director, officer, or employee for good cause shown or at the request of the attorney general of the state.

(3) Unless the respondent appears at the hearing personally or by a representative authorized under WAC 208-08-030, the respondent shall be deemed to have consented to the issuance of an order of removal or prohibition or both. In the event of such consent or if upon the record made at the hearing the director finds that any of the grounds specified in the notice have been established, the director may issue such order of removal or prohibition from participation in the conduct of the affairs of the state trust company, out-of-state trust company doing business in

Washington state, or affiliate, as the director may consider appropriate.

(4) Any order under this section shall become effective at the expiration of ten days after service upon the respondent, except that an order issued upon consent shall become effective at the time specified in the order.

(5) An order shall remain effective except to the extent it is stayed, modified, terminated, or set aside by the director or a reviewing court.

NEW SECTION. Sec. 28. A new section is added to chapter 30B.10 RCW to read as follows:

AUTHORITY OF DIRECTOR TO SEEK REMOVAL BY THE BOARD OF A STATE TRUST COMPANY.

(1) In addition to any other remedy set forth in this chapter, the director may notify, in writing, the board of directors of any state trust company that the director has information that any member of the board of directors, officer, manager, employee, or agent of the state trust company or affiliate of the state trust company is dishonest, reckless, or incompetent, or is failing to perform any duty required of the state trust company or such affiliate.

(2) The board shall then meet to consider such matter as soon as reasonably feasible, but no later than thirty calendar days of the director's notice.

(3) The director shall have notice of the time and place of such meeting and an opportunity to appear at such meeting and address the board of directors concerning the director's information.

(4) If the board finds the director's information to be well-founded, and the affected member of the board of directors, officer, employee, or agent of the state trust company or such affiliate is working under an employment contract or independent contractor agreement that prohibits termination without cause, the board shall notify such member of the board of directors, officer, employee, or agent of the board's intent to remove him or her from the position, or to otherwise instruct such affiliate to do so, as applicable. Such notice shall be in writing and include:

(a) Notice of the allegations;

(b) Specific facts supporting the allegations; and

(c) A time and place at which such member of the board of directors, officer, employee, or agent will have an opportunity to be heard before a final action is taken by the board.

(5) Pursuant to subsection (4) of this section, the board shall set the time and place of the meeting no sooner than ten business days after such member of the board of directors, officer, employee, or agent receives notice of the board's intent to remove or terminate the contract.

(6) If the board finds the director's information to be well-founded, and the affected member of the board of directors, officer, manager, employee, or agent may be terminated without cause, such director, officer, manager, employee, or agent may be removed by the state trust company or such affiliate, or their contract may be terminated, at the option of the board.

(7) If the board does not remove such director, officer, employee, or agent, or if the board fails to meet, consider, or act upon the director's information within twenty days after receiving the same, then the director may within twenty days after, or earlier in the case of the necessity of an emergency order under RCW 30B.10.070, seek removal of such person by complying with the applicable provisions of this chapter.

(8) This section shall not be deemed to be an exclusive remedy of the department. The department may exercise any other remedies available to it under this chapter.

NEW SECTION. Sec. 29. A new section is added to chapter 30B.10 RCW to read as follows:

JURISDICTION OF COURTS AS TO THE

DEPARTMENT'S ENFORCEMENT ORDERS.

(1) The director may apply to a superior court of Washington for the enforcement of any effective and outstanding final order issued pursuant to this chapter, and the superior court shall have jurisdiction to order compliance with such final order.

(2) No court shall have jurisdiction to affect by injunction or otherwise the department's issuance or enforcement of any order pursuant to this chapter, or to review, modify, suspend, terminate, or set aside such order, except as provided in this chapter.

(3) The venue for enforcement of a final order by the department under this chapter shall be the superior court in the county of the principal place of business of the person upon whom the order is imposed or, in the case of such person not being domiciled in Washington state, the venue shall be Thurston county superior court.

Sec. 30. RCW 30B.10.100 and 2014 c 37 s 343 are each amended to read as follows:

~~((Any))~~ A present or former director, officer, ~~((or))~~ manager, employee, or agent of a state trust institution or ~~((holding company under authority of the director))~~ affiliate, or any other person against whom there is outstanding an effective final order under authority of this chapter which has been duly served ~~((upon the))~~ is guilty of a gross misdemeanor punishable under chapter 9A.20 RCW, if such person ~~((and who))~~ thereafter:

(1) Participates in any manner in the conduct of the affairs of a state trust institution ~~((involved, or who))~~ or affiliate;

(2) Directly or indirectly solicits or procures, transfers or attempts to transfer, or votes or attempts to vote any proxies, consents, or authorizations with respect to any voting rights in the state trust institution ~~((, or who,))~~ or affiliate;

(3) Without the prior approval of the ~~((director))~~ department, votes for a director ~~((or))~~;

(4) Serves or acts as a director, officer, manager, employee, or agent of any ~~((bank, savings association))~~ depository institution, trust company, or ~~((holding company))~~ shall upon conviction for a violation of any order, be guilty of a gross misdemeanor punishable as prescribed under chapter 9A.20 RCW) affiliate of a depository institution or trust company doing business in Washington state.

Sec. 31. RCW 30B.10.110 and 2014 c 37 s 344 are each amended to read as follows:

(1) Notwithstanding any other provision of this title, the director may by rule or order prohibit any person from engaging in a trust business in ~~((this))~~ Washington state contrary to the requirements of this title if the conduct of the trust business in ~~((this))~~ Washington state by such person harms or is likely to harm the general public, or if it adversely affects the business of state trust institutions.

(2) The director may issue ~~((a temporary))~~ an emergency cease and desist order against such person in the manner provided for in ~~((this chapter))~~ section 25 of this act if the general public or state trust institutions are likely to be substantially injured by delay in issuing a cease and desist order.

(3) An order or rule made by the director pursuant to this section may require that any applicable person obtain a certificate of authority under chapter 30B.08 RCW as a condition of continuing to engage in a trust business in ~~((this))~~ Washington state, subject to meeting all qualifications for grant of a state trust company certificate of authority under this title.

(4) This section does not apply to a person conducting business pursuant to RCW 30B.04.040, except for a person identifiable solely by reason of RCW 30B.04.040(1).

NEW SECTION. Sec. 32. A new section is added to chapter 30B.10 RCW to read as follows:

GENERAL PENALTY—EFFECT OF CONVICTION.

(1) A person who shall knowingly violate or knowingly aid or abet the violation of any provision of RCW 30B.10.050 shall be guilty of a misdemeanor.

(2) A director, officer, manager, employee, or agent of a state trust institution or affiliate who has had imposed upon him or her a criminal conviction for the violation of this title or any other financial services law of this or any other state or of the United States shall not be permitted to engage in or become or remain a board director, officer, manager, employee, or agent of any state trust company or its affiliate doing business in Washington state.

NEW SECTION. Sec. 33. A new section is added to chapter 30B.10 RCW to read as follows:

STATUTE OF LIMITATIONS.

(1) An action seeking any remedy under RCW 30B.10.070, 30B.10.080, or section 26 of this act shall commence no later than five years after the cause of action accrued.

(2) A cause of action under this section is deemed to have accrued at the later of the following events:

(a) The occurrence of the act or omission;

(b) When the department discovers or should have discovered that the act or omission has occurred;

(c) When the department discovers or should have discovered that the act or omission has negatively impacted the capital status or other element of safety or soundness of a state trust company or out-of-state trust company doing business in Washington state; or

(d) Where an act or omission is part of a pattern or practice, upon the occurrence of the most recent act or omission comprising the pattern or practice. A cause of action under this subsection may include all acts or omissions comprising the pattern or practice if the cause of action is timely as to the most recent act or omission.

Sec. 34. RCW 30B.12.020 and 2014 c 37 s 348 are each amended to read as follows:

(1) The board of a state trust company must consist of not fewer than five directors, managers, or managing participants, at least two of whom shall not be officers, managers, employees, or agents of the state trust company, or otherwise in control of the state trust company, either as a principal or in a representative capacity, as "control" is defined in RCW 30B.53.005. Except for a limited liability trust company in which management has been retained by its participants, the principal executive officer of the state trust company is a member of the board. The principal executive officer acting in the capacity of board member is the board's presiding officer unless the board elects a different presiding officer to perform the duties as designated by the board.

(2) Unless the director consents otherwise in writing, a person may not serve as director, manager, or managing participant of a state trust company if:

(a) The state trust company incurs an unreimbursed loss attributable to a charged-off obligation of or holds a judgment against the person or an entity that was controlled by the person at the time of funding and at the time of default on the loan that gave rise to the judgment or charged-off obligation as determined by the definition of "control" set forth in RCW 30B.53.005;

(b) The person has been convicted of a felony or a crime involving personal dishonesty; or

(c) The person has violated a provision of Washington state law, relating to loan of trust funds and purchase or sale of trust property by the trustee, and the violation has not been corrected.

(3) If a state trust company other than a limited liability trust company operated by managing participants does not elect directors or managers before the sixty-first day after the date of

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its regular annual meeting, the director may appoint a conservator under this title to operate the state trust company and elect directors or managers, as appropriate. If the conservator is unable to locate or elect persons willing and able to serve as directors or managers, the director may close the state trust company for liquidation.

(4) A vacancy on the board that reduces the number of directors, managers, or managing participants to fewer than five must be ~~((filed))~~ filled not later than the thirtieth day after the date the vacancy occurs. A limited liability trust company with fewer than five managing participants must add one or more new participants or elect a board of managers of not fewer than five persons to resolve the vacancy. After thirty days after the date the vacancy occurs, the director may appoint a conservator under this title to operate the state trust company and elect a board of not fewer than five persons to resolve the vacancy. If the conservator is unable to locate or elect five persons willing and able to serve as directors or managers, the director may close the state trust company for liquidation.

(5) Before each term to which a person is elected to serve as a director or manager of a state trust company, or annually for a person who is a managing participant, the person shall submit ~~((an affidavit))~~ a declaration under penalty of perjury for filing in the minutes of the state trust company stating that the person, to the extent applicable:

(a) Accepts the position and is not disqualified from serving in the position;

(b) Will not violate or knowingly permit an officer, director, manager, managing participant, or employee of the state trust company to violate any law applicable to the conduct of business of the state trust company; and

(c) Will diligently perform the duties of the position.

(6) An advisory director or manager is not considered a director if the advisory director or manager:

(a) Is not elected by the shareholders or participants of the state trust company;

(b) Does not vote on matters before the board or a committee of the board and is not counted for purposes of determining a quorum of the board or committee; and

(c) Provides solely general policy advice to the board.

(7) Notwithstanding any other provision of this section to the contrary, a state trust company shall have directors, managers, or managing participants, and committees or subcommittees composed of such directors, managers, or managing participants, consistent with the requirements of section 42 of this act and in conformity with the contents of the state trust company's written statement of principles of trust management, pursuant to section 43 of this act, as adopted by the board and subject to approval of the department.

Sec. 35. RCW 30B.12.040 and 2014 c 37 s 350 are each amended to read as follows:

(1) The board shall annually appoint the officers of the state trust company, who serve at the pleasure of the board. The state trust company must have a principal executive officer primarily responsible for the execution of board policies and operation of the state trust company and an officer responsible for the maintenance and storage of all corporate books and records of the state trust company and for required attestation of signatures. These positions may not be held by the same person. The board may appoint other officers of the state trust company as the board considers necessary.

(2) Unless expressly authorized by a resolution of the board recorded in its minutes, an officer, manager, or employee may not create or dispose of a state trust company asset or create or incur a liability on behalf of the state trust company.

(3) Unless otherwise approved by the director, the chief executive officer, the president, the chief operating officer, or the chief financial officer of a state trust company, or an officer of the state trust company with an equivalent function, must be a Washington state resident.

(4) Notwithstanding any other provision of this section to the contrary, the board of a state trust company shall designate officers and committees or subcommittees composed of such officers, consistent with the requirements of section 42 of this act and in conformity with the contents of the state trust company's written statement of principles of trust management, pursuant to section 43 of this act, as adopted by the board and subject to approval of the department.

Sec. 36. RCW 30B.12.060 and 2014 c 37 s 352 are each amended to read as follows:

The board of a state trust company is responsible for the proper exercise of fiduciary powers by the state trust company and each matter pertinent to the exercise of fiduciary powers, including:

(1) The determination of policies;

(2) The investment and disposition of property held in a fiduciary capacity; ~~((and))~~

(3) The direction and review of the actions of each officer, manager, employee, ~~((and))~~ committee, and agent used by the state trust company in the exercise of its fiduciary powers; and

(4) Every other requirement of the board as set forth in section 42 of this act and in conformity with the contents of the state trust company's written statement of principles of trust management, pursuant to section 43 of this act, as adopted by the board and subject to approval of the department.

Sec. 37. RCW 30B.12.090 and 2014 c 37 s 355 are each amended to read as follows:

(1)(a) The board of directors is responsible for the proper exercise of fiduciary powers by the trust company. All matters pertinent thereto, including the determination of policies, the investment and disposition of property held in a fiduciary capacity, and the direction and review of the actions of all officers, employees, and committees utilized by the trust company in the exercise of its fiduciary powers, are the responsibility of the board. In discharging this responsibility, the board of directors may assign, by action duly entered in the minutes, the administration of such of the trust company's fiduciary powers as it may consider proper to assign to such directors, officers, employees, or committees as it may designate.

(b) A fiduciary account may not be accepted without the prior approval of the board, or of the directors, officers, or committees to whom the board may have designated the performance of that responsibility.

(c) A written record shall be made of such acceptances and of the relinquishment or closing out of all fiduciary accounts. Upon the acceptance of an account for which the trust company has investment responsibilities a prompt review of the assets shall be made. The board shall also ensure that at least once during every calendar year thereafter, all the assets held in or for each fiduciary account where the bank has investment responsibilities are reviewed to determine the advisability of retaining or disposing of such assets.

(2) All officers and employees taking part in the operation of the state trust institution shall be adequately bonded.

(3) Every qualified fiduciary subject to this section and exercising fiduciary powers in ~~((this))~~ Washington state shall designate, employ, or retain legal counsel who shall be readily available to pass upon fiduciary matters and to advise the trust company and its state trust institution.

(4)(a) The state trust institution may utilize personnel and

facilities of other departments of the trust company or its affiliates, and other departments of the trust company may utilize the personnel and facilities of the state trust institution or its affiliates only to the extent not prohibited by law and as long as the separate identity of the state trust institution is preserved.

(b) Pursuant to a written agreement, a trust company exercising fiduciary powers may perform services related to the exercise of fiduciary powers for another trust company or other entity, and may purchase services related to the exercise of fiduciary powers from another trust company or other entity.

(5) Fiduciary records shall be kept separate and distinct from other records of the trust company and maintained in compliance with RCW 30B.04.130. All fiduciary records shall be kept and retained for such time as to enable the fiduciary to furnish such information or reports with respect thereto as may be required by the director.

(6) Every such fiduciary shall keep an adequate record of all pending litigation to which it is a party in connection with its exercise of fiduciary powers.

(7) Notwithstanding any other provision of this section to the contrary, a state trust company and its directors, officers, managers, employees, and committees shall exercise administration of fiduciary powers consistent with the requirements of section 42 of this act and in conformity with the contents of the state trust company's written statement of principles of trust management, pursuant to section 43 of this act, as adopted by the board and subject to approval of the department.

Sec. 38. RCW 30B.12.100 and 2014 c 37 s 356 are each amended to read as follows:

~~((A committee of directors, exclusive of any active officers of the trust company, shall at least once during each calendar year make suitable audits of the state trust institution or cause suitable audits to be made by auditors responsible only to the board of directors, and at such time shall ascertain whether the department has been administered in accordance with law, this section, and sound fiduciary principles. The board of directors may elect, in lieu of such periodic audits, to adopt an adequate continuous audit system. A report of the audits and examination required under this section, together with the action taken thereon, shall be noted in the minutes of the board of directors.))~~ (1) A state trust company shall have a fiduciary audit committee, which shall exercise fiduciary responsibilities, administer fiduciary powers, and report to the board of directors consistent with the requirements of this section, section 42 of this act, and in conformity with the contents of the state trust company's written statement of principles of trust management, pursuant to section 43 of this act.

(2) At least once during each calendar year, a state trust company shall arrange for a suitable audit by internal or external auditors of all significant fiduciary activities, under the direction of its fiduciary audit committee, unless the state trust company adopts a continuous audit system in accordance with subsection (3) of this section. The state trust company shall note the results of the audit, including significant actions taken as a result of the audit, in the minutes of the board of directors.

(3) In lieu of performing annual audits under subsection (2) of this section, a state trust company may adopt a continuous audit system under which the state trust company arranges for a discrete audit by internal or external auditors of each significant fiduciary activity on an activity-by-activity basis, under the direction of its fiduciary audit committee, at an interval commensurate with the nature and risk of that activity. Under such a system, certain fiduciary activities may receive audits at intervals greater or less than one year, as appropriate. A state trust company that adopts a continuous audit system pursuant to this subsection shall note the results of all discrete audits performed since the last audit report,

including significant actions taken as a result of the audits, in the minutes of the board of directors at least once during each calendar year.

(4) A state trust company's fiduciary audit committee may consist of the entire board of directors, or it may comprise either a committee of the bank's directors or an audit committee of an affiliate of the state trust company. However, in either case, the committee:

(a) Must not include any officers of the state trust company or an affiliate who participate significantly in the administration of the state trust company's fiduciary activities; and

(b) Must consist of a majority of members who are not also members of any committee to which the board of directors has delegated power to manage and control the fiduciary activities of the state trust company.

(5) The requirements of subsections (1) through (4) of this section shall be separate from and in addition to any audits of the nonfiduciary operations of the state trust company, if any.

NEW SECTION. Sec. 39. A new section is added to chapter 30B.12 RCW to read as follows:

FIDELITY BONDS—LIABILITY INSURANCE.

(1) Except as otherwise permitted by the director under specified terms and conditions, the board of directors of a state trust company shall direct and require good and sufficient fidelity bonds and liability insurance, issued by a company authorized to engage in the insurance business in the state of Washington, covering the state trust company and all of its active directors, officers, managers, and employees. Bonds or coverage shall provide for indemnity to the state trust company on account of any losses sustained by it as the result of any dishonest, fraudulent, or criminal act or omission committed or omitted by directors, officers, managers, and employees, acting independently or in collusion or combination with any person. Such bonds or coverage may be individual, schedule, or blanket form, and premiums shall be paid by the state trust company.

(2) Except as otherwise permitted by the director under specified terms and conditions, the board of directors of a state trust company shall direct and require good and sufficient liability insurance, including errors and omissions coverage, for the negligent or reckless acts and omissions of directors, officers, fiduciary managers, and employees. Such coverage shall be paid by the state trust company.

(3) Except as otherwise permitted by the director under specified terms and conditions, the directors shall also direct and require suitable insurance protection to the state trust company, as necessary, against burglary, robbery, theft, and other similar insurance hazards to which the state trust company may be exposed in the operations of its business on the premises or elsewhere.

(4) The directors shall be responsible for prescribing at least once in each year the amount of such bonds or policies and the sureties or underwriters to be engaged, after giving due consideration to all known elements and factors constituting known risks or hazards. Such action of the directors shall be recorded in the board minutes.

(5) The director may by rule prescribe requirements for bond and insurance coverage that are more specific and derogation of the provision of subsections (1) through (4) of this section if the director determines that such a rule is necessary to conform to the market availability of certain bond and insurance coverages.

Sec. 40. RCW 30B.20.020 and 2014 c 37 s 362 are each amended to read as follows:

(1) Consistent with RCW 11.102.010, a state trust company may establish common trust funds to provide investment to itself

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as a fiduciary.

(2) The director may adopt rules to administer and carry out this section and RCW 11.102.010, including but not limited to rules to establish investment and participation limitations, disclosure of fees, audit requirements, limit or expand investment authority for particular classes or categories of securities or other property, advertising, exemptions, and other requirements that may be necessary to carry out this section.

(3) A state trust company that invests in a collective investment fund shall make investments as required by section 42 of this act and in conformity with the contents of the state trust company's written statement of principles of trust management, pursuant to section 43 of this act, as adopted by the board and subject to approval of the department. A state trust company shall also comply with RCW 30B.24.020 in avoiding conflicts of interest and self-dealing in relation to a collective investment fund.

(4) Unless otherwise prescribed by the director by rule, a state trust company shall be required to establish and maintain collective investment funds the same as required for a federally insured state bank with authorized trust powers, taking into account federal rules applicable to a federally insured state bank in relation to a collective trust fund that require a written plan and specific requirements for fund management including, without limitation, provision for proportionate interests, methods and frequency of valuation of all or portions of the fund, admission and withdrawal of accounts, methods of distribution, segregation of investments, audit and financial reports related to the collective investment fund, advertising restrictions, management fees, expenses, and prohibition against certificates.

(5) Notwithstanding the general use of the term "affiliate" in this title as defined in RCW 30B.04.005, nothing in this chapter shall be construed as exempting or modifying a requirement of a state trust institution with respect to RCW 11.102.010.

Sec. 41. RCW 30B.24.005 and 2014 c 37 s 363 are each amended to read as follows:

(1) Except to the extent federal preemption of state law is applicable in relation to trusts governed under the federal employment retirement income security act, a state trust company (~~(acting as a trustee or other fiduciary)~~) shall comply with all applicable provisions of this title and with applicable provisions of Title 11 RCW including, without limitation, chapters 11.97, 11.98, 11.98A, 11.100, 11.102, 11.104A, 11.106, 11.107, and 11.108 RCW, and with chapter 11.110 RCW, in the case of a charitable trust.

(2) The director has broad administrative authority to establish by rule or interpretation principles-based standards for examination, supervision, and enforcement of a state trust company by the department in relation to compliance with this title, including subsection (1) of this section.

(3) A state bank, in relation to its trust department and its exercise of trust powers, shall comply with:

(a) Title 30A RCW, if a state commercial bank, and Title 32 RCW, if a state savings bank;

(b) The applicable provisions of Title 11 RCW including, without limitation, chapters 11.97, 11.98, 11.98A, 11.100, 11.102, 11.104A, 11.106, 11.107, and 11.108 RCW, and with chapter 11.110 RCW, in the case of a charitable trust;

(c) If the state bank is federally insured, any applicable rules and guidance of the federal deposit insurance corporation or other applicable federal law or regulation related to such state bank's exercise of trust powers; and

(d) If the state bank is a member of the federal reserve system, any rules and guidance of the board of governors of the federal reserve system related to such state bank's exercise of trust powers.

NEW SECTION. Sec. 42. A new section is added to chapter 30B.24 RCW to read as follows:

COMPLIANCE WITH FIDUCIARY ACTIVITIES STANDARDS EQUIVALENT TO THAT OF NATIONAL BANKS—STATEMENT OF PRINCIPLES OF TRUST MANAGEMENT—MANAGEMENT OF THIRD-PARTY RISK.

(1) Unless the director shall otherwise set forth by rule, a state trust company and, to the extent applicable, its affiliates, and their respective directors, officers, managers, employees, and agents, shall comply with such federal regulations applicable to the fiduciary activities of a federally insured state bank.

(2) The requirements of subsection (1) of this section, as applicable to a state trust company, shall be at least partially contained in the state trust company's written statement of principles of trust management, the contents of which shall be subject to examination and approval by the department, and upon which the department may further examine a state trust company as to whether it is in compliance with such statement.

(3) A state trust company and, to the extent applicable, its affiliate, shall comply with standards for prudent management of third-party risk under applicable law or as the director may otherwise adopt by rule or by a written interpretive statement including, without limitation, management of third-party risk pursuant to section 46 of this act.

NEW SECTION. Sec. 43. A new section is added to chapter 30B.24 RCW to read as follows:

CONTENTS OF STATEMENT OF PRINCIPLES OF TRUST MANAGEMENT.

(1) The board of directors of a state trust company shall adopt a written statement of principles of trust management at its first organizational meeting or at a meeting of the board called for that purpose, which it must annually reaffirm by written vote, whether or not such statement is sought to be amended.

(2) The statement of principles of trust management shall set forth the minimum requirements for sound fiduciary management in the operation of a state trust company. Such minimum requirements shall provide for sound fiduciary practices in the operation of a state trust company and provide safeguards for the protection of fiduciary beneficiaries, principals of agency relationships, creditors, stockholders, and the public, and shall provide for:

(a) Involvement by the board of directors in providing for the establishment and continuing fiduciary operations;

(b) Operation of fiduciary activities separate and apart from every other activity of the state trust company, with trust assets separated from other assets owned by the state trust company, and the assets of each trust account separated from the assets of every other trust account; and

(c) Maintenance of separate books and records for the fiduciary business in sufficient detail to properly reflect all fiduciary activities.

(3) The statement of principles of trust management shall provide that the board of directors, by resolution included in its minutes:

(a) Designate a competent and qualified officer or manager to be responsible for and administer the fiduciary activities of the state trust company;

(b) Define such officer's or manager's duties;

(c) Name a trust committee consisting of at least three directors to be responsible for and supervise the fiduciary activities of the state trust company or state banking institution, which shall include, if feasible, one or more directors who are not officers of the state trust company or state banking institution;

(d) Receive reports from such trust committee and record

actions taken in its minutes;

(e) Review the examination reports of the state trust company by the department or other applicable financial services regulatory authority having jurisdiction over the state trust company; and

(f) Record all actions taken in its minutes.

(4) Nothing in this section is intended to prohibit the board of directors from authorizing itself to act as the trust committee, or from authorizing itself to appoint additional committees and officers to oversee account administration and the operation of the state trust company and its fiduciary activities.

(5) When such statement provides for delegating duties to a subcommittee or officers, the statement shall indicate that the board and the trust committee remain responsible for the oversight of all trust company and fiduciary activities. Such statement shall also reflect that sufficient reporting and monitoring procedures are required to fulfill this responsibility.

(6) The statement of principles of trust management shall provide that the trust committee:

(a) Meet at least quarterly, and more frequently if considered necessary and prudent to fulfill its supervisory responsibilities;

(b) Approve and document:

(i) The opening of all new fiduciary accounts;

(ii) Purchases and sales of, and changes in, trust assets; and

(iii) The closing of trust and agency relationship accounts;

(c) Provide for a comprehensive review of all new accounts, for which the state trust company or trust department has investment responsibility, promptly following acceptance;

(d) Provide for a review of each fiduciary and agency account, including collective investment funds, at least once during each calendar year, the scope, frequency, and level of review of which should be addressed in appropriate written policies that give consideration to the state trust company's fiduciary responsibilities, type and size of account, and other relevant factors, including coverage of both administration of the account and suitability of the account's investments, distinguishing as between the scope and components of discretionary and nondiscretionary reviews;

(e) Keep comprehensive minutes of meetings held and actions taken; and

(f) Make periodic reports to the board of directors of its actions.

(7) The statement of principles of trust management shall also require:

(a) Comprehensive written policies which address all important areas of the state trust company's fiduciary activities;

(b) Competent legal counsel to advise trust officers and the trust committee on legal matters pertaining to fiduciary activities;

(c) Adequate internal controls, including appropriate controls over fiduciary assets; and

(d) An adequate annual audit of all fiduciary activities by an internal or external auditor, as required by the department, the findings of which, including actions taken as a result of the audit, must be recorded in its minutes.

(8) Notwithstanding subsection (7)(d) of this section, the statement of principles of trust management may provide that, if a state trust company adopts a continuous audit process instead of performing annual audits, such audits may be performed, on an activity-by-activity basis, at intervals commensurate with the level of risk associated with that activity. In such case, the statement must reflect that audit intervals are to be supported and reassessed regularly to ensure appropriateness, given the current risk and volume of the activity.

Sec. 44. RCW 30B.24.020 and 2014 c 37 s 365 are each amended to read as follows:

(1) In addition to the provisions set out in RCW 11.98.078, if a

conflict of interest may reasonably be expected to have a material adverse impact on the trustee's judgment in its provision of services to such client, the trustee must provide a reasonable disclosure of such conflict to such client.

(2) Unless authorized by other law, a state trust company may not invest funds of a fiduciary account over which it has investment discretion in the shares or obligations of, or in assets acquired from: The state trust company or any of its directors, officers, managers, or employees; affiliates of the state trust company or any of their directors, officers, managers, or employees; or individuals or organizations with whom there exists an interest that might affect the exercise of the best judgment of the state trust company.

(3) If retention of shares or obligations of the state trust company or its affiliates in a fiduciary account is consistent with applicable law, the state trust company may:

(a) Exercise rights to purchase additional shares, or securities convertible into additional shares, when offered pro rata to shareholders; and

(b) Purchase fractional shares to complement fractional shares acquired through the exercise of rights or the receipt of a share dividend resulting in fractional share holdings.

(4) A state trust company may not lend, sell, or otherwise transfer assets of a fiduciary account for which a state trust company has investment discretion to itself or any of its directors, officers, managers, or employees, or to affiliates of the state trust company or any of their directors, officers, managers, or employees, or to individuals or organizations with whom there exists an interest that might affect the exercise of the best judgment of the state trust company, unless:

(a) The transaction is authorized by other applicable law;

(b) Legal counsel advises the state trust company in writing that the state trust company has incurred, in its fiduciary capacity, a contingent or potential liability, in which case the state trust company, upon the sale or transfer of assets, shall reimburse the fiduciary account in cash at the greater of book or market value of the assets;

(c) In the case of a collective investment fund, the state trust company purchases for its own account any defaulted investment held by the fund if, in the judgment of the state trust company, the cost of segregating the investment is excessive in light of the market value of the investment: PROVIDED, That the state trust company purchases the defaulted investment at the greater of market value or the sum of cost and accrued unpaid interest; or

(d) Required in writing by the director.

(5) Notwithstanding any other provision of this section, a state trust company may not lend to any of its directors, officers, managers, or employees any funds held in trust, except with respect to employee benefit plans in accordance with the exemptions found in section 408 of the employee retirement income security act of 1974, 29 U.S.C. Sec. 1108.

(6) A state trust company may make a loan to a fiduciary account and may hold a security interest in assets of the account if the transaction is fair to the account and is not prohibited by applicable law.

(7) A state trust company may sell assets between any of its fiduciary accounts if the transaction is fair to both accounts and is not prohibited by applicable law.

(8) A state trust company may make a loan between any of its fiduciary accounts if the transaction is fair to both accounts and is not prohibited by applicable law.

NEW SECTION. Sec. 45. A new section is added to chapter 30B.24 RCW to read as follows:

QUARTERLY FILING WITH THE DEPARTMENT OF STATEMENT OF CONDITION—CONFIDENTIALITY.

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(1) A state trust company shall file no later than forty-five days after the end of each calendar quarter a statement of its financial condition and a summary of the condition of its fiduciary accounts, known as a call report, in a form and content as prescribed by the director by rule or written policy from which at least ninety days' advance written notice has been given.

(2) Unless otherwise established by rule, such call report shall be deemed confidential examination information and shall be subject to RCW 30A.04.075.

NEW SECTION. Sec. 46. A new section is added to chapter 30B.24 RCW to read as follows:

**COMPLIANCE WITH THE BANK SECRECY ACT—
MANAGEMENT OF THIRD-PARTY RISK—
CYBERSECURITY—EXAMINATION.**

(1) A state trust institution and its affiliate or third-party service provider, if applicable, shall comply with the federal financial recordkeeping and reporting of currency and foreign transactions act, 31 U.S.C. Sec. 5311 et seq., also known as the bank secrecy act, and with associated federal regulations including, without limitation, any requirements under 31 C.F.R. Part 103.

(2) A state trust institution and its affiliate or third-party service provider, if applicable, shall maintain the federal standards for safeguarding customer information, required pursuant to Title V of the federal Gramm-Leach-Bliley act, P.L. 106-10, 113 Stat. 1338, as amended, and shall comply with applicable federal and state laws and rules related to cybersecurity, or written interpretive statement of the department to which the state trust institution, affiliate, or third-party service provider has been furnished notice.

(3) A state trust company shall be subject to examination by the department for compliance with subsections (1) and (2) of this section. An affiliate of a state trust company may be subject to examination for compliance with subsections (1) and (2) of this section upon notice to the state trust company and to the applicable affiliate. A third-party service provider may be subject to direct examination in relation to compliance with subsections (1) and (2) of this section as may be required pursuant to section 15 (3) and (4) of this act.

Sec. 47. RCW 30B.38.005 and 2014 c 37 s 366 are each amended to read as follows:

(1) An out-of-state trust institution that meets the requirements of this chapter is not required to maintain a physical trust office in ~~((this))~~ Washington state.

(2) An out-of-state trust institution that does not operate a trust office in ~~((this))~~ Washington state and that meets the requirements of this chapter may establish and maintain a new trust office in ~~((this))~~ Washington state.

(3) As used in this chapter, “doing business in Washington state,” with reference to an out-of-state trust institution, means purposely availing oneself of regularly transacting trust business with the public in Washington state, or otherwise seeking to regularly transact trust business with the public in Washington state by means of solicitation, which the director may so determine if all or part of the administration of any trust or other agreement to conduct trust business is administered or sought to be administered in Washington state, or if a trust or other trust business agreement, with the assent of the out-of-state trust institution, specifies Washington state as the situs of the trust or situs of the tangible or intangible property covered by the trust business agreement.

Sec. 48. RCW 30B.38.020 and 2014 c 37 s 368 are each amended to read as follows:

(1) Except as authorized by federal law ~~((or))~~ by another law of ~~((this))~~ Washington state, or by a written finding of the director

waiving some or all of the requirements of this section in the interest of facilitating financial interstate commerce, an out-of-state trust institution shall not be permitted to engage in a trust business in ~~((this))~~ Washington state ~~((on more favorable terms and conditions than the terms and conditions on which state trust companies incorporated under this title and savings banks engaged in trust business under RCW 32.08.140, 32.08.142, 32.08.210, and 32.08.215 are permitted to engage in trust business in such other state))~~ unless the director has approved an out-of-state trust institution's written application to do business in Washington state in accordance with this section.

(2) In order for the director to approve an out-of-state trust institution's written application to do business in Washington state, the director must determine in writing that all of the following conditions have been met, or otherwise in his or her discretion waive or modify one or more of such conditions in writing:

(a) That the out-of-state trust institution is authorized to do business in its home state, is in good standing with its home state regulator, is not subject to a supervisory directive, corrective action order, conservatorship, or the equivalent, from its home state regulator, and has not had its authority to do business in its home state, any other state, or a foreign jurisdiction suspended or revoked;

(b) That a state trust company with the same activities as the out-of-state trust institution would be able to do business in the home state of the out-of-state trust institution on the same or more favorable terms as in Washington state, when considering such home state's laws and its supervision, examination, or other safety and soundness oversight of a state trust company seeking to do business in such home state;

(c) That the out-of-state trust institution has secured or will secure as of the effective date of the department's certificate of authority a fidelity bond or equivalent insurance coverage for directors, officers, managers, or employees satisfactory to the director; and

(d) That as long as the out-of-state trust institution maintains a trust office or otherwise conducts trust business in Washington state, it will comply with all laws of Washington state that are applicable to an out-of-state trust institution doing business in Washington state.

(3) The director shall deny an application filed under this section or suspend or revoke the approval of an application, if the director finds that the standards of organization, supervision, examination, or other safety and soundness oversight of the out-of-state trust institution do not conform to the standards for a state trust company under this title. In considering the standards of organization, supervision, examination, or other safety and soundness oversight of the out-of-state trust institution, the director may also consider the laws of the state in which the applicant is organized.

(4) In implementing this section, the director may cooperate with trust institution regulators in other states and may share with such regulators the information received in the administration of this chapter.

(5) The director may enter into supervisory agreements with out-of-state trust institutions or their regulators to prescribe the applicable laws and rules governing the powers and authorities of out-of-state trust institutions seeking to or doing business in Washington state. Such agreements may address, but are not limited to, corporate governance and operational matters. Such agreements may resolve any conflict of laws and further specify the manner in which examination, supervision, and application processes must be coordinated between the home state regulator and host state regulator.

(6) The out-of-state trust institution may exercise additional powers and authorities that are authorized under the laws of its home state if the director determines in writing that the exercise of the additional powers and authorities in ~~((this))~~ Washington state will not threaten the safety and soundness of trust institutions in ~~((this))~~ Washington state and serves the convenience and needs of Washington state consumers.

Sec. 49. RCW 30B.38.030 and 2014 c 37 s 369 are each amended to read as follows:

An out-of-state trust institution desiring to engage in trust business in ~~((this))~~ Washington state shall provide, or cause its home state regulator to provide, written notice to the director of its intent to engage in trust business in ~~((this))~~ Washington state, accompanied by a written application containing:

(1) Satisfactory ~~((written))~~ evidence of a certificate of authority to engage in trust business in its home state, or equivalent, from its home state regulator;

(2) A copy of the resolution adopted by the board of directors of such out-of-state trust institution authorizing the out-of-state trust institution to engage in trust business in ~~((this))~~ Washington state;

(3) ~~((Written))~~ Evidence of compliance with the requirements of the director set forth in ~~((subsection (1) of this section))~~ RCW 30B.38.020 or a request for waiver of certain requirements of RCW 30B.38.020 satisfactory to the director; and

(4) A filing fee, if any, as prescribed by the director under authority of RCW 30A.04.070.

Sec. 50. RCW 30B.38.040 and 2014 c 37 s 370 are each amended to read as follows:

(1) ~~((Except as authorized by RCW 30B.72.010, an out-of-state trust institution may not engage in trust business in this state unless:~~

~~(a) The out-of-state trust institution has confirmed in writing to the director that for as long as it maintains a trust office in this state, it will comply with all applicable laws of this state.~~

~~(b) The out-of-state trust institution has provided satisfactory evidence to the director of compliance with (i) any applicable requirements of chapter 23B.15 or 25.15 RCW and (ii) the applicable requirements of its home state regulator for engaging in trust business in both its home state and this state.~~

~~(c) The director must, ((acting)) within sixty days after receiving ((notice)) a complete written application under RCW 30B.38.030, ((has certified to)) including any waiver request, notify the home state regulator ((that the requirements of this chapter have been met and the notice has been approved or, if applicable, that any conditions imposed by the director pursuant to subsection (2) of this section have been satisfied.~~

~~(2) The out-of-state trust institution may commence engaging in trust business in this state on the sixty-first day after the date the director receives the notice unless the director specifies an earlier or later date)) and the out-of-state trust institution of the director's approval or denial of the written application or waiver request, including any other conditions for approval that the director may require.~~

~~((3)) (2) The sixty-day period of review ((in subsection (2) of this section)) may be extended by the director on a determination that the written notice raises issues that require additional information or additional time for analysis. If the period of review is extended, the out-of-state trust institution may engage in trust business in ((this)) Washington state only on prior written approval by the director.~~

Sec. 51. RCW 30B.38.070 and 2014 c 37 s 373 are each amended to read as follows:

(1) Consistent with ~~((the Washington administrative procedure~~

~~act, chapter 34.05 RCW, and in the manner provided for enforcement action against a state trust company under this title, after notice and opportunity for hearing)) chapter 30B.10 RCW, the director may determine an out-of-state trust institution engaging in trust business in ~~((this))~~ Washington state, or its affiliate, is in violation of any provision of ~~((the laws of this state))~~ this title or is operating in an unsafe and unsound manner.~~

(2) The director shall have the authority to take all such enforcement actions against an out-of-state trust institution or its affiliate as he or she ~~((would be))~~ is empowered to take ~~((if the out-of-state trust institution were a state trust company))~~ under chapter 30B.10 RCW, including but not limited to issuing an order temporarily or permanently prohibiting the out-of-state trust institution or its affiliate from engaging in trust business in ~~((this))~~ Washington state.

(3) The director may make a written finding that an out-of-state trust institution engaging in or proposing to engage in a trust business in ~~((this))~~ Washington state does not meet the requirements for engaging in trust business in ~~((this))~~ Washington state pursuant to this chapter or RCW 30B.72.010, which finding shall be effective on the date of issuance or such other date as the director shall determine.

(4) In cases involving extraordinary circumstances requiring immediate action, the director may issue ~~((a temporary))~~ pursuant to section 25 of this act an emergency order without advance notice or opportunity for hearing, subject to the right of the out-of-state trust institution((s right)) or, as applicable, its affiliate, to petition for judicial review in the same manner as a state trust company under this title.

(5) The director will give notice to the home state regulator of each enforcement action taken against an out-of-state trust institution or its affiliate and, to the extent practicable, will consult and cooperate with the home state regulator in pursuing and resolving such enforcement action.

Sec. 52. RCW 30B.38.080 and 2014 c 37 s 374 are each amended to read as follows:

Each out-of-state trust institution that maintains an office in ~~((this))~~ Washington state or otherwise conducts trust business in Washington state pursuant to this chapter, or the home state regulator of such trust institution, shall give at least thirty days' prior written notice, or in the case of an emergency transaction, such shorter notice as is consistent with applicable state or federal law, to the director of:

(1) Any merger, consolidation, or other transaction that would cause a change of control with respect to such out-of-state trust institution or any bank holding company that controls such trust institution, ~~((with the result that an application would be required to be filed pursuant to the federal change in bank control act of 1978, 12 U.S.C. Sec. 1817(j), or the federal bank holding company act of 1956, 12 U.S.C. Sec. 1841 et seq., or any successor statutes thereto))~~ as determined by the definition of "control" set forth in RCW 30B.53.005;

(2) Any transfer of all or substantially all of the trust accounts or trust assets of the out-of-state trust institution to another person; or

(3) The closing or disposition of any office in ~~((this))~~ Washington state.

NEW SECTION. Sec. 53. A new section is added to chapter 30B.38 RCW to read as follows:

STATE TRUST COMPANY OPERATING IN ANOTHER STATE—APPROVAL OF DIRECTOR.

(1) Upon written approval of the director, a state trust company may conduct the business of a trust company in a host state, subject to the authority, requirements, and restrictions of the host

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state, or as otherwise directed by a cooperative agreement between the department and the host state.

(2) The director may enter into a cooperative agreement with the host state regulator of the host state in which a state trust company is permitted to and conducts the business of a trust company and may permit the host state regulator to periodically examine the affairs of the state trust company in the host state.

(3) The director may rely upon the examination of the host state regulator in lieu of the department itself conducting an examination of the state trust company's conduct in the host state.

Sec. 54. RCW 30B.38.090 and 2014 c 37 s 375 are each amended to read as follows:

Notwithstanding any other provision of this chapter, an out-of-state trust institution engaging in trust business in ~~(this)~~ Washington state, which is not an exempt person under RCW 30B.04.040 and which by reason of the laws of its home state is not, in the opinion of the director, subject to ~~(any)~~ supervision, examination, or other safety and soundness oversight by a home state regulator, shall be subject to all the requirements of a state trust company under this title.

Sec. 55. RCW 30B.44A.005 and 2014 c 37 s 376 are each amended to read as follows:

A state trust company may go into voluntary liquidation and be closed, and may surrender its ~~(charter)~~ certificate of authority and franchise as a corporation or limited liability company of ~~(this)~~ Washington state by the affirmative votes of its shareholders owning two-thirds of its ~~(stock or participation)~~ shares.

Sec. 56. RCW 30B.44A.010 and 2014 c 37 s 377 are each amended to read as follows:

(1) Shareholder action to liquidate a state trust company shall be taken at a meeting of the shareholders ~~(or participants)~~ duly called ~~(by resolution of the board of directors or members, written notice of which, stating the purpose of the meeting, shall be mailed to each shareholder or participant, or in case of a shareholder's or participant's death, to such shareholder's or participant's legal representative or heirs at law, addressed to the shareholder's or participant's last known residence ten days previous to the date of such meeting))~~ and noticed as provided for in Title 23B RCW, if the state trust company is a corporation, and as provided in chapter 25.15 RCW, if the state trust company is a limited liability company.

(2) If ~~(stockholders or participants)~~ the shareholders shall, by the required vote, elect to liquidate ~~(the)~~ the state trust company, a ~~(certified)~~ copy of all proceedings of the meeting at which such action shall have been taken, verified by the oath of the president or manager and the secretary, shall be transmitted to the director for approval.

Sec. 57. RCW 30B.44A.020 and 2014 c 37 s 378 are each amended to read as follows:

(1) If the director approves the liquidation, the director shall issue to the state trust company ~~(a permit)~~ written notice of approval for such purpose.

~~(A permit)~~ (2) Such approval shall ~~(not)~~ be ~~(issued by the director until)~~ deemed granted unless the director (is satisfied) issues a written determination, no later than sixty days from notice by the state trust company to voluntarily liquidate, that adequate provision has not been made (by the state trust company) to satisfy (and pay off) all allowable creditors and further provide for successor trustees or other disposition of all trust assets under management.

(3) If ~~(not so satisfied)~~, the director ~~(shall refuse to issue a permit, and)~~ has made such a determination within the time set

forth in subsection (2) of this section, the director is authorized to take possession of the state trust company and its assets and business ~~(, and hold the same)~~ and liquidate ~~(the state trust company)~~ it in the manner provided for in ~~(this title)~~ chapter 30B.44B RCW.

~~(When)~~ (4) If the director approves the voluntary liquidation of a state trust company under this chapter, the ~~(directors of that)~~ state trust company shall ~~(cause to be published in a newspaper in the county in which the same is located, or if no newspaper is published in such county, then in a newspaper having a general circulation in such county, a notice that the state trust company is closing down its affairs and going into liquidation, and notify its creditors to present their claims for payment. Such notice shall be published once a week for four consecutive weeks))~~ provide notice to creditors and the public of voluntary dissolution in the manner provided for in Title 23B RCW, if the state trust company is a corporation, and chapter 25.15 RCW, if the state trust company is a limited liability company.

Sec. 58. RCW 30B.44A.030 and 2014 c 37 s 379 are each amended to read as follows:

~~(When any)~~ While a state trust company is in process of voluntary liquidation under this chapter, it is subject to examination by the director ~~(s)~~ and shall continue to furnish to the director such reports ~~(from time to time as may be called for by the director)~~ as required of a state trust company.

NEW SECTION. Sec. 59. A new section is added to chapter 30B.44A RCW to read as follows:

PROCEDURES FOR VOLUNTARY LIQUIDATION.

Except as set forth in this chapter to the contrary, the procedures for voluntary liquidation of a state trust company shall be consistent with Title 23B RCW, if the state trust company is a corporation, and chapter 25.15 RCW, if the state trust company is a limited liability company.

Sec. 60. RCW 30B.44A.040 and 2014 c 37 s 380 are each amended to read as follows:

(1) All unclaimed property remaining in the ~~(hands)~~ possession of a ~~(liquidated)~~ state trust company that has been voluntarily liquidated according to this chapter is subject to the provisions of chapter 11.08 RCW, except to the extent set forth in this section.

(2) Any funds, less outstanding fees and assessments owed to the director under RCW 30A.04.070, payment of allowable third-party claims, and disposition of fiduciary assets in compliance with this title, which remain uncalled for and unpaid at the conclusion of the state trust company's voluntary liquidation, shall be transmitted to the director and shall be deposited by him or her in a bank to the director's credit in trust for the benefit of any persons entitled thereto, and shall be paid by the director to such persons upon receipt of evidence, reasonably satisfactory to the director, of such persons' rights to such funds.

(3) All moneys so deposited remaining unclaimed for two years after deposit shall escheat to the state for the benefit of the state financial literacy and education programs as authorized by RCW 43.320.150 and administered by the department or, in the absence of such programs, as otherwise directed by the state treasurer.

(4) It shall not be necessary to have the escheat adjudged in a suit or action.

NEW SECTION. Sec. 61. A new section is added to chapter 30B.44A RCW to read as follows:

NAMING OF SUCCESSOR TRUSTEE UPON DISSOLUTION OF STATE TRUST COMPANY—CONTINGENCY FOR DIRECTOR AS STATUTORY CUSTODIAN.

(1) In the event of a voluntary dissolution of a trust company pursuant to this chapter, the provisions of RCW 11.98.039 (1), (2), and (3) shall apply, if applicable, to the selection of a successor trustee, subject to the director's option to approve a successor trustee as part of the director's approval of a voluntary liquidation under RCW 30B.44A.020.

(2) If, however, RCW 11.98.039(4) is applicable but a trust beneficiary, trustor, if alive, or trustee does not petition the superior court for appointment of successor trustee within thirty days of the last publication of notice of the voluntary dissolution of the trust company pursuant to RCW 30B.44A.020, then the director may:

(a) Appoint himself or herself as a custodian of any affected trust until such time as the superior court makes a determination of successor trustee; or

(b) At his or her option, bring before the superior court a petition for appointment of a successor trustee, other than an employee or independent contractor of the department, pursuant to chapter 11.96A RCW.

(3) In no event may the director or any employee or independent contractor of the department serve as a successor trustee under chapter 11.98 RCW or as a receiver of trust assets under chapter 7.60 RCW.

Sec. 62. RCW 30B.44A.050 and 2014 c 37 s 381 are each amended to read as follows:

(1) Any state trust company may sell and transfer to any other trust institution (~~(, whether state or federally chartered,)~~) all of its assets of every kind upon such terms as may be agreed upon and approved by the director and by two-thirds vote of its (~~(board of directors or members)~~) shareholders.

(2) A (~~(certified)~~) copy of the minutes of any meeting at which such action is taken (~~(, under the oath of the president and secretary,)~~), together with a copy of the (~~(contract of sale and transfer)~~) asset purchase agreement, shall be filed with the director. (~~(Whenever voluntary liquidation shall be approved by the director or the sale and transfer of the assets of any state trust company shall be approved by the director, a certified copy of such approval, filed in the office of the secretary of state, shall authorize the cancellation of the charter of such state trust company, subject, however, to its continued existence, as provided by this title and the general law relative to corporations.)~~)

(3) Notwithstanding any other provision of this title, the board of a state trust company, with the director's approval, may cause a state trust company to sell all or substantially all of its assets, including the right to control accounts established with the trust company, without shareholder or participant approval if the director finds:

(a) The interests of the state trust company's clients and creditors are jeopardized because of insolvency or imminent insolvency of the state trust company; and

(b) The sale is in the best interest of the state trust company's clients and creditors.

(4) A sale under this section must include an assumption and promise by the buyer to pay or otherwise discharge:

(a) All of the state trust company's liabilities to clients and depositors;

(b) All of the state trust company's liabilities for salaries of the state trust company's employees incurred before the date of the sale;

(c) Obligations incurred by the director arising out of the supervision or sale of the state trust company; and

(d) Fees and assessments due the department.

(5) This section does not limit the incidental power of a state trust company to buy and sell assets in the ordinary course of

business.

(6) This section does not affect the director's authority to take action under state law.

NEW SECTION. Sec. 63. A new section is added to chapter 30B.44A RCW to read as follows:

CANCELLATION OF STATE TRUST COMPANY'S CERTIFICATE OF AUTHORITY.

Whenever voluntary liquidation is approved by the director or the sale and transfer of the assets of any state trust company is approved by the director pursuant to this chapter, a certified copy of such approval, filed in the office of the secretary of state, shall authorize the cancellation of the certificate of authority of such state trust company, subject, however, to its continued existence, as either a general corporation under Title 23B RCW or a general limited liability company under chapter 25.15 RCW.

NEW SECTION. Sec. 64. A new section is added to chapter 30B.44B RCW to read as follows:

POSSESSION OF TRUST ASSETS AND COMPANY ASSETS AND PROPERTY WITH THE DIRECTOR—BAR AGAINST ATTACHMENT PROCEEDINGS.

The taking of possession of any state trust company by the director pursuant to RCW 30B.44B.005 or 30B.44B.010 is sufficient to place all of the state trust company's fiduciary assets in the custody of the director and all of the nonfiduciary assets and property of every nature in the director's possession and bar all attachment proceedings.

NEW SECTION. Sec. 65. A new section is added to chapter 30B.44B RCW to read as follows:

DIRECTOR'S RIGHT TO TAKE POSSESSION MAY BE CONTESTED.

(1) Within ten days after the director takes possession of a state trust company pursuant to RCW 30B.44B.005, the state trust company may serve a notice upon the director to appear before the superior court of the county where the headquarters of the state trust company is located and at a time to be fixed by the court, which shall not be less than five nor more than fifteen days from the date of the service of such notice, to show cause why the director's action taking possession of the state trust company should not be affirmed.

(2) Upon the return day of such notice, or such further day as the matter may be continued to, the court shall summarily hear the show-cause petition and shall dismiss it, if the court finds that possession of the state trust company was taken by the director in good faith and for cause. If, however, the court finds that no cause existed for taking possession of the state trust company, the court shall require the director to restore the state trust company to possession of its assets and enjoin the director from further interference with the state trust company without cause.

NEW SECTION. Sec. 66. A new section is added to chapter 30B.44B RCW to read as follows:

POWERS AND DUTIES OF DIRECTOR—PROHIBITION AGAINST LIENS.

(1) Upon issuance of an order taking possession of a state trust company pursuant to RCW 30B.44B.005 or 30B.44B.010, the director must:

(a) Take custody of the assets of the state trust company and preserve, administer, and liquidate the business and assets of the state trust company as statutory liquidation agent;

(b) Furnish written notice:

(i) To all persons having possession of any assets of the state trust company; and

(ii) To beneficiaries, trustors, if alive, and appointed advisers in relation to trust assets that were under management by the state

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trust company as of the date and time that the director took possession of the state trust company, to the extent that the state trust company has not given prior notice to such beneficiaries or trustors, if alive, pursuant to RCW 11.98.039, or to such appointed advisers;

(c) Make provision as custodian under authority of this chapter for the preservation of the trust or other fiduciary assets of the state trust company while they are in the department's custody; and

(d) Upon notice from a trustor or beneficiary, or the like, of a trust agreement or other fiduciary contract directing the department to transfer the trust or other fiduciary assets of the state trust company, or as otherwise provided for by the terms of a trust agreement or other fiduciary contract, by Title 11 RCW, or by court order, make provision as custodian under this chapter for the transfer of trust or other fiduciary assets from the department's custody to applicable third parties.

(2) No person knowing of the taking of such possession by the director shall have a lien or charge for any payment advanced or cleared or liability incurred against any of the assets of the state trust company or any trust assets under management.

(3) With the approval of the superior court of the county in which the headquarters of the state trust company was located, the director may sell, compound, or compromise bad or doubtful debts, and upon such terms as the court shall direct, the director may borrow, mortgage, pledge, or sell all or any part of the real estate and personal property of the state trust company. The director shall deliver to each purchaser or lender an appropriate deed, mortgage, agreement of pledge, or other instrument of title or security. If real estate is situated outside of the county where the headquarters of the state trust company was located, a certified copy of the orders authorizing and confirming the sale or mortgage shall be filed for record in the county in which such property is situated.

(4) The director may appoint special assistants and other necessary agents to assist in the administration and liquidation of the state trust company, a certificate of such appointment to be filed with the clerk of the county where the headquarters of the state trust company was located.

(5) Except for a special assistant who is an employee of the department, the director shall require such special assistant or agent to give a surety company bond, conditioned as the director shall provide, the premium of which shall be paid out of the assets of the state trust company.

(6) The director may also request legal assistance from the Washington attorney general in such administration and liquidation; provided, however, that with permission of the Washington attorney general, the director may employ an attorney in private practice to perform such delegated functions.

NEW SECTION. Sec. 67. A new section is added to chapter 30B.44B RCW to read as follows:

NOTICE TO CREDITORS—CLAIMS.

(1) The director shall publish on the department's public web site and also once a week for four consecutive weeks in a newspaper of general circulation, which the director shall select, a notice requiring all persons having claims against the dissolved state trust company to make proof of claim to the department as specified in the notice not later than ninety days from the date of the first publication of such notice.

(2) The director shall mail similar notices to all persons whose names appeared as creditors upon the books of the state trust company as of the date and time of the director taking possession pursuant to RCW 30B.44B.005 or 30B.44B.010.

(3) The director may approve or reject any claims, but shall serve notice of rejection upon the claimant by mail or personally.

A declaration of service of such notice, signed under penalty of perjury, shall be deemed a rebuttable presumption that notice has been given pursuant to this section.

(4) No action shall be brought on any claim after ninety days from the date of service of notice of rejection.

(5) After the expiration of the time fixed in the notice, the director shall have no power to accept any claim.

(6) Any claim that has not been filed with the department as required by this section is barred as a matter of law.

NEW SECTION. Sec. 68. A new section is added to chapter 30B.44B RCW to read as follows:

ASSUMPTION OR REJECTION OF EXECUTORY CONTRACTS.

Upon issuance of an order taking possession of a state trust company, the director may assume or reject any executory contract or unexpired lease of the state trust company upon written notice to the parties to such contract.

NEW SECTION. Sec. 69. A new section is added to chapter 30B.44B RCW to read as follows:

INVENTORY—LIST OF CLAIMS.

(1) Upon taking possession of the dissolved state trust company, the director shall make an inventory of the nonfiduciary assets in duplicate, filing one with the department and one in the office of the superior court clerk.

(2) Upon the expiration of the time fixed for the presentation of claims, the director shall make a duplicate list of claims presented, segregating those approved and those rejected, and file this list with the clerk of the superior court.

NEW SECTION. Sec. 70. A new section is added to chapter 30B.44B RCW to read as follows:

OBJECTIONS TO APPROVED CLAIMS.

Objection may be made by any interested person to any claim approved by the director, which objection shall be determined by the superior court upon notice to the claimant and objector as the superior court shall prescribe.

NEW SECTION. Sec. 71. A new section is added to chapter 30B.44B RCW to read as follows:

TEMPORARY RECEIVER PROHIBITED EXCEPT IN EMERGENCY.

(1) A receiver shall not be appointed by any court for any state trust company, nor shall any assignment of any state trust company for the benefit of creditors be valid, except that, in addition to the director's authority to take possession of a state trust company pursuant to RCW 30B.44B.005 or 30B.44B.010, the superior court otherwise having jurisdiction may in case of imminent necessity appoint a temporary receiver to take possession of and preserve the assets of such state trust company.

(2) Immediately upon appointment of a person as temporary receiver, the clerk of the superior court shall notify the director in writing of such appointment and the director shall then take possession of the state trust company, as in case of insolvency, and the temporary receiver shall, upon demand of the director, surrender to the director possession of the state trust company and all assets which shall have come into the possession of such temporary receiver.

(3) The director shall in due course pay such temporary receiver out of the assets of the state trust company.

NEW SECTION. Sec. 72. A new section is added to chapter 30B.44B RCW to read as follows:

PREFERENCES PROHIBITED—PENALTY.

(1) Any transfer of its property or assets by a state trust company, made (a) in contemplation of insolvency or after it shall

have become insolvent, (b) within ninety days before the date the director takes possession of such state trust company, and (c) with a view to the preference of one creditor over another or to prevent the equal distribution of its property and assets among its creditors, shall be void.

(2) Every director, officer, or employee of a state trust company making any such transfer of assets is guilty of a class B felony punishable according to chapter 9A.20 RCW.

NEW SECTION. Sec. 73. A new section is added to chapter 30B.44B RCW to read as follows:

EXPENSE OF LIQUIDATION—DETERMINATION OF SUPERIOR COURT—PRIORITY OVER THIRD-PARTY CLAIMS.

(1) All expenses incurred by the director in taking possession, administering, and resolving any state trust company dissolved pursuant to this chapter, including the expenses of assistants or agents and reasonable fees for any attorney who may be employed in connection with such administration and resolution, and the reasonable compensation of any special assistant or agent placed in charge of such dissolved state trust company, shall be a priority charge upon the assets of the dissolved state trust company and shall be senior to any approved third-party claims.

(2) Such charges for expenses as set forth in subsection (1) of this section shall be fixed by the director, subject to the approval of the superior court.

NEW SECTION. Sec. 74. A new section is added to chapter 30B.44B RCW to read as follows:

LIQUIDATION AFTER CLAIMS ARE PAID.

When all proper claims of creditors, excluding shareholders, have been paid, as well as all expenses of administration and liquidation, and proper provision has been made for unclaimed or unpaid property and dividends, and assets still remain in the director's possession, the director shall furnish written notice to all shareholders of record of the state trust company, as of the date and time the director took possession of the state trust company pursuant to RCW 30B.44B.005 or 30B.44B.010, of the existence of any remaining funds according to each shareholder's proportional beneficial interest in the state trust company.

NEW SECTION. Sec. 75. A new section is added to chapter 30B.44B RCW to read as follows:

DISPOSITION OF UNCLAIMED PERSONAL PROPERTY—TRUST ASSETS—OTHER PERSONAL PROPERTY HELD FOR SAFEKEEPING.

(1) If, at the conclusion of the liquidation of a state trust company, there remains unclaimed personal property, other than monetary deposit accounts, which had previously been left with it for safekeeping, including unclaimed trust assets, such property shall be inventoried by the director or his or her special assistant or agent and segregated and identified by the name and last known address of the person who appears on the books of the state trust company, as of the date and time of its closure, as being entitled to the property.

(2) Upon receiving possession of such unclaimed personal property, the director shall hold it for safekeeping. The liquidated state trust company, its directors, officers, managers, managing principals, and shareholders, and the director's special assistant or agent, if any, shall be relieved of responsibility and liability for the property so delivered to and received by the director.

(3) The director shall then send to each person who appears on the books and records of the liquidated state trust company as having the right to such property, at his or her last known address, a notice that the property listed will be held in his or her name for a period of not less than one year.

(4) At any time after the mailing of such notice, and before the

expiration of one year, such person may require the delivery of the property so held, by properly identifying himself or herself and offering evidence of his or her right to such property, to the satisfaction of the director. The director may condition delivery of such property upon prior payment to the director of all storage costs and reasonable costs associated with such delivery.

NEW SECTION. Sec. 76. A new section is added to chapter 30B.44B RCW to read as follows:

FINAL NOTICE AFTER ONE YEAR—SALE AT AUCTION.

(1) After the expiration of one year from the time of giving notice under section 75(3) of this act, the director shall issue and serve by mail a final notice stating that one year has elapsed since the sending of the notice referred to in section 75(3) of this act, and that the director will sell all the property or articles of value set out in the notice, at a specified time and place, not less than thirty days after the time of the final notice. Unless the person shall, on or before such time and to the satisfaction of the director, claim the property, identify himself or herself, offer evidence of his or her right to such property, and remit payment to the director of all storage costs and reasonable costs associated with delivery to such person, the director may sell all the property or articles of value listed in the notice, at public auction, at the time and place stated in the final notice: PROVIDED, That a notice of the time and place of such sale has been published once within ten days prior to the sale in a newspaper of general circulation in the county where the headquarters of the state trust company was located.

(2) In addition to subsection (1) of this section, any such property held by the director, the owner of which is not known, may be sold at public auction after it has been held by the director for one year: PROVIDED, That a notice of the time and place of sale has been published once within ten days prior to the sale in a newspaper of general circulation in the county where the headquarters of the state trust company was located.

NEW SECTION. Sec. 77. A new section is added to chapter 30B.44B RCW to read as follows:

DISPOSITION OF UNCLAIMED PERSONAL PROPERTY—MONETARY FUNDS.

(1) Any monetary funds, including funds obtained from sale of personal property at auction pursuant to this section, remaining unclaimed and unpaid in the possession of the director for six months after the superior court's order of final distribution, shall be deposited by the director in a bank to his or her credit, in trust for the benefit of the persons entitled to such funds and subject to the supervision of the superior court.

(2) Such monetary funds shall be paid by the director to the entitled persons upon receipt of satisfactory evidence of their right to such funds.

(3) All moneys so deposited remaining unclaimed for one year after deposit shall escheat to the state for the benefit of the state financial literacy and education programs as authorized by RCW 43.320.150 and administered by the department, or, in the absence of such programs, as otherwise directed by the state treasurer.

(4) It shall not be necessary to have the escheat adjudged in a suit or action.

NEW SECTION. Sec. 78. A new section is added to chapter 30B.44B RCW to read as follows:

DESTRUCTION OF RECORDS AFTER LIQUIDATION.

(1) Where any records of the state trust company have been taken over and are in the possession of the director in connection with the involuntary liquidation of a state trust company, the director may, in his or her discretion at any time after an order of

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final liquidation, or equivalent, by the superior court, destroy any of such records which may appear to the director to be obsolete or unnecessary for future reference as part of the liquidation and as files of the department.

(2) Such records are exempt from public disclosure, consistent with RCW 42.56.400(6), 30A.04.075, and 30B.04.060.

NEW SECTION. Sec. 79. A new section is added to chapter 30B.44B RCW to read as follows:

REOPENING—CONDITIONS.

(1) Notwithstanding any other provision of this chapter, the director may, at any time within ninety days after taking possession of a state trust company under RCW 30B.44B.005 or 30B.44B.010, permit such state trust company to reopen upon such terms and conditions as the director shall prescribe, if he or she has determined that:

(a) Sufficient remedy has been made of the state trust company's impairment and delinquencies; and

(b) It is in the best interest of trustors, beneficiaries, creditors, shareholders, and the general public that the state trust company be reopened rather than be liquidated.

(2) Before being permitted to reopen pursuant to this section, a state trust company shall pay all of the outstanding fees, assessment, and expenses of the director as provided for in this title.

NEW SECTION. Sec. 80. A new section is added to chapter 30B.46 RCW to read as follows:

DEFINITIONS.

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

(1) "Corrective action measures" refers collectively to supervisory agreements, memoranda of understanding, supervisory directives, corrective action orders, and orders of conservatorship.

(2) "Corrective action order" means a cease and desist order, consent order, order compelling action, or order of conservatorship, as prescribed by this chapter.

(3) "Exceeded its powers" includes, without limitation, the following circumstances:

(a) If a state trust company has engaged in unauthorized trust activity;

(b) If a state trust company has refused to permit examination of its books, papers, accounts, records, or affairs by the director, assistant director, or examiners; or

(c) If a state trust company has neglected or refused to observe an order of the director including, without limitation, an order to make good, within the time prescribed, any capital deficiency.

(4) "Order of conservatorship" means an order specifically authorized under this chapter for the appointment for a conservatory of a state trust company.

(5) "Supervisory agreement" or "memorandum of understanding" means a supervisory directive in which a state trust company has given its prior consent.

(6) "Supervisory directive" means a supervisory directive in which the state trust company has not given its prior consent.

(7) "Unsafe condition" shall mean and include, but not be limited to, any one or more of the following circumstances:

(a) If a state trust company is less than adequately capitalized as determined by the director;

(b) If a state trust company violates the applicable provisions of this title or any other law or regulation applicable to a state trust company in a manner that results or is likely to result in a significant increase in the state trust company's legal or operational risk;

(c) If a state trust company conducts a fraudulent or

questionable practice in the conduct of its business that endangers its reputation, beneficiaries, shareholders, or trustors, or threatens its solvency;

(d) If a state trust company conducts its business in an unsafe or unsound manner;

(e) If a state trust company engages in unauthorized trust activity;

(f) If a state trust company violates any conditions of its certificate of authority or any agreement entered with the director; or

(g) If a state trust company willfully fails to carry out any authorized instruction or direction of the director.

NEW SECTION. Sec. 81. A new section is added to chapter 30B.46 RCW to read as follows:

SCOPE OF CHAPTER—SAFETY AND SOUNDNESS AUTHORITY OF DIRECTOR IN LIEU OF ADMINISTRATIVE PROCEEDINGS—CORRECTIVE ACTION MEASURES—JUDICIAL REVIEW.

(1) The purpose of this chapter is to provide expeditious methods for the department to exercise proper supervision over the safety and soundness of state trust companies in the interest of Washington state's fiduciary industry and the general public. To that end, this chapter prescribes a series of progressive corrective action measures available to the director, as necessary and in connection with the exercise of his or her examination authority, the ultimate object of which is to restore a state trust company to a state of safe and sound condition and practices and to prevent, if possible, involuntary dissolution of the state trust company under chapter 30B.44B RCW.

(2) In order of progression, these corrective action measures include:

(a) The supervisory directive, which may be issued with the consent of a state trust company as a supervisory agreement or memorandum of understanding or without the state trust company's consent;

(b) The corrective action order, which may be issued with or without the consent of a state trust company; and

(c) The order of conservatorship, which may be issued with or without the consent of a state trust company.

(3) The director may issue and impose upon a state trust company, in lieu of or in addition to his or her authority to issue and serve a notice and statement of charges pursuant to chapter 30B.10 RCW, the following:

(a) A supervisory agreement or memorandum of understanding;

(b) A supervisory directive without the state trust company's consent;

(c) A corrective action order, with or without its consent; and

(d) An order of conservatorship, with or without its consent.

(4) A supervisory agreement or memorandum of understanding, or corrective action order or order of conservatorship consented to by a state trust company, shall not be subject to review except upon a claim by the state trust company or other person with standing under RCW 34.05.530, made in good faith, that the terms and conditions of the supervisory agreement or memorandum of understanding, corrective action order, or order of conservatorship exceed the authority of the director under this title and that consent to the supervisory agreement or memorandum of understanding was unreasonably coerced.

(5) A supervisory directive issued and imposed without the consent of the state trust company shall not be subject to review except by petition for judicial review in the manner provided by the Washington administrative procedure act, RCW 34.05.510 through 34.05.598, inclusive.

(6) A corrective action order or order of conservatorship issued and imposed against a state trust company without its consent shall be deemed an emergency order under section 25 of this act, subject only to judicial review as permitted by section 25 of this act.

(7) No provision in this title shall preclude the director from issuing a corrective action order without having issued a supervisory directive, or issuing an order of conservatorship without having issued a supervisory directive or corrective action order.

(8) No provision in this title shall preclude the director from issuing an order for involuntary dissolution of a state trust company without first having issued corrective action measures if:

(a) Pursuant to RCW 30B.44B.005, the director has determined there is no reasonable likelihood that a state trust company can be restored to a safe and sound condition in the foreseeable future; or

(b) The state trust company gives its consent pursuant to RCW 30B.44B.010.

NEW SECTION. Sec. 82. A new section is added to chapter 30B.46 RCW to read as follows:

GROUND FOR DETERMINING NEED FOR SUPERVISORY DIRECTIVE—ABATEMENT OF DETERMINATION—SUPERVISORY DIRECTIVE—COMPLIANCE—DIRECTOR'S AUTHORITY UPON NONCOMPLIANCE.

(1) If, upon examination or investigation, or at any other time, it appears to the director that a state trust company is in an unsafe condition and its condition is such as to render the continuance of its business, without the director's supervisory directive, harmful to the public or to its beneficiaries, shareholders, or trustors, then the director may either negotiate and enter into a supervisory agreement or memorandum of understanding with the state trust company, or issue and deliver a supervisory directive or corrective action order without its consent, the contents of which shall contain:

(a) Notice to the state trust company of the director's supervisory determination; and

(b) A written list and description of the requirements necessary to abate the director's determination.

(2) If placed under a supervisory directive, with or without its consent, the state trust company shall comply with the director's lawful requirements as contained in the supervisory directive and within such time as provided in the supervisory directive.

(3) If the state trust company fails to comply with the supervisory directive within the time provided, the director may issue and deliver to the state trust company, with or without its consent, a corrective action order or an order of conservatorship.

NEW SECTION. Sec. 83. A new section is added to chapter 30B.46 RCW to read as follows:

APPOINTMENT OF REPRESENTATIVE TO SUPERVISE.

During the period of a supervisory directive or corrective action order, the director may appoint a representative to supervise the state trust company.

NEW SECTION. Sec. 84. A new section is added to chapter 30B.46 RCW to read as follows:

SUPERVISORY DIRECTIVE OR CORRECTIVE ACTION ORDER—RESTRICTIONS ON OPERATIONS—OTHER REQUIREMENTS.

A supervisory directive or corrective action order may provide that the state trust company not do any of the following during the period of supervisory direction, without the prior approval of the director or the appointed representative:

- (1) Dispose of, convey, or encumber any of its assets;
- (2) Acquire new trust assets under management;
- (3) Dispose of existing trust assets under management;
- (4) Withdraw any of its own funds from bank accounts;
- (5) Lend any of its funds;
- (6) Invest any of its funds;
- (7) Transfer any of its property;
- (8) Incur any debt, obligation, or liability;
- (9) Change the composition of the board of directors or management; or
- (10) Any other written restriction or requirement as determined by the director.

NEW SECTION. Sec. 85. A new section is added to chapter 30B.46 RCW to read as follows:

CONSERVATOR—APPOINTMENT—GROUND—POWERS, DUTIES, AND FUNCTIONS—IMMUNITY.

(1) If the director determines that a state trust company has failed to comply with the lawful requirements imposed by such supervisory directive or corrective action order, the director may by order, with or without consent of the state trust company, appoint a conservator for the state trust company, who shall immediately take charge of such state trust company and all of its property, books, records, and effects.

(2) The conservator shall conduct the business of the state trust company and take such steps toward the removal of the causes and conditions which necessitated such order of conservatorship, as the director may specify in the order.

(3) During the pendency of the conservatorship, the conservator shall make such reports to the director from time to time as may be required by the director, and shall be empowered to take all necessary measures to preserve, protect, and recover any assets or property of such state trust company, including claims or causes of actions belonging to or which may be asserted by such state trust company, and to deal with the same in his or her own name as conservator, and shall be empowered to file, prosecute, and defend any suit and suits which have been filed or which may be filed by or against such state trust company that are deemed by the conservator to be necessary to protect all of the interested parties for a property affected thereby.

(4) The director, an assistant director or other officer of the department, or an independent contractor appointed by the director may be appointed to serve as conservator.

(5) If, after issuance of the order of conservatorship, the director determines, after consultation with the conservator, that the state trust company is in an unsafe and unsound condition and ought not to continue business, the director may proceed to give advance notice to and take possession of the state trust company for involuntary liquidation pursuant to chapter 30B.44B RCW.

(6) The director, in his or her capacity as a conservator, or any other person appointed as conservator by the director, pursuant to this chapter is immune from criminal, civil, and administrative liability for any act done in good faith in the performance of the duties of conservator.

NEW SECTION. Sec. 86. A new section is added to chapter 30B.46 RCW to read as follows:

COSTS AS CHARGE AGAINST ASSETS.

(1) All costs incident to supervisory direction and the conservatorship shall be fixed and determined by the director and shall be a charge against the assets of the state trust company to be allowed and paid as the director may determine.

(2) A member of the board of directors of a state trust company or, in the case of a limited liability trust company, a managing participant, may, pursuant to notice and adjudication under chapter 30B.10 RCW, be found liable for such costs incurred that

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have not been recouped by the director out of the assets of the state trust company.

NEW SECTION. Sec. 87. A new section is added to chapter 30B.46 RCW to read as follows:

REQUEST FOR REVIEW OF ACTION—STAY OF ACTION—ORDERS SUBJECT TO REVIEW.

(1) During the period of the supervisory direction or period of conservatorship, as applicable, the state trust company may request the director to review an action taken or proposed to be taken by a representative under a supervisory directive or by the conservator, specifying that the action complained of is believed not to be in the best interest of the state trust company.

(2) A request made under subsection (1) of this section shall stay the action of the representative or conservator pending review of such action by the director.

(3) An order by the director pursuant to this section, following the review of an action or proposed action of the representative or conservator, shall be subject to judicial review in accordance with section 25 of this act.

NEW SECTION. Sec. 88. A new section is added to chapter 30B.46 RCW to read as follows:

SUIT AGAINST STATE TRUST COMPANY OR CONSERVATOR—WHERE BROUGHT—SUIT BY CONSERVATOR.

(1) A suit filed against a state trust company or its conservator, after the issuance of an order by the director placing such state trust company in conservatorship and while such order is in effect, shall be brought in the superior court of Thurston county and not elsewhere.

(2) The conservator appointed for such state trust company may file suit in any superior court or other court of competent jurisdiction against any person for the purpose of preserving, protecting, or recovering any asset or property of such state trust company, including claims or causes of action belonging to or which may be asserted by such state trust company.

NEW SECTION. Sec. 89. A new section is added to chapter 30B.46 RCW to read as follows:

DURATION OF CONSERVATOR'S TERM—REHABILITATED STATE TRUST COMPANY—MANAGEMENT.

(1) The conservator shall serve for such time as is necessary to accomplish the purposes of the conservatorship as intended by this chapter.

(2) If rehabilitated, the rehabilitated state trust company shall be returned to preexisting management or new management under such conditions as are reasonable and necessary to prevent recurrence of the condition which occasioned the conservatorship.

NEW SECTION. Sec. 90. A new section is added to chapter 30B.46 RCW to read as follows:

PLENARY AUTHORITY OF THE DIRECTOR—FLEXIBILITY IN USE OF REMEDIES.

(1) If the director determines to act under authority of this chapter, the sequence of his or her acts and proceedings shall be as set forth in this chapter.

(2) However, the director may, in the exercise of broad administrative discretion, proceed in lieu of this chapter and pursuant to other authority including, without limitation, notice and adjudication under chapter 30B.10 RCW or by means of seeking a direct judicial remedy in superior court.

NEW SECTION. Sec. 91. A new section is added to chapter 30B.46 RCW to read as follows:

RULES.

The director is empowered to adopt and promulgate such rules as may be further necessary, if at all, for the implementation of this chapter and its purposes.

Sec. 92. RCW 30B.53.002 and 2014 c 37 s 387 are each amended to read as follows:

This chapter applies to any merger or ~~((consolidation))~~ change of control in which a state trust company is a party.

Sec. 93. RCW 30B.53.005 and 2014 c 37 s 388 are each amended to read as follows:

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

(1) “Acquiring person” means a person acquiring or seeking to acquire control of a state trust company, directly or indirectly.

(2) “Control,” “controls,” “controlled,” and “controlling” mean:

(a) The ownership of or ability or power to vote, directly, acting through one or more other persons, or otherwise indirectly, twenty-five percent or more of the outstanding shares of a class of voting securities of a state trust company or other company;

(b) The ability to control the election of a majority of the board of a state trust company or other company;

(c) The power to exercise, directly or indirectly, a controlling influence over the management or policies of the state trust company or other company as determined by the director after notice and an opportunity for hearing; or

(d) The conditioning of the transfer of twenty-five percent or more of the outstanding shares or participation shares of a class of voting securities of a state trust company on the transfer of twenty-five percent or more of the outstanding shares of a class of voting securities of another state trust company or other company.

(3) “Merger” includes consolidation.

~~((2))~~ (4) “Merging trust company” means a party to a merger.

~~((3))~~ (5) “Resulting trust company” means the trust company resulting from a merger.

~~((4)) “Vote of stockholders” or “vote of classes of stockholders” means only a vote of those entitled to vote under the terms of such shares.)~~

NEW SECTION. Sec. 94. A new section is added to chapter 30B.53 RCW to read as follows:

ACQUISITION OF CONTROL—NOTICE AND APPLICATION—REGISTRATION STATEMENT—VIOLATIONS—PENALTIES.

(1) An acquiring person shall not acquire control of a state trust company until thirty days after filing with the director a written notice of and application for change of control containing the following information, plus any additional information that the director may prescribe as necessary or appropriate in the particular instance for the protection of shareholders, trustees, beneficiaries, and the public interest:

(a) The identity and trust and other business experience of each acquiring person by whom or on whose behalf acquisition is to be made, including the identity and experience of:

(i) The officers, managers, and directors of the acquiring person; and

(ii) Any proposed new officers, managers, or directors for the state trust company in the event of a change of control of the state trust company;

(b) The financial and managerial resources and future prospects of each person involved in the acquisition;

(c) The terms and conditions of any proposed acquisition and the manner in which the acquisition is to be made;

(d) The source and amount of the funds or other consideration

used or to be used in making the acquisition, and a description of the transaction and the names of the parties if any portion of these funds or other consideration has been or is to be borrowed or otherwise obtained for the purpose of making the acquisition;

(e) Any plan or proposal which any person making the acquisition may have to liquidate the state trust company, to sell its assets, to merge it with another trust institution, or to make any other major change in its business or corporate structure for management;

(f) The identification of any person employed, retained, or to be compensated by the acquiring person, or by any person on its behalf, who makes solicitations or recommendations to shareholders for the purpose of assisting in the acquisition and a brief description of the terms of the employment, retainer, or arrangement for compensation; and

(g) Copies of all invitations for tenders or advertisements making a tender offer to shareholders for the purchase of their shares to be used in connection with the proposed acquisition.

(2) When an entity is required to file an application under this section, the director may require that information required by subsection (1)(a), (b), and (f) of this section be given for each officer, manager, and director of such entity, and each person who is directly or indirectly the beneficial owner of twenty-five percent or more of the outstanding voting securities of the entity.

(3) If any tender offer, request, or invitation for tenders or other agreements to acquire control is proposed to be made by means of a registration statement under the securities act of 1933, 48 Stat. 74, 15 U.S.C. Sec. 77(a), as amended, or in circumstances requiring the disclosure of similar information under the securities exchange act of 1934, 48 Stat. 881, 15 U.S.C. Sec. 78(a), as amended, the registration statement or application may be filed with the director in lieu of the requirements of this section.

(4) Any acquiring person shall also deliver a copy of any notice and application required by this section to the state trust company proposed to be acquired within two days after the notice and application is filed with the director.

(5) Any acquisition of control in violation of this section shall be ineffective and void.

(6) Any person who willfully or intentionally violates this section or any rule adopted pursuant to this section is guilty of a gross misdemeanor pursuant to chapter 9A.20 RCW. Each day's violation shall be considered a separate violation, and any person shall upon conviction be fined not more than one thousand dollars for each day the violation continues.

NEW SECTION. Sec. 95. A new section is added to chapter 30B.53 RCW to read as follows:

ACQUISITION OF CONTROL OF STATE TRUST COMPANY—DISAPPROVAL BY DIRECTOR—CHANGE OF OFFICERS.

(1) The director may disapprove the acquisition of a state trust company within thirty days after the filing of a complete application pursuant to section 94 of this act or an extended period not exceeding an additional fifteen days if:

(a) The poor financial condition of any acquiring person might jeopardize the financial stability of the state trust company or might prejudice the interests of the state trust company's shareholders or the trustors or beneficiaries of trusts in which the state trust company is a trustee or investment advisor;

(b) The plan or proposal of the acquiring person to liquidate the state trust company, to sell its assets or transfer its fiduciary assets, to merge it with any person, or to make any other major change in its business or corporate structure or management that is not fair and reasonable to the state trust company's shareholders or the trustors or beneficiaries of trusts in which the state trust

company is a trustee or investment advisor;

(c) The fiduciary and other business experience and integrity of any acquiring person who would control the operation of the state trust company indicates that approval would not be in the interest of the state trust company's shareholders or the trustors or beneficiaries of trusts in which the state trust company is a trustee or investment advisor;

(d) The information provided by the application is insufficient for the director to make a determination or there has been insufficient time to verify the information provided and conduct an examination of the qualification of the acquiring person; or

(e) The acquisition would not be in the public interest.

(2) An acquisition may be made prior to expiration of the disapproval period if the director issues written notice of intent not to disapprove the action.

(3) The director shall set forth the basis for disapproval of any proposed acquisition in writing and shall provide a copy of such findings and order to the applicants and to the state trust company involved. Such findings and order shall not be disclosed to any other person and shall not be subject to public disclosure under chapter 42.56 RCW unless the findings or order are appealed pursuant to chapter 34.05 RCW.

(4) Whenever such a change of control occurs, each party to the transaction shall report promptly to the director any changes or replacement of its chief executive officer, managers, or any director, which occurs in the following twelve-month period, including in its report a statement of the past and present business and professional affiliations of the new chief executive officer, managers, or directors.

Sec. 96. RCW 30B.53.010 and 2014 c 37 s 389 are each amended to read as follows:

Upon approval by the director consistent with this chapter, merging trust companies, one of which is a state trust company, may be merged to result in a resulting trust company.

Sec. 97. RCW 30B.53.020 and 2014 c 37 s 390 are each amended to read as follows:

(1) The board of directors of each merging trust company shall, by a majority of the entire board, approve a merger agreement that must contain:

(a) The name of each merging trust company and location of each office;

(b) With respect to the resulting trust company, (i) the name and location of the principal and other offices; (ii) the name and mailing address of each director to serve until the next annual meeting of the (~~stockholders~~) shareholders; (iii) the name and mailing address of each officer; (iv) the amount of capital, the number of shares, and the par value, if any, of each share; and (v) the amendments to its charters and bylaws;

(c) Provisions governing the exchange of shares of the merging trust companies for such consideration as has been agreed to in the merger agreement;

(d) A statement that the agreement is subject to approval by the director and the (~~stockholders~~) shareholders of each merging trust company;

(e) Provisions governing the manner of disposing of the shares of the resulting trust company if the shares are to be issued in the transaction and are not taken by dissenting shareholders of merging trust companies; and

(f) Any other provisions the director requires to discharge his or her duties with respect to the merger.

(2) After approval by the board of directors of each merging trust company, the merger agreement shall be submitted to the director for approval, together with certified copies of the authorizing resolutions of each board of directors showing

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approval by a majority of the entire board. Within sixty days after receipt by the director of the merger agreement and resolutions, the director shall approve or disapprove of the merger agreement, and if no action is taken, the agreement is deemed approved. The director shall approve the agreement if it appears that the:

(a) Resulting trust company meets the requirements of state law as to the formation of a new trust company;

(b) Agreement provides an adequate capital in relation to the deposit liabilities, if any, of the resulting trust company and its other activities which are to continue or are to be undertaken;

(c) Agreement is fair; and

(d) Merger is not contrary to the public interest.

If the director disapproves an agreement, he or she shall state his or her objections and give an opportunity to the merging trust company to amend the merger agreement to obviate such objections.

Sec. 98. RCW 30B.53.030 and 2014 c 37 s 391 are each amended to read as follows:

(1) To be effective, a merger that is to result in a trust company must be approved by the ~~((stockholders))~~ shareholders of each merging trust company by a vote of two-thirds of the outstanding voting ~~((stock))~~ shares of each class at a meeting called to consider such action. This vote shall constitute the adoption of the charter and bylaws of the resulting trust company, including the amendments in the merger agreement.

(2) Unless waived in writing, notice of the meeting of ~~((stockholders))~~ shareholders shall be given by publication in a newspaper of general circulation in the place where the principal office of each merging trust company is located, at least once each week for four successive weeks, and by mail, at least fifteen days before the date of the meeting, to each ~~((stockholder))~~ shareholder of record of each merging trust company at the address on the books of the ~~((stockholder's))~~ shareholder's trust company. No notice of publication need be given if written waivers are received from the holders of two-thirds of the outstanding shares of each class of ~~((stock))~~ shares. The notice shall state that dissenting ~~((stockholders))~~ shareholders will be entitled to payment of the value of only those shares which are voted against approval of the plan.

Sec. 99. RCW 30B.53.040 and 2014 c 37 s 392 are each amended to read as follows:

(1) A merger that is to result in a trust company shall, unless a later date is specified in the agreement, become effective after the filing with and upon the approval of the director of the executed agreement together with copies of the resolutions of the ~~((stockholders))~~ shareholders of each merging trust company approving it, certified by the trust company's president or ~~((a vice president))~~ manager and ~~((a))~~ the secretary. The charters of the merging trust companies, other than the resulting trust company, shall immediately after that automatically terminate.

(2) The director shall immediately after that issue to the resulting trust company a certificate of merger specifying the name of each merging trust company and the name of the resulting trust company. The certificate shall be conclusive evidence of the merger and of the correctness of all proceedings regarding the merger in all courts and places, and may be recorded in any office for the recording of deeds to evidence the new name in which the property of the merging trust companies is held.

Sec. 100. RCW 30B.53.060 and 2014 c 37 s 394 are each amended to read as follows:

(1) The owner of shares of a trust company that were voted against a merger to result in a trust company shall be entitled to receive their value in cash, if and when the merger becomes effective, upon written demand made to the resulting trust

company at any time within thirty days after the effective date of the merger, accompanied by the surrender of the ~~((stock))~~ share certificates. The value of the shares shall be determined, as of the date of the ~~((stockholders'2))~~ shareholders' meeting approving the merger, by three appraisers, one to be selected by the owners of two-thirds of the dissenting shares, one by the board of directors of the resulting trust company, and the third by the two so chosen. The valuation agreed upon by any two appraisers shall govern. If the appraisal is not completed within ninety days after the merger becomes effective, the director shall cause an appraisal to be made.

(2) The dissenting shareholders shall bear, on a pro rata basis based on number of dissenting shares owned, the cost of their appraisal and one-half of the cost of a third appraisal, and the resulting trust company shall bear the cost of its appraisal and one-half of the cost of the third appraisal. If the director causes an appraisal to be made, the cost of that appraisal shall be borne equally by the dissenting shareholders and the resulting trust company, with the dissenting shareholders sharing their half of the cost on a pro rata basis based on number of dissenting shares owned.

(3) The resulting trust company may fix an amount which it considers to be not more than the fair market value of the shares of a merging trust company at the time of the ~~((stockholders'2))~~ shareholders' meeting approving the merger, that it will pay dissenting shareholders of the trust company entitled to payment in cash. The amount due under an accepted offer or under the appraisal shall constitute a debt of the resulting trust company.

Sec. 101. RCW 30B.72.010 and 2014 c 37 s 402 are each amended to read as follows:

(1) An out-of-state trust institution that has, prior to ~~((January 5, 2015))~~ the effective date of this section, obtained approval from the director under authority of Title 30 RCW, as it existed ~~((on))~~ before January 5, 2015, or under authority of this title, as it existed prior to the effective date of this section, to engage in trust business in ~~((this))~~ Washington state and has continuously since the date of such approval held itself out to the public as engaging in trust business in ~~((this))~~ Washington state, shall be exempt from the requirement of notice to or obtaining approval from the director pursuant to chapter 30B.38 RCW.

(2) For purposes of this section, the term "director" includes the former office of the supervisor of banks that merged into the department under authority of chapter 43.320 RCW.

(3) For purposes of this section, satisfactory evidence of approval from the director may be established only by written evidence that the director gave his or her approval prior to ~~((January 5, 2015))~~ the effective date of this section, in the form of a certificate of authority, declaration of reciprocity between ~~((this))~~ Washington state and the home state of the out-of-state trust institution, or the equivalent. Authorization from the secretary of state to transact business in ~~((this))~~ Washington state as a foreign corporation or foreign limited liability company is not by itself satisfactory evidence of such approval from the director.

(4) For purposes of this section, an out-of-state trust institution with satisfactory evidence of the director's approval to engage in trust business prior to ~~((January 5, 2015))~~ the effective date of this section, is presumed to have:

(a) Complied with ~~((RCW 30B.38.040(1)))~~ chapter 30B.38 RCW; and

(b) Continuously held itself out to the public as engaging in trust business in ~~((this))~~ Washington state since the date of the director's approval ~~((by demonstrating that it has maintained uninterrupted and without lapse registration with the secretary of state as a foreign corporation under chapter 23B.15 RCW or~~

foreign limited liability company under chapter 25.15 RCW)).

Sec. 102. RCW 42.56.400 and 2018 c 260 s 32 and 2018 c 30 s 9 are each reenacted and amended to read as follows:

The following information relating to insurance and financial institutions is exempt from disclosure under this chapter:

(1) Records maintained by the board of industrial insurance appeals that are related to appeals of crime victims' compensation claims filed with the board under RCW 7.68.110;

(2) Information obtained and exempted or withheld from public inspection by the health care authority under RCW 41.05.026, whether retained by the authority, transferred to another state purchased health care program by the authority, or transferred by the authority to a technical review committee created to facilitate the development, acquisition, or implementation of state purchased health care under chapter 41.05 RCW;

(3) The names and individual identification data of either all owners or all insureds, or both, received by the insurance commissioner under chapter 48.102 RCW;

(4) Information provided under RCW 48.30A.045 through 48.30A.060;

(5) Information provided under RCW 48.05.510 through 48.05.535, 48.43.200 through 48.43.225, 48.44.530 through 48.44.555, and 48.46.600 through 48.46.625;

(6) Examination reports and information obtained by the department of financial institutions from banks under RCW 30A.04.075, from savings banks under RCW 32.04.220, from savings and loan associations under RCW 33.04.110, from credit unions under RCW 31.12.565, from check cashers and sellers under RCW 31.45.030(3), and from securities brokers and investment advisers under RCW 21.20.100, all of which is confidential and privileged information;

(7) Information provided to the insurance commissioner under RCW 48.110.040(3);

(8) Documents, materials, or information obtained by the insurance commissioner under RCW 48.02.065, all of which are confidential and privileged;

(9) Documents, materials, or information obtained by the insurance commissioner under RCW 48.31B.015(2) (l) and (m), 48.31B.025, 48.31B.030, and 48.31B.035, all of which are confidential and privileged;

(10) Data filed under RCW 48.140.020, 48.140.030, 48.140.050, and 7.70.140 that, alone or in combination with any other data, may reveal the identity of a claimant, health care provider, health care facility, insuring entity, or self-insurer involved in a particular claim or a collection of claims. For the purposes of this subsection:

(a) "Claimant" has the same meaning as in RCW 48.140.010(2).

(b) "Health care facility" has the same meaning as in RCW 48.140.010(6).

(c) "Health care provider" has the same meaning as in RCW 48.140.010(7).

(d) "Insuring entity" has the same meaning as in RCW 48.140.010(8).

(e) "Self-insurer" has the same meaning as in RCW 48.140.010(11);

(11) Documents, materials, or information obtained by the insurance commissioner under RCW 48.135.060;

(12) Documents, materials, or information obtained by the insurance commissioner under RCW 48.37.060;

(13) Confidential and privileged documents obtained or produced by the insurance commissioner and identified in RCW 48.37.080;

(14) Documents, materials, or information obtained by the insurance commissioner under RCW 48.37.140;

(15) Documents, materials, or information obtained by the insurance commissioner under RCW 48.17.595;

(16) Documents, materials, or information obtained by the insurance commissioner under RCW 48.102.051(1) and 48.102.140 (3) and (7)(a)(ii);

(17) Documents, materials, or information obtained by the insurance commissioner in the commissioner's capacity as receiver under RCW 48.31.025 and 48.99.017, which are records under the jurisdiction and control of the receivership court. The commissioner is not required to search for, log, produce, or otherwise comply with the public records act for any records that the commissioner obtains under chapters 48.31 and 48.99 RCW in the commissioner's capacity as a receiver, except as directed by the receivership court;

(18) Documents, materials, or information obtained by the insurance commissioner under RCW 48.13.151;

(19) Data, information, and documents provided by a carrier pursuant to section 1, chapter 172, Laws of 2010;

(20) Information in a filing of usage-based insurance about the usage-based component of the rate pursuant to RCW 48.19.040(5)(b);

(21) Data, information, and documents, other than those described in RCW 48.02.210(2) as it existed prior to repeal by section 2, chapter 7, Laws of 2017 3rd ~~(sp.s.)~~ sp. sess., that are submitted to the office of the insurance commissioner by an entity providing health care coverage pursuant to RCW 28A.400.275 as it existed on January 1, 2017, and ~~(RCW)~~ RCW 48.02.210 as it existed prior to repeal by section 2, chapter 7, Laws of 2017 3rd ~~(sp.s.)~~ sp. sess.;

(22) Data, information, and documents obtained by the insurance commissioner under RCW 48.29.017;

(23) Information not subject to public inspection or public disclosure under RCW 48.43.730(5);

(24) Documents, materials, or information obtained by the insurance commissioner under chapter 48.05A RCW;

(25) Documents, materials, or information obtained by the insurance commissioner under RCW 48.74.025, 48.74.028, 48.74.100(6), 48.74.110(2) (b) and (c), and 48.74.120 to the extent such documents, materials, or information independently qualify for exemption from disclosure as documents, materials, or information in possession of the commissioner pursuant to a financial conduct examination and exempt from disclosure under RCW 48.02.065;

(26) Nonpublic personal health information obtained by, disclosed to, or in the custody of the insurance commissioner, as provided in RCW 48.02.068;

(27) Data, information, and documents obtained by the insurance commissioner under RCW 48.02.230; ~~(and)~~

(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 section 95(3) of this act; and

(30) All claims data, including health care and financial related data received under RCW 41.05.890, received and held by the health care authority.

NEW SECTION. Sec. 103. The following acts or parts of acts are each repealed:

(1) RCW 30A.08.160 (Report of bond liability—Collateral) and 1994 c 92 s 59 & 1955 c 33 s 30.08.160;

(2) RCW 30A.08.170 (Securities may be held in name of nominee) and 1955 c 33 s 30.08.170;

(3) RCW 30B.04.150 (Acquisition of control) and 2014 c 37 s 317;

(4) RCW 30B.44B.020 (Other requirements for involuntary

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dissolution and liquidation) and 2014 c 37 s 384;

(5)RCW 30B.46.005 (Supervisory direction) and 2014 c 37 s 385; and

(6)RCW 30B.46.010 (Conservatorship) and 2014 c 37 s 386.”
Correct the title.

and the same are herewith transmitted.

NONA SNELL, Deputy Chief Clerk

MOTION

Senator Das moved that the Senate concur in the House amendment(s) to Senate Bill No. 5107.

Senators Das and Wilson, L. spoke in favor of the motion.

The President Pro Tempore declared the question before the Senate to be the motion by Senator Das that the Senate concur in the House amendment(s) to Senate Bill No. 5107.

The motion by Senator Das carried and the Senate concurred in the House amendment(s) to Senate Bill No. 5107 by voice vote.

The President Pro Tempore declared the question before the Senate to be the final passage of Senate Bill No. 5107, as amended by the House.

ROLL CALL

The Secretary called the roll on the final passage of Senate Bill No. 5107, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 48; Nays, 0; Absent, 0; Excused, 1.

Voting yea: Senators Bailey, Becker, Billig, Braun, Brown, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Ericksen, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Holy, Honeyford, Hunt, Keiser, King, Kuderer, Liias, Lovelett, McCoy, Mullet, Nguyen, O’Ban, Padden, Palumbo, Pedersen, Randall, Rivers, Saldaña, Salomon, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson, C., Wilson, L. and Zeiger

Excused: Senator Rolfes

SENATE BILL NO. 5107, as amended by the House, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MESSAGE FROM THE HOUSE

April 16, 2019

MR. PRESIDENT:

The House passed SENATE BILL NO. 5227 with the following amendment(s): 5227 AMH SGOV H2753.1

Strike everything after the enacting clause and insert the following:

“NEW SECTION. Sec. 1. A new section is added to chapter 29A.04 RCW to read as follows:

“Election official” when pertaining to voter registration includes any staff member of the office of the secretary of state or a staff member of the county auditor’s office.

NEW SECTION. Sec. 2. A new section is added to chapter 29A.04 RCW to read as follows:

“By mail” means delivery of a completed original voter registration application by mail to a county auditor or the office of the secretary of state.

Sec. 3. RCW 29A.08.020 and 2013 c 11 s 12 are each

amended to read as follows:

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

~~(1) “By mail” means delivery of a completed original voter registration application by mail to a county auditor or the office of the secretary of state.~~

~~(2) For) Unless the context clearly requires otherwise, for voter registration applicants, (“date of mailing” means the date of the postal cancellation on the voter registration application. This date will also be used as the date of application for the purpose of) the date the voter registration application is received by an election official will be used as the registration date for the purpose of registering and meeting the registration cutoff deadline. (If the postal cancellation date is illegible then the date of receipt by the elections official is considered the date of application. If an application is received by a county auditor or the office of the secretary of state by the close of business on the fifth day after the cutoff date for voter registration and the postal cancellation date is illegible, the application will be considered to have arrived by the cutoff date for voter registration.)~~

Sec. 4. RCW 29A.08.140 and 2018 c 112 s 1 are each amended to read as follows:

(1) In order to vote in any primary, special election, or general election, a person who is not registered to vote in Washington must:

(a) Submit a registration application that is received by an election official no later than eight days before the day of the primary, special election, or general election. For purposes of this subsection (1)(a), “received” means: (i) Being physically received by an election official by the close of business of the required deadline; or (ii) for applications received online or electronically, by midnight, of the required deadline; or

(b) Register in person at the county auditor’s office, the division of elections if in a separate city from the county auditor’s office, a voting center, or other location designated by the county auditor in his or her county of residence no later than 8:00 p.m. on the day of the primary, special election, or general election.

(2) In order to change a residence address for voting in any primary, special election, or general election, a person who is already registered to vote in Washington may update his or her registration by:

(a) Submitting an address change using a registration application or making notification via any non-in-person method that is received by election officials no later than eight days before the day of the primary, special election, or general election; or

(b) Appearing in person, at the county auditor’s office, the division of elections if in a separate city from the county auditor’s office, a voting center, or other location designated by the county auditor in his or her county of residence, no later than 8:00 p.m. on the day of the primary, special election, or general election to be in effect for that primary, special election, or general election.

(c) A registered voter who fails to ((transfer)) update his or her residential address by this deadline may vote according to his or her previous registration address.

(3) To register or update a voting address in person at the county auditor’s office, a voting center, or other location designated by the county auditor, a person must appear in person at the county auditor’s office, a voting center, or other location designated by the county auditor in the county in which the person resides at a time when the facility is open and complete the voter registration application by providing the information required by RCW 29A.08.010.

Sec. 5. RCW 29A.08.110 and 2018 c 112 s 2, 2018 c 110 s 101, and 2018 c 109 s 4 are each reenacted and amended to read

as follows:

(1) For persons registering under RCW 29A.08.120, 29A.08.123, 29A.08.170, 29A.08.330, ~~((and))~~ 29A.08.340, 29A.08.362, and 29A.08.365, an application is considered complete only if it contains the information required by RCW 29A.08.010. The applicant is considered to be registered to vote as of the original date of ~~((mailing, date of delivery))~~ receipt, or when the person will be at least eighteen years old by the next election, whichever is applicable. As soon as practicable, the auditor shall record the appropriate precinct identification, taxing district identification, and date of registration on the voter's record in the state voter registration list. The secretary of state shall, pursuant to RCW 29A.04.611, establish procedures to enable new or updated voter registrations to be recorded on an expedited basis. Any mailing address provided shall be used only for mail delivery purposes, and not for precinct assignment or residency purposes. Within sixty days after the receipt of an application or transfer, the auditor shall send to the applicant, by first-class nonforwardable mail, an acknowledgment notice identifying the registrant's precinct and containing such other information as may be required by the secretary of state. The postal service shall be instructed not to forward a voter registration card to any other address and to return to the auditor any card which is not deliverable.

(2) If an application is not complete, the auditor shall promptly mail a verification notice to the applicant. The verification notice shall require the applicant to provide the missing information. If the applicant provides the required information within forty-five days, the applicant shall be registered to vote as of the original date of application. The applicant shall not be placed on the official list of registered voters until the application is complete.

(3) Once a future voter is no longer in pending status, as described in RCW 29A.08.615, his or her application to sign up to register to vote is no longer pending and is subject to this section.

Sec. 6. RCW 29A.08.330 and 2018 c 109 s 18 are each amended to read as follows:

(1) The secretary of state shall prescribe the method of voter registration for each designated agency. The agency shall use either the state voter registration by mail form with a separate declination form for the applicant to indicate that he or she declines to register at this time, or the agency may use a separate form approved for use by the secretary of state.

(2) The person providing service at the agency shall offer voter registration services to every client whenever he or she applies for service or assistance and with each renewal, recertification, or change of address. The person providing service shall give the applicant the same level of assistance with the voter registration application as is offered to fill out the agency's forms and documents, including information about age and citizenship requirements for voter registration.

(3) The person providing service at the agency shall determine if the prospective applicant wants to register to vote or update his or her voter registration by asking the following question:

"Do you want to register or sign up to vote or update your voter registration?"

If the applicant chooses to register, sign up, or update a registration, the service agent shall ask the following:

(a) "Are you a United States citizen?"

(b) "Are you at least eighteen years old or are you at least sixteen years old and will you vote only after you turn eighteen?"

If the applicant answers in the affirmative to both questions, the agent shall then provide the applicant with a voter registration

form and instructions and shall record that the applicant has requested to sign up to vote, register to vote, or update a voter registration. If the applicant answers in the negative to either question, the agent shall not provide the applicant with a voter registration application.

(4) If an agency uses a computerized application process, it may, in consultation with the secretary of state, develop methods to capture simultaneously the information required for voter registration during a person's computerized application process.

(5) Each designated agency shall transmit the applications to the secretary of state or appropriate county auditor within three business days and must be received by the election official by the required voter registration deadline.

(6) Information that is otherwise disclosable under this chapter cannot be disclosed on the future voter until the person reaches eighteen years of age, except for the purpose of processing and delivering ballots.

Sec. 7. RCW 29A.08.410 and 2018 c 112 s 3 and 2018 c 110 s 204 are each reenacted and amended to read as follows:

A registered voter who changes his or her residence from one address to another within the same county may transfer his or her registration to the new address in one of the following ways:

(1) Sending the county auditor a request stating both the voter's present address and the address from which the voter was last registered received by an election official eight days prior to a primary or election;

(2) Appearing in person before the county auditor, or at a voting center or other location designated by the county auditor, and making such a request up until 8:00 p.m. on the day of the primary or election;

(3) Telephoning or emailing the county auditor to transfer the registration by eight days prior to a primary or election;

(4) Submitting a voter registration application received by an election official by eight days prior to a primary or election;

(5) Submitting information to the department of licensing and received by an election official by eight days prior to a primary or election;

(6) Submitting ~~((information to))~~ voter registration information through the health benefit exchange and received by an election official by eight days prior to a primary or election; or

(7) Submitting information to an agency designated under RCW 29A.08.365 and received by an election official by eight days prior to a primary or election once automatic voter registration is implemented at the agency.

Sec. 8. RCW 29A.08.359 and 2018 c 110 s 104 are each amended to read as follows:

(1)(a) For persons age eighteen years and older registering under RCW 29A.08.355, an application is considered complete only if it contains the information required by RCW 29A.08.010 and other information as required by the secretary of state. The applicant is considered to be registered to vote as of the original date of issuance or renewal or date of change of address of an enhanced driver's license or identicaid issued under RCW 46.20.202 or change of address for an existing enhanced driver's license or identicaid pursuant to RCW 46.20.205. The information must be transmitted in an expedited manner and must be received by an election official by the required voter registration deadline. The auditor shall record the appropriate precinct identification, taxing district identification, and date of registration on the voter's record in the state voter registration list. Any mailing address provided shall be used only for mail delivery purposes, and not for precinct assignment or residency purposes. Within sixty days after the receipt of an application or transfer, the auditor shall send to the applicant, by first-class

nonforwardable mail, an acknowledgment notice identifying the registrant’s precinct and containing such other information as may be required by the secretary of state. The United States postal service shall be instructed not to forward a voter registration card to any other address and to return to the auditor any card which is not deliverable.

(b) An auditor may use other means to communicate with potential and registered voters such as, but not limited to, email, phone, or text messaging. The alternate form of communication must not be in lieu of the first-class mail requirements. The auditor shall act in compliance with all voter notification processes established in federal law.

(2) If an application is not complete, the auditor shall promptly mail a verification notice to the applicant. The verification notice must require the applicant to provide the missing information. If the applicant provides the required information within forty-five days, the applicant must be registered to vote. The applicant must not be placed on the official list of registered voters until the application is complete.

(3) If the prospective registration applicant declines to register to vote or the information provided by the department of licensing does not indicate citizenship, the information must not be included on the list of registered voters.

(4) The department of licensing is prohibited from sharing data files used by the secretary of state to certify voters registered through the automated process outlined in RCW 29A.08.355 with any federal agency, or state agency other than the secretary of state. Personal information supplied for the purposes of obtaining a driver’s license or identicaid is exempt from public inspection pursuant to RCW 42.56.230.”

Correct the title.
and the same are herewith transmitted.
NONA SNELL, Deputy Chief Clerk

MOTION

Senator Kuderer moved that the Senate concur in the House amendment(s) to Senate Bill No. 5227.

Senator Kuderer spoke in favor of the motion.

The President Pro Tempore declared the question before the Senate to be the motion by Senator Kuderer that the Senate concur in the House amendment(s) to Senate Bill No. 5227.

The motion by Senator Kuderer carried and the Senate concurred in the House amendment(s) to Senate Bill No. 5227 by voice vote.

The President Pro Tempore declared the question before the Senate to be the final passage of Senate Bill No. 5227, as amended by the House.

ROLL CALL

The Secretary called the roll on the final passage of Senate Bill No. 5227, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 45; Nays, 3; Absent, 0; Excused, 1.

Voting yea: Senators Bailey, Becker, Billig, Braun, Brown, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Ericksen, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Holy, Hunt, Keiser, King, Kuderer, Liias, Lovelett, McCoy, Mullet, Nguyen, O’Ban, Palumbo, Pedersen, Randall, Rivers, Saldaña, Salomon, Schoesler, Sheldon, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson, C., Wilson, L. and Zeiger

Voting nay: Senators Honeyford, Padden and Short

Excused: Senator Rolfes

SENATE BILL NO. 5227, as amended by the House, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

PERSONAL PRIVILEGE

Senator Padden: “Well, Madam President, I know this has been said before but I just, thinking of everything going on today, I just wanted to make a point of personal privilege of what a fine job you do presiding over this unruly group of senators. [Laughter]

President Pro Tempore Keiser: “If you’d all just stay in one place.”

Senator Padden: “Yes. You show a lot of patience and graciousness and I think, for that, we’re all very grateful. Thank you.”

President Pro Tempore Keiser: “Thank you. Very kind.”

MESSAGE FROM THE HOUSE

April 19, 2019

MR. PRESIDENT:
The House refuses to concur in the Senate amendment(s) to ENGROSSED THIRD SUBSTITUTE HOUSE BILL NO. 1324 and asks the Senate to recede therefrom.
and the same are herewith transmitted.

NONA SNELL, Deputy Chief Clerk

MOTION

Senator Liias moved that the Senate recede from its position in the Senate amendment(s) to Engrossed Third Substitute House Bill No. 1324.

The President Pro Tempore declared the question before the Senate to be motion by Senator Liias that the Senate recede from its position in the Senate amendment(s) to Engrossed Third Substitute House Bill No. 1324.

The motion by Senator Liias carried and the Senate receded from its position in the Senate amendment(s) to Engrossed Third Substitute House Bill No. 1324 by voice vote.

MOTION

On motion of Senator Liias, the rules were suspended and Engrossed Third Substitute House Bill No. 1324 was returned to second reading for the purposes of amendment.

MOTION

Senator Van De Wege moved that the following striking amendment no. 768 by Senator Van De Wege be adopted:

Strike everything after the enacting clause and insert the following:

“NEW SECTION. **Sec. 1.** The legislature finds that while many parts of the state are thriving economically, some rural and distressed communities have struggled to keep pace. These communities represent significant opportunity for economic growth and innovation. However, businesses and entrepreneurs often find it difficult to obtain the capital they need to expand and grow in these areas. Therefore, it is the intent of the legislature to study the creation of a program to incentivize private investments

and job creation in rural and distressed communities while ensuring no loss of revenue to the state.

NEW SECTION. Sec. 2. (1) The Washington state institute for public policy must conduct a study on certain programs incentivizing private investment and job creation in rural and distressed communities. In conducting the study, the institute must:

(a) Conduct a fifty-state review on the structure and characteristics of certified capital company programs, new markets tax credit programs, rural jobs programs, and other similar economic development programs in other states; and

(b) Review any available research on these initiatives and, to the extent possible, describe the effects of each type of initiative on employment, earnings, property values, and job creation.

(2) The Washington state institute for public policy must submit a report on its findings to the appropriate committees of the legislature, in compliance with RCW 43.01.036, by July 1, 2020.

NEW SECTION. Sec. 3. (1) The legislature finds that the Washington state forest practices habitat conservation plan was approved in 2006 by the United States fish and wildlife service and the national oceanic and atmospheric administration's marine fisheries service. The legislature further finds that the conservation plan protects habitat of aquatic species, supports economically viable and healthy forests, and creates regulatory stability for landowners. The legislature further finds that funding for the adaptive management program and participation grants are required to implement the forest and fish agreement and meet the goals of the conservation plan. The legislature further finds that the surcharge on the timber products business and occupation tax rate was agreed to by the forest products industry, tribal leaders, and stakeholders as a way to provide funding and safeguard the future of the conservation plan. The legislature further finds that the forestry industry assumed significant financial obligation with the enactment of this conservation plan, in exchange for operational certainty under the endangered species act. Therefore, the legislature concludes that the timber products business and occupation tax rate and the surcharge should continue until the expiration date of the forest and fish agreement, in 2056.

(2) The legislature finds that Washington has one of the strongest economies in the country. However, the local economies in some rural counties continue to struggle. The legislature further finds that the economic prosperity of our state must be shared by all of our communities. The legislature further finds that forest product sectors provide family-wage jobs in economically struggling areas of the state. The legislature further finds that in 2017 the Washington forest products industry, directly and indirectly, employed one hundred one thousand workers, earning 5.5 billion dollars in wages. Therefore, the legislature concludes that the forest products industries support our local rural economies and contribute towards the effort to lower unemployment rates across the state, especially in rural areas.

Sec. 4. RCW 82.04.260 and 2018 c 164 s 3 are each amended to read as follows:

(1) Upon every person engaging within this state in the business of manufacturing:

(a) Wheat into flour, barley into pearl barley, soybeans into soybean oil, canola into canola oil, canola meal, or canola by-products, or sunflower seeds into sunflower oil; as to such persons the amount of tax with respect to such business is equal to the value of the flour, pearl barley, oil, canola meal, or canola by-product manufactured, multiplied by the rate of 0.138 percent;

(b) Beginning July 1, 2025, seafood products that remain in a

raw, raw frozen, or raw salted state at the completion of the manufacturing by that person; or selling manufactured seafood products that remain in a raw, raw frozen, or raw salted state at the completion of the manufacturing, to purchasers who transport in the ordinary course of business the goods out of this state; as to such persons the amount of tax with respect to such business is equal to the value of the products manufactured or the gross proceeds derived from such sales, multiplied by the rate of 0.138 percent. Sellers must keep and preserve records for the period required by RCW 82.32.070 establishing that the goods were transported by the purchaser in the ordinary course of business out of this state;

(c)(i) Except as provided otherwise in (c)(iii) of this subsection, from July 1, 2025, until January 1, 2036, dairy products; or selling dairy products that the person has manufactured to purchasers who either transport in the ordinary course of business the goods out of state or purchasers who use such dairy products as an ingredient or component in the manufacturing of a dairy product; as to such persons the tax imposed is equal to the value of the products manufactured or the gross proceeds derived from such sales multiplied by the rate of 0.138 percent. Sellers must keep and preserve records for the period required by RCW 82.32.070 establishing that the goods were transported by the purchaser in the ordinary course of business out of this state or sold to a manufacturer for use as an ingredient or component in the manufacturing of a dairy product.

(ii) For the purposes of this subsection (1)(c), "dairy products" means:

(A) Products, not including any marijuana-infused product, that as of September 20, 2001, are identified in 21 C.F.R., chapter 1, parts 131, 133, and 135, including by-products from the manufacturing of the dairy products, such as whey and casein; and

(B) Products comprised of not less than seventy percent dairy products that qualify under (c)(ii)(A) of this subsection, measured by weight or volume.

(iii) The preferential tax rate provided to taxpayers under this subsection (1)(c) does not apply to sales of dairy products on or after July 1, 2023, where a dairy product is used by the purchaser as an ingredient or component in the manufacturing in Washington of a dairy product;

(d)(i) Beginning July 1, 2025, fruits or vegetables by canning, preserving, freezing, processing, or dehydrating fresh fruits or vegetables, or selling at wholesale fruits or vegetables manufactured by the seller by canning, preserving, freezing, processing, or dehydrating fresh fruits or vegetables and sold to purchasers who transport in the ordinary course of business the goods out of this state; as to such persons the amount of tax with respect to such business is equal to the value of the products manufactured or the gross proceeds derived from such sales multiplied by the rate of 0.138 percent. Sellers must keep and preserve records for the period required by RCW 82.32.070 establishing that the goods were transported by the purchaser in the ordinary course of business out of this state.

(ii) For purposes of this subsection (1)(d), "fruits" and "vegetables" do not include marijuana, useable marijuana, or marijuana-infused products; and

(e) Wood biomass fuel; as to such persons the amount of tax with respect to the business is equal to the value of wood biomass fuel manufactured, multiplied by the rate of 0.138 percent. For the purposes of this section, "wood biomass fuel" means a liquid or gaseous fuel that is produced from lignocellulosic feedstocks, including wood, forest, ~~((or))~~ or field residue~~((s))~~ and dedicated energy crops, and that does not include wood treated with chemical preservations such as creosote, pentachlorophenol, or copper-chrome-arsenic.

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(2) Upon every person engaging within this state in the business of splitting or processing dried peas; as to such persons the amount of tax with respect to such business is equal to the value of the peas split or processed, multiplied by the rate of 0.138 percent.

(3) Upon every nonprofit corporation and nonprofit association engaging within this state in research and development, as to such corporations and associations, the amount of tax with respect to such activities is equal to the gross income derived from such activities multiplied by the rate of 0.484 percent.

(4) Upon every person engaging within this state in the business of slaughtering, breaking and/or processing perishable meat products and/or selling the same at wholesale only and not at retail; as to such persons the tax imposed is equal to the gross proceeds derived from such sales multiplied by the rate of 0.138 percent.

(5) Upon every person engaging within this state in the business of acting as a travel agent or tour operator; as to such persons the amount of the tax with respect to such activities is equal to the gross income derived from such activities multiplied by the rate of 0.275 percent.

(6) Upon every person engaging within this state in business as an international steamship agent, international customs house broker, international freight forwarder, vessel and/or cargo charter broker in foreign commerce, and/or international air cargo agent; as to such persons the amount of the tax with respect to only international activities is equal to the gross income derived from such activities multiplied by the rate of 0.275 percent.

(7) Upon every person engaging within this state in the business of stevedoring and associated activities pertinent to the movement of goods and commodities in waterborne interstate or foreign commerce; as to such persons the amount of tax with respect to such business is equal to the gross proceeds derived from such activities multiplied by the rate of 0.275 percent. Persons subject to taxation under this subsection are exempt from payment of taxes imposed by chapter 82.16 RCW for that portion of their business subject to taxation under this subsection. Stevedoring and associated activities pertinent to the conduct of goods and commodities in waterborne interstate or foreign commerce are defined as all activities of a labor, service or transportation nature whereby cargo may be loaded or unloaded to or from vessels or barges, passing over, onto or under a wharf, pier, or similar structure; cargo may be moved to a warehouse or similar holding or storage yard or area to await further movement in import or export or may move to a consolidation freight station and be stuffed, unstuffed, containerized, separated or otherwise segregated or aggregated for delivery or loaded on any mode of transportation for delivery to its consignee. Specific activities included in this definition are: Wharfage, handling, loading, unloading, moving of cargo to a convenient place of delivery to the consignee or a convenient place for further movement to export mode; documentation services in connection with the receipt, delivery, checking, care, custody and control of cargo required in the transfer of cargo; imported automobile handling prior to delivery to consignee; terminal stevedoring and incidental vessel services, including but not limited to plugging and unplugging refrigerator service to containers, trailers, and other refrigerated cargo receptacles, and securing ship hatch covers.

(8)(a) Upon every person engaging within this state in the business of disposing of low-level waste, as defined in RCW 43.145.010; as to such persons the amount of the tax with respect to such business is equal to the gross income of the business, excluding any fees imposed under chapter 43.200 RCW, multiplied by the rate of 3.3 percent.

(b) If the gross income of the taxpayer is attributable to

activities both within and without this state, the gross income attributable to this state must be determined in accordance with the methods of apportionment required under RCW 82.04.460.

(9) Upon every person engaging within this state as an insurance producer or title insurance agent licensed under chapter 48.17 RCW or a surplus line broker licensed under chapter 48.15 RCW; as to such persons, the amount of the tax with respect to such licensed activities is equal to the gross income of such business multiplied by the rate of 0.484 percent.

(10) Upon every person engaging within this state in business as a hospital, as defined in chapter 70.41 RCW, that is operated as a nonprofit corporation or by the state or any of its political subdivisions, as to such persons, the amount of tax with respect to such activities is equal to the gross income of the business multiplied by the rate of 0.75 percent through June 30, 1995, and 1.5 percent thereafter.

(11)(a) Beginning October 1, 2005, upon every person engaging within this state in the business of manufacturing commercial airplanes, or components of such airplanes, or making sales, at retail or wholesale, of commercial airplanes or components of such airplanes, manufactured by the seller, as to such persons the amount of tax with respect to such business is, in the case of manufacturers, equal to the value of the product manufactured and the gross proceeds of sales of the product manufactured, or in the case of processors for hire, equal to the gross income of the business, multiplied by the rate of:

(i) 0.4235 percent from October 1, 2005, through June 30, 2007; and

(ii) 0.2904 percent beginning July 1, 2007.

(b) Beginning July 1, 2008, upon every person who is not eligible to report under the provisions of (a) of this subsection (11) and is engaging within this state in the business of manufacturing tooling specifically designed for use in manufacturing commercial airplanes or components of such airplanes, or making sales, at retail or wholesale, of such tooling manufactured by the seller, as to such persons the amount of tax with respect to such business is, in the case of manufacturers, equal to the value of the product manufactured and the gross proceeds of sales of the product manufactured, or in the case of processors for hire, be equal to the gross income of the business, multiplied by the rate of 0.2904 percent.

(c) For the purposes of this subsection (11), "commercial airplane" and "component" have the same meanings as provided in RCW 82.32.550.

(d) In addition to all other requirements under this title, a person reporting under the tax rate provided in this subsection (11) must file a complete annual tax performance report with the department under RCW 82.32.534.

(e)(i) Except as provided in (e)(ii) of this subsection (11), this subsection (11) does not apply on and after July 1, 2040.

(ii) With respect to the manufacturing of commercial airplanes or making sales, at retail or wholesale, of commercial airplanes, this subsection (11) does not apply on and after July 1st of the year in which the department makes a determination that any final assembly or wing assembly of any version or variant of a commercial airplane that is the basis of a siting of a significant commercial airplane manufacturing program in the state under RCW 82.32.850 has been sited outside the state of Washington. This subsection (11)(e)(ii) only applies to the manufacturing or sale of commercial airplanes that are the basis of a siting of a significant commercial airplane manufacturing program in the state under RCW 82.32.850.

(12)(a) Until July 1, ((2024)) 2045, upon every person engaging within this state in the business of extracting timber or extracting for hire timber; as to such persons the amount of tax

with respect to the business is, in the case of extractors, equal to the value of products, including by-products, extracted, or in the case of extractors for hire, equal to the gross income of the business, multiplied by the rate of 0.4235 percent from July 1, 2006, through June 30, 2007, and 0.2904 percent from July 1, 2007, through June 30, ~~((2024))~~ 2045.

(b) Until July 1, ~~((2024))~~ 2045, upon every person engaging within this state in the business of manufacturing or processing for hire: (i) Timber into timber products or wood products; ~~((or))~~ (ii) timber products into other timber products or wood products; or (iii) products defined in RCW 19.27.570(1); as to such persons the amount of the tax with respect to the business is, in the case of manufacturers, equal to the value of products, including by-products, manufactured, or in the case of processors for hire, equal to the gross income of the business, multiplied by the rate of 0.4235 percent from July 1, 2006, through June 30, 2007, and 0.2904 percent from July 1, 2007, through June 30, ~~((2024))~~ 2045.

(c) Until July 1, ~~((2024))~~ 2045, upon every person engaging within this state in the business of selling at wholesale: (i) Timber extracted by that person; (ii) timber products manufactured by that person from timber or other timber products; ~~((or))~~ (iii) wood products manufactured by that person from timber or timber products; or (iv) products defined in RCW 19.27.570(1) manufactured by that person as to such persons the amount of the tax with respect to the business is equal to the gross proceeds of sales of the timber, timber products, ~~((or))~~ wood products, or products defined in RCW 19.27.570(1) multiplied by the rate of 0.4235 percent from July 1, 2006, through June 30, 2007, and 0.2904 percent from July 1, 2007, through June 30, ~~((2024))~~ 2045.

(d) Until July 1, ~~((2024))~~ 2045, upon every person engaging within this state in the business of selling standing timber; as to such persons the amount of the tax with respect to the business is equal to the gross income of the business multiplied by the rate of 0.2904 percent. For purposes of this subsection (12)(d), “selling standing timber” means the sale of timber apart from the land, where the buyer is required to sever the timber within thirty months from the date of the original contract, regardless of the method of payment for the timber and whether title to the timber transfers before, upon, or after severance.

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

(i) “Biocomposite surface products” means surface material products containing, by weight or volume, more than fifty percent recycled paper and that also use nonpetroleum-based phenolic resin as a bonding agent.

(ii) “Paper and paper products” means products made of interwoven cellulosic fibers held together largely by hydrogen bonding. “Paper and paper products” includes newsprint; office, printing, fine, and pressure-sensitive papers; paper napkins, towels, and toilet tissue; kraft bag, construction, and other kraft industrial papers; paperboard, liquid packaging containers, containerboard, corrugated, and solid-fiber containers including linerboard and corrugated medium; and related types of cellulosic products containing primarily, by weight or volume, cellulosic materials. “Paper and paper products” does not include books, newspapers, magazines, periodicals, and other printed publications, advertising materials, calendars, and similar types of printed materials.

(iii) “Recycled paper” means paper and paper products having fifty percent or more of their fiber content that comes from postconsumer waste. For purposes of this subsection (12)(e)(iii), “postconsumer waste” means a finished material that would normally be disposed of as solid waste, having completed its life cycle as a consumer item.

(iv) “Timber” means forest trees, standing or down, on privately or publicly owned land. “Timber” does not include

Christmas trees that are cultivated by agricultural methods or short-rotation hardwoods as defined in RCW 84.33.035.

(v) “Timber products” means:

(A) Logs, wood chips, sawdust, wood waste, and similar products obtained wholly from the processing of timber, short-rotation hardwoods as defined in RCW 84.33.035, or both;

(B) Pulp, including market pulp and pulp derived from recovered paper or paper products; and

(C) Recycled paper, but only when used in the manufacture of biocomposite surface products.

(vi) “Wood products” means paper and paper products; dimensional lumber; engineered wood products such as particleboard, oriented strand board, medium density fiberboard, and plywood; wood doors; wood windows; and biocomposite surface products.

(f) Except for small harvesters as defined in RCW 84.33.035, a person reporting under the tax rate provided in this subsection (12) must file a complete annual tax performance report with the department under RCW 82.32.534.

(g) Nothing in this subsection (12) may be construed to affect the taxation of any activity defined as a retail sale in RCW 82.04.050(2) (b) or (c), defined as a wholesale sale in RCW 82.04.060(2), or taxed under RCW 82.04.280(1)(g).

(13) Upon every person engaging within this state in inspecting, testing, labeling, and storing canned salmon owned by another person, as to such persons, the amount of tax with respect to such activities is equal to the gross income derived from such activities multiplied by the rate of 0.484 percent.

(14)(a) Upon every person engaging within this state in the business of printing a newspaper, publishing a newspaper, or both, the amount of tax on such business is equal to the gross income of the business multiplied by the rate of 0.35 percent until July 1, 2024, and 0.484 percent thereafter.

(b) A person reporting under the tax rate provided in this subsection (14) must file a complete annual tax performance report with the department under RCW 82.32.534.

Sec. 5. RCW 82.04.261 and 2017 c 323 s 501 are each amended to read as follows:

(1) In addition to the taxes imposed under RCW 82.04.260(12), a surcharge is imposed on those persons who are subject to any of the taxes imposed under RCW 82.04.260(12). Except as otherwise provided in this section, the surcharge is equal to 0.052 percent. The surcharge is added to the rates provided in RCW 82.04.260(12) (a), (b), (c), and (d). ~~((The surcharge and this section expire July 1, 2024-))~~

(2) All receipts from the surcharge imposed under this section must be deposited into the forest and fish support account created in RCW 76.09.405, with any receipts above eight million dollars per biennium specifically used as additional funding for tribal participation grants.

(3)(a) The surcharge imposed under this section is suspended if:

(i) Before July 1, 2024, receipts from the surcharge total at least eight million five hundred thousand dollars during any fiscal biennium; ~~((or))~~

(ii) ~~((The office of financial management certifies to the department that the federal government has appropriated at least two million dollars for participation in forest and fish report-related activities by federally recognized Indian tribes located within the geographical boundaries of the state of Washington for any federal fiscal year-))~~ Between July 1, 2024, and July 30, 2029, receipts from the surcharge total at least nine million dollars during any fiscal biennium; and

(iii) After July 30, 2029, the receipts from the surcharge total at least nine million five hundred thousand dollars during any

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fiscal biennium.

~~(b)((ii))~~ The suspension of the surcharge under ~~((a)(i) of)~~ this subsection (3) takes effect on the first day of the calendar month that is at least thirty days after the end of the month during which the department determines that receipts from the surcharge total ~~((at least eight million dollars))~~ the values specified in this subsection (3) during the fiscal biennium. The surcharge is imposed again at the beginning of the following fiscal biennium.

~~((ii))~~ ~~The suspension of the surcharge under (a)(ii) of this subsection (3) takes effect on the later of the first day of October of any federal fiscal year for which the federal government appropriates at least two million dollars for participation in forest and fish report related activities by federally recognized Indian tribes located within the geographical boundaries of the state of Washington, or the first day of a calendar month that is at least thirty days following the date that the office of financial management makes a certification to the department under subsection (5) of this section. The surcharge is imposed again on the first day of the following July.~~

~~(4)(a) If, by October 1st of any federal fiscal year, the office of financial management certifies to the department that the federal government has appropriated funds for participation in forest and fish report related activities by federally recognized Indian tribes located within the geographical boundaries of the state of Washington but the amount of the appropriation is less than two million dollars, the department must adjust the surcharge in accordance with this subsection.~~

~~(b) The department must adjust the surcharge by an amount that the department estimates will cause the amount of funds deposited into the forest and fish support account for the state fiscal year that begins July 1st and that includes the beginning of the federal fiscal year for which the federal appropriation is made, to be reduced by twice the amount of the federal appropriation for participation in forest and fish report related activities by federally recognized Indian tribes located within the geographical boundaries of the state of Washington.~~

~~(c) Any adjustment in the surcharge takes effect at the beginning of a calendar month that is at least thirty days after the date that the office of financial management makes the certification under subsection (5) of this section.~~

~~(d) The surcharge is imposed again at the rate provided in subsection (1) of this section on the first day of the following state fiscal year unless the surcharge is suspended under subsection (3) of this section or adjusted for that fiscal year under this subsection.~~

~~(e) Adjustments of the amount of the surcharge by the department are final and may not be used to challenge the validity of the surcharge imposed under this section.~~

~~(f) The department must provide timely notice to affected taxpayers of the suspension of the surcharge or an adjustment of the surcharge.~~

~~(5) The office of financial management must make the certification to the department as to the status of federal appropriations for tribal participation in forest and fish report related activities.)~~

(4) This section expires July 1, 2045.

NEW SECTION. Sec. 6. The provisions of RCW 82.32.808 do not apply to sections 4 and 5 of this act.

NEW SECTION. Sec. 7. If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2019, in the omnibus appropriations act, this act is null and void.”

On page 1, line 2 of the title, after “act;” strike the remainder of the title and insert “amending RCW 82.04.260 and 82.04.261;

creating new sections; and providing an expiration date.”

Senators Van De Wege, Mullet and Wilson, L. spoke in favor of adoption of the striking amendment.

The President Pro Tempore declared the question before the Senate to be the adoption of striking amendment no. 768 by Senator Van De Wege to Engrossed Third Substitute House Bill No. 1324.

The motion by Senator Van De Wege carried and striking amendment no. 768 was adopted by voice vote.

MOTION

On motion of Senator Liias, the rules were suspended, Engrossed Third Substitute House Bill No. 1324 as amended by the Senate was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

The President Pro Tempore declared the question before the Senate to be the final passage of Engrossed Third Substitute House Bill No. 1324 as amended by the Senate.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Third Substitute House Bill No. 1324 as amended by the Senate and the bill passed the Senate by the following vote: Yeas, 40; Nays, 9; Absent, 0; Excused, 0.

Voting yea: Senators Bailey, Becker, Billig, Braun, Brown, Cleveland, Conway, Das, Dhingra, Ericksen, Fortunato, Hawkins, Hobbs, Holy, Hunt, Keiser, King, Liias, Lovelett, McCoy, Mullet, O’Ban, Palumbo, Pedersen, Randall, Rivers, Rolfes, Saldaña, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson, C., Wilson, L. and Zeiger

Voting nay: Senators Carlyle, Darneille, Frockt, Hasegawa, Honeyford, Kuderer, Nguyen, Padden and Salomon

ENGROSSED THIRD SUBSTITUTE HOUSE BILL NO. 1324, as amended by the Senate, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MESSAGE FROM THE HOUSE

April 18, 2019

MR. PRESIDENT:

The House refuses to concur in the Senate amendment(s) to ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1923 and asks the Senate to recede therefrom. and the same are herewith transmitted.

NONA SNELL, Deputy Chief Clerk

MOTION

Senator Kuderer moved that the Senate recede from its position in the Senate amendment(s) to Engrossed Second Substitute House Bill No. 1923.

Senator Kuderer spoke in favor of the motion.

The President Pro Tempore declared the question before the Senate to be motion by Senator Kuderer that the Senate recede from its position in the Senate amendment(s) to Engrossed Second Substitute House Bill No. 1923.

The motion by Senator Kuderer carried and the Senate receded from its position in the Senate amendment(s) to Engrossed

Second Substitute House Bill No. 1923 by voice vote.

MOTION

On motion of Senator Kuderer, the rules were suspended and Engrossed Second Substitute House Bill No. 1923 was returned to second reading for the purposes of amendment.

MOTION

Senator Palumbo moved that the following striking amendment no. 765 by Senator Palumbo be adopted:

Strike everything after the enacting clause and insert the following:

“NEW SECTION. Sec. 1. A new section is added to chapter 36.70A RCW to read as follows:

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

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

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

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

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

(e) Authorize attached accessory dwelling units on all parcels containing single-family homes where the lot is at least three thousand two hundred square feet in size, and permit both attached and detached accessory dwelling units on all parcels containing single-family homes, provided lots are at least four thousand three hundred fifty-six square feet in size. Qualifying city ordinances or regulations may not provide for on-site parking requirements, owner occupancy requirements, or square footage limitations below one thousand square feet for the accessory dwelling unit, and must not prohibit the separate rental or sale of accessory dwelling units and the primary residence. Cities must set applicable impact fees at no more than the projected impact of the accessory dwelling unit. To allow local flexibility, other than these factors, accessory dwelling units may be subject to such regulations, conditions, procedures, and limitations as determined by the local legislative authority, and must follow all applicable state and federal laws and local ordinances;

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

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

(h) Adopt increases in categorical exemptions pursuant to

RCW 43.21C.229 for residential or mixed-use development;

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

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

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

(l) Authorize a minimum net density of six dwelling units per acre in all residential zones, where the residential development capacity will increase within the city.

(2) A city planning pursuant to RCW 36.70A.040 may adopt a housing action plan as described in this subsection. The goal of any such housing plan must be to encourage construction of additional affordable and market rate housing in a greater variety of housing types and at prices that are accessible to a greater variety of incomes, including strategies aimed at the for-profit single-family home market. A housing action plan may utilize data compiled pursuant to section 3 of this act. The housing action plan should:

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

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

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

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

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

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

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

(3) If adopted by April 1, 2021, ordinances, amendments to development regulations, and other nonproject actions taken by a city to implement the actions specified in subsection (1) of this section, with the exception of the action specified in subsection (1)(f) of this section, are not subject to administrative or judicial appeal under chapter 43.21C RCW.

(4) Any action taken by a city prior to April 1, 2021, to amend their comprehensive plan, or adopt or amend ordinances or development regulations, solely to enact provisions under subsection (1) of this section is not subject to legal challenge under this chapter.

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

(6) A city with a population over twenty thousand that is planning to take at least two actions under subsection (1) of this section, and that action will occur between the effective date of this section and April 1, 2021, is eligible to apply to the department for planning grant assistance of up to one hundred thousand dollars, subject to the availability of funds appropriated for that purpose. The department shall develop grant criteria to

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ensure that grant funds awarded are proportionate to the level of effort proposed by a city, and the potential increase in housing supply or regulatory streamlining that could be achieved. Funding may be provided in advance of, and to support, adoption of policies or ordinances consistent with this section. A city can request, and the department may award, more than one hundred thousand dollars for applications that demonstrate extraordinary potential to increase housing supply or regulatory streamlining.

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

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

(9) In implementing this act, cities are encouraged to prioritize the creation of affordable, inclusive neighborhoods and to consider the risk of residential displacement, particularly in neighborhoods with communities at high risk of displacement.

Sec. 2. RCW 36.70A.030 and 2017 3rd sp.s. c 18 s 2 are each amended to read as follows:

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

(1) "Adopt a comprehensive land use plan" means to enact a new comprehensive land use plan or to update an existing comprehensive land use plan.

(2) "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.

(3) "City" means any city or town, including a code city.

(4) "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.

(5) "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.

(6) "Department" means the department of commerce.

(7) "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.

(8) "Forestland" means land primarily devoted to growing trees for long-term 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.

(9) "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.

(10) "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.

(11) "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.

(12) "Minerals" include gravel, sand, and valuable metallic substances.

(13) "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.

(14) "Public services" include fire protection and suppression, law enforcement, public health, education, recreation, environmental protection, and other governmental services.

(15) "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.

(16) "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.

(17) “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.

(18) “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, fire and police protection services, transportation and public transit services, and other public utilities 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).

(19) “Short line railroad” means those railroad lines designated class II or class III by the United States surface transportation board.

(20) “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.

(21) “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.

(22) “Urban growth areas” means those areas designated by a county pursuant to RCW 36.70A.110.

(23) “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.

(24) “Affordable housing” means, unless the context clearly indicates otherwise, residential housing whose monthly costs, including utilities other than telephone, do not exceed thirty percent of the monthly income of a household whose income is:

(a) For rental housing, sixty 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, eighty 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) “Extremely low-income household” means a single person, family, or unrelated persons living together whose adjusted income is at or below thirty 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.

(26) “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 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.

(27) “Permanent supportive housing” is subsidized, leased housing with no limit on length of stay, paired with on-site or off-site voluntary services designed to support a person living with a disability to be a successful tenant in a housing arrangement, improve the resident’s health status, and connect residents of the housing with community-based health care, treatment, and employment services.

(28) “Very low-income household” means a single person, family, or unrelated persons living together whose adjusted income is at or below fifty 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.

NEW SECTION. Sec. 3. A new section is added to chapter 36.70A RCW to read as follows:

The Washington center for real estate research at the University of Washington shall produce a report every two years that compiles housing supply and affordability metrics for each city planning under RCW 36.70A.040 with a population of ten thousand or more. The initial report, completed by October 15, 2020, must be a compilation of objective criteria relating to development regulations, zoning, income, housing and rental prices, housing affordability programs, and other metrics relevant to assessing housing supply and affordability for all income segments, including the percentage of cost-burdened households, of each city subject to the report required by this section. The report completed by October 15, 2022, must also include data relating to actions taken by cities under this act. The report completed by October 15, 2024, must also include relevant data relating to buildable lands reports prepared under RCW 36.70A.215, where applicable, and updates to comprehensive plans under this chapter. The Washington center for real estate research shall collaborate with the Washington housing finance commission and the office of financial management to develop the metrics compiled in the report. The report must be submitted, consistent with RCW 43.01.036, to the standing committees of the legislature with jurisdiction over housing issues and this chapter.

NEW SECTION. Sec. 4. A new section is added to chapter 43.21C RCW to read as follows:

If adopted by April 1, 2021, amendments to development regulations and other nonproject actions taken by a city to implement section 1 (1) or (4) of this act, with the exception of the action specified in section 1(1)(f) of this act, are not subject to administrative or judicial appeals under this chapter.

NEW SECTION. Sec. 5. A new section is added to chapter 36.70A RCW to read as follows:

In counties and cities planning under RCW 36.70A.040, minimum residential parking requirements mandated by municipal zoning ordinances for housing units constructed after July 1, 2019, are subject to the following requirements:

(1) For housing units that are affordable to very low-income or extremely low-income individuals and that are located within one-quarter mile of a transit stop that receives transit service at least four times per hour for twelve or more hours per day, minimum residential parking requirements may be no greater than one parking space per bedroom or .75 space per unit. A city may require a developer to record a covenant that prohibits the rental of a unit subject to this parking restriction for any purpose other than providing for housing for very low-income or extremely low-income individuals. The covenant must address price restrictions and household income limits and policies if the property is converted to a use other than for low-income housing. A city may establish a requirement for the provision of more than one parking space per bedroom or .75 space per unit if the jurisdiction has determined a particular housing unit to be in an area with a lack of access to street parking capacity, physical space impediments, or other reasons supported by evidence that would make on-street parking infeasible for the unit.

(2) For housing units that are specifically for seniors or people with disabilities, that are located within one-quarter mile of a transit stop that receives transit service at least four times per hour for twelve or more hours per day, a city may not impose minimum residential parking requirements for the residents of such housing units, subject to the exceptions provided in this subsection. A city may establish parking requirements for staff and visitors of such housing units. A city may establish a requirement for the provision of one or more parking space per bedroom if the jurisdiction has determined a particular housing unit to be in an area with a lack of access to street parking capacity, physical space impediments, or other reasons supported by evidence that would make on-street parking infeasible for the unit. A city may require a developer to record a covenant that prohibits the rental of a unit subject to this parking restriction for any purpose other than providing for housing for seniors or people with disabilities.

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

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

- (a)(i) Consistent with a locally adopted transportation plan; or
- (ii) Consistent with the transportation element of a comprehensive plan; and

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

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

(2) For purposes of this section, “impacts to transportation elements of the environment” include impacts to transportation systems; vehicular traffic; waterborne, rail, and air traffic; parking; movement or circulation of people or goods; and traffic hazards.

Sec. 7. RCW 43.21C.420 and 2010 c 153 s 2 are each

amended to read as follows:

(1) Cities with a population greater than five thousand, in accordance with their existing comprehensive planning and development regulation authority under chapter 36.70A RCW, and in accordance with this section, may adopt optional elements of their comprehensive plans and optional development regulations that apply within specified subareas of the cities, that are either:

(a) Areas designated as mixed-use or urban centers in a land use or transportation plan adopted by a regional transportation planning organization; or

(b) Areas within one-half mile of a major transit stop that are zoned to have an average minimum density of fifteen dwelling units or more per gross acre.

(2) Cities located on the east side of the Cascade mountains and located in a county with a population of two hundred thirty thousand or less, in accordance with their existing comprehensive planning and development regulation authority under chapter 36.70A RCW, and in accordance with this section, may adopt optional elements of their comprehensive plans and optional development regulations that apply within the mixed-use or urban centers. The optional elements of their comprehensive plans and optional development regulations must enhance pedestrian, bicycle, transit, or other nonvehicular transportation methods.

(3) A major transit stop is defined as:

(a) A stop on a high capacity transportation service funded or expanded under the provisions of chapter 81.104 RCW;

(b) Commuter rail stops;

(c) Stops on rail or fixed guideway systems, including transitways;

(d) Stops on bus rapid transit routes or routes that run on high occupancy vehicle lanes; or

(e) Stops for a bus or other transit mode providing fixed route service at intervals of at least thirty minutes during the peak hours of operation.

(4)(a) A city that elects to adopt such an optional comprehensive plan element and optional development regulations shall prepare a nonproject environmental impact statement, pursuant to RCW 43.21C.030, assessing and disclosing the probable significant adverse environmental impacts of the optional comprehensive plan element and development regulations and of future development that is consistent with the plan and regulations.

(b) At least one community meeting must be held on the proposed subarea plan before the scoping notice for such a nonproject environmental impact statement is issued. Notice of scoping for such a nonproject environmental impact statement and notice of the community meeting required by this section must be mailed to all property owners of record within the subarea to be studied, to all property owners within one hundred fifty feet of the boundaries of such a subarea, to all affected federally recognized tribal governments whose ceded area is within one-half mile of the boundaries of the subarea, and to agencies with jurisdiction over the future development anticipated within the subarea.

~~(c) ((In cities with over five hundred thousand residents, notice of scoping for such a nonproject environmental impact statement and notice of the community meeting required by this section must be mailed to all small businesses as defined in RCW 19.85.020, and to all community preservation and development authorities established under chapter 43.167 RCW, located within the subarea to be studied or within one hundred fifty feet of the boundaries of such subarea. The process for community involvement must have the goal of fair treatment and meaningful involvement of all people with respect to the development and~~

~~implementation of the subarea planning process.~~

~~(d))~~ The notice of the community meeting must include general illustrations and descriptions of buildings generally representative of the maximum building envelope that will be allowed under the proposed plan and indicate that future appeals of proposed developments that are consistent with the plan will be limited. Notice of the community meeting must include signs located on major travel routes in the subarea. If the building envelope increases during the process, another notice complying with the requirements of this section must be issued before the next public involvement opportunity.

~~((e))~~ (d) Any person that has standing to appeal the adoption of this subarea plan or the implementing regulations under RCW 36.70A.280 has standing to bring an appeal of the nonproject environmental impact statement required by this subsection.

~~((f))~~ Cities with over five hundred thousand residents shall prepare a study that accompanies or is appended to the nonproject environmental impact statement, but must not be part of that statement, that analyzes the extent to which the proposed subarea plan may result in the displacement or fragmentation of existing businesses, existing residents, including people living with poverty, families with children, and intergenerational households, or cultural groups within the proposed subarea plan. The city shall also discuss the results of the analysis at the community meeting.

~~(g))~~ (e) As an incentive for development authorized under this section, a city shall consider establishing a transfer of development rights program in consultation with the county where the city is located, that conserves county-designated agricultural and forestland of long-term commercial significance. If the city decides not to establish a transfer of development rights program, the city must state in the record the reasons for not adopting the program. The city's decision not to establish a transfer of development rights program is not subject to appeal. Nothing in this subsection (4)~~((g))~~ (e) may be used as a basis to challenge the optional comprehensive plan or subarea plan policies authorized under this section.

(5)(a) Until July 1, ~~((2018))~~ 2029, a proposed development that meets the criteria of (b) of this subsection may not be challenged in administrative or judicial appeals for noncompliance with this chapter as long as a complete application for such a development that vests the application or would later lead to vested status under city or state law is submitted to the city within a time frame established by the city, but not to exceed the following time frames:

(i) Nineteen years from the date of issuance of the final environmental impact statement, for projects that are consistent with an optional element adopted by a city as of the effective date of this section; or

(ii) Ten years from the date of issuance of the final environmental impact statement, for projects that are consistent with an optional element adopted by a city after the effective date of this section.

(b) A proposed development may not be challenged, consistent with the timelines established in (a) of this subsection, so long as the development:

(i) Is consistent with the optional comprehensive plan or subarea plan policies and development regulations adopted under subsection (1) or (2) of this section;

(ii) Sets aside or requires the occupancy of at least ten percent of the dwelling units, or a greater percentage as determined by city development regulations, within the development for low-income households at a sale price or rental amount that is considered affordable by a city's housing programs. This subsection (5)(b)(ii) applies only to projects that are consistent with an optional element adopted by a city pursuant to this section after the effective date of this section; and ~~((that))~~

~~((iii))~~ Is environmentally reviewed under subsection (4) of this section ~~((may not be challenged in administrative or judicial appeals for noncompliance with this chapter as long as a complete application for such a development that vests the application or would later lead to vested status under city or state law is submitted to the city within a time frame established by the city, but not to exceed ten years from the date of issuance of the final environmental impact statement)).~~

~~((b))~~ (c) After July 1, ~~((2018))~~ 2029, the immunity from appeals under this chapter of any application that vests or will vest under this subsection or the ability to vest under this subsection is still valid, provided that the final subarea environmental impact statement is issued by July 1, ~~((2018))~~ 2029. After July 1, ~~((2018))~~ 2029, a city may continue to collect reimbursement fees under subsection (6) of this section for the proportionate share of a subarea environmental impact statement issued prior to July 1, ~~((2018))~~ 2029.

(6) It is recognized that a city that prepares a nonproject environmental impact statement under subsection (4) of this section must endure a substantial financial burden. A city may recover or apply for a grant or loan to prospectively cover its reasonable expenses of preparation of a nonproject environmental impact statement prepared under subsection (4) of this section through access to financial assistance under RCW 36.70A.490 or funding from private sources. In addition, a city is authorized to recover a portion of its reasonable expenses of preparation of such a nonproject environmental impact statement by the assessment of reasonable and proportionate fees upon subsequent development that is consistent with the plan and development regulations adopted under subsection (5) of this section, as long as the development makes use of and benefits ~~((from))~~ from, as described in subsection (5) of this section, ~~((from))~~ the nonproject environmental impact statement prepared by the city. Any assessment fees collected from subsequent development may be used to reimburse funding received from private sources. In order to collect such fees, the city must enact an ordinance that sets forth objective standards for determining how the fees to be imposed upon each development will be proportionate to the impacts of each development and to the benefits accruing to each development from the nonproject environmental impact statement. Any disagreement about the reasonableness or amount of the fees imposed upon a development may not be the basis for delay in issuance of a project permit for that development. The fee assessed by the city may be paid with the written stipulation "paid under protest" and if the city provides for an administrative appeal of its decision on the project for which the fees are imposed, any dispute about the amount of the fees must be resolved in the same administrative appeal process.

(7) If a proposed development is inconsistent with the optional comprehensive plan or subarea plan policies and development regulations adopted under subsection (1) of this section, the city shall require additional environmental review in accordance with this chapter.

Sec. 8. RCW 36.70A.490 and 2012 1st sp.s. c 1 s 309 are each amended to read as follows:

The growth management planning and environmental review fund is hereby established in the state treasury. Moneys may be placed in the fund from the proceeds of bond sales, tax revenues, budget transfers, federal appropriations, gifts, or any other lawful source. Moneys in the fund may be spent only after appropriation. Moneys in the fund shall be used to make grants or loans to local governments for the purposes set forth in RCW 43.21C.240, 43.21C.031, ~~((or))~~ 36.70A.500, section 1 of this act, for costs associated with section 3 of this act, and to cover costs associated with the adoption of optional elements of comprehensive plans

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consistent with RCW 43.21C.420. Any payment of either principal or interest, or both, derived from loans made from this fund must be deposited into the fund.

NEW SECTION. Sec. 9. A new section is added to chapter 35.21 RCW to read as follows:

A city may not prohibit permanent supportive housing in areas where multifamily housing is permitted.

NEW SECTION. Sec. 10. A new section is added to chapter 35A.21 RCW to read as follows:

A code city may not prohibit permanent supportive housing in areas where multifamily housing is permitted.

NEW SECTION. Sec. 11. A new section is added to chapter 36.22 RCW to read as follows:

(1) Except as provided in subsection (2) of this section, a surcharge of two dollars and fifty cents shall be charged by the county auditor for each document recorded, which will be in addition to any other charge or surcharge allowed by law. The auditor shall remit the funds to the state treasurer to be deposited and used as follows:

(a) Through June 30, 2024, funds must be deposited into the growth management planning and environmental review fund created in RCW 36.70A.490 to be used first for grants for costs associated with section 1 of this act and for costs associated with section 3 of this act, and thereafter for any allowable use of the fund.

(b) Beginning July 1, 2024, sufficient funds must be deposited into the growth management planning and environmental review fund created in RCW 36.70A.490 for costs associated with section 3 of this act, and the remainder deposited into the home security fund account created in RCW 43.185C.060 to be used for maintenance and operation costs of: (i) Permanent supportive housing and (ii) affordable housing for very low-income and extremely low-income households. Funds may only be expended in cities that have taken action under section 1 of this act.

(2) The surcharge imposed in this section does not apply to: (a) Assignments or substitutions of previously recorded deeds of trust; (b) documents recording a birth, marriage, divorce, or death; (c) any recorded documents otherwise exempted from a recording fee or additional surcharges under state law; (d) marriage licenses issued by the county auditor; or (e) documents recording a federal, state, county, or city lien or satisfaction of lien.

(3) For purposes of this section, the terms “permanent supportive housing,” “affordable housing,” “very low-income households,” and “extremely low-income households” have the same meaning as provided in RCW 36.70A.030.

NEW SECTION. Sec. 12. Section 11 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, 2019.”

On page 1, line 2 of the title, after “capacity;” strike the remainder of the title and insert “amending RCW 36.70A.030, 43.21C.420, and 36.70A.490; adding new sections to chapter 36.70A RCW; adding new sections to chapter 43.21C RCW; adding a new section to chapter 35.21 RCW; adding a new section to chapter 35A.21 RCW; adding a new section to chapter 36.22 RCW; providing an effective date; and declaring an emergency.”

Senators Palumbo and Zeiger spoke in favor of adoption of the striking amendment.

The President Pro Tempore declared the question before the Senate to be the adoption of striking amendment no. 765 by Senator Palumbo to Engrossed Second Substitute House Bill No. 1923.

The motion by Senator Palumbo carried and striking amendment no. 765 was adopted by voice vote.

MOTION

On motion of Senator Palumbo, the rules were suspended, Engrossed Second Substitute House Bill No. 1923 as amended by the Senate was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senator Palumbo spoke in favor of passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of Engrossed Second Substitute House Bill No. 1923 as amended by the Senate.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Second Substitute House Bill No. 1923 as amended by the Senate and the bill passed the Senate by the following vote: Yeas, 33; Nays, 16; Absent, 0; Excused, 0.

Voting yea: Senators Billig, Carlyle, Cleveland, Darneille, Das, Dhingra, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Hunt, Keiser, Kuderer, Liias, Lovelett, McCoy, Mullet, Nguyen, O’Ban, Palumbo, Pedersen, Randall, Saldaña, Salomon, Schoesler, Sheldon, Takko, Van De Wege, Warnick, Wellman, Wilson, C. and Zeiger

Voting nay: Senators Bailey, Becker, Braun, Brown, Conway, Ericksen, Holy, Honeyford, King, Padden, Rivers, Rolfes, Short, Wagoner, Walsh and Wilson, L.

ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1923, as amended by the Senate, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MESSAGE FROM THE HOUSE

April 10, 2019

MR. PRESIDENT:

The House passed SECOND SUBSTITUTE SENATE BILL NO. 5082 with the following amendment(s): 5082-S2 AMH ENGR H2872.E

and the same are herewith transmitted.

BERNARD DEAN, Chief Clerk

MOTION

Senator McCoy moved that the Senate refuse to concur in the House amendment(s) to Second Substitute Senate Bill No. 5082 and ask the House to recede therefrom.

Senator McCoy spoke in favor of the motion.

The President declared the question before the Senate to be the motion by Senator McCoy that the Senate refuse to concur in the House amendment(s) to Second Substitute Senate Bill No. 5082 and ask the House to recede therefrom.

The motion by Senator McCoy carried and the Senate refused to concur in the House amendment(s) to Second Substitute Senate Bill No. 5082 and asked the House to recede therefrom by voice vote.

Senator Becker announced a meeting of the Republican Caucus immediately upon going at ease.

Senator McCoy announced a meeting of the Democratic Caucus immediately upon going at ease.

MOTION

At 2:49 p.m., on motion of Senator Liias, the Senate was declared to be at ease subject to the call of the President for the purposes of caucus.

The Senate was called to order at 4:07 p.m. by President Pro Tempore Keiser.

MESSAGE FROM THE HOUSE

April 11, 2019

MR. PRESIDENT:

The House passed ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 5116 with the following amendment(s): 5116-S2.E AMH ENGR H2810.E

Strike everything after the enacting clause and insert the following:

“NEW SECTION. Sec. 1. (1) The legislature finds that Washington must address the impacts of climate change by leading the transition to a clean energy economy. One way in which Washington must lead this transition is by transforming its energy supply, modernizing its electricity system, and ensuring that the benefits of this transition are broadly shared throughout the state.

(2) With our wealth of carbon-free hydropower, Washington has some of the cleanest electricity in the United States. But electricity remains a large source of emissions in our state. We are at a critical juncture for transforming our electricity system. It is the policy of the state to eliminate coal-fired electricity, transition the state’s electricity supply to one hundred percent carbon-neutral by 2030, and one hundred percent carbon-free by 2045. In implementing this chapter, the state must prioritize the maximization of family wage job creation, seek to ensure that all customers are benefiting from the transition to a clean energy economy, and provide safeguards to ensure that the achievement of this policy does not impair the reliability of the electricity system or impose unreasonable costs on utility customers.

(3) The transition to one hundred percent clean energy is underway, but must happen faster than our current policies can deliver. Absent significant and swift reductions in greenhouse gas emissions, climate change poses immediate significant threats to our economy, health, safety, and national security. The prices of clean energy technologies continue to fall, and are, in many cases, competitive or even cheaper than conventional energy sources.

(4) The legislature finds that Washington can accomplish the goals of this act while: Promoting energy independence; creating high-quality jobs in the clean energy sector; maximizing the value of hydropower, our principal renewable resource; continuing to encourage and provide incentives for clean alternative energy sources, including providing electricity for the transportation sector; maintaining safe and reliable electricity to all customers at stable and affordable rates; and protecting clean air and water in the Pacific Northwest. Clean energy creates more jobs per unit of energy produced than fossil fuel sources, so this transition will contribute to job growth in Washington while addressing our climate crisis head on. Our abundance of renewable energy and our strong clean technology sector make Washington well positioned to be at the forefront of the transition to one hundred percent clean electricity.

(5) The legislature declares that utilities in the state have an

important role to play in this transition, and must be fully empowered, through regulatory tools and incentives, to achieve the goals of this policy. In combination with new technology and emerging opportunities for customers, this policy will spur transformational change in the utility industry. Given these changes, the legislature recognizes and finds that the utilities and transportation commission’s statutory grant of authority for rate making includes consideration and implementation of performance and incentive-based regulation, multiyear rate plans, and other flexible regulatory mechanisms where appropriate to achieve fair, just, reasonable, and sufficient rates and its public interest objectives.

(6) The legislature recognizes and finds that the public interest includes, but is not limited to: The equitable distribution of energy benefits and reduction of burdens to vulnerable populations and highly impacted communities; long-term and short-term public health, economic, and environmental benefits and the reduction of costs and risks; and energy security and resiliency. It is the intent of the legislature that in achieving this policy for Washington, there should not be an increase in environmental health impacts to highly impacted communities.

(7) It is the intent of the legislature to provide flexible tools to address the variability of hydropower for compliance under this act.

NEW SECTION. Sec. 2. 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 section 9(2) of this act.

(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 consumer-owned 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 70.235.010.

(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 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.

(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).

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(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 demand-side 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 the effective date of this section;

(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 70.235.010.

(22) “Greenhouse gas content calculation” means a calculation expressed in carbon dioxide equivalent and made by the department of ecology, in consultation with the department, for the purposes of determining the emissions from the complete combustion or oxidation of fossil fuels and the greenhouse gas emissions in electricity for use in calculating the greenhouse gas emissions content in electricity.

(23) “Highly impacted community” means a community designated by the department of health based on cumulative impact analyses in section 24 of this act or a community located in census tracts that are fully or partially on “Indian country” as defined in 18 U.S.C. Sec. 1151.

(24) “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.

(25) “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.

(26)(a) “Market customer” means a nonresidential retail electric 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 an investor-owned utility who becomes a market customer after the effective date of this section.

(27)(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.

(28)(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.

(29)(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.

(30) “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 the effective date of this section to transmit electricity generated by a coal-fired resource.

(31) “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.

(32) “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.

(33) “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.

(34) “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.

(35)(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 carbon-free 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 the effective date of this section.

(36) “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 the effective date of this section, 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.

(37) “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.

(38) “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.

(39) “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.

(40) “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.

NEW SECTION. Sec. 3. (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.

(2) The commission must accelerate depreciation schedules for any coal-fired 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

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(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 section 9(1) of this act, except as otherwise provided in this chapter.

NEW SECTION. Sec. 4. (1) It is the policy of the state that all retail sales of electricity to Washington retail electric customers be greenhouse gas neutral by January 1, 2030.

(a) For the four-year compliance period beginning January 1, 2030, and for each multiyear compliance period thereafter through December 31, 2044, an electric utility must demonstrate its compliance with this standard using a combination of nonemitting electric generation and electricity from renewable resources, or alternative compliance options, as provided in this section. To achieve compliance with this standard, an electric utility must: (i) Pursue all cost-effective, reliable, and feasible conservation and efficiency resources to reduce or manage retail electric load, using the methodology established in RCW 19.285.040, if applicable; and (ii) use electricity from renewable resources and nonemitting electric generation in an amount equal to one hundred percent of the utility's retail electric loads over each multiyear compliance period. An electric utility must achieve compliance with this standard for the following compliance periods: January 1, 2030, through December 31, 2033; January 1, 2034, through December 31, 2037; January 1, 2038, through December 31, 2041; and January 1, 2042, through December 31, 2044.

(b) Through December 31, 2044, an electric utility may satisfy up to twenty percent of its compliance obligation under (a) of this subsection with an alternative compliance option consistent with this section. An alternative compliance option may include any combination of the following:

(i) Making an alternative compliance payment under section 9(2) of this act;

(ii) Using unbundled renewable energy credits, provided that there is no double counting of any nonpower attributes associated with renewable energy credits within Washington or programs in other jurisdictions, as follows:

(A) Unbundled renewable energy credits produced from eligible renewable resources, as defined under RCW 19.285.030, which may be used by the electric utility for compliance with RCW 19.285.040 and this section as provided under RCW 19.285.040(2)(e); and

(B) Unbundled renewable energy credits, other than those included in (b)(ii)(A) of this subsection, that represent electricity generated within the compliance period;

(iii) Investing in energy transformation projects, including additional conservation and efficiency resources beyond what is otherwise required under this section, provided the projects meet the requirements of subsection (2) of this section and are not credited as resources used to meet the standard under (a) of this subsection; or

(iv) Using electricity from an energy recovery facility using municipal solid waste as the principal fuel source, where the facility was constructed prior to 1992, and the facility is operated in compliance with federal laws and regulations and meets state air quality standards. An electric utility may only use electricity from such an energy recovery facility if the department and the department of ecology determine that electricity generation at the facility provides a net reduction in greenhouse gas emissions compared to any other available waste management best practice. The determination must be based on a life-cycle analysis comparing the energy recovery facility to other technologies available in the jurisdiction in which the facility is located for the

waste management best practices of waste reduction, recycling, composting, and minimizing the use of a landfill.

(c) Electricity from renewable resources used to meet the standard under (a) of this subsection must be verified by the retirement of renewable energy credits. Renewable energy credits must be tracked and retired in the tracking system selected by the department.

(d) Hydroelectric generation used by an electric utility in meeting the standard under (a) of this subsection may not include new diversions, new impoundments, new bypass reaches, or expansion of existing reservoirs constructed after the effective date of this section unless the diversions, bypass reaches, or reservoir expansions are necessary for the operation of a pumped storage facility that: (i) Does not conflict with existing state or federal fish recovery plans; and (ii) complies with all local, state, and federal laws and regulations.

(e) Nothing in (d) of this subsection precludes an electric utility that owns and operates hydroelectric generating facilities, or the owner of a hydroelectric generating facility whose energy output is marketed by the Bonneville power administration, from making efficiency or other improvements to its hydroelectric generating facilities existing as of the effective date of this section or from installing hydroelectric generation in pipes, culverts, irrigation canals, and other manmade waterways, as long as those changes do not create conflicts with existing state or federal fish recovery plans and comply with all local, state, and federal laws and regulations.

(f) Nonemitting electric generation used to meet the standard under (a) of this subsection must be generated during the compliance period and must be verified by documentation that the electric utility owns the nonpower attributes of the electricity generated by the nonemitting electric generation resource.

(g) Nothing in this section prohibits an electric utility from purchasing or exchanging power from the Bonneville power administration.

(2) Investments in energy transformation projects used to satisfy an alternative compliance option provided under subsection (1)(b) of this section must use criteria developed by the department of ecology, in consultation with the department and the commission. For the purpose of crediting an energy transformation project toward the standard in subsection (1)(a) of this section, the department of ecology must establish a conversion factor of emissions reductions resulting from energy transformation projects to megawatt-hours of electricity from nonemitting electric generation that is consistent with the emission factors for unspecified electricity, or for energy transformation projects in the transportation sector, consistent with default emissions or conversion factors established by other jurisdictions for clean alternative fuels. Emissions reductions from energy transformation projects must be:

(a) Real, specific, identifiable, and quantifiable;

(b) Permanent: The department of ecology must look to other jurisdictions in setting this standard and make a reasonable determination on length of time;

(c) Enforceable by the state of Washington;

(d) Verifiable;

(e) Not required by another statute, rule, or other legal requirement; and

(f) Not reasonably assumed to occur absent investment, or if an investment has already been made, not reasonably assumed to occur absent additional funding in the near future.

(3) Energy transformation projects must be associated with the consumption of energy in Washington and must not create a new use of fossil fuels that results in a net increase of fossil fuel usage.

(4) The compliance eligibility of energy transformation

projects may be scaled or prorated by an approved protocol in order to distinguish effects related to reductions in electricity usage from reductions in fossil fuel usage.

(5) Any compliance obligation fulfilled through an investment in an energy transformation project is eligible for use only: (a) By the electric utility that makes the investment; (b) if the investment is made by the Bonneville power administration, by electric utilities that are preference customers of the Bonneville power administration; or (c) if the investment is made by a joint operating agency organized under chapter 43.52 RCW, by a member of the joint operating agency. An electric utility making an investment in partnership with another electric utility or entity may claim credit proportional to its share invested in the total project cost.

(6)(a) In meeting the standard under subsection (1) of this section, an electric utility must, consistent with the requirements of RCW 19.285.040, if applicable, pursue all cost-effective, reliable, and feasible conservation and efficiency resources, and demand response. In making new investments, an electric utility must, to the maximum extent feasible:

(i) Achieve targets at the lowest reasonable cost, considering risk;

(ii) Consider acquisition of existing renewable resources; and

(iii) In the acquisition of new resources constructed after the effective date of this section, rely on renewable resources and energy storage, insofar as doing so is consistent with (a)(i) of this subsection.

(b) Electric utilities subject to RCW 19.285.040 must demonstrate pursuit of all conservation and efficiency resources through compliance with the requirements in RCW 19.285.040.

(7) An electric utility that fails to meet the requirements of this section must pay the administrative penalty established under section 9(1) of this act, except as otherwise provided in this chapter.

(8) In complying with this section, an electric utility must, consistent with the requirements of RCW 19.280.030 and section 24 of this act, ensure that all customers are benefiting from the transition to clean energy: Through the equitable distribution of energy and nonenergy benefits and reduction of burdens to vulnerable populations and highly impacted communities; long-term and short-term public health and environmental benefits and reduction of costs and risks; and energy security and resiliency.

(9) Affected market customers must comply with the standard established under subsection (1) of this section.

(10) A market customer that purchases electricity exclusively from carbon-free resources 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, prior to the effective date of this section, by order of the commission is subject to the requirements of such an order and not to the standard established in this section. For purposes of interpreting any such special contract, chapter 19.285 RCW, as in effect on January 1, 2019, is not, either directly or indirectly, amended or supplemented.

(11) To reduce costs for utility customers or avoid exceeding the cost impact limit in section 6(3)(a) of this act, a multistate electric utility with fewer than two hundred fifty thousand customers in Washington may apply the total amount of megawatt-hours of coal-fired resources eliminated from the utility's allocation of electricity before December 31, 2025, as an equivalent amount of megawatt-hours of nonemitting electric generation or electricity from renewable resources required to comply with subsection (1)(a) of this section. The utility must demonstrate that for every megawatt-hour of early action compliance credit there is a real, permanent reduction in greenhouse gas emissions in the western interconnection directly

associated with that credit. A multistate electric utility must request to use early action compliance credit in its clean energy implementation plan that is submitted under section 6 of this act. The multistate electric utility must specify in its clean energy implementation plan the compliance years to which the early action compliance credit will apply, but in no event may the multistate electric utility use the early action compliance credits beyond 2035. The commission must establish conditions for use of early action compliance credits, including a determination of whether action constitutes early action, before the multistate electric utility's use of early action compliance credits in a clean energy implementation plan.

NEW SECTION. Sec. 5. (1) It is the policy of the state that nonemitting electric generation and electricity from renewable resources supply one hundred percent of all sales of electricity to Washington retail electric customers by January 1, 2045. By January 1, 2045, and each year thereafter, each electric utility must demonstrate its compliance with this standard using a combination of nonemitting electric generation and electricity from renewable resources.

(2) Each electric utility must incorporate subsection (1) of this section into all relevant planning and resource acquisition practices including, but not limited to: Resource planning under chapter 19.280 RCW; the construction or acquisition of property, including electric generating facilities; and the provision of electricity service to retail electric customers.

(3) In planning to meet projected demand consistent with the requirements of subsection (2) of this section and RCW 19.285.040, if applicable, an electric utility must pursue all cost-effective, reliable, and feasible conservation and efficiency resources, and demand response. In making new investments, an electric utility must, to the maximum extent feasible:

(a) Achieve targets at the lowest reasonable cost, considering risk;

(b) Consider acquisition of existing renewable resources; and

(c) In the acquisition of new resources constructed after the effective date of this section, rely on renewable resources and energy storage, insofar as doing so is consistent with (a) of this subsection.

(4) The commission, department, energy facility site evaluation council, department of ecology, and all other state agencies must incorporate this section into all relevant planning and utilize all programs authorized by statute to achieve subsection (1) of this section.

(5)(a) Hydroelectric generation used by an electric utility to satisfy the requirements of this section may not include new diversions, new impoundments, new bypass reaches, or expansion of existing reservoirs constructed after the effective date of this section unless the diversions, bypass reaches, or reservoir expansions are necessary for the operation of a pumped storage facility that: (i) Does not conflict with existing state or federal fish recovery plans; and (ii) complies with all local, state, and federal laws and regulations.

(b) Nothing in (a) of this subsection precludes an electric utility that owns and operates hydroelectric generating facilities, or the owner of a hydroelectric generating facility whose energy output is marketed by the Bonneville power administration, from making efficiency or other improvements to its hydroelectric generating facilities existing as of the effective date of this section or from installing hydroelectric generation in pipes, culverts, irrigation canals, and other manmade waterways as long as those changes do not create conflicts with existing state or federal fish recovery plans and comply with all local, state, and federal laws and regulations.

(6) Nothing in this section prohibits an electric utility from

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purchasing or exchanging power from the Bonneville power administration.

(7) Affected market customers must comply with the obligations of this section.

(8) Any market customer that purchases electricity exclusively from carbon-free resources 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, prior to the effective date of this section, by order of the commission is subject to the requirements of such an order and not to the standards established in this section. For the purposes of interpreting such a special contract, chapter 19.285 RCW, as in effect on January 1, 2019, is not, either directly or indirectly, amended or supplemented.

NEW SECTION. Sec. 6. (1)(a) By January 1, 2022, and every four years thereafter, each investor-owned utility must develop and submit to the commission:

(i) A four-year clean energy implementation plan for the standards established under sections 4(1) and 5(1) of this act that proposes specific targets for energy efficiency, demand response, and renewable energy; and

(ii) Proposed interim targets for meeting the standard under section 4(1) of this act during the years prior to 2030 and between 2030 and 2045.

(b) An investor-owned utility's clean energy implementation plan must:

(i) Be informed by the investor-owned utility's clean energy action plan developed under RCW 19.280.030;

(ii) Be consistent with subsection (3) of this section; and

(iii) Identify specific actions to be taken by the investor-owned utility over the next four years, consistent with the utility's long-range integrated resource plan and resource adequacy requirements, that demonstrate progress toward meeting the standards under sections 4(1) and 5(1) of this act and the interim targets proposed under (a)(i) of this subsection. The specific actions identified must be informed by the investor-owned utility's historic performance under median water conditions and resource capability and by the investor-owned utility's participation in centralized markets. In identifying specific actions in its clean energy implementation plan, the investor-owned utility may also take into consideration any significant and unplanned loss or addition of load it experiences.

(c) The commission, after a hearing, must by order approve, reject, or approve with conditions an investor-owned utility's clean energy implementation plan and interim targets. The commission may, in its order, recommend or require more stringent targets than those proposed by the investor-owned utility. The commission may periodically adjust or expedite timelines if it can be demonstrated that the targets or timelines can be achieved in a manner consistent with the following:

(i) Maintaining and protecting the safety, reliable operation, and balancing of the electric system;

(ii) Planning to meet the standards at the lowest reasonable cost, considering risk;

(iii) Ensuring that all customers are benefiting from the transition to clean energy: Through the equitable distribution of energy and nonenergy benefits and the reduction of burdens to vulnerable populations and highly impacted communities; long-term and short-term public health and environmental benefits and reduction of costs and risks; and energy security and resiliency; and

(iv) Ensuring that no customer or class of customers is unreasonably harmed by any resulting increases in the cost of utility-supplied electricity as may be necessary to comply with the standards.

(2)(a) By January 1, 2022, and every four years thereafter, each consumer-owned utility must develop and submit to the department a four-year clean energy implementation plan for the standards established under sections 4(1) and 5(1) of this act that:

(i) Proposes interim targets for meeting the standard under section 4(1) of this act during the years prior to 2030 and between 2030 and 2045, as well as specific targets for energy efficiency, demand response, and renewable energy;

(ii) Is informed by the consumer-owned utility's clean energy action plan developed under RCW 19.280.030(1) or other ten-year plan developed under RCW 19.280.030(5);

(iii) Is consistent with subsection (4) of this section; and

(iv) Identifies specific actions to be taken by the consumer-owned utility over the next four years, consistent with the utility's long-range resource plan and resource adequacy requirements, that demonstrate progress towards meeting the standards under sections 4(1) and 5(1) of this act and the interim targets proposed under (a)(i) of this subsection. The specific actions identified must be informed by the consumer-owned utility's historic performance under median water conditions and resource capability and by the consumer-owned utility's participation in centralized markets. In identifying specific actions in its clean energy implementation plan, the consumer-owned utility may also take into consideration any significant and unplanned loss or addition of load it experiences.

(b) The governing body of the consumer-owned utility must, after a public meeting, adopt the consumer-owned utility's clean energy implementation plan. The clean energy implementation plan must be submitted to the department and made available to the public. The governing body may adopt more stringent targets than those proposed by the consumer-owned utility and periodically adjust or expedite timelines if it can be demonstrated that such targets or timelines can be achieved in a manner consistent with the following:

(i) Maintaining and protecting the safety, reliable operation, and balancing of the electric system;

(ii) Planning to meet the standards at the lowest reasonable cost, considering risk;

(iii) Ensuring that all customers are benefiting from the transition to clean energy: Through the equitable distribution of energy and nonenergy benefits and reduction of burdens to vulnerable populations and highly impacted communities; long-term and short-term public health and environmental benefits and reduction of costs and risks; and energy security and resiliency; and

(iv) Ensuring that no customer or class of customers is unreasonably harmed by any resulting increases in the cost of utility-supplied electricity as may be necessary to comply with the standards.

(3)(a) An investor-owned utility must be considered to be in compliance with the standards under sections 4(1) and 5(1) of this act if, over the four-year compliance period, the average annual incremental cost of meeting the standards or the interim targets established under subsection (1) of this section equals a two percent increase of the investor-owned utility's weather-adjusted sales revenue to customers for electric operations above the previous year, as reported by the investor-owned utility in its most recent commission basis report. All costs included in the determination of cost impact must be directly attributable to actions necessary to comply with the requirements of sections 4 and 5 of this act.

(b) If an investor-owned utility relies on (a) of this subsection as a basis for compliance with the standard under section 4(1) of this act, then it must demonstrate that it has maximized investments in renewable resources and nonemitting electric

generation prior to using alternative compliance options allowed under section 4(1)(b) of this act.

(4)(a) A consumer-owned utility must be considered to be in compliance with the standards under sections 4(1) and 5(1) of this act if, over the four-year compliance period, the average annual incremental cost of meeting the standards or the interim targets established under subsection (2) of this section meets or exceeds a two percent increase of the consumer-owned utility's retail revenue requirement above the previous year. All costs included in the determination of cost impact must be directly attributable to actions necessary to comply with the requirements of sections 4 and 5 of this act.

(b) If a consumer-owned utility relies on (a) of this subsection as a basis for compliance with the standard under section 4(1) of this act, and it has not met eighty percent of its annual retail electric load using electricity from renewable resources and nonemitting electric generation, then it must demonstrate that it has maximized investments in renewable resources and nonemitting electric generation prior to using alternative compliance options allowed under section 4(1)(b) of this act.

(5) The commission, for investor-owned utilities, and the department, for consumer-owned utilities, must adopt rules establishing the methodology for calculating the incremental cost of compliance under this section, as compared to the cost of an alternative lowest reasonable cost portfolio of investments that are reasonably available.

NEW SECTION. Sec. 7. (1) Each electric utility must provide to the department, in the case of a consumer-owned utility, or to the commission, in the case of an investor-owned utility, its greenhouse gas content calculation in conformance with this section. A utility's greenhouse gas content calculation must be based on the fuel sources that it reports and discloses in compliance with chapter 19.29A RCW. An investor-owned utility must also report the information required in this subsection to the department.

(2) For unspecified electricity, the utility must use an emissions rate determined, and periodically updated, by the department of ecology by rule. The department of ecology must adopt an emissions rate for unspecified electricity consistent with the emissions rate established for other markets in the western interconnection. If the department of ecology has not adopted an emissions rate for unspecified electricity, the emissions rate that applies for the purposes of this chapter is 0.437 metric tons of carbon dioxide per megawatt-hour of electricity.

(3) For the purposes of this act, the fuel mix calculated for the Bonneville power administration may exclude any purchases of electric generation that are not associated with load in the state of Washington.

NEW SECTION. Sec. 8. By January 1, 2024, and at least every four years thereafter and in compliance with RCW 43.01.036, the department must submit a report to the legislature. The report must include the following:

(1) A review of the standards described in sections 3 through 5 of this act focused on technologies, forecasts, and existing transmission, and an evaluation of safety, environmental and public safety protection, affordability, and system reliability.

(2)(a) An evaluation, produced in consultation with the commission, electric utilities, transmission operators in Washington, the reliability coordinator for electric utilities, any regional planning organization serving electric utilities, public interest and environmental organizations, and the regional entity for the western interconnection identifying the potential benefits, impacts, and risks on system reliability associated with achieving the standards described in sections 4 and 5 of this act. The

evaluation must assess whether electric utilities have sufficient electric generation resources to meet forecasted retail electric load in addition to adequate transmission capability to implement sections 3 through 5 of this act without: (i) Violating mandatory and enforceable reliability standards of the North American electric reliability corporation; (ii) violating prudent utility practice for assuring resource adequacy; or (iii) compromising the power quality or integrity of the electricity system. Subject to funding appropriated for this purpose, the department must consult with a national laboratory with expertise in grid reliability, security, and resilience.

(b) The evaluation should assess the anticipated financial costs and benefits of investments necessary to correct those deficiencies at the lowest reasonable costs as identified by electric utilities, transmission operators in Washington, the regional entity for the western interconnection, or any regional planning organization serving electric utilities. The assessment of these investments in the report is not deemed to be approval of such investments for rate recovery by any authorizing entity.

(3) An evaluation identifying the nature of any anticipated financial costs and benefits to electric utilities, including customer rate impacts and benefits including, but not limited to:

(a) Greenhouse gas emissions of electric utilities;

(b) The allocation of risk between customers and electric utilities;

(c) The allocation of financial costs among electric utilities in the state and whether retail electric customers are equitably bearing the financial costs of implementing sections 3 through 5 of this act;

(d) The timing of cost recovery for electricity generated by nonemitting electric generation or renewable resources;

(e) The resource procurement process of electric utilities; and

(f) The barriers to, and benefits of, implementing sections 4 and 5 of this act.

(4) An evaluation of new or emerging technologies that could be considered to be a renewable resource.

(5) An assessment of the impacts of sections 3 through 5 of this act on middle-income families, small businesses, and manufacturers in Washington.

NEW SECTION. Sec. 9. (1)(a) An electric utility or an affected market customer that fails to meet the standards established under sections 3(1) and 4(1) of this act must pay an administrative penalty to the state of Washington in the amount of one hundred dollars, times the following multipliers, for each megawatt-hour of electric generation used to meet load that is not electricity from a renewable resource or nonemitting electric generation:

(i) 1.5 for coal-fired resources;

(ii) 0.84 for gas-fired peaking power plants; and

(iii) 0.60 for gas-fired combined-cycle power plants.

(b) Beginning in 2027, this penalty must be adjusted on a biennial basis according to the rate of change of the inflation indicator, gross domestic product implicit price deflator, as published by the bureau of economic analysis of the United States department of commerce or its successor. Beginning in 2040, the commission may by rule increase this penalty for investor-owned utilities if the commission determines that doing so will accelerate utilities' compliance with the standards established under this chapter and that doing so is in the public interest.

(2) Consistent with the requirements of section 4(1)(b) of this act, a utility may opt to make a payment in the amount of the administrative penalty as an alternative compliance payment, without incurring a penalty for noncompliance.

(3)(a) Upon its own motion or at the request of an investor-owned utility, and after a hearing, the commission may issue an

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order relieving the utility of its administrative penalty obligation under subsection (1) of this section if it finds that:

(i) After taking all reasonable measures, the investor-owned utility's compliance with this chapter is likely to result in conflicts with or compromises to its obligation to comply with the mandatory and enforceable reliability standards of the North American electric reliability corporation, violate prudent utility practice for assuring resource adequacy, or compromise the power quality or integrity of its system; or

(ii) The investor-owned utility is unable to comply with the standards established in section 3(1) or 4(1) of this act due to reasons beyond the reasonable control of the investor-owned utility, as set forth in subsection (6) of this section.

(b) If the commission issues an order pursuant to (a) of this subsection that relieves an investor-owned utility of its administrative penalty obligation under subsection (1) of this section, the commission may issue an order:

(i) Temporarily exempting the investor-owned utility from the requirements of section 4(1) of this act for an amount of time sufficient to allow the investor-owned utility to achieve full compliance with the standard;

(ii) Directing the investor-owned utility to file a progress report to the commission on achieving full compliance with the standard within six months after issuing the order, or within an amount of time determined to be reasonable by the commission; and

(iii) Directing the investor-owned utility to take specific actions to achieve full compliance with the requirements of this chapter.

(c) An investor-owned utility may request an extension of a temporary exemption granted under this section. An investor-owned utility that requests an extension must request an update to the order issued by the commission under (b) of this subsection.

(4) Subsection (3) of this section does not permanently relieve an investor-owned utility of its obligation to comply with the requirements of this chapter.

(5)(a) The governing body of a consumer-owned utility may authorize a temporary exemption from the standard established under section 4(1) of this act, for an amount of time sufficient to allow the consumer-owned utility to achieve full compliance with the standard, if the governing body finds that:

(i) The consumer-owned utility's compliance with the standard is likely to: Result in conflicts with or compromises to its obligation to comply with the mandatory and enforceable reliability standards of the North American electric reliability corporation; violate prudent utility practice for assuring resource adequacy; or compromise the power quality or integrity of its system; or

(ii) The consumer-owned utility is unable to comply with the standard due to reasons beyond the reasonable control of the utility, as set forth in subsection (6) of this section; and

(iii) The consumer-owned utility has provided to the department a plan demonstrating how it plans to achieve full compliance with the standard, consistent with the findings of the report submitted to the legislature under section 8 of this act.

(b) Upon request by the governing body of a consumer-owned utility, a consumer-owned utility must be relieved of its administrative penalty obligation under subsection (1) of this section if the auditor issues a finding that:

(i) The governing body of the consumer-owned utility has properly issued a temporary exemption under (a) of this subsection for a period of time not to exceed six months; and

(ii) The governing body of the consumer-owned utility has submitted to the department a plan to take specific actions to achieve full compliance with the standard, consistent with the findings of the report submitted to the legislature under section 8 of this act.

(c) Upon issuance of a finding by the auditor, the consumer-owned utility must submit a progress report to the department on achieving full compliance with the standard within the term authorized in the temporary exemption.

(d) A consumer-owned utility may request an extension of a temporary exemption granted under this subsection, subject to the same requirements as provided in (a) through (c) of this subsection.

(e) The attorney general may bring a civil action in the name of the state for any appropriate civil remedy including, but not limited to, injunctive relief, penalties, costs, and attorneys' fees, to enforce compliance with this chapter:

(i) Upon the failure of the governing body of a consumer-owned utility to comply with the conditions of a temporary exemption found by the auditor to be properly adopted or extended; or

(ii) Upon failure of the governing body of a consumer-owned utility to comply with a finding by the auditor that a temporary exemption is not properly granted.

(f) This subsection does not permanently relieve a consumer-owned utility of its obligation to comply with the requirements of this chapter.

(6) To the extent an event or circumstance cannot be reasonably foreseen and ameliorated, such events or circumstances beyond the reasonable control of an electric utility may include but are not limited to:

(a) Weather-related damage;

(b) Natural disasters;

(c) Mechanical or resource failure;

(d) Failure of a third party to meet contractual obligations to the electric utility;

(e) Actions of governmental authorities that adversely affect the generation, transmission, or distribution of nonemitting electric generation or renewable resources owned or under contract to an electric utility, including condemnation actions by municipal electric utilities, public utility districts, or irrigation districts that adversely affect an investor-owned utility's ability to meet the standard established in sections 3(1) and 4(1) of this act;

(f) Inability to acquire sufficient transmission to transmit electricity from nonemitting electric generation or renewable resources to load; and

(g) Substantial limitations, restrictions, or prohibitions on nonemitting electric generation or renewable resources.

(7) An electric utility must notify its retail electric customers in published form within three months of paying the administrative penalty established under subsection (1) of this section. An electric utility is not required to notify its retail electric customers when making a payment in the amount of the administrative penalty as an alternative compliance payment consistent with the requirements of section 4(1)(b) of this act.

(8) Moneys collected under this section must be deposited into the low-income weatherization and structural rehabilitation assistance account created in RCW 70.164.030.

(9) For an investor-owned utility, the commission must determine compliance with the requirements of this chapter.

(10) For consumer-owned utilities, the auditor is responsible for auditing compliance with this chapter and rules adopted under this chapter that apply to those utilities and the attorney general is responsible for enforcing that compliance.

(11) If the report submitted under section 8 of this act demonstrates adverse system reliability impacts from the implementation of sections 4 and 5 of this act, the governor, consistent with the emergency powers under RCW 43.21G.040, may suspend or delay implementation of this chapter, or exempt

an electric utility from paying the administrative penalty under this section, until system reliability impacts can be addressed. Adverse system reliability impacts may include, but are not limited to, the inability of electric utilities or transmission operators to meet reliability standards mandated by federal or state law and required by prudent utility practices.

(12) Notwithstanding RCW 54.16.020, the fair market value compensation for an asset that is condemned by a municipal electric utility, public utility district, or irrigation district and that is either demonstrated in an electric utility's clean energy action plan or clean energy implementation plan to be used or acquired after the effective date of this section to meet the requirements of sections 4 and 5 of this act, or an asset that generates electricity from renewable resources or nonemitting electric generation, must include but not be limited to a replacement value approach. Additionally, the electric utility may seek, and the court may award, damages attributable to the severance, separation, replacement, or relocation of utility assets. The trier of fact may also consider other damages, as well as offsetting benefits, that it finds just and equitable.

(13) An entity that establishes or extends service to the premises of a customer who is being served by an electric utility or was served by an electric utility prior to the effective date of this section must serve those premises in a manner that complies with the requirements of this act and with chapter 19.285 RCW, if applicable. An electric utility or other entity that fails to comply with the requirements of this subsection must pay the administrative penalty under subsection (1) of this section for each megawatt-hour of electric generation used to serve load that does not meet the terms of this subsection.

NEW SECTION. Sec. 10. (1) It is the intent of this chapter that the commission and department adopt rules to streamline the implementation of this act 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) 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.

(5) An investor-owned utility must also report all information required in subsection (4) 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 section 4 of this act.

(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.

NEW SECTION. Sec. 11. The requirements of sections 3 through 9 of this act do not replace or modify the requirements established under chapter 19.285 RCW. All utility activities to comply with the requirements established under chapter 19.285 RCW also qualify for compliance with the requirements contained in this chapter, insofar as those activities meet the requirements of this act.

NEW SECTION. Sec. 12. (1) It is the intent of the legislature to demonstrate progress toward making energy assistance funds available to low-income households consistent with the policies identified in this section.

(2) An electric utility must make programs and funding available for energy assistance to low-income households by July 31, 2021. Each utility must demonstrate progress in providing energy assistance pursuant to the assessment and plans in subsection (4) of this section. To the extent practicable, priority must be given to low-income households with a higher energy burden.

(3) Beginning July 31, 2020, the department must collect and aggregate data estimating the energy burden and energy assistance need and reported energy assistance for each electric utility, in order to improve agency and utility efforts to serve low-income households with energy assistance. The department must update the aggregated data on a biennial basis, make it publicly accessible on its internet web site and, to the extent practicable, include geographic attributes.

(a) The aggregated data published by the department must include, but is not limited to:

(i) The estimated number and demographic characteristics of households served by energy assistance for each utility and the dollar value of the assistance;

(ii) The estimated level of energy burden and energy assistance need among customers served, accounting for household income and other drivers of energy burden;

(iii) Housing characteristics including housing type, home vintage, and fuel types; and

(iv) Energy efficiency potential.

(b) Each utility must disclose information to the department for use under this subsection, including:

(i) The amount and type of energy assistance and the number and type of households, if applicable, served for programs administered by the utility;

(ii) The amount of money passed through to third parties that administer energy assistance programs; and

(iii) Subject to availability, any other information related to the utility's low-income assistance programs that is requested by the department.

(c) The information required by (b) of this subsection must be from the electric utility's most recent completed budget period and in a form, timeline, and manner as prescribed by the department.

(4)(a) In addition to the requirements under subsection (3) of this section, each electric utility must submit biennially to the department an assessment of:

(i) The programs and mechanisms used by the utility to reduce energy burden and the effectiveness of those programs and mechanisms in both short-term and sustained energy burden reductions;

(ii) The outreach strategies used to encourage participation of eligible households, including consultation with community-based organizations and Indian tribes as appropriate, and comprehensive enrollment campaigns that are linguistically and

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culturally appropriate to the customers they serve in vulnerable populations; and

(iii) A cumulative assessment of previous funding levels for energy assistance compared to the funding levels needed to meet: (A) Sixty percent of the current energy assistance need, or increasing energy assistance by fifteen percent over the amount provided in 2018, whichever is greater, by 2030; and (B) ninety percent of the current energy assistance need by 2050.

(b) The assessment required in (a) of this subsection must include a plan to improve the effectiveness of the assessed mechanisms and strategies toward meeting the energy assistance need.

(5) A consumer-owned utility may enter into an agreement with a public university, community-based organization, or joint operating agency organized under chapter 43.52 RCW to aggregate the disclosures required in this section and submit the assessment required in subsections (3) and (4) of this section.

(6)(a) The department must submit a biennial report to the legislature that:

(i) Aggregates information into a statewide summary of energy assistance programs, energy burden, and energy assistance need;

(ii) Identifies and quantifies current expenditures on low-income energy assistance; and

(iii) Evaluates the effectiveness of additional optimal mechanisms for energy assistance including, but not limited to, customer rates, a low-income specific discount, system benefits charges, and public and private funds.

(b) The department must also assess mechanisms to prioritize energy assistance towards low-income households with a higher energy burden.

(7) Nothing in this section may be construed to restrict the rate-making authority of the commission or the governing body of a consumer-owned utility as otherwise provided by law.

NEW SECTION. Sec. 13. (1) The department and the commission must convene a stakeholder work group to examine the:

(a) Efficient and consistent integration of this act and transactions with carbon and electricity markets outside the state; and

(b) Compatibility of the requirements under this act relative to a linked cap-and-trade program.

(2) To assist in its examination of the issues identified in this section, as well as any other issues pertinent to its review, the work group must, at a minimum, consist of electric utilities, gas companies, the Bonneville power administration, public interest and environmental organizations, and other agencies.

(3) The department and the commission must adopt rules by June 30, 2022, defining requirements, including appropriate specification, verification, and reporting requirements, for the following: (a) Retail electric load met with market purchases and the western energy imbalance market or other centralized market administered by a market operator for the purposes of sections 3 through 5 of this act; and (b) to address the prohibition on double counting of nonpower attributes under section 4(1) of this act that could occur under other programs. With respect to purchases from the western energy imbalance market or other centralized market, the department and the commission must consult with the market operator and market participants to consider options that support the objectives of this chapter and the efficient dispatch of the generation resources dispatched by those markets.

Sec. 14. RCW 19.280.030 and 2015 3rd sp.s. c 19 s 9 are each amended to read as follows:

Each electric utility must develop a plan consistent with this section.

(1) Utilities with more than twenty-five thousand customers that are not full requirements customers (~~(shall)~~ **must** develop or update an integrated resource plan by September 1, 2008. At a minimum, progress reports reflecting changing conditions and the progress of the integrated resource plan must be produced every two years thereafter. An updated integrated resource plan must be developed at least every four years subsequent to the 2008 integrated resource plan. The integrated resource plan, at a minimum, must include:

(a) A range of forecasts, for at least the next ten years or longer, of projected customer demand which takes into account econometric data and customer usage;

(b) An assessment of commercially available conservation and efficiency resources, as informed, as applicable, by the assessment for conservation potential under RCW 19.285.040 for the planning horizon consistent with (a) of this subsection. Such assessment may include, as appropriate, opportunities for development of combined heat and power as an energy and capacity resource, demand response and load management programs, and currently employed and new policies and programs needed to obtain the conservation and efficiency resources;

(c) An assessment of commercially available, utility scale renewable and nonrenewable generating technologies including a comparison of the benefits and risks of purchasing power or building new resources;

(d) A comparative evaluation of renewable and nonrenewable generating resources, including transmission and distribution delivery costs, and conservation and efficiency resources using "lowest reasonable cost" as a criterion;

(e) An assessment of methods, commercially available technologies, or facilities for integrating renewable resources, including but not limited to battery storage and pumped storage, and addressing overgeneration events, if applicable to the utility's resource portfolio;

(f) An assessment and ten-year forecast of the availability of regional generation and transmission capacity on which the utility may rely to provide and deliver electricity to its customers;

(g) A determination of resource adequacy metrics for the resource plan consistent with the forecasts;

(h) A forecast of distributed energy resources that may be installed by the utility's customers and an assessment of their effect on the utility's load and operations;

(i) An identification of an appropriate resource adequacy requirement and measurement metric consistent with prudent utility practice in implementing sections 3 through 5 of this act;

(j) The integration of the demand forecasts (~~and~~), resource evaluations, and resource adequacy requirement into a long-range assessment describing the mix of supply side generating resources and conservation and efficiency resources that will meet current and projected needs, including mitigating overgeneration events and implementing sections 3 through 5 of this act, at the lowest reasonable cost and risk to the utility and its (~~ratepayers~~) customers, while maintaining and protecting the safety, reliable operation, and balancing of its electric system; (~~and~~

~~(g))~~ (k) An assessment, informed by the cumulative impact analysis conducted under section 24 of this act, of: Energy and nonenergy benefits and reductions of burdens to vulnerable populations and highly impacted communities; long-term and short-term public health and environmental benefits, costs, and risks; and energy security and risk; and

(l) A (~~short term plan identifying~~) ten-year clean energy action plan for implementing sections 3 through 5 of this act at the lowest reasonable cost, and at an acceptable resource adequacy standard, that identifies the specific actions to be taken by the utility consistent with the long-range integrated resource

plan.

(2) For an investor-owned utility, the clean energy action plan must: (a) Identify and be informed by the utility's ten-year cost-effective conservation potential assessment as determined under RCW 19.285.040, if applicable; (b) establish a resource adequacy requirement; (c) identify the potential cost-effective demand response and load management programs that may be acquired; (d) identify renewable resources, nonemitting electric generation, and distributed energy resources that may be acquired and evaluate how each identified resource may be expected to contribute to meeting the utility's resource adequacy requirement; (e) identify any need to develop new, or expand or upgrade existing, bulk transmission and distribution facilities; and (f) identify the nature and possible extent to which the utility may need to rely on alternative compliance options under section 4(1)(b) of this act, if appropriate.

(3)(a) An electric utility shall consider the social cost of greenhouse gas emissions, as determined by the commission for investor-owned utilities pursuant to section 15 of this act and the department for consumer-owned utilities, when developing integrated resource plans and clean energy action plans. An electric utility must incorporate the social cost of greenhouse gas emissions as a cost adder when:

(i) Evaluating and selecting conservation policies, programs, and targets;

(ii) Developing integrated resource plans and clean energy action plans; and

(iii) Evaluating and selecting intermediate term and long-term resource options.

(b) For the purposes of this subsection (3): (i) Gas consisting largely of methane and other hydrocarbons derived from the decomposition of organic material in landfills, wastewater treatment facilities, and anaerobic digesters must be considered a nonemitting resource; and (ii) qualified biomass energy must be considered a nonemitting resource.

(4) To facilitate broad, equitable, and efficient implementation of this act, a consumer-owned energy utility may enter into an agreement with a joint operating agency organized under chapter 43.52 RCW or other nonprofit organization to develop and implement a joint clean energy action plan in collaboration with other utilities.

(5) All other utilities may elect to develop a full integrated resource plan as set forth in subsection (1) of this section or, at a minimum, shall develop a resource plan that:

(a) Estimates loads for the next five and ten years;

(b) Enumerates the resources that will be maintained and/or acquired to serve those loads; ~~(and)~~

(c) Explains why the resources in (b) of this subsection were chosen and, if the resources chosen are not: (i) Renewable resources; (ii) methods, commercially available technologies, or facilities for integrating renewable resources, including addressing any overgeneration event; or (iii) conservation and efficiency resources, why such a decision was made; and

(d) By December 31, 2020, and in every resource plan thereafter, identifies how the utility plans over a ten-year period to implement sections 4 and 5 of this act.

~~((3))~~ (6) Assessments for demand side resources included in an integrated resource plan may include combined heat and power systems as one of the measures in a conservation supply curve. The value of recoverable waste heat resulting from combined heat and power must be reflected in analyses of cost-effectiveness under this subsection.

~~((4))~~ (7) An electric utility that is required to develop a resource plan under this section must complete its initial plan by September 1, 2008.

~~((5) Resource)~~ (8) Plans developed under this section must be

updated on a regular basis, on intervals approved by the commission or the department, or at a minimum on intervals of two years.

~~((6))~~ (9) Plans shall not be a basis to bring legal action against electric utilities.

~~((7))~~ (10)(a) To maximize transparency, the commission, for investor-owned utilities, or the governing body, for consumer-owned utilities, may require an electric utility to make the utility's data input files available in a native format. Each electric utility shall publish its final plan either as part of an annual report or as a separate document available to the public. The report may be in an electronic form.

(b) Nothing in this subsection limits the protection of records containing commercial information under RCW 80.04.095.

(11) By December 31, 2021, the department and the commission must adopt rules establishing the requirements for incorporating the cumulative impact analysis developed under section 24 of this act into the criteria for developing clean energy action plans under this section.

NEW SECTION. Sec. 15. A new section is added to chapter 80.28 RCW to read as follows:

For the purposes of this act, the cost of greenhouse gas emissions resulting from the generation of electricity, including the effect of emissions, is equal to the cost per metric ton of carbon dioxide equivalent emissions, using the two and one-half percent discount rate, listed in table 2, technical support document: Technical update of the social cost of carbon for regulatory impact analysis under Executive Order No. 12866, published by the interagency working group on social cost of greenhouse gases of the United States government, August 2016. The commission must adjust the costs established in this section to reflect the effect of inflation.

Sec. 16. RCW 80.84.010 and 2016 c 220 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) "Eligible coal plant" means a coal-fired electric generation facility that: (a) ~~(Had two or fewer generating units as of January 1, 1980, and four generating units as of January 1, 2016; (b))~~ Is owned in whole or in part by more than one electrical company as of January 1, 2016; and ~~((c))~~ (b) provides, as a portion of the load served by the coal-fired electric generation facility, electricity paid for in rates by customers in the state of Washington.

(2) "Eligible coal unit" means any generating unit of an eligible coal plant.

NEW SECTION. Sec. 17. This section is the tax preference performance statement for the tax preferences contained in sections 18 and 19, chapter . . . , Laws of 2019 (sections 18 and 19 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.

(1) The legislature categorizes this tax preference as one intended to induce certain designated behavior by taxpayers, as indicated in RCW 82.32.808(2)(a).

(2) It is the legislature's specific public policy objective to reduce the amount of carbon dioxide emissions in Washington. It is the legislature's intent to extend the expiration date of and expand the existing sales and use tax exemption for machinery and equipment used directly in generating certain types of alternative energy, in order to reduce the price charged to customers for that machinery and equipment, thereby inducing some customers to buy machinery and equipment for alternative

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energy when they might not otherwise, thereby displacing electricity from fossil-fueled generating resources, thereby reducing the amount of carbon dioxide emissions in Washington. It is also the intent of the legislature to maximize cost savings associated with clean energy construction for Washington electric customers by encouraging development of these resources in time for projects to benefit from both this incentive and expiring federal incentives.

(3) It is also the legislature's specific public policy objective to provide an incentive for more of the projects that meet the objectives of subsection (2) of this section to be constructed with high labor standards, including family level wages and providing benefits including health care and pensions, as well as maximizing access to economic benefits from such projects for local workers and diverse businesses.

(4) The joint legislative audit and review committee is not required to perform a tax preference review under chapter 43.136 RCW for the tax preferences contained in sections 18 and 19, chapter . . . , Laws of 2019 (sections 18 and 19 of this act) and it is the intent of the legislature to allow the tax preferences to expire upon their scheduled expiration dates.

Sec. 18. RCW 82.08.962 and 2018 c 164 s 5 are each amended to read as follows:

(1)(a) ~~((Except as provided in RCW 82.08.963, purchasers who have paid))~~ Subject to the requirements of this section, the tax imposed by RCW 82.08.020 ~~((on))~~ does not apply to sales of machinery and equipment used directly in generating electricity using fuel cells, wind, sun, biomass energy, tidal or wave energy, geothermal resources, or technology that converts otherwise lost energy from exhaust, as the principal source of power, or to sales of or charges made for labor and services rendered in respect to installing such machinery and equipment, ~~((are eligible for an exemption as provided in this section,))~~ but only if the purchaser develops with such machinery, equipment, and labor a facility capable of generating not less than one thousand watts AC of electricity. Except as otherwise provided in this section, the purchaser must pay the state and local sales tax on such sales and apply to the department for a remittance of the tax paid.

(b) Beginning on July 1, 2011, through ~~((January 1, 2020))~~ December 31, 2019, the amount of the exemption under this subsection (1)(b) is equal to seventy-five percent of the state and local sales tax paid. The purchaser is eligible for an exemption under this subsection (1)(b) in the form of a remittance.

(c) Beginning January 1, 2020, through December 31, 2029, the purchaser is entitled to an exemption, in the form of a remittance, under this subsection (1)(c) in an amount equal to:

(i) Fifty percent of the state and local sales tax paid, if:

(A) The exempt purchase is for machinery and equipment or labor and services rendered in respect to installing such machinery and equipment in (a) of this subsection, excluding qualified purchases under subsection (c)(i)(B) of this subsection, and the department of labor and industries certifies that the project includes: Procurement from and contracts with women, minority, or veteran-owned businesses; procurement from and contracts with entities that have a history of complying with federal and state wage and hour laws and regulations; apprenticeship utilization; and preferred entry for workers living in the area where the project is being constructed. In the event that a project is built without one or more of these standards, and a project developer or its designated principal contractor demonstrates that it has made all good faith efforts to meet the standards but was unable to comply due to lack of availability of qualified businesses or local hires, the department of labor and industries may certify that the developer complied with that standard; or

(B) The exempt purchase is for machinery and equipment that

is used directly in the generation of electricity by a solar energy system capable of generating more than one hundred kilowatts AC but no more than five hundred kilowatts AC of electricity, and labor and services rendered in respect to installing such machinery and equipment, and the department of labor and industries certifies that the project has met the requirements of (c)(i)(A) of this subsection, and the purchaser provides the following documentation to the department as part of the application for a remittance:

(I) A copy of the contractor's certificate of registration in compliance with chapter 18.27 RCW;

(II) The contractor's current state unified business identifier number;

(III) A copy of the contractor's proof of industrial insurance coverage for the contractor's employees working in Washington as required in Title 51 RCW; employment security department number as required in Title 50 RCW; and a state excise tax registration number as required in Title 82 RCW; and

(IV) Documentation of the contractor's history of compliance with federal and state wage and hour laws and regulations, consistent with (e)(ii)(D) of this subsection;

(ii) Seventy-five percent of the state and local sales tax paid, if the department of labor and industries certifies that the project complies with (c)(i)(A) and (B) of this subsection and compensates workers at prevailing wage rates determined by local collective bargaining as determined by the department of labor and industries. This subsection (1)(c)(ii) does not apply with respect to solar energy systems described in (c)(i)(B) of this subsection; or

(iii) One hundred percent of the state and local sales tax paid, if the department of labor and industries certifies that the project is developed under a community workforce agreement or project labor agreement. This subsection (1)(c)(iii) does not apply with respect to solar energy systems described in (c)(i)(B) of this subsection.

(d) In order to qualify for the remittance under (c) of this subsection, installation of the qualifying machinery and equipment must commence no earlier than January 1, 2020, and be completed by December 31, 2029.

(e) Beginning July 1, 2019, and through December 31, 2029, the purchaser is entitled to an exemption under this subsection (1)(e) in an amount equal to one hundred percent of the state and local sales tax due on:

(i) Machinery and equipment that is used directly in the generation of electricity by a solar energy system that is capable of generating no more than one hundred kilowatts AC of electricity; or

(ii) Labor and services rendered in respect to installing machinery and equipment exempt under (e)(i) of this subsection, and the seller meets the following requirements at the time of the sale for which the exemption is claimed:

(A) Has obtained a certificate of registration in compliance with chapter 18.27 RCW;

(B) Has obtained a current state unified business identifier number;

(C) Possesses proof of industrial insurance coverage for the contractor's employees working in Washington as required in Title 51 RCW; employment security department number as required in Title 50 RCW; and a state excise tax registration number as required in Title 82 RCW; and

(D) Has had no findings of violation of federal or state wage and hour laws and regulations in a final and binding order by an administrative agency or court of competent jurisdiction in the past twenty-four months.

(f) Purchasers claiming an exemption under (e) of this

subsection must provide the seller with an exemption certificate in a form and manner prescribed by the department.

(g) In order to qualify for the exemption under (e)(ii) of this subsection, installation of the qualifying machinery and equipment must commence no earlier than July 1, 2019, and be completed by December 31, 2029.

(2)(a) The department of labor and industries must adopt emergency and permanent rules to:

(i) Define and set minimum requirements for all labor standards identified in subsection (1)(c) of this section; and

(ii) Set requirements for all good faith efforts under subsection (1)(c)(i) and (ii) of this section, as well as documentation requirements and a certification process. Requirements for all good faith efforts must be designed to maximize the likelihood that the project is completed with said standards and could include: Proactive outreach to firms that are women, minority, and veteran-owned businesses; advertising in local community publications and publications appropriate to identified firms; participating in community job fairs, conferences, and trade shows; and other measures. The certification process and timeline must be designed to prevent undue delay to project development.

(b) Emergency rules must be adopted by December 1, 2019, and take effect January 1, 2020.

(3) For purposes of this section and RCW 82.12.962, the following definitions apply:

(a) "Biomass energy" includes: (i) By-products of pulping and wood manufacturing process; (ii) animal waste; (iii) solid organic fuels from wood; (iv) forest or field residues; (v) wooden demolition or construction debris; (vi) food waste; (vii) liquors derived from algae and other sources; (viii) dedicated energy crops; (ix) biosolids; and (x) yard waste. "Biomass energy" does not include wood pieces that have been treated with chemical preservatives such as creosote, pentachlorophenol, or copper-chrome-arsenic; wood from old growth forests; or municipal solid waste.

(b) "Fuel cell" means an electrochemical reaction that generates electricity by combining atoms of hydrogen and oxygen in the presence of a catalyst.

(c)(i) "Machinery and equipment" means fixtures, devices, and support facilities that are integral and necessary to the generation of electricity using fuel cells, wind, sun, biomass energy, tidal or wave energy, geothermal resources, or technology that converts otherwise lost energy from exhaust.

(ii) "Machinery and equipment" does not include: (A) Hand-powered tools; (B) property with a useful life of less than one year; (C) repair parts required to restore machinery and equipment to normal working order; (D) replacement parts that do not increase productivity, improve efficiency, or extend the useful life of machinery and equipment; (E) buildings; or (F) building fixtures that are not integral and necessary to the generation of electricity that are permanently affixed to and become a physical part of a building.

~~((3))~~ (d) "Project labor agreement" and "community workforce agreement" means a prehire collective bargaining agreement with one or more labor organizations that establishes the terms and conditions of employment for a specific construction project and is an agreement described in 29 U.S.C. Sec. 158(f).

(4)(a) Machinery and equipment is "used directly" in generating electricity by wind energy, solar energy, biomass energy, tidal or wave energy, geothermal resources, or technology that converts otherwise lost energy from exhaust if it provides any part of the process that captures the energy of the wind, sun, biomass energy, tidal or wave energy, geothermal resources, or technology that converts otherwise lost energy from exhaust, converts that energy to electricity, and stores, transforms, or

transmits that electricity for entry into or operation in parallel with electric transmission and distribution systems.

(b) Machinery and equipment is "used directly" in generating electricity by fuel cells if it provides any part of the process that captures the energy of the fuel, converts that energy to electricity, and stores, transforms, or transmits that electricity for entry into or operation in parallel with electric transmission and distribution systems.

~~((4))~~ (5)(a)(i) A purchaser claiming an exemption in the form of a remittance under subsection (1)(b) or (c) of this section must pay the tax imposed by RCW 82.08.020 and all applicable local sales taxes imposed under the authority of chapters 82.14 and 81.104 RCW. The purchaser may then apply to the department for remittance in a form and manner prescribed by the department. A purchaser may not apply for a remittance under this section more frequently than once per quarter. The purchaser must specify the amount of exempted tax claimed and the qualifying purchases for which the exemption is claimed. The purchaser must retain, in adequate detail, records to enable the department to determine whether the purchaser is entitled to an exemption under this section, including: Invoices; proof of tax paid; and documents describing the machinery and equipment.

(ii) The application for remittance must include a copy of the certificate issued for the project by the department of labor and industries as prescribed by rule under subsection (2) of this section.

(b) The department must determine eligibility under this section based on the information provided by the purchaser, which is subject to audit verification by the department. The department must on a quarterly basis remit exempted amounts to qualifying purchasers who submitted applications during the previous quarter.

~~((5) The exemption provided by this section expires September 30, 2017, as it applies to: (a)) (6)(a) Except as otherwise provided in (c) of this subsection, from October 1, 2017, through December 31, 2019, the exemption provided by this section does not apply to: (i) Machinery and equipment that is used directly in the generation of electricity using solar energy and capable of generating no more than five hundred kilowatts AC of electricity; or ((b)) (ii) sales of or charges made for labor and services rendered in respect to installing such machinery and equipment.~~

~~(b) The exemption provided by this section is reinstated for machinery and equipment for solar energy systems capable of generating more than one hundred kilowatts AC but no more than five hundred kilowatts AC of electricity, or sales of or charges made for labor and services rendered in respect to installing such machinery and equipment, if installation of the machinery and equipment commences on or after January 1, 2020.~~

~~(c) The exemption provided by this section is reinstated for machinery and equipment for solar energy systems capable of generating no more than one hundred kilowatts AC of electricity, or sales of or charges made for labor and services rendered in respect to installing such machinery and equipment, if installation of the machinery and equipment commences on or after July 1, 2019.~~

~~((6))~~ (7) This section expires January 1, ((2020)) 2030.

Sec. 19. RCW 82.12.962 and 2018 c 164 s 7 are each amended to read as follows:

(1)(a) ~~((Except as provided in RCW 82.12.963, consumers who have paid))~~ Subject to the requirements of this section, the tax imposed by RCW 82.12.020 ~~((or))~~ does not apply to machinery and equipment used directly in generating electricity using fuel cells, wind, sun, biomass energy, tidal or wave energy, geothermal resources, or technology that converts otherwise lost

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energy from exhaust, or to ~~((sales of or charges made for))~~ labor and services rendered in respect to installing such machinery and equipment, ~~((are eligible for an exemption as provided in this section.))~~ but only if the purchaser develops with such machinery, equipment, and labor a facility capable of generating not less than one thousand watts AC of electricity. Except as otherwise provided in this section, the consumer must pay the state and local use tax on the use of such machinery and equipment and labor and services, and apply to the department for a remittance of the tax paid.

(b) Beginning on July 1, 2011, through ~~((January 1, 2020))~~ December 31, 2019, the amount of the exemption under this subsection (1) is equal to seventy-five percent of the state and local ~~((sales))~~ use tax paid. The consumer is eligible for an exemption under this subsection (1)(b) in the form of a remittance.

~~((2))~~ (c) Beginning January 1, 2020, through December 31, 2029, the purchaser is entitled to an exemption, in the form of a remittance, under this subsection (1)(c) in an amount equal to:

(i) Fifty percent of the state and local use tax paid, if:

(A) The exempt purchase is for machinery and equipment or labor and services rendered in respect to installing such machinery and equipment in (a) of this subsection, excluding qualified purchases under (c)(i)(B) of this subsection, and the department of labor and industries certifies that the project includes: Procurement from and contracts with women, minority, or veteran-owned businesses; procurement from and contracts with entities that have a history of complying with federal and state wage and hour laws and regulations; apprenticeship utilization; and preferred entry for workers living in the area where the project is being constructed. In the event that a project is built without one or more of these standards, and a project developer or its designated principal contractor demonstrates that it has made all good faith efforts to meet the standards but was unable to comply due to lack of availability of qualified businesses or local hires, the department of labor and industries may certify that the developer complied with that standard; or

(B) The exempt purchase is for machinery and equipment that is used directly in the generation of electricity by a solar energy system capable of generating more than one hundred kilowatts AC but no more than five hundred kilowatts AC of electricity, or labor and services rendered in respect to installing such machinery and equipment, and the department of labor and industries certifies that the project has met the requirements of (c)(i)(A) of this subsection, and the purchaser has provided the following documentation to the department as part of the application for a remittance:

(I) A copy of the contractor's certificate of registration in compliance with chapter 18.27 RCW;

(II) The contractor's current state unified business identifier number;

(III) A copy of the contractor's proof of industrial insurance coverage for the contractor's employees working in Washington as required in Title 51 RCW; employment security department number as required in Title 50 RCW; and a state excise tax registration number as required in Title 82 RCW; and

(IV) Documentation of the contractor's history of compliance with federal and state wage and hour laws and regulations, consistent with (e)(ii)(D) of this subsection;

(ii) Seventy-five percent of the state and local use tax paid, if the department of labor and industries certifies that the project complies with (c)(i)(A) of this subsection and compensates workers at prevailing wage rates determined by local collective bargaining as determined by the department of labor and industries. This subsection (1)(c)(ii) does not apply with respect

to solar energy systems described in (c)(i)(B) of this subsection; or

(iii) One hundred percent of the state and local use tax paid, if the department of labor and industries certifies that the project is developed under a community workforce agreement or project labor agreement. This subsection (1)(c)(iii) does not apply with respect to solar energy systems described in (c)(i)(B) of this subsection.

(d) In order to qualify for the remittance under (c) of this subsection, installation of the qualifying machinery and equipment must commence no earlier than January 1, 2020, and be completed by December 31, 2029.

(e) Beginning July 1, 2019, and through December 31, 2029, the consumer is entitled to an exemption under this subsection (1)(e) in an amount equal to one hundred percent of the state and local use tax due on:

(i) Machinery and equipment that is used directly in the generation of electricity by a solar energy system that is capable of generating no more than one hundred kilowatts AC of electricity; or

(ii) Labor and services rendered in respect to installing machinery and equipment exempt under (e)(i) of this subsection, and the seller meets the following requirements at the time of the purchase for which the exemption is claimed:

(A) Has obtained a certificate of registration in compliance with chapter 18.27 RCW;

(B) Has obtained a current state unified business identifier number;

(C) Possesses proof of industrial insurance coverage for the contractor's employees working in Washington as required in Title 51 RCW; employment security department number as required in Title 50 RCW; and a state excise tax registration number as required in Title 82 RCW; and

(D) Has had no findings of violations of federal or state wage and hour laws and regulations in a final and binding order by an administrative agency or court of competent jurisdiction in the past twenty-four months.

(f) In order to qualify for the exemption under (e)(ii) of this subsection, installation of the qualifying machinery and equipment must commence no earlier than July 1, 2019, and be completed by December 31, 2029.

(2) The department of labor and industries must initiate an emergency rule making on the effective date of this section to be completed by December 1, 2019, to:

(a) Define and set minimum requirements for all labor standards identified in subsection (1)(c) of this section; and

(b) Set requirements for all good faith efforts under subsection (1)(c)(i) and (ii) of this section, as well as documentation requirements and a certification process. Requirements for all good faith efforts must be designed to maximize the likelihood that the project is completed with said standards and could include: Proactive outreach to firms that are women, minority, and veteran-owned businesses; advertising in local community publications and publications appropriate to identified firms; participating in community job fairs, conferences, and trade shows; and other measures. The certification process and timeline must be designed to prevent undue delay to project development.

(3)(a)(i) A person claiming an exemption in the form of a remittance under subsection (1)(b) and (c) of this section must pay the tax imposed by RCW 82.12.020 and all applicable local use taxes imposed under the authority of chapters 82.14 and 81.104 RCW. The consumer may then apply to the department for remittance in a form and manner prescribed by the department. A consumer may not apply for a remittance under this section more frequently than once per quarter. The consumer must specify the

amount of exempted tax claimed and the qualifying purchases or acquisitions for which the exemption is claimed. The consumer must retain, in adequate detail, records to enable the department to determine whether the consumer is entitled to an exemption under this section, including: Invoices; proof of tax paid; and documents describing the machinery and equipment.

(ii) The application for remittance must include a copy of the certificate issued for the project by the department of labor and industries under subsection (1) of this section.

(b) The department must determine eligibility for remittances under this section based on the information provided by the consumer, which is subject to audit verification by the department. The department must on a quarterly basis remit exempted amounts to qualifying consumers who submitted applications during the previous quarter.

~~((3))~~ (4) Purchases exempt under RCW 82.08.962 are also exempt from the tax imposed under RCW 82.12.020.

~~((4))~~ (5) The definitions in RCW 82.08.962 apply to this section.

~~((5))~~ (6) The exemption provided in subsection (1) of this section does not apply:

(a) To machinery and equipment used directly in the generation of electricity using solar energy and capable of generating no more than five hundred kilowatts AC of electricity, or to sales of or charges made for labor and services rendered in respect to installing such machinery and equipment, when first use within this state of such machinery and equipment, or labor and services, occurs after September 30, 2017, and before January 1, 2020, except as otherwise provided in subsection (7) of this section; and

(b) To any other machinery and equipment described in subsection (1)(a) of this section, or to sales of or charges made for labor and services rendered in respect to installing such machinery or equipment, when first use within this state of such machinery and equipment, or labor and services, occurs after December 31, ~~((2019))~~ 2029.

~~((6))~~ (7)(a) The exemption provided by this section is reinstated for machinery and equipment for solar energy systems capable of generating more than one hundred kilowatts AC but no more than five hundred kilowatts AC of electricity, or sales of or charges made for labor and services rendered in respect to installing such machinery and equipment, if first use within the state of the machinery and equipment commences on or after January 1, 2020.

(b) The exemption provided by this section is reinstated for machinery and equipment for solar energy systems capable of generating no more than one hundred kilowatts AC of electricity, or sales of or charges made for labor and services rendered in respect to installing such machinery and equipment, if first use within the state of the machinery and equipment commences on or after July 1, 2019.

(8) This section expires January 1, ~~((2020))~~ 2030.

Sec. 20. RCW 80.04.250 and 2011 c 214 s 9 are each amended to read as follows:

(1) The provisions of this section are necessary to ensure that the commission has sufficient flexible authority to determine the value of utility property for rate making purposes and to implement the requirements and full intent of this act.

(2) The commission has power upon complaint or upon its own motion to ascertain and determine the fair value for rate making purposes of the property of any public service company used and useful for service in this state by or during the rate effective period and shall exercise such power whenever it deems such valuation or determination necessary or proper under any of the provisions of this title. ~~((In determining what property is used and useful for providing electric, gas, wastewater company services, or water~~

~~service, the commission may include the reasonable costs of construction work in progress to the extent that the commission finds that inclusion is in the public interest.~~

(2)) The valuation may include consideration of any property of the public service company acquired or constructed by or during the rate effective period, including the reasonable costs of construction work in progress, to the extent that the commission finds that such an inclusion is in the public interest and will yield fair, just, reasonable, and sufficient rates.

(3) The commission may provide changes to rates under this section for up to forty-eight months after the rate effective date using any standard, formula, method, or theory of valuation reasonably calculated to arrive at fair, just, reasonable, and sufficient rates. The commission must establish an appropriate process to identify, review, and approve public service company property that becomes used and useful for service in this state after the rate effective date.

(4) The commission has the power to make revaluations of the property of any public service company from time to time.

~~((3))~~ (5) The commission shall, before any hearing is had, notify the complainants and the public service company concerned of the time and place of such hearing by giving at least thirty days' written notice thereof, specifying that at the time and place designated a hearing will be held for the purpose of ascertaining the value of the company's property, used and useful as aforesaid, which notice must be sufficient to authorize the commission to inquire into and pass upon the matters designated in this section.

(6) Nothing in this section limits the commission's authority to consider and implement performance and incentive-based regulation, multiyear rate plans, and other flexible regulatory mechanisms.

NEW SECTION. Sec. 21. A new section is added to chapter 80.28 RCW to read as follows:

(1) An electrical company may account for and defer for later consideration by the commission costs incurred in connection with major projects in the electrical company's clean energy action plan pursuant to RCW 19.280.030(1)(l), or selected in the electrical company's solicitation of bids for delivering electric capacity, energy, capacity and energy, or conservation. The deferral in this subsection begins with the date on which the resource begins commercial operation or the effective date of the power purchase agreement and continues for a period not to exceed thirty-six months. However, if during such a period the electrical company files a general rate case or other proceeding for the recovery of such costs, deferral ends on the effective date of the final decision by the commission in such a proceeding. Creation of such a deferral account does not by itself determine the actual costs of the resource or power purchase agreement, whether recovery of any or all of these costs is appropriate, or other issues to be decided by the commission in a general rate case or other proceeding.

(2) The costs that an electrical company may account for and defer for later consideration by the commission pursuant to subsection (1) of this section include all operating and maintenance costs, depreciation, taxes, cost of capital associated with the applicable resource or the execution of a power purchase agreement. Such costs of capital include:

(a) The electrical company's authorized return on equity for any resource acquired or developed by the electrical company; or

(b) For the duration of a power purchase agreement, a rate of return of no less than the authorized cost of debt and no greater than the authorized rate of return of the electrical company, which would be multiplied by the operating expense incurred by the electrical company under the power purchase agreement.

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Sec. 22. RCW 43.21F.090 and 1996 c 186 s 106 are each amended to read as follows:

(1) The department shall review the state energy strategy ((as developed under section 1, chapter 201, Laws of 1991, periodically with the guidance of an advisory committee. For each review, an advisory committee shall be established with a membership resembling as closely as possible the original energy strategy advisory committee specified under section 1, chapter 201, Laws of 1991.)) by December 31, 2020, and at least once every eight years thereafter, subject to funding provided for this purpose, for the purpose of aligning the state energy strategy with the requirements of RCW 43.21F.088 and chapters 19.285 and 19.--- RCW (the new chapter created in section 27 of this act), and the emission reduction targets recommended by the department of ecology under RCW 70.235.040. The department must establish an energy strategy advisory committee for each review to provide guidance to the department in conducting the review. The membership of the energy strategy advisory committee must consist of the following:

(a) One person recommended by investor-owned electric utilities;

(b) One person recommended by investor-owned natural gas utilities;

(c) One person employed by or recommended by a natural gas pipeline serving the state;

(d) One person recommended by suppliers of petroleum products;

(e) One person recommended by municipally owned electric utilities;

(f) One person recommended by public utility districts;

(g) One person recommended by rural electrical cooperatives;

(h) One person recommended by industrial energy users;

(i) One person recommended by commercial energy users;

(j) One person recommended by agricultural energy users;

(k) One person recommended by the association of Washington cities;

(l) One person recommended by the Washington association of counties;

(m) One person recommended by Washington Indian tribes;

(n) One person recommended by businesses in the clean energy industry;

(o) One person recommended by labor unions;

(p) Two persons recommended by civic organizations, one of which must be a representative of a civic organization that represents vulnerable populations;

(q) Two persons recommended by environmental organizations;

(r) One person representing independent power producers;

(s) The chair of the energy facility site evaluation council or the chair's designee;

(t) One of the representatives of the state of Washington to the Pacific Northwest electric power and conservation planning council selected by the governor;

(u) The chair of the utilities and transportation commission or the chair's designee;

(v) One member from each of the two largest caucuses of the house of representatives selected by the speaker of the house of representatives; and

(w) One member from each of the two largest caucuses of the senate selected by the president of the senate.

(2) The chair of the advisory committee must be appointed by the governor from citizen members. The director may establish technical advisory groups as necessary to assist in the development of the strategy. The director shall provide for extensive public involvement throughout the development of the

strategy.

(3) Upon completion of a public hearing regarding the advisory committee's advice and recommendations for revisions to the energy strategy, a written report shall be conveyed by the department to the governor and the appropriate legislative committees. ((Any)) The energy strategy advisory committee established under this section ((shall)) must be dissolved within three months after their written report is conveyed.

NEW SECTION. Sec. 23. (1) By January 1, 2020, the department of commerce must convene an energy and climate policy advisory committee to develop recommendations to the legislature for the coordination of existing resources, or the establishment of new ones, for the purposes of examining the costs and benefits of energy-related policies, programs, functions, activities, and incentives on an on-going basis and conducting other energy-related studies and analyses as may be directed by the legislature.

(2) The advisory committee convened under this section must consist of, at minimum, representatives of each the state's public four-year institutions of higher education, the Pacific Northwest National Laboratory, and the Washington state institute for public policy.

(3) Subject to the availability of amounts appropriated for this specific purpose, and in compliance with RCW 43.01.036, the department of commerce must submit its recommendations in a report to the legislature by December 31, 2020.

(4) This section expires January 1, 2021.

NEW SECTION. Sec. 24. By December 31, 2020, the department of health must develop a cumulative impact analysis to designate the communities highly impacted by fossil fuel pollution and climate change in Washington. The cumulative impact analysis may integrate with and build upon other concurrent cross-agency efforts in developing a cumulative impact analysis and population tracking resources used by the department of health and analysis performed by the University of Washington department of environmental and occupational health sciences.

NEW SECTION. Sec. 25. (1) The legislature finds that based on current technology, there will likely need to be upgrades to electricity transmission and distribution infrastructure across the state to meet the goals specified in this act. These facilities require a significant planning horizon to deliver electricity generation sites to retail electric load. Pursuant to RCW 80.50.040, the energy facility site evaluation council chair shall convene a transmission corridors work group and report its findings to the governor and the appropriate committees of the legislature by December 31, 2022.

(2) The work group must include one representative from each of the following state agencies: The department of commerce, the utilities and transportation commission, the department of ecology, the department of fish and wildlife, the department of natural resources, the department of transportation, the department of archaeology and historic preservation, and the state military department. The work group shall also include two representatives designated by the association of Washington cities, one from central or eastern Washington and one from western Washington; two representatives designated by the Washington state association of counties, one from central or eastern Washington and one from western Washington; two members designated by sovereign tribal governments; one member representing affected utility industries; one member representing public utility districts; and two members representing statewide environmental organizations. The energy facility site evaluation council chair shall invite the Bonneville

power administration and the United States department of defense to each appoint an ex officio work group member.

(3) The work group shall:

(a) Review the need for upgraded and new electricity transmission and distribution facilities to improve reliability, relieve congestion, and enhance the capability of the transmission and distribution facilities in the state to deliver electricity from electric generation, nonemitting electric generation, or renewable resources to retail electric load;

(b) Identify areas where transmission and distribution facilities may need to be enhanced or constructed; and

(c) Identify environmental review options that may be required to complete the designation of such corridors and recommend ways to expedite review of transmission projects without compromising required environmental protection.

(4) The energy facility site evaluation council may contract services to assist in the work group efforts.

(5) This section expires January 1, 2023.

NEW SECTION. Sec. 26. This chapter may be known and cited as the Washington clean energy transformation act.

NEW SECTION. Sec. 27. Sections 1 through 13 and 26 of this act constitute a new chapter in Title 19 RCW.

Sec. 28. RCW 19.285.030 and 2017 c 315 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) "Attorney general" means the Washington state office of the attorney general.

(2) "Auditor" means: (a) The Washington state auditor's office or its designee for qualifying utilities under its jurisdiction that are not investor-owned utilities; or (b) an independent auditor selected by a qualifying utility that is not under the jurisdiction of the state auditor and is not an investor-owned utility.

(3)(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.

(4) "Coal transition power" has the same meaning as defined in RCW 80.80.010.

(5) "Commission" means the Washington state utilities and transportation commission.

(6) "Conservation" means any reduction in electric power consumption resulting from increases in the efficiency of energy use, production, or distribution.

(7) "Cost-effective" has the same meaning as defined in RCW 80.52.030.

(8) "Council" means the Washington state apprenticeship and training council within the department of labor and industries.

(9) "Customer" means a person or entity that purchases electricity for ultimate consumption and not for resale.

(10) "Department" means the department of commerce or its successor.

(11) "Distributed generation" means an eligible renewable resource where the generation facility or any integrated cluster of such facilities has a generating capacity of not more than five megawatts.

(12) "Eligible renewable resource" means:

(a) Electricity from a generation facility powered by a

renewable resource other than freshwater that commences operation after March 31, 1999, where: (i) The facility is located in the Pacific Northwest; or (ii) the electricity from the facility is delivered into Washington state on a real-time basis without shaping, storage, or integration services;

(b) Incremental electricity produced as a result of efficiency improvements completed after March 31, 1999, to hydroelectric generation projects owned by a qualifying utility and located in the Pacific Northwest where the additional generation does not result in new water diversions or impoundments;

(c) Hydroelectric generation from a project completed after March 31, 1999, where the generation facility is located in irrigation pipes, irrigation canals, water pipes whose primary purpose is for conveyance of water for municipal use, and wastewater pipes located in Washington where the generation does not result in new water diversions or impoundments;

(d) Qualified biomass energy;

(e) For a qualifying utility that serves customers in other states, electricity from a generation facility powered by a renewable resource other than freshwater that commences operation after March 31, 1999, where: (i) The facility is located within a state in which the qualifying utility serves retail electrical customers; and (ii) the qualifying utility owns the facility in whole or in part or has a long-term contract with the facility of at least twelve months or more; ((e))

(f)(i) Incremental electricity produced as a result of a capital investment completed after January 1, 2010, that increases, relative to a baseline level of generation prior to the capital investment, the amount of electricity generated in a facility that generates qualified biomass energy as defined under subsection (18)(c)(ii) of this section and that commenced operation before March 31, 1999.

(ii) Beginning January 1, 2007, the facility must demonstrate its baseline level of generation over a three-year period prior to the capital investment in order to calculate the amount of incremental electricity produced.

(iii) The facility must demonstrate that the incremental electricity resulted from the capital investment, which does not include expenditures on operation and maintenance in the normal course of business, through direct or calculated measurement;

(g) That portion of incremental electricity produced as a result of efficiency improvements completed after March 31, 1999, attributable to a qualifying utility's share of the electricity output from hydroelectric generation projects whose energy output is marketed by the Bonneville power administration where the additional generation does not result in new water diversions or impoundments; or

(h) The environmental attributes, including renewable energy credits, from (g) of this subsection transferred to investor-owned utilities pursuant to the Bonneville power administration's residential exchange program.

(13) "Investor-owned utility" has the same meaning as defined in RCW 19.29A.010.

(14) "Load" means the amount of kilowatt-hours of electricity delivered in the most recently completed year by a qualifying utility to its Washington retail customers.

(15)(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 from a renewable resource, including but not limited to the facility's fuel type, geographic location, vintage, qualification as an eligible 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

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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.

(16) "Pacific Northwest" has the same meaning as defined for the Bonneville power administration in section 3 of the Pacific Northwest electric power planning and conservation act (94 Stat. 2698; 16 U.S.C. Sec. 839a).

(17) "Public facility" has the same meaning as defined in RCW 39.35C.010.

(18) "Qualified biomass energy" means electricity produced from a biomass energy facility that: (a) Commenced operation before March 31, 1999; (b) contributes to the qualifying utility's load; and (c) is owned either by: (i) A qualifying utility; or (ii) an industrial facility that is directly interconnected with electricity facilities that are owned by a qualifying utility and capable of carrying electricity at transmission voltage.

(19) "Qualifying utility" means an electric utility, as the term "electric utility" is defined in RCW 19.29A.010, that serves more than twenty-five thousand customers in the state of Washington. The number of customers served may be based on data reported by a utility in form 861, "annual electric utility report," filed with the energy information administration, United States department of energy.

(20) "Renewable energy credit" means a tradable certificate of proof of ~~((at least))~~ one megawatt-hour of an eligible renewable resource ~~((where the generation facility is not powered by freshwater)).~~ 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.

(21) "Renewable resource" means: (a) Water; (b) wind; (c) solar energy; (d) geothermal energy; (e) landfill gas; (f) wave, ocean, or tidal power; (g) gas from sewage treatment facilities; (h) biodiesel fuel ~~((as defined in RCW 82.29A.135))~~ that is not derived from crops raised on land cleared from old growth or first-growth forests where the clearing occurred after December 7, 2006; or (i) biomass energy.

(22) "Rule" means rules adopted by an agency or other entity of Washington state government to carry out the intent and purposes of this chapter.

(23) "Year" means the twelve-month period commencing January 1st and ending December 31st.

Sec. 29. RCW 19.285.040 and 2017 c 315 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 ten-year 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 twenty 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 twenty-five 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 ninety-five thousand and one hundred fifteen thousand 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 twenty-five 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 high-efficiency 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 thirty-three percent of the total energy output. The reduction in load due to high-efficiency 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) 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.

(f) 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 fifteen percent of its load by January 1, 2020, and each year thereafter.

(b) A qualifying utility may count distributed generation at double the facility's electrical output if the utility: (i) Owns or has contracted for the distributed generation and the associated renewable energy credits; or (ii) 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) ((The requirements of this section may be met for any given year with renewable energy credits produced during that year, the preceding year, or the subsequent year. Each renewable energy credit may be used only once to meet the requirements of this section.))~~ 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.

(l) 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.

(m) 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 section 2 of this act, in an amount equal to one hundred 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.

(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.

NEW SECTION. Sec. 30. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 31. 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

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institutions, and takes effect immediately.”

Correct the title.

and the same are herewith transmitted.

NONA SNELL, Deputy Chief Clerk

MOTION

Senator Carlyle moved that the Senate concur in the House amendment(s) to Engrossed Second Substitute Senate Bill No. 5116.

Senator Carlyle spoke in favor of the motion.

The President Pro Tempore declared the question before the Senate to be the motion by Senator Carlyle that the Senate concur in the House amendment(s) to Engrossed Second Substitute Senate Bill No. 5116.

The motion by Senator Carlyle carried and the Senate concurred in the House amendment(s) to Engrossed Second Substitute Senate Bill No. 5116 by voice vote.

Senator Sheldon spoke in favor of the motion.

REMARKS BY THE PRESIDENT PRO TEMPORE

President Pro Tempore Keiser: “I am going to explain the rule before we go into more speeches. That is, the time for speeches during the concurrence process is prior to the vote on accepting the House amendments. And, if you look at your rules, you will see that as well.”

The President Pro Tempore declared the question before the Senate to be the final passage of Engrossed Second Substitute Senate Bill No. 5116, as amended by the House.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Second Substitute Senate Bill No. 5116, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 29; Nays, 20; Absent, 0; Excused, 0.

Voting yea: Senators Billig, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Frockt, Hasegawa, Hobbs, Hunt, Keiser, Kuderer, Liias, Lovelett, McCoy, Mullet, Nguyen, Palumbo, Pedersen, Randall, Rolfes, Saldaña, Salomon, Sheldon, Takko, Van De Wege, Wellman and Wilson, C.

Voting nay: Senators Bailey, Becker, Braun, Brown, Ericksen, Fortunato, Hawkins, Holy, Honeyford, King, O’Ban, Padden, Rivers, Schoesler, Short, Wagoner, Walsh, Warnick, Wilson, L. and Zeiger

ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 5116, as amended by the House, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MESSAGE FROM THE HOUSE

April 15, 2019

MR. PRESIDENT:

The House passed SUBSTITUTION SENATE BILL NO. 5135 with the following amendment(s): 5135-S AMH ENGR H2702.E

Strike everything after the enacting clause and insert the following:

“**NEW SECTION. Sec. 1.** The definitions in this section

apply throughout this chapter unless the context clearly requires otherwise.

(1) “Consumer product” means any item, including any component parts and packaging, sold for residential or commercial use.

(2) “Department” means the department of ecology.

(3) “Director” means the director of the department.

(4) “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) “Organohalogen” means a class of chemicals that includes any chemical containing one or more halogen elements bonded to carbon.

(6) “Perfluoroalkyl and polyfluoroalkyl substances” or “PFAS chemicals” means a class of fluorinated organic chemicals containing at least one fully fluorinated carbon atom.

(7) “Phenolic compounds” means alkylphenol ethoxylates and bisphenols.

(8) “Phthalates” means synthetic chemical esters of phthalic acid.

(9) “Polychlorinated biphenyls” or “PCBs” means chemical forms that consist of two benzene rings joined together and containing one to ten chlorine atoms attached to the benzene rings.

(10) “Priority chemical” means a chemical or chemical class used as, used in, or put in a consumer product including:

(a) Perfluoroalkyl and polyfluoroalkyl substances;

(b) Phthalates;

(c) Organohalogen flame retardants;

(d) Flame retardants, as identified by the department under chapter 70.240 RCW;

(e) Phenolic compounds;

(f) Polychlorinated biphenyls; or

(g) A chemical identified by the department as a priority chemical under section 2 of this act.

(11) “Safer alternative” means an alternative that is less hazardous to humans or the environment than the existing chemical or chemical process. A safer alternative to a particular chemical may include a chemical substitute or a change in materials or design that eliminates the need for a chemical alternative.

(12) “Sensitive population” means a category of people that is identified by the department that may be or is disproportionately or more severely affected by priority chemicals, such as:

(a) Men and women of childbearing age;

(b) Infants and children;

(c) Pregnant women;

(d) Communities that are highly impacted by toxic chemicals;

(e) Persons with occupational exposure; and

(f) The elderly.

(13) “Sensitive species” means a species or grouping of animals that is identified by the department that may be or is disproportionately or more severely affected by priority chemicals, such as:

(a) Southern resident killer whales;

(b) Salmon; and

(c) Forage fish.

(14) “Electronic product” includes personal computers, audio and video equipment, calculators, wireless phones, game consoles, and handheld devices incorporating a video screen that are used to access interactive software, and the peripherals associated with such products.

(15) “Inaccessible electronic component” means a part or component of an electronic product that is located inside and

entirely enclosed within another material and is not capable of coming out of the product or being accessed during any reasonably foreseeable use or abuse of the product.

NEW SECTION. Sec. 2. Every five years, and consistent with the timeline established in section 5 of this act, the department, in consultation with the department of health, must report to the appropriate committees of the legislature its decision to designate at least five priority chemicals that meet at least one of the following:

(1) The chemical or a member of a class of chemicals are identified by the department as a:

(a) High priority chemical of high concern for children under chapter 70.240 RCW; or

(b) Persistent, bioaccumulative toxin under chapter 70.105 RCW;

(2) The chemical or members of a class of chemicals are regulated:

(a) In consumer products under chapter 70.240, 70.76, 70.95G, 70.280, 70.285, 70.95M, or 70.75A RCW; or

(b) As a hazardous substance under chapter 70.105 or 70.105D RCW; or

(3) The department determines the chemical or members of a class of chemicals are a concern for sensitive populations and sensitive species after considering the following factors:

(a) A chemical's or members of a class of chemicals' hazard traits or environmental or toxicological endpoints;

(b) A chemical's or members of a class of chemicals' aggregate effects;

(c) A chemical's or members of a class of chemicals' cumulative effects with other chemicals with the same or similar hazard traits or environmental or toxicological endpoints;

(d) A chemical's or members of a class of chemicals' environmental fate;

(e) The potential for a chemical or members of a class of chemicals to degrade, form reaction products, or metabolize into another chemical or a chemical that exhibits one or more hazard traits or environmental or toxicological endpoints, or both;

(f) The potential for the chemical or class of chemicals to contribute to or cause adverse health or environmental impacts;

(g) The chemical's or class of chemicals' potential impact on sensitive populations, sensitive species, or environmentally sensitive habitats;

(h) Potential exposures to the chemical or members of a class of chemicals based on:

(i) Reliable information regarding potential exposures to the chemical or members of a class of chemicals; and

(ii) Reliable information demonstrating occurrence, or potential occurrence, of multiple exposures to the chemical or members of a class of chemicals.

NEW SECTION. Sec. 3. (1) Every five years, and consistent with the timeline established in section 5 of this act, the department, in consultation with the department of health, shall identify priority consumer products that are a significant source of or use of priority chemicals. The department must submit a report to the appropriate committees of the legislature at the time that it identifies a priority consumer product.

(2) When identifying priority consumer products under this section, the department must consider, at a minimum, the following criteria:

(a) The estimated volume of a priority chemical or priority chemicals added to, used in, or present in the consumer product;

(b) The estimated volume or number of units of the consumer product sold or present in the state;

(c) The potential for exposure to priority chemicals by sensitive

populations or sensitive species when the consumer product is used, disposed of, or has decomposed;

(d) The potential for priority chemicals to be found in the outdoor environment, with priority given to surface water, groundwater, marine waters, sediments, and other ecologically sensitive areas, when the consumer product is used, disposed of, or has decomposed;

(e) If another state or nation has identified or taken regulatory action to restrict or otherwise regulate the priority chemical in the consumer product;

(f) The availability and feasibility of safer alternatives; and

(g) Whether the department has already identified the consumer product in a chemical action plan completed under chapter 70.105 RCW as a source of a priority chemical or other reports or information gathered under chapter 70.240, 70.76, 70.95G, 70.280, 70.285, 70.95M, or 70.75A RCW.

(3) The department is not required to give equal weight to each of the criteria in subsection (2)(a) through (g) of this section when identifying priority consumer products that use or are a significant source of priority chemicals.

(4) To assist with identifying priority consumer products under this section and making determinations as authorized under section 4 of this act, the department may request a manufacturer to submit a notice to the department that contains the information specified in RCW 70.240.040 (1) through (6) or other information relevant to subsection (2)(a) through (d) of this section. The manufacturer must provide the notice to the department no later than six months after receipt of such a demand by the department.

(5)(a) Except as provided in (b) of this subsection, the department may not identify the following as priority consumer products under this section:

(i) Plastic shipping pallets manufactured prior to 2012;

(ii) Food or beverages;

(iii) Tobacco products;

(iv) Drug or biological products regulated by the United States food and drug administration;

(v) Finished products certified or regulated by the federal aviation administration or the department of defense, or both, when used in a manner that was certified or regulated by such agencies, including parts, materials, and processes when used to manufacture or maintain such regulated or certified finished products;

(vi) Motorized vehicles, including on and off-highway vehicles, such as all-terrain vehicles, motorcycles, side-by-side vehicles, farm equipment, and personal assistive mobility devices; and

(vii) Chemical products used to produce an agricultural commodity, as defined in RCW 17.21.020.

(b) The department may identify the packaging of products listed in (a) of this subsection as priority consumer products.

(6) For an electronic product identified by the department as a priority consumer product under this section, the department may not make a regulatory determination under section 4 of this act to restrict or require the disclosure of a priority chemical in an inaccessible electronic component of the electronic product.

NEW SECTION. Sec. 4. (1) Every five years, and consistent with the timeline established in section 5 of this act, the department, in consultation with the department of health, must determine regulatory actions to increase transparency and to reduce the use of priority chemicals in priority consumer products. The department must submit a report to the appropriate committees of the legislature at the time that it determines regulatory actions. The department may:

(a) Determine that no regulatory action is currently required;

(b) Require a manufacturer to provide notice of the use of a

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priority chemical or class of priority chemicals consistent with RCW 70.240.040; or

(c) Restrict or prohibit the manufacture, wholesale, distribution, sale, retail sale, or use, or any combination thereof, of a priority chemical or class of priority chemicals in a consumer product.

(2)(a) The department may order a manufacturer to submit information consistent with section 3(4) of this act.

(b) The department may require a manufacturer to provide:

(i) A list of products containing priority chemicals;

(ii) Product ingredients;

(iii) Information regarding exposure and chemical hazard; and

(iv) A description of the amount and the function of the high priority chemical in the product.

(3) The department may restrict or prohibit a priority chemical or members of a class of priority chemicals in a priority consumer product when it determines:

(a) Safer alternatives are feasible and available; and

(b)(i) The restriction will reduce a significant source of or use of a priority chemical; or

(ii) The restriction is necessary to protect the health of sensitive populations or sensitive species.

(4) When determining regulatory actions under this section, the department may consider, in addition to the criteria pertaining to the selection of priority chemicals and priority consumer products that are specified in sections 2 and 3 of this act, whether:

(a) The priority chemical or members of a class of priority chemicals are functionally necessary in the priority consumer product; and

(b) A restriction would be consistent with regulatory actions taken by another state or nation on a priority chemical or members of a class of priority chemicals in a product.

(5) A restriction or prohibition on a priority chemical in a consumer product may include exemptions or exceptions, including exemptions to address existing stock of a product in commerce at the time that a restriction takes effect.

NEW SECTION. Sec. 5. (1)(a) By June 1, 2020, and consistent with section 3 of this act, the department shall identify priority consumer products that are a significant source of or use of priority chemicals specified in section 1(10) (a) through (f) of this act.

(b) By June 1, 2022, and consistent with section 4 of this act, the department must determine regulatory actions regarding the priority chemicals and priority consumer products identified in (a) of this subsection.

(c) By June 1, 2023, the department must adopt rules to implement regulatory actions determined under (b) of this subsection.

(2)(a) By June 1, 2024, and every five years thereafter, the department shall select at least five priority chemicals specified in section 1(10) (a) through (g) of this act that are identified consistent with section 2 of this act.

(b) By June 1, 2025, and every five years thereafter, the department must identify priority consumer products that contain any new priority chemicals after notifying the appropriate committees of the legislature, consistent with section 3 of this act.

(c) By June 1, 2027, and every five years thereafter, the department must determine regulatory actions for any priority chemicals in priority consumer products identified under (b) of this subsection, consistent with section 4 of this act.

(d) By June 1, 2028, and every five years thereafter, the department must adopt rules to implement regulatory actions identified under (c) of this subsection.

(3)(a) The designation of priority chemicals by the department does not take effect until the adjournment of the regular

legislative session immediately following the identification of chemicals, in order to allow an opportunity for the legislature to add to, limit, or otherwise amend the list of priority chemicals to be considered by the department.

(b) The designation of priority consumer products by the department does not take effect until the adjournment of the regular legislative session immediately following the identification of priority consumer products, in order to allow an opportunity for the legislature to add to, limit, or otherwise amend the list of priority consumer products to be considered by the department.

(c) The determination of regulatory actions by the department does not take effect until the adjournment of the regular legislative session immediately following the determination by the department, in order to allow an opportunity for the legislature to add to, limit, or otherwise amend the regulatory determinations by the department.

(d) Nothing in this subsection (3) limits the authority of the department to:

(i) Begin to identify priority consumer products for a priority chemical prior to the effective date of the designation of a priority chemical;

(ii) Begin to consider possible regulatory actions prior to the effective date of the designation of a priority consumer product; or

(iii) Initiate a rule-making process prior to the effective date of a determination of a regulatory action.

(4)(a) When identifying priority chemicals and priority consumer products under this chapter, the department must notify the public of the selection, including the identification of the peer-reviewed science and other sources of information that the department relied upon, the basis for the selection, and a draft schedule for making determinations. The notice must be published in the Washington State Register. The department shall provide the public with an opportunity for review and comment on the regulatory determinations.

(b)(i) By June 1, 2020, the department must create a stakeholder advisory process to provide expertise, input, and a review of the department's rationale for identifying priority chemicals and priority consumer products and proposed regulatory determinations. The input received from a stakeholder process must be considered and addressed when adopting rules.

(ii) The stakeholder process must include, but is not limited to, representatives from: Large and small business sectors; community, environmental, and public health advocacy groups; local governments; affected and interested businesses; an expert in scientific data analysis; and public health agencies.

NEW SECTION. Sec. 6. (1) A manufacturer that submits information or records to the department under this chapter 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. Under the procedures established under RCW 43.21A.160, the director must keep confidential any records furnished by a manufacturer under this chapter that relate to proprietary manufacturing processes or chemical formulations used in products or processes.

(2) For records or other information furnished to the department by a federal agency on the condition that the information be afforded the same confidentiality protections as under federal law, the director may determine that the information

or records be available only for the confidential use of the director, the department, or the appropriate division of the department. All such records and information are exempt from public disclosure. The director is authorized to enter into an agreement with the federal agency furnishing the records or information to ensure the confidentiality of the records or information.

NEW SECTION. Sec. 7. (1) A manufacturer violating a requirement of this chapter, a rule adopted under this chapter, or an order issued under this chapter, is subject to a civil penalty not to exceed five thousand dollars for each violation in the case of a first offense. Manufacturers who are repeat violators are subject to a civil penalty not to exceed ten thousand dollars for each repeat offense.

(2) Any penalty provided for in this section, and any order issued by the department under this chapter, may be appealed to the pollution control hearings board.

(3) All penalties collected under this chapter shall be deposited in the state toxics control account created in RCW 70.105D.070.

NEW SECTION. Sec. 8. (1) The department may adopt rules as necessary for the purpose of implementing, administering, and enforcing this chapter.

(2)(a) The department must adopt rules to implement the determinations of regulatory actions specified in section 4(1) (b) or (c) of this act. When proposing or adopting rules to implement regulatory determinations specified in this subsection, the department must identify the expected costs and benefits of the proposed or adopted rules to state agencies to administer and enforce the rules and to private persons or businesses, by category of type of person or business affected.

(b) A rule adopted to implement a regulatory determination involving a restriction on the manufacture, wholesale, distribution, sale, retail sale, or use of a priority consumer product containing a priority chemical may take effect no sooner than three hundred sixty-five days after the adoption of the rule.

(c) Each rule adopted to implement a determination of regulatory action specified in section 4(1) (b) or (c) of this act is a significant legislative rule for purposes of RCW 34.05.328. The department must prepare a small business economic impact statement consistent with the requirements of RCW 19.85.040 for each rule to implement a determination of a regulatory action specified in section 4(1) (b) or (c) of this act.

Sec. 9. RCW 70.240.040 and 2008 c 288 s 5 are each amended to read as follows:

~~((Beginning six months after the department has adopted rules under section 8(5) of this act.))~~ A manufacturer of a children's product or a consumer product containing a priority chemical subject to a rule adopted to implement a determination made consistent with section 4(1)(b) of this act, or a trade organization on behalf of its member manufacturers, shall provide notice to the department that the manufacturer's product contains a high priority chemical or a priority chemical identified under chapter 70.--- RCW (the new chapter created in section 13 of this act). The notice must be filed annually with the department and must include the following information:

(1) The name of the chemical used or produced and its chemical abstracts service registry number;

(2) A brief description of the product or product component containing the substance;

(3) A description of the function of the chemical in the product;

(4) The amount of the chemical used in each unit of the product or product component. The amount may be reported in ranges, rather than the exact amount;

(5) The name and address of the manufacturer and the name,

address, and phone number of a contact person for the manufacturer; and

(6) Any other information the manufacturer deems relevant to the appropriate use of the product.

Sec. 10. RCW 43.21B.110 and 2013 c 291 s 34 are each 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 70.94 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 RCW 18.104.155, 70.94.431, 70.105.080, 70.107.050, section 7 of this act, 76.09.170, 77.55.291, 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, 43.27A.190, 70.94.211, 70.94.332, 70.105.095, section 7 of this act, 86.16.020, 88.46.070, 90.14.130, 90.46.250, 90.48.120, and 90.56.330.

(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, or a decision to approve or deny an application for a solid waste permit exemption under RCW 70.95.300.

(d) Decisions of local health departments regarding the grant or denial of solid waste permits pursuant to chapter 70.95 RCW.

(e) Decisions of local health departments regarding the issuance and enforcement of permits to use or dispose of biosolids under RCW 70.95J.080.

(f) Decisions of the department regarding waste-derived fertilizer or micronutrient fertilizer under RCW 15.54.820, and decisions of the department regarding waste-derived soil amendments under RCW 70.95.205.

(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.

(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.

(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.

(2) The following hearings shall not be conducted by the

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hearings board:

(a) Hearings required by law to be conducted by the shorelines hearings board pursuant to chapter 90.58 RCW.

(b) Hearings conducted by the department pursuant to RCW 70.94.332, 70.94.390, 70.94.395, 70.94.400, 70.94.405, 70.94.410, 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. 11. RCW 34.05.272 and 2014 c 22 s 1 are each amended to read as follows:

(1) This section applies only to the water quality and shorelands and environmental assistance programs within the department of ecology and to actions taken by the department of ecology under chapter 70.--- RCW (the new chapter created in section 13 of this act).

(2)(a) Before taking a significant agency action, which includes each department of ecology rule to implement a determination of a regulatory action specified in section 4(1) (b) or (c) of this act, the department of ecology must identify the sources of information reviewed and relied upon by the agency in the course of preparing to take significant agency action. Peer-reviewed literature, if applicable, must be identified, as well as any scientific literature or other sources of information used. The department of ecology shall make available on the agency's web site the index of records required under RCW 42.56.070 that are relied upon, or invoked, in support of a proposal for significant agency action.

(b) On the agency's web site, the department of ecology must identify and categorize each source of information that is relied upon in the form of a bibliography, citation list, or similar list of sources. The categories in (c) of this subsection do not imply or infer any hierarchy or level of quality.

(c) The bibliography, citation list, or similar list of sources must categorize the sources of information as belonging to one or more of the following categories:

(i) Independent peer review: Review is overseen by an independent third party;

(ii) Internal peer review: Review by staff internal to the department of ecology;

(iii) External peer review: Review by persons that are external to and selected by the department of ecology;

(iv) Open review: Documented open public review process that is not limited to invited organizations or individuals;

(v) Legal and policy document: Documents related to the legal framework for the significant agency action including but not limited to:

(A) Federal and state statutes;

(B) Court and hearings board decisions;

(C) Federal and state administrative rules and regulations; and

(D) Policy and regulatory documents adopted by local governments;

(vi) Data from primary research, monitoring activities, or other sources, but that has not been incorporated as part of documents reviewed under the processes described in (c)(i), (ii), (iii), and (iv) of this subsection;

(vii) Records of the best professional judgment of department of ecology employees or other individuals; or

(viii) Other: Sources of information that do not fit into one of the categories identified in this subsection ~~((4))~~ (2)(c).

(3) For the purposes of this section, "significant agency action"

means an act of the department of ecology that:

(a) Results in the development of a significant legislative rule as defined in RCW 34.05.328; or

(b) Results in the development of technical guidance, technical assessments, or technical documents that are used to directly support implementation of a state rule or state statute.

(4) This section is not intended to affect agency action regarding individual permitting, compliance and enforcement decisions, or guidance provided by an agency to a local government on a case-by-case basis.

NEW SECTION. **Sec. 12.** If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. **Sec. 13.** Sections 1 through 8 and 14 of this act constitute a new chapter in Title 70 RCW.

NEW SECTION. **Sec. 14.** This act may be known and cited as the pollution prevention for healthy people and Puget Sound act."

Correct the title.

and the same are herewith transmitted.

NONA SNELL, Deputy Chief Clerk

MOTION

Senator Rolfes moved that the Senate concur in the House amendment(s) to Substitute Senate Bill No. 5135.

Senator Rolfes spoke in favor of the motion.

The President Pro Tempore declared the question before the Senate to be the motion by Senator Rolfes that the Senate concur in the House amendment(s) to Substitute Senate Bill No. 5135.

The motion by Senator Rolfes carried and the Senate concurred in the House amendment(s) to Substitute Senate Bill No. 5135 by voice vote.

The President Pro Tempore declared the question before the Senate to be the final passage of Substitute Senate Bill No. 5135, as amended by the House.

ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 5135, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 27; Nays, 22; Absent, 0; Excused, 0.

Voting yea: Senators Billig, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Frockt, Hasegawa, Hobbs, Hunt, Keiser, Kuderer, Liias, Lovelett, McCoy, Nguyen, O'Ban, Palumbo, Pedersen, Randall, Rolfes, Saldana, Salomon, Van De Wege, Wellman and Wilson, C.

Voting nay: Senators Bailey, Becker, Braun, Brown, Ericksen, Fortunato, Hawkins, Holy, Honeyford, King, Mullet, Padden, Rivers, Schoesler, Sheldon, Short, Takko, Wagoner, Walsh, Warnick, Wilson, L. and Zeiger

SUBSTITUTE SENATE BILL NO. 5135, as amended by the House, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MESSAGE FROM THE HOUSE

April 12, 2019

MR. PRESIDENT:

The House passed ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 5223 with the following amendment(s): 5223-S2.E AMH ENGR H2595.E

Strike everything after the enacting clause and insert the following:

Sec. 1. RCW 80.60.010 and 2007 c 323 s 1 are each amended to read as follows:

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

(1) "Commission" means the utilities and transportation commission.

(2) "Customer-generator" means a user of a net metering system.

(3) "Electrical company" means a company owned by investors that meets the definition of RCW 80.04.010.

(4) "Electric cooperative" means a cooperative or association organized under chapter 23.86 or 24.06 RCW.

(5) "Electric utility" means any electrical company, public utility district, irrigation district, port district, electric cooperative, or municipal electric utility that is engaged in the business of distributing electricity to retail electric customers in the state.

(6) "Irrigation district" means an irrigation district under chapter 87.03 RCW.

(7) "Meter aggregation" means the administrative combination of ~~((readings from and))~~ billing ~~((for all meters, regardless of the rate class, on premises owned or leased by a customer-generator located within the service territory of a single electric utility))~~ net energy consumption from a designated net meter and eligible aggregated meter.

(8) "Municipal electric utility" means a city or town that owns or operates an electric utility authorized by chapter 35.92 RCW.

(9) "Net metering" means measuring the difference between the electricity supplied by an electric utility and the excess electricity generated by a customer-generator's net metering system over the applicable billing period.

(10) "Net metering system" means a fuel cell, a facility that produces electricity and used and useful thermal energy from a common fuel source, or a facility for the production of electrical energy that generates renewable energy, and that:

(a) Has an electrical generating AC capacity of not more than one hundred kilowatts;

(b) Is located on the customer-generator's premises;

(c) Operates in parallel with the electric utility's transmission and distribution facilities and is connected to the electric utility's distribution system; and

(d) Is intended primarily to offset part or all of the customer-generator's requirements for electricity.

(11) "Premises" means any residential property, commercial real estate, or lands, owned or leased by a customer-generator within the service area of a single electric utility.

(12) "Port district" means a port district within which an industrial development district has been established as authorized by Title 53 RCW.

(13) "Public utility district" means a district authorized by chapter 54.04 RCW.

(14) "Renewable energy" means energy generated by a facility that uses water, wind, solar energy, or biogas ~~((from animal waste))~~ as a fuel.

(15) "Aggregated meter" means an electric service meter measuring electric energy consumption that is eligible to receive credits under a meter aggregation arrangement as described in RCW 80.60.030.

(16) "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.

(17) "Designated meter" means an electric service meter at the service of a net metering system that is interconnected to the utility distribution system.

(18) "Retail electric customer" includes an individual, organization, group, association, partnership, corporation, agency, unit of state government, or entity that is connected to the electric utility's distribution system and purchases electricity for ultimate consumption and not for resale.

Sec. 2. RCW 80.60.020 and 2007 c 323 s 2 are each amended to read as follows:

(1) An electric utility:

(a) Shall offer to make net metering, pursuant to RCW 80.60.030, available to eligible ~~((customers-generators))~~ customer-generators on a first-come, first-served basis until the ~~((cumulative generating capacity of net metering systems equals 0.25 percent of the utility's peak demand during 1996. On January 1, 2014, the cumulative generating capacity available to net metering systems will equal 0.5 percent of the utility's peak demand during 1996))~~ earlier of either: (i) June 30, 2029; or (ii) the first date upon which the cumulative generating capacity of net metering systems equals four percent of the utility's peak demand during 1996. Not less than one-half of the utility's 1996 peak demand available for net metering systems shall be reserved for the cumulative generating capacity attributable to net metering systems that generate renewable energy;

(b) Shall allow net metering systems to be interconnected using a standard kilowatt-hour meter capable of registering the flow of electricity in two directions, unless the commission, in the case of an electrical company, or the appropriate governing body, in the case of other electric utilities, determines, after appropriate notice and opportunity for comment:

(i) That the use of additional metering equipment to monitor the flow of electricity in each direction is necessary and appropriate for the interconnection of net metering systems, after taking into account the benefits and costs of purchasing and installing additional metering equipment; and

(ii) How the cost of purchasing and installing an additional meter is to be allocated between the customer-generator and the utility;

(c) Shall charge the customer-generator a minimum monthly fee that is the same as other customers of the electric utility in the same rate class, but shall not charge the customer-generator any additional standby, capacity, interconnection, or other fee or charge unless the commission, in the case of an electrical company, or the appropriate governing body, in the case of other electric utilities, determines, after appropriate notice and opportunity for comment that:

(i) The electric utility will incur direct costs associated with interconnecting or administering net metering systems that exceed any offsetting benefits associated with these systems; and

(ii) Public policy is best served by imposing these costs on the customer-generator rather than allocating these costs among the utility's entire customer base.

(2) If a production meter and software is required by the electric utility to provide meter aggregation under RCW 80.60.030(4), the customer-generator is responsible for the purchase of the production meter and software.

(3)(a)(i) A consumer-owned utility may develop a standard rate or tariff schedule that deviates from RCW 80.60.030 for eligible

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customer-generators to take effect at the earlier of either: (A) June 30, 2029; or (B) the first date upon which the cumulative generating capacity of net metering systems equals four percent of the utility's peak demand during 1996,

(ii) An electrical company may submit a filing with the commission to develop a standard tariff schedule that deviates from RCW 80.60.030 for eligible customer-generators. The commission must approve, reject, or approve with conditions a net metering tariff schedule pursuant to this subsection within one year of an electrical company filing. If the commission approves the filing with conditions, the investor-owned utility may choose to accept the tariff schedule with conditions or file a new tariff schedule with the commission.

(b) An approved standard rate or tariff schedule under this subsection applies to any customer-generator subject to an interconnection agreement entered into: (i) After June 30, 2029, or (ii) the first date upon which the cumulative generating capacity of net metering systems pursuant to RCW 80.60.030 equals four percent of the utility's peak demand during 1996, whichever is earlier, unless the commission or governing body determines that a customer-generator is eligible for net metering under a rate or tariff schedule pursuant to RCW 80.60.030.

(c)(i) A consumer-owned utility must notify the Washington State University extension energy program sixty days in advance of when a standard rate for an eligible customer-generator is first placed on the agenda of the governing body.

(ii) Each electric utility must give notice by July 31, 2020, and semiannually thereafter, to the Washington State University extension energy program of the status of meeting the cumulative generating capacity available to net metering systems pursuant to subsection (1)(a) of this section.

(iii) The Washington State University extension energy program must make available on its web site a list of the following:

(A) Each electric utility's progress on reaching the cumulative generating capacity available to net metering systems pursuant to subsection (1)(a) of this section;

(B) Electric utilities that have provided notice of a rate or tariff schedule under this subsection; and

(C) Electric utilities that have adopted a standard rate or tariff schedule under this subsection.

(d) If the commission does not approve an electrical company's tariff schedule under (a)(ii) of this subsection, the commission may determine the alternative cumulative generating capacity available to net metering systems pursuant to RCW 80.60.030.

(4)(a) An electric utility must continue to credit a customer-generator pursuant to RCW 80.60.030 if:

(i) The customer-generator takes service under net metering prior to the earlier of: (A) June 30, 2029; or (B) the first date upon which the cumulative generating capacity of net metering systems reaches four percent of the utility's peak demand in 1996; and

(ii) The customer-generator's existing interconnection agreement for the net metering system remains valid.

(b) The commission, in the case of electrical companies, and a governing body, in the case of consumer-owned utilities, must determine as part of a standard rate or tariff schedule under this subsection when customer-generators become ineligible for credit pursuant to RCW 80.60.030.

(c) Upon adoption of a standard rate or tariff schedule by the commission or governing body pursuant to subsection (3)(a) of this section, the electric utility is exempt from requirements under subsection (1)(c) of this section and RCW 80.60.030 for new interconnection agreements.

Sec. 3. RCW 80.60.030 and 2007 c 323 s 3 are each amended to read as follows:

Consistent with the other provisions of this chapter, the net energy measurement, billed charges for kilowatt-hour consumption, and credits for excess kilowatt-hour generation by a net metered system, must be calculated in the following manner:

(1) The electric utility shall measure the net electricity produced or consumed during the billing period, in accordance with normal metering practices.

(2) If the electricity supplied by the electric utility exceeds the electricity generated by the customer-generator's net metering system and fed back to the electric utility during the billing period, the customer-generator shall be billed for the net electricity supplied by the electric utility, in accordance with normal metering practices.

(3) If excess electricity generated by the ~~((customer-generator))~~ net metering system during a billing period exceeds the electricity supplied by the electric utility during the same billing period, the customer-generator:

(a) Shall be billed for the appropriate customer charges for that billing period, in accordance with RCW 80.60.020; and

(b) Shall be credited for the excess kilowatt-hours generated during the billing period, with ~~((this kilowatt-hour credit))~~ the credit for kilowatt-hours appearing on the bill for the following billing period.

(4) If a customer-generator requests, an electric utility shall provide such a customer-generator meter aggregation.

(a) For a customer-generator~~((s))~~ participating in meter aggregation, ~~credits~~ credits for kilowatt-hours ~~((credits))~~ earned by ~~((s))~~ the customer-generator's net metering system during the billing period first shall be used to offset electricity supplied by the electric utility at the location of the customer-generator's designated meter.

~~((Not more than a total of one hundred kilowatts shall be aggregated among all customer-generators participating in a generating facility under this subsection.~~

~~((s))~~ A customer-generator may aggregate a designated meter with one additional aggregated meter located on the same parcel as the designated meter or a parcel that is contiguous with the parcel where the designated meter is located.

(c) For the purposes of (b) of this subsection, a parcel is considered contiguous if they share a common property boundary, but may be separated only by a road or rail corridor.

(d) A retail electric customer who is a customer-generator and receives retail electric service from an electric utility at an aggregated meter must be the same retail electric customer who receives retail electric service from such an electric utility at the designated meter that is located on the premises where such a customer-generator's net metering system is located.

(e) Credits for excess kilowatt-hours ~~((credits))~~ earned by the net metering system~~((s))~~ at the site of a designated meter during ~~((the same))~~ a billing period~~((s))~~ shall be credited ~~((equally))~~ by the electric utility ~~((to remaining meters located on all premises of a customer-generator))~~ for kilowatt hour charges due at the aggregated meter at the ~~((designated))~~ applicable rate of ~~((each))~~ the aggregated meter.

~~((d))~~ (f) If credits generated in any billing period exceed total consumption for that billing period at both meters that are part of an aggregated arrangement, credits are retained pursuant to subsections (3) and (5) of this section.

(g) Credits carried over from one billing period to the next pursuant to (f) of this subsection must be applied in subsequent billing periods in the same manner described under (a) and (e) of this subsection.

(h) Meters so aggregated shall not change rate classes due to meter aggregation under this section.

(5) On ~~((April 30th))~~ March 31st of each calendar year, any

remaining unused (~~(kilowatt-hour credit)~~) credits for kilowatt-hours accumulated during the previous year shall be granted to the electric utility, without any compensation to the customer-generator.

(6) Nothing in this section prohibits a utility from allowing aggregation under terms different than the requirements of subsection (4) of this section if a customer-generator has an existing arrangement for meter aggregation in effect or a customer submits a written request for aggregation on or before July 1, 2019.

(7) Nothing in this section prohibits the owner of multifamily residential facility from installing a net metering system as defined in RCW 80.60.010 assigned to a single designated meter located on the premises of the multifamily residential facility where the tenants are not individually metered customers of the utility and distributing any benefits of the net metering to tenants of the facility where the net metering system is located. The utility must measure the net energy produced and provide credit to the single designated meter to which the net metering system is assigned in accordance with subsections (1) through (3) of this section or under the terms of a standard rate or tariff schedule established under RCW 80.60.020(3). The distribution of benefits to tenants of such a system, if any, is the responsibility of the owner of the net metering system and not the responsibility of the utility.

Sec. 4. RCW 80.60.040 and 2006 c 201 s 4 are each amended to read as follows:

(1) A net metering system used by a customer-generator shall include, at the customer-generator's own expense, all equipment necessary to meet applicable safety, power quality, and interconnection requirements established by the national electrical code, national electrical safety code, the institute of electrical and electronics engineers, and underwriters laboratories.

(2) The commission, in the case of an electrical company, or the appropriate governing body, in the case of other electric utilities, after appropriate notice and opportunity for comment, may adopt by regulation additional safety, power quality, and interconnection requirements for customer-generators, including limitations on the number of customer-generators and total capacity of net metering systems that may be interconnected to any distribution feeder line, circuit, or network that the commission or governing body determines are necessary to protect public safety and system reliability.

(3) An electric utility may not require a customer-generator whose net metering system meets the standards in subsections (1) and (2) of this section to comply with additional safety or performance standards, perform or pay for additional tests, or purchase additional liability insurance. However, an electric utility shall not be liable directly or indirectly for permitting or continuing to allow an attachment of a net metering system, or for the acts or omissions of the customer-generator that cause loss or injury, including death, to any third party.

(4) Except when required under the federal public utility regulatory policies act, an electric utility may not establish compensation arrangements or interconnection requirements, other than those permitted in this chapter, for a customer-generator that would have the effect of prohibiting or restricting the ability of a customer-generator to generate or store electricity for consumption on its premises.

Sec. 5. RCW 82.16.090 and 1988 c 228 s 1 are each amended to read as follows:

(1) Any customer billing issued by a light or power business or gas distribution business that serves a total of more than twenty

thousand customers and operates within the state shall include the following information:

~~((4))~~ (a) The rates and amounts of taxes paid directly by the customer upon products or services rendered by the light and power business or gas distribution business; ~~(and~~

~~(2))~~ (b) The rate, origin and approximate amount of each tax levied upon the revenue of the light and power business or gas distribution business and added as a component of the amount charged to the customer. Taxes based upon revenue of the light and power business or gas distribution business to be listed on the customer billing need not include taxes levied by the federal government or taxes levied under chapters 54.28, 80.24, or 82.04 RCW; and

(c) The total amount of kilowatt-hours of electricity consumed for the most recent twelve-month period or other information that provides the customer with information regarding their energy usage over a twelve-month period.

(2) A light or power business or gas distribution business that serves a total of more than twenty thousand customers and operates within the state may include information regarding rates over the most recent twelve-month period on any customer billing.

NEW SECTION. Sec. 6. A new section is added to chapter 19.27 RCW to read as follows:

The state building code council, in consultation with the department of commerce and local governments, shall conduct a study of the state building code and adopt changes necessary to encourage greater use of renewable energy systems as defined in RCW 82.16.110."

Correct the title.

and the same are herewith transmitted.

NONA SNELL, Deputy Chief Clerk

MOTION

Senator Palumbo moved that the Senate concur in the House amendment(s) to Engrossed Second Substitute Senate Bill No. 5223.

Senator Palumbo spoke in favor of the motion.

Senators Ericksen and Sheldon spoke against the motion.

The President Pro Tempore declared the question before the Senate to be the motion by Senator Palumbo that the Senate concur in the House amendment(s) to Engrossed Second Substitute Senate Bill No. 5223.

The motion by Senator Palumbo carried and the Senate concurred in the House amendment(s) to Engrossed Second Substitute Senate Bill No. 5223 by voice vote.

The President Pro Tempore declared the question before the Senate to be the final passage of Engrossed Second Substitute Senate Bill No. 5223, as amended by the House.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Second Substitute Senate Bill No. 5223, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 29; Nays, 20; Absent, 0; Excused, 0.

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

Voting nay: Senators Bailey, Becker, Braun, Brown, Ericksen,

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Fortunato, Hawkins, Holy, Honeyford, King, O'Ban, Padden, Schoesler, Sheldon, Short, Wagoner, Walsh, Warnick, Wilson, L. and Zeiger

producers, providers of solid waste management services, and stakeholders are consulted. The department must produce a report that includes:

ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 5223, as amended by the House, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MESSAGE FROM THE HOUSE

April 16, 2019

MR. PRESIDENT:

The House passed ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 5397 with the following amendment(s): 5397-S2.E AMH APP H2862.1

Strike everything after the enacting clause and insert the following:

NEW SECTION. Sec. 1. (1) The legislature finds that:

(a) Convenient and environmentally sound product stewardship programs that include collecting, transporting, and reuse, recycling, or the proper end-of-life management of unwanted products help protect Washington's environment and the health of state residents;

(b) Unwanted products should be managed where priority is placed on prevention, waste reduction, source reduction, recycling, and reuse over energy recovery and landfill disposal; and

(c) Producers of plastic packaging should consider the design and management of their packaging in a manner that ensures minimal environmental impact. Producers of plastic packaging should be involved from design concept to end-of-life management to incentivize innovation and research to minimize environmental impacts.

(2) Additionally, the legislature finds that, through design and innovation, industry should strive to achieve the goals of recycling one hundred percent of packaging, using at least twenty percent postconsumer recycled content in packaging, and reducing plastic packaging when possible to optimize the use to meet the need.

(3) The legislature intends that the department, through a consultative process with industry and consumer interest, develop options to reduce plastic packaging in the waste stream for implementation by January 1, 2022.

NEW SECTION. Sec. 2. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Brand" means a name, symbol, word, or mark that identifies a product, rather than its components, and attributes the covered product to the owner of the brand as the producer.

(2) "Department" means the department of ecology.

(3) "Producer" means a person who has legal ownership of the brand, brand name, or cobrand of plastic packaging sold in or into Washington state.

(4) "Recycling" has the same meaning as defined in RCW 70.95.030.

(5) "Stakeholder" means a person who may have an interest in or be affected by the management of plastic packaging.

NEW SECTION. Sec. 3. (1) The department must evaluate and assess the amount and types of plastic packaging sold into the state as well as the management and disposal of plastic packaging. When conducting the evaluation, the department must ensure that

(a) An assessment of the:

(i) Amount and types of plastic packaging currently produced in or coming into the state by category;

(ii) Full cost of managing plastic packaging waste, including the cost to ratepayers, businesses, and others, with consideration given to costs that are determined by volume or weight;

(iii) Final disposition of all plastic packaging sold into the state, based on current information available at the department;

(iv) Costs and savings to all stakeholders in existing product stewardship programs where they have been implemented including, where available, the specific costs for the management of plastic packaging;

(v) Infrastructure necessary to manage plastic packaging in the state;

(vi) Contamination and sorting issues facing the current plastic packaging recycling stream; and

(vii) Existing organizations and databases for managing plastic packaging that could be employed for use in developing a program in the state;

(b) A compilation of:

(i) All the programs currently managing plastic packaging in the state, including all end-of-life management and litter and contamination cleanup; and

(ii) Existing studies regarding the final disposition of plastic packaging and material recovery facilities residual composition, including data on cross-contamination of other recyclables, contamination in compost, and brand data in litter when available;

(c) A review and identification of businesses in Washington that use recycled plastic material as a feedstock or component of a product produced by the company; and

(d) A review of industry and any other domestic or international efforts and innovations to reduce, reuse, and recycle plastic and chemically recycle packaging, utilize recycled content in packaging, and develop new programs, systems, or technologies to manage plastics including innovative technologies such as pyrolysis and gasification processes to divert recoverable polymers and other materials away from landfills and into valuable raw, intermediate, and final products.

(2) The department must contract with a third-party independent consultant to conduct the evaluation and assessment as required under subsection (1) of this section. In developing the recommendations, the department must ensure consistency with the federal food, drug, and cosmetic act (21 U.S.C. Sec. 301 et. seq).

(3)(a) By October 31, 2020, the department must submit a report on the evaluation and assessment of plastic packaging to the appropriate committees of the legislature. The department must cite the sources of information that it relied upon in the report and that the independent consultant relied upon in the assessment, including any sources of peer-reviewed science.

(b) The report required under this subsection must include:

(i) Findings regarding amount and types of plastic packaging sold into the state as well as the management and disposal of plastic packaging;

(ii) Recommendations to meet the goals of reducing plastic packaging, including through industry initiative or plastic packaging product stewardship, or both, to:

(A) Achieve one hundred percent recyclable, reusable, or compostable packaging in all goods sold in Washington by January 1, 2025;

(B) Achieve at least twenty percent postconsumer recycled content in packaging by January 1, 2025; and

(C) Reduce plastic packaging when possible optimizing the use to meet the need; and

(iii) For the purposes of legislative consideration, options to meet plastic packaging reduction goals, that are capable of being established and implemented by January 1, 2022. For proposed options, the department must identify expected costs and benefits of the proposal to state and local government agencies to administer and enforce the rule, and to private persons or businesses, by category of type of person or business affected.

NEW SECTION. Sec. 4. This chapter expires July 1, 2029.

NEW SECTION. Sec. 5. Sections 1 through 4 of this act constitute a new chapter in Title 70 RCW.

NEW SECTION. 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, 2019, in the omnibus appropriations act, this act is null and void.”

Correct the title.
and the same are herewith transmitted.
NONA SNELL, Deputy Chief Clerk

MOTION

Senator Rolfes moved that the Senate concur in the House amendment(s) to Engrossed Second Substitute Senate Bill No. 5397.

Senator Rolfes spoke in favor of the motion.

The President Pro Tempore declared the question before the Senate to be the motion by Senator Rolfes that the Senate concur in the House amendment(s) to Engrossed Second Substitute Senate Bill No. 5397.

The motion by Senator Rolfes carried and the Senate concurred in the House amendment(s) to Engrossed Second Substitute Senate Bill No. 5397 by voice vote.

The President Pro Tempore declared the question before the Senate to be the final passage of Engrossed Second Substitute Senate Bill No. 5397, as amended by the House.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Second Substitute Senate Bill No. 5397, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 45; Nays, 4; Absent, 0; Excused, 0.

Voting yea: Senators Bailey, Becker, Billig, Braun, Brown, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Ericksen, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Holy, Hunt, Keiser, Kuderer, Lias, Lovelett, McCoy, Mullet, Nguyen, O’Ban, Palumbo, Pedersen, Randall, Rivers, Rolfes, Saldaña, Salomon, Schoesler, Sheldon, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson, C., Wilson, L. and Zeiger

Voting nay: Senators Honeyford, King, Padden and Short

ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 5397, as amended by the House, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MESSAGE FROM THE HOUSE

April 12, 2019

MR. PRESIDENT:

The House passed ENGROSSED SUBSTITUTE SENATE BILL NO. 5579 with the following amendment(s): 5579-S.E AMH FITZ H2893.1

Strike everything after the enacting clause and insert the following:

“**NEW SECTION. Sec. 1.** A new section is added to chapter 90.56 RCW to read as follows:

(1)(a) A facility constructed or permitted after January 1, 2019, may not load or unload crude oil into or from a rail tank car unless the oil has a vapor pressure of less than nine pounds per square inch.

(b) A facility may not load or unload crude oil into or from a rail tank car unless the oil has a vapor pressure of less than nine pounds per square inch beginning two years after the volume of crude oil transported by rail to the facility for a calendar year as reported under RCW 90.56.565 has increased more than ten percent above the volume reported for calendar year 2018.

(2) The director may impose a penalty of up to twenty-five hundred dollars per day per rail tank car or the equivalent volume of oil for violations of this section. Any penalty recovered pursuant to this section must be credited to the coastal protection fund created in RCW 90.48.390.

(3) This section does not: (a) Prohibit a railroad car carrying crude oil from entering Washington; (b) require a railroad car carrying crude oil to stop before entering Washington; or (c) require a railroad car carrying crude oil to be checked for vapor pressure before entering Washington.

Sec. 2. RCW 90.56.565 and 2015 c 274 s 8 are each amended to read as follows:

(1)(a) A facility that receives crude oil from a railroad car must provide advance notice to the department that the facility will receive crude oil from a railroad car, as provided in this section. The advance notice must include the route taken to the facility within the state, if known, and the scheduled time, location, volume, region per bill of lading, type, vapor pressure, and gravity as measured by standards developed by the American petroleum institute, of crude oil received. Each week, a facility that provides advance notice under this section must provide the required information regarding the scheduled arrival of railroad cars carrying crude oil to be received by the facility in the succeeding seven-day period. A facility is not required to provide advance notice when there is no receipt of crude oil from a railroad car scheduled for a seven-day period.

(b) Twice per year, pipelines that transport crude oil must report to the department the following information about the crude oil transported by the pipeline through the state: The volume of crude oil and the state or province of origin of the crude oil. This report must be submitted each year by July 31st for the period January 1st through June 30th and by January 31st for the period July 1st through December 31st.

(2) The department may share information provided by a facility through the advance notice system established in this section with the state emergency management division and any county, city, tribal, port, or local government emergency response agency upon request.

(3) The department must publish information collected under this section on a quarterly basis on the department’s internet web site. With respect to the information reported under subsection (1)(a) of this section, the information published by the department must be aggregated on a statewide basis by route through the state, by week, and by type of crude oil. The report may also include other information available to the department including, but not limited to, place of origin, modes of transport, number of railroad cars delivering crude oil, and number and volume of

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spills during transport and delivery.

(4) To further strengthen rail safety and the transportation of crude oil, the department must provide to the utilities and transportation commission data reported by facilities on the characteristics, volatility, vapor pressure, and volume of crude oil transported by rail, as required under subsection (1)(a) of this section.

(5) A facility providing advance notice under this section is not responsible for meeting advance notice time frame requirements under subsection (1) of this section in the event that the schedule of arrivals of railroad cars carrying crude oil changes during a seven-day period.

~~((5))~~ (6) Consistent with the requirements of chapter 42.56 RCW, the department and any state, local, tribal, or public agency that receives information provided under this section may not disclose any such information to the public or to nongovernmental entities that contains proprietary, commercial, or financial information unless that information is aggregated. The requirement for aggregating information does not apply when information is shared by the department with emergency response agencies as provided in subsection (2) of this section.

~~((6))~~ (7) The department shall adopt rules to implement this section. The advance notice system required in this section must be consistent with the oil transfer reporting system adopted by the department pursuant to RCW 88.46.165.

NEW SECTION. Sec. 3. A new section is added to chapter 81.44 RCW to read as follows:

(1) The commission shall, for the purposes of targeting high-risk inspections, incorporate data received from the department of ecology as required under RCW 90.56.565(4) in the development of its annual work plan and inspection activity.

(2) Nothing in this section is intended to interfere with or prevent the participation of the commission in the federal railroad administration’s state rail safety participation program.”

Correct the title.
and the same are herewith transmitted.

NONA SNELL, Deputy Chief Clerk

MOTION

Senator Billig moved that the Senate concur in the House amendment(s) to Engrossed Substitute Senate Bill No. 5579.

Senator Billig spoke in favor of the motion.
Senator Wagoner spoke against the motion.

The President Pro Tempore declared the question before the Senate to be the motion by Senator Billig that the Senate concur in the House amendment(s) to Engrossed Substitute Senate Bill No. 5579.

The motion by Senator Billig carried and the Senate concurred in the House amendment(s) to Engrossed Substitute Senate Bill No. 5579 by voice vote.

The President Pro Tempore declared the question before the Senate to be the final passage of Engrossed Substitute Senate Bill No. 5579, as amended by the House.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute Senate Bill No. 5579, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 27; Nays, 22; Absent, 0; Excused, 0.

Voting yea: Senators Billig, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Frockt, Hasegawa, Hunt, Keiser,

Kuderer, Lias, Lovelett, McCoy, Mullet, Nguyen, Palumbo, Pedersen, Randall, Rolfes, Saldaña, Salomon, Takko, Van De Wege, Wellman and Wilson, C.

Voting nay: Senators Bailey, Becker, Braun, Brown, Ericksen, Fortunato, Hawkins, Hobbs, Holy, Honeyford, King, O’Ban, Padden, Rivers, Schoesler, Sheldon, Short, Wagoner, Walsh, Warnick, Wilson, L. and Zeiger

ENGROSSED SUBSTITUTE SENATE BILL NO. 5579, as amended by the House, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MESSAGE FROM THE HOUSE

April 17, 2019

MR. PRESIDENT:

The House passed SENATE BILL NO. 5145 with the following amendment(s): 5145 AMH RDAN H2672.1

Strike everything after the enacting clause and insert the following:

“**NEW SECTION. Sec. 1.** A new section is added to chapter 78.52 RCW to read as follows:

(1) The use of hydraulic fracturing in the exploration for, and production of, oil and natural gas is prohibited. This section does not prohibit the use of hydraulic fracturing for other purposes.

(2) For the purposes of this section, “hydraulic fracturing” means the process of pumping a fluid into or under the surface of the ground in order to create fractures in rock for the purpose of the production or recovery of oil or natural gas.”

Correct the title.
and the same are herewith transmitted.

NONA SNELL, Deputy Chief Clerk

MOTION

Senator Salomon moved that the Senate concur in the House amendment(s) to Senate Bill No. 5145.

Senator Salomon spoke in favor of the motion.

Senators Warnick and Ericksen spoke against the motion.

The President Pro Tempore declared the question before the Senate to be the motion by Senator Salomon that the Senate concur in the House amendment(s) to Senate Bill No. 5145.

The motion by Senator Salomon carried and the Senate concurred in the House amendment(s) to Senate Bill No. 5145 by voice vote.

The President Pro Tempore declared the question before the Senate to be the final passage of Senate Bill No. 5145, as amended by the House.

ROLL CALL

The Secretary called the roll on the final passage of Senate Bill No. 5145, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 30; Nays, 19; Absent, 0; Excused, 0.

Voting yea: Senators Billig, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Frockt, Hasegawa, Hobbs, Hunt, Keiser, Kuderer, Lias, Lovelett, McCoy, Mullet, Nguyen, O’Ban, Palumbo, Pedersen, Randall, Rivers, Rolfes, Saldaña, Salomon, Takko, Van De Wege, Wellman and Wilson, C.

Voting nay: Senators Bailey, Becker, Braun, Brown, Ericksen, Fortunato, Hawkins, Holy, Honeyford, King, Padden, Schoesler,

Sheldon, Short, Wagoner, Walsh, Warnick, Wilson, L. and Zeiger

SENATE BILL NO. 5145, as amended by the House, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MESSAGE FROM THE HOUSE

April 15, 2019

MR. PRESIDENT:

The House passed SUBSTITUTE SENATE BILL NO. 5552 with the following amendment(s): 5552-S AMH APP H2850.1

Strike everything after the enacting clause and insert the following:

“NEW SECTION. Sec. 1. The legislature finds that more than three-fourths of the world’s flowering plants and about thirty-five percent of the world’s food crops depend on pollinators to reproduce. In Washington state, honey bees and other pollinators are responsible for the production of tree fruits, small fruits, and other crops, with the value in 2016 of crops pollinated by honey bees exceeding three billion dollars. The legislature further finds that, beyond agriculture, pollinators are keystone species in the terrestrial ecosystems of Washington, with fruit and seeds derived from insect pollination providing a major part of the diet of numerous bird and mammal species. The state has experienced pollinator habitat loss through property conversion, fragmentation, and degradation of land, and with the state’s population continuing to grow at a fast pace, the additional loss of habitat is a significant concern.

Therefore, the legislature intends by this act to initiate a concerted effort to protect and expand the habitat upon which pollinators depend, by providing technical and financial assistance to public and private landowners, and by coordinating with other state agencies and local governments in promoting practices to ensure sustainable, healthy populations of managed and native pollinators.

NEW SECTION. Sec. 2. A new section is added to chapter 43.23 RCW to read as follows:

The department shall establish a program to promote and protect pollinator habitat and the health and sustainability of pollinator species. As funds are made available, the program must provide technical and financial assistance to state agencies, local governments, and private landowners to implement practices that promote habitat for managed pollinators, as well as beekeeper and grower best management practices. The program must be administered in coordination with the apiary program established in chapter 15.60 RCW, the honey bee commission authorized in chapter 15.62 RCW, and programs administered by the conservation commission and conservation districts.

NEW SECTION. Sec. 3. (1) The department of agriculture shall create and chair a pollinator health task force. The department of agriculture shall appoint the members of the task force, which must include but is not limited to representatives of the following interests, organizations, and state agencies:

- (a) The conservation commission;
- (b) The department of natural resources;
- (c) The department of fish and wildlife;
- (d) The state parks and recreation commission;
- (e) The Washington state department of transportation;
- (f) The state noxious weed control board;
- (g) The tree fruit industry;
- (h) The seed industry;

- (i) The berry industry;
- (j) Other agricultural industries dependent upon pollinators;
- (k) Washington State University;
- (l) Pesticide distributors and applicators;
- (m) Conservation organizations;
- (n) Organizations representing beekeepers or apiarists;
- (o) A member of the public from west of the crest of the Cascade mountains; and
- (p) A member of the public from east of the crest of the Cascade mountains.

(2) One or more representatives of Washington tribes must also be invited to participate on the task force.

(3) One youth representative from an organization that encourages students to engage in agricultural education must also be invited to participate on the task force when available.

(4) The task force shall build upon existing pollinator and pollinator habitat plans at the national and state level including, but not limited to, the state-managed pollinator plan, to develop a state pollinator health strategy that includes, but is not limited to, the following elements:

(a) A research action plan to focus state efforts on understanding, preventing, and recovering from pollinator losses;

(b) A plan to expand and coordinate public education programs outlining steps that individuals and businesses can take to help address the loss of pollinators;

(c) A plan to expand research on and education related to varroa mites and other pests and diseases that affect bees;

(d) Recommendations for developing public and private partnerships to encourage pollinator protection and increase the quality and amount of habitat and forage for pollinators;

(e) Specific targets and plans that state agencies should adopt to enhance pollinator habitat on their managed lands and facilities;

(f) Recommendations for promoting seed banks and native plants beneficial for pollinators;

(g) Recommendations for developing a plan to improve communication between beekeepers, landowners, and pesticide applicators, including a draft policy for the director of agriculture to consider that would allow the release of contact information for registered apiarists when requested by a landowner or pesticide applicator in order to protect the apiary when possible; and

(h) Recommendations for legislative, administrative, or budgetary actions necessary to implement the strategy.

(5) The department of agriculture shall provide the strategy to the appropriate committees of the senate and house of representatives by December 31, 2020, in compliance with RCW 43.01.036.

(6) This section expires January 1, 2021.

Sec. 4. RCW 17.10.145 and 2016 c 44 s 2 are each amended to read as follows:

(1) All state agencies shall control noxious weeds on lands they own, lease, or otherwise control through integrated pest management practices. Agencies shall develop plans in cooperation with county noxious weed control boards to control noxious weeds in accordance with standards in this chapter.

(2) All state agencies’ lands must comply with this chapter, regardless of noxious weed control efforts on adjacent lands.

(3) While conducting planned projects to ensure compliance with this chapter, all agencies must give preference, when deemed appropriate by the acting agency for the project and targeted resource management goals, to replacing (~~pollen-rich or nectar-rich~~) noxious weeds with native forage plants that are pollen-rich or nectar-rich and beneficial for all pollinators, including honey bees.

Sec. 5. RCW 79.10.120 and 2014 c 114 s 4 are each amended to read as follows:

Multiple uses additional to and compatible with those basic activities necessary to fulfill the financial obligations of trust management may include but are not limited to:

- (1) Recreational areas;
- (2) Recreational trails for both vehicular and nonvehicular uses developed or maintained consistent with RCW 79.10.500;
- (3) Special educational or scientific studies;
- (4) Experimental programs by the various public agencies;
- (5) Special events;
- (6) Hunting and fishing and other sports activities;
- (7) Maintenance of pollinator habitat and habitat beneficial for the feeding, nesting, and reproduction of all pollinators, including honey bees;
- (8) Nonconsumptive wildlife activities as defined by the board of natural resources;
- ~~((8))~~ (9) Maintenance of scenic areas;
- ~~((9))~~ (10) Maintenance of historical sites;
- ~~((10))~~ (11) Municipal or other public watershed protection;
- ~~((11))~~ (12) Greenbelt areas;
- ~~((12))~~ (13) Public rights-of-way;
- ~~((13))~~ (14) Other uses or activities by public agencies(;;).

If such additional uses are not compatible with the financial obligations in the management of trust land they may be permitted only if there is compensation from such uses satisfying the financial obligations.

Sec. 6. RCW 79.10.200 and 2003 c 334 s 542 are each amended to read as follows:

The department may adopt a multiple use land resource allocation plan for all or portions of the lands under its jurisdiction providing for the identification and establishment of areas of land uses and identifying those uses which are best suited to achieve the purposes of RCW 79.10.060, 79.10.070, 79.10.100 through 79.10.120, 79.10.130, 79.10.200 through 79.10.330, 79.44.003, and ~~((79.90.456))~~ 79.105.050. Such plans shall take into consideration the various ecological conditions, elevations, soils, natural features, vegetative cover, pollinator habitat, climate, geographical location, values, public use potential, accessibility, economic uses, recreational potentials, local and regional land use plans or zones, local, regional, state, and federal comprehensive land use plans or studies, and all other factors necessary to achieve the purposes of RCW 79.10.060, 79.10.070, 79.10.100 through 79.10.120, 79.10.130, 79.10.200 through 79.10.330, 79.44.003, and ~~((79.90.456))~~ 79.105.050.

Sec. 7. RCW 79.10.280 and 2003 c 334 s 545 are each amended to read as follows:

(1) The department shall design expansion of its land use data bank to include additional information that will assist in the formulation, evaluation, and updating of intermediate and long-range goals and policies for land use, population growth and distribution, urban expansion, open space, resource preservation and utilization, and other factors which shape statewide development patterns and significantly influence the quality of the state's environment. The system shall be designed to permit inclusion of other lands in the state and will do so as financing and time permit.

(2) Such data bank shall contain any information relevant to the future growth of agriculture, forestry, industry, business, residential communities, and recreation; the wise use of land and other natural resources which are in accordance with their character and adaptability; the conservation and protection of the soil, air, water, pollinator habitat, and forest resources; the protection of the beauty of the landscape; and the promotion of

the efficient and economical uses of public resources.

The information shall be assembled from all possible sources, including but not limited to, the federal government and its agencies, all state agencies, all political subdivisions of the state, all state operated universities and colleges, and any source in the private sector. All state agencies, all political subdivisions of the state, and all state universities and colleges are directed to cooperate to the fullest extent in the collection of data in their possession. Information shall be collected on all areas of the state but collection may emphasize one region at a time.

(3) The data bank shall make maximum use of computerized or other advanced data storage and retrieval methods. The department is authorized to engage consultants in data processing to ensure that the data bank will be as complete and efficient as possible.

(4) The data shall be made available for use by any governmental agency, research organization, university or college, private organization, or private person as a tool to evaluate the range of alternatives in land and resource planning in the state.

NEW SECTION. Sec. 8. A new section is added to chapter 77.12 RCW to read as follows:

The department must implement practices necessary to maintain pollinator habitat on department-owned and managed agricultural and grazing lands where practicable. For the purposes of this section, "pollinator habitat" means an area of land that is or may be developed as habitat beneficial for the feeding, nesting, and reproduction of all pollinators, including honey bees, as determined by the department.

Sec. 9. RCW 79A.05.305 and 1984 c 82 s 2 are each amended to read as follows:

The legislature declares that it is the continuing policy of the state of Washington to set aside and manage certain lands within the state for public park purposes. To comply with public park purposes, these lands shall be acquired and managed to:

- (1) Maintain and enhance ecological, aesthetic, and recreational purposes;
- (2) Preserve and maintain mature and old-growth forests containing trees of over ninety years and other unusual ecosystems as natural forests or natural areas, which may also be used for interpretive purposes;
- (3) Protect cultural and historical resources, locations, and artifacts, which may also be used for interpretive purposes;
- (4) Provide a variety of recreational opportunities to the public, including but not limited to use of developed recreation areas, trails, and natural areas;
- (5) Preserve and maintain habitat which will protect and promote endangered, threatened, and sensitive plants, ~~((and))~~ endangered, threatened, and sensitive animal species, and habitat beneficial for the feeding, nesting, and reproduction of all pollinators, including honey bees; and
- (6) Encourage public participation in the formulation and implementation of park policies and programs.

Sec. 10. RCW 47.40.040 and 1961 c 13 s 47.40.040 are each amended to read as follows:

Each application for a permit to plant, cultivate and grow any hedge, shade or ornamental trees or shrubbery along or upon the right-of-way of any state highway or improve such right-of-way shall be in writing, signed by the applicant, and shall describe the state highway or portion thereof along or upon the right-of-way of which permit to plant, cultivate, grow or improve is sought, by name, number, or other reasonable description, and the lands bordering thereon by governmental subdivisions, and shall state the names, places or residence and post office addresses of the

applicant or applicants owning the land abutting upon such state highway or the name of the person, firm, corporation, association or organization applying for the permit and the names of its officers and their places of residence and their post office addresses, and shall state definitely the purpose for which the permit is sought, giving a description of the kind of hedge, or variety of shrubbery or trees desired to be planted or the kinds of crops to be grown, or improvement to be made, with a diagram illustrating the location and number of hedges, trees or shrubs or the area of cultivation desired or plans of the improvement proposed to be made. Whenever possible, applicants 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.

Sec. 11. RCW 47.40.100 and 1995 c 106 s 1 are each amended to read as follows:

(1)(a) 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 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 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 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;

(l) 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.

Sec. 12. RCW 79A.15.060 and 2016 c 149 s 6 are each amended to read as follows:

(1) The board may adopt rules establishing acquisition policies and priorities for distributions from the habitat conservation account.

(2) Except as provided in RCW 79A.15.030(8), moneys appropriated for this chapter may not be used by the board to fund staff positions or other overhead expenses, or by a state, regional, or local agency to fund operation or maintenance of areas acquired under this chapter.

(3) Moneys appropriated for this chapter may be used by grant recipients for costs incidental to acquisition, including, but not limited to, surveying expenses, fencing, noxious weed control, and signing.

(4) The board may not approve a local project where the local agency share is less than the amount to be awarded from the habitat conservation account.

(5) In determining acquisition priorities with respect to the habitat conservation account, the board shall consider, at a minimum, the following criteria:

(a) For critical habitat and natural areas proposals:

(i) Multiple benefits for the project;

(ii) Whether, and the extent to which, a conservation easement can be used to meet the purposes for the project;

(iii) Community support for the project based on input from, but not limited to, local citizens, local organizations, and local elected officials;

(iv) The project proposal's ongoing stewardship program that includes estimated costs of maintaining and operating the project

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including, but not limited to, control of noxious weeds and detrimental invasive species, and that identifies the source of the funds from which the stewardship program will be funded;

(v) Recommendations as part of a watershed plan or habitat conservation plan, or a coordinated regionwide prioritization effort, and for projects primarily intended to benefit salmon, limiting factors, or critical pathways analysis;

(vi) Immediacy of threat to the site;

(vii) Uniqueness of the site;

(viii) Diversity of species using the site;

(ix) Quality of the habitat;

(x) Long-term viability of the site;

(xi) Presence of endangered, threatened, or sensitive species;

(xii) Enhancement of existing public property;

(xiii) Consistency with a local land use plan, or a regional or statewide recreational or resource plan, including projects that assist in the implementation of local shoreline master plans updated according to RCW 90.58.080 or local comprehensive plans updated according to RCW 36.70A.130;

(xiv) Educational and scientific value of the site;

(xv) Integration with recovery efforts for endangered, threatened, or sensitive species;

(xvi) The statewide significance of the site;

(xvii) Habitat benefits for the feeding, nesting, and reproduction of all pollinators, including honey bees.

(b) For urban wildlife habitat proposals, in addition to the criteria of (a) of this subsection:

(i) Population of, and distance from, the nearest urban area;

(ii) Proximity to other wildlife habitat;

(iii) Potential for public use; and

(iv) Potential for use by special needs populations.

(c) For riparian protection proposals, the board must consider, at a minimum, the following criteria:

(i) Whether the project continues the conservation reserve enhancement program. Applications that extend the duration of leases of riparian areas that are currently enrolled in the conservation reserve enhancement program are eligible. These applications are eligible for a conservation lease extension of at least twenty-five years of duration;

(ii) Whether the projects are identified or recommended in a watershed plan, salmon recovery plan, or other local plans, such as habitat conservation plans, and these must be highly considered in the process;

(iii) Whether there is community support for the project;

(iv) Whether the proposal includes an ongoing stewardship program that includes control of noxious weeds, detrimental invasive species, and that identifies the source of the funds from which the stewardship program will be funded;

(v) Whether there is an immediate threat to the site;

(vi) Whether the quality of the habitat is improved or, for projects including restoration or enhancement, the potential for restoring quality habitat including linkage of the site to other high quality habitat;

(vii) Whether the project is consistent with a local land use plan or a regional or statewide recreational or resource plan. The projects that assist in the implementation of local shoreline master plans updated according to RCW 90.58.080 or local comprehensive plans updated according to RCW 36.70A.130 must be highly considered in the process;

(viii) Whether the site has educational or scientific value; ~~(and)~~

(ix) Whether the site has passive recreational values for walking trails, wildlife viewing, the observation of natural settings, or other multiple benefits; and

(x) Whether the project provides habitat benefits for the

feeding, nesting, and reproduction of all pollinators, including honey bees.

(d) Moneys appropriated for this chapter to riparian protection projects must be distributed for the acquisition or enhancement or restoration of riparian habitat. All enhancement or restoration projects, except those qualifying under (c)(i) of this subsection, must include the acquisition of a real property interest in order to be eligible.

(6) Before November 1st of each even-numbered year, the board shall recommend to the governor a prioritized list of all projects to be funded under RCW 79A.15.040. The governor may remove projects from the list recommended by the board and shall submit this amended list in the capital budget request to the legislature. The list shall include, but not be limited to, a description of each project and any particular match requirement, and describe for each project any anticipated restrictions upon recreational activities allowed prior to the project.

NEW SECTION. Sec. 13. A new section is added to chapter 15.58 RCW to read as follows:

The department must develop educational materials regarding the best practices for avoiding adverse effects from pesticides on populations of bees, honey bees, and other pollinating insects. The educational materials must include, but not be limited to, measures that anyone applying pesticides can take to protect bees, honey bees, and other pollinating insects. The department must design requirements to ensure that any pesticide applicator applying or supervising the application of a restricted-use pesticide is highly knowledgeable regarding alternatives to, the appropriateness of, and precautions for, the use of restricted-use pesticides that may be injurious to the health of bees, honey bees, and other pollinating insects.

NEW SECTION. Sec. 14. A new section is added to chapter 35.21 RCW to read as follows:

(1) A city or town may, by ordinance, establish an urban agriculture zone within the boundaries of the city or town.

(2) To establish an urban agriculture zone, the city or town must conduct at least one public hearing on the question of whether to establish the urban agriculture zone.

(3) An ordinance adopted pursuant to this section must not prohibit the use of structures that support agricultural activity including, without limitation, apiaries, toolsheds, greenhouses, produce stands, and instructional spaces.

NEW SECTION. Sec. 15. A new section is added to chapter 35.21 RCW to read as follows:

A city or town may authorize, by ordinance, the use of vacant or blighted city land for the purpose of community gardening under the terms and conditions established for the use of the city land set forth by the ordinance. The ordinance may establish fees for the use of the city land, provide requirements for liability insurance, and provide requirements for a deposit to use the city land, which may be refunded. The ordinance must require that a portion of the community garden include habitat beneficial for the feeding, nesting, and reproduction of all pollinators, including honey bees.

NEW SECTION. Sec. 16. A new section is added to chapter 35A.21 RCW to read as follows:

(1) A code city may, by ordinance, establish an urban agriculture zone within the boundaries of the code city.

(2) To establish an urban agriculture zone, the code city must conduct at least one public hearing on the question of whether to establish the urban agriculture zone.

(3) An ordinance adopted pursuant to this section must not prohibit the use of structures that support agricultural activity

including, without limitation, apiaries, toolsheds, greenhouses, produce stands, and instructional spaces.

NEW SECTION. Sec. 17. A new section is added to chapter 35A.21 RCW to read as follows:

A code city may authorize, by ordinance, the use of vacant or blighted city land for the purpose of community gardening under the terms and conditions established for the use of the city land set forth by the ordinance. The ordinance may establish fees for the use of the city land, provide requirements for liability insurance, and provide requirements for a deposit to use the city land, which may be refunded. The ordinance must require that a portion of the community garden include habitat beneficial for the feeding, nesting, and reproduction of all pollinators, including honey bees.

NEW SECTION. Sec. 18. A new section is added to chapter 36.34 RCW to read as follows:

A county may, by ordinance, authorize the use of vacant or blighted county land for the purpose of community gardening under the terms and conditions established for the use of the county land set forth by the ordinance. The ordinance may establish fees for the use of the county land, provide requirements for liability insurance, and provide requirements for a deposit to use the county land, which may be refunded. The ordinance must require that a portion of the community garden include habitat beneficial for the feeding, nesting, and reproduction of all pollinators, including honey bees.

NEW SECTION. Sec. 19. If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2019, in the omnibus appropriations act, this act is null and void.”

Correct the title.
and the same are herewith transmitted.

NONA SNELL, Deputy Chief Clerk

MOTION

Senator Liias moved that the Senate concur in the House amendment(s) to Substitute Senate Bill No. 5552.

Senators Liias and Warnick spoke in favor of the motion.

The President Pro Tempore declared the question before the Senate to be the motion by Senator Liias that the Senate concur in the House amendment(s) to Substitute Senate Bill No. 5552.

The motion by Senator Liias carried and the Senate concurred in the House amendment(s) to Substitute Senate Bill No. 5552 by voice vote.

The President Pro Tempore declared the question before the Senate to be the final passage of Substitute Senate Bill No. 5552, as amended by the House.

ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 5552, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 49; Nays, 0; Absent, 0; Excused, 0.

Voting yea: Senators Bailey, Becker, Billig, Braun, Brown, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Ericksen, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Holy, Honeyford, Hunt, Keiser, King, Kuderer, Liias, Lovelett, McCoy, Mullet, Nguyen, O'Ban, Padden, Palumbo, Pedersen, Randall, Rivers, Rolfes, Saldaña, Salomon, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson, C.,

Wilson, L. and Zeiger

SUBSTITUTE SENATE BILL NO. 5552, as amended by the House, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MESSAGE FROM THE HOUSE

April 16, 2019

MR. PRESIDENT:

The House passed SUBSTITUTE SENATE BILL NO. 5597 with the following amendment(s): 5597-S AMH BLAK H2939.1

Strike everything after the enacting clause and insert the following:

“NEW SECTION. Sec. 1. (1)(a) The legislature finds that forest managers, state agencies, and the broader community share an interest in minimizing human and environmental exposure to herbicides. Forestland owners have made significant gains in the protection of riparian and wetland areas along the state’s waterways, as well as protecting the health and safety of the public and forest workers, through a combination of scientific advancements, ongoing education and training, improved technologies, and proper monitoring and regulation under the forests and fish statute and the associated forest practices rules.

(b) The legislature further finds that while the use of herbicides is an important tool to the timber industry, the use of chemicals should be integrated within a broader pest management approach. The legislature finds that the research, development, and feasibility of nontraditional control methods, along with methods already in use, could result in a more integrated pest management approach for forest management.

(2) This section expires December 31, 2020.

NEW SECTION. Sec. 2. (1) A work group on the aerial application of herbicides on state and private forestlands is established to review all existing best management practices and, if necessary, develop recommendations for improving the best management practices for aerial application of herbicides on state and private forestlands, including the criteria to be used in evaluating best management practices.

(2) The work group shall:

(a) Review the roles of all management and regulatory agencies in approving herbicides for use and application on forestlands in Washington and review existing state and federal programs, policies, and regulations concerning aerial application of herbicides on forestlands;

(b) Review current herbicide application technology in the state and throughout the nation to increase herbicide application accuracy and other best management practices to minimize drift and exposure of humans, fish, and wildlife as well impact on drinking water, surface waters, and wetland areas;

(c) Review research, reports, and data from government agencies, research institutions, nongovernmental organizations, and landowners regarding the most frequently used herbicides in forest practices, to inform the development and update of strategies related to herbicides management on forestlands; and

(d) Develop recommendations, if appropriate, for managing working forestlands through an integrated pest management approach that combines traditional chemical and other vegetative control methods as well as other silvicultural practices to protect resource values from pests, while minimizing the effect on nontarget species as well as ensuring the protection of public safety and human health, while still offering effective control that is economically feasible on a commercial forestry scale.

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Recommendations must consider the toxicity, mobility, and bioaccumulation of any proposed alternatives as compared to traditional operations.

(3)(a) The work group is composed of:

(i) One member and one alternate from each of the two largest caucuses in the senate, who must be appointed by the majority leader and minority leader of the senate;

(ii) One member and one alternate from each of the two largest caucuses in the house of representatives, who must be appointed by the speaker and minority leader of the house of representatives;

(iii) One senior level management representative from each of the following agencies:

(A) The department of agriculture;

(B) The department of health;

(C) The department of natural resources;

(D) The department of fish and wildlife; and

(E) The department of ecology;

(iv) One representative of Washington State University pesticide safety education program;

(v) One representative from the Pacific Northwest agricultural safety and health center at the University of Washington; and

(vi) Representatives from the following groups, appointed by the consensus of the cochairs:

(A) Two industrial forestland owners with one from the west of the crest of the Cascade mountains and one from east of the crest of the Cascade mountains;

(B) One representative of small forestland owners;

(C) One representative of large-scale organic farming;

(D) One representative of aerial applicators;

(E) Three representatives of environmental or community interests;

(F) One representative with expertise in noxious weed control; and

(G) One representative with pesticide registrant expertise in forest herbicides.

(b) Representatives of Washington tribes that are involved in timber production must be invited to participate on the work group.

(c) If a member has not been designated for a position set forth in this section, that position may not be counted for purposes of determining a quorum.

(4) The work group must be cochaired by one representative each from the department of agriculture and the department of natural resources.

(5) Staff support for the members of the work group must be provided by the departments of natural resources and agriculture.

(6) Legislative members of the work group are reimbursed for travel expenses in accordance with RCW 44.04.120. Nonlegislative members of the work group are not entitled to be reimbursed for travel expenses if they are elected officials or are participating on behalf of an employer, governmental entity, or other organization. Any reimbursement for nonlegislative members is subject to chapter 43.03 RCW.

(7) The work group shall provide a report that includes any findings, recommendations, and draft legislation, to the governor and the legislature consistent with RCW 43.01.036, by December 31, 2019.

(8) This section expires December 31, 2020.”

Correct the title.

and the same are herewith transmitted.

NONA SNELL, Deputy Chief Clerk

MOTION

Senator Rolfes moved that the Senate concur in the House

amendment(s) to Substitute Senate Bill No. 5597.

Senators Rolfes and Warnick spoke in favor of the motion.

The President Pro Tempore declared the question before the Senate to be the motion by Senator Rolfes that the Senate concur in the House amendment(s) to Substitute Senate Bill No. 5597.

The motion by Senator Rolfes carried and the Senate concurred in the House amendment(s) to Substitute Senate Bill No. 5597 by voice vote.

The President Pro Tempore declared the question before the Senate to be the final passage of Substitute Senate Bill No. 5597, as amended by the House.

ROLL CALL

The Secretary called the roll on the final passage of Substitute Senate Bill No. 5597, as amended by the House, and the bill passed the Senate by the following vote: Yeas, 48; Nays, 1; Absent, 0; Excused, 0.

Voting yea: Senators Bailey, Becker, Billig, Braun, Brown, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Holy, Honeyford, Hunt, Keiser, King, Kuderer, Liias, Lovelett, McCoy, Mullet, Nguyen, O'Ban, Padden, Palumbo, Pedersen, Randall, Rivers, Rolfes, Saldaña, Salomon, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson, C., Wilson, L. and Zeiger

Voting nay: Senator Ericksen

SUBSTITUTE SENATE BILL NO. 5597, as amended by the House, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MOTION

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

THIRD READING

CONFIRMATION OF GUBERNATORIAL APPOINTMENTS

MOTION

Senator Palumbo moved that Claire Grace, Gubernatorial Appointment No. 9098, be confirmed as a member of the Higher Education Facilities Authority.

Senator Palumbo spoke in favor of the motion.

APPOINTMENT OF CLAIRE GRACE

The President Pro Tempore declared the question before the Senate to be the confirmation of Claire Grace, Gubernatorial Appointment No. 9098, as a member of the Higher Education Facilities Authority.

The Secretary called the roll on the confirmation of Claire Grace, Gubernatorial Appointment No. 9098, as a member of the Higher Education Facilities Authority and the appointment was confirmed by the following vote: Yeas, 49; Nays, 0; Absent, 0; Excused, 0.

Voting yea: Senators Bailey, Becker, Billig, Braun, Brown, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Ericksen, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Holy, Honeyford, Hunt, Keiser, King, Kuderer, Liias, Lovelett, McCoy, Mullet,

Nguyen, O'Ban, Padden, Palumbo, Pedersen, Randall, Rivers, Rolfes, Saldaña, Salomon, Schoesler, Sheldon, Short, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson, C., Wilson, L. and Zeiger

Claire Grace, Gubernatorial Appointment No. 9098, having received the constitutional majority was declared confirmed as a member of the Higher Education Facilities Authority.

MOTION

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

MESSAGE FROM THE HOUSE

April 18, 2019

MR. PRESIDENT:

The House refuses to concur in the Senate amendment(s) to ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1112 and asks the Senate to recede therefrom. and the same are herewith transmitted.

NONA SNELL, Deputy Chief Clerk

MOTION

Senator Carlyle moved that the Senate recede from its position on Engrossed Second Substitute House Bill No. 1112 and pass the bill without the Senate amendment(s).

Senator Carlyle spoke in favor of the motion.

Senators Ericksen and King spoke against the motion.

The President Pro Tempore declared the question before the Senate to be motion by Senator Carlyle that the Senate recede from its position on Engrossed Second Substitute House Bill No. 1112 and proceed to pass the bill without Senate amendment(s).

The motion by Senator Carlyle carried and the Senate receded from its position on Engrossed Second Substitute House Bill No. 1112 and proceeded to pass the bill without the Senate amendment(s) by voice vote.

The President Pro Tempore declared the question before the Senate to be the final passage of Engrossed Second Substitute House Bill No. 1112 without the Senate amendment(s).

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Second Substitute House Bill No. 1112, without the Senate amendment(s), and the bill passed the Senate by the following vote: Yeas, 30; Nays, 19; Absent, 0; Excused, 0.

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

Voting nay: Senators Bailey, Becker, Braun, Brown, Ericksen, Fortunato, Hawkins, Holy, Honeyford, King, O'Ban, Padden, Schoesler, Sheldon, Short, Wagoner, Walsh, Warnick and Wilson, L.

ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1112, without the Senate amendment(s), having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

MESSAGE FROM THE HOUSE

April 18, 2019

MR. PRESIDENT:

The House refuses to concur in the Senate amendment(s) to HOUSE BILL NO. 1016 and asks the Senate for a conference thereon. The Speaker has appointed the following members as conferees; Representatives: Jinkins, Macri, Caldier and the same are herewith transmitted.

NONA SNELL, Deputy Chief Clerk

MOTION

Senator Cleveland moved that the Senate insist on its position in the Senate amendment(s) to House Bill No. 1016 and ask the House to concur thereon.

Senators Cleveland and King spoke in favor of the motion.

The President Pro Tempore declared the question before the Senate to be motion by Senator Cleveland that the Senate insist on its position in the Senate amendment(s) to House Bill No. 1016 and ask the House to concur thereon.

The motion by Senator Cleveland carried and the Senate insisted on its position in the Senate amendment(s) to House Bill No. 1016 and asked the House to concur thereon by voice vote.

MESSAGE FROM THE HOUSE

April 19, 2019

MR. PRESIDENT:

The House refuses to concur in the Senate amendment(s) to ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1224 and asks the Senate for a conference thereon. The Speaker has appointed the following members as conferees; Representatives: Robinson, Macri, Schmick and the same are herewith transmitted.

NONA SNELL, Deputy Chief Clerk

MOTION

On motion of Senator Cleveland, the Senate granted the request of the House for a conference on Engrossed Second Substitute House Bill No. 1224 and the Senate amendment(s) thereto.

APPOINTMENT OF CONFERENCE COMMITTEE

The President Pro Tempore appointed as members of the Conference Committee on Engrossed Second Substitute House Bill No. 1224 and the Senate amendment(s) there to: Senators Cleveland, Mullet and Rivers.

MOTION

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

MOTION

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

SECOND READING

SENATE BILL NO. 5183, by Senators Kuderer, Pedersen, Wellman, Saldaña, Liias, Wilson and C.

Concerning relocation assistance for manufactured/mobile home park tenants. Revised for 1st Substitute: Concerning

relocation assistance for manufactured/mobile home park tenants.

MOTION

On motion of Senator Kuderer, Substitute Senate Bill No. 5183 was substituted for Senate Bill No. 5183 and the substitute bill was placed on the second reading and read the second time.

MOTION

Senator Kuderer moved that the following striking amendment no. 764 by Senators Kuderer and Zeiger be adopted:

Strike everything after the enacting clause and insert the following:

Sec. 1. RCW 59.21.005 and 1995 c 122 s 2 are each amended to read as follows:

The legislature recognizes that it is quite costly ~~((to move a mobile home))~~ for tenants who own homes in manufactured/mobile home parks to relocate when the park in which they reside is closed or converted to another use. Many ~~((mobile home))~~ such tenants need financial assistance in order to ~~((move their mobile homes from a))~~ relocate from a manufactured/mobile home park. The purpose of this chapter is to provide a mechanism for assisting manufactured/mobile home tenants to relocate their manufactured/mobile homes to suitable alternative sites ~~((when the mobile home park in which they reside is closed or converted to another use))~~ or demolish and dispose of their homes and secure housing.

Sec. 2. RCW 59.21.010 and 2009 c 565 s 47 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) “Assignee” means an individual or entity who has agreed to advance allowable relocation assistance expenses in exchange for the assignment and transfer of a right to reimbursement from the fund.

~~((2))~~ (2) “Department” means the department of commerce.

~~((2))~~ (3) “Director” means the director of the department of commerce.

~~((3))~~ (4) “Fund” means the manufactured/mobile home park relocation fund established under RCW 59.21.050.

~~((4))~~ (5) “Landlord” or “park-owner” means the owner of the manufactured/mobile home park that is being closed at the time relocation assistance is provided.

~~((5))~~ (6) “Low-income household” means a single person, family, or unrelated persons living together whose adjusted income is less than eighty percent of the median family income, adjusted for household size, for the county where the manufactured/mobile home is located.

(7) “Manufactured/mobile home park” or “park” means real property that is rented or held out for rent to others for the placement of two or more manufactured/mobile homes for the primary purpose of production of income, except where the real property is rented or held out for rent for seasonal recreational purpose only and is not intended for year-round occupancy.

~~((6))~~ (8) “Relocate” means to do one of the following:

(a) Remove ~~((the))~~ a manufactured/mobile home from ~~((the))~~ a manufactured/mobile home park being closed and ~~((to either))~~ reinstall it in another location ~~((or to));~~ or

(b) Remove a manufactured/mobile home from a manufactured/mobile home park being closed and demolish and dispose of it ~~((and purchase another mobile/manufactured home constructed to the standards set by the department of housing and~~

~~urban development))~~ and secure other housing.

~~((7))~~ (9) “Relocation assistance” means the monetary assistance provided under this chapter, including reimbursement for the costs of relocation as well as cash assistance provided to allow the tenant to secure new housing.

(10) “Tenant” means a person that owns a manufactured/mobile home located on a rented lot in a manufactured/mobile home park.

Sec. 3. RCW 59.21.021 and 2005 c 399 s 5 are each amended to read as follows:

(1) If a manufactured/mobile home park is closed or converted to another use ~~((after December 31, 1995)),~~ eligible tenants shall be entitled to relocation assistance on a first-come, first-serve basis. The department shall give priority for distribution of relocation assistance to eligible tenants residing in parks that are closed as a result of park-owner fraud or as a result of health and safety concerns as determined by the local board of health. Payments shall be made upon the department’s verification of eligibility, subject to the availability of remaining funds.

(2) Eligibility for relocation assistance funds is limited to low-income households. ~~((As used in this section, “low-income household” means a single person, family, or unrelated persons living together whose adjusted income is less than eighty percent of the median family income, adjusted for household size, for the county where the mobile or manufactured home is located.~~

~~((2))~~ Assistance for closures occurring after December 31, 1995, is limited to persons who maintain ownership of and relocate their mobile home or who dispose of a home not relocatable to a new site-))

~~((Persons))~~ (a) Eligible tenants who ~~((removed and disposed of their mobile home or maintained ownership of and relocated their mobile homes))~~ relocate are entitled to ~~((reimbursement of actual relocation expenses))~~ financial assistance from the fund, up to a maximum of twelve thousand dollars for a ~~((double-wide))~~ multisection home and up to a maximum of seven thousand five hundred dollars for a single- ~~((wide))~~ section home. The department shall distribute relocation assistance for each eligible tenant as follows:

(i) Up to forty percent of the total assistance may be disbursed in the form of cash assistance to help the tenant secure new housing; and

(ii) The remainder of the total assistance shall be disbursed as reimbursement for costs associated with relocation.

(b) To receive financial assistance as provided in (a)(i) of this subsection, documentation must be provided to the department that demonstrates the tenant:

(i) Has relocated the home;

(ii) Has established a process to secure the relocation of the home by having assigned the right to reimbursement of the relocation costs and liability for such removal or demolition and disposal to another entity; or

(iii) Has contracted to incur expenses associated with relocating the home.

(c) If the tenant is requesting financial assistance under (b)(ii) or (iii) of this subsection, the tenant, or the assignee on the tenant’s behalf, must submit as part of the application described in RCW 59.21.050(2):

(i) Proof of the assignment; and

(ii) Evidence that the assignee is capable of fulfilling the obligation itself or a contract or invoice for relocation of the home executed with a vendor by the tenant or the assignee.

(4) Any individual or organization may apply to receive funds from the ~~((mobile home park relocation))~~ fund, for use in combination with funds from public or private sources, toward relocation of tenants eligible under this section, with agreement

~~from the tenant. ((Funds received from the mobile home park relocation fund shall only be used for relocation assistance expenses or other mobile/manufactured home ownership expenses, that include down payment assistance, if the owners are not planning to relocate their mobile home as long as their original home is removed from the park.))~~

(5) The legislature intends the cash assistance provided under subsection (3)(a)(i) of this section to be considered a one-time direct grant payment that shall be excluded from household income calculations for purposes of determining the eligibility of the recipient for benefits or assistance under any state program financed in whole or in part with state funds.

Sec. 4. RCW 59.21.025 and 1998 c 124 s 3 are each amended to read as follows:

~~((4))~~ If financial assistance for relocation is obtained from sources other than the ~~((mobile home park relocation))~~ fund ~~((established under this chapter))~~, then the relocation assistance provided to any person ~~((under this chapter))~~ from the fund shall be reduced as necessary to ensure that no person receives financial assistance for relocation from all sources combined ~~((more than: (a) That person's actual cost of relocation; or (b) seven thousand dollars for a double wide mobile home and three thousand five hundred dollars for a single wide mobile home.~~

~~(2) When a person receives financial assistance for relocation from a source other than the mobile home park relocation assistance fund, then the assistance received from the fund will be the difference between the maximum amount to which a person is entitled under RCW 59.21.021(3) and the amount of assistance received from the outside source.~~

~~(3) If the amount of assistance received from an outside source exceeds the maximum amounts of assistance to which a person is entitled under RCW 59.21.021(3), then that person will not receive any assistance from the mobile home park relocation assistance fund) in excess of that person's actual relocation expenses.~~

Sec. 5. RCW 59.21.050 and 2011 c 158 s 7 are each amended to read as follows:

(1)(a) The existence of the manufactured/mobile home park relocation fund in the custody of the state treasurer is affirmed.

(b) Expenditures from the fund may only be used as follows:

(i) Except as provided in subsection (3) of this section, all moneys received from the fee as specified in RCW 46.17.155 must be used only for relocation assistance awarded under this chapter.

(ii) All moneys received from the fee as specified in RCW 59.30.050 must be used only for the relocation coordination program created in section 8 of this act.

(c) Only the director or the director's designee may authorize expenditures from the fund. All relocation payments to tenants shall be made from the fund. The fund is subject to allotment procedures under chapter 43.88 RCW, but no appropriation is required for expenditures.

~~(2) A ((park)) tenant is eligible for relocation assistance under this chapter only after an application is submitted by that tenant or an organization acting on the tenant's account under RCW 59.21.021(4) on a form approved by the director ((which)). The application shall include: (a) ((For those persons who maintained ownership of and relocated their homes or removed their homes from the park: ((i)))~~ A copy of the notice from the park-owner, or other adequate proof, that the tenancy is terminated due to closure of the park or its conversion to another use; ~~((((i)))~~ (b) a copy of the rental agreement then in force, or other proof that the applicant was a tenant at the time of notice of closure; ((iii)) a copy of the contract for relocating the home which includes the date of

relocation, or other proof of actual)) (c) a statement of relocation expenses expected to be incurred ((on a date certain)); ((and (iv))) (d) proof of ownership of the home at the time of notice of closure; and (e) a statement of any other available assistance(=) received.

~~((b) For those persons who sold their homes and incurred no relocation expenses: (i) A copy of the notice from the park owner, or other adequate proof, that the tenancy is terminated due to closure of the park or its conversion to another use; (ii) a copy of the rental agreement then in force, or other proof that the applicant was a tenant at the time of notice of closure; and (iii) a copy of the record of title transfer issued by the department of licensing when the tenant sold the home rather than relocate it due to park closure or conversion.))~~

~~(3) The department may deduct a percentage amount of the fee collected under RCW 46.17.155 for administration expenses incurred by the department.~~

Sec. 6. RCW 46.17.155 and 2010 c 161 s 511 are each amended to read as follows:

(1) Before accepting an application for a certificate of title for an original or transfer manufactured home transaction as required in this title or chapter 65.20 RCW, the department, county auditor or other agent, or subagent appointed by the director shall require the applicant to pay a ((one hundred dollar)) fee, in accordance with subsection (4) of this section, in addition to any other fees and taxes required by law if the manufactured home:

(a) Is located in a mobile home park;

(b) Is one year old or older; and

(c) Is new or ownership changes, excluding changes that involve adding or deleting spouse or domestic partner coregistered owners or legal owners(= and

(d) Sales price is five thousand dollars or more)).

(2) The ((one hundred dollar)) fee amount established in subsection (4) of this section must be forwarded to the state treasurer, who shall deposit the fee in the manufactured/mobile home park relocation fund created in RCW 59.21.050.

~~(3) The department and the state treasurer may adopt rules necessary to carry out this section.~~

(4) The amount of the fee that the department must collect must be 0.25 percent of the sale price of the manufactured home, but in no case may the fee be less than one hundred dollars or greater than five hundred dollars.

Sec. 7. RCW 59.30.050 and 2013 c 144 s 42 are each amended to read as follows:

(1) The department must register all manufactured/mobile home communities, which registration must be renewed annually. Each community must be registered separately. The department must mail registration notifications to all known manufactured/mobile home community landlords. Registration information packets must include:

(a) Registration forms; and

(b) Registration assessment information, including registration due dates and late fees, and the collections procedures, liens, and charging costs to tenants.

(2) To apply for registration or registration renewal, the landlord of a manufactured/mobile home community must file with the department an application for registration or registration renewal on a form provided by the department and must pay a registration fee as described in subsection (3) of this section. The department may require the submission of information necessary to assist in identifying and locating a manufactured/mobile home community and other information that may be useful to the state, which must include, at a minimum:

(a) The names and addresses of the owners of the

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manufactured/mobile home community;

(b) The name and address of the manufactured/mobile home community;

(c) The name and address of the landlord and manager of the manufactured/mobile home community;

(d) The number of lots within the manufactured/mobile home community that are subject to chapter 59.20 RCW; and

(e) The addresses of each manufactured/mobile home lot within the manufactured/mobile home community that is subject to chapter 59.20 RCW.

(3) Each manufactured/mobile home community landlord must pay to the department:

(a) A one-time business license application fee for the first year of registration and, in subsequent years, an annual renewal application fee, as provided in RCW 19.02.075; and

(b) An annual registration assessment of ~~((ten))~~ fifteen dollars for each manufactured/mobile home that is subject to chapter 59.20 RCW within a manufactured/mobile home community. Manufactured/mobile home community landlords may charge a maximum of five dollars of this assessment to tenants. Nine dollars of the registration assessment for each manufactured/mobile home must be deposited into the manufactured/mobile home dispute resolution program account created in RCW 59.30.070 to fund the costs associated with the manufactured/mobile home dispute resolution program. ~~((The remaining))~~ One dollar of the registration assessment must be deposited into the business license account created in RCW 19.02.210. The remaining five dollars of the registration assessment must be deposited into the manufactured/mobile home park relocation fund created in RCW 59.21.050. The annual registration assessment must be reviewed once each biennium by the department and the attorney general and may be adjusted to reasonably relate to the cost of administering this chapter. The registration assessment may not exceed ~~((ten))~~ fifteen dollars, but if the assessment is reduced, the portion allocated to the manufactured/mobile home dispute resolution program account ~~((and))~~, the business license account, and the manufactured/mobile home park relocation fund must be adjusted proportionately.

(4) Initial registrations of manufactured/mobile home communities must be filed before November 1, 2007, or within three months of the availability of mobile home lots for rent within the community. The manufactured/mobile home community is subject to a delinquency fee of two hundred fifty dollars for late initial registrations. The delinquency fee must be deposited in the business license account. Renewal registrations that are not renewed by the expiration date as assigned by the department are subject to delinquency fees under RCW 19.02.085.

(5) Thirty days after sending late fee notices to a noncomplying landlord, the department may issue a warrant under RCW 59.30.090 for the unpaid registration assessment and delinquency fee. If a warrant is issued by the department under RCW 59.30.090, the department must add a penalty of ten percent of the amount of the unpaid registration assessment and delinquency fee, but not less than ten dollars. The warrant penalty must be deposited into the business license account created in RCW 19.02.210. Chapter 82.32 RCW applies to the collection of warrants issued under RCW 59.30.090.

(6) Registration is effective on the date determined by the department, and the department must issue a registration number to each registered manufactured/mobile home community. The department must provide an expiration date, assigned by the department, to each manufactured/mobile home community who registers.

NEW SECTION. Sec. 8. A new section is added to chapter 59.21 RCW to read as follows:

(1) A relocation coordination program is created within the department for the purpose of assisting tenants of a mobile home park scheduled for closure or conversion to another use with the process of relocation.

(2) The relocation coordination program assistance may include, but is not limited to, performing casework on behalf of individual tenants, maintaining and distributing informational resources for tenants regarding the process for relocating and disposal of manufactured/mobile homes, researching and distributing current information regarding available locations for manufactured/mobile homes and other forms of available housing, and researching and distributing information regarding other sources of financial assistance that may be available to secure new housing.

NEW SECTION. Sec. 9. This section is the tax preference performance statement for the tax preference contained in section 10, chapter . . . , Laws of 2019 (section 10 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.

(1) The legislature categorizes this tax preference as one intended to induce certain designated behaviors by taxpayers, as indicated in RCW 82.32.808(2)(a).

(2) It is the legislature's specific public policy objective to preserve the affordable housing opportunities provided by existing manufactured/mobile home communities. It is the legislature's intent to encourage owners to sell existing communities to tenants and eligible organizations by providing a real estate excise tax exemption.

(3) To measure the effectiveness of this tax preference in achieving the specific public policy objective described in subsection (2) of this section, the joint legislative audit and review committee must, at minimum, review the number of units of housing that are preserved as a result of qualified sales of manufactured/mobile home communities and the total amount of exemptions claimed, as reported to the department of revenue.

(4) The joint legislative audit and review committee may use any other data it deems necessary in performing the evaluation under this section.

Sec. 10. RCW 82.45.010 and 2018 c 223 s 3 and 2018 c 221 s 1 are each reenacted and amended to read as follows:

(1) As used in this chapter, the term "sale" has its ordinary meaning and includes any conveyance, grant, assignment, quitclaim, or transfer of the ownership of or title to real property, including standing timber, or any estate or interest therein for a valuable consideration, and any contract for such conveyance, grant, assignment, quitclaim, or transfer, and any lease with an option to purchase real property, including standing timber, or any estate or interest therein or other contract under which possession of the property is given to the purchaser, or any other person at the purchaser's direction, and title to the property is retained by the vendor as security for the payment of the purchase price. The term also includes the grant, assignment, quitclaim, sale, or transfer of improvements constructed upon leased land.

(2)(a) The term "sale" also includes the transfer or acquisition within any twelve-month period of a controlling interest in any entity with an interest in real property located in this state for a valuable consideration.

(b) For the sole purpose of determining whether, pursuant to the exercise of an option, a controlling interest was transferred or acquired within a twelve-month period, the date that the option

agreement was executed is the date on which the transfer or acquisition of the controlling interest is deemed to occur. For all other purposes under this chapter, the date upon which the option is exercised is the date of the transfer or acquisition of the controlling interest.

(c) For purposes of this subsection, all acquisitions of persons acting in concert must be aggregated for purposes of determining whether a transfer or acquisition of a controlling interest has taken place. The department must adopt standards by rule to determine when persons are acting in concert. In adopting a rule for this purpose, the department must consider the following:

(i) Persons must be treated as acting in concert when they have a relationship with each other such that one person influences or controls the actions of another through common ownership; and

(ii) When persons are not commonly owned or controlled, they must be treated as acting in concert only when the unity with which the purchasers have negotiated and will consummate the transfer of ownership interests supports a finding that they are acting as a single entity. If the acquisitions are completely independent, with each purchaser buying without regard to the identity of the other purchasers, then the acquisitions are considered separate acquisitions.

(3) The term "sale" does not include:

(a) A transfer by gift, devise, or inheritance.

(b) A transfer by transfer on death deed, to the extent that it is not in satisfaction of a contractual obligation of the decedent owed to the recipient of the property.

(c) A transfer of any leasehold interest other than of the type mentioned above.

(d) A cancellation or forfeiture of a vendee's interest in a contract for the sale of real property, whether or not such contract contains a forfeiture clause, or deed in lieu of foreclosure of a mortgage.

(e) The partition of property by tenants in common by agreement or as the result of a court decree.

(f) The assignment of property or interest in property from one spouse or one domestic partner to the other spouse or other domestic partner in accordance with the terms of a decree of dissolution of marriage or state registered domestic partnership or in fulfillment of a property settlement agreement.

(g) The assignment or other transfer of a vendor's interest in a contract for the sale of real property, even though accompanied by a conveyance of the vendor's interest in the real property involved.

(h) Transfers by appropriation or decree in condemnation proceedings brought by the United States, the state or any political subdivision thereof, or a municipal corporation.

(i) A mortgage or other transfer of an interest in real property merely to secure a debt, or the assignment thereof.

(j) Any transfer or conveyance made pursuant to a deed of trust or an order of sale by the court in any mortgage, deed of trust, or lien foreclosure proceeding or upon execution of a judgment, or deed in lieu of foreclosure to satisfy a mortgage or deed of trust.

(k) A conveyance to the federal housing administration or veterans administration by an authorized mortgagee made pursuant to a contract of insurance or guaranty with the federal housing administration or veterans administration.

(l) A transfer in compliance with the terms of any lease or contract upon which the tax as imposed by this chapter has been paid or where the lease or contract was entered into prior to the date this tax was first imposed.

(m) The sale of any grave or lot in an established cemetery.

(n) A sale by the United States, this state or any political subdivision thereof, or a municipal corporation of this state.

(o) A sale to a regional transit authority or public corporation under RCW 81.112.320 under a sale/leaseback agreement under

RCW 81.112.300.

(p) A transfer of real property, however effected, if it consists of a mere change in identity or form of ownership of an entity where there is no change in the beneficial ownership. These include transfers to a corporation or partnership which is wholly owned by the transferor and/or the transferor's spouse or domestic partner or children of the transferor or the transferor's spouse or domestic partner. However, if thereafter such transferee corporation or partnership voluntarily transfers such real property, or such transferor, spouse or domestic partner, or children of the transferor or the transferor's spouse or domestic partner voluntarily transfer stock in the transferee corporation or interest in the transferee partnership capital, as the case may be, to other than (i) the transferor and/or the transferor's spouse or domestic partner or children of the transferor or the transferor's spouse or domestic partner, (ii) a trust having the transferor and/or the transferor's spouse or domestic partner or children of the transferor or the transferor's spouse or domestic partner as the only beneficiaries at the time of the transfer to the trust, or (iii) a corporation or partnership wholly owned by the original transferor and/or the transferor's spouse or domestic partner or children of the transferor or the transferor's spouse or domestic partner, within three years of the original transfer to which this exemption applies, and the tax on the subsequent transfer has not been paid within sixty days of becoming due, excise taxes become due and payable on the original transfer as otherwise provided by law.

(q)(i) A transfer that for federal income tax purposes does not involve the recognition of gain or loss for entity formation, liquidation or dissolution, and reorganization, including but not limited to nonrecognition of gain or loss because of application of 26 U.S.C. Sec. 332, 337, 351, 368(a)(1), 721, or 731 of the internal revenue code of 1986, as amended.

(ii) However, the transfer described in (q)(i) of this subsection cannot be preceded or followed within a twelve-month period by another transfer or series of transfers, that, when combined with the otherwise exempt transfer or transfers described in (q)(i) of this subsection, results in the transfer of a controlling interest in the entity for valuable consideration, and in which one or more persons previously holding a controlling interest in the entity receive cash or property in exchange for any interest the person or persons acting in concert hold in the entity. This subsection (3)(q)(ii) does not apply to that part of the transfer involving property received that is the real property interest that the person or persons originally contributed to the entity or when one or more persons who did not contribute real property or belong to the entity at a time when real property was purchased receive cash or personal property in exchange for that person or persons' interest in the entity. The real estate excise tax under this subsection (3)(q)(ii) is imposed upon the person or persons who previously held a controlling interest in the entity.

(r) A qualified sale of a manufactured/mobile home community, as defined in RCW 59.20.030(, that takes place on or after June 12, 2008, but before December 31, 2018)).

(s)(i) A transfer of a qualified low-income housing development or controlling interest in a qualified low-income housing development, unless, due to noncompliance with federal statutory requirements, the seller is subject to recapture, in whole or in part, of its allocated federal low-income housing tax credits within the four years prior to the date of transfer.

(ii) For purposes of this subsection (3)(s), "qualified low-income housing development" means real property and improvements in respect to which the seller or, in the case of a transfer of a controlling interest, the owner or beneficial owner, was allocated federal low-income housing tax credits authorized under 26 U.S.C. Sec. 42 or successor statute, by the Washington

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state housing finance commission or successor state-authorized tax credit allocating agency.

(iii) This subsection (3)(s) does not apply to transfers of a qualified low-income housing development or controlling interest in a qualified low-income housing development occurring on or after July 1, 2035.

(iv) The Washington state housing finance commission, in consultation with the department, must gather data on: (A) The fiscal savings, if any, accruing to transferees as a result of the exemption provided in this subsection (3)(s); (B) the extent to which transferors of qualified low-income housing developments receive consideration, including any assumption of debt, as part of a transfer subject to the exemption provided in this subsection (3)(s); and (C) the continued use of the property for low-income housing. The Washington state housing finance commission must provide this information to the joint legislative audit and review committee. The committee must conduct a review of the tax preference created under this subsection (3)(s) in calendar year 2033, as required under chapter 43.136 RCW.

(t)(i) A qualified transfer of residential property by a legal representative of a person with developmental disabilities to a qualified entity subject to the following conditions:

(A) The adult child with developmental disabilities of the transferor of the residential property must be allowed to reside in the residence or successor property so long as the placement is safe and appropriate as determined by the department of social and health services;

(B) The title to the residential property is conveyed without the receipt of consideration by the legal representative of a person with developmental disabilities to a qualified entity;

(C) The residential property must have no more than four living units located on it; and

(D) The residential property transferred must remain in continued use for fifty years by the qualified entity as supported living for persons with developmental disabilities by the qualified entity or successor entity. If the qualified entity sells or otherwise conveys ownership of the residential property the proceeds of the sale or conveyance must be used to acquire similar residential property and such similar residential property must be considered the successor for continued use. The property will not be considered in continued use if the department of social and health services finds that the property has failed, after a reasonable time to remedy, to meet any health and safety statutory or regulatory requirements. If the department of social and health services determines that the property fails to meet the requirements for continued use, the department of social and health services must notify the department and the real estate excise tax based on the value of the property at the time of the transfer into use as residential property for persons with developmental disabilities becomes immediately due and payable by the qualified entity. The tax due is not subject to penalties, fees, or interest under this title.

(ii) For the purposes of this subsection (3)(t) the definitions in RCW 71A.10.020 apply.

(iii) A "qualified entity" is:

(A) A nonprofit organization under Title 26 U.S.C. Sec. 501(c)(3) of the federal internal revenue code of 1986, as amended, as of June 7, 2018, or a subsidiary under the same taxpayer identification number that provides residential supported living for persons with developmental disabilities; or

(B) A nonprofit adult family home, as defined in RCW 70.128.010, that exclusively serves persons with developmental disabilities.

(iv) In order to receive an exemption under this subsection (3)(t) an affidavit must be submitted by the transferor of the

residential property and must include a copy of the transfer agreement and any other documentation as required by the department.

Sec. 11. RCW 84.36.560 and 2007 c 301 s 1 are each amended to read as follows:

(1) The real and personal property owned or used by a nonprofit entity in providing rental housing for very low-income households or used to provide space for the placement of a mobile home for a very low-income household within a mobile home park is exempt from taxation if:

(a) The benefit of the exemption inures to the nonprofit entity;

(b) At least seventy-five percent of the occupied dwelling units in the rental housing or lots in a mobile home park are occupied by a very low-income household; and

(c) The rental housing or lots in a mobile home park were insured, financed, or assisted in whole or in part through one or more of the following sources:

(i) A federal or state housing program administered by the department of ~~((community, trade, and economic development))~~ commerce;

(ii) A federal housing program administered by a city or county government;

(iii) An affordable housing levy authorized under RCW 84.52.105; ~~((or))~~

(iv) The surcharges authorized by RCW 36.22.178 and 36.22.179 and any of the surcharges authorized in chapter 43.185C RCW; or

(v) The Washington state housing finance commission, provided that the financing is for a mobile home park cooperative or a manufactured housing cooperative, as defined in RCW 59.20.030.

(2) If less than seventy-five percent of the occupied dwelling units within the rental housing or lots in the mobile home park are occupied by very low-income households, the rental housing or mobile home park is eligible for a partial exemption on the real property and a total exemption of the housing's or park's personal property as follows:

(a) A partial exemption ~~((shall be))~~ is allowed for each dwelling unit in the rental housing or for each lot in a mobile home park occupied by a very low-income household.

(b) The amount of exemption ~~((shall))~~ must be calculated by multiplying the assessed value of the property reasonably necessary to provide the rental housing or to operate the mobile home park by a fraction. The numerator of the fraction is the number of dwelling units or lots occupied by very low-income households as of December 31st of the first assessment year in which the rental housing or mobile home park becomes operational or on January 1st of each subsequent assessment year for which the exemption is claimed. The denominator of the fraction is the total number of dwelling units or lots occupied as of December 31st of the first assessment year the rental housing or mobile home park becomes operational and January 1st of each subsequent assessment year for which exemption is claimed.

(3) If a currently exempt rental housing unit in a facility with ten units or fewer or mobile home lot in a mobile home park with ten lots or fewer was occupied by a very low-income household at the time the exemption was granted and the income of the household subsequently rises above fifty percent of the median income but remains at or below eighty percent of the median income, the exemption will continue as long as the housing continues to meet the certification requirements of a very low-income housing program listed in subsection (1) of this section. For purposes of this section, median income, as most recently determined by the federal department of housing and urban development for the county in which the rental housing or mobile

home park is located, shall be adjusted for family size. However, if a dwelling unit or a lot becomes vacant and is subsequently rented, the income of the new household must be at or below fifty percent of the median income adjusted for family size as most recently determined by the federal department of housing and urban development for the county in which the rental housing or mobile home park is located to remain exempt from property tax.

(4) If at the time of initial application the property is unoccupied, or subsequent to the initial application the property is unoccupied because of renovations, and the property is not currently being used for the exempt purpose authorized by this section but will be used for the exempt purpose within two assessment years, the property shall be eligible for a property tax exemption for the assessment year in which the claim for exemption is submitted under the following conditions:

(a) A commitment for financing to acquire, construct, renovate, or otherwise convert the property to provide housing for very low-income households has been obtained, in whole or in part, by the nonprofit entity claiming the exemption from one or more of the sources listed in subsection (1)(c) of this section;

(b) The nonprofit entity has manifested its intent in writing to construct, remodel, or otherwise convert the property to housing for very low-income households; and

(c) Only the portion of property that will be used to provide housing or lots for very low-income households shall be exempt under this section.

(5) To be exempt under this section, the property must be used exclusively for the purposes for which the exemption is granted, except as provided in RCW 84.36.805.

(6) The nonprofit entity qualifying for a property tax exemption under this section may agree to make payments to the city, county, or other political subdivision for improvements, services, and facilities furnished by the city, county, or political subdivision for the benefit of the rental housing. However, these payments shall not exceed the amount last levied as the annual tax of the city, county, or political subdivision upon the property prior to exemption.

(7) ~~(As used in this section:)~~ The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Group home" means a single-family dwelling financed, in whole or in part, by one or more of the sources listed in subsection (1)(c) of this section. The residents of a group home shall not be considered to jointly constitute a household, but each resident shall be considered to be a separate household occupying a separate dwelling unit. The individual incomes of the residents shall not be aggregated for purposes of this exemption;

(b) "Mobile home lot" or "mobile home park" means the same as these terms are defined in RCW 59.20.030;

(c) "Occupied dwelling unit" means a living unit that is occupied by an individual or household as of December 31st of the first assessment year the rental housing becomes operational or is occupied by an individual or household on January 1st of each subsequent assessment year in which the claim for exemption is submitted. If the housing facility is comprised of three or fewer dwelling units and there are any unoccupied units on January 1st, the department shall base the amount of the exemption upon the number of occupied dwelling units as of December 31st of the first assessment year the rental housing becomes operational and on May 1st of each subsequent assessment year in which the claim for exemption is submitted;

(d) "Rental housing" means a residential housing facility or group home that is occupied but not owned by very low-income households;

(e) "Very low-income household" means a single person,

family, or unrelated persons living together whose income is at or below fifty percent of the median income adjusted for family size as most recently determined by the federal department of housing and urban development for the county in which the rental housing is located and in effect as of January 1st of the year the application for exemption is submitted; and

(f) "Nonprofit entity" means a:

(i) Nonprofit as defined in RCW 84.36.800 that is exempt from income tax under section 501(c) of the federal internal revenue code;

(ii) Limited partnership where a nonprofit as defined in RCW 84.36.800 that is exempt from income tax under section 501(c) of the federal internal revenue code, a public corporation established under RCW 35.21.660, 35.21.670, or 35.21.730, a housing authority created under RCW 35.82.030 or 35.82.300, or a housing authority meeting the definition in RCW 35.82.210(2)(a) is a general partner; ~~(or)~~

(iii) Limited liability company where a nonprofit as defined in RCW 84.36.800 that is exempt from income tax under section 501(c) of the federal internal revenue code, a public corporation established under RCW 35.21.660, 35.21.670, or 35.21.730, a housing authority established under RCW 35.82.030 or 35.82.300, or a housing authority meeting the definition in RCW 35.82.210(2)(a) is a managing member; or

(iv) Mobile home park cooperative or a manufactured housing cooperative, as defined in RCW 59.20.030.

NEW SECTION. Sec. 12. The provisions of RCW 82.32.805 and 82.32.808 do not apply to section 11 of this act.

NEW SECTION. Sec. 13. The legislature finds that manufactured housing communities provide significant opportunity for affordable housing, but at the same time, vacancy rates in established communities are very low. Siting a replacement manufactured home on a manufactured housing community lot is basic to a landlord's right to continue in business and to provide opportunity for housing that is needed. Imposing undue burdens and new restrictions for the siting of replacement manufactured homes may deem lots unusable as home sites thus, exacerbating the low vacancy rates and reducing affordable housing opportunities. The legislature intends to provide protection for manufactured housing communities by not prohibiting the siting of a manufactured/mobile home on an existing lot based solely on lack of compliance with the existing separation and setback requirements that regulate distance between such homes.

Sec. 14. RCW 35.21.684 and 2009 c 79 s 1 are each amended to read as follows:

(1) A city or town may not adopt an ordinance that has the effect, directly or indirectly, of discriminating against consumers' choices in the placement or use of a home in such a manner that is not equally applicable to all homes. Homes built to 42 U.S.C. Sec. 5401-5403 standards (as amended in 2000) must be regulated for the purposes of siting in the same manner as site built homes, factory built homes, or homes built to any other state construction or local design standard. However, except as provided in subsection (2) of this section, any city or town may require that:

(a) A manufactured home be a new manufactured home;

(b) The manufactured home be set upon a permanent foundation, as specified by the manufacturer, and that the space from the bottom of the home to the ground be enclosed by concrete or an approved concrete product which can be either load bearing or decorative;

(c) The manufactured home comply with all local design standards applicable to all other homes within the neighborhood in which the manufactured home is to be located;

(d) The home is thermally equivalent to the state energy code; and

(e) The manufactured home otherwise meets all other requirements for a designated manufactured home as defined in RCW 35.63.160.

A city with a population of one hundred thirty-five thousand or more may choose to designate its building official as the person responsible for issuing all permits, including department of labor and industries permits issued under chapter 43.22 RCW in accordance with an interlocal agreement under chapter 39.34 RCW, for alterations, remodeling, or expansion of manufactured housing located within the city limits under this section.

(2)(a) A city or town may not adopt an ordinance that has the effect, directly or indirectly, of restricting the location of manufactured/mobile homes in manufactured/mobile home communities that were legally in existence before June 12, 2008, based exclusively on the age or dimensions of the manufactured/mobile home. ~~((This does not preclude))~~

(b) A city or town may not prohibit the siting of a manufactured/mobile home on an existing lot based solely on lack of compliance with existing separation and setback requirements that regulate the distance between homes.

(c) A city or town is not precluded by (a) or (b) of this subsection from restricting the location of a manufactured/mobile home in manufactured/mobile home communities for any other reason including, but not limited to, failure to comply with fire, safety, or other local ordinances or state laws related to manufactured/mobile homes.

(3) Except as provided under subsection (4) of this section, a city or town may not adopt an ordinance that has the effect, directly or indirectly, of preventing the entry or requiring the removal of a recreational vehicle used as a primary residence in manufactured/mobile home communities.

(4) Subsection (3) of this section does not apply to any local ordinance or state law that:

(a) Imposes fire, safety, or other regulations related to recreational vehicles;

(b) Requires utility hookups in manufactured/mobile home communities to meet state or federal building code standards for manufactured/mobile home communities; or

(c) Includes both of the following provisions:

(i) A recreational vehicle must contain at least one internal toilet and at least one internal shower; and

(ii) If the requirement in (c)(i) of this subsection is not met, a manufactured/mobile home community must provide toilets and showers.

(5) For the purposes of this section, “manufactured/mobile home community” has the same meaning as in RCW 59.20.030.

(6) This section does not override any legally recorded covenants or deed restrictions of record.

(7) This section does not affect the authority granted under chapter 43.22 RCW.

Sec. 15. RCW 35A.21.312 and 2009 c 79 s 2 are each amended to read as follows:

(1) A code city may not adopt an ordinance that has the effect, directly or indirectly, of discriminating against consumers’ choices in the placement or use of a home in such a manner that is not equally applicable to all homes. Homes built to 42 U.S.C. Sec. 5401-5403 standards (as amended in 2000) must be regulated for the purposes of siting in the same manner as site built homes, factory built homes, or homes built to any other state construction or local design standard. However, except as provided in subsection (2) of this section, any code city may require that:

(a) A manufactured home be a new manufactured home;

(b) The manufactured home be set upon a permanent

foundation, as specified by the manufacturer, and that the space from the bottom of the home to the ground be enclosed by concrete or an approved concrete product which can be either load bearing or decorative;

(c) The manufactured home comply with all local design standards applicable to all other homes within the neighborhood in which the manufactured home is to be located;

(d) The home is thermally equivalent to the state energy code; and

(e) The manufactured home otherwise meets all other requirements for a designated manufactured home as defined in RCW 35.63.160.

A code city with a population of one hundred thirty-five thousand or more may choose to designate its building official as the person responsible for issuing all permits, including department of labor and industries permits issued under chapter 43.22 RCW in accordance with an interlocal agreement under chapter 39.34 RCW, for alterations, remodeling, or expansion of manufactured housing located within the city limits under this section.

(2)(a) A code city may not adopt an ordinance that has the effect, directly or indirectly, of restricting the location of manufactured/mobile homes in manufactured/mobile home communities that were legally in existence before June 12, 2008, based exclusively on the age or dimensions of the manufactured/mobile home. ~~((This does not preclude))~~

(b) A code city may not prohibit the siting of a manufactured/mobile home on an existing lot based solely on lack of compliance with existing separation and setback requirements that regulate the distance between homes.

(c) A code city is not precluded by (a) or (b) of this subsection from restricting the location of a manufactured/mobile home in manufactured/mobile home communities for any other reason including, but not limited to, failure to comply with fire, safety, or other local ordinances or state laws related to manufactured/mobile homes.

(3) Except as provided under subsection (4) of this section, a code city may not adopt an ordinance that has the effect, directly or indirectly, of preventing the entry or requiring the removal of a recreational vehicle used as a primary residence in manufactured/mobile home communities.

(4) Subsection (3) of this section does not apply to any local ordinance or state law that:

(a) Imposes fire, safety, or other regulations related to recreational vehicles;

(b) Requires utility hookups in manufactured/mobile home communities to meet state or federal building code standards for manufactured/mobile home communities or recreational vehicle parks; or

(c) Includes both of the following provisions:

(i) A recreational vehicle must contain at least one internal toilet and at least one internal shower; and

(ii) If the requirement in (c)(i) of this subsection is not met, a manufactured/mobile home community must provide toilets and showers.

(5) For the purposes of this section, “manufactured/mobile home community” has the same meaning as in RCW 59.20.030.

(6) This section does not override any legally recorded covenants or deed restrictions of record.

(7) This section does not affect the authority granted under chapter 43.22 RCW.

Sec. 16. RCW 36.01.225 and 2009 c 79 s 3 are each amended to read as follows:

(1) A county may not adopt an ordinance that has the effect, directly or indirectly, of discriminating against consumers’

choices in the placement or use of a home in such a manner that is not equally applicable to all homes. Homes built to 42 U.S.C. Sec. 5401-5403 standards (as amended in 2000) must be regulated for the purposes of siting in the same manner as site built homes, factory built homes, or homes built to any other state construction or local design standard. However, except as provided in subsection (2) of this section, any county may require that:

- (a) A manufactured home be a new manufactured home;
- (b) The manufactured home be set upon a permanent foundation, as specified by the manufacturer, and that the space from the bottom of the home to the ground be enclosed by concrete or an approved concrete product which can be either load bearing or decorative;
- (c) The manufactured home comply with all local design standards applicable to all other homes within the neighborhood in which the manufactured home is to be located;
- (d) The home is thermally equivalent to the state energy code; and
- (e) The manufactured home otherwise meets all other requirements for a designated manufactured home as defined in RCW 35.63.160.

(2)(a) A county may not adopt an ordinance that has the effect, directly or indirectly, of restricting the location of manufactured/mobile homes in manufactured/mobile home communities, as defined in RCW 59.20.030, which were legally in existence before June 12, 2008, based exclusively on the age or dimensions of the manufactured/mobile home. (~~This does not preclude~~)

(b) A county may not prohibit the siting of a manufactured/mobile home on an existing lot based solely on lack of compliance with existing separation and setback requirements that regulate the distance between homes.

(c) A county is not precluded by (a) or (b) of this subsection from restricting the location of a manufactured/mobile home in manufactured/mobile home communities for any other reason including, but not limited to, failure to comply with fire, safety, or other local ordinances or state laws related to manufactured/mobile homes.

(3) A county may not adopt an ordinance that has the effect, directly or indirectly, of preventing the entry or requiring the removal of a recreational vehicle used as a primary residence in manufactured/mobile home communities, as defined in RCW 59.20.030, unless the recreational vehicle fails to comply with the fire, safety, or other local ordinances or state laws related to recreational vehicles.

(4) This section does not override any legally recorded covenants or deed restrictions of record.

(5) This section does not affect the authority granted under chapter 43.22 RCW.

NEW SECTION. Sec. 17. If specific funding for the purposes of section 11 of this act, referencing section 11 of this act by bill or chapter number and section number, is not provided by June 30, 2019, in the omnibus appropriations act, section 11 of this act is null and void.

NEW SECTION. Sec. 18. Section 10 of this act expires January 1, 2030."

On page 1, line 1 of the title, after "Relating to" strike the remainder of the title and insert "manufactured/mobile homes; amending RCW 59.21.005, 59.21.021, 59.21.025, 59.21.050, 46.17.155, 59.30.050, 84.36.560, 35.21.684, 35A.21.312, and 36.01.225; reenacting and amending RCW 59.21.010 and

82.45.010; adding a new section to chapter 59.21 RCW; creating new sections; and providing an expiration date."

Senators Kuderer and Zeiger spoke in favor of adoption of the striking amendment.

The President Pro Tempore declared the question before the Senate to be the adoption of striking amendment no. 764 by Senators Kuderer and Zeiger to Substitute Senate Bill No. 5183.

The motion by Senator Kuderer carried and striking amendment no. 764 was adopted by voice vote.

MOTION

On motion of Senator Kuderer, the rules were suspended, Engrossed Substitute Senate Bill No. 5183 was advanced to third reading, the second reading considered the third and the bill was placed on final passage.

Senators Kuderer and Zeiger spoke in favor of passage of the bill.

The President Pro Tempore declared the question before the Senate to be the final passage of Engrossed Substitute Senate Bill No. 5183.

ROLL CALL

The Secretary called the roll on the final passage of Engrossed Substitute Senate Bill No. 5183 and the bill passed the Senate by the following vote: Yeas, 36; Nays, 13; Absent, 0; Excused, 0.

Voting yea: Senators Bailey, Billig, Carlyle, Cleveland, Conway, Darneille, Das, Dhingra, Fortunato, Frockt, Hasegawa, Hawkins, Hobbs, Hunt, Keiser, Kuderer, Lias, Lovelett, McCoy, Mullet, Nguyen, O'Ban, Palumbo, Pedersen, Randall, Rolfes, Saldaña, Salomon, Takko, Van De Wege, Wagoner, Walsh, Warnick, Wellman, Wilson, C. and Zeiger

Voting nay: Senators Becker, Braun, Brown, Ericksen, Holy, Honeyford, King, Padden, Rivers, Schoesler, Sheldon, Short and Wilson, L.

ENGROSSED SUBSTITUTE SENATE BILL NO. 5183, having received the constitutional majority, was declared passed. There being no objection, the title of the bill was ordered to stand as the title of the act.

REMARKS BY THE PRESIDENT PRO TEMPORE

President Pro Tempore Keiser: "I would just like to thank Victoria and Jeannie up here for walking me through these arcane motions, such as insisting and receding and granting conferences and concurring and do not concurring and adhering – we haven't gotten there yet. So, thank you both. I couldn't have done it without your help."

MOTION

At 5:17 p.m., on motion of Senator Lias, the Senate adjourned until 10:00 o'clock a.m. Tuesday, April 23, 2019.

KAREN KEISER, President Pro Tempore of the Senate

BRAD HENDRICKSON, Secretary of the Senate

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