

FIFTY NINTH LEGISLATURE - REGULAR SESSION

FIFTY SECOND DAY

House Chamber, Olympia, Wednesday, March 1, 2006

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

The flag was escorted to the rostrum by a Sergeant at Arms Color Guard, Pages Cassie Hollowell and Claire Kunkle. The Speaker (Representative Lovick presiding) led the Chamber in the Pledge of Allegiance. Prayer was offered by Jim Cammack, the Bahai's of Mason County.

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

**RESOLUTION**

HOUSE RESOLUTION NO. 2006-4691, By Representative Hunt, Alexander, Kilmer, Kenney, Roberts and Williams

WHEREAS, Dr. Kenneth J. Minnaert is the longest-serving of any public college or university president in Washington State; and

WHEREAS, Dr. Kenneth Minnaert is retiring after 30 years in the service of higher education, the last 25 years as the president of South Puget Sound Community College; and

WHEREAS, Dr. Kenneth Minnaert has, through hard work and dedication, provided thousands of students with quality facilities and in-depth instruction, and opened the doors for countless opportunities for students, staff, and faculty; and

WHEREAS, Dr. Kenneth Minnaert began his service when the school was a small institution known as Olympia Vocational Technical Institute; and

WHEREAS, Dr. Kenneth Minnaert has overseen the transition of a small vocational and technical school to a comprehensive community college that plays a significant role in higher education; and

WHEREAS, Dr. Kenneth Minnaert has presided over the expansion of South Puget Sound Community College's student enrollment from 800 in 1975, to over 15,000 in 2005, as well as the expansion of its facilities, including the creation of the Hawk's Prairie Center satellite campus; and

WHEREAS, Dr. Kenneth Minnaert's leadership has encouraged close cooperation and the birth of natural partnerships between South Puget Sound Community College, Saint Martin's University, and The Evergreen State College; and

WHEREAS, Dr. Kenneth Minnaert is a 2005 winner of the National Phi Theta Kappa Shirley B. Gordon Award of Distinction; and

WHEREAS, Dr. Kenneth Minnaert is known as a quiet, unassuming gentleman who gets things done;

NOW, THEREFORE, BE IT RESOLVED, That the House of Representatives offer its gratitude and commendation to Dr. Kenneth J. Minnaert for his tireless efforts to promote higher education; and

BE IT FURTHER RESOLVED, That copies of this resolution be immediately transmitted by the Chief Clerk of the House of Representatives to Dr. Kenneth J. Minnaert and his family, and South Puget Sound Community College.

Representative Hunt moved the adoption of the resolution.

Representatives Hunt and Alexander spoke in favor of the adoption of the resolution.

HOUSE RESOLUTION NO. 4691 was adopted.

**MESSAGES FROM THE SENATE**

February 28, 2006

Mr. Speaker:

The Senate has passed:

- THIRD SUBSTITUTE HOUSE BILL NO. 1458,
- SUBSTITUTE HOUSE BILL NO. 2372,
- SUBSTITUTE HOUSE BILL NO. 2376,
- HOUSE BILL NO. 2406,
- SUBSTITUTE HOUSE BILL NO. 2684,
- SUBSTITUTE HOUSE BILL NO. 2715,
- SUBSTITUTE HOUSE BILL NO. 3150,
- HOUSE BILL NO. 2366,
- HOUSE JOINT MEMORIAL NO. 4038,

and the same are herewith transmitted.

Thomas Hoemann, Secretary

February 28, 2006

Mr. Speaker:

The Senate has passed:

- SUBSTITUTE HOUSE BILL NO. 2538,
- SUBSTITUTE HOUSE BILL NO. 2776,
- ENGROSSED HOUSE BILL NO. 2910,
- HOUSE BILL NO. 3019,

and the same are herewith transmitted.

Thomas Hoemann, Secretary

February 27, 2006

Mr. Speaker:

The President has signed:

SUBSTITUTE HOUSE BILL NO. 2333,  
HOUSE BILL NO. 2364,  
SUBSTITUTE HOUSE BILL NO. 2976,

and the same are herewith transmitted.

Thomas Hoemann, Secretary

**INTRODUCTION & FIRST READING**

SCR 8418 by Senators Shin and Rasmussen

Creating an aerospace task force.

Referred to Committee on Economic Development,  
Agriculture & Trade.

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

**REPORTS OF STANDING COMMITTEES**

February 28, 2006

HB 3315 Prime Sponsor, Representative Murray:  
Authorizing the issuance of bonds for state  
highway improvement projects. Reported by  
Committee on Transportation

MAJORITY recommendation: Do pass. Signed by  
Representatives Murray, Chairman; Wallace, Vice  
Chairman; Woods, Ranking Minority Member; Appleton;  
Buck; Campbell; Clibborn; Curtis; Dickerson; Flannigan;  
Hankins; Hudgins; Jarrett; Kilmer; Lovick; Morris;  
Nixon; Rodne; Schindler; Sells; Shabro; Simpson; B.  
Sullivan; Takko; Upthegrove and Wood.

MINORITY recommendation: Do not pass. Signed by  
Representatives Ericksen and Holmquist.

Passed to Committee on Rules for second reading.

February 28, 2006

SSB 6241 Prime Sponsor, Committee On Transportation:  
Making 2006 supplemental transportation  
appropriations. Reported by Committee on  
Transportation

MAJORITY recommendation: Do pass as amended.

Strike everything after the enacting clause and insert the  
following:

**"2005-07 BIENNIUM**

**Sec. 1.** 2005 c 313 s 1 (uncodified) is amended to read as  
follows:

(1) The transportation budget of the state is hereby adopted and,  
subject to the provisions set forth, the several amounts specified, or  
as much thereof as may be necessary to accomplish the purposes  
designated, are hereby appropriated from the several accounts and  
funds named to the designated state agencies and offices for  
employee compensation and other expenses, for capital projects, and  
for other specified purposes, including the payment of any final  
judgments arising out of such activities, for the period ending June  
30, 2007.

(2) Unless the context clearly requires otherwise, the definitions  
in this subsection apply throughout this act.

(a) "Fiscal year 2006" or "FY 2006" means the fiscal year  
ending June 30, 2006.

(b) "Fiscal year 2007" or "FY 2007" means the fiscal year  
ending June 30, 2007.

(c) "FTE" means full-time equivalent.

(d) "Lapse" or "revert" means the amount shall return to an  
unappropriated status.

(e) "Provided solely" means the specified amount may be spent  
only for the specified purpose. Unless otherwise specifically  
authorized in this act, any portion of an amount provided solely for  
a specified purpose which is not expended subject to the specified  
conditions and limitations to fulfill the specified purpose shall lapse.

(f) "Reappropriation" means appropriation and, unless the  
context clearly provides otherwise, is subject to the relevant  
conditions and limitations applicable to appropriations.

(g) "LEAP" means the legislative evaluation and accountability  
program committee.

**GENERAL GOVERNMENT AGENCIES--OPERATING**

NEW SECTION. Sec. 101. A new section is added to 2005 c  
313 (uncodified) to read as follows:

OFFICE OF FINANCIAL MANAGEMENT

**FOR THE OFFICE OF FINANCIAL MANAGEMENT**

Multimodal Transportation

Account--State Appropriation . . . . . \$217,000

**Sec. 102.** 2005 c 313 s 102 (uncodified) is amended to read as  
follows:

MARINE EMPLOYEES COMMISSION

**FOR THE MARINE EMPLOYEES COMMISSION**

Puget Sound Ferry Operations

Account--State Appropriation . . . . . ~~(\$390,000)~~  
\$394,000

The appropriation in this section is subject to the following  
conditions and limitations: To address its growing caseload, the  
marine employees commission shall develop a plan for prioritizing  
cases to schedule for hearings. The commission shall report back to  
the transportation committees of the legislature on its case  
prioritization plan by December 15, 2005.

**Sec. 103.** 2005 c 313 s 104 (uncodified) is amended to read as  
follows:

DEPARTMENT OF AGRICULTURE

**FOR THE DEPARTMENT OF AGRICULTURE**

Motor Vehicle Account--State Appropriation . . . . . ~~(\$329,000)~~  
\$330,000

The appropriation in this section is subject to the following conditions and limitations: ~~((329,000))~~ \$330,000 of the motor vehicle account--state appropriation is provided solely for costs associated with the motor fuel quality program.

**Sec. 104.** 2005 c 313 s 105 (uncodified) is amended to read as follows:

DEPARTMENT OF ARCHEOLOGY AND HISTORIC PRESERVATION  
**FOR THE DEPARTMENT OF ARCHEOLOGY AND HISTORIC PRESERVATION**  
Motor Vehicle Account--State Appropriation . . . . . ~~((200,000))~~  
\$487,000

The appropriation in this section is subject to the following conditions and limitations:

(1) ~~((If Second Substitute Senate Bill No. 5056 is not enacted by June 30, 2005, the entire appropriation shall lapse.~~

~~—(2) The entire~~) \$200,000 of the motor vehicle account--state appropriation is for additional staffing costs to be dedicated to state transportation activities. Furthermore, any staff hired to support transportation activities must have practical experience with complex construction projects.

(2) \$236,000 of the motor vehicle account--state appropriation is provided solely for legal expenses related to the *Lower Elwha Klallam Tribe v. Washington* (graving dock) case.

(3) \$51,000 of the motor vehicle account--state appropriation is provided solely for a pilot project testing remote sensing technology in archeological investigations and surveys for transportation projects.

**NEW SECTION. Sec. 105.** A new section is added to 2005 c 313 (uncodified) to read as follows:

LEGISLATIVE EVALUATION AND ACCOUNTABILITY PROGRAM COMMITTEE  
**FOR THE LEGISLATIVE EVALUATION AND ACCOUNTABILITY PROGRAM COMMITTEE**  
Motor Vehicle Account--State Appropriation . . . . . \$50,000

The appropriation in this section is subject to the following conditions and limitations: The total appropriation is provided solely for an evaluation of the current business needs of the legislative transportation fiscal committee staffs with respect to the transportation executive information system (TEIS). The committee shall work with the staffs of the transportation committees, the office of financial management, and the department of transportation to perform the evaluation. Results of the evaluation, including any recommendation for system improvements and usability, shall be submitted to the transportation committees of the legislature and the office of financial management by December 1, 2006.

**GENERAL GOVERNMENT AGENCIES--CAPITAL**

**Sec. 106.** 2005 c 313 s 106 (uncodified) is amended to read as follows:

WASHINGTON STATE PARKS AND RECREATION||CAPITAL PROJECTS  
**FOR WASHINGTON STATE PARKS AND RECREATION--CAPITAL PROJECTS**  
Motor Vehicle Account--State Appropriation . . . . . ~~((1,400,000))~~  
\$1,000,000

The appropriation in this section is subject to the following conditions and limitations:

(1) ~~((1,300,000))~~ \$900,000 of the motor vehicle account--state appropriation is a one-time appropriation and is provided solely for the SR 14 interchange portion of the Beacon Rock state park entrance road project. Any portion of the appropriation not expended by June 30, 2007, shall revert to the motor vehicle account--state.

(2) \$100,000 of the appropriation is provided solely for road work on state route 20 at Deception Pass state park.

**TRANSPORTATION AGENCIES--OPERATING**

**Sec. 201.** 2005 c 313 s 201 (uncodified) is amended to read as follows:

WASHINGTON TRAFFIC SAFETY COMMISSION  
**FOR THE WASHINGTON TRAFFIC SAFETY COMMISSION**  
Highway Safety Account--State Appropriation . . . ~~((2,135,000))~~  
\$2,145,000  
Highway Safety Account--Federal Appropriation ~~((15,828,000))~~  
\$15,833,000  
School Zone Safety Account--State Appropriation . . . \$3,300,000  
Bicycle and Pedestrian Safety  
Account--State Appropriation . . . . . \$40,000  
TOTAL APPROPRIATION . . . . . ~~((21,303,000))~~  
\$21,318,000

The appropriations in this section are subject to the following conditions and limitations: The Washington traffic safety commission shall contract with the Washington state institute for public policy to conduct a study of the impact of state programs concerning the reduction of DUI recidivism. The study must include, on a prioritized basis to the extent federal funds are made available for the study, the following components: (1) The state's existing deferred prosecution program; (2) the state's vehicle impound program; and (3) other states' programs that restrict a person's access to the vehicle, or suspend the vehicle license and registration, upon arrest or conviction.

The completed study must be submitted to the appropriate legislative committees by December 1, 2006.

**Sec. 202.** 2005 c 313 s 202 (uncodified) is amended to read as follows:

COUNTY ROAD ADMINISTRATION BOARD  
**FOR THE COUNTY ROAD ADMINISTRATION BOARD**  
Rural Arterial Trust Account--State Appropriation . . ~~((821,000))~~  
\$823,000  
Motor Vehicle Account--State Appropriation . . . . . ~~((1,942,000))~~  
\$1,950,000  
County Arterial Preservation  
Account--State Appropriation . . . . . ~~((777,000))~~  
\$780,000  
TOTAL APPROPRIATION . . . . . ~~((3,540,000))~~  
\$3,553,000

**Sec. 203.** 2005 c 313 s 203 (uncodified) is amended to read as follows:

TRANSPORTATION IMPROVEMENT BOARD  
**FOR THE TRANSPORTATION IMPROVEMENT BOARD**  
Urban Arterial Trust Account--State Appropriation ~~((1,624,000))~~  
\$1,630,000  
Transportation Improvement  
Account--State Appropriation . . . . . ~~((1,625,000))~~

\$1,632,000  
TOTAL APPROPRIATION . . . . . (~~(\$3,249,000)~~)  
\$3,262,000

**Sec. 204.** 2005 c 313 s 204 (uncodified) is amended to read as follows:

BOARD OF PILOTAGE COMMISSIONERS  
**FOR THE BOARD OF PILOTAGE COMMISSIONERS**  
Pilotage Account--State Appropriation . . . . . (~~(\$417,000)~~)  
\$1,020,000

The appropriation in this section is subject to the following conditions and limitations: \$500,000 of the appropriation is provided solely for stipends to trainees in the training program as set forth in rules adopted by the board; however, if Engrossed Substitute Senate Bill No. 6870 (pilot trainees stipends) is enacted by June 30, 2006, then \$600,000 of the total appropriation provided in this act shall lapse and the appropriation provided in Engrossed Substitute Senate Bill No. 6870 shall govern.

**Sec. 205.** 2005 c 313 s 205 (uncodified) is amended to read as follows:

JOINT TRANSPORTATION COMMITTEE  
**FOR THE JOINT TRANSPORTATION COMMITTEE**  
Motor Vehicle Account--State Appropriation . . . . (~~(\$1,400,000)~~)  
\$1,763,000

The appropriation in this section is subject to the following conditions and limitations:

(1)(a) \$200,000 of the total appropriation is provided solely for the joint transportation committee to conduct a finance study of the Washington state ferry system. The purpose of the study is to facilitate policy discussions and decisions by members of the legislature regarding the Washington state ferry system. The legislature recognizes there is a need within the Washington state ferry system for predictable cash flows, transparency, assessment of organizational structure, verification that the Washington state ferry system is operating at maximum efficiency, and better labor relations. The committee shall report the study to the house of representatives and senate transportation committees by December 1, 2006.

(b) The study must include, at a minimum, a review and evaluation of the ferry system's financial plan, including current assumptions and past studies, in the following areas:

- (i) Operating program, including ridership, revenue, and cost forecasts and the accuracy of those forecasts; and
- (ii) Capital program, including project scoping, prioritization and cost estimating, project changes including legislative input regarding significant project changes, and performance measures.

(c) In addition to committee members, or their designees, the governor shall appoint a representative for this study. The committee may retain consulting services to assist the committee in conducting the study, including the evaluation of financial, operating, and capital plans. The committee may also appoint other persons to assist with the study.

(2) The joint transportation committee shall conduct a study regarding the feasibility of a statewide uniform motor vehicle excise tax (MVET) depreciation schedule. In addition to committee members, the participants in the study must include at a minimum the following individuals: (a) A representative of a regional transit authority (Sound Transit); (b) a representative of a regional transportation planning organization; (c) the secretary of transportation, or his or her designee; (d) a representative of the

attorney general's office; (e) a representative of the department of licensing; and (f) a representative of the financial community. The purpose of the study is to develop an MVET depreciation schedule that more accurately reflects vehicle value but does not hinder outstanding contractual obligations.

(3) Funds provided in this section are sufficient for the committee to administer a study of the most reliable and cost-effective means of providing passenger-only ferry service.

(a) The study shall be guided by a 18 member task force consisting of the chairs and ranking members of the house of representatives and senate transportation committees, a designee of the director of the office of financial management, a member of the transportation commission, a designee of the secretary of transportation, a representative of organized labor, and ten stakeholders to be appointed by the governor as follows: Six representatives of ferry user communities, two representatives of public transportation agencies, and two representatives of commercial ferry operators.

(b) The study shall examine issues including but not limited to the long-term viability of different service providers, cost to ferry passengers, the state subsidies required by each provider, and the availability of federal funding for the different service providers.

(c) By November 30, 2005, the task force shall make its recommendations to the house of representatives and senate transportation committees.

(4) \$450,000 of the motor vehicle account--state appropriation is provided solely to administer a consultant study of the long-term viability of the state's transportation financing methods and sources.

(a) At a minimum, the study must examine the following: (i) The short and long-term viability of the motor fuel tax (both state and federal) as a major source of funding for transportation projects and programs; (ii) the desirability and effectiveness of state-distributed transportation funds for the benefit of local units of government; (iii) the potential for alternative and/or emerging sources of transportation revenues, with particular emphasis on user-based fees and charges; and (iv) trends and implications of debt financing for transportation projects. The scope of work for the study may be expanded to include analysis of other financing issues relevant to the long-term viability of the state's transportation system.

(b) The findings and recommendations must be submitted to the fiscal committees of the legislature by (~~November 1, 2006~~) January 1, 2007.

(5) \$84,000 of the motor vehicle account--state appropriation is provided solely to contract with the joint legislative audit and review committee for a review of the organization, decision-making processes, and performance measures of the traffic safety commission. The study will include an analysis of the role of commissioners and staff and the process for prioritizing the commission's initiatives.

(6) \$75,000 of the motor vehicle account--state appropriation is provided solely to contract with the Washington state institute for public policy for a review of existing research on programs and policies which decrease accidents by teenage drivers, including but not limited to publicly operated driver education and intermediate drivers licensing programs. The institute shall also evaluate the costs and benefits of programs and policies showing the greatest positive impact on teenage driving safety.

**Sec. 206.** 2005 c 313 s 206 (uncodified) is amended to read as follows:

TRANSPORTATION COMMISSION  
**FOR THE TRANSPORTATION COMMISSION**

Motor Vehicle Account--State Appropriation . . . .	<del>(\$4,607,000)</del>
	<u>\$3,702,000</u>
Multimodal Transportation	
Account--State Appropriation . . . . .	\$1,150,000
TOTAL APPROPRIATION . . . . .	<del>(\$5,757,000)</del>
	<u>\$4,852,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1) \$1,500,000 of the motor vehicle fund account--state appropriation is provided solely for a comprehensive tolling study. The transportation commission, with the technical assistance of the department, must conduct a study of the state's transportation system to determine the feasibility of administering tolls on specific transportation facilities or a network of facilities. This study shall serve as the statewide tolling feasibility study required in Engrossed Substitute House Bill No. 1541, and shall serve as the tolling study necessary to implement toll facilities within a regional transportation investment district or its successor entity.

(a) The study must include an analysis of the only currently-authorized toll facility, the Tacoma Narrows bridge project. The study findings must include (i) the development of more uniform and equitable policies regarding the distribution of financial obligations imposed on those paying the tolls on the Tacoma Narrows bridge, and (ii) opportunities and options for reducing the outstanding indebtedness on the bridge project, including the possibility of buy-downs and other means of spreading the cost of the project more equitably.

(b) The study element for the benefit of a regional transportation investment district or regional transportation improvement authority must also address the state highway system and other transportation facilities in King, Pierce, and Snohomish counties to determine the feasibility of value pricing on a facility or network of facilities. This study element should: (i) Determine the potential for value pricing to generate revenues for needed transportation facilities; (ii) maximize the efficient operation of facilities and the transportation network; and (iii) provide economic indicators for future system investments. This element of the study must take into account congestion levels, facility and corridor capacity, time of use, economic considerations, and other factors deemed appropriate. The study must recommend any additional laws, rules, procedures, resources, studies, reports, or support infrastructure necessary or desirable before proceeding with the review, evaluation, or implementation of any toll projects or a system-wide, value priced transportation structure.

(c) The study must specifically analyze the potential for a toll facility on SR 704, the cross-base highway located in Pierce county.

(2) ~~(\$2,270,000)~~ \$1,362,000 of the motor vehicle account--state appropriation is provided solely for the transportation performance audit board. ~~(Within this amount, the transportation performance audit board shall conduct a study and make recommendations to the legislature regarding the modification RCW 47.01.012, state transportation goals and benchmarks. In conducting the study, the board shall consider at a minimum: Original recommendations of the Blue Ribbon Commission on Transportation; the current policy goals and benchmark categories; the goals outlined in Substitute House Bill No. 1969; the recent work related to benchmarks completed by the transportation commission and the Washington state department of transportation; the measures review completed by TPAB; and best practices.~~

~~The board shall submit study results, including any legislative recommendations, to the transportation committees of the legislature by January 1, 2006.)~~

(3) \$1,150,000 of the multimodal account--state appropriation is provided solely for a statewide rail capacity and needs analysis. The purpose of this study is to (a) assess the rail freight and rail passenger infrastructure needs in this state; (b) review the current powers, authorities, and interests the state has in both passenger and freight rail; (c) recommend public policies for state participation and ownership in rail infrastructure and service delivery, including but not limited to planning and governance issues; and (d) develop a rail asset management plan. The commission shall report their findings and conclusions of the study to the transportation committees of the legislature by December 1, 2006.

(4) The transportation commission shall implement tolls on the Tacoma Narrows bridge in the following manner:

(a) For the period when the new bridge is open and the preexisting bridge is undergoing rehabilitation, electronic toll users shall pay a toll of \$1.50. All other users will pay a toll of \$3.00; and

(b) When all lanes of both bridges are available to vehicles, the toll shall be \$3.00 except for commercial vehicles whose toll will be set by the commission.

**Sec. 207.** 2005 c 313 s 207 (uncodified) is amended to read as follows:

**FREIGHT MOBILITY STRATEGIC INVESTMENT BOARD  
FOR THE FREIGHT MOBILITY STRATEGIC INVESTMENT BOARD**

Motor Vehicle Account--State Appropriation . . . . .	<del>(\$664,000)</del>
	<u>\$666,000</u>

The appropriation in this section is subject to the following conditions and limitations: The board shall, on a quarterly basis, provide status reports to the legislature on the delivery of projects funded by this act.

**Sec. 208.** 2005 c 313 s 208 (uncodified) is amended to read as follows:

**WASHINGTON STATE PATROL||FIELD OPERATIONS BUREAU  
FOR THE WASHINGTON STATE PATROL--FIELD OPERATIONS BUREAU**

State Patrol Highway	
Account--State Appropriation . . . . .	<del>(\$202,530,000)</del>
	<u>\$202,163,000</u>
State Patrol Highway	
Account--Federal Appropriation . . . . .	\$10,544,000
State Patrol Highway	
Account--Private/Local Appropriation . . . . .	\$169,000
TOTAL APPROPRIATION . . . . .	<del>(\$213,243,000)</del>
	<u>\$212,876,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1) Washington state patrol officers engaged in off-duty uniformed employment providing traffic control services to the department of transportation or other state agencies may use state patrol vehicles for the purpose of that employment, subject to guidelines adopted by the chief of the Washington state patrol. The Washington state patrol shall be reimbursed for the use of the vehicle at the prevailing state employee rate for mileage and hours of usage, subject to guidelines developed by the chief of the Washington state

patrol. The patrol shall report to the house of representatives and senate transportation committees by December 31, 2005, on the use of agency vehicles by officers engaging in the off-duty employment specified in this subsection. The report shall include an analysis that compares cost reimbursement and cost-impacts, including increased vehicle mileage, maintenance costs, and indirect impacts, associated with the private use of patrol vehicles.

(2) In addition to the user fees, the patrol shall transfer into the state patrol nonappropriated airplane revolving account under RCW 43.79.470 NO. more than the amount of appropriated state patrol highway account and general fund funding necessary to cover the costs for the patrol's use of the aircraft. The state patrol highway account and general fund--state funds shall be transferred proportionately in accordance with a cost allocation that differentiates between highway traffic enforcement services and general policing purposes.

(3) The patrol shall not account for or record locally provided DUI cost reimbursement payments as expenditure credits to the state patrol highway account. The patrol shall report the amount of expected locally provided DUI cost reimbursements to the transportation committees of the senate and house of representatives by December 31st of each year.

(4) The state patrol highway account--state appropriation for DUI reimbursements shall only be spent for pursuit vehicle video cameras, datamaster DUI testing equipment, tire deflator equipment, and taser guns. The Washington state patrol prior to the issuance of any taser guns will train the troopers on using the equipment. The agency will provide a report to the transportation committees of the senate and house of representatives by December 31st of each year on the occurrences where the taser guns were utilized along with any issues that have been identified.

(5) \$29,000 of the state patrol highway account--state appropriation is provided solely for the implementation of House Bill No. 1469. If House Bill No. 1469 is not enacted by June 30, 2005, the amount provided in this subsection shall lapse.

(6) \$5,580,000 of the total appropriation is provided solely for a 3.8% salary increase for commissioned officers effective July 1, 2005, in addition to any other salary increases provided for in this act.

~~((8))~~ (7) The Washington state patrol is authorized to use certificates of participation to fund the King Air aircraft replacement over a term of not more than ten years and an amount not to exceed \$1,900,000.

(8)(a) \$834,000 of the state patrol highway account--state appropriation is provided solely for the collective bargaining agreement reached between the governor and the Washington state patrol troopers association under chapter 438, Laws of 2005. For commissioned troopers and sergeants covered under this section, funding is provided for a 2.6% salary increase effective July 1, 2006. This increase supersedes the fiscal year 2007 increase granted under section 501, chapter 313, Laws of 2005. Provisions of the collective bargaining agreement contained in this subsection are described in general terms. Only major economic terms are included in this description. This description does not contain the complete contents of the agreement. Due to the timing challenges in negotiating the initial collective bargaining agreement under chapter 438, Laws of 2005, this agreement was not concluded by the October 1st statutory deadline. However, the legislature does not intend to fund bargaining agreements concluded after the October 1st deadline, or other salary increases not included in the governor's budget proposal, in future biennia.

(b) \$62,000 of the state patrol highway account--state appropriation is provided solely for salary increases for commissioned captains and lieutenants covered under this section, if a new collective bargaining agreement is reached between the governor and the Washington state patrol lieutenants association by July 1, 2006. The amount provided in this subsection is contingent on an agreement being reached by July 1, 2006, and shall be held in reserve status until the agreement is reached. If an agreement is not reached by July 1, 2006, the amount provided in this subsection shall lapse. If an agreement is reached by July 1, 2006, the increase supersedes the fiscal year 2007 increase granted under section 501, chapter 313, Laws of 2005. Due to the timing challenges in negotiating a collective bargaining agreement funded under this subsection, the agreement will not have been concluded by the October 1st statutory deadline. However, the legislature does not intend to fund bargaining agreements concluded after the October 1st deadline, or other salary increases not included in the governor's budget proposal, in future biennia.

(9) The Washington state patrol, in consultation with the department of licensing, local law enforcement agencies, and other appropriate organizations, shall study the options for implementing an inspection program for tow truck operators that are not licensed as registered tow truck operators. This study shall also evaluate prospective sources of funding and the amount of funding necessary for the program. The Washington state patrol shall report to the transportation committees of the legislature by December 1, 2006, on the options, strategies, and recommendations for implementing an inspection program for tow truck operators that are not licensed as registered tow truck operators.

(10) \$1,100,000 of the state patrol highway account--state appropriation is provided solely for the implementation of House Bill No. 2682. If House Bill No. 2682 is not enacted by June 30, 2006, the amount provided in this subsection shall lapse.

NEW SECTION. Sec. 209. A new section is added to 2005 c 313 (uncodified) to read as follows:

WASHINGTON STATE PATROL|INVESTIGATIVE SERVICES BUREAU  
**FOR THE WASHINGTON STATE PATROL-- INVESTIGATIVE SERVICES BUREAU**  
State Patrol Highway Account--State Appropriation . . \$1,358,000

**Sec. 210.** 2005 c 313 s 209 (uncodified) is amended to read as follows:

WASHINGTON STATE PATROL|TECHNICAL SERVICES BUREAU  
**FOR THE WASHINGTON STATE PATROL--TECHNICAL SERVICES BUREAU**  
State Patrol Highway  
Account--State Appropriation . . . . . ~~((82,748,000))~~  
\$91,359,000  
State Patrol Highway  
Account--Private/Local Appropriation . . . . . \$2,008,000  
TOTAL APPROPRIATION . . . . . ~~((84,756,000))~~  
\$93,367,000

The appropriations in this section are subject to the following conditions and limitations:

(1) \$247,000 of the state patrol highway account--state appropriation is provided solely for the implementation of Second Substitute House Bill No. 1188. If Second Substitute House Bill No.

1188 is not enacted by June 30, 2005, the amount provided in this subsection shall lapse.

(2) The Washington state patrol is instructed to work with the risk management division in the office of financial management in compiling the state patrol data for establishing the agency's risk management insurance premiums to the tort claims account. The office of financial management and the Washington state patrol shall submit a report to the transportation committees of the senate and house of representatives by December 31st of each year on the number of claims, estimated claims to be paid, method of calculation, and the adjustment in the premium.

~~(3) (\$6,228,000 of the total appropriation is provided solely for automobile fuel in the 2005-2007 biennium.~~

~~(4))~~ (4) \$8,678,000 of the total appropriation is provided solely for the purchase of pursuit vehicles.

~~((5))~~ (4) \$5,254,000 of the total appropriation is provided solely for vehicle repair and maintenance costs of vehicles used for highway purposes.

~~((6))~~ (5) \$384,000 of the total appropriation is provided solely for the purchase of mission vehicles used for highway purposes in the commercial vehicle and traffic investigation sections of the patrol.

(6)(a) \$28,000 of the state patrol highway account--state appropriation is provided solely for the collective bargaining agreement reached between the governor and the Washington state patrol troopers association under chapter 438, Laws of 2005. For commissioned troopers and sergeants covered under this section, funding is provided for a 2.6% salary increase effective July 1, 2006. This increase supersedes the fiscal year 2007 increase granted under section 501, chapter 313, Laws of 2005. Provisions of the collective bargaining agreement contained in this subsection are described in general terms. Only major economic terms are included in this description. This description does not contain the complete contents of the agreement. Due to the timing challenges in negotiating the initial collective bargaining agreement under chapter 438, Laws of 2005, this agreement was not concluded by the October 1st statutory deadline. However, the legislature does not intend to fund bargaining agreements concluded after the October 1st deadline, or other salary increases not included in the governor's budget proposal, in future biennia.

(b) \$2,000 of the state patrol highway account--state appropriation is provided solely for salary increases for commissioned captains and lieutenants covered under this section, if a new collective bargaining agreement is reached between the governor and the Washington state patrol lieutenants association by July 1, 2006. The amount provided in this subsection is contingent on an agreement being reached by July 1, 2006, and shall be held in reserve status until the agreement is reached. If an agreement is not reached by July 1, 2006, the amount provided in this subsection shall lapse. If an agreement is reached by July 1, 2006, the increase supersedes the fiscal year 2007 increase granted under section 501, chapter 313, Laws of 2005. Due to the timing challenges in negotiating a collective bargaining agreement funded under this subsection, the agreement will not have been concluded by the October 1st statutory deadline. However, the legislature does not intend to fund bargaining agreements concluded after the October 1st deadline, or other salary increases not included in the governor's budget proposal, in future biennia.

**Sec. 211.** 2005 c 313 s 210 (uncodified) is amended to read as follows:  
DEPARTMENT OF LICENSING||MANAGEMENT AND SUPPORT SERVICES

**FOR THE DEPARTMENT OF LICENSING--MANAGEMENT AND SUPPORT SERVICES**

Marine Fuel Tax Refund Account--State Appropriation ..	\$3,000
Motorcycle Safety Education	
Account--State Appropriation .....	\$96,000
Wildlife Account--State Appropriation .....	<del>(\$82,000)</del>
	\$95,000
Highway Safety Account--State Appropriation ..	<del>(\$11,418,000)</del>
	\$11,574,000
Motor Vehicle Account--State Appropriation ....	<del>(\$7,043,000)</del>
	\$7,381,000
DOL Services Account--State Appropriation .....	<del>(\$88,000)</del>
	\$102,000
<del>((Biometric Security Account--State Appropriation . . .</del>	<del>\$57,000)</del>
TOTAL APPROPRIATION .....	<del>(\$18,787,000)</del>
	\$19,251,000

The appropriations in this section are subject to the following conditions and limitations: \$1,134,000 of the motor vehicle account--state appropriation is provided solely for the implementation of Engrossed Substitute Senate Bill No. 6103. If Engrossed Substitute Senate Bill No. 6103 is not enacted by June 30, 2005, the amount provided in this subsection shall lapse.

**Sec. 212.** 2005 c 313 s 211 (uncodified) is amended to read as follows:

DEPARTMENT OF LICENSING||INFORMATION SERVICES  
**FOR THE DEPARTMENT OF LICENSING--INFORMATION SERVICES**

Marine Fuel Tax Refund Account--State Appropriation ..	\$2,000
Motorcycle Safety Education	
Account--State Appropriation .....	\$35,000
Wildlife Account--State Appropriation .....	\$102,000
Highway Safety Account--State Appropriation ..	<del>(\$20,698,000)</del>
	\$22,632,000
Motor Vehicle Account--State Appropriation ...	<del>(\$12,095,000)</del>
	\$12,135,000
Motor Vehicle Account--Private/Local Appropriation ..	\$500,000
DOL Services Account--State Appropriation .....	<del>(\$7,825,000)</del>
	\$5,919,000
<del>((Biometric Security Account--State Appropriation . . .</del>	<del>\$728,000)</del>
TOTAL APPROPRIATION .....	<del>(\$41,985,000)</del>
	\$41,325,000

The appropriations in this section are subject to the following conditions and limitations:

(1) The department shall submit a report to the transportation committees of the legislature, detailing the progress made in transitioning from the HP3000 system, by December 30, 2005, and each December 1st thereafter until the project is fully completed.

(2) \$357,000 of the motor vehicle account--state appropriation is provided solely for the implementation of all special license plate bills introduced during the 2005 legislative session and approved by the special license plate review board. The amount provided in this subsection shall be reduced accordingly for any of those bills that are not enacted by June 30, 2005.

(3) \$58,000 of the state wildlife account--state appropriation is provided solely for the implementation of Substitute Senate Bill No. 5423. If Substitute Senate Bill No. 5423 is not enacted by June 30, 2005, the amount provided in this subsection shall lapse.

(4) \$145,000 of the motor vehicle account--state appropriation is provided solely for the implementation of Engrossed Substitute

Senate Bill No. 6103. If Engrossed Substitute Senate Bill No. 6103 is not enacted by June 30, 2005, the amount provided in this subsection shall lapse.

(5) \$8,000 of the motor vehicle account--state appropriation is provided solely for the implementation of Substitute Senate Bill No. 6287 (parking privileges for persons who are legally blind). If Substitute Senate Bill No. 6287 is not enacted by June 30, 2006, the amount provided in this subsection shall lapse.

(6) \$15,000 of the motor vehicle account--state appropriation is provided solely for the implementation of Substitute House Bill No. 2389 (parking privileges for persons with porphyria). If Substitute House Bill No. 2389 is not enacted by June 30, 2006, the amount provided in this subsection shall lapse.

(7) \$12,000 of the highway safety account--state appropriation is provided solely for the implementation of House Bill No. 2829 (driver training schools). If House Bill No. 2829 is not enacted by June 30, 2006, the amount provided in this subsection shall lapse.

**Sec. 213.** 2005 c 313 s 212 (uncodified) is amended to read as follows:

DEPARTMENT OF LICENSING  
VEHICLE SERVICES  
**FOR THE DEPARTMENT OF LICENSING--VEHICLE SERVICES**

Marine Fuel Tax Refund Account--State Appropriation . . .	\$26,000
Wildlife Account--State Appropriation . . . . .	<del>(\$626,000)</del>
	<u>\$627,000</u>
Motor Vehicle Account--State Appropriation . . . . .	<del>(\$49,894,000)</del>
	<u>\$51,276,000</u>
Motor Vehicle Account--Private/Local Appropriation . . .	\$872,000
DOL Services Account--State Appropriation . . . . .	\$1,146,000
Highway Safety Account--State Appropriation . . . . .	\$404,000
TOTAL APPROPRIATION . . . . .	<del>(\$52,968,000)</del>
	<u>\$54,351,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1) \$247,000 of the motor vehicle account--state appropriation is provided solely for the implementation of all special license plate bills introduced during the 2005 legislative session and approved by the special license plate review board. The amount provided in this subsection shall be reduced accordingly for any of those bills that are not enacted by June 30, 2005.

(2) \$11,000 of the wildlife account--state appropriation is provided solely for the implementation of Engrossed Senate Bill No. 5423. If Engrossed Senate Bill No. 5423 is not enacted by June 30, 2005, the amount provided in this subsection shall lapse.

(3) \$404,000 of the motor vehicle account--state appropriation is provided solely for the implementation of Engrossed Substitute Senate Bill No. 6103. If Engrossed Substitute Senate Bill No. 6103 is not enacted by June 30, 2005, the amount provided in this subsection shall lapse.

(4) \$37,000 of the motor vehicle account--state appropriation is provided solely for the implementation of Substitute Senate Bill No. 6287 (parking privileges for persons who are legally blind). If Substitute Senate Bill No. 6287 is not enacted by June 30, 2006, the amount provided in this subsection shall lapse.

(5) \$5,000 of the motor vehicle account--state appropriation is provided solely for the implementation of Substitute House Bill No. 2389 (parking privileges for persons with porphyria). If Substitute House Bill No. 2389 is not enacted by June 30, 2006, the amount provided in this subsection shall lapse.

**Sec. 214.** 2005 c 313 s 213 (uncodified) is amended to read as follows:

DEPARTMENT OF LICENSING  
DRIVER SERVICES  
**FOR THE DEPARTMENT OF LICENSING--DRIVER SERVICES**

Motorcycle Safety Education	
Account--State Appropriation . . . . .	<del>(\$3,005,000)</del>
	<u>\$3,006,000</u>
Highway Safety Account--State Appropriation . . . . .	<del>(\$85,051,000)</del>
	<u>\$87,078,000</u>
Highway Safety Account--Federal Appropriation . . . . .	\$8,000
<del>((Biometric Security Account--State Appropriation . . . . .</del>	<del>-\$1,523,000))</del>
TOTAL APPROPRIATION . . . . .	<del>(\$89,587,000)</del>
	<u>\$90,092,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1) \$970,000 of the highway safety account--state appropriation is provided solely for the commercial driver license program. The department shall informally report to the transportation committees of the legislature on the progress made in addressing federal audit findings and in implementing the federal motor carrier safety improvement act. Reports shall be made by the following dates: November 1, 2005, and each November 1st thereafter.

(2) \$412,000 of the motorcycle safety and education account--state appropriation is provided solely for the department's motorcycle safety program. The department shall informally report to the transportation committees of the legislature detailing the progress made in implementing national highway traffic safety assessment guidelines. Reports shall be made by the following dates: November 1, 2005, and each November 1st thereafter.

(3) The department of licensing, in consultation with the department of transportation and other stakeholders, shall draft legislation or rules enacted relative to identification necessary for persons crossing international borders. The department shall report to the transportation committees of the legislature by December 1, 2005, on the recommended legislation for bringing the state into compliance with federal requirements.

(4) \$738,000 of the highway safety account--state appropriation is provided solely for the implementation of House Bill No. 2829 (driver training schools). If House Bill No. 2829 is not enacted by June 30, 2006, the amount provided in this subsection shall lapse.

(5) The department shall join in any lawsuits filed by other states seeking funding to implement the provisions of Title II of P.L. 109-13, improved security for driver's license and personal identification cards (Real ID), as passed by Congress May 10, 2005.

**Sec. 215.** 2005 c 313 s 214 (uncodified) is amended to read as follows:

DEPARTMENT OF TRANSPORTATION  
TOLL OPERATIONS AND MAINTENANCE--PROGRAM B  
**FOR THE DEPARTMENT OF TRANSPORTATION--TOLL OPERATIONS AND MAINTENANCE--PROGRAM B**

Tacoma Narrows Toll Bridge	
Account--State Appropriation . . . . .	<del>(\$8,615,000)</del>
	<u>\$8,124,000</u>

**Sec. 216.** 2005 c 313 s 215 (uncodified) is amended to read as follows:

DEPARTMENT OF TRANSPORTATION



**INFORMATION TECHNOLOGY--PROGRAM C  
FOR THE DEPARTMENT OF TRANSPORTATION--  
INFORMATION TECHNOLOGY--PROGRAM C**

Motor Vehicle Account--State Appropriation . . .	<del>(\$55,941,000)</del>
	<u>\$56,295,000</u>
Motor Vehicle Account--Federal Appropriation . . . . .	\$1,973,000
Puget Sound Ferry Operations	
Account--State Appropriation . . . . .	<del>(\$8,558,000)</del>
	<u>\$8,572,000</u>
Multimodal Transportation	
Account--State Appropriation . . . . .	\$363,000
TOTAL APPROPRIATION . . . . .	<del>(\$66,835,000)</del>
	<u>\$67,203,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1) ~~(\$850,000)~~ \$800,000 of the motor vehicle account--state appropriation is provided solely for the continued maintenance and support of the transportation executive information system (TEIS). The TEIS shall be enhanced during the ~~(2005)~~ 2006 legislative interim to continue the shift towards a monitoring and reporting system capable of tracking and reporting on major project milestones and measurements. The department shall work with the legislature to identify and define meaningful milestones and measures to be used in monitoring the scope, schedule, and cost of projects. The department shall provide updated information on six project milestones for all active projects, funded in part or in whole with 2005 transportation partnership account funds or 2003 nickel account funds, on a quarterly basis in TEIS. The department shall also provide updated information on six project milestones for projects agreed to by the legislature, office of financial management, and the department, and funded with preexisting funds, on a quarterly basis in TEIS.

(2) \$350,000 of the motor vehicle account--state appropriation is provided solely for a financial and capital project system needs assessment for future automation development and enhancements. The completed assessment will identify options which shall be presented to the transportation committees of the senate and the house of representatives by December 31, 2005.

(3) The department shall consult with the office of financial management and the department of information services to ensure that (a) the department's current and future system development is consistent with the overall direction of other key state systems; and (b) when possible, use or develop common statewide information systems to encourage coordination and integration of information used by the department and other state agencies and to avoid duplication.

(4) The department shall review its GPS network services and survey data, and evaluate the added benefits of using real-time data from a regional cooperative GPS network.

**Sec. 217.** 2005 c 313 s 216 (uncodified) is amended to read as follows:

DEPARTMENT OF TRANSPORTATION  
FACILITY MAINTENANCE, OPERATIONS AND  
CONSTRUCTION--PROGRAM D  
**FOR THE DEPARTMENT OF TRANSPORTATION--  
FACILITY MAINTENANCE, OPERATIONS AND  
CONSTRUCTION--PROGRAM D--OPERATING**

Motor Vehicle Account--State Appropriation . . .	<del>(\$33,499,000)</del>
	<u>\$33,600,000</u>

**Sec. 218.** 2005 c 313 s 217 (uncodified) is amended to read as follows:

DEPARTMENT OF TRANSPORTATION  
AVIATION--PROGRAM F

**FOR THE DEPARTMENT OF TRANSPORTATION--  
AVIATION--PROGRAM F**

Aeronautics Account--State Appropriation . . . . .	<del>(\$5,632,000)</del>
	<u>\$7,137,000</u>
Aeronautics Account--Federal Appropriation . . . . .	\$2,150,000
<del>(Aircraft Search and Rescue Safety and Education Account--State Appropriation . . . . .</del>	<del>\$262,000)</del>
Multimodal Transportation	
Account--State Appropriation . . . . .	\$100,000
Multimodal Transportation	
Account--Federal Appropriation . . . . .	\$900,000
TOTAL APPROPRIATION . . . . .	<del>(\$9,044,000)</del>
	<u>\$10,287,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1)(a) \$433,000 of the aeronautics account--state appropriation is provided solely for airport pavement projects. The department's aviation division shall complete a priority airport pavement project list by January 1, 2006, to be considered by the legislature in the 2006 supplemental budget. If Substitute Senate Bill No. 5414 is not enacted by June 30, 2005, the amount provided in this subsection shall lapse.

(b) ~~(The entire aircraft search and rescue safety and education account appropriation shall lapse if Substitute Senate Bill No. 5414 is enacted by June 30, 2005.~~

~~(c))~~ If Substitute Senate Bill No. 5414 is enacted by July 1, 2005, then the remaining unexpended fund balance in the aircraft search and rescue, safety, and education account shall be deposited into the state aeronautics account.

(2) The entire multimodal transportation account--state and federal appropriations are provided solely for implementing Engrossed Substitute Senate Bill No. 5121. If Engrossed Substitute Senate Bill No. 5121 is not enacted by June 30, 2005, or if federal funds are not received by March 1, 2006, for the purpose of implementing Engrossed Substitute Senate Bill No. 5121, the amount provided in this subsection shall lapse.

**Sec. 219.** 2005 c 313 s 218 (uncodified) is amended to read as follows:

DEPARTMENT OF TRANSPORTATION  
PROGRAM DELIVERY MANAGEMENT AND SUPPORT--  
PROGRAM H

**FOR THE DEPARTMENT OF TRANSPORTATION--  
PROGRAM DELIVERY MANAGEMENT AND SUPPORT--  
PROGRAM H**

Motor Vehicle Account--State Appropriation . . .	<del>(\$48,961,000)</del>
	<u>\$52,828,000</u>
Motor Vehicle Account--Federal Appropriation . . . . .	\$500,000
Multimodal Account--State Appropriation . . . . .	\$250,000
TOTAL APPROPRIATION . . . . .	<del>(\$49,711,000)</del>
	<u>\$53,578,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1) \$300,000 of the motor vehicle account--state appropriation is provided to the department in accordance with RCW 46.68.110(2) and 46.68.120(3) and shall be used by the department solely for the

purposes of providing contract services to the association of Washington cities and Washington state association of counties for (a) activities of the transportation permit efficiency and accountability committee, including pilot mitigation banking activities, and (b) other permit delivery efforts.

(2) ~~(\$1,475,000)~~ \$1,775,000 of the motor vehicle account--state appropriation is provided solely for the staffing activities of the transportation permit efficiency and accountability committee.

(3) \$3,500,000 of the motor vehicle account--state appropriation is provided solely for consultant contracts to assist the department in the delivery of the capital construction program by identifying improvements to program delivery, program management, project controls, program and project monitoring, forecasting, and reporting. The consultants shall work with the department of information services and include department of information services' recommendations in their reports.

The consultants shall develop a capital construction strategic plan, due to the transportation committees of the house of representatives and senate and to the office of financial management, by June 30, 2006.

The consultants shall also coordinate their work with other budget and performance efforts, including Roadmap, the joint transportation committee budget study, the findings of the critical applications modernization and integration strategies study, including proposed next steps, and the priorities of government process.

The department shall report to the transportation committees of the house of representatives and senate, and the office of financial management, by July 31, 2006, on recommended capital budgeting and reporting options. Options must include appropriate project groupings for reporting purposes, and appropriate measures for reporting project progress, timeliness, cost, and criteria and processes for project transfers.

**Sec.220.** 2005 c 313 s 219 (uncodified) is amended to read as follows:

DEPARTMENT OF TRANSPORTATION  
 ECONOMIC PARTNERSHIPS--PROGRAM K  
**FOR THE DEPARTMENT OF TRANSPORTATION--  
 ECONOMIC PARTNERSHIPS--PROGRAM K**  
 Motor Vehicle Account--State Appropriation . . . . ~~(\$1,068,000)~~  
\$1,072,000

**Sec. 221.** 2005 c 313 s 220 (uncodified) is amended to read as follows:

DEPARTMENT OF TRANSPORTATION  
 HIGHWAY MAINTENANCE--PROGRAM M  
**FOR THE DEPARTMENT OF TRANSPORTATION--  
 HIGHWAY MAINTENANCE--PROGRAM M**  
 Motor Vehicle Account--State Appropriation . . ~~(\$296,648,000)~~  
\$299,720,000  
 Motor Vehicle Account--Federal Appropriation . . . . . \$1,426,000  
 Motor Vehicle Account--Private/Local Appropriation . \$4,315,000  
 TOTAL APPROPRIATION . . . . . ~~(\$302,389,000)~~  
\$305,461,000

The appropriations in this section are subject to the following conditions and limitations:

(1) If portions of the appropriations in this section are required to fund maintenance work resulting from major disasters not covered by federal emergency funds such as fire, flooding, and major slides, supplemental appropriations must be requested to restore state funding for ongoing maintenance activities.

(2) The department shall request an unanticipated receipt for any federal moneys received for emergency snow and ice removal and shall place an equal amount of the motor vehicle account--state into unallotted status. This exchange shall not affect the amount of funding available for snow and ice removal.

(3) The department shall request an unanticipated receipt for any private or local funds received for reimbursements of third party damages that are in excess of the motor vehicle account--private/local appropriation.

(4) Funding is provided for maintenance on the state system to allow for a continuation of the level of service targets included in the 2003-05 biennium. In delivering the program, the department should concentrate on the following areas:

(a) Meeting or exceeding the target for structural bridge repair on a statewide basis;

(b) Eliminating the number of activities delivered in the "f" level of service at the region level;

(c) Reducing the number of activities delivered in the "d" level of service by increasing the resources directed to those activities on a statewide and region basis; and

(d) Evaluating, analyzing, and potentially redistributing resources within and among regions to provide greater consistency in delivering the program statewide and in achieving overall level of service targets.

(5) The department shall develop and implement a plan to improve work zone safety on a statewide basis. As part of the strategy included in the plan, the department shall fund equipment purchases using a portion of the money from the annual OTEF equipment purchasing and replacement process. The department shall also identify and evaluate statewide equipment needs (such as work zone safety equipment) and prioritize any such needs on a statewide basis. Substitute purchasing at the statewide level, when appropriate, shall be utilized to meet those identified needs. The department must report to the transportation committees of the legislature by December 1, 2005, on the plan, and by December 1, 2006, on the status of implementing the plan.

**Sec. 222.** 2005 c 313 s 221 (uncodified) is amended to read as follows:

DEPARTMENT OF TRANSPORTATION  
 TRAFFIC OPERATIONS--PROGRAM Q--OPERATING  
**FOR THE DEPARTMENT OF TRANSPORTATION--  
 TRAFFIC OPERATIONS--PROGRAM Q--OPERATING**  
 Motor Vehicle Account--State Appropriation . . . ~~(\$42,811,000)~~  
\$43,847,000  
 Motor Vehicle Account--Federal Appropriation . . . . . \$2,050,000  
 Motor Vehicle Account--Private/Local Appropriation . . \$128,000  
 TOTAL APPROPRIATION . . . . . ~~(\$44,989,000)~~  
\$46,025,000

The appropriations in this section are subject to the following conditions and limitations:

(1) \$4,400,000 of the motor vehicle account--state appropriation is provided solely for low-cost enhancements. The department shall give priority to low-cost enhancement projects that improve safety or provide congestion relief. The department shall prioritize low-cost enhancement projects on a statewide rather than regional basis.

(2) The department shall provide directional signs to the Muckleshoot tribal offices on Interstate 5 and State Routes 167 and 410. The Muckleshoot tribe will pay for the signs.

**Sec. 223.** 2005 c 313 s 222 (uncodified) is amended to read as follows:

DEPARTMENT OF TRANSPORTATION  
TRANSPORTATION MANAGEMENT AND SUPPORT--  
PROGRAM S  
**FOR THE DEPARTMENT OF TRANSPORTATION--  
TRANSPORTATION MANAGEMENT AND SUPPORT--  
PROGRAM S**

Motor Vehicle Account--State Appropriation . . .	<del>(\$25,434,000)</del>
	<u>\$25,516,000</u>
Motor Vehicle Account--Federal Appropriation . . . . .	\$30,000
Puget Sound Ferry Operations	
Account--State Appropriation . . . . .	\$1,321,000
Multimodal Transportation	
Account--State Appropriation . . . . .	\$973,000
TOTAL APPROPRIATION . . . . .	<del>(\$27,758,000)</del>
	<u>\$27,840,000</u>

**Sec. 224.** 2005 c 313 s 223 (uncodified) is amended to read as follows:

DEPARTMENT OF TRANSPORTATION  
TRANSPORTATION PLANNING, DATA, AND RESEARCH--  
PROGRAM T  
**FOR THE DEPARTMENT OF TRANSPORTATION--  
TRANSPORTATION PLANNING, DATA, AND RESEARCH--  
PROGRAM T**

Motor Vehicle Account--State Appropriation . . .	<del>(\$22,390,000)</del>
	<u>\$22,602,000</u>
Motor Vehicle Account--Federal Appropriation . . . . .	\$16,756,000
Multimodal Transportation	
Account--State Appropriation . . . . .	<del>(\$2,267,000)</del>
	<u>\$2,379,000</u>
Multimodal Transportation	
Account--Federal Appropriation . . . . .	\$2,829,000
Multimodal Transportation	
Account--Private/Local Appropriation . . . . .	\$100,000
Transportation Partnership	
Account--State Appropriation . . . . .	<del>(\$6,000,000)</del>
	<u>\$2,000,000</u>
TOTAL APPROPRIATION . . . . .	<del>(\$50,342,000)</del>
	<u>\$46,666,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1) In order to qualify for state planning funds available to regional transportation planning organizations under this section, a regional transportation planning organization containing any county with a population in excess of one million shall provide voting membership on its executive board to any incorporated principal city of a metropolitan statistical area within the region, as designated by the United States census bureau, and to any incorporated city within the region with a population in excess of eighty thousand as of July 1, 2005. Additionally, a regional transportation planning organization described under this subsection shall conduct a review of its executive board membership criteria to ensure that the criteria appropriately reflects a true and comprehensive representation of the organization's jurisdictions of significance within the region.

~~(((3)) \$2,000,000 of the transportation partnership account--state appropriation is provided solely for the costs of the regional transportation investment district (RTID) election and department of transportation project oversight. These funds are provided as a loan to the RTID and shall be repaid to the state motor vehicle account~~

~~within one year following the certification of the election results related to the RTID. If either Engrossed Substitute House Bill No. 2157 or Senate Bill No. 6089 are enacted by June 30, 2005, the amount provided in this subsection shall lapse. None of this appropriation may be used for election expenses for an election held before January 1, 2006.~~

~~---~~ ~~((4))~~ (2) \$175,000 of the motor vehicle account--state appropriation is provided to the department in accordance with RCW 46.68.110(2) and 46.68.120(3) and shall be used by the department to support the processing and analysis of the backlog of city and county collision reports by January 2006. The amount provided in this subsection shall lapse if federal funds become available for this purpose.

~~---~~ ~~((5))~~ (3) \$150,000 of the multimodal transportation account--state appropriation is provided solely for the implementation of Engrossed Second Substitute House Bill No. 1565. If Engrossed Second Substitute House Bill No. 1565 is not enacted by June 30, 2005, the amount provided in this subsection shall lapse.

~~---~~ ~~((6))~~ (4) The department of transportation shall evaluate the number of spaces available for long-haul truck parking relative to current and projected future needs. The department of transportation shall also explore options for augmenting the number of spaces available, including, but not limited to, expanding state-owned rest areas or modifying regulations governing the use of these facilities, utilizing weigh stations and park and ride lots, and encouraging the expansion of the private sector's role. Finally, the department shall explore the utility of coordinating with neighboring states on long-haul truck parking and evaluate methodologies for alleviating any air quality issues relative to the issue. The department must report to the transportation committees of the legislature by December 1, 2005, on the options, strategies, and recommendations for long-haul truck parking.

~~---~~ ~~((7))~~ (5) \$50,000 of the multimodal transportation account--state appropriation is provided solely for evaluating high-speed passenger transportation facilities and services, including rail or magnetic levitation transportation systems, to connect airports as a means to more efficiently utilize airport capacity, as well as connect major population and activity centers. This evaluation shall be coordinated with the airport capacity and facilities market analysis conducted pursuant to Engrossed Substitute Senate Bill No. 5121 and results of the evaluation shall be submitted by July 1, 2007. If Engrossed Substitute Senate Bill No. 5121 is not enacted by June 30, 2005, or if federal funds are not received by March 1, 2006, for the purpose of implementing Engrossed Substitute Senate Bill No. 5121, the amount provided in this subsection shall lapse.

(6) The department shall conduct a study of the resources allocated to each of the seven department regions and the corresponding workloads. Given the magnitude of the investments in the Puget Sound region, particular emphasis shall be given to reviewing the resources allocated and corresponding workloads with respect to the urban corridors region and the northwest region. Based on the results of this study, the department shall submit recommendations by December 1, 2006, to the legislature and the office of financial management regarding reallocating resources and revising regional boundaries within the department, as appropriate, in order to better coincide allocated resources with designated regional boundaries.

(7) \$1,000,000 of the multimodal transportation account--state appropriation is provided solely for implementing Engrossed Substitute House Bill No. 2871. If Engrossed Substitute House Bill No. 2871 is not enacted by June 30, 2006, the amount provided in this subsection shall lapse. The regional transportation commission's

duties to develop, complete, and submit a governance proposal to the 2007 legislature are highly time sensitive. As a result, the director of the office of financial management shall determine that competitive bidding is not cost-effective or appropriate for personal service contracts entered into by the commission, and, by the director's authority under RCW 39.29.011(5), shall exempt any such personal service contract from the competitive bidding requirements of chapter 39.29 RCW.

\$47,274,000

(8) \$2,000,000 of the transportation partnership account--state appropriation is provided solely for the costs of the regional transportation investment district (RTID) election, not including public outreach activities, and department of transportation project oversight. The department shall provide support from its urban corridors region to assist in preparing project costs, expenditure plans, and modeling. The department shall not deduct a management reserve, nor charge management or overhead fees. These funds are provided as a loan to the RTID and shall be repaid to the state motor vehicle account within one year following the certification of the election results related to the RTID. If neither Engrossed Substitute House Bill No. 2871 nor Substitute Senate Bill No. 6599 is enacted by June 30, 2006, the amount provided in this subsection shall lapse. None of this appropriation may be used for election expenses for an election held before January 1, 2007.

(9) \$100,000 of the motor vehicle account--state appropriation is provided solely to the department in accordance with RCW 46.68.110(2) and 46.68.120(3) and shall be used by the department solely to conduct an analysis of expanding the transportation concurrency requirements prescribed under the growth management act, chapter 36.70A RCW, to include development impacts on level of service standards applicable to state-owned transportation facilities, including state highways and state ferry routes. The objective of the analysis is to determine how to ensure that jurisdictional divisions do not defeat growth management act concurrency goals. The department shall convene a committee to oversee the analysis, with the committee comprised of, at a minimum, four members of the transportation committees of the legislature, four members of the appropriate land use committees of the legislature, and one member each from the association of Washington cities and the Washington state association of counties, or a designee thereof. The completed study, including recommendations, must be submitted to the appropriate standing committees of the legislature, and to the office of financial management, by December 1, 2006.

(10) The department of transportation, the Washington state economic revenue forecast council, and the office of financial management shall review and adopt a method of forecasting motor vehicle and special fuel prices, revenue, and the amount of consumption that has an increased rate of accuracy as compared to the existing method. The three agencies shall submit a report to the transportation committees of the legislature by December 1, 2006, outlining the methods researched and the criteria utilized to select and adopt the new fuel forecasting method.

**Sec. 225.** 2005 c 313 s 224 (uncodified) is amended to read as follows:

DEPARTMENT OF TRANSPORTATION	
CHARGES FROM OTHER AGENCIES--PROGRAM U	
<b>FOR THE DEPARTMENT OF TRANSPORTATION--</b>	
<b>CHARGES FROM OTHER AGENCIES--PROGRAM U</b>	
Motor Vehicle Account--State Appropriation . . .	<del>(\$45,030,000)</del>
	<u>\$46,874,000</u>
Motor Vehicle Account--Federal Appropriation . . . . .	\$400,000
TOTAL APPROPRIATION . . . . .	<del>(\$45,430,000)</del>

The appropriations in this section are subject to the following conditions and limitations:

(1) \$31,749,000 of the motor vehicle fund--state appropriation is provided solely for the liabilities attributable to the department of transportation. The office of financial management must provide a detailed accounting of the revenues and expenditures of the self-insurance fund to the transportation committees of the legislature on December 31st and June 30th of each year.

(2) Payments in this section represent charges from other state agencies to the department of transportation.

(a) FOR PAYMENT OF OFFICE OF FINANCIAL MANAGEMENT DIVISION OF RISK

MANAGEMENT FEES . . . . . \$1,667,000

(b) FOR PAYMENT OF COSTS OF THE OFFICE OF THE STATE AUDITOR . . . . . ~~(\$1,017,000)~~

\$1,026,000

(c) FOR PAYMENT OF COSTS OF DEPARTMENT OF GENERAL ADMINISTRATION FACILITIES AND SERVICES AND CONSOLIDATED MAIL SERVICES . . . . . \$4,049,000

(d) FOR PAYMENT OF COSTS OF THE DEPARTMENT OF PERSONNEL . . . . . ~~(\$3,572,000)~~

\$4,548,000

(e) FOR PAYMENT OF SELF-INSURANCE LIABILITY PREMIUMS AND ADMINISTRATION . . . . . \$31,749,000

(f) FOR PAYMENT OF THE DEPARTMENT OF GENERAL ADMINISTRATION CAPITAL PROJECTS

SURCHARGE . . . . . \$1,717,000

(g) FOR ARCHIVES AND RECORDS MANAGEMENT . . . . . \$545,000

(h) FOR OFFICE OF MINORITIES AND WOMEN BUSINESS ENTERPRISES . . . . . ~~(\$1,114,000)~~

\$1,124,000

(i) FOR PAYMENT OF THE DEPARTMENT OF PERSONNEL HRMS PAYROLL SYSTEM . . . . . \$817,000

(j) FOR PAYMENT OF THE OFFICE OF FINANCIAL MANAGEMENT ROADMAP CHARGES . . . . . \$12,000

(k) FOR PAYMENT OF OFFICE OF FINANCIAL MANAGEMENT CAPITAL BUDGET

SYSTEM CHARGES . . . . . \$15,000

(l) FOR PAYMENT OF DEPARTMENT OF INFORMATION SERVICES RATE INCREASES . . . . . \$5,000

**Sec. 226.** 2005 c 313 s 225 (uncodified) is amended to read as follows:

DEPARTMENT OF TRANSPORTATION	
PUBLIC TRANSPORTATION--PROGRAM V	
<b>FOR THE DEPARTMENT OF TRANSPORTATION--PUBLIC</b>	
<b>TRANSPORTATION--PROGRAM V</b>	
Multimodal Transportation	
Account--State Appropriation . . . . .	<del>(\$62,269,000)</del>
	<u>\$87,133,000</u>
Multimodal Transportation	
Account--Federal Appropriation . . . . .	\$2,603,000
Multimodal Transportation	
Account--Private/Local Appropriation . . . . .	\$155,000
TOTAL APPROPRIATION . . . . .	<del>(\$65,027,000)</del>
	<u>\$89,891,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1) \$25,000,000 of the multimodal transportation account--state appropriation is provided solely for a grant program for special needs transportation provided by transit agencies and nonprofit providers of transportation.

(a) \$5,500,000 of the amount provided in this subsection is provided solely for grants to nonprofit providers of special needs transportation. Grants for nonprofit providers shall be based on need, including the availability of other providers of service in the area, efforts to coordinate trips among providers and riders, and the cost effectiveness of trips provided.

(b) \$19,500,000 of the amount provided in this subsection is provided solely for grants to transit agencies to transport persons with special transportation needs. To receive a grant, the transit agency must have a maintenance of effort for special needs transportation that is NO. less than the previous year's maintenance of effort for special needs transportation. Grants for transit agencies shall be prorated based on the amount expended for demand response service and route deviated service in calendar year 2003 as reported in the "Summary of Public Transportation - 2003" published by the department of transportation. NO. transit agency may receive more than thirty percent of these distributions. The first \$450,000 provided to King county shall be used as follows:

(i) \$320,000 shall be used to provide electric buses, instead of diesel buses, for service on Capital Hill in Seattle, Washington through June 30, 2007;

(ii) \$130,000 shall be used to provide training for blind individuals traveling through Rainier Valley and the greater Seattle area. The training is to include destination training and retraining due to the expected closure of the downtown bus tunnel and training on how to use the Sound Transit light rail system.

(2) Funds are provided for the rural mobility grant program as follows:

(a) \$7,000,000 of the multimodal transportation account--state appropriation is provided solely for grants for those transit systems serving small cities and rural areas as identified in the Summary of Public Transportation - 2003 published by the department of transportation. Noncompetitive grants must be distributed to the transit systems serving small cities and rural areas in a manner similar to past disparity equalization programs.

(b) \$7,000,000 of the multimodal transportation account--state appropriation is provided solely to providers of rural mobility service in areas not served or underserved by transit agencies through a competitive grant process.

(3) ~~(\$5,000,000)~~ \$8,900,000 of the multimodal transportation account--state appropriation is provided solely for a vanpool grant program for: (a) Public transit agencies to add vanpools; and (b) incentives for employers to increase employee vanpool use. The grant program for public transit agencies will cover capital costs only; NO. operating costs for public transit agencies are eligible for funding under this grant program. NO. additional employees may be hired from the funds provided in this section for the vanpool grant program, and supplanting of transit funds currently funding vanpools is not allowed. Additional criteria for selecting grants must include leveraging funds other than state funds.

(4) \$3,000,000 of the multimodal transportation account--state appropriation is provided solely for the city of Seattle for the Seattle streetcar project on South Lake Union. ~~((Should the city receive any state funds for this purpose during the 2003-05 or 2005-07 biennium, the amount provided in this subsection must be reduced accordingly.))~~

(5) \$1,200,000 of the multimodal transportation account--state appropriation is provided solely for the implementation of Engrossed

Substitute House Bill No. 2124. If Engrossed Substitute House Bill No. 2124 is not enacted by June 30, 2005, the amount provided in this subsection shall lapse.

(6)(a) \$20,000,000 of the multimodal transportation account--state appropriation is provided solely for the regional mobility grant projects identified on the LEAP Transportation Document 2006-B, Regional Mobility Grant Program Projects as developed February 27, 2006. The department shall review all projects receiving grant awards under this program at least semiannually to determine whether the projects are making satisfactory progress. Any project that has been awarded funds, but does not report activity on the project within one year of the grant award, shall be reviewed by the department to determine whether the grant should be terminated. The department shall promptly close out grants when projects have been completed, and identify where unused grant funds remain because actual project costs were lower than estimated in the grant award. When funds become available either because grant awards have been rescinded for lack of sufficient project activity or because completed projects returned excess grant funds upon project closeout, the department shall expeditiously extend new grant awards to qualified alternative projects identified on the list.

~~(b) Pursuant to the grant program established in ((Engrossed Substitute House Bill No. 2124)) RCW 47.66.030, the department shall issue a call for projects and/or service proposals. Applications must be received by the department by November 1, 2005, and November 1, 2006. The department must submit a prioritized list for funding to the transportation committees of the legislature that reflects the department's recommendation, as well as, a list of all project or service proposals received.~~

(7) \$2,000,000 of the multimodal transportation account--state appropriation is provided solely for new tri-county connection service for Island, Skagit, and Whatcom transit agencies.

(8) \$2,000,000 of the multimodal transportation account--state appropriation is provided solely to King county as a state match to obtain federal funding for a car sharing program for persons meeting certain income or employment criteria.

(9) \$750,000 of the multimodal transportation account--state appropriation is provided solely for the implementation of the local government and regional transportation planning requirements in Engrossed Substitute House Bill No. 3089 (commute trip reduction). The department may use contract or temporary employees to implement the bill and shall allocate the remaining funds to regional transportation planning organizations, counties, and cities on an as needed basis. If Engrossed Substitute House Bill No. 3089 is not enacted by June 30, 2006, the amount provided in this subsection shall lapse.

(10) \$200,000 of the multimodal account appropriation is provided solely for up to three low-income car ownership programs. The department shall seek to leverage available federal funds from the job access and reverse commute program to augment the funding provided in this subsection. Additionally, the department shall report back to the appropriate committees of the legislature with a review of the obstacles presented by state laws on surplus property disposal to community organizations reconditioning cars and selling those cars at below market rates to low-income families.

**Sec. 227.** 2005 c 313 s 226 (uncodified) is amended to read as follows:

DEPARTMENT OF TRANSPORTATION

MARINE--PROGRAM X

**FOR THE DEPARTMENT OF TRANSPORTATION--  
MARINE--PROGRAM X**

Puget Sound Ferry Operations	
Account--State Appropriation . . . . .	<del>(\$350,454,000)</del>
	<u>\$372,254,000</u>
Multimodal Transportation	
Account--State Appropriation . . . . .	\$3,660,000
TOTAL APPROPRIATION . . . . .	<del>(\$354,114,000)</del>
	<u>\$375,914,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1) ~~(\$57,928,000)~~ \$75,280,000 of the total appropriation is provided solely for auto ferry vessel operating fuel in the 2005-2007 biennium.

(2) ((The total appropriation provides for the compensation of ferry employees. The expenditures for compensation paid to ferry employees during the 2005-2007 biennium may not exceed \$222,356,000, plus a dollar amount, as prescribed by the office of financial management, that is equal to any insurance benefit increase granted general government employees in excess of \$584.58 a month annualized per eligible marine employee multiplied by the number of eligible marine employees for fiscal year 2006 and \$584.58 a month annualized per eligible marine employee multiplied by the number of eligible marine employees for fiscal year 2007, a dollar amount as prescribed by the office of financial management for costs associated with pension amortization charges, and a dollar amount prescribed by the office of financial management for salary increases during the 2005-2007 biennium. For the purposes of this section, the expenditures for compensation paid to ferry employees shall be limited to salaries and wages and employee benefits as defined in the office of financial management's policies, regulations, and procedures named under objects of expenditure "A" and "B" (7.2.6.2).)) The maximum amount of expenditures for compensation paid to ferry employees during the 2005-2007 biennium shall not exceed \$226,455,000. This amount reflects the sole source of state funding available to support the implementation of any collective bargaining agreements or arbitration awards with respect to state ferry employee compensation, including salaries, wages, and employee benefits, during the 2005-2007 biennium, which amount includes \$6,223,000 in full satisfaction of the arbitration awards for the 2001-2003 biennium and \$1,339,000 for labor productivity gains agreements. The department's use of this expenditure authority constitutes a good faith attempt to implement such agreements and awards, including those applicable to prior biennia. It is the intent of the legislature that the expenditure authority provided in this subsection fully satisfy any agreements or awards required to be implemented during the 2005-2007 biennium, and that the provisions of Substitute House Bill No. 3178 (marine employees collective bargaining) will govern the implementation of agreements or awards effective beginning with the 2007-2009 biennium. For the purposes of this section, the expenditures for compensation paid to ferry employees shall be limited to salaries and wages and employee benefits as defined in the office of financial management's state administrative and accounting manual, chapter 75.70, named under objects of expenditure "A" and "B".

(3) \$1,116,000 of the Puget Sound ferry operations account--state appropriation is provided solely for ferry security operations necessary to comply with the ferry security plan submitted by the Washington state ferry system to the United States coast guard. The department shall track security costs and expenditures. Ferry security operations costs shall not be included as part of the operational costs that are used to calculate farebox recovery.

(4) The Washington state ferries must work with the department's information technology division to implement an electronic fare system, including the integration of the regional fare coordination system (smart card). Each December and June, semi-annual updates must be provided to the transportation committees of the legislature concerning the status of implementing and completing this project, with updates concluding the first December after full project implementation.

(5) The Washington state ferries shall continue to provide service to Sidney, British Columbia.

(6) \$3,660,000 of the multimodal transportation account--state appropriation is provided solely to provide passenger-only ferry service. The ferry system shall continue passenger-only ferry service from Vashon Island to Seattle through June 30, 2007. Beginning September 1, 2005, ferry system management shall implement its agreement with the Inlandboatmen's Union of the Pacific and the International Organization of Masters, Mates and Pilots providing for part-time passenger-only work schedules. ~~((Funds may not be spent to implement the results of the passenger-only ferry study conducted by the joint transportation committee provided in section 205 of this act until approved by the legislature.))~~

(7) \$350,000 of the Puget Sound ferry operations account--state appropriation is provided solely for the implementation of Substitute House Bill No. 3178 (marine employees collective bargaining). If Substitute House Bill No. 3178 is not enacted by June 30, 2006, the amount provided in this subsection shall lapse.

**Sec. 228.** 2005 c 313 s 227 (uncodified) is amended to read as follows:

DEPARTMENT OF TRANSPORTATION	
RAIL--PROGRAM Y--OPERATING	
<b>FOR THE DEPARTMENT OF TRANSPORTATION--RAIL--PROGRAM Y--OPERATING</b>	
Multimodal Transportation	
Account--State Appropriation . . . . .	<del>(\$36,420,000)</del>
	<u>\$36,826,000</u>

The appropriation in this section is subject to the following conditions and limitations:

(1) \$29,091,000 of the multimodal transportation account--state appropriation is provided solely for the Amtrak service contract and Talgo maintenance contract associated with providing and maintaining the state-supported passenger rail service.

(2) \$2,750,000 of the multimodal transportation account--state appropriation is provided solely for a new round trip rail service between Seattle and Portland beginning July 1, 2006.

(3) NO. AMTRAK Cascade runs may be eliminated.

(4) ~~(\$200,000)~~ \$40,000 of the multimodal transportation account--state appropriation is provided solely for the produce railcar program. The department is encouraged to implement the produce railcar program by maximizing private investment.

**Sec. 229.** 2005 c 313 s 228 (uncodified) is amended to read as follows:

DEPARTMENT OF TRANSPORTATION	
LOCAL PROGRAMS--PROGRAM Z--OPERATING	
<b>FOR THE DEPARTMENT OF TRANSPORTATION--LOCAL PROGRAMS--PROGRAM Z--OPERATING</b>	
Motor Vehicle Account--State Appropriation . . . . .	<del>(\$7,947,000)</del>
	<u>\$8,500,000</u>
Motor Vehicle Account--Federal Appropriation . . . . .	\$2,597,000
Multimodal Transportation	

Account--State Appropriation . . . . .	<del>((211,000))</del>
	<u>\$411,000</u>
TOTAL APPROPRIATION . . . . .	<del>((10,755,000))</del>
	<u>\$11,508,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1) ~~\$211,000~~ of the motor vehicle account--state appropriation and ~~((211,000))~~ \$411,000 of the multimodal transportation account--state appropriation are provided solely for the state's contribution to county and city studies of flood hazards in association with interstate highways. First priority shall be given to threats along the I-5 corridor.

(2) \$525,000 of the motor vehicle account--state appropriation is provided solely to the department in accordance with RCW 46.68.110(2) and 46.68.120(3) and shall be used by the department solely for contract services with the association of Washington cities and the Washington state association of counties for improving transportation permitting and mitigation processes.

**TRANSPORTATION AGENCIES--CAPITAL**

**Sec. 301.** 2005 c 313 s 302 (uncodified) is amended to read as follows:

COUNTY ROAD ADMINISTRATION BOARD  
**FOR THE COUNTY ROAD ADMINISTRATION BOARD**

Rural Arterial Trust Account--State Appropriation <del>((67,933,000))</del>	
	<u>\$64,933,000</u>
Motor Vehicle Account--State Appropriation . . . . .	\$355,000
County Arterial Preservation	
Account--State Appropriation . . . . .	<del>((30,392,000))</del>
	<u>\$32,697,000</u>
TOTAL APPROPRIATION . . . . .	<del>((98,680,000))</del>
	<u>\$97,985,000</u>

The appropriations in this section are subject to the following conditions and limitations: \$355,000 of the motor vehicle account--state appropriation is provided for county ferries as set forth in RCW 47.56.725(4).

**Sec. 302.** 2005 c 313 s 303 (uncodified) is amended to read as follows:

TRANSPORTATION IMPROVEMENT BOARD  
**FOR THE TRANSPORTATION IMPROVEMENT BOARD**

Urban Arterial Trust	
Account--State Appropriation . . . . .	<del>((99,425,000))</del>
	<u>\$101,425,000</u>
Small City Preservation and Sidewalk	
Account--State Appropriation . . . . .	\$2,000,000
Transportation Improvement	
Account--State Appropriation . . . . .	<del>((103,601,000))</del>
	<u>\$94,401,000</u>
TOTAL APPROPRIATION . . . . .	<del>((205,026,000))</del>
	<u>\$197,826,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1) The transportation improvement account--state appropriation includes up to \$14,143,000 in proceeds from the sale of bonds authorized in RCW 47.26.500. ~~((The transportation improvement board may authorize the use of current revenues available to the~~

~~agency in lieu of bond proceeds for any part of the state appropriation.))~~

(2) \$2,000,000 of the small city preservation and sidewalk account--state appropriation is provided to fund the provisions of chapter 83, Laws of 2005 (Substitute Senate Bill No. 5775).

**Sec. 303.** 2005 c 313 s 304 (uncodified) is amended to read as follows:

DEPARTMENT OF TRANSPORTATION  
 PROGRAM D (DEPARTMENT OF TRANSPORTATION-ONLY PROJECTS)

**FOR THE DEPARTMENT OF TRANSPORTATION--PROGRAM D (DEPARTMENT OF TRANSPORTATION-ONLY PROJECTS)--CAPITAL**

Motor Vehicle Account--State Appropriation . . . . .	<del>((2,492,000))</del>
	<u>\$2,328,000</u>

The appropriation in this section is subject to the following conditions and limitations:

(1) ~~((601,000))~~ \$584,000 of the motor vehicle account--state appropriation is provided solely for ~~((the))~~ statewide administration.

(2) \$632,000 of the motor vehicle account--state appropriation is provided solely for regional minor projects.

(3) ~~((224,000))~~ \$305,000 of the motor vehicle account--state appropriation is provided solely for designing the replacement of the existing outdated maintenance facility in Ephrata.

(4) ~~((219,000))~~ \$239,000 of the motor vehicle account--state appropriation is provided solely for the designing of the northwest regional maintenance complex in Seattle.

(5) ~~((833,000))~~ \$568,000 of the motor vehicle account--state appropriation is provided solely for the Olympic region headquarters project.

(a) The department of transportation is authorized to use certificates of participation for the financing of the Olympic region project in the amount of \$34,874,000 plus financing expenses and required reserves pursuant to chapter 39.94 RCW.

(b) The Washington state department of transportation may utilize the design-build process in accordance with chapter 39.10 RCW for the Olympic region project. If the design-build process is used, it may be developed in partnership with the department of general administration.

**Sec. 304.** 2005 c 313 s 305 (uncodified) is amended to read as follows:

DEPARTMENT OF TRANSPORTATION  
 IMPROVEMENTS--PROGRAM I

**FOR THE DEPARTMENT OF TRANSPORTATION--IMPROVEMENTS--PROGRAM I**

Transportation 2003 Account	
(Nickel Account)--State Appropriation . . . . .	<del>((1,175,004,000))</del>
	<u>\$1,180,217,000</u>
Motor Vehicle Account--State Appropriation . . . . .	<del>((70,359,000))</del>
	<u>\$82,236,000</u>
Motor Vehicle Account--Federal Appropriation . . . . .	<del>((229,036,000))</del>
	<u>\$390,742,000</u>

Motor Vehicle

Account--Private/Local Appropriation . . . . .	<del>((33,893,000))</del>
	<u>\$58,522,000</u>

Special Category C Account--State Appropriation . . . . .

	<del>((3,419,000))</del>
	<u>\$3,961,000</u>

Tacoma Narrows Toll Bridge

Account Appropriation . . . . .	<del>((272,329,000))</del>
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	<u>\$274,038,000</u>
Transportation Partnership	
Account--State Appropriation . . . . .	( <del>(\$519,786,000)</del> )
	<u>\$384,186,000</u>
<u>Multimodal Transportation</u>	
Account--State Appropriation . . . . .	<u>\$1,002,000</u>
TOTAL APPROPRIATION . . . . .	( <del>(\$2,303,826,000)</del> )
	<u>\$2,374,904,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1) The entire transportation 2003 account (nickel account) appropriation and the entire transportation partnership account appropriation are provided solely for the projects and activities as listed by fund, project and amount in LEAP Transportation Document (~~(2005-6)~~) 2006-1, Highway Improvement Program (I) as developed (~~(April 24, 2005)~~) February 27, 2006, except for: Funding for SR 522 for the Paradise Lake road and Snohomish River bridge sections. Instead, this funding is returned to its original allocations under the nickel program. However, limited transfers of allocations between projects may occur for those amounts listed subject to the conditions and limitations in section 603 of this act.

~~((b))~~ (a) Within the amounts provided in this subsection, (~~(\$5,000,000)~~) \$6,835,000 of the transportation partnership account--state appropriation (~~is provided solely~~), \$5,002,000 of the transportation 2003 account (nickel account)--state appropriation, and \$2,645,000 of the motor vehicle account--federal appropriation are for project (~~(+09040S)~~) 109040T: I-90/Seattle to Mercer Island - Two way transit/HOV. Expenditure of these funds is contingent upon the development of an access plan that provides equitable and dependable access for I-90 Mercer Island exit and entry.

~~((c))~~ (b) Within the amounts provided in this subsection, \$500,000 of the transportation partnership account--state appropriation is (~~provided solely~~) for a west Olympia access study, to complete an access study for state route 101/west Olympia.

~~((d))~~ (c) Within the amounts provided in this subsection, \$800,000 of the transportation partnership account--state appropriation is (~~provided solely~~) for an SR 534 access point decision report.

~~((e))~~ (d) Within the amounts provided within this subsection, (~~(\$435,000,000)~~) \$6,000,000 of the transportation partnership account--state appropriation is (~~provided solely~~) for project 509009B: I-90 Snoqualmie Pass East - Hyak to Keechelus dam. However, if the preferred alternative selected for this project results in a lower total project cost, the remaining funds may be used for concrete rehabilitation on I-90 in the vicinity of this project.

(2) The motor vehicle account--state appropriation includes (~~(\$53,000,000)~~) up to \$40,000,000 in proceeds from the sale of bonds authorized by RCW 47.10.843. (~~The transportation commission may authorize the use of current revenues available to the department of transportation in lieu of bond proceeds for any part of the state appropriation.~~)

(3) The department shall not commence construction on any part of the SR 520 bridge project until agreements have been reached with the incorporated towns or cities that represent the communities affected by the SR 520 project. The agreements must provide reasonable assurance that NO. further degradation will occur to the citizens' current use and enjoyment of their properties as a result of repairs and improvements made to the SR 520 bridge and its connecting roadways. Such assurances may be achieved through engineering design choices, mitigation measures, or a combination of both.

(4) The transportation partnership account--state appropriation includes (~~(\$400,000,000)~~) up to \$150,000,000 in proceeds from the sale of bonds authorized (~~(by Substitute House Bill No. 2311 (or the version as enacted into law))~~) in RCW 47.10.873. (~~The transportation commission may authorize the use of current revenues available to the department of transportation in lieu of bond proceeds for any part of the state appropriation.~~)

(5) The Tacoma Narrows toll bridge account--state appropriation includes up to \$257,016,000 in proceeds from the sale of bonds authorized by RCW 47.10.843. The Tacoma Narrows toll bridge account--state appropriation includes (~~(\$15,313,000)~~) up to \$17,022,000 in unexpended proceeds from the (~~(January 2003)~~) March 2005 bond sale authorized in RCW 47.10.843 for the Tacoma Narrows bridge project.

(6) The transportation 2003 account (nickel account)--state appropriation includes (~~(\$940,000,000)~~) up to \$885,000,000 in proceeds from the sale of bonds authorized by chapter 147, Laws of 2003. (~~The transportation commission may authorize the use of current revenues available to the department of transportation in lieu of bond proceeds for any part of the state appropriation.~~)

~~---~~ (~~7~~) To manage some projects more efficiently, federal funds may be transferred from program Z to program I and replaced with state funds in a dollar-for-dollar match. Fund transfers authorized under this subsection shall not affect project prioritization status. Appropriations shall initially be allotted as appropriated in this act. The department shall not transfer funds as authorized under this subsection without approval of the transportation commission and the director of financial management. The department shall submit a report on those projects receiving fund transfers to the transportation committees of the senate and house of representatives by December ~~1, 2006.~~

~~---~~ (~~8~~) (~~7~~) The department shall, on a quarterly basis beginning July 1, 2005, provide to the office of financial management and the legislature reports providing the status on each project in the project lists submitted pursuant to this act (~~and on any additional projects for which the department has expended funds during the 2005-07 fiscal biennium~~). Other projects may be reported on a programmatic basis. The department shall work with the office of financial management and the transportation committees of the legislature to agree on report formatting and elements. Elements shall include, but not be limited to, project scope, schedule, and costs. The department shall also provide the information required under this subsection on a quarterly basis via the transportation executive information systems (TEIS).

~~((9))~~ (8) The department of transportation shall conduct an analysis of the causes of traffic congestion on I-5 in the vicinity of Fort Lewis and develop recommendations for alleviating the congestion. The department must report to the transportation committees of the legislature by December 1, 2005, on its analysis and recommendations regarding traffic congestion on I-5 in the vicinity of Fort Lewis.

~~((10))~~ (9) The department of transportation is authorized to proceed with the SR 519 Intermodal Access project if the city of Seattle has not agreed to a project configuration or design by July 1, 2006.

~~((12) \$13,000,000)~~ (10) \$12,841,000 of the transportation 2003 account (nickel account)--state appropriation and (~~(\$5,000,000)~~) \$4,939,000 of the transportation partnership account--state appropriation are provided solely for construction of a new interchange on SR 522 to provide direct access to the University of Washington Bothell/Cascadia community college joint campus. This appropriation assumes an additional (~~(\$8,000,000)~~) \$8,061,000 will



be provided in the 2007-09 biennium from the transportation partnership account.

(11) The motor vehicle account--state appropriation includes up to \$14,214,000 in unexpended proceeds from the sale of bonds authorized in RCW 47.10.843.

(12) The special category C account--state appropriation includes up to \$1,710,000 in unexpended proceeds from the sale of bonds authorized in RCW 47.10.812.

(13) The department should consider using mitigation banking on appropriate projects whenever possible, without increasing the cost to projects. The department should consider using the advanced environmental mitigation revolving account (AEMRA) for corridor and watershed based mitigation opportunities, in addition to project specific mitigation.

(14) \$6,200,000 of the motor vehicle account--federal appropriation is provided solely for eastern Washington international border crossing and freight mobility projects, including pavement preservation, pavement structural strengthening, and other safety enhancements. Projects shall include funding for U.S. route 97 international border vicinity paving and improvement projects, and the Usk Bridge.

(15) \$19,262,149 of the motor vehicle account--federal appropriation and \$1,873,478 of the transportation 2003 account (nickel account) appropriation are provided solely for project 154302E: SR 543 (I-5 to the international boundary).

(16) \$3,509,738 of the motor vehicle account--federal appropriation and \$30,793 of the motor vehicle account--state appropriation are provided solely for project 100598C: I-5 Blaine Exit interchange improvements.

(17) \$250,000 of the transportation 2003 (nickel) account appropriation within the SR 520 project funding for project design is provided solely for the city of Seattle to prepare a plan for addressing the impacts of the SR 520 bridge replacement and HOV project on Seattle neighborhoods, parks, and institutions of higher education. In evaluating the project's impacts, the city shall give great weight to the concerns of neighborhoods and institutions of higher education impacted by design proposals. The mayor and council shall convene the advisory committee. The mayor and council shall have final approval of the plan. The legislature intends that the plan will allow a comprehensive approach to mitigating the impacts of the project and that the city presents the plan to the state department of transportation. The state department of transportation shall not commence construction on any part of the SR 520 bridge replacement and HOV project until agreements have been reached with the city, consistent with the 520 expansion impact plan.

The city must designate representation from the community council of each neighborhood impacted by the SR 520 bridge replacement and HOV project and representation from the arboretum to serve on an advisory committee to guide the planning process and plan preparation of the 520 expansion impact plan. The University of Washington shall designate a representative to serve on the advisory committee. The secretary of the state department of transportation shall designate a representative to serve on the advisory committee. The funds provided may be spent to contract with a consultant to: (a) Facilitate the activities of the advisory committee; (b) analyze impacts of alternative designs; (c) perform conceptual design work on proposals made by the advisory committee; and (d) prepare mitigation plans for alternative design concepts.

(18) After April 1, 2006, the Washington state department of transportation shall continue planning for the Alaskan Way viaduct

only for alternatives described in the environmental impact statement for which full funding is appropriated, earmarked, or in hand.

(19) Prior to commencing construction, the department of transportation must complete all of the following requirements for both the Alaskan Way viaduct and Seattle seawall replacement project, and the state route number 520 bridge replacement and HOV project: (a) In accordance with the national environmental policy act, the department must designate the preferred alternative, prepare a substantial project mitigation plan, and complete a comprehensive cost estimate review using the department's cost estimate validation process, for each project; (b) in accordance with all applicable federal highway administration planning and project management requirements, the department must prepare a project finance plan for each project that clearly identifies secured and anticipated fund sources, cash flow timing requirements, and project staging and phasing plans if applicable; and (c) the department must report these results for each project to the joint transportation committee.

**Sec. 305.** 2005 c 313 s 306 (uncodified) is amended to read as follows:

DEPARTMENT OF TRANSPORTATION  
PRESERVATION--PROGRAM P  
**FOR THE DEPARTMENT OF TRANSPORTATION--  
PRESERVATION--PROGRAM P**  
Transportation 2003 Account

(Nickel Account)--State Appropriation . . . . .	(\$10,622,000)
	\$1,687,000
Motor Vehicle Account--State Appropriation . . . . .	(\$76,824,000)
	\$104,330,000
Motor Vehicle Account--Federal Appropriation . . . . .	(\$404,360,000)
	\$431,311,000
Motor Vehicle	
Account--Private/Local Appropriation . . . . .	(\$6,656,000)
	\$8,485,000
Puyallup Tribal Settlement	
Account--State Appropriation . . . . .	\$11,000,000
Transportation Partnership	
Account--State Appropriation . . . . .	(\$139,533,000)
	\$24,540,000
TOTAL APPROPRIATION . . . . .	(\$648,995,000)
	\$581,353,000

The appropriations in this section are subject to the following conditions and limitations:

(1) The entire transportation 2003 account (nickel account) appropriation and the entire transportation partnership account appropriation are provided solely for the projects and activities as listed by fund, project and amount in LEAP Transportation Document ((2005-6) 2006-1, Highway Preservation Program (P) as developed ((April 24, 2005)) February 27, 2006. However, limited transfers of allocations between projects may occur for those amounts listed subject to the conditions and limitations in section 603 of this act.

~~((a) Within the amounts provided in this subsection, \$139,033,000 of the transportation partnership account--state appropriation is provided solely for implementation of structures preservation (P2) projects.~~

~~(b) Within the amounts provided in this subsection, \$500,000 of the transportation partnership account--state appropriation is provided solely for implementation of other facilities (P3) projects.)~~

(2) \$11,000,000 of the Puyallup tribal settlement account--state appropriation is provided solely for mitigation costs associated with

the Murray Morgan/~~(Hst)~~ 11th Street Bridge demolition. The department may negotiate with the city of Tacoma for the purpose of transferring ownership of the Murray Morgan/11th Street Bridge to the city. The department may use the Puyallup tribal settlement account appropriation, as well as any funds appropriated in the current biennium and planned in future biennia for the demolition and mitigation for the demolition of the bridge to rehabilitate or replace the bridge, if agreed to by the city. In NO. event shall the department's participation exceed \$26,500,000 and NO. funds may be expended unless the city of Tacoma agrees to take ownership of the bridge in its entirety and provide that the payment of these funds extinguishes any real or implied agreements regarding future expenditures on the bridge.

(3) ~~(\$11,590,000)~~ \$740,000 of the motor vehicle account--state appropriation, ~~(\$95,299,000)~~ \$106,149,000 of the motor vehicle account--federal appropriation, and ~~(\$13,591,000)~~ \$10,305,000 of the transportation partnership account--state appropriation are provided solely for the Hood Canal bridge project.

(4) The motor vehicle account--state appropriation includes ~~(\$530,000)~~ up to \$735,000 in unexpended proceeds from the sale of bonds authorized in RCW 47.10.761 and 47.10.762 for emergency purposes.

(5) The department of transportation shall continue to implement the lowest life cycle cost planning approach to pavement management throughout the state to encourage the most effective and efficient use of pavement preservation funds. Emphasis should be placed on increasing the number of roads addressed on time and reducing the number of roads past due.

~~(6) (To manage some projects more efficiently, federal funds may be transferred from program Z to program P and replaced with state funds in a dollar-for-dollar match. Fund transfers authorized under this subsection shall not affect project prioritization status. Appropriations shall initially be allotted as appropriated in this act. The department shall not transfer funds as authorized under this subsection without approval of the transportation commission and the director of financial management. The department shall submit a report on those projects receiving fund transfers to the transportation committees of the senate and house of representatives by December 1, 2006.~~

~~(7))~~ The department shall, on a quarterly basis beginning July 1, 2005, provide to the office of financial management and the legislature reports providing the status on each project in the project lists submitted pursuant to this act ~~(and on any additional projects for which the department has expended funds during the 2005-07 fiscal biennium)~~. Other projects may be reported on a programmatic basis. The department shall work with the office of financial management and the transportation committees of the legislature to agree on report formatting and elements. Elements shall include, but not be limited to, project scope, schedule, and costs. The department shall also provide the information required under this subsection on a quarterly basis via the transportation executive information systems (TEIS).

(7) The motor vehicle account--state appropriation includes up to \$912,000 in unexpended proceeds from the sale of bonds authorized in RCW 47.10.843.

(8) The motor vehicle account--state appropriation includes up to \$15,000,000 in proceeds from the sale of bonds authorized by House Bill No. 3315. Of this amount \$10,000,000 is for repair of unstable slopes that threaten state highways and \$5,000,000 is for emergency repairs. Slide repair on state routes 101, 4, 105, and 107 must be funded from the amount provided in this subsection if federal emergency funds are not available.

**Sec. 306.** 2005 c 313 s 307 (uncodified) is amended to read as follows:

DEPARTMENT OF TRANSPORTATION  
TRAFFIC OPERATIONS--PROGRAM Q--CAPITAL  
**FOR THE DEPARTMENT OF TRANSPORTATION--  
TRAFFIC OPERATIONS--PROGRAM Q--CAPITAL**

Motor Vehicle Account--State Appropriation . . .	<del>(\$17,519,000)</del>
	<u>\$17,555,000</u>
Motor Vehicle Account--Federal Appropriation . . . . .	\$15,068,000
Motor Vehicle Account--Local Appropriation . . . . .	\$108,000
TOTAL APPROPRIATION . . . . .	<del>(\$32,695,000)</del>
	<u>\$32,731,000</u>

The appropriations in this section are subject to the following conditions and limitations: The motor vehicle account--state appropriation includes \$11,255,000 for state matching funds for federally selected competitive grant or congressional earmark projects other than the commercial vehicle information systems and network. These moneys shall be placed into reserve status until such time as federal funds are secured that require a state match.

**Sec. 307.** 2005 c 313 s 308 (uncodified) is amended to read as follows:

DEPARTMENT OF TRANSPORTATION  
WASHINGTON STATE FERRIES CONSTRUCTION--PROGRAM W  
**FOR THE DEPARTMENT OF TRANSPORTATION--  
WASHINGTON STATE FERRIES CONSTRUCTION--  
PROGRAM W**

Puget Sound Capital Construction Account--State Appropriation . . . . .	<del>(\$153,184,000)</del>
	<u>\$122,324,000</u>
Puget Sound Capital Construction Account--Federal Appropriation . . . . .	<del>(\$59,967,000)</del>
	<u>\$73,590,000</u>
Puget Sound Capital Construction Account--Private/Local Appropriation . . . . .	\$26,000
Multimodal Transportation Account--State Appropriation . . . . .	\$13,249,000
Transportation 2003 Account (Nickel Account)--State Appropriation . . . . .	<del>(\$34,987,000)</del>
	<u>\$34,991,000</u>
TOTAL APPROPRIATION . . . . .	<del>(\$261,413,000)</del>
	<u>\$244,180,000</u>

The appropriations in this section are provided for improving the Washington state ferry system, including, but not limited to, vessel construction, major and minor vessel preservation, and terminal preservation, construction, and improvements. The appropriations in this section are subject to the following conditions and limitations:

(1) The Puget Sound capital construction account--state appropriation includes ~~(\$72,000,000)~~ up to \$40,950,000 in proceeds from the sale of bonds authorized by RCW 47.10.843 for vessel and terminal acquisition, major and minor improvements, and long lead time materials acquisition for the Washington state ferries. ~~((The transportation commission may authorize the use of current revenues available to the motor vehicle account in lieu of bond proceeds for any part of the state appropriation.))~~

(2) The multimodal transportation account--state appropriation includes up to \$10,249,000 in proceeds from the sale of bonds authorized by RCW 47.10.867. ~~((The transportation commission may authorize the use of current revenues available to the department~~

of transportation in lieu of bond proceeds from any part of the state appropriation:))

(3) \$15,617,000 of the Puget Sound capital construction account--state appropriation is provided solely for the Eagle Harbor Terminal Preservation project.

(4) The entire transportation 2003 account (nickel account) appropriation and \$10,249,000 of the multimodal transportation account--state appropriation are provided solely for the projects and activities as listed by fund, project and amount in LEAP Transportation Document ((2005-6) 2006-1, Ferries Construction Program (W) as developed ((April 24, 2005) February 27, 2006. However, limited transfers of allocations between projects may occur for those amounts listed subject to the conditions and limitations in section 603 of this act.

(5) The department shall, on a quarterly basis beginning July 1, 2005, provide to the office of financial management and the legislature reports providing the status on each project in the project lists submitted pursuant to this act and on any additional projects for which the department has expended funds during the 2005-07 fiscal biennium. Elements shall include, but not be limited to, project scope, schedule, and costs. The department shall also provide the information required under this subsection via the transportation executive information systems (TEIS).

~~((6) \$3,000,000 of the multimodal transportation account--state appropriation is provided solely to implement approved recommendations of the stakeholder task force convened to study the most reliable and cost-effective means of providing passenger-only ferry service. The funds provided in this subsection shall be placed in reserve by the office of financial management. The funds may not be released until approved by the legislature.))~~

(6) The multimodal transportation account--state appropriation includes up to \$1,170,000 in unexpended proceeds from the sale of bonds authorized in RCW 47.10.867.

(7) \$37,117,000 of the Puget Sound capital construction account--state appropriation is provided solely for the design, acquisition of equipment, and construction of 144-car capacity vessels.

**Sec. 308.** 2005 c 313 s 309 (uncodified) is amended to read as follows:

DEPARTMENT OF TRANSPORTATION  
RAIL--PROGRAM Y--CAPITAL  
**FOR THE DEPARTMENT OF TRANSPORTATION--RAIL--PROGRAM Y--CAPITAL**  
Essential Rail Assistance

Account--State Appropriation	.....	\$250,000
Multimodal Transportation		
Account--State Appropriation	.....	<del>(\$67,158,000)</del>
		<u>\$69,176,000</u>
Multimodal Transportation		
Account--Private/Local Appropriation	.....	\$8,287,000
Multimodal Transportation		
Account--Federal Appropriation	.....	<del>(\$11,966,000)</del>
		<u>\$17,268,000</u>
TOTAL APPROPRIATION	.....	<del>(\$88,161,000)</del>
		<u>\$94,981,000</u>

The appropriations in this section are subject to the following conditions and limitations:

(1) The multimodal transportation account--state appropriation includes up to \$33,435,000 in proceeds from the sale of bonds and up to \$830,000 in unexpended bond proceeds authorized by RCW

47.10.867. ((The transportation commission may authorize the use of current revenues available to the department of transportation in lieu of bond proceeds from any part of the state appropriation:))

(2) If federal block grant funding for freight or passenger rail is received, the department shall consult with the transportation committees of the legislature prior to spending the funds on additional projects.

(3)(a) ~~(\$67,158,000)~~ \$68,926,000 of the multimodal transportation account--state appropriation, ~~(\$11,966,000)~~ \$17,268,000 of the multimodal transportation account--federal appropriation, \$8,287,000 of the multimodal transportation account--local appropriation, and \$250,000 of the essential rail assistance account are provided solely for the projects and activities as listed by fund, project and amount in LEAP Transportation Document ((2005-2) 2006-C, Rail Capital Program (Y) as developed ((April 23, 2005) February 27, 2006, except for the projects: "Palouse River & Coulee City RR Acquisition" and "PR & CC Cheney-Coulee-Pullman Upgrades." Instead, these projects and their funding shall be combined into one project. However, limited transfers of allocations between projects may occur for those amounts listed subject to the conditions and limitations in section 603 of this act.

(b) Within the amounts provided in this subsection, \$6,500,000 of the multimodal transportation account--state appropriation is ~~(provided solely)~~ for the two commuter rail projects listed in the LEAP Transportation Document ((2005-6) 2006-C, Rail Capital Program (Y) as developed ((April 24, 2005) February 27, 2006.

(c) The office of financial management shall negotiate the purchase of the CW line. The purchase agreement must include both the operating and capital rights of the CW line. If the office of financial management is unable to negotiate the purchase of the CW line, the office may stop all negotiations and acquire the line and operational rights through any other alternative means available. The office of financial management shall also negotiate a new operational agreement for the line, in consultation with local governments and other stakeholders.

(d) The office of financial management shall negotiate a new operating agreement on the P&L and PV Hooper lines, in consultation with local governments and other stakeholders. If the office of financial management is unable to negotiate a new operating agreement for the lines, the office may stop all negotiations and acquire the operational rights through any other alternative means available.

(4) If the department issues a call for projects, applications must be received by the department by November 1, 2005, and November 1, 2006.

(5) \$50,000 of the multimodal transportation account--state appropriation is provided solely for a study of eastern Skagit county freight rail. The study shall examine the feasibility of restoring portions of freight rail line to the towns of Lyman, Hamilton, and Concrete. The study must also identify existing and potential industrial sites available for development and redevelopment, and the freight rail service needs of the identified industrial sites.

(6) The department shall finalize and issue the Amtrak Cascades long range plan update as of the effective date of this act.

(7) Funds provided for the Tacoma rail improvement project may be expended for preconstruction engineering, but construction shall not begin until Tacoma rail transfers ownership to local jurisdictions of the tracks from the new interconnect in Thurston county south.

(8) \$3,500,000 of the multimodal transportation account--state appropriation is provided solely for construction of a rail loop at the Port of Walla Walla including five turnouts, potable water system,

fire flow system, property acquisition, and relocation of an irrigation line.

**Sec. 309.** 2005 c 313 s 310 (uncodified) is amended to read as follows:

DEPARTMENT OF TRANSPORTATION  
LOCAL PROGRAMS--PROGRAM Z--CAPITAL  
**FOR THE DEPARTMENT OF TRANSPORTATION--LOCAL PROGRAMS--PROGRAM Z--CAPITAL**  
Highway Infrastructure  
Account--State Appropriation . . . . . \$207,000  
Highway Infrastructure  
Account--Federal Appropriation . . . . . \$1,602,000  
Motor Vehicle Account--Federal Appropriation . . . . . ~~(\$18,221,000)~~  
. . . . . \$23,798,000  
Motor Vehicle Account--State Appropriation . . . . . ~~(\$6,702,000)~~  
. . . . . \$5,840,000

Transportation Partnership  
Account--State Appropriation . . . . . \$2,008,000  
Freight Mobility Investment  
Account--State Appropriation . . . . . ~~(\$12,000,000)~~  
. . . . . \$6,000,000  
Multimodal Transportation  
Account--State Appropriation . . . . . ~~(\$36,002,000)~~  
. . . . . \$40,403,000

Transportation 2003 Account  
(nickel account)--State Appropriation . . . . . \$557,000  
Freight Mobility Multimodal  
Account--State Appropriation . . . . . \$9,700,000  
TOTAL APPROPRIATION . . . . . ~~(\$74,734,000)~~  
. . . . . \$90,115,000

The appropriations in this section are subject to the following conditions and limitations:

- (1) To manage some projects more efficiently, federal funds may be transferred from program Z to programs I and P and state funds shall be transferred from programs I and P to program Z to replace those federal funds in a dollar-for-dollar match. Fund transfers authorized under this subsection shall not affect project prioritization status. Appropriations shall initially be allotted as appropriated in this act. The department may not transfer funds as authorized under this subsection without approval of the ~~((transportation commission))~~ office of financial management. The department shall submit a report on those projects receiving fund transfers to the transportation committees of the senate and house of representatives by December 1, 2006.
- (2) The department shall, on a quarterly basis, provide status reports to the legislature on the delivery of projects as outlined in the project lists distributed with this act, and on any additional projects for which the department has expended funds during the 2005-07 fiscal biennium, except for projects managed by the freight mobility strategic investment board. The department shall work with the transportation committees of the legislature to agree on report formatting and elements. For projects funded by new revenue in the 2003 and 2005 transportation packages, reporting elements shall include, but not be limited to, project scope, schedule, and costs. Other projects may be reported on a programmatic basis. The department shall also provide the information required under this subsection on a quarterly basis via the transportation executive information system (TEIS).
- (3) The multimodal transportation account--state appropriation includes up to \$6,000,000 in proceeds from the sale of bonds

authorized by RCW 47.10.867. ~~((The transportation commission may authorize the use of current revenues available to the department of transportation in lieu of bond proceeds for any part of the state appropriation.))~~

(4) ~~(\$3,545,000)~~ \$1,545,000 of the multimodal transportation account--state appropriation is reappropriated and provided solely to fund the multiphase cooperative project with the state of Oregon to dredge the Columbia River. The amount provided in this subsection shall lapse unless the state of Oregon appropriates a dollar-for-dollar match to fund its share of the project.

(5) ~~(\$274,000)~~ \$206,000 of the motor vehicle account--state appropriation is reappropriated and provided solely for additional traffic and pedestrian safety improvements near schools. The highways and local programs division within the department of transportation shall administer this program. The department shall review all projects receiving grant awards under this program at least semiannually to determine whether the projects are making satisfactory progress. Any project that has been awarded traffic and pedestrian safety improvement grant funds, but does not report activity on the project within one year of grant award should be reviewed by the department to determine whether the grant should be terminated. The department must promptly close out grants when projects have been completed, and identify where unused grant funds remain because actual project costs were lower than estimated in the grant award. The department shall expeditiously extend new grant awards to qualified projects when funds become available either because grant awards have been rescinded for lack of sufficient project activity or because completed projects returned excess grant funds upon project closeout.

(6) The motor vehicle account--state appropriation includes up to \$905,000 in unexpended proceeds from the sale of bonds authorized by RCW 47.10.843.

(7) ~~(\$867,000)~~ \$607,000 of the multimodal transportation account--state appropriation is reappropriated and provided solely to support the safe routes to school program.

(8) ~~(\$18,221,000)~~ \$16,110,000 of the motor vehicle account--federal appropriation is provided solely for the local freight capital projects in progress identified in this subsection. The specific funding listed is provided solely for the respective projects: SR 397 Ainsworth Ave. Grade Crossing, ~~(\$5,180,000)~~ \$4,992,000; Colville Alternate Truck Route, ~~(\$2,000,000)~~ \$1,746,000; S. 228th Street Extension and Grade Separation, \$6,500,000; Bigelow Gulch Road-Urban Boundary to Argonne Rd., \$2,000,000; Granite Falls Alternate Route, ~~(\$1,791,000)~~ \$122,000; and Pacific Hwy. E./Port of Tacoma Road to Alexander, \$750,000.

(9) ~~(\$3,400,000)~~ \$2,898,000 of the motor vehicle account--state appropriation is provided solely for the local freight capital projects in progress identified in this subsection. The specific funding listed is provided solely for the respective projects: Duwamish Intelligent Transportation Systems (ITS), ~~(\$2,520,000)~~ \$2,382,000; Port of Kennewick/Piert Road, ~~(\$520,000)~~ SR 397 Ainsworth Ave. Grade Crossing, \$360,000) \$516,000.

(10) \$6,000,000 of the multimodal account--state appropriation is provided solely for the local freight 'D' street grade separation project.

(11) The department ~~((must))~~ shall issue a call for pedestrian safety projects, such as safe routes to schools and transit, and bicycle and pedestrian paths. Applications must be received by the department by November 1, 2005, and November 1, 2006. The department shall identify cost-effective projects, and submit a prioritized list to the legislature for funding by December 15th of each year. Recommendations made to the legislature for safe routes

to schools and bicycle and pedestrian path projects must, to the extent practicable based on available funding, allocate sixty percent of available funds to bicycle and pedestrian path projects and forty percent to safe routes to schools. Preference ~~((with))~~ shall be given to projects that provide a local match. ~~((The grant recipients may only be governmental entities.))~~ Any unallocated funding may be used for grants of up to a maximum of \$1,000 to nonprofit or governmental organizations for the purpose of supporting school-based safe routes to school promotions or programs. Specific conditions and amounts for mini-grants will be established by the department.

(12) ~~((19,540,000))~~ \$18,370,000 of the multimodal transportation account--state appropriation, ~~\$6,000,000 of the freight mobility multimodal account--state appropriation,~~ and ~~((12,000,000))~~ \$6,000,000 of the freight mobility investment account--state appropriation are provided solely for the projects and activities as listed by fund, project and amount in LEAP Transportation Document ~~((2005-6))~~ 2006-1, Local Programs (Z) as developed ~~((April 24, 2005))~~ February 27, 2006. However, limited transfers of allocations between projects may occur for those amounts listed subject to the conditions and limitations in section 603 of this act.

(13) \$870,000 of the multimodal transportation account--state appropriation is provided solely for the Yakima Avenue, 9th Street to Front Street, pedestrian safety improvement project.

(14) \$5,000,000 of the multimodal transportation account--state appropriation and \$2,000,000 of the motor vehicle account--federal appropriation are provided solely for the pedestrian and bicycle safety program projects and safe routes to schools program projects identified on the LEAP Transportation Document 2006-A, Pedestrian and Bicycle Safety Program Projects and Safe Routes to Schools Program Projects as developed February 27, 2006. Projects must be allocated funding based on order of priority. The department shall review all projects receiving grant awards under this program at least semiannually to determine whether the projects are making satisfactory progress. Any project that has been awarded funds, but does not report activity on the project within one year of the grant award, shall be reviewed by the department to determine whether the grant should be terminated. The department shall promptly close out grants when projects have been completed, and identify where unused grant funds remain because actual project costs were lower than estimated in the grant award. When funds become available either because grant awards have been rescinded for lack of sufficient project activity or because completed projects returned excess grant funds upon project closeout, the department shall expeditiously extend new grant awards to qualified alternative projects identified on the list.

(15)(a) The legislature intends that federal funds administered by the department of transportation and used to fund projects selected by regional transportation planning organizations be used in a more effective and efficient manner. The legislature further intends that regional transportation planning organizations implement a project selection process which focuses on the highest priority investments in their regional transportation plan to solve the transportation issues facing that region. These federal funds are not to be used as "peanut butter" and spread through the region on low-priority projects. The regional transportation planning organization shall make these funds available for the wide range of projects eligible for these federal funds, including transit, highways and arterials, and rural transportation projects as long as the projects are a priority and address the regions most pressing transportation issues.

(b) The department shall provide a full and transparent accounting of all federal surface transportation program funds received and expected to be received by the state under the federal surface transportation act and shall as soon as possible make this information available to regional transportation planning organizations and the legislature. The regional transportation planning organizations shall provide information to the department of transportation that details the project prioritization process and criteria, the prioritized list of projects, and the transportation problem that the project addresses. The department of transportation will issue a report to the transportation committees of the legislature providing information about the implementation of this subsection every November 1st covering the prior federal fiscal year. These funds shall not be used for administrative costs or participation in project selection processes or transportation improvement program compilation processes. Nothing in this subsection displaces currently programmed projects, but to the extent practicable, the region is to implement this subsection as soon as possible.

**TRANSFERS AND DISTRIBUTIONS**

**Sec. 401.** 2005 c 313 s 401 (uncodified) is amended to read as follows:

STATE TREASURER	
BOND RETIREMENT AND INTEREST	
<b>FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR BOND SALES DISCOUNTS AND DEBT TO BE PAID BY MOTOR VEHICLE ACCOUNT AND TRANSPORTATION FUND REVENUE</b>	
Highway Bond Retirement	
Account Appropriation . . . . .	<del>((354,913,000))</del>
	<u>\$334,313,000</u>
Nondebt-Limit Reimbursable	
Account Appropriation . . . . .	<del>((8,775,000))</del>
	<u>\$6,091,000</u>
Ferry Bond Retirement	
Account Appropriation . . . . .	<del>((39,010,000))</del>
	<u>\$38,241,000</u>
Transportation Improvement Board	
Bond Retirement	
Account--State Appropriation . . . . .	<del>((30,899,000))</del>
	<u>\$30,923,000</u>
Motor Vehicle Account--State Appropriation . . . . .	<del>((2,562,000))</del>
	<u>\$674,000</u>
Transportation Improvement	
Account--State Appropriation . . . . .	<del>((105,000))</del>
	<u>\$120,000</u>
Multimodal Transportation	
Account--State Appropriation . . . . .	<del>((303,000))</del>
	<u>\$370,000</u>
Transportation 2003 Account	
(Nickel Account) Appropriation . . . . .	<del>((19,177,000))</del>
	<u>\$6,638,000</u>
Transportation Partnership	
Account--State Appropriation . . . . .	\$1,125,000
<b>TOTAL APPROPRIATION . . . . .</b>	<del>((455,744,000))</del>
	<u>\$418,495,000</u>

**Sec. 402.** 2005 c 313 s 402 (uncodified) is amended to read as follows:  
STATE TREASURER

**BOND RETIREMENT AND INTEREST  
FOR THE STATE TREASURER--BOND RETIREMENT AND  
INTEREST, AND ONGOING BOND REGISTRATION AND  
TRANSFER CHARGES: FOR BOND SALE EXPENSES AND  
FISCAL AGENT CHARGES**

Motor Vehicle Account--State Appropriation . . . . .	<del>(\$283,000)</del>	<u>\$246,000</u>
Transportation Improvement Account--State Appropriation . . . . .	\$13,000	
Multimodal Transportation Account--State Appropriation . . . . .	<del>(\$96,000)</del>	<u>\$35,000</u>
Transportation 2003 Account (Nickel Account)--State Appropriation . . . . .	<del>(\$2,400,000)</del>	<u>\$2,212,000</u>
Transportation Partnership Account--State Appropriation . . . . .	<del>(\$2,800,000)</del>	<u>\$375,000</u>
<b>TOTAL APPROPRIATION . . . . .</b>	<b><del>(\$5,592,000)</del></b>	<b><u>\$2,881,000</u></b>

**Sec. 403.** 2005 c 313 s 403 (uncodified) is amended to read as follows:

STATE TREASURER  
BOND RETIREMENT AND INTEREST  
**FOR THE STATE TREASURER--BOND RETIREMENT AND  
INTEREST, AND ONGOING BOND REGISTRATION AND  
TRANSFER CHARGES: FOR MVFT BONDS AND  
TRANSFERS**

(1) Motor Vehicle Account--State Reappropriation:  
For transfer to the Tacoma Narrows  
toll bridge account . . . . . \$257,016,000

The department of transportation is authorized to sell up to \$257,016,000 in bonds authorized by RCW 47.10.843 for the Tacoma Narrows bridge project. Proceeds from the sale of the bonds shall be deposited into the motor vehicle account. The department of transportation shall inform the treasurer of the amount to be deposited.

(2) Motor Vehicle Account--State Appropriation:  
For transfer to the Puget Sound  
capital construction account . . . . . ~~(\$72,000,000)~~  
\$40,950,000

The department of transportation is authorized to sell up to ~~(\$72,000,000)~~ \$40,950,000 in bonds authorized by RCW 47.10.843 for vessel and terminal acquisition, major and minor improvements, and long lead-time materials acquisition for the Washington state ferries.

**Sec. 404.** 2005 c 313 s 404 (uncodified) is amended to read as follows:

STATE TREASURER  
STATE REVENUES FOR DISTRIBUTION  
**FOR THE STATE TREASURER--STATE REVENUES FOR  
DISTRIBUTION**

Motor Vehicle Account Appropriation for motor vehicle fuel tax distributions to cities and counties . . . . . ~~(\$450,757,000)~~  
\$487,612,000

**Sec. 405.** 2005 c 313 s 405 (uncodified) is amended to read as follows:

STATE TREASURER  
TRANSFERS  
**FOR THE STATE TREASURER--TRANSFERS**

Motor Vehicle Account--State Appropriation: For motor vehicle fuel tax refunds and transfers . . . . . ~~(\$820,769,000)~~  
\$1,037,342,000

**Sec. 406.** 2005 c 313 s 406 (uncodified) is amended to read as follows:

DEPARTMENT OF TRANSPORTATION  
TRANSFERS  
**FOR THE DEPARTMENT OF TRANSPORTATION--  
TRANSFERS**

(1) RV Account--State Appropriation:

For transfer to the Motor Vehicle Account--State . . . . \$2,000,000

(2) Motor Vehicle Account--State Appropriation:

For transfer to Puget Sound Capital  
Construction Account--State . . . . . \$73,000,000

(3) Highway Safety Account--State Appropriation:

For transfer to the Motor Vehicle Account--State ~~(\$10,000,000)~~  
\$5,000,000

(4) Motor Vehicle Account--State Appropriation:

For transfer to the Puget Sound  
Ferry Operations Account--State . . . . . ~~(\$19,087,000)~~  
\$31,000,000

(5) Motor Vehicle Account--State Appropriation:

For transfer to the Transportation Partnership  
Account--State . . . . . ~~(\$51,372,000)~~  
\$32,935,000

(6) Highway Safety Account--State Appropriation:

For transfer to the Multimodal Transportation  
Account--State . . . . . ~~(\$21,170,000)~~  
\$25,980,000

(7) Transportation Partnership Account--State Appropriation:

For transfer to the Small City Pavement  
and Sidewalk Account--State . . . . . ~~(\$2,000,000)~~  
\$1,000,000

(8) Transportation Partnership Account--State Appropriation:

For transfer to the Transportation  
Improvement Account--State . . . . . ~~(\$5,000,000)~~  
\$2,500,000

(9) Transportation Partnership Account--State Appropriation:

For transfer to the ~~(Rural)~~ County Arterial ~~(Trust)~~ Preservation  
Account--State . . . . . ~~(\$3,000,000)~~  
\$1,500,000

(10) License Plate Technology Account--State Appropriation:

For transfer to the Motor Vehicle Account--State . . . . \$2,500,000

~~((11) Motor Vehicle Account--State Appropriation:~~

~~For transfer to the State Patrol Highway Account--State \$1,406,000~~

~~(12) Motor Vehicle Account--State Appropriation:~~

~~For transfer to the Transportation 2003 Account (Nickel Account)--  
State . . . . . \$461,000~~

~~(13)) (11) Multimodal Transportation Account--State  
Appropriation:~~

~~For transfer to the Transportation  
Partnership Account--State . . . . . \$29,400,000~~

~~(12) Motor Vehicle Account--State Appropriation:~~

~~For transfer to the Freight Mobility Multimodal  
Account--State, up to a maximum of . . . . . \$3,700,000~~

~~(13) Multimodal Transportation Account--State Appropriation:~~

<u>For transfer to the Tacoma Narrows Toll Bridge</u>	
<u>Account--State . . . . .</u>	<u>\$2,700,000</u>
<u>(14) Motor Vehicle Account--State Appropriation:</u>	
<u>For transfer to the Freight Mobility</u>	
<u>Multimodal Account--State . . . . .</u>	<u>\$4,610,000</u>

The transfers identified in this section are subject to the following conditions and limitations:

(a) The department of transportation shall only transfer funds in subsection (2) of this section up to the level provided, on an as-needed basis.

(b) The amount ~~((identified in subsection (3) of this section may not include any revenues collected as passenger fares.))~~ transferred in subsection (12) of this section shall be the same as the Union Pacific Railroad's original contribution, adjusted for earned interest and expenditures, and shall be made on June 30, 2006.

(c) The amount transferred in subsection (14) of this section is the equivalent of the Burlington Northern Santa Fe funds advanced to the SR 519 project and shall be invested in a freight mobility project agreed to by the freight mobility strategic investment board and the BNSF railway if the final design of the SR 519 project does not include the original rail benefit.

**COMPENSATION**

**Sec. 501.** 2005 c 313 s 501 (uncodified) is amended to read as follows:

**EMPLOYEE SALARY COST OF LIVING ADJUSTMENT**  
**EMPLOYEE SALARY COST OF LIVING ADJUSTMENT.** For those funds that support noncapital FTE employees, agency appropriations in sections 101 through 408 of this act provide funding for salary cost of living adjustments subject to the following conditions and limitations:

(1) In addition to the purposes set forth in subsection (2) through (4) of this section, the appropriations for cost of living adjustments provide for a 3.2% increase effective July 1, 2005, for all state employees represented by a collective bargaining unit under the personnel system reform act of 2002.

(2) The appropriations for cost of living adjustments provide for a 3.2% increase effective September 1, 2005, for all classified employees, except those represented by a collective bargaining unit under the personnel system reform act of 2002, and except the certificated employees covered by the provisions of Initiative Measure No. 732. Also included are employees in the Washington management service, and exempt employees under the jurisdiction of the personnel resources board or the director of personnel, as applicable.

(3) The appropriations are also sufficient to fund a 3.2% salary increase effective September 1, 2005, for ferry system employees and for general government, legislative, and judicial employees exempt from merit system rules whose maximum salaries are not set by the commission on salaries for elected officials.

(4) The appropriations for cost of living adjustments provide for a 1.6% salary increase effective July 1, 2006, until June 30, 2007, for all state employees represented by a collective bargaining unit under the personnel system reform act of 2002. In addition, appropriation is provided for a 1.6% increase effective September 1, 2006, for all classified employees, except those represented by a collective bargaining unit under the personnel system reform act of 2002, and except the certificated employees covered by the provisions of Initiative Measure No. 732. Also included are employees in the Washington management service, and exempt employees under the

jurisdiction of the personnel resources board or the director of personnel, as applicable. The appropriation is also sufficient to fund a 1.6% salary increase effective September 1, 2006, until June 30, 2007, for ferry system employees and for general government, legislative, and judicial employees exempt from merit system rules whose maximum salaries are not set by the commission on salaries for elected officials. This subsection shall not apply to Washington state patrol commissioned troopers and sergeants covered under sections 208(8)(a) and 210(6)(a) of this act. If a new collective bargaining agreement is reached between the governor and the Washington state patrol lieutenants association by July 1, 2006, this subsection shall not apply to Washington state patrol commissioned captains and lieutenants covered under sections 208(8)(b) and 210(6)(b) of this act.

(5)(a) NO. salary increase may be paid under this section to any person whose salary has been Y-rated pursuant to rules adopted by the personnel resources board or the director of personnel, as applicable.

(b) The average salary increases paid under this section to agency officials whose maximum salaries are established by the committee on agency official salaries shall not exceed the average increases provided under subsection (3) of this section.

**IMPLEMENTING PROVISIONS**

**NEW SECTION. Sec. 601.** A new section is added to 2005 c 313 (uncodified) to read as follows:

Executive Order number 05-05, archaeological and cultural resources, was issued effective November 10, 2005. Agencies and higher education institutions that issue grants or loans for capital projects shall comply with the requirements set forth in this executive order.

**NEW SECTION. Sec. 602.** 2005 c 313 s 602 (uncodified) is repealed.

**Sec. 603.** 2005 c 313 s 603 (uncodified) is amended to read as follows:

(1) The ~~((transportation commission))~~ director of the office of financial management may authorize a transfer of spending allocation within the appropriation provided and between projects funded with transportation 2003 account (nickel account) appropriations ~~((or the))~~, transportation partnership account appropriations, multimodal transportation account appropriations, freight mobility account appropriations, or freight mobility investment account appropriations, in order to manage project spending and efficiently deliver all projects in the respective program under the following conditions and limitations:

(a) Transfers may only be made within each specific fund source referenced on the respective project list;

~~((b))~~ (b) Transfers from a project may be made if the funds allocated to the project are in excess of the amount needed to complete the project;

~~((b))~~ (c) Transfers from a project may be made if the project is experiencing unavoidable expenditure delays;

~~((e))~~ (d) Transfers from a project may not be made as a result of the reduction of the scope of a project, nor shall a transfer be made to support increases in the scope of a project;

~~((d))~~ (e) Each transfer between projects may only occur if the ~~((commission))~~ director of the office of financial management finds that any resulting change will not hinder the completion of the projects approved by the legislature; ~~((and~~

~~(e))~~ (f) Transfers may not occur to projects not identified on the applicable project list; and

(g) Transfers may not be made while the legislature is in session.

(2) Upon approval of every transfer, a report of the transfers made to date shall be submitted ((on October 1st of each fiscal year)) to the senate and house of representatives transportation committees. The report must also include a list of monitored projects or transfers currently under consideration by the department, and a financial plan consistent with legislative intent.

**Sec. 604.** RCW 47.29.170 and 2005 c 317 s 17 are each amended to read as follows:

Before accepting any unsolicited project proposals, the commission must adopt rules to facilitate the acceptance, review, evaluation, and selection of unsolicited project proposals. These rules must include the following:

(1) Provisions that specify unsolicited proposals must meet predetermined criteria;

(2) Provisions governing procedures for the cessation of negotiations and consideration;

(3) Provisions outlining that unsolicited proposals are subject to a two-step process that begins with concept proposals and would only advance to the second step, which are fully detailed proposals, if the commission so directed;

(4) Provisions that require concept proposals to include at least the following information: Proposers' qualifications and experience; description of the proposed project and impact; proposed project financing; and known public benefits and opposition; and

(5) Provisions that specify the process to be followed if the commission is interested in the concept proposal, which must include provisions:

(a) Requiring that information regarding the potential project would be published for a period of not less than thirty days, during which time entities could express interest in submitting a proposal;

(b) Specifying that if letters of interest were received during the thirty days, then an additional sixty days for submission of the fully detailed proposal would be allowed; and

(c) Procedures for what will happen if there are insufficient proposals submitted or if there are NO. letters of interest submitted in the appropriate time frame.

The commission may adopt other rules as necessary to avoid conflicts with existing laws, statutes, or contractual obligations of the state.

The commission may not accept or consider any unsolicited proposals before ~~((January 1))~~ June 30, 2007.

#### MISCELLANEOUS

**NEW SECTION. Sec. 701.** 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. 702.** 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.

Signed by Representatives Murray, Chairman; Wallace, Vice Chairman; Woods, Ranking Minority Member; Appleton; Buck; Campbell; Clibborn; Curtis; Dickerson;

Flannigan; Hankins; Hudgins; Jarrett; Kilmer; Lovick; Morris; Nixon; Rodne; Schindler; Sells; Shabro; Simpson; B. Sullivan; Takko; Upthegrove and Wood.

MINORITY recommendation: Do not pass. Signed by Representatives Ericksen and Holmquist.

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Passed to Committee on Rules for second reading.

February 28, 2006

SSB 6533 Prime Sponsor, Committee On Ways & Means: Providing a business and occupation tax credit for syrup taxes paid by a business. Reported by Committee on Finance

MAJORITY recommendation: Do pass as amended.

On page 1, line 10, strike "fifty percent" and insert "twenty-five percent from July 1, 2006, through June 30, 2007, fifty percent from July 1, 2007, through June 30, 2008, and one hundred percent after June 30, 2008,"

Signed by Representatives McIntire, Chairman; Hunter, Vice Chairman; Orcutt, Ranking Minority Member; Roach, Assistant Ranking Minority Member; Ahern; Condotta; Conway; Ericks; Hasegawa; Santos and Shabro.

Passed to Committee on Rules for second reading.

February 28, 2006

SB 6680 Prime Sponsor, Senator Brandland: Implementing a biometric matching system for driver's licenses and identicards. Reported by Committee on Transportation

MAJORITY recommendation: Do pass as amended.

Strike everything after the enacting clause and insert the following:

"**Sec. 1.** RCW 46.20.037 and 2004 c 273 s 3 are each amended to read as follows:

(1) NO. later than ~~((January 1, 2006;))~~ two years after full implementation of the provisions of Title II of P.L. 109-13, improved security for driver's licenses and personal identification cards (Real ID), as passed by Congress May 10, 2005, the department shall implement a voluntary biometric matching system for driver's licenses and identicards. ~~((The))~~ A biometric matching system shall be used only to verify the identity of an applicant for a renewal or duplicate driver's license or identicard by matching a biometric identifier submitted by the applicant against the biometric identifier submitted when the license was last issued. This project requires a full review by the information services board using the criteria for projects of the highest visibility and risk.

(2) ~~((The))~~ Any biometric matching system selected by the department shall be capable of highly accurate matching, and shall be compliant with biometric standards established by the American association of motor vehicle administrators.



(3) The biometric matching system selected by the department must incorporate a process that allows the owner of a driver's license or identicaid to present a personal identification number or other code along with the driver's license or identicaid before the information may be verified by a third party, including a governmental entity.

(4) Upon the establishment of a biometric driver's license and identicaid system as described in this section, the department shall allow every person applying for an original, renewal, or duplicate driver's license or identicaid to voluntarily submit a biometric identifier. Each applicant shall be informed of all ways in which the biometric identifier may be used, all parties to whom the identifier may be disclosed and the conditions of disclosure, the expected error rates for the biometric matching system which shall be regularly updated as the technology changes or empirical data is collected, and the potential consequences of those errors. The department shall adopt rules to allow applicants to verify the accuracy of the system at the time that biometric information is submitted, including the use of at least two separate devices.

(5) The department may not disclose biometric information to the public or any governmental entity except when authorized by court order.

(6) All biometric information shall be stored with appropriate safeguards, including but not limited to encryption.

(7) The department shall develop procedures to handle instances in which the biometric matching system fails to verify the identity of an applicant for a renewal or duplicate driver's license or identicaid. These procedures shall allow an applicant to prove identity without using a biometric identifier.

(8) Any person who has voluntarily submitted a biometric identifier may choose to discontinue participation in the biometric matching program at any time, provided that the department utilizes a secure procedure to prevent fraudulent requests for a renewal or duplicate driver's license or identicaid. When the person discontinues participation, any previously collected biometric information shall be destroyed.

(9) ~~(If Engrossed Substitute Senate Bill No. 5428 or House Bill No. 1681 is enacted into law,)~~ This section does not apply when an applicant renews his or her driver's license or identicaid by mail or electronic commerce."

Signed by Representatives Murray, Chairman; Wallace, Vice Chairman; Woods, Ranking Minority Member; Appleton; Buck; Campbell; Clibborn; Curtis; Dickerson; Erickson; Flannigan; Hankins; Holmquist; Hudgins; Jarrett; Kilmer; Lovick; Morris; Nixon; Rodne; Schindler; Sells; Shabro; Simpson; B. Sullivan; Takko; Upthegrove and Wood.

MINORITY recommendation: Signed by Representatives Skinner, Assistant Ranking Minority Member;

Passed to Committee on Rules for second reading.

February 28, 2006  
**SSB 6686** Prime Sponsor, Committee On Ways & Means: Authorizing a local sales and use tax that is credited against the state sales and use tax. Reported by Committee on Finance

MAJORITY recommendation: Do pass. Signed by Representatives McIntire, Chairman; Hunter, Vice Chairman; Roach, Assistant Ranking Minority Member; Condotta; Conway; Ericks; Hasegawa; Santos and Shabro.

MINORITY recommendation: Do not pass. Signed by Representatives Orcutt, Ranking Minority Member; Ahern.

Passed to Committee on Rules for second reading.

February 28, 2006  
**SB 6704** Prime Sponsor, Senator Rasmussen: Modifying the excise taxation of the manufacturing, selling, and processing of certain food products. Reported by Committee on Finance

MAJORITY recommendation: Do pass as amended.

Strike everything after the enacting clause and insert the following:

"NEW SECTION. Sec. 1. A new section is added to chapter 82.04 RCW to read as follows:

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

(a) Manufacturing dairy products; or

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

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

(3) This section expires July 1, 2012.

NEW SECTION. Sec. 2. A new section is added to chapter 82.04 RCW to read as follows:

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

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

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

(2) This section expires July 1, 2012.

**Sec. 3.** RCW 82.04.4266 and 2005 c 513 s 1 are each amended to read as follows:

(1) This chapter shall not apply to ~~((amounts received from))~~ the value of products or the gross proceeds of sales derived from:

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

~~((Z))~~ (b) Selling at wholesale ~~((fresh))~~ fruits ~~((and))~~ or vegetables ~~((canned, preserved, frozen, processed, or dehydrated))~~ 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 proof of sale to a person who transports in the ordinary course of business goods out of this state, the seller shall annually provide a statement in a form prescribed by the department and retain the statement as a business record-)) A person taking an exemption under this subsection (1)(b) must keep and preserve records for the period required by RCW 82.32.070 establishing that the goods were transported by the purchaser in the ordinary course of business out of this state.

(2) This section expires July 1, 2012.

**Sec. 4.** RCW 82.04.260 and 2005 c 513 s 2 and 2005 c 443 s 4 are each reenacted and 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 byproducts, or sunflower seeds into sunflower oil; as to such persons the amount of tax with respect to such business shall be equal to the value of the flour, pearl barley, oil, canola meal, or canola byproduct manufactured, multiplied by the rate of 0.138 percent;

(b) Beginning July 1, 2012, seafood products which remain in a raw, raw frozen, or raw salted state at the completion of the manufacturing by that person; as to such persons the amount of tax with respect to such business shall be equal to the value of the products manufactured or the gross proceeds derived from such sales, multiplied by the rate of 0.138 percent;

(c) Beginning July 1, 2012, dairy products that as of September 20, 2001, are identified in 21 C.F.R., chapter 1, parts 131, 133, and 135, including byproducts from the manufacturing of the dairy products such as whey and casein; or selling the same to purchasers who transport in the ordinary course of business the goods out of state; as to such persons the tax imposed shall be equal to the value of the products manufactured or the gross proceeds derived from such sales multiplied by the rate of 0.138 percent. ~~((As proof of sale to a person who transports in the ordinary course of business goods out of this state, the seller shall annually provide a statement in a form prescribed by the department and retain the statement as a business record))~~ 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;

(d) Beginning July 1, 2012, 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 shall be 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;

~~((D))~~ (e) Until July 1, 2009, alcohol fuel, biodiesel fuel, or biodiesel feedstock, as those terms are defined in RCW 82.29A.135; as to such persons the amount of tax with respect to the business shall be equal to the value of alcohol fuel, biodiesel fuel, or biodiesel feedstock manufactured, multiplied by the rate of 0.138 percent; and

~~((E))~~ (f) Alcohol fuel or wood biomass fuel, as those terms are defined in RCW 82.29A.135; as to such persons the amount of tax with respect to the business shall be equal to the value of alcohol fuel or wood biomass fuel manufactured, multiplied by the rate of 0.138 percent.

(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 shall be 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 shall be 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 shall be 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 shall be 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 shall be 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 shall be equal to the gross proceeds derived from such activities multiplied by the rate of 0.275 percent. Persons subject to taxation under this subsection shall be 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) 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 shall be 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.

If the gross income of the taxpayer is attributable to activities both within and without this state, the gross income attributable to this state shall 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 agent, insurance broker, or insurance solicitor licensed under chapter 48.17 RCW; as to such persons, the amount of the tax with respect to such licensed activities shall be 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 shall be 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. The moneys collected under this subsection shall be deposited in the health services account created under RCW 43.72.900.

(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, as to such persons the amount of tax with respect to such business shall, in the case of manufacturers, be equal to the value 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:

(i) 0.4235 percent from October 1, 2005, through the later of June 30, 2007, or the day preceding the date final assembly of a superefficient airplane begins in Washington state, as determined under RCW 82.32.550; and

(ii) 0.2904 percent beginning on the later of July 1, 2007, or the date final assembly of a superefficient airplane begins in Washington state, as determined under RCW 82.32.550.

(b) Beginning October 1, 2005, upon every person engaging within this state in the business of making sales, at retail or wholesale, of commercial airplanes, or components of such airplanes, manufactured by that person, as to such persons the amount of tax with respect to such business shall be equal to the gross proceeds of sales of the airplanes or components multiplied by the rate of:

(i) 0.4235 percent from October 1, 2005, through the later of June 30, 2007, or the day preceding the date final assembly of a superefficient airplane begins in Washington state, as determined under RCW 82.32.550; and

(ii) 0.2904 percent beginning on the later of July 1, 2007, or the date final assembly of a superefficient airplane begins in Washington state, as determined under RCW 82.32.550.

(c) For the purposes of this subsection (11), "commercial airplane," "component," and "final assembly of a superefficient airplane" have the meanings given in RCW 82.32.550.

(d) In addition to all other requirements under this title, a person eligible for the tax rate under this subsection (11) must report as required under RCW 82.32.545.

(e) This subsection (11) does not apply after the earlier of: July 1, 2024; or December 31, 2007, if assembly of a superefficient

airplane does not begin by December 31, 2007, as determined under RCW 82.32.550.

(12) 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 shall be equal to the gross income derived from such activities multiplied by the rate of 0.484 percent.

**Sec. 5.** RCW 82.32.610 and 2005 c 513 s 3 are each amended to read as follows:

(1) The legislature finds that accountability and effectiveness are important aspects of setting tax policy. In order to make policy choices regarding the best use of limited state resources the legislature needs information on how a tax incentive is used.

(2) Each person claiming a tax exemption under RCW 82.04.4266, section 1 of this act, or section 2 of this act shall report information to the department by filing a complete annual survey. The survey is due by March 31st of the year following any calendar year in which a tax exemption under RCW 82.04.4266, section 1 of this act, or section 2 of this act is taken. The department may extend the due date for timely filing of annual surveys under this section as provided in RCW 82.32.590. The survey shall include the amount of tax exemption taken. The survey shall also include the following information for employment positions in Washington:

(a) The number of total employment positions;

(b) Full-time, part-time, and temporary employment positions as a percent of total employment;

(c) The number of employment positions according to the following wage bands: Less than thirty thousand dollars; thirty thousand dollars or greater, but less than sixty thousand dollars; and sixty thousand dollars or greater. A wage band containing fewer than three individuals may be combined with another wage band; and

(d) The number of employment positions that have employer-provided medical, dental, and retirement benefits, by each of the wage bands.

The first survey filed under this subsection shall also include information for the twelve-month period immediately before first use of a tax incentive.

(3) The department may request additional information necessary to measure the results of the exemption program, to be submitted at the same time as the survey.

(4) All information collected under this section, except the amount of the tax exemption taken, is deemed taxpayer information under RCW 82.32.330. Information on the amount of tax exemption taken is not subject to the confidentiality provisions of RCW 82.32.330.

(5) If a person fails to submit an annual survey under subsection (2) of this section by the due date of the ~~((report))~~ survey or any extension under RCW 82.32.590, the department shall declare the amount of taxes exempted for the previous calendar year to be immediately due and payable. The department shall assess interest, but not penalties, on the amounts due under this section. The amount due shall be calculated using a rate of 0.138 percent. The interest shall be assessed at the rate provided for delinquent taxes under this chapter, retroactively to the date the exemption was claimed, and shall accrue until the taxes for which the exemption was claimed are repaid. This information is not subject to the confidentiality provisions of RCW 82.32.330.

(6) The department shall use the information from this section to prepare summary descriptive statistics by category. NO. fewer than three taxpayers shall be included in any category. The

department shall report these statistics to the legislature each year by September 1st.

(7) The department shall study the tax exemption authorized in RCW 82.04.4266, section 1 of this act, and section 2 of this act. The department shall submit a report to the finance committee of the house of representatives and the ways and means committee of the senate by December 1, 2011. The report shall measure the effect of the exemption on job creation, job retention, company growth, the movement of firms or the consolidation of firms' operations into the state, and such other factors as the department selects.

**Sec. 6.** RCW 82.74.010 and 2005 c 513 s 4 are each amended to read as follows:

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

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

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

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

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

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

~~((4))~~ (6) "Eligible investment project" means an investment in qualified buildings or qualified machinery and equipment, including labor and services rendered in the planning, installation, and construction of the project. The lessor or owner of a qualified building is not eligible for a deferral unless (a) the underlying ownership of the buildings, machinery, and equipment vests exclusively in the same person; or (b)(i) the lessor by written contract agrees to pass the economic benefit of the deferral to the lessee in the form of reduced rent payments, and (ii) the lessee that receives the economic benefit of the deferral agrees in writing with the department to complete the annual survey under RCW 82.74.040. The economic benefit of the deferral to the lessee may be evidenced by any type of payment, credit, or any other financial arrangement between the lessor or owner of the qualified building and the lessee.

~~((5))~~ (7) "Fresh fruit and vegetable processing" means manufacturing as defined in RCW 82.04.120 which consists of the canning, preserving, freezing, processing, or dehydrating fresh fruits and/or vegetables.

~~((6))~~ (8)(a) "Initiation of construction" means the date that a building permit is issued under the building code adopted under RCW 19.27.031 for:

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

(ii) Construction of the qualified building, if the economic benefits of the deferral are passed to a lessee as provided in subsection ~~((4))~~ (6) of this section; or

(iii) Tenant improvements for a qualified building, if the economic benefits of the deferral are passed to a lessee as provided in subsection ~~((4))~~ (6) of this section.

(b) "Initiation of construction" does not include soil testing, site clearing and grading, site preparation, or any other related activities

that are initiated before the issuance of a building permit for the construction of the foundation of the building.

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

~~((7))~~ (9) "Person" has the meaning given in RCW 82.04.030.

~~((8))~~ (10) "Qualified buildings" means construction of new structures, and expansion or renovation of existing structures for the purpose of increasing floor space or production capacity used for fresh fruit and vegetable processing, dairy product manufacturing, seafood product manufacturing, cold storage ((warehouse)) warehousing, and research and development activities, including plant offices and warehouses or other facilities for the storage of raw material or finished goods if such facilities are an essential or an integral part of a factory, plant, or laboratory used for fresh fruit and vegetable processing, dairy product manufacturing, seafood product manufacturing, cold storage warehousing, or research and development. If a building is used partly for fresh fruit and vegetable processing, dairy product manufacturing, seafood product manufacturing, cold storage warehousing, or research and development and partly for other purposes, the applicable tax deferral shall be determined by apportionment of the costs of construction under rules adopted by the department.

~~((9))~~ (11) "Qualified machinery and equipment" means all industrial and research fixtures, equipment, and support facilities that are an integral and necessary part of a fresh fruit and vegetable processing, dairy product manufacturing, seafood product manufacturing, cold storage warehouse, or research and development operation. "Qualified machinery and equipment" includes: Computers; software; data processing equipment; laboratory equipment; manufacturing components such as belts, pulleys, shafts, and moving parts; molds, tools, and dies; operating structures; and all equipment used to control or operate the machinery.

~~((10))~~ (12) "Recipient" means a person receiving a tax deferral under this chapter.

~~((11))~~ (13) "Research and development" means the development, refinement, testing, marketing, and commercialization of a product, service, or process related to fresh fruit and vegetable processing, dairy product manufacturing, seafood product manufacturing, or cold storage warehousing before commercial sales have begun. As used in this subsection, "commercial sales" excludes sales of prototypes or sales for market testing if the total gross receipts from such sales of the product, service, or process do not exceed one million dollars.

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

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

**Sec. 7.** RCW 82.74.030 and 2005 c 513 s 6 are each amended to read as follows:

(1) The department shall issue a sales and use tax deferral certificate for state and local sales and use taxes ~~((due))~~ imposed or authorized under chapters 82.08, 82.12, and 82.14 RCW on each eligible investment project if the investment project is undertaken for the purpose of fresh fruit and vegetable processing, dairy product manufacturing, seafood product manufacturing, cold storage warehousing, or research and development.

(2) This section expires July 1, 2012.

**Sec. 8.** RCW 82.74.040 and 2005 c 513 s 7 are each amended to read as follows:

(1)(a) The legislature finds that accountability and effectiveness are important aspects of setting tax policy. In order to make policy choices regarding the best use of limited state resources the legislature needs information on how a tax incentive is used.

(b) Each recipient of a deferral granted under this chapter shall complete an annual survey. If the economic benefits of the deferral are passed to a lessee as provided in RCW 82.74.010(~~(4)~~) (6), the lessee shall complete the annual survey and the applicant is not required to complete the annual survey. The survey is due by March 31st of the year following the calendar year in which the investment project is certified by the department as having been operationally complete and each of the seven succeeding calendar years. The department may extend the due date for timely filing of annual surveys under this section as provided in RCW 82.32.590. The survey shall include the amount of tax deferred. The survey shall also include the following information for employment positions in Washington:

(i) The number of total employment positions;

(ii) Full-time, part-time, and temporary employment positions as a percent of total employment;

(iii) The number of employment positions according to the following wage bands: Less than thirty thousand dollars; thirty thousand dollars or greater, but less than sixty thousand dollars; and sixty thousand dollars or greater. A wage band containing fewer than three individuals may be combined with another wage band; and

(iv) The number of employment positions that have employer-provided medical, dental, and retirement benefits, by each of the wage bands.

(c) The department may request additional information necessary to measure the results of the deferral program, to be submitted at the same time as the survey.

(d) All information collected under this subsection, except the amount of the tax deferral taken, is deemed taxpayer information under RCW 82.32.330. Information on the amount of tax deferral taken is not subject to the confidentiality provisions of RCW 82.32.330 and may be disclosed to the public upon request.

(e) The department shall use the information from this section to prepare summary descriptive statistics by category. NO. fewer than three taxpayers shall be included in any category. The department shall report these statistics to the legislature each year by September 1st.

(f) The department shall also use the information to study the tax deferral program authorized under this chapter. The department shall report to the legislature by December 1, 2011. The report shall measure the effect of the program on job creation, (~~the number of jobs created for residents of eligible areas;~~) company growth, the introduction of new products, the diversification of the state's economy, growth in research and development investment, the movement of firms or the consolidation of firms' operations into the state, and such other factors as the department selects.

(2)(a) If a recipient of the deferral fails to complete the annual survey required under subsection (1) of this section by the date due or any extension under RCW 82.32.590, twelve and one-half percent of the deferred tax shall be immediately due. If the economic benefits of the deferral are passed to a lessee as provided in RCW 82.74.010(~~(4)~~) (6), the lessee shall be responsible for payment to the extent the lessee has received the economic benefit. The department shall assess interest, but not penalties, on the amounts due under this section. The interest shall be assessed at the rate provided for delinquent taxes under chapter 82.32 RCW, and shall accrue until the amounts due are repaid.

(b) A recipient who must repay deferred taxes under RCW 82.74.050(2) because the department has found that an investment project is used for purposes other than fresh fruit and vegetable processing, dairy product manufacturing, seafood product manufacturing, cold storage warehousing, or research and development is NO. longer required to file annual surveys under this section beginning on the date an investment project is used for nonqualifying purposes.

**Sec. 9.** RCW 82.74.050 and 2005 c 513 s 8 are each amended to read as follows:

(1) Except as provided in subsection (2) of this section, taxes deferred under this chapter need not be repaid.

(2) If, on the basis of survey under RCW 82.74.040 or other information, the department finds that an investment project is used for purposes other than fresh fruit and vegetable processing, dairy product manufacturing, seafood product manufacturing, cold storage warehousing, or research and development at any time during the calendar year in which the investment project is certified by the department as having been operationally completed, or at any time during any of the seven succeeding calendar years, a portion of deferred taxes shall be immediately due according to the following schedule:

Year in which <u>nonqualifying</u> use occurs	% of deferred taxes due
1	100%
2	87.5%
3	75%
4	62.5%
5	50%
6	37.5%
7	25%
8	12.5%

(3) The department shall assess interest, but not penalties, on the deferred taxes under subsection (2) of this section. The interest shall be assessed at the rate provided for delinquent taxes under chapter 82.32 RCW, retroactively to the date of deferral, and shall accrue until the deferred taxes are repaid. The debt for deferred taxes will not be extinguished by insolvency or other failure of the recipient. Transfer of ownership does not terminate the deferral. The deferral is transferred, subject to the successor meeting the eligibility requirements of this chapter, for the remaining periods of the deferral.

(4) Notwithstanding subsection (2) of this section, deferred taxes on the following need not be repaid:

(a) Machinery and equipment, and sales of or charges made for labor and services, which at the time of purchase would have qualified for exemption under RCW 82.08.02565; and

(b) Machinery and equipment which at the time of first use would have qualified for exemption under RCW 82.12.02565.

**Sec. 10.** RCW 82.08.820 and 1997 c 450 s 2 are each amended to read as follows:

(1) Wholesalers or third-party warehouse owners who own or operate warehouses or grain elevators and retailers who own or operate distribution centers, and who have paid the tax levied by RCW 82.08.020 on:

(a) Material-handling and racking equipment, and labor and services rendered in respect to installing, repairing, cleaning, altering, or improving the equipment; or

(b) Construction of a warehouse or grain elevator, including materials, and including service and labor costs, are eligible for an exemption in the form of a remittance. The amount of the remittance is computed under subsection (3) of this section and is based on the state share of sales tax.

(2) For purposes of this section and RCW 82.12.820:

(a) "Agricultural products" has the meaning given in RCW 82.04.213;

(b) "Construction" means the actual construction of a warehouse or grain elevator that did not exist before the construction began. "Construction" includes expansion if the expansion adds at least two hundred thousand square feet of additional space to an existing warehouse or additional storage capacity of at least one million bushels to an existing grain elevator. "Construction" does not include renovation, remodeling, or repair;

(c) "Department" means the department of revenue;

(d) "Distribution center" means a warehouse that is used exclusively by a retailer solely for the storage and distribution of finished goods to retail outlets of the retailer. "Distribution center" does not include a warehouse at which retail sales occur;

(e) "Finished goods" means tangible personal property intended for sale by a retailer or wholesaler. "Finished goods" does not include agricultural products stored by wholesalers, third-party warehouses, or retailers if the storage takes place on the land of the person who produced the agricultural product. "Finished goods" does not include logs, minerals, petroleum, gas, or other extracted products stored as raw materials or in bulk;

(f) "Grain elevator" means a structure used for storage and handling of grain in bulk;

(g) "Material-handling equipment and racking equipment" means equipment in a warehouse or grain elevator that is primarily used to handle, store, organize, convey, package, or repack finished goods. The term includes tangible personal property with a useful life of one year or more that becomes an ingredient or component of the equipment, including repair and replacement parts. The term does not include equipment in offices, lunchrooms, restrooms, and other like space, within a warehouse or grain elevator, or equipment used for nonwarehousing purposes. "Material-handling equipment" includes but is not limited to: Conveyers, carousels, lifts, positioners, pick-up-and-place units, cranes, hoists, mechanical arms, and robots; mechanized systems, including containers that are an integral part of the system, whose purpose is to lift or move tangible personal property; and automated handling, storage, and retrieval systems, including computers that control them, whose purpose is to lift or move tangible personal property; and forklifts and other off-the-road vehicles that are used to lift or move tangible personal property and that cannot be operated legally on roads and streets. "Racking equipment" includes, but is not limited to, conveying systems, chutes, shelves, racks, bins, drawers, pallets, and other containers and storage devices that form a necessary part of the storage system;

(h) "Person" has the meaning given in RCW 82.04.030;

(i) "Retailer" means a person who makes "sales at retail" as defined in chapter 82.04 RCW of tangible personal property;

(j) "Square footage" means the product of the two horizontal dimensions of each floor of a specific warehouse. The entire footprint of the warehouse shall be measured in calculating the square footage, including space that juts out from the building profile such as loading docks. "Square footage" does not mean the aggregate of the square footage of more than one warehouse at a location or the aggregate of the square footage of warehouses at more than one location;

(k) "Third-party warehouse" means a person taxable under RCW 82.04.280(4);

(l) "Warehouse" means an enclosed building or structure in which finished goods are stored. A warehouse building or structure may have more than one storage room and more than one floor. Office space, lunchrooms, restrooms, and other space within the warehouse and necessary for the operation of the warehouse are considered part of the warehouse as are loading docks and other such space attached to the building and used for handling of finished goods. Landscaping and parking lots are not considered part of the warehouse. A storage yard is not a warehouse, nor is a building in which manufacturing takes place; and

(m) "Wholesaler" means a person who makes "sales at wholesale" as defined in chapter 82.04 RCW of tangible personal property, but "wholesaler" does not include a person who makes sales exempt under RCW 82.04.330.

(3)(a) A person claiming an exemption from state tax in the form of a remittance under this section must pay the tax imposed by RCW 82.08.020. The buyer may then apply to the department for remittance of all or part of the tax paid under RCW 82.08.020. For grain elevators with bushel capacity of one million but less than two million, the remittance is equal to fifty percent of the amount of tax paid. For warehouses with square footage of two hundred thousand or more and for grain elevators with bushel capacity of two million or more, the remittance is equal to one hundred percent of the amount of tax paid for qualifying construction, materials, service, and labor, and fifty percent of the amount of tax paid for qualifying material-handling equipment and racking equipment, and labor and services rendered in respect to installing, repairing, cleaning, altering, or improving the equipment.

(b) The department shall determine eligibility under this section based on information provided by the buyer and through audit and other administrative records. The buyer shall on a quarterly basis submit an information sheet, in a form and manner as required by the department by rule, specifying the amount of exempted tax claimed and the qualifying purchases or acquisitions for which the exemption is claimed. The buyer shall retain, in adequate detail to enable the department to determine whether the equipment or construction meets the criteria under this section: Invoices; proof of tax paid; documents describing the material-handling equipment and racking equipment; location and size of warehouses and grain elevators; and construction invoices and documents.

(c) The department shall on a quarterly basis remit exempted amounts to qualifying persons who submitted applications during the previous quarter.

(4) Warehouses, grain elevators, and material-handling equipment and racking equipment for which an exemption, credit, or deferral has been or is being received under chapter 82.60, ~~(82.61,)~~ 82.62, or 82.63 RCW or RCW 82.08.02565 or 82.12.02565 are not eligible for any remittance under this section. Warehouses and grain elevators upon which construction was initiated before May 20, 1997, are not eligible for a remittance under this section.

(5) The lessor or owner of a warehouse or grain elevator is not eligible for a remittance under this section unless the underlying ownership of the warehouse or grain elevator and the material-handling equipment and racking equipment vests exclusively in the same person, or unless the lessor by written contract agrees to pass the economic benefit of the remittance to the lessee in the form of reduced rent payments.

**Sec. 11.** RCW 82.08.820 and 2005 c 513 s 11 are each amended to read as follows:

(1) Wholesalers or third-party warehouse owners who own or operate warehouses or grain elevators and retailers who own or operate distribution centers, and who have paid the tax levied by RCW 82.08.020 on:

(a) Material-handling and racking equipment, and labor and services rendered in respect to installing, repairing, cleaning, altering, or improving the equipment; or

(b) Construction of a warehouse or grain elevator, including materials, and including service and labor costs, are eligible for an exemption in the form of a remittance. The amount of the remittance is computed under subsection (3) of this section and is based on the state share of sales tax.

(2) For purposes of this section and RCW 82.12.820:

(a) "Agricultural products" has the meaning given in RCW 82.04.213;

(b) "Cold storage warehouse" (~~means a storage warehouse used to store fresh and/or frozen perishable fruits or vegetables, or any combination thereof, at a desired temperature to maintain the quality of the product for orderly marketing~~) has the meaning provided in RCW 82.74.010;

(c) "Construction" means the actual construction of a warehouse or grain elevator that did not exist before the construction began. "Construction" includes expansion if the expansion adds at least twenty-five thousand square feet of additional space to an existing cold storage warehouse, at least two hundred thousand square feet of additional space to an existing warehouse other than a cold storage warehouse, or additional storage capacity of at least one million bushels to an existing grain elevator. "Construction" does not include renovation, remodeling, or repair;

(d) "Department" means the department of revenue;

(e) "Distribution center" means a warehouse that is used exclusively by a retailer solely for the storage and distribution of finished goods to retail outlets of the retailer. "Distribution center" does not include a warehouse at which retail sales occur;

(f) "Finished goods" means tangible personal property intended for sale by a retailer or wholesaler. "Finished goods" does not include agricultural products stored by wholesalers, third-party warehouses, or retailers if the storage takes place on the land of the person who produced the agricultural product. "Finished goods" does not include logs, minerals, petroleum, gas, or other extracted products stored as raw materials or in bulk;

(g) "Grain elevator" means a structure used for storage and handling of grain in bulk;

(h) "Material-handling equipment and racking equipment" means equipment in a warehouse or grain elevator that is primarily used to handle, store, organize, convey, package, or repackage finished goods. The term includes tangible personal property with a useful life of one year or more that becomes an ingredient or component of the equipment, including repair and replacement parts. The term does not include equipment in offices, lunchrooms, restrooms, and other like space, within a warehouse or grain elevator, or equipment used for nonwarehouse purposes. "Material-handling equipment" includes but is not limited to: conveyers, carousels, lifts, positioners, pick-up-and-place units, cranes, hoists, mechanical arms, and robots; mechanized systems, including containers that are an integral part of the system, whose purpose is to lift or move tangible personal property; and automated handling, storage, and retrieval systems, including computers that control them, whose purpose is to lift or move tangible personal property; and forklifts and other off-road vehicles that are used to lift or move tangible personal property and that cannot be operated legally on roads and streets. "Racking equipment" includes, but is not limited to, conveying

systems, chutes, shelves, racks, bins, drawers, pallets, and other containers and storage devices that form a necessary part of the storage system;

(i) "Person" has the meaning given in RCW 82.04.030;

(j) "Retailer" means a person who makes "sales at retail" as defined in chapter 82.04 RCW of tangible personal property;

(k) "Square footage" means the product of the two horizontal dimensions of each floor of a specific warehouse. The entire footprint of the warehouse shall be measured in calculating the square footage, including space that juts out from the building profile such as loading docks. "Square footage" does not mean the aggregate of the square footage of more than one warehouse at a location or the aggregate of the square footage of warehouses at more than one location;

(l) "Third-party warehouse" means a person taxable under RCW 82.04.280(4);

(m) "Warehouse" means an enclosed building or structure in which finished goods are stored. A warehouse building or structure may have more than one storage room and more than one floor. Office space, lunchrooms, restrooms, and other space within the warehouse and necessary for the operation of the warehouse are considered part of the warehouse as are loading docks and other such space attached to the building and used for handling of finished goods. Landscaping and parking lots are not considered part of the warehouse. A storage yard is not a warehouse, nor is a building in which manufacturing takes place; and

(n) "Wholesaler" means a person who makes "sales at wholesale" as defined in chapter 82.04 RCW of tangible personal property, but "wholesaler" does not include a person who makes sales exempt under RCW 82.04.330.

(3)(a) A person claiming an exemption from state tax in the form of a remittance under this section must pay the tax imposed by RCW 82.08.020. The buyer may then apply to the department for remittance of all or part of the tax paid under RCW 82.08.020. For grain elevators with bushel capacity of one million but less than two million, the remittance is equal to fifty percent of the amount of tax paid. For warehouses with square footage of two hundred thousand or more, other than cold storage warehouses, and for grain elevators with bushel capacity of two million or more, the remittance is equal to one hundred percent of the amount of tax paid for qualifying construction, materials, service, and labor, and fifty percent of the amount of tax paid for qualifying material-handling equipment and racking equipment, and labor and services rendered in respect to installing, repairing, cleaning, altering, or improving the equipment. For cold storage warehouses with square footage of twenty-five thousand or more, the remittance is equal to one hundred percent of the amount of tax paid for qualifying construction, materials, service, and labor, and one hundred percent of the amount of tax paid for qualifying material-handling equipment and racking equipment, and labor and services rendered in respect to installing, repairing, cleaning, altering, or improving the equipment.

(b) The department shall determine eligibility under this section based on information provided by the buyer and through audit and other administrative records. The buyer shall on a quarterly basis submit an information sheet, in a form and manner as required by the department by rule, specifying the amount of exempted tax claimed and the qualifying purchases or acquisitions for which the exemption is claimed. The buyer shall retain, in adequate detail to enable the department to determine whether the equipment or construction meets the criteria under this section: Invoices; proof of tax paid; documents describing the material-handling equipment and racking

equipment; location and size of warehouses and grain elevators; and construction invoices and documents.

(c) The department shall on a quarterly basis remit exempted amounts to qualifying persons who submitted applications during the previous quarter.

(4) Warehouses, grain elevators, and material-handling equipment and racking equipment for which an exemption, credit, or deferral has been or is being received under chapter 82.60, ~~((82.61,))~~ 82.62, or 82.63 RCW or RCW 82.08.02565 or 82.12.02565 are not eligible for any remittance under this section. Warehouses and grain elevators upon which construction was initiated before May 20, 1997, are not eligible for a remittance under this section.

(5) The lessor or owner of a warehouse or grain elevator is not eligible for a remittance under this section unless the underlying ownership of the warehouse or grain elevator and the material-handling equipment and racking equipment vests exclusively in the same person, or unless the lessor by written contract agrees to pass the economic benefit of the remittance to the lessee in the form of reduced rent payments.

**Sec. 12.** RCW 82.08.820 and 2005 c 513 s 11 are each amended to read as follows:

(1) Wholesalers or third-party warehouse owners who own or operate warehouses or grain elevators and retailers who own or operate distribution centers, and who have paid the tax levied by RCW 82.08.020 on:

(a) Material-handling and racking equipment, and labor and services rendered in respect to installing, repairing, cleaning, altering, or improving the equipment; or

(b) Construction of a warehouse or grain elevator, including materials, and including service and labor costs, are eligible for an exemption in the form of a remittance. The amount of the remittance is computed under subsection (3) of this section and is based on the state share of sales tax.

(2) For purposes of this section and RCW 82.12.820:

(a) "Agricultural products" has the meaning given in RCW 82.04.213;

~~(b) ("Cold storage warehouse" means a storage warehouse used to store fresh and/or frozen perishable fruits or vegetables, or any combination thereof, at a desired temperature to maintain the quality of the product for orderly marketing;~~

~~—((c)) "Construction" means the actual construction of a warehouse or grain elevator that did not exist before the construction began. "Construction" includes expansion if the expansion adds ((at least twenty-five thousand square feet of additional space to an existing cold storage warehouse;)) at least two hundred thousand square feet of additional space to an existing warehouse ((other than a cold storage warehouse;)) or additional storage capacity of at least one million bushels to an existing grain elevator. "Construction" does not include renovation, remodeling, or repair;~~

~~((d)) (c) "Department" means the department of revenue;~~

~~((e)) (d) "Distribution center" means a warehouse that is used exclusively by a retailer solely for the storage and distribution of finished goods to retail outlets of the retailer. "Distribution center" does not include a warehouse at which retail sales occur;~~

~~((f)) (e) "Finished goods" means tangible personal property intended for sale by a retailer or wholesaler. "Finished goods" does not include agricultural products stored by wholesalers, third-party warehouses, or retailers if the storage takes place on the land of the person who produced the agricultural product. "Finished goods" does not include logs, minerals, petroleum, gas, or other extracted products stored as raw materials or in bulk;~~

~~((g)) (f) "Grain elevator" means a structure used for storage and handling of grain in bulk;~~

~~((h)) (g) "Material-handling equipment and racking equipment" means equipment in a warehouse or grain elevator that is primarily used to handle, store, organize, convey, package, or repack finished goods. The term includes tangible personal property with a useful life of one year or more that becomes an ingredient or component of the equipment, including repair and replacement parts. The term does not include equipment in offices, lunchrooms, restrooms, and other like space, within a warehouse or grain elevator, or equipment used for nonwarehousing purposes. "Material-handling equipment" includes but is not limited to: Conveyers, carousels, lifts, positioners, pick-up-and-place units, cranes, hoists, mechanical arms, and robots; mechanized systems, including containers that are an integral part of the system, whose purpose is to lift or move tangible personal property; and automated handling, storage, and retrieval systems, including computers that control them, whose purpose is to lift or move tangible personal property; and forklifts and other off-the-road vehicles that are used to lift or move tangible personal property and that cannot be operated legally on roads and streets. "Racking equipment" includes, but is not limited to, conveying systems, chutes, shelves, racks, bins, drawers, pallets, and other containers and storage devices that form a necessary part of the storage system;~~

~~((i)) (h) "Person" has the meaning given in RCW 82.04.030;~~

~~((j)) (i) "Retailer" means a person who makes "sales at retail" as defined in chapter 82.04 RCW of tangible personal property;~~

~~((k)) (j) "Square footage" means the product of the two horizontal dimensions of each floor of a specific warehouse. The entire footprint of the warehouse shall be measured in calculating the square footage, including space that juts out from the building profile such as loading docks. "Square footage" does not mean the aggregate of the square footage of more than one warehouse at a location or the aggregate of the square footage of warehouses at more than one location;~~

~~((l)) (k) "Third-party warehouse" means a person taxable under RCW 82.04.280(4);~~

~~((m)) (l) "Warehouse" means an enclosed building or structure in which finished goods are stored. A warehouse building or structure may have more than one storage room and more than one floor. Office space, lunchrooms, restrooms, and other space within the warehouse and necessary for the operation of the warehouse are considered part of the warehouse as are loading docks and other such space attached to the building and used for handling of finished goods. Landscaping and parking lots are not considered part of the warehouse. A storage yard is not a warehouse, nor is a building in which manufacturing takes place; and~~

~~((n)) (m) "Wholesaler" means a person who makes "sales at wholesale" as defined in chapter 82.04 RCW of tangible personal property, but "wholesaler" does not include a person who makes sales exempt under RCW 82.04.330.~~

(3)(a) A person claiming an exemption from state tax in the form of a remittance under this section must pay the tax imposed by RCW 82.08.020. The buyer may then apply to the department for remittance of all or part of the tax paid under RCW 82.08.020. For grain elevators with bushel capacity of one million but less than two million, the remittance is equal to fifty percent of the amount of tax paid. For warehouses with square footage of two hundred thousand or more ~~(; other than cold storage warehouses;))~~ and for grain elevators with bushel capacity of two million or more, the remittance is equal to one hundred percent of the amount of tax paid for qualifying construction, materials, service, and labor, and fifty



percent of the amount of tax paid for qualifying material-handling equipment and racking equipment, and labor and services rendered in respect to installing, repairing, cleaning, altering, or improving the equipment. ~~((For cold storage warehouses with square footage of twenty-five thousand or more, the remittance is equal to one hundred percent of the amount of tax paid for qualifying construction, materials, service, and labor, and one hundred percent of the amount of tax paid for qualifying material-handling equipment and racking equipment, and labor and services rendered in respect to installing, repairing, cleaning, altering, or improving the equipment.))~~

(b) The department shall determine eligibility under this section based on information provided by the buyer and through audit and other administrative records. The buyer shall on a quarterly basis submit an information sheet, in a form and manner as required by the department by rule, specifying the amount of exempted tax claimed and the qualifying purchases or acquisitions for which the exemption is claimed. The buyer shall retain, in adequate detail to enable the department to determine whether the equipment or construction meets the criteria under this section: Invoices; proof of tax paid; documents describing the material-handling equipment and racking equipment; location and size of warehouses and grain elevators; and construction invoices and documents.

(c) The department shall on a quarterly basis remit exempted amounts to qualifying persons who submitted applications during the previous quarter.

(4) Warehouses, grain elevators, and material-handling equipment and racking equipment for which an exemption, credit, or deferral has been or is being received under chapter 82.60, ~~((82.61,))~~ 82.62, or 82.63 RCW or RCW 82.08.02565 or 82.12.02565 are not eligible for any remittance under this section. Warehouses and grain elevators upon which construction was initiated before May 20, 1997, are not eligible for a remittance under this section.

(5) The lessor or owner of a warehouse or grain elevator is not eligible for a remittance under this section unless the underlying ownership of the warehouse or grain elevator and the material-handling equipment and racking equipment vests exclusively in the same person, or unless the lessor by written contract agrees to pass the economic benefit of the remittance to the lessee in the form of reduced rent payments.

**Sec. 13.** RCW 82.12.820 and 2005 c 513 s 12 are each amended to read as follows:

(1) Wholesalers or third-party warehouse owners who own or operate warehouses or grain elevators, and retailers who own or operate distribution centers, and who have paid the tax levied under RCW 82.12.020 on:

(a) Material-handling equipment and racking equipment and labor and services rendered in respect to installing, repairing, cleaning, altering, or improving the equipment; or

(b) Materials incorporated in the construction of a warehouse or grain elevator, are eligible for an exemption on tax paid in the form of a remittance or credit against tax owed. The amount of the remittance or credit is computed under subsection (2) of this section and is based on the state share of use tax.

(2)(a) A person claiming an exemption from state tax in the form of a remittance under this section must pay the tax imposed by RCW 82.12.020 to the department. The person may then apply to the department for remittance of all or part of the tax paid under RCW 82.12.020. For grain elevators with bushel capacity of one million but less than two million, the remittance is equal to fifty percent of the amount of tax paid. For warehouses with square footage of two hundred thousand or more ~~((other than cold storage warehouses.))~~

and for grain elevators with bushel capacity of two million or more, the remittance is equal to one hundred percent of the amount of tax paid for qualifying construction materials, and fifty percent of the amount of tax paid for qualifying material-handling equipment and racking equipment. ~~((For cold storage warehouses with square footage of twenty-five thousand or more, the remittance is equal to one hundred percent of the amount of tax paid for qualifying construction, materials, service, and labor, and one hundred percent of the amount of tax paid for qualifying material-handling equipment and racking equipment, and labor and services rendered in respect to installing, repairing, cleaning, altering, or improving the equipment.))~~

(b) The department shall determine eligibility under this section based on information provided by the buyer and through audit and other administrative records. The buyer shall on a quarterly basis submit an information sheet, in a form and manner as required by the department by rule, specifying the amount of exempted tax claimed and the qualifying purchases or acquisitions for which the exemption is claimed. The buyer shall retain, in adequate detail to enable the department to determine whether the equipment or construction meets the criteria under this section: Invoices; proof of tax paid; documents describing the material-handling equipment and racking equipment; location and size of warehouses, if applicable; and construction invoices and documents.

(c) The department shall on a quarterly basis remit or credit exempted amounts to qualifying persons who submitted applications during the previous quarter.

(3) Warehouse, grain elevators, and material-handling equipment and racking equipment for which an exemption, credit, or deferral has been or is being received under chapter 82.60, ~~((82.61,))~~ 82.62, or 82.63 RCW or RCW 82.08.02565 or 82.12.02565 are not eligible for any remittance under this section. Materials incorporated in warehouses and grain elevators upon which construction was initiated prior to May 20, 1997, are not eligible for a remittance under this section.

(4) The lessor or owner of the warehouse or grain elevator is not eligible for a remittance or credit under this section unless the underlying ownership of the warehouse or grain elevator and material-handling equipment and racking equipment vests exclusively in the same person, or unless the lessor by written contract agrees to pass the economic benefit of the exemption to the lessee in the form of reduced rent payments.

(5) The definitions in RCW 82.08.820 apply to this section.

**NEW SECTION. Sec. 14.** A new section is added to chapter 82.08 RCW to read as follows:

(1) The tax levied by RCW 82.08.020 does not apply to sales to persons who are subject to tax under RCW 82.04.260(12) of: (a) Materials used to package canned salmon including, but not limited to, clear wrap, boxes, tape, and box labels; and (b) glue, ink, or similar tangible personal property, that: (i) Affixes the label to the labeled product; or (ii) becomes a component of the label.

(2) The exemption is available only if the buyer provides the seller with an exemption certificate in a form and manner prescribed by the department. The seller must retain a copy of the certificate for the seller's files.

**NEW SECTION. Sec. 15.** A new section is added to chapter 82.12 RCW to read as follows:

The provisions of this chapter do not apply with respect to the use by persons who are subject to tax under RCW 82.04.260(12) of: (1) Materials used to package canned salmon including, but not limited to, clear wrap, boxes, tape, and box labels; and (2) glue, ink,

or similar tangible personal property, that: (a) Affixes the label to the labeled product; or (b) becomes a component of the label.

**Sec. 16.** RCW 82.32.600 and 2005 c 514 s 1002 are each amended to read as follows:

(1) Persons required to file surveys under RCW 82.04.4452, 82.32.610, or 82.74.040 must electronically file with the department all surveys, returns, and any other forms or information the department requires in an electronic format as provided or approved by the department (~~(; unless the department grants relief under subsection (2) of this section)~~). As used in this section, "returns" has the same meaning as "return" in RCW 82.32.050.

(2) ~~((Upon request, the department may relieve a person of the obligations in subsection (1) of this section if the person's taxes have been reduced a cumulative total of less than one thousand dollars from all of the credits, exemptions, or preferential business and occupation tax rates, for which a person is required to file an annual survey under RCW 82.04.4452, 82.32.535, 82.32.545, 82.32.570, 82.32.560, 82.60.070, or 82.63.020.~~

~~(3) Persons who NO longer qualify for relief under subsection (2) of this section will be notified in writing by the department and must comply with subsection (1) of this section by the date provided in the notice.~~

~~(4)) Any survey, return, or any other form or information required to be filed in an electronic format under subsection (1) of this section is not filed until received by the department in an electronic format.~~

(3) The department may waive the electronic filing requirement in subsection (1) of this section for good cause shown.

**Sec. 17.** RCW 82.32.590 and 2005 c 514 s 1001 are each amended to read as follows:

(1) If the department finds that the failure of a taxpayer to file an annual survey under RCW 82.04.4452, 82.32.610, or 82.74.040 by the due date was the result of circumstances beyond the control of the taxpayer, the department shall extend the time for filing the survey. Such extension shall be for a period of thirty days from the date the department issues its written notification to the taxpayer that it qualifies for an extension under this section. The department may grant additional extensions as it deems proper.

(2) In making a determination whether the failure of a taxpayer to file an annual survey by the due date was the result of circumstances beyond the control of the taxpayer, the department shall be guided by rules adopted by the department for the waiver or cancellation of penalties when the underpayment or untimely payment of any tax was due to circumstances beyond the control of the taxpayer.

NEW SECTION. Sec. 18. (1) Except as otherwise provided in this section, this act takes effect July 1, 2006.

(2) Sections 6 through 9 and 11 of this act take effect July 1, 2007.

(3) Sections 12 and 13 of this act take effect July 1, 2012.

NEW SECTION. Sec. 19. Section 10 of this act expires July 1, 2007.

NEW SECTION. Sec. 20. Section 11 of this act expires July 1, 2012."

Correct the title.

Signed by Representatives McIntire, Chairman; Hunter, Vice Chairman; Orcutt, Ranking Minority Member; Roach, Assistant Ranking Minority Member; Ahern; Condotta; Conway; Ericks; Santos and Shabro.

MINORITY recommendation: Without recommendation.  
Signed by Representatives Hasegawa.

Passed to Committee on Rules for second reading.

February 28, 2006  
SSB 6785 Prime Sponsor, Committee On Transportation:  
Modifying the administration of fuel taxes.  
Reported by Committee on Transportation

MAJORITY recommendation: Do pass as amended.

Strike everything after the enacting clause and insert the following:

"**Sec. 1.** RCW 82.36.010 and 2001 c 270 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) "Blended fuel" means a mixture of motor vehicle fuel and another liquid, other than a de minimis amount of the liquid, that can be used as a fuel to propel a motor vehicle.

(2) "Bond" means a bond duly executed with a corporate surety qualified under chapter 48.28 RCW, which bond is payable to the state of Washington conditioned upon faithful performance of all requirements of this chapter, including the payment of all taxes, penalties, and other obligations arising out of this chapter.

(3) "Bulk transfer" means a transfer of motor vehicle fuel by pipeline or vessel.

(4) "Bulk transfer-terminal system" means the motor vehicle fuel distribution system consisting of refineries, pipelines, vessels, and terminals. Motor vehicle fuel in a refinery, pipeline, vessel, or terminal is in the bulk transfer-terminal system. Motor vehicle fuel in the fuel tank of an engine, motor vehicle, or in a railcar, trailer, truck, or other equipment suitable for ground transportation is not in the bulk transfer-terminal system.

~~(5) ("Dealer" means a person engaged in the retail sale of motor vehicle fuel.~~

~~(6)) "Department" means the department of licensing.~~

~~((7)) (6) "Director" means the director of licensing.~~

~~((8)) (7) "Evasion" or "evade" means to diminish or avoid the computation, assessment, or payment of authorized taxes or fees through:~~

(a) A knowing: False statement; misrepresentation of fact; or other act of deception; or

(b) An intentional: Omission; failure to file a return or report; or other act of deception.

~~((9)) (8) "Export" means to obtain motor vehicle fuel in this state for sales or distribution outside the state.~~

~~((10)) (9) "Highway" means every way or place open to the use of the public, as a matter of right, for the purpose of vehicular travel.~~

~~((11)) (10) "Import" means to bring motor vehicle fuel into this state by a means of conveyance other than the fuel supply tank of a motor vehicle.~~

(11) "International fuel tax agreement licensee" means a motor vehicle fuel user operating qualified motor vehicles in interstate commerce and licensed by the department under the international fuel tax agreement.

(12) "Licensee" means a person holding a motor vehicle fuel supplier, motor vehicle fuel importer, motor vehicle fuel distributor, motor vehicle fuel exporter, motor vehicle fuel blender, or international fuel tax agreement license issued under this chapter.

(13) ("Marine fuel dealer" means a person engaged in the retail sale of motor vehicle fuel whose place of business and/or sale outlet is located upon a navigable waterway.

~~(14))~~ "Motor vehicle fuel blender" means a person who produces blended motor fuel outside the bulk transfer-terminal system.

~~((15))~~ (14) "Motor vehicle fuel distributor" means a person who acquires motor vehicle fuel from a supplier, distributor, or licensee for subsequent sale and distribution.

~~((16))~~ (15) "Motor vehicle fuel exporter" means a person who purchases motor vehicle fuel in this state and directly exports the fuel by a means other than the bulk transfer-terminal system to a destination outside of the state. If the exporter of record is acting as an agent, the person for whom the agent is acting is the exporter. If there is NO. exporter of record, the owner of the motor fuel at the time of exportation is the exporter.

~~((17))~~ (16) "Motor vehicle fuel importer" means a person who imports motor vehicle fuel into the state by a means other than the bulk transfer-terminal system. If the importer of record is acting as an agent, the person for whom the agent is acting is the importer. If there is NO. importer of record, the owner of the motor vehicle fuel at the time of importation is the importer.

~~((18))~~ (17) "Motor vehicle fuel supplier" means a person who holds a federal certificate of registry that is issued under the internal revenue code and authorizes the person to enter into federal tax-free transactions on motor vehicle fuel in the bulk transfer-terminal system.

~~((19))~~ (18) "Motor vehicle" means a self-propelled vehicle designed for operation upon land utilizing motor vehicle fuel as the means of propulsion.

~~((20))~~ (19) "Motor vehicle fuel" means gasoline and any other inflammable gas or liquid, by whatsoever name the gasoline, gas, or liquid may be known or sold, the chief use of which is as fuel for the propulsion of motor vehicles or motorboats.

~~((21))~~ (20) "Person" means a natural person, fiduciary, association, or corporation. The term "person" as applied to an association means and includes the partners or members thereof, and as applied to corporations, the officers thereof.

~~((22))~~ (21) "Position holder" means a person who holds the inventory position in motor vehicle fuel, as reflected by the records of the terminal operator. A person holds the inventory position in motor vehicle fuel if the person has a contractual agreement with the terminal for the use of storage facilities and terminating services at a terminal with respect to motor vehicle fuel. "Position holder" includes a terminal operator that owns motor vehicle fuel in their terminal.

~~((23))~~ (22) "Rack" means a mechanism for delivering motor vehicle fuel from a refinery or terminal into a truck, trailer, railcar, or other means of nonbulk transfer.

~~((24))~~ (23) "Refiner" means a person who owns, operates, or otherwise controls a refinery.

~~((25))~~ (24) "Removal" means a physical transfer of motor vehicle fuel other than by evaporation, loss, or destruction.

~~((26))~~ (25) "Terminal" means a motor vehicle fuel storage and distribution facility that has been assigned a terminal control number by the internal revenue service, is supplied by pipeline or vessel, and from which reportable motor vehicle fuel is removed at a rack.

~~((27))~~ (26) "Terminal operator" means a person who owns, operates, or otherwise controls a terminal.

~~((28))~~ (27) "Two-party exchange" or "buy-sell agreement" means a transaction in which taxable motor vehicle fuel is transferred from one licensed supplier to another licensed supplier under an exchange or buy-sell agreement whereby the supplier that is the position holder agrees to deliver taxable motor vehicle fuel to the other supplier or the other supplier's customer at the rack of the terminal at which the delivering supplier is the position holder.

**Sec. 2.** RCW 82.36.020 and 2001 c 270 s 2 are each amended to read as follows:

(1) There is hereby levied and imposed upon motor vehicle fuel ~~((users)) licensees, other than a motor vehicle fuel distributor,~~ a tax at the rate computed in the manner provided in RCW 82.36.025 on each gallon of motor vehicle fuel.

(2) The tax imposed by subsection (1) of this section is imposed when any of the following occurs:

(a) Motor vehicle fuel is removed in this state from a terminal if the motor vehicle fuel is removed at the rack unless the removal is to a licensed exporter for direct delivery to a destination outside of the state;

(b) Motor vehicle fuel is removed in this state from a refinery if either of the following applies:

(i) The removal is by bulk transfer and the refiner or the owner of the motor vehicle fuel immediately before the removal is not a licensee; or

(ii) The removal is at the refinery rack unless the removal is to a licensed exporter for direct delivery to a destination outside of the state;

(c) Motor vehicle fuel enters into this state ~~((for sale, consumption, use, or storage))~~ if either of the following applies:

(i) The entry is by bulk transfer and the importer is not a licensee; or

(ii) The entry is not by bulk transfer;

(d) Motor vehicle fuel is sold or removed in this state to an unlicensed entity unless there was a prior taxable removal, entry, or sale of the motor vehicle fuel;

(e) Blended motor vehicle fuel is removed or sold in this state by the blender of the fuel. The number of gallons of blended motor vehicle fuel subject to the tax is the difference between the total number of gallons of blended motor vehicle fuel removed or sold and the number of gallons of previously taxed motor vehicle fuel used to produce the blended motor vehicle fuel;

(f) Motor vehicle fuel is sold by a licensed motor vehicle fuel supplier to a motor vehicle fuel distributor, motor vehicle fuel importer, ~~((or))~~ motor vehicle fuel blender, or international fuel tax agreement licensee and the motor vehicle fuel is not removed from the bulk transfer-terminal system.

(3) The proceeds of the motor vehicle fuel excise tax shall be distributed as provided in RCW 46.68.090.

**Sec. 3.** RCW 82.36.025 and 2005 c 314 s 101 are each amended to read as follows:

(1) A motor vehicle fuel tax rate of twenty-three cents per gallon ~~((applies to the sale, distribution, or use of))~~ on motor vehicle fuel shall be imposed on motor vehicle fuel licensees, other than a motor vehicle fuel distributor.

(2) Beginning July 1, 2003, an additional and cumulative motor vehicle fuel tax rate of five cents per gallon (~~(applies to the sale, distribution, or use of)~~ on motor vehicle fuel shall be imposed on motor vehicle fuel licensees, other than a motor vehicle fuel distributor. This subsection (2) expires when the bonds issued for transportation 2003 projects are retired.

(3) Beginning July 1, 2005, an additional and cumulative motor vehicle fuel tax rate of three cents per gallon (~~(applies to the sale, distribution, or use of)~~ on motor vehicle fuel shall be imposed on motor vehicle fuel licensees, other than a motor vehicle fuel distributor.

(4) Beginning July 1, 2006, an additional and cumulative motor vehicle fuel tax rate of three cents per gallon (~~(applies to the sale, distribution, or use of)~~ on motor vehicle fuel shall be imposed on motor vehicle fuel licensees, other than a motor vehicle fuel distributor.

(5) Beginning July 1, 2007, an additional and cumulative motor vehicle fuel tax rate of two cents per gallon (~~(applies to the sale, distribution, or use of)~~ on motor vehicle fuel shall be imposed on motor vehicle fuel licensees, other than a motor vehicle fuel distributor.

(6) Beginning July 1, 2008, an additional and cumulative motor vehicle fuel tax rate of one and one-half cents per gallon (~~(applies to the sale, distribution, or use of)~~ on motor vehicle fuel shall be imposed on motor vehicle fuel licensees, other than a motor vehicle fuel distributor.

**Sec. 4.** RCW 82.36.026 and 2001 c 270 s 3 are each amended to read as follows:

(1) A licensed supplier shall ~~((remit)) be liable for and pay~~ tax to the department as provided in RCW 82.36.020. On a two-party exchange, or buy-sell agreement between two licensed suppliers, the receiving exchange partner or buyer ~~((who)) shall ((buyer shall remit)) be liable for and pay~~ the tax.

(2) A refiner shall ~~((remit)) be liable for and pay~~ tax to the department on motor vehicle fuel removed from a refinery as provided in RCW 82.36.020(2)(b).

(3) ~~((Am))~~ A licensed importer shall ~~((remit)) be liable for and pay~~ tax to the department on motor vehicle fuel imported into this state as provided in RCW 82.36.020(2)(c).

(4) A licensed blender shall ~~((remit)) be liable for and pay~~ tax to the department on the removal or sale of blended motor vehicle fuel as provided in RCW 82.36.020(2)(e).

(5) Nothing in this chapter shall prohibit the licensee liable for payment of the tax under this chapter from including as a part of the selling price an amount equal to the tax.

**NEW SECTION. Sec. 5.** A new section is added to chapter 82.36 RCW to read as follows:

International fuel tax agreement licensees, or persons operating motor vehicles under other reciprocity agreements entered into with the state of Washington, are liable for and must pay the tax under RCW 82.36.020 to the department on motor vehicle fuel used to operate motor vehicles on the highways of this state. This provision does not apply if the tax under RCW 82.36.020 has previously been imposed and paid by the international fuel tax agreement licensee or if the use of such fuel is exempt from the tax under this chapter.

**Sec. 6.** RCW 82.36.027 and 1998 c 176 s 9 are each amended to read as follows:

A terminal operator is jointly and severally liable for ~~((remitting)) payment of~~ the tax imposed under RCW 82.36.020(1) if, at the time of removal:

(1) The position holder with respect to the motor vehicle fuel is a person other than the terminal operator and is not a licensee;

(2) The terminal operator is not a licensee;

(3) The position holder has an expired internal revenue service notification certificate issued under 26 C.F.R. Part 48; or

(4) The terminal operator had reason to believe that information on the notification certificate was false.

**Sec. 7.** RCW 82.36.029 and 1998 c 176 s 10 are each amended to read as follows:

Upon the taxable removal of motor vehicle fuel by a licensed supplier and upon importation by a licensed importer, the licensee who acquired or removed the motor vehicle fuel, other than a motor vehicle fuel exporter, shall be entitled to a deduction from the tax liability on the gallonage of taxable motor vehicle fuel removed or imported in order to account for handling losses, as follows: For a motor vehicle fuel supplier ~~((acting as a distributor))~~, one-quarter of one percent; and for ~~((all other licensees))~~ a licensed importer, thirty one-hundredths of one percent. For those licensees required to file tax reports, the handling loss deduction shall be reported on tax reports filed with the department. ~~((For motor vehicle fuel distributors, the handling loss deduction shall be shown on the invoice provided to the motor vehicle fuel distributor by the seller.))~~

**Sec. 8.** RCW 82.36.031 and 1998 c 176 s 11 are each amended to read as follows:

For the purpose of determining the amount of liability for the tax imposed under this chapter, and to periodically update license information, each licensee, other than a motor vehicle fuel distributor and an international fuel tax agreement licensee, shall file monthly tax reports with the department, on a form prescribed by the department. An international fuel tax licensee shall file quarterly tax reports with the department, on a form prescribed by the department.

A report shall be filed with the department even though NO. motor vehicle fuel tax is due for the reporting period. Each tax report shall contain a declaration by the person making the same, to the effect that the statements contained therein are true and made under penalties of perjury, which declaration has the same force and effect as a verification of the report and is in lieu of the verification. The report shall show information as the department may require for the proper administration and enforcement of this chapter. Tax reports shall be filed on or before the twenty-fifth day of the next succeeding calendar month following the period to which the reports relate. If the final filing date falls on a Saturday, Sunday, or legal holiday the next secular or business day shall be the final filing date.

The department, if it deems it necessary in order to ensure payment of the tax imposed under this chapter, or to facilitate the administration of this chapter, may require the filing of reports and tax remittances at shorter intervals than one month.

**Sec. 9.** RCW 82.36.045 and 1998 c 176 s 16 are each amended to read as follows:

(1) If the department determines that the tax reported by a licensee is deficient, the department shall assess the deficiency on the basis of information available to it, and shall add a penalty of two percent of the amount of the deficiency.

(2) If a licensee, or person acting as such, fails, neglects, or refuses to file a motor vehicle fuel tax report the department shall, on the basis of information available to it, determine the tax liability of

the licensee or person for the period during which NO. report was filed. The department shall add the penalty provided in subsection (1) of this section to the tax. An assessment made by the department under this subsection or subsection (1) of this section is presumed to be correct. In any case, where the validity of the assessment is questioned, the burden is on the person who challenges the assessment to establish by a fair preponderance of evidence that it is erroneous or excessive, as the case may be.

(3) If a licensee or person acting as such files a false or fraudulent report with intent to evade the tax imposed by this chapter, the department shall add to the amount of deficiency a penalty equal to twenty-five percent of the deficiency, in addition to the penalty provided in subsections (1) and (2) of this section and all other penalties prescribed by law.

(4) Motor vehicle fuel tax, penalties, and interest payable under this chapter bears interest at the rate of one percent per month, or fraction thereof, from the first day of the calendar month after the amount or any portion of it should have been paid until the date of payment. If a licensee or person acting as such establishes by a fair preponderance of evidence that the failure to pay the amount of tax due was attributable to reasonable cause and was not intentional or willful, the department may waive the penalty. The department may waive the interest when it determines the cost of processing or collection of the interest exceeds the amount of interest due.

(5) Except in the case of a fraudulent report, neglect or refusal to make a report, or failure to pay or to pay the proper amount, the department shall assess the deficiency under subsection (1) or (2) of this section within five years from the last day of the succeeding calendar month after the reporting period for which the amount is proposed to be determined or within five years after the return is filed, whichever period expires later.

(6) Except in the case of violations of filing a false or fraudulent report, if the department deems mitigation of penalties and interest to be reasonable and in the best interest of carrying out the purpose of this chapter, it may mitigate such assessments upon whatever terms the department deems proper, giving consideration to the degree and extent of the lack of records and reporting errors. The department may ascertain the facts regarding recordkeeping and payment penalties in lieu of more elaborate proceedings under this chapter.

(7) A licensee or person acting as such against whom an assessment is made under subsection (1) or (2) of this section may petition for a reassessment within thirty days after service upon the licensee of notice of the assessment. If the petition is not filed within the thirty-day period, the amount of the assessment becomes final at the expiration of that period.

If a petition for reassessment is filed within the thirty-day period, the department shall reconsider the assessment and, if the petitioner has so requested in its petition, shall grant the petitioner an oral hearing and give the petitioner twenty days' notice of the time and place of the hearing. The department may continue the hearing from time to time. The decision of the department upon a petition for reassessment becomes final thirty days after service of notice upon the petitioner.

An assessment made by the department becomes due and payable when it becomes final. If it is not paid to the department when due and payable, the department shall add a penalty of ten percent of the amount of the tax.

(8) In a suit brought to enforce the rights of the state under this chapter, the assessment showing the amount of taxes, penalties, interest, and cost unpaid to the state is prima facie evidence of the facts as shown.

(9) A notice of assessment required by this section must be served personally or by certified or registered mail. If it is served by mail, service shall be made by deposit of the notice in the United States mail, postage prepaid, addressed to the respondent at the most current address furnished to the department.

~~((10) The tax imposed by this chapter, if required to be collected by the seller, is held in trust by the licensee until paid to the department, and a licensee who appropriates or converts the tax collected to his or her own use or to any use other than the payment of the tax to the extent that the money required to be collected is not available for payment on the due date as prescribed in this chapter is guilty of a felony, or gross misdemeanor in accordance with the theft and anticipatory provisions of Title 9A RCW. A person, partnership, corporation, or corporate officer who fails to collect the tax imposed by this section, or who has collected the tax and fails to pay it to the department in the manner prescribed by this chapter, is personally liable to the state for the amount of the tax.))~~

**Sec. 10.** RCW 82.36.060 and 2001 c 270 s 5 are each amended to read as follows:

(1) An application for a license issued under this chapter shall be made to the department on forms to be furnished by the department and shall contain such information as the department deems necessary.

(2) Every application for a license must contain the following information to the extent it applies to the applicant:

(a) Proof as the department may require concerning the applicant's identity, including but not limited to his or her fingerprints or those of the officers of a corporation making the application;

(b) The applicant's form and place of organization including proof that the individual, partnership, or corporation is licensed to do business in this state;

(c) The qualification and business history of the applicant and any partner, officer, or director;

(d) The applicant's financial condition or history including a bank reference and whether the applicant or any partner, officer, or director has ever been adjudged bankrupt or has an unsatisfied judgment in a federal or state court;

(e) Whether the applicant has been adjudged guilty of a crime that directly relates to the business for which the license is sought and the time elapsed since the conviction is less than ten years, or has suffered a judgment within the preceding five years in a civil action involving fraud, misrepresentation, or conversion and in the case of a corporation or partnership, all directors, officers, or partners.

(3) An applicant for a license as a motor vehicle fuel importer must list on the application each state, province, or country from which the applicant intends to import motor vehicle fuel and, if required by the state, province, or country listed, must be licensed or registered for motor vehicle fuel tax purposes in that state, province, or country.

(4) An applicant for a license as a motor vehicle fuel exporter must list on the application each state, province, or country to which the exporter intends to export motor vehicle fuel received in this state by means of a transfer outside of the bulk transfer-terminal system and, if required by the state, province, or country listed, must be licensed or registered for motor vehicle fuel tax purposes in that state, province, or country.

(5) An applicant for a license as a motor vehicle fuel supplier must have a federal certificate of registry that is issued under the internal revenue code and authorizes the applicant to enter into federal tax-free transactions on motor vehicle fuel in the terminal transfer system.

(6) After receipt of an application for a license, the director may conduct an investigation to determine whether the facts set forth are true. The director shall require a fingerprint record check of the applicant through the Washington state patrol criminal identification system and the federal bureau of investigation before issuance of a license. The results of the background investigation including criminal history information may be released to authorized department personnel as the director deems necessary. The department shall charge a license holder or license applicant a fee of fifty dollars for each background investigation conducted.

An applicant who makes a false statement of a material fact on the application may be prosecuted for false swearing as defined by RCW 9A.72.040.

(7) Except as provided by subsection (8) of this section, before granting any license issued under this chapter, the department shall require applicant to file with the department, in such form as shall be prescribed by the department, a corporate surety bond duly executed by the applicant as principal, payable to the state and conditioned for faithful performance of all the requirements of this chapter, including the payment of all taxes, penalties, and other obligations arising out of this chapter. The total amount of the bond or bonds shall be fixed by the department and may be increased or reduced by the department at any time subject to the limitations herein provided. In fixing the total amount of the bond or bonds, the department shall require a bond or bonds equivalent in total amount to twice the estimated monthly excise tax determined in such manner as the department may deem proper. If at any time the estimated excise tax to become due during the succeeding month amounts to more than fifty percent of the established bond, the department shall require additional bonds or securities to maintain the marginal ratio herein specified or shall demand excise tax payments to be made weekly or semimonthly to meet the requirements hereof.

The total amount of the bond or bonds required of any licensee shall never be less than five thousand dollars nor more than one hundred thousand dollars.

NO. recoveries on any bond or the execution of any new bond shall invalidate any bond and NO. revocation of any license shall effect the validity of any bond but the total recoveries under any one bond shall not exceed the amount of the bond.

In lieu of any such bond or bonds in total amount as herein fixed, a licensee may deposit with the state treasurer, under such terms and conditions as the department may prescribe, a like amount of lawful money of the United States or bonds or other obligations of the United States, the state, or any county of the state, of an actual market value not less than the amount so fixed by the department.

Any surety on a bond furnished by a licensee as provided herein shall be released and discharged from any and all liability to the state accruing on such bond after the expiration of thirty days from the date upon which such surety has lodged with the department a written request to be released and discharged, but this provision shall not operate to relieve, release, or discharge the surety from any liability already accrued or which shall accrue before the expiration of the thirty day period. The department shall promptly, upon receiving any such request, notify the licensee who furnished the bond; and unless the licensee, on or before the expiration of the thirty day period, files a new bond, or makes a deposit in accordance with the requirements of this section, the department shall forthwith cancel the license. Whenever a new bond is furnished by a licensee, the department shall cancel the old bond as soon as the department and the attorney general are satisfied that all liability under the old bond has been fully discharged.

The department may require a licensee to give a new or additional surety bond or to deposit additional securities of the character specified in this section if, in its opinion, the security of the surety bond theretofore filed by such licensee, or the market value of the properties deposited as security by the licensee, shall become impaired or inadequate; and upon the failure of the licensee to give such new or additional surety bond or to deposit additional securities within thirty days after being requested so to do by the department, the department shall forthwith cancel his or her license.

(8) The department may waive the requirements of subsection (7) of this section for licensed distributors if, upon determination by the department, the licensed distributor has sufficient resources, assets, other financial instruments, or other means, to adequately make payments on the estimated monthly motor vehicle fuel tax payments, penalties, and interest arising out of this chapter. The department shall adopt rules to administer this subsection.

(9) An application for an international fuel tax agreement license must be made to the department. The application must be filed upon a form prescribed by the department and contain such information as the department may require. The department shall charge a fee of ten dollars per set of international fuel tax agreement decals issued to each applicant or licensee. The department shall transmit the fee to the state treasurer for deposit in the motor vehicle fund.

**Sec. 11.** RCW 82.36.080 and 1998 c 176 s 20 are each amended to read as follows:

(1) It shall be unlawful for any person to engage in business in this state as any of the following unless the person is the holder of an uncanceled license issued by the department authorizing the person to engage in that business:

- (a) Motor vehicle fuel supplier;
- (b) Motor vehicle fuel distributor;
- (c) Motor vehicle fuel exporter;
- (d) Motor vehicle fuel importer; ~~((or))~~
- (e) Motor vehicle fuel blender; or
- (f) International fuel tax agreement licensee.

(2) A person engaged in more than one activity for which a license is required must have a separate license classification for each activity, but a motor vehicle fuel supplier is not required to obtain a separate license classification for any other activity for which a license is required.

(3) If any person acts as a licensee without first securing the license required herein the excise tax shall be immediately due and payable on account of all motor vehicle fuel distributed or used by the person. The director shall proceed forthwith to determine from the best available sources, the amount of the tax, and the director shall immediately assess the tax in the amount found due, together with a penalty of one hundred percent of the tax, and shall make a certificate of such assessment and penalty. In any suit or proceeding to collect the tax or penalty, or both, such certificate shall be prima facie evidence that the person therein named is indebted to the state in the amount of the tax and penalty therein stated. Any tax or penalty so assessed may be collected in the manner prescribed in this chapter with reference to delinquency in payment of the tax or by an action at law, which the attorney general shall commence and prosecute to final determination at the request of the director. The foregoing remedies of the state shall be cumulative and NO. action taken pursuant to this section shall relieve any person from the penal provisions of this chapter.

**Sec. 12.** RCW 82.36.160 and 1998 c 176 s 27 are each amended to read as follows:

Every licensee shall maintain in the office of his or her principal place of business in this state, for a period of five years, records of motor vehicle fuel received, sold, distributed, or used by the licensee, in such form as the director may prescribe, together with invoices, bills of lading, and other pertinent papers as may be required under the provisions of this chapter.

~~((Every dealer purchasing motor vehicle fuel taxable under this chapter for the purpose of resale, shall maintain within this state, for a period of two years a record of motor vehicle fuels received, the amount of tax paid to the licensee as part of the purchase price, together with delivery tickets, invoices, and bills of lading, and such other records as the director shall require.))~~

**Sec. 13.** RCW 82.36.180 and 1998 c 176 s 30 are each amended to read as follows:

The director, or duly authorized agents, may make such examinations of the records, stocks, facilities, and equipment of any licensee, ~~((and service stations.))~~ and make such other investigations as deemed necessary in carrying out the provisions of this chapter. If such examinations or investigations disclose that any reports of licensees theretofore filed with the director pursuant to the requirements of this chapter have shown incorrectly the gallonage of motor vehicle fuel distributed or the tax ~~((accruing))~~ liability thereon, the director may make such changes in subsequent reports and payments of such licensees as deemed necessary to correct the errors disclosed.

Every such licensee or such other person not maintaining records in this state so that an audit of such records may be made by the director or a duly authorized representative shall be required to make the necessary records available to the director upon request and at a designated office within this state; or, in lieu thereof, the director or a duly authorized representative shall proceed to any out-of-state office at which the records are prepared and maintained to make such examination.

**Sec. 14.** RCW 82.36.230 and 1998 c 176 s 34 are each amended to read as follows:

The provisions of this chapter requiring the payment of taxes do not apply to motor vehicle fuel imported into the state in interstate or foreign commerce and intended to be sold while in interstate or foreign commerce, nor to motor vehicle fuel exported from this state by a licensee nor to any motor vehicle fuel sold by a licensee to the armed forces of the United States or to the national guard for use exclusively in ships or for export from this state. The licensee shall report such imports, exports and sales to the department at such times, on such forms, and in such detail as the department may require, otherwise the exemption granted in this section is null and void, and all fuel shall be considered distributed in this state fully subject to the provisions of this chapter. Each invoice covering exempt sales shall have the statement "Ex Washington Motor Vehicle Fuel Tax" clearly marked thereon.

To claim any exemption from taxes under this section on account of sales by a licensee of motor vehicle fuel for export, the purchaser shall obtain from the selling licensee, and such selling licensee must furnish the purchaser, an invoice giving such details of the sale for export as the department may require, copies of which shall be furnished the department and the entity of the state or foreign jurisdiction of destination which is charged by the laws of that state or foreign jurisdiction with the control or monitoring, or both, of the sales or movement of motor vehicle fuel in that state or foreign jurisdiction. For the purposes of this section, motor vehicle fuel distributed to a federally recognized Indian tribal reservation located

within the state of Washington is not considered exported outside this state.

To claim any refund of taxes previously paid on account of sales of motor vehicle fuel to the armed forces of the United States or to the national guard, the licensee shall be required to execute an exemption certificate in such form as shall be furnished by the department, containing a certified statement by an authorized officer of the armed forces having actual knowledge of the purpose for which the exemption is claimed. The provisions of this section exempting motor vehicle fuel sold to the armed forces of the United States or to the national guard from the tax imposed hereunder do not apply to any motor vehicle fuel sold to contractors purchasing such fuel either for their own account or as the agents of the United States or the national guard for use in the performance of contracts with the armed forces of the United States or the national guard. The provisions of this section relating to refunds of taxes do not apply to motor vehicle fuel distributors.

The department may at any time require of any licensee any information the department deems necessary to determine the validity of the claimed exemption, and failure to supply such data will constitute a waiver of all right to the exemption claimed. The department is hereby empowered with full authority to promulgate rules and regulations and to prescribe forms to be used by licensees in reporting to the department so as to prevent evasion of the tax imposed by this chapter.

Upon request from the officials to whom are entrusted the enforcement of the motor vehicle fuel tax law of any other state, the District of Columbia, the United States, its territories and possessions, the provinces, or the Dominion of Canada, the department may forward to such officials any information which the department may have relative to the import or export of any motor vehicle fuel by any licensee: PROVIDED, That such governmental unit furnish like information to this state.

**NEW SECTION. Sec. 15.** A new section is added to chapter 82.36 RCW to read as follows:

Motor vehicle fuel that is used exclusively for racing and is illegal for use on the public highways of this state under state or federal law is exempt from the tax imposed under this chapter.

**Sec. 16.** RCW 82.36.275 and 1969 ex.s. c 281 s 27 are each amended to read as follows:

Notwithstanding RCW 82.36.240, every urban passenger transportation system shall receive a refund of the amount of the motor vehicle fuel tax paid on each gallon of motor vehicle fuel used ~~((whether such vehicle fuel tax has been paid either directly to the vendor from whom the motor vehicle fuel was purchased or indirectly by adding the amount of such tax to the price of such fuel)).~~

For the purposes of this section "urban passenger transportation system" means every transportation system, publicly or privately owned, having as its principal source of revenue the income from transporting persons for compensation by means of motor vehicles and/or trackless trolleys, each having a seating capacity for over fifteen persons, over prescribed routes in such a manner that the routes of such motor vehicles and/or trackless trolleys (either alone or in conjunction with routes of other such motor vehicles and/or trackless trolleys subject to routing by the same transportation system) do not extend for a distance exceeding fifteen road miles beyond the corporate limits of the city in which the original starting points of such motor vehicles are located: PROVIDED, That NO. refunds authorized by this section shall be granted on fuel used by

any urban transportation vehicle on any trip where any portion of said trip is more than fifteen road miles beyond the corporate limits of the city in which said trip originated.

**Sec. 17.** RCW 82.36.280 and 1998 c 176 s 36 are each amended to read as follows:

Any person who uses any motor vehicle fuel for the purpose of operating any internal combustion engine not used on or in conjunction with any motor vehicle licensed to be operated over and along any of the public highways, and as the motive power thereof, upon which motor vehicle fuel excise tax has been paid, shall be entitled to and shall receive a refund of the amount of the motor vehicle fuel excise tax paid on each gallon of motor vehicle fuel so used(~~(whether such motor vehicle excise tax has been paid either directly to the vendor from whom the motor vehicle fuel was purchased or indirectly by adding the amount of such excise tax to the price of such fuel)~~). NO. refund shall be made for motor vehicle fuel consumed by any motor vehicle as herein defined that is required to be registered and licensed as provided in chapter 46.16 RCW; and is operated over and along any public highway except that a refund shall be allowed for motor vehicle fuel consumed:

(1) In a motor vehicle owned by the United States that is operated off the public highways for official use; and

(2) By auxiliary equipment not used for motive power, provided such consumption is accurately measured by a metering device that has been specifically approved by the department or is established by either of the following formulae:

(a) For fuel used in pumping fuel or heating oils by a power take-off unit on a delivery truck, refund shall be allowed claimant for tax paid on fuel purchased at the rate of three-fourths of one gallon for each one thousand gallons of fuel delivered: PROVIDED, That claimant when presenting his or her claim to the department in accordance with the provisions of this chapter, shall provide to said claim, invoices of fuel oil delivered, or such other appropriate information as may be required by the department to substantiate his or her claim; or

(b) For fuel used in operating a power take-off unit on a cement mixer truck or load compactor on a garbage truck, claimant shall be allowed a refund of twenty-five percent of the tax paid on all fuel used in such a truck; and

(c) The department is authorized to establish by rule additional formulae for determining fuel usage when operating other types of equipment by means of power take-off units when direct measurement of the fuel used is not feasible. The department is also authorized to adopt rules regarding the usage of on board computers for the production of records required by this chapter.

**Sec. 18.** RCW 82.36.285 and 1996 c 244 s 5 are each amended to read as follows:

A private, nonprofit transportation provider regulated under chapter 81.66 RCW shall receive a refund of the amount of the motor vehicle fuel tax paid on each gallon of motor vehicle fuel used to provide transportation services for persons with special transportation needs(~~(whether the vehicle fuel tax has been paid either directly to the vendor from whom the motor vehicle fuel was purchased or indirectly by adding the amount of the tax to the price of the fuel)~~).

**Sec. 19.** RCW 82.36.290 and 1961 c 15 s 82.36.290 are each amended to read as follows:

Every person who purchases and uses any motor vehicle fuel as an ingredient for manufacturing or for cleaning or dyeing or for some other similar purpose and upon which the motor vehicle fuel excise

tax has been paid shall be entitled to and shall receive a refund of the amount of the motor vehicle fuel excise tax paid on each gallon of motor vehicle fuel so used(~~(whether such motor vehicle excise tax has been paid either directly to the vendor from whom the motor vehicle fuel was purchased or indirectly by adding the amount of such excise tax to the price of such fuel)~~).

**Sec. 20.** RCW 82.36.320 and 1961 c 15 s 82.36.320 are each amended to read as follows:

Any person claiming refund on motor vehicle fuel used other than in motor vehicles as herein provided(~~(and any person purchasing motor vehicle fuel from a dealer who is claiming refund on account of the sale of such fuel under RCW 82.36.305)~~) may be required by the director to also furnish information regarding the amount of motor vehicle fuel purchased from other sources or for other purposes during the period reported for which NO. refund is claimed.

**Sec. 21.** RCW 82.36.340 and 1961 c 15 s 82.36.340 are each amended to read as follows:

The director may in order to establish the validity of any claim for refund require the claimant(~~(or, in the case of a dealer filing a claim for refund as provided by RCW 82.36.305, the person to whom such fuel was sold;)~~) to furnish such additional proof of the validity of the claim as the director may determine, and may examine the books and records of the claimant or said person to whom the fuel was sold for such purpose. The records shall be sufficient to substantiate the accuracy of the claim and shall be in such form and contain such information as the director may require. The failure to maintain such records or to accede to a demand for an examination of such records may be deemed by the director as sufficient cause for denial of all right to the refund claimed on account of the transaction in question.

**Sec. 22.** RCW 82.36.370 and 1998 c 176 s 42 are each amended to read as follows:

(1) A refund shall be made in the manner provided in this chapter or a credit given to a licensee, other than a motor vehicle fuel distributor, allowing for the excise tax paid or accrued on all motor vehicle fuel which is lost or destroyed, while (~~(applicant shall be the owner thereof)~~) the licensee was the owner, through fire, lightning, flood, wind storm, or explosion.

(2) A refund shall be made in the manner provided in this chapter or a credit given allowing for the excise tax paid or accrued on all motor vehicle fuel of five hundred gallons or more which is lost or destroyed, while (~~(applicant)~~) the licensee, other than a motor vehicle fuel distributor, shall be the owner thereof, through leakage or other casualty except evaporation, shrinkage or unknown causes: PROVIDED, That the director shall be notified in writing as to the full circumstances surrounding such loss or destruction and the amount of the loss or destruction within thirty days from the day of discovery of such loss or destruction.

(3) Recovery for such loss or destruction under either subsection (1) or (2) must be susceptible to positive proof thereby enabling the director to conduct such investigation and require such information as the director may deem necessary.

In the event that the director is not satisfied that the fuel was lost or destroyed as claimed, wherefore required information or proof as required hereunder is not sufficient to substantiate the accuracy of the claim, the director may deem as sufficient cause the denial of all right relating to the refund or credit for the excise tax on motor vehicle fuel alleged to be lost or destroyed.



**Sec. 23.** RCW 82.36.380 and 2003 c 358 s 13 are each amended to read as follows:

(1) It is unlawful for a person or corporation to:

(a) Evade a tax or fee imposed under this chapter;

(b) File a false statement of a material fact on a motor fuel license application or motor fuel refund application;

(c) Act as a motor fuel importer, motor fuel blender, or motor fuel supplier unless the person holds an uncanceled motor fuel license issued by the department authorizing the person to engage in that business;

(d) Knowingly assist another person to evade a tax or fee imposed by this chapter;

(e) Knowingly operate a conveyance for the purpose of hauling, transporting, or delivering motor vehicle fuel in bulk and not possess an invoice, bill of sale, or other statement showing the name, address, and tax license number of the seller or consignor, the destination, the name, address, and tax license number of the purchaser or consignee, and the number of gallons.

(2) A violation of subsection (1) of this section is a class C felony under chapter 9A.20 RCW. In addition to other penalties and remedies provided by law, the court shall order a person or corporation found guilty of violating subsection (1) of this section to:

(a) Pay the tax or fee evaded plus interest, commencing at the date the tax or fee was first due, at the rate of twelve percent per year, compounded monthly; and

(b) Pay a penalty of one hundred percent of the tax evaded, to the multimodal transportation account of the state.

(3) The tax imposed by this chapter is held in trust by the licensee until paid to the department, and a licensee who appropriates the tax to his or her own use or to any use other than the payment of the tax on the due date as prescribed in this chapter is guilty of a felony or gross misdemeanor in accordance with the theft and anticipatory provisions of Title 9A RCW. A person, partnership, corporation, or corporate officer who fails to pay to the department the tax imposed by this chapter is personally liable to the state for the amount of the tax.

**Sec. 24.** RCW 82.36.450 and 1995 c 320 s 2 are each amended to read as follows:

((The department of licensing may enter into an agreement with any federally recognized Indian tribe located on a reservation within this state regarding the imposition, collection, and use of this state's motor vehicle fuel tax, or the budgeting or use of moneys in lieu thereof, upon terms substantially the same as those in the consent decree entered by the federal district court (Eastern District of Washington) in *Confederated Tribes of the Colville Reservation v. DOL, et al.*, District Court No. CY 92-248-JLO.)) (1) The governor may enter into an agreement with any federally recognized Indian tribe located on a reservation within this state regarding payment of motor vehicle fuel taxes included in the price of fuel delivered to a retail station owned and operated by a tribe, tribal enterprise, or tribal member licensed by the tribe to operate a retail station located on reservation or trust property. The agreement must be between the governor and the tribe, and must provide that:

(a) The tribal retailer will pass on to the retail customer one hundred percent of any state fuel tax included in the price of the motor vehicle fuel;

(b) The tribal retailer will acquire all motor vehicle fuel only from persons or companies who are properly licensed in Washington state as a motor vehicle fuel distributor, supplier, or importer in accordance with this chapter, or a tribal distributor, supplier, or importer lawfully doing business in Indian country;

(c) The tribe will expend fuel tax proceeds or amounts equivalent thereto, on essential governmental services, including but not limited to: Planning, construction, and maintenance of roads, bridges, and boat ramps; transit services and facilities; transportation planning; police services; and other highway related purposes;

(d) The provisions of this section do not repeal existing state/tribal fuel tax agreements or consent decrees in existence on the effective date of this act, but the state and the tribe may agree to substitute a compact negotiated under this section for an existing agreement or consent decree.

(2) The department of licensing shall prepare and submit an annual report to the legislature on the status of existing agreements and any ongoing negotiations with tribes.

**NEW SECTION. Sec. 25.** A new section is added to chapter 82.36 RCW to read as follows:

It is the intent and purpose of this chapter that the tax shall be imposed at the time and place of the first taxable event and upon the first taxable person within this state. Any person whose activities would otherwise require payment of the tax imposed by RCW 82.36.020 but who is exempt from the tax nevertheless has a precollection obligation for the tax that must be imposed on the first taxable event within this state. Failure to pay the tax with respect to a taxable event shall not prevent tax liability from arising by reason of a subsequent taxable event.

**Sec. 26.** RCW 82.38.030 and 2005 c 314 s 102 are each amended to read as follows:

(1) There is hereby levied and imposed upon special fuel ~~((users))~~ licensees, other than a special fuel distributor, a tax at the rate of twenty-three cents per gallon of special fuel, or each one hundred cubic feet of compressed natural gas, measured at standard pressure and temperature.

(2) Beginning July 1, 2003, an additional and cumulative tax rate of five cents per gallon of special fuel, or each one hundred cubic feet of compressed natural gas, measured at standard pressure and temperature shall be imposed on special fuel ~~((users))~~ licensees, other than a special fuel distributor. This subsection (2) expires when the bonds issued for transportation 2003 projects are retired.

(3) Beginning July 1, 2005, an additional and cumulative tax rate of three cents per gallon of special fuel, or each one hundred cubic feet of compressed natural gas, measured at standard pressure and temperature shall be imposed on special fuel ~~((users))~~ licensees, other than a special fuel distributor.

(4) Beginning July 1, 2006, an additional and cumulative tax rate of three cents per gallon of special fuel, or each one hundred cubic feet of compressed natural gas, measured at standard pressure and temperature shall be imposed on special fuel ~~((users))~~ licensees, other than a special fuel distributor.

(5) Beginning July 1, 2007, an additional and cumulative tax rate of two cents per gallon of special fuel, or each one hundred cubic feet of compressed natural gas, measured at standard pressure and temperature shall be imposed on special fuel ~~((users))~~ licensees, other than a special fuel distributor.

(6) Beginning July 1, 2008, an additional and cumulative tax rate of one and one-half cents per gallon of special fuel, or each one hundred cubic feet of compressed natural gas, measured at standard pressure and temperature shall be imposed on special fuel ~~((users))~~ licensees, other than a special fuel distributor.

(7) Taxes are imposed when:

(a) Special fuel is removed in this state from a terminal if the special fuel is removed at the rack unless the removal is to a licensed

exporter for direct delivery to a destination outside of the state, or the removal is ~~((to))~~ by a special fuel ~~((distributor))~~ supplier for direct delivery to an international fuel tax agreement licensee under RCW 82.38.320;

(b) Special fuel is removed in this state from a refinery if either of the following applies:

(i) The removal is by bulk transfer and the refiner or the owner of the special fuel immediately before the removal is not a licensee; or

(ii) The removal is at the refinery rack unless the removal is to a licensed exporter for direct delivery to a destination outside of the state, or the removal is to a special fuel ~~((distributor))~~ supplier for direct delivery to an international fuel tax agreement licensee under RCW 82.38.320;

(c) Special fuel enters into this state ~~((for sale, consumption, use, or storage))~~, unless the fuel enters this state for direct delivery to an international fuel tax agreement licensee under RCW 82.38.320, if either of the following applies:

(i) The entry is by bulk transfer and the importer is not a licensee; or

(ii) The entry is not by bulk transfer;

(d) Special fuel is sold or removed in this state to an unlicensed entity unless there was a prior taxable removal, entry, or sale of the special fuel;

(e) Blended special fuel is removed or sold in this state by the blender of the fuel. The number of gallons of blended special fuel subject to tax is the difference between the total number of gallons of blended special fuel removed or sold and the number of gallons of previously taxed special fuel used to produce the blended special fuel;

(f) Dyed special fuel is used on a highway, as authorized by the internal revenue code, unless the use is exempt from the special fuel tax;

(g) Dyed special fuel is held for sale, sold, used, or is intended to be used in violation of this chapter;

(h) Special fuel purchased by an international fuel tax agreement licensee under RCW 82.38.320 is used on a highway; and

(i) Special fuel is sold by a licensed special fuel supplier to a special fuel distributor, special fuel importer, or special fuel blender and the special fuel is not removed from the bulk transfer-terminal system.

~~((8))~~ The tax imposed by this chapter, if required to be collected by the licensee, is held in trust by the licensee until paid to the department, and a licensee who appropriates or converts the tax collected to his or her own use or to any use other than the payment of the tax to the extent that the money required to be collected is not available for payment on the due date as prescribed in this chapter is guilty of a felony, or gross misdemeanor in accordance with the theft and anticipatory provisions of Title 9A RCW. A person, partnership, corporation, or corporate officer who fails to collect the tax imposed by this section, or who has collected the tax and fails to pay it to the department in the manner prescribed by this chapter, is personally liable to the state for the amount of the tax:))

**Sec. 27.** RCW 82.38.032 and 1998 c 176 s 52 are each amended to read as follows:

~~((The tax under RCW 82.38.030, if not previously imposed and paid, must be paid over to the department by special fuel users and persons licensed under the international fuel tax agreement or other fuel tax reciprocity agreements entered into with the state of Washington, on the use of special fuel to operate motor vehicles on the highways of this state, unless the use is exempt from the tax under~~

~~this chapter:))~~ International fuel tax agreement licensees, or persons operating motor vehicles under other reciprocity agreements entered into with the state of Washington, are liable for and must pay the tax under RCW 82.38.030 to the department on special fuel used to operate motor vehicles on the highways of this state. This provision does not apply if the tax under RCW 82.38.030 has previously been imposed and paid by the international fuel tax agreement licensee or if the use of such fuel is exempt from the tax under this chapter.

**Sec. 28.** RCW 82.38.035 and 2005 c 314 s 107 are each amended to read as follows:

(1) A licensed supplier shall ~~((remit))~~ be liable for and pay tax on special fuel to the department as provided in RCW 82.38.030(7)(a). On a two-party exchange, or buy-sell agreement between two licensed suppliers, the receiving exchange partner or buyer shall ~~((remit))~~ be liable for and pay the tax.

(2) A refiner shall ~~((remit))~~ be liable for and pay tax to the department on special fuel removed from a refinery as provided in RCW 82.38.030(7)(b).

(3) ~~((An))~~ A licensed importer shall ~~((remit))~~ be liable for and pay tax to the department on special fuel imported into this state as provided in RCW 82.38.030(7)(c).

(4) A licensed blender shall ~~((remit))~~ be liable for and pay tax to the department on the removal or sale of blended special fuel as provided in RCW 82.38.030(7)(e).

(5) A licensed dyed special fuel user shall ~~((remit))~~ be liable for and pay tax to the department on the use of dyed special fuel as provided in RCW 82.38.030(7)(f).

~~((6))~~ Nothing in this chapter prohibits the licensee liable for payment of the tax under this chapter from including as a part of the selling price an amount equal to such tax.

**Sec. 29.** RCW 82.38.050 and 1990 c 250 s 82 are each amended to read as follows:

~~((Except as otherwise provided in this chapter, every special fuel user shall be liable for the tax on special fuel used in motor vehicles leased to the user for thirty days or more and operated on the highways of this state to the same extent and in the same manner as special fuel used in his own motor vehicles and operated on the highways of this state. PROVIDED, That))~~ A lessor who is engaged regularly in the business of leasing or renting for compensation motor vehicles and equipment he owns without drivers to carriers or other lessees for interstate operation, may be deemed to be the special fuel user when he supplies or pays for the special fuel consumed in such vehicles, and such lessor may be issued ~~((a))~~ an international fuel tax agreement license ~~((as a special fuel user))~~ when application and bond have been properly filed with and approved by the department for such license. Any lessee may exclude motor vehicles of which he or she is the lessee from reports and liabilities pursuant to this chapter, but only if the motor vehicles in question have been leased from a lessor holding a valid ~~((special fuel user's))~~ international fuel tax agreement license.

~~((Every such lessor shall file with the application for a special fuel user's license one copy of the lease form or service contract the lessor enters into with the various lessees of the lessor's motor vehicles:))~~ When the ~~((special fuel user's))~~ license has been secured, such lessor shall make and assign to each motor vehicle leased for interstate operation a photocopy of such license to be carried in the cab compartment of the motor vehicle and on which shall be typed or printed on the back the unit or motor number of the motor vehicle to which it is assigned and the name of the lessee. Such lessor shall be responsible for the proper use of such photocopy of the license issued

and its return to the lessor with the motor vehicle to which it is assigned.

The lessor shall be responsible for fuel tax licensing and reporting, as required by this chapter, on the operation of all motor vehicles leased to others for less than thirty days.

**Sec. 30.** RCW 82.38.100 and 1999 c 270 s 2 are each amended to read as follows:

(1) Any special fuel user operating a motor vehicle into this state for commercial purposes may make application for a trip permit that shall be good for a period of three consecutive days beginning and ending on the dates specified on the face of the permit issued, and only for the vehicle for which it is issued.

(2) Every permit shall identify, as the department may require, the vehicle for which it is issued and shall be completed in its entirety, signed, and dated by the operator before operation of the vehicle on the public highways of this state. Correction of data on the permit such as dates, vehicle license number, or vehicle identification number invalidates the permit. A violation of, or a failure to comply with, this subsection is a gross misdemeanor.

(3) For each permit issued, there shall be collected a filing fee of one dollar, an administrative fee of ten dollars, and an excise tax of nine dollars. Such fees and tax shall be in lieu of the special fuel tax otherwise assessable against the permit holder for importing and using special fuel in a motor vehicle on the public highways of this state, and NO. report of mileage shall be required with respect to such vehicle. Trip permits will not be issued if the applicant has outstanding fuel taxes, penalties, or interest owing to the state or has had a special fuel license revoked for cause and the cause has not been removed.

(4) Blank permits may be obtained from field offices of the department of transportation, (~~Washington state patrol~~) department of licensing, or other agents appointed by the department. The department may appoint county auditors or businesses as agents for the purpose of selling trip permits to the public. County auditors or businesses so appointed may retain the filing fee collected for each trip permit to defray expenses incurred in handling and selling the permits.

(5) A surcharge of five dollars is imposed on the issuance of trip permits. The portion of the surcharge paid by motor carriers must be deposited in the motor vehicle fund for the purpose of supporting vehicle weigh stations, weigh-in-motion programs, and the commercial vehicle information systems and networks program. The remaining portion of the surcharge must be deposited in the motor vehicle fund for the purpose of supporting congestion relief programs. All other fees and excise taxes collected by the department for trip permits shall be credited and deposited in the same manner as the special fuel tax collected under this chapter and shall not be subject to exchange, refund, or credit.

**Sec. 31.** RCW 82.38.130 and 1998 c 176 s 65 are each amended to read as follows:

The department may revoke the license of any licensee for any of the grounds constituting cause for denial of a license set forth in RCW 82.38.120 or for other reasonable cause. Before revoking such license the department shall notify the licensee to show cause within twenty days of the date of the notice why the license should not be revoked: PROVIDED, That at any time prior to and pending such hearing the department may, in the exercise of reasonable discretion, suspend such license.

The department shall cancel any special fuel license immediately upon surrender thereof by the holder.

Any surety on a bond furnished by a licensee as provided in this chapter shall be released and discharged from any and all liability to the state accruing on such bond after the expiration of forty-five days from the date which such surety shall have lodged with the department a written request to be released and discharged, but this provision shall not operate to relieve, release, or discharge the surety from any liability already accrued or which shall accrue before the expiration of the forty-five day period. The department shall promptly, upon receiving any such request, notify the licensee who furnished the bond, and unless the licensee, on or before the expiration of the forty-five day period, files a new bond, in accordance with this section, the department (~~(forthwith)~~) shall cancel the (~~(special fuel dealer's or special fuel user's)~~) license.

The department may require a new or additional surety bond of the character specified in RCW 82.38.020(3) if, in its opinion, the security of the surety bond therefor filed by such licensee, shall become impaired or inadequate. Upon failure of the licensee to give such new or additional surety bond within forty-five days after being requested to do so by the department, or after he or she shall fail or refuse to file reports and remit or pay taxes at the intervals fixed by the department, the department forthwith shall cancel his or her license.

**Sec. 32.** RCW 82.38.140 and 1998 c 176 s 66 are each amended to read as follows:

(1) Every licensee and every person importing, manufacturing, refining, (~~(dealing in,)~~) transporting, blending, or storing special fuel in this state shall keep for a period of not less than five years open to inspection at all times during the business hours of the day to the department or its authorized representatives, a complete record of all special fuel purchased or received and all of such products sold, delivered, or used by them. Such records shall show:

- (a) The date of each receipt;
- (b) The name and address of the person from whom purchased or received;
- (c) The number of gallons received at each place of business or place of storage in the state of Washington;
- (d) The date of each sale or delivery;
- (e) The number of gallons sold, delivered, or used for taxable purposes;
- (f) The number of gallons sold, delivered, or used for any purpose not subject to the tax imposed in this chapter;
- (g) The name, address, and special fuel license number of the purchaser if the special fuel tax is not collected on the sale or delivery;
- (h) The inventories of special fuel on hand at each place of business at the end of each month.

(2)(a) All international fuel tax agreement licensees and dyed special fuel users authorized to use dyed special fuel on highway in vehicles licensed for highway operation shall maintain detailed mileage records on an individual vehicle basis.

(b) Such operating records shall show both on-highway and off-highway usage of special fuel on a daily basis for each vehicle.

(c) In the absence of operating records that show both on-highway and off-highway usage of special fuel on a daily basis for each vehicle, fuel consumption must be computed under RCW 82.38.060.

(3) The department may require a person other than a licensee engaged in the business of selling, purchasing, distributing, storing, transporting, or delivering special fuel to submit periodic reports to the department regarding the disposition of the fuel. The reports

must be on forms prescribed by the department and must contain such information as the department may require.

(4) Every person operating any conveyance for the purpose of hauling, transporting, or delivering special fuel in bulk shall have and possess during the entire time the person is hauling special fuel, an invoice, bill of sale, or other statement showing the name, address, and license number of the seller or consigner, the destination, name, and address of the purchaser or consignee, license number, if applicable, and the number of gallons. The person hauling such special fuel shall at the request of any law enforcement officer or authorized representative of the department, or other person authorized by law to inquire into, or investigate those types of matters, produce for inspection such invoice, bill of sale, or other statement and shall permit such official to inspect and gauge the contents of the vehicle.

**Sec. 33.** RCW 82.38.150 and 1998 c 176 s 67 are each amended to read as follows:

For the purpose of determining the amount of liability for the tax herein imposed, and to periodically update license information, each licensee, other than a special fuel distributor, an international fuel tax agreement licensee, or a dyed special fuel user, shall file monthly tax reports with the department, on forms prescribed by the department.

Dyed special fuel users whose estimated yearly tax liability is two hundred fifty dollars or less, shall file a report yearly, and dyed special fuel users whose estimated yearly tax liability is more than two hundred fifty dollars, shall file reports quarterly. Special fuel users licensed under the international fuel tax agreement shall file reports quarterly. Special fuel distributors subject to the pollution liability insurance agency fee and reporting requirements shall remit pollution liability insurance agency returns and any associated payment due to the department annually.

The department shall establish the reporting frequency for each applicant at the time the special fuel license is issued. If it becomes apparent that any licensee is not reporting in accordance with the above schedule, the department shall change the licensee's reporting frequency by giving thirty days' notice to the licensee by mail to the licensee's address of record. A report shall be filed with the department even though NO. special fuel was used, or tax is due, for the reporting period. Each tax report shall contain a declaration by the person making the same, to the effect that the statements contained therein are true and are made under penalties of perjury, which declaration shall have the same force and effect as a verification of the report and is in lieu of such verification. The report shall show such information as the department may reasonably require for the proper administration and enforcement of this chapter. ~~((For counties within which an additional excise tax on special fuel has been levied by that jurisdiction under RCW 82.80.010, the report must show the quantities of special fuel sold, distributed, or withdrawn from bulk storage by the reporting dealer or user within the county's boundaries and the tax liability from its levy.))~~ A licensee shall file a tax report on or before the twenty-fifth day of the next succeeding calendar month following the period to which it relates.

Subject to the written approval of the department, tax reports may cover a period ending on a day other than the last day of the calendar month. Taxpayers granted approval to file reports in this manner will file such reports on or before the twenty-fifth day following the end of the reporting period. NO. change to this reporting period will be made without the written authorization of the department.

If the final filing date falls on a Saturday, Sunday, or legal holiday the next secular or business day shall be the final filing date. Such reports shall be considered filed or received on the date shown by the post office cancellation mark stamped upon an envelope containing such report properly addressed to the department, or on the date it was mailed if proof satisfactory to the department is available to establish the date it was mailed.

The department, if it deems it necessary in order to insure payment of the tax imposed by this chapter, or to facilitate the administration of this chapter, has the authority to require the filing of reports and tax remittances at shorter intervals than one month if, in its opinion, an existing bond has become insufficient.

**Sec. 34.** RCW 82.38.180 and 1998 c 176 s 71 are each amended to read as follows:

Any person who has purchased special fuel on which tax has been paid ~~((a special fuel tax either directly or to the vendor from whom it was purchased))~~ may file a claim with the department for a refund of the tax ~~((so paid and shall be reimbursed and repaid the amount of))~~ for:

(1) ~~((Any))~~ Taxes previously paid on special fuel used for purposes other than for the propulsion of motor vehicles upon the public highways in this state.

(2) ~~((Any))~~ Taxes previously paid on special fuel exported for use outside of this state. Special fuel carried from this state in the fuel tank of a motor vehicle is deemed to be exported from this state. Special fuel distributed to a federally recognized Indian tribal reservation located within the state of Washington is not considered exported outside this state.

(3) ~~((Any))~~ Tax, penalty, or interest erroneously or illegally collected or paid.

(4) ~~((Any))~~ Taxes previously paid on all special fuel which is lost or destroyed, while ~~((applicant))~~ the licensee, other than a special fuel distributor, shall be the owner thereof, through fire, lightning, flood, wind storm, or explosion.

(5) ~~((Any))~~ Taxes previously paid on all special fuel of five hundred gallons or more which is lost or destroyed while ~~((applicant))~~ the licensee, other than a special fuel distributor, shall be the owner thereof, through leakage or other casualty except evaporation, shrinkage, or unknown causes.

(6) ~~((Any))~~ Taxes previously paid on special fuel that is inadvertently mixed with dyed special fuel.

Recovery for such loss or destruction under either subsection (4), (5), or (6) of this section must be susceptible to positive proof thereby enabling the department to conduct such investigation and require such information as ~~((they))~~ it may deem necessary. In the event that the department is not satisfied that the fuel was lost, destroyed, or contaminated as claimed because information or proof as required hereunder is not sufficient to substantiate the accuracy of the claim, ~~((they))~~ it may deem such as sufficient cause to deny all right relating to the refund or credit for the excise tax paid on special fuel alleged to be lost or destroyed.

NO. refund or claim for credit shall be approved by the department unless the gallons of special fuel claimed as nontaxable satisfy the conditions specifically set forth in this section and the nontaxable event or use occurred during the period covered by the refund claim. Refunds or claims for credit ~~((by sellers or users of special fuel))~~ shall not be allowed for anticipated nontaxable use or events.

**Sec. 35.** RCW 82.38.270 and 2003 c 358 s 14 are each amended to read as follows:

(1) It is unlawful for a person or corporation to:

(a) Have dyed diesel in the fuel supply tank of a vehicle that is licensed or required to be licensed for highway use or maintain dyed diesel in bulk storage for highway use, unless the person or corporation maintains an uncanceled dyed diesel user license or is otherwise exempted by this chapter;

(b) Evade a tax or fee imposed under this chapter;

(c) File a false statement of a material fact on a special fuel license application or special fuel refund application;

(d) Act as a special fuel importer, special fuel blender, or special fuel supplier unless the person holds an uncanceled special fuel license issued by the department authorizing the person to engage in that business;

(e) Knowingly assist another person to evade a tax or fee imposed by this chapter;

(f) Knowingly operate a conveyance for the purpose of hauling, transporting, or delivering special fuel in bulk and not possess an invoice, bill of sale, or other statement showing the name, address, and tax license number of the seller or consignor, the destination, the name, address, and tax license number of the purchaser or consignee, and the number of gallons.

(2)(a) A single violation of subsection (1)(a) of this section is a gross misdemeanor under chapter 9A.20 RCW.

(b) Multiple violations of subsection (1)(a) of this section and violations of subsection (1)(b) through (f) of this section are a class C felony under chapter 9A.20 RCW.

(3) In addition to other penalties and remedies provided by law, the court shall order a person or corporation found guilty of violating subsection (1)(b) through (f) of this section to:

(a) Pay the tax or fee evaded plus interest, commencing at the date the tax or fee was first due, at the rate of twelve percent per year, compounded monthly; and

(b) Pay a penalty of one hundred percent of the tax evaded, to the multimodal transportation account of the state.

(4) The tax imposed by this chapter is held in trust by the licensee until paid to the department, and a licensee who appropriates the tax to his or her own use or to any use other than the payment of the tax on the due date as prescribed in this chapter is guilty of a felony or gross misdemeanor in accordance with the theft and anticipatory provisions of Title 9A RCW. A person, partnership, corporation, or corporate officer who fails to pay to the department the tax imposed by this chapter is personally liable to the state for the amount of the tax.

**Sec. 36.** RCW 82.38.310 and 1995 c 320 s 3 are each amended to read as follows:

((The department of licensing may enter into an agreement with any federally recognized Indian tribe located on a reservation within this state regarding the imposition, collection, and use of this state's special fuel tax, or the budgeting or use of moneys in lieu thereof, upon terms substantially the same as those in the consent decree entered by the federal district court (Eastern District of Washington) in *Confederated Tribes of the Colville Reservation v. DOL, et al.*, District Court No. CY-92-248-JLO.)) (1) The governor may enter into an agreement with any federally recognized Indian tribe located on a reservation within this state regarding payment of special fuel taxes included in the price of fuel delivered to a retail station owned and operated by a tribe, tribal enterprise, or tribal member licensed by the tribe to operate a retail station located on reservation or trust property. The agreement must be between the governor and the tribe, and must provide that:

(a) The tribal retailer will pass on to the retail customer one hundred percent of any state fuel tax included in the price of the special fuel;

(b) The tribal retailer will acquire all special fuel only from persons or companies who are properly licensed in Washington state as a special fuel distributor, supplier, or importer in accordance with this chapter, or a tribal distributor, supplier, or importer lawfully doing business in Indian country;

(c) The tribe will expend fuel tax proceeds or amounts equivalent thereto, on essential governmental services, including but not limited to: Planning, construction, and maintenance of roads, bridges, and boat ramps; transit services and facilities; transportation planning; police services; and other highway related purposes;

(d) The provisions of this section do not repeal existing state/tribal fuel tax agreements or consent decrees in existence on the effective date of this act, but the state and the tribe may agree to substitute a compact negotiated under this section for an existing agreement or consent decree.

(2) The department of licensing shall prepare and submit an annual report to the legislature on the status of existing agreements and any ongoing negotiations with tribes.

**Sec. 37.** RCW 82.38.320 and 1998 c 176 s 83 are each amended to read as follows:

(1) An international fuel tax agreement licensee who meets the qualifications in subsection (2) of this section may be given special authorization by the department to purchase special fuel delivered into bulk storage without payment of the special fuel tax at the time the fuel is purchased. The special authorization applies only to full truck-trailer loads filled at a terminal rack and delivered directly to the bulk storage facilities of the special authorization holder. The licensee shall pay special fuel tax on the fuel at the time the licensee files their international fuel tax agreement tax return and accompanying schedule with the department. The accompanying schedule shall be provided in a form and manner determined by the department and shall contain information on purchases and usage of all nondyed special fuel purchased during the reporting period. In addition, by the fifteenth day of the month following the month in which fuel under the special authorization was purchased, the licensee must report to the department, the name of the seller and the number of gallons purchased for each purchase of such fuel, and any other information as the department may require.

(2) To receive or maintain special authorization under subsection (1) of this section, the following conditions regarding the international fuel tax agreement licensee must apply:

(a) During the period encompassing the four consecutive calendar quarters immediately preceding the fourth calendar quarter of the previous year, the number of gallons consumed outside the state of Washington as reported on the licensee's international fuel tax agreement tax returns must have been equal to at least twenty percent of the nondyed special fuel gallons, including fuel used on-road and off-road, purchased by the licensee in the state of Washington, as reported on the accompanying schedules required under subsection (1) of this section;

(b) The licensee must have been licensed under the provisions of the international fuel tax agreement during each of the four consecutive calendar quarters immediately preceding the fourth calendar quarter of the previous year; and

(c) The licensee has not violated the reporting requirements of this section.

(3) Only a licensed special fuel supplier or special fuel importer may sell special fuel to a special authorization holder in the manner prescribed by this section.

~~(4) A special fuel ((distributor) supplier or importer who sells special fuel under the special authorization provisions of this section is not liable for the special fuel tax on the fuel. ((By the fifteenth day of the month following the month in which the fuel was sold, the special fuel distributor shall report to the department, the name and special authorization number of the purchaser and the number of gallons sold for each purchase of such special fuel, and any other information as the department may require:)) The special fuel supplier or importer will report such sales, in a manner prescribed by the department, at the time the special fuel supplier or importer submits the monthly tax report.~~

~~((4) A supplier selling special fuel under the provisions of this section shall not be responsible for taxes due for special fuel purchased under the provisions of this section.~~

~~(5) An international fuel tax agreement licensee who qualifies for a special authorization under this section for calendar year 1999 is not subject to the special fuel user requirements of RCW 82.38.289-))~~

NEW SECTION. Sec. 38. A new section is added to chapter 82.38 RCW to read as follows:

It is the intent and purpose of this chapter that the tax shall be imposed at the time and place of the first taxable event and upon the first taxable person within this state. Any person whose activities would otherwise require payment of the tax imposed by RCW 82.38.030 but who is exempt from the tax nevertheless has a precollection obligation for the tax that must be imposed on the first taxable event within this state. Failure to pay the tax with respect to a taxable event shall not prevent tax liability from arising by reason of a subsequent taxable event.

NEW SECTION. Sec. 39. The office of financial management, with the cooperation of the department of licensing, Washington oil marketers association, and western states petroleum association, shall prepare and submit a report to the legislative transportation committees documenting the methodology used to repeal RCW 82.36.035(6) and 82.38.160(3) effective June 1, 2007. The report must be completed and submitted NO. later than December 1, 2006.

NEW SECTION. Sec. 40. The following acts or parts of acts are each repealed:

- (1) RCW 82.36.044 (Credit for worthless accounts receivable--Report--Adjustment) and 1998 c 176 s 15;
- (2) RCW 82.36.273 (Refunds to licensee for fuel purchased by exempt person--Exception--Invoice or proof) and 1998 c 176 s 35;
- (3) RCW 82.36.305 (Refunds to dealer delivering fuel exclusively for marine use--Limitations--Supporting certificate) and 1965 ex.s. c 79 s 12 & 1961 c 15 s 82.36.305;
- (4) RCW 82.36.360 (Separate invoices for nontaxed fuel) and 1961 c 15 s 82.36.360;
- (5) RCW 82.36.373 (Refund for worthless accounts receivable--Rules--Apportionment after receipt) and 1998 c 176 s 43;
- (6) RCW 82.36.407 (Tax liability of user--Payment--Exceptions) and 1998 c 176 s 48;
- (7) RCW 82.38.070 (Credit for sales for which NO. consideration was received--Report--Adjustment) and 1998 c 176 s 58, 1990 c 250 s 83, & 1971 ex.s. c 175 s 8;
- (8) RCW 82.38.071 (Refund for worthless accounts receivable--Rules--Apportionment after receipt) and 1998 c 176 s 59;

(9) RCW 82.38.081 (Exemptions--Motor vehicle fuel used for racing) and 1998 c 115 s 6;

(10) RCW 82.38.185 (Refunds--Tax paid purchased by exempt person--Application) and 1998 c 176 s 73; and

(11) RCW 82.38.285 (Tax liability of user--Exceptions) and 1998 c 176 s 81.

NEW SECTION. Sec. 41. 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. 42. 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.

Signed by Representatives Murray, Chairman; Wallace, Vice Chairman; Appleton; Clibborn; Dickerson; Flannigan; Hudgins; Kilmer; Lovick; Morris; Sells; Simpson; B. Sullivan; Takko; Upthegrove and Wood.

MINORITY recommendation: Do not pass. Signed by Representatives Woods, Ranking Minority Member; Buek; Campbell; Curtis; Ericksen; Hankins; Holmquist; Jarrett; Nixon; Rodne; Schindler and Shabro.

Passed to Committee on Rules for second reading.

February 28, 2006

SB 6826

Prime Sponsor, Senator Benton: Exempting fees and charges for public transportation services from public utility taxes. Reported by Committee on Finance

MAJORITY recommendation: Do pass as amended.

Strike everything after the enacting clause and insert the following:

"**Sec. 1.** RCW 82.16.050 and 2004 c 153 s 308 are each amended to read as follows:

In computing tax there may be deducted from the gross income the following items:

(1) Amounts derived by municipally owned or operated public service businesses, directly from taxes levied for the support or maintenance thereof: PROVIDED, That this section shall not be construed to exempt service charges which are spread on the property tax rolls and collected as taxes;

(2) Amounts derived from the sale of commodities to persons in the same public service business as the seller, for resale as such within this state. This deduction is allowed only with respect to water distribution, gas distribution or other public service businesses which furnish water, gas or any other commodity in the performance of public service businesses;

(3) Amounts actually paid by a taxpayer to another person taxable under this chapter as the latter's portion of the consideration due for services furnished jointly by both, if the total amount has

been credited to and appears in the gross income reported for tax by the former;

(4) The amount of cash discount actually taken by the purchaser or customer;

(5) The amount of bad debts, as that term is used in 26 U.S.C. Sec. 166, as amended or renumbered as of January 1, 2003, on which tax was previously paid under this chapter;

(6) Amounts derived from business which the state is prohibited from taxing under the Constitution of this state or the Constitution or laws of the United States;

(7) Amounts derived from the distribution of water through an irrigation system, for irrigation purposes;

(8) Amounts derived from the transportation of commodities from points of origin in this state to final destination outside this state, or from points of origin outside this state to final destination in this state, with respect to which the carrier grants to the shipper the privilege of stopping the shipment in transit at some point in this state for the purpose of storing, manufacturing, milling, or other processing, and thereafter forwards the same commodity, or its equivalent, in the same or converted form, under a through freight rate from point of origin to final destination; and amounts derived from the transportation of commodities from points of origin in the state to an export elevator, wharf, dock or ship side on tidewater or navigable tributaries thereto from which such commodities are forwarded, without intervening transportation, by vessel, in their original form, to interstate or foreign destinations: PROVIDED, That NO. deduction will be allowed when the point of origin and the point of delivery to such an export elevator, wharf, dock, or ship side are located within the corporate limits of the same city or town;

(9) Amounts derived from the production, sale, or transfer of electrical energy for resale within or outside the state or for consumption outside the state;

(10) Amounts derived from the distribution of water by a nonprofit water association and used for capital improvements by that nonprofit water association;

(11) Amounts paid by a sewerage collection business taxable under RCW 82.16.020(1)(a) to a person taxable under chapter 82.04 RCW for the treatment or disposal of sewage;

(12) Amounts derived from fees or charges imposed on persons for transit services provided by a public transportation agency. For the purposes of this subsection, "public transportation agency" means a municipality, as defined in RCW 35.58.272, and urban public transportation systems, as defined in RCW 47.04.082. Public transportation agencies shall spend an amount equal to the reduction in tax provided by this tax deduction solely to adjust routes to improve access for citizens using food banks and senior citizen services or to extend or add new routes to assist low-income citizens and seniors."

Signed by Representatives McIntire, Chairman; Hunter, Vice Chairman; Orcutt, Ranking Minority Member; Condotta; Conway; Ericks; Hasegawa; Santos and Shabro.

MINORITY recommendation: Do not pass. Signed by Representatives Roach, Assistant Ranking Minority Member; Ahern.

Passed to Committee on Rules for second reading.

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

## SECOND READING

**SUBSTITUTE SENATE BILL NO. 6597, By Senate Committee on Judiciary (originally sponsored by Senators Johnson, Kline, Weinstein and Esser)**

### Modifying trusts and estates, generally.

The bill was read the second time.

There being no objection, the committee amendment by the Committee on Judiciary was adopted. (For Committee amendment, see Journal, 40<sup>th</sup> Day, February 17, 2006.)

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

Representatives Lantz and Priest spoke in favor of passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Substitute Senate Bill No. 6597, as amended by the House.

## MOTIONS

On motion of Representative Santos, Representatives Kenney, McIntire, Sommers and Uptegrove were excused. On motion of Representative Clements, Representatives Campbell, Holmquist, Kretz and Talcott were excused.

## ROLL CALL

The Clerk called the roll on the final passage of Substitute Senate Bill No. 6597, as amended by the House and the bill passed the House by the following vote: Yeas - 90, Nays - 0, Absent - 0, Excused - 8.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Bailey, Blake, Buck, Buri, Chandler, Chase, Clements, Clibborn, Cody, Condotta, Conway, Cox, Crouse, Curtis, Darneille, DeBolt, Dickerson, Dunn, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hinkle, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kessler, Kilmer, Kirby, Kristiansen, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, Miloscia, Moeller, Morrell, Morris, Murray, Newhouse, Nixon, O'Brien, Orcutt, Ormsby, Pearson, Pettigrew, Priest, Quall, Roach, Roberts, Rodne, Santos, Schindler, Schual-Berke, Sells, Serben, Shabro, Simpson, Skinner, Springer, Strow, Sullivan, B., Sullivan, P., Sump,

Takko, Tom, Wallace, Walsh, Williams, Wood, Woods and Mr. Speaker - 90.

Excused: Representatives Campbell, Holmquist, Kenney, Kretz, McIntire, Sommers, Talcott and Upthegrove - 8.

SUBSTITUTE SENATE BILL NO. 6597, as amended by the House, having received the necessary constitutional majority, was declared passed.

**ENGROSSED SENATE BILL NO. 6606, By Senators Fraser, Oke, Fairley, Deccio, Berkey, McAuliffe, Keiser, Kline, Regala, Honeyford, Thibaudeau, Mulliken, Pridemore, Rockefeller, Delvin, Rasmussen and Kohl-Welles**

**Requiring standards for educational interpreters for students who are deaf or hard of hearing.**

The bill was read the second time.

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

Representatives Quall and Anderson spoke in favor of passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Engrossed Senate Bill No. 6606.

#### **ROLL CALL**

The Clerk called the roll on the final passage of Engrossed Senate Bill No. 6606 and the bill passed the House by the following vote: Yeas - 91, Nays - 0, Absent - 0, Excused - 7.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Bailey, Blake, Buck, Buri, Chandler, Chase, Clements, Clibborn, Cody, Condotta, Conway, Cox, Crouse, Curtis, Darneille, DeBolt, Dickerson, Dunn, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hinkle, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kristiansen, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, Miloscia, Moeller, Morrell, Murray, Newhouse, Nixon, O'Brien, Orcutt, Ormsby, Pearson, Pettigrew, Priest, Quall, Roach, Roberts, Rodne, Santos, Schindler, Schual-Berke, Sells, Serben, Shabro, Simpson, Skinner, Springer, Strow, Sullivan, B., Sullivan, P., Sump, Takko, Tom, Wallace, Walsh, Williams, Wood, Woods and Mr. Speaker - 91.

Excused: Representatives Campbell, Holmquist, Kretz, McIntire, Sommers, Talcott, and Upthegrove - 7.

ENGROSSED SENATE BILL NO. 6606, having received the necessary constitutional majority, was declared passed.

**SENATE BILL NO. 6637, By Senators Keiser and Deccio**

**Concerning qualifications for adult family home providers.**

The bill was read the second time.

There being no objection, the committee amendment by the Committee on Health Care was adopted. (For Committee amendment, see Journal, 47<sup>th</sup> Day, February 24, 2006.)

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

Representatives Cody and Hinkle spoke in favor of passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Senate Bill No. 6637.

#### **ROLL CALL**

The Clerk called the roll on the final passage of Senate Bill No. 6637 and the bill passed the House by the following vote: Yeas - 93, Nays - 0, Absent - 0, Excused - 5.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Bailey, Blake, Buck, Buri, Chandler, Chase, Clements, Clibborn, Cody, Condotta, Conway, Cox, Crouse, Curtis, Darneille, DeBolt, Dickerson, Dunn, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hinkle, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kristiansen, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, Newhouse, Nixon, O'Brien, Orcutt, Ormsby, Pearson, Pettigrew, Priest, Quall, Roach, Roberts, Rodne, Santos, Schindler, Schual-Berke, Sells, Serben, Shabro, Simpson, Skinner, Springer, Strow, Sullivan, B., Sullivan, P., Sump, Takko, Talcott, Tom, Wallace, Walsh, Williams, Wood, Woods and Mr. Speaker - 93.

Excused: Representatives Campbell, Holmquist, Kretz, Sommers, and Upthegrove - 5.

SENATE BILL NO. 6637, having received the necessary constitutional majority, was declared passed.

**SENATE BILL NO. 6674, By Senator Oke**

**Requiring that funds collected from construction of the second Tacoma Narrows bridge be deposited in the Tacoma Narrows toll bridge account.**

The bill was read the second time.



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

Representatives Kilmer and Woods spoke in favor of passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Senate Bill No. 6674.

#### ROLL CALL

The Clerk called the roll on the final passage of Senate Bill No. 6674 and the bill passed the House by the following vote: Yeas - 95, Nays - 0, Absent - 0, Excused - 3.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Bailey, Blake, Buck, Buri, Chandler, Chase, Clements, Clibborn, Cody, Condotta, Conway, Cox, Crouse, Curtis, Darneille, DeBolt, Dickerson, Dunn, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hinkle, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kretz, Kristiansen, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, Newhouse, Nixon, O'Brien, Orcutt, Ormsby, Pearson, Pettigrew, Priest, Quall, Roach, Roberts, Rodne, Santos, Schindler, Schual-Berke, Sells, Serben, Shabro, Simpson, Skinner, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Sump, Takko, Talcott, Tom, Wallace, Walsh, Williams, Wood, Woods and Mr. Speaker - 95.

Excused: Representatives Campbell, Holmquist, and Upthegrove - 3.

SENATE BILL NO. 6674, having received the necessary constitutional majority, was declared passed.

**SENATE BILL NO. 6723, By Senators Eide, Delvin, Keiser, Kohl-Welles and Rasmussen; by request of LEOFF Plan 2 Retirement Board**

**Determining the retirement allowance of a member who is killed in the course of employment.**

The bill was read the second time.

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

Representatives Sommers and Alexander spoke in favor of passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Senate Bill No. 6723.

#### ROLL CALL

The Clerk called the roll on the final passage of Senate Bill No. 6723 and the bill passed the House by the following vote: Yeas - 95, Nays - 0, Absent - 0, Excused - 3.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Bailey, Blake, Buck, Buri, Chandler, Chase, Clements, Clibborn, Cody, Condotta, Conway, Cox, Crouse, Curtis, Darneille, DeBolt, Dickerson, Dunn, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hinkle, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kretz, Kristiansen, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, Newhouse, Nixon, O'Brien, Orcutt, Ormsby, Pearson, Pettigrew, Priest, Quall, Roach, Roberts, Rodne, Santos, Schindler, Schual-Berke, Sells, Serben, Shabro, Simpson, Skinner, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Sump, Takko, Talcott, Tom, Wallace, Walsh, Williams, Wood, Woods and Mr. Speaker - 95.

Excused: Representatives Campbell, Holmquist, and Upthegrove - 3.

SENATE BILL NO. 6723, having received the necessary constitutional majority, was declared passed.

**ENGROSSED SUBSTITUTE SENATE BILL NO. 6776, By Senate Committee on Water, Energy & Environment (originally sponsored by Senators Finkbeiner, Poulsen, Weinstein, Esser, Rasmussen, Keiser, Oke, Kline and Kohl-Welles)**

**Prohibiting the unauthorized sale of telephone records.**

The bill was read the second time.

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

Representatives Morris and Kilmer spoke in favor of passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Engrossed Substitute Senate Bill No. 6776.

#### ROLL CALL

The Clerk called the roll on the final passage of Engrossed Substitute Senate Bill No. 6776 and the bill passed the House by the following vote: Yeas - 96, Nays - 0, Absent - 0, Excused - 2.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Bailey, Blake, Buck, Buri, Chandler, Chase, Clements, Clibborn, Cody, Condotta, Conway, Cox, Crouse, Curtis, Darneille, DeBolt, Dickerson, Dunn, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hinkle, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kretz, Kristiansen, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, Newhouse, Nixon, O'Brien, Orcutt, Ormsby, Pearson, Pettigrew, Priest, Quall, Roach, Santos, Schual-Berke, Sells, Serben, Shabro, Simpson, Skinner, Sommers, Springer, Sullivan, B., Sullivan, P., Sump, Takko, Talcott, Tom, Wallace, Walsh, Williams, Wood, Woods and Mr. Speaker - 96.

Excused: Representatives Campbell, and Upthegrove - 2.

ENGROSSED SUBSTITUTE SENATE BILL NO. 6776, having received the necessary constitutional majority, was declared passed.

**SUBSTITUTE SENATE BILL NO. 6791, By Senate Committee on Labor, Commerce, Research & Development (originally sponsored by Senators Poulsen, Kohl-Welles and Rockefeller)**

**Concerning liquor licenses issued to entities providing concession services on ferries.**

The bill was read the second time.

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

Representatives Conway, Condotta and Morris spoke in favor of passage of the bill.

Representatives Strow and Ahern spoke against the passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Substitute Senate Bill No. 6791.

#### **ROLL CALL**

The Clerk called the roll on the final passage of Substitute Senate Bill No. 6791 and the bill passed the House by the following vote: Yeas - 72, Nays - 24, Absent - 0, Excused - 2.

Voting yea: Representatives Alexander, Appleton, Armstrong, Bailey, Blake, Buck, Chandler, Chase, Clibborn, Cody, Condotta, Conway, DeBolt, Dickerson, Dunshee, Eickmeyer, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Hankins, Hinkle, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kretz, Kristiansen, Lantz, Linville, Lovick, McCoy,

Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Lantz, Linville, Lovick, McCoy, McDermott, McDonald, McIntire, Miloscia, Morrell, Morris, Murray, Newhouse, Nixon, O'Brien, Ormsby, Pearson, Pettigrew, Priest, Quall, Roach, Santos, Schual-Berke, Sells, Serben, Shabro, Simpson, Skinner, Sommers, Springer, Sullivan, B., Sullivan, P., Takko, Talcott, Wallace, Walsh, Wood, Woods and Mr. Speaker - 72.

Voting nay: Representatives Ahern, Anderson, Buri, Clements, Cox, Crouse, Curtis, Darneille, Dunn, Ericks, Haler, Hasegawa, Kretz, Kristiansen, McCune, Moeller, Orcutt, Roberts, Rodne, Schindler, Strow, Sump, Tom and Williams - 24.

Excused: Representatives Campbell and Upthegrove - 2.

SUBSTITUTE SENATE BILL NO. 6791, having received the necessary constitutional majority, was declared passed.

**SUBSTITUTE SENATE BILL NO. 6840, By Senate Committee on Water, Energy & Environment (originally sponsored by Senators Morton and Poulsen)**

**Modifying energy efficiency provisions.**

The bill was read the second time.

There being no objection, the committee amendment by the Committee on Technology, Energy & Communications was adopted. (For Committee amendment, see Journal, 47<sup>th</sup> Day, February 24, 2006.)

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

Representatives Morris and Haler spoke in favor of passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Substitute Senate Bill No. 6840, as amended by the House.

#### **ROLL CALL**

The Clerk called the roll on the final passage of Substitute Senate Bill No. 6840, as amended by the House and the bill passed the House by the following vote: Yeas - 96, Nays - 0, Absent - 0, Excused - 2.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Bailey, Blake, Buck, Buri, Chandler, Chase, Clements, Clibborn, Cody, Condotta, Conway, Cox, Crouse, Curtis, Darneille, DeBolt, Dickerson, Dunn, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hinkle, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kretz, Kristiansen, Lantz, Linville, Lovick, McCoy,

McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, Newhouse, Nixon, O'Brien, Orcutt, Ormsby, Pearson, Pettigrew, Priest, Quall, Roach, Roberts, Rodne, Santos, Schindler, Schual-Berke, Sells, Serben, Shabro, Simpson, Skinner, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Sump, Takko, Talcott, Tom, Wallace, Walsh, Williams, Wood, Woods and Mr. Speaker - 96.

Excused: Representatives Campbell, and Upthegrove - 2.

SUBSTITUTE SENATE BILL NO. 6840, as amended by the House, having received the necessary constitutional majority, was declared passed.

**SUBSTITUTE SENATE BILL NO. 6851, By Senate Committee on Financial Institutions, Housing & Consumer Protection (originally sponsored by Senators Prentice and Fairley)**

**Revising provisions concerning closure of mobile home parks and manufactured housing communities.**

The bill was read the second time.

There being no objection, the committee amendment by the Committee on Housing was adopted. (For Committee amendment, see Journal, 45<sup>th</sup> Day, February 22, 2006.)

Representative Holmquist moved the adoption of amendment (1023):

On page 4, after line 32, insert:

**"NEW SECTION. Sec. 3.** The department of community, trade and economic development, working in collaboration with mobile home park associations and other interested parties, shall provide notice of this act to mobile or manufactured home landlords or park owners by mailing written notification to all known park landlords and owners, and by other reasonable means. Notification must take place before July 1, 2006.

**NEW SECTION. Sec. 4.** With respect to written mobile or manufactured home space rental agreements in effect on the effective date of this act, section 2 of this act applies prospectively when the term of the tenancy under the agreement is renewed."

Correct the title.

Representatives Holmquist and Miloscia spoke in favor of the adoption of the amendment.

The amendment was adopted.

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

Representatives Miloscia and Holmquist spoke in favor of passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Substitute Senate Bill No. 6851, as amended by the House.

**ROLL CALL**

The Clerk called the roll on the final passage of Substitute Senate Bill No. 6851, as amended by the House and the bill passed the House by the following vote: Yeas - 93, Nays - 3, Absent - 0, Excused - 2.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Bailey, Blake, Buck, Buri, Chandler, Chase, Clements, Clibborn, Cody, Condotta, Conway, Cox, Crouse, Curtis, Darnelle, DeBolt, Dickerson, Dunn, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hinkle, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kristiansen, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, Newhouse, Nixon, O'Brien, Orcutt, Ormsby, Pearson, Pettigrew, Priest, Quall, Roach, Roberts, Rodne, Santos, Schindler, Schual-Berke, Sells, Serben, Shabro, Simpson, Skinner, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Takko, Talcott, Tom, Wallace, Walsh, Williams, Wood, Woods and Mr. Speaker - 93.

Voting nay: Representatives Armstrong, Kretz and Sump - 3.

Excused: Representatives Campbell and Upthegrove - 2.

SUBSTITUTE SENATE BILL NO. 6851, as amended by the House, having received the necessary constitutional majority, was declared passed.

**ENGROSSED SUBSTITUTE SENATE BILL NO. 6870, By Senate Committee on Transportation (originally sponsored by Senator Haugen)**

**Funding the board of pilotage commissioners' training program.**

The bill was read the second time.

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

Representatives Simpson and Woods spoke in favor of passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Engrossed Substitute Senate Bill No. 6870.

**ROLL CALL**

The Clerk called the roll on the final passage of Engrossed Substitute Senate Bill No. 6870 and the bill passed the House by the following vote: Yeas - 96, Nays - 0, Absent - 0, Excused - 2.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Bailey, Blake, Buck, Buri, Chandler, Chase, Clements, Clibborn, Cody, Condotta, Conway, Cox, Crouse, Curtis, Darneille, DeBolt, Dickerson, Dunn, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hinkle, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kretz, Kristiansen, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, Newhouse, Nixon, O'Brien, Orcutt, Ormsby, Pearson, Pettigrew, Priest, Quall, Roach, Roberts, Rodne, Santos, Schindler, Schual-Berke, Sells, Serben, Shabro, Simpson, Skinner, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Sump, Takko, Talcott, Tom, Wallace, Walsh, Williams, Wood, Woods and Mr. Speaker - 96.

Excused: Representatives Campbell, and Upthegrove - 2.

ENGROSSED SUBSTITUTE SENATE BILL NO. 6870, having received the necessary constitutional majority, was declared passed.

**ENGROSSED SENATE BILL NO. 6236, By Senators Schmidt, Kastama, Swecker, Oke, Berkey and Benson; by request of Secretary of State**

**Changing election dates and deadlines.**

The bill was read the second time.

With the consent of the House, amendment (1015) was withdrawn.

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

Representatives Haigh, Nixon, Armstrong, McDermott, Strow, Clements, Orcutt, Bailey, Flannigan and Hunt spoke in favor of passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Engrossed Senate Bill No. 6236.

**ROLL CALL**

The Clerk called the roll on the final passage of Engrossed Senate Bill No. 6236 and the bill passed the House by the following vote: Yeas - 94, Nays - 3, Absent - 0, Excused - 1.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Bailey, Blake, Buck, Buri, Chandler, Chase, Clements, Clibborn, Cody, Condotta, Conway, Cox, Crouse, Curtis, Darneille, DeBolt, Dickerson, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hinkle, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kretz, Kristiansen, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, Newhouse, Nixon, O'Brien, Orcutt, Ormsby, Pearson, Pettigrew, Priest, Quall, Roberts, Rodne, Santos, Schindler, Schual-Berke, Sells, Serben, Shabro, Simpson, Skinner, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Sump, Takko, Talcott, Tom, Upthegrove, Wallace, Walsh, Williams, Wood, Woods and Mr. Speaker - 94.

Voting nay: Representatives Dunn, Kirby and Roach - 3.  
Excused: Representative Campbell - 1.

ENGROSSED SENATE BILL NO. 6236, having received the necessary constitutional majority, was declared passed.

**SECOND READING SUSPENSION**

**SENATE BILL NO. 5439, By Senators Roach, Swecker, Delvin, Sheldon, Parlette, Kohl-Welles and McCaslin; by request of Washington State Patrol**

**Authorizing background checks on gubernatorial appointees.**

The bill was read the second time.

There being no objection, the committee recommendation was adopted.

The bill was placed on final passage.

Representatives Nixon and Haigh spoke in favor of passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Senate Bill No. 5439.

**ROLL CALL**

The Clerk called the roll on the final passage of Senate Bill No. 5439, and the bill passed the House by the following vote: Yeas - 97, Nays - 0, Absent - 0, Excused - 1.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Bailey, Blake, Buck, Buri, Chandler, Chase, Clements, Clibborn, Cody, Condotta, Conway, Cox, Crouse, Curtis, Darneille, DeBolt, Dickerson, Dunn, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hinkle, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer,

Kirby, Kretz, Kristiansen, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, Newhouse, Nixon, O'Brien, Orcutt, Ormsby, Pearson, Pettigrew, Priest, Quall, Roach, Roberts, Rodne, Santos, Schindler, Schual-Berke, Sells, Serben, Shabro, Simpson, Skinner, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Sump, Takko, Talcott, Tom, Upthegrove, Wallace, Walsh, Williams, Wood, Woods and Mr. Speaker - 97.

Excused: Representative Campbell - 1.

SENATE BILL NO. 5439, having received the necessary constitutional majority, was declared passed.

**SUBSTITUTE SENATE BILL NO. 6144, By Senate Committee on Human Services & Corrections (originally sponsored by Senators Stevens, Benton, Carrell, Regala, Benson and Pflug)**

**Changing registration requirements for sex offenders coming from outside the state who establish or reestablish Washington residency.**

The bill was read the second time.

There being no objection, the committee amendment by the Committee on Criminal Justice & Corrections was adopted. (For Committee amendment, see Journal, 47<sup>th</sup> Day, February 24, 2006.)

The bill was placed on final passage.

Representatives O'Brien and Pearson spoke in favor of passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Substitute Senate Bill No. 6144, as amended by the House.

#### **ROLL CALL**

The Clerk called the roll on the final passage of Substitute Senate Bill No. 6144, as amended by the House, and the bill passed the House by the following vote: Yeas - 98, Nays - 0, Absent - 0, Excused - 0.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Bailey, Blake, Buck, Buri, Campbell, Chandler, Chase, Clements, Clibborn, Cody, Condotta, Conway, Cox, Crouse, Curtis, Darneille, DeBolt, Dickerson, Dunn, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hinkle, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kretz, Kristiansen, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, Newhouse, Nixon, O'Brien, Orcutt, Ormsby, Pearson,

Pettigrew, Priest, Quall, Roach, Roberts, Rodne, Santos, Schindler, Schual-Berke, Sells, Serben, Shabro, Simpson, Skinner, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Sump, Takko, Talcott, Tom, Upthegrove, Wallace, Walsh, Williams, Wood, Woods and Mr. Speaker - 98.

SUBSTITUTE SENATE BILL NO. 6144, as amended by the House, having received the necessary constitutional majority, was declared passed.

**ENGROSSED SENATE BILL NO. 6169, By Senators Kohl-Welles, Fairley, Prentice, Schmidt, Keiser, Benson, Kline, Franklin, Pridemore, Poulsen and Esser**

**Authorizing removal of discriminatory provisions in the governing documents of homeowners' associations.**

The bill was read the second time.

There being no objection, the committee recommendation was adopted.

The bill was placed on final passage.

Representatives Lantz, Priest, Talcott and Chase spoke in favor of passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Engrossed Senate Bill No. 6169.

#### **ROLL CALL**

The Clerk called the roll on the final passage of Engrossed Senate Bill No. 6169, and the bill passed the House by the following vote: Yeas - 98, Nays - 0, Absent - 0, Excused - 0.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Bailey, Blake, Buck, Buri, Campbell, Chandler, Chase, Clements, Clibborn, Cody, Condotta, Conway, Cox, Crouse, Curtis, Darneille, DeBolt, Dickerson, Dunn, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hinkle, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kretz, Kristiansen, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, Newhouse, Nixon, O'Brien, Orcutt, Ormsby, Pearson, Pettigrew, Priest, Quall, Roach, Roberts, Rodne, Santos, Schindler, Schual-Berke, Sells, Serben, Shabro, Simpson, Skinner, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Sump, Takko, Talcott, Tom, Upthegrove, Wallace, Walsh, Williams, Wood, Woods and Mr. Speaker - 98.

ENGROSSED SENATE BILL NO. 6169, having received the necessary constitutional majority, was declared passed.

**SENATE BILL NO. 6208, By Senators Rockefeller and Johnson; by request of Statute Law Committee**

**Simplifying session law publication.**

The bill was read the second time.

There being no objection, the committee recommendation was adopted.

The bill was placed on final passage.

Representatives Williams and Priest spoke in favor of passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Senate Bill No. 6208.

**ROLL CALL**

The Clerk called the roll on the final passage of Senate Bill No. 6208, and the bill passed the House by the following vote: Yeas - 98, Nays - 0, Absent - 0, Excused - 0.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Bailey, Blake, Buck, Buri, Campbell, Chandler, Chase, Clements, Clibborn, Cody, Condotta, Conway, Cox, Crouse, Curtis, Darneille, DeBolt, Dickerson, Dunn, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hinkle, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kretz, Kristiansen, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, Newhouse, Nixon, O'Brien, Orcutt, Ormsby, Pearson, Pettigrew, Priest, Quall, Roach, Roberts, Rodne, Santos, Schindler, Schual-Berke, Sells, Serben, Shabro, Simpson, Skinner, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Sump, Takko, Talcott, Tom, Upthegrove, Wallace, Walsh, Williams, Wood, Woods and Mr. Speaker - 98.

SENATE BILL NO. 6208, having received the necessary constitutional majority, was declared passed.

**SUBSTITUTE SENATE BILL NO. 6359, By Senate Committee on Labor, Commerce, Research & Development (originally sponsored by Senators Kohl-Welles, Parlette and Kline; by request of Employment Security Department)**

**Ensuring employers do not evade their contribution rate.**

The bill was read the second time.

There being no objection, the committee recommendation was adopted.

The bill was placed on final passage.

Representatives Conway and Holmquist spoke in favor of passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Substitute Senate Bill No. 6359.

**ROLL CALL**

The Clerk called the roll on the final passage of Substitute Senate Bill No. 6359, and the bill passed the House by the following vote: Yeas - 98, Nays - 0, Absent - 0, Excused - 0.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Bailey, Blake, Buck, Buri, Campbell, Chandler, Chase, Clements, Clibborn, Cody, Condotta, Conway, Cox, Crouse, Curtis, Darneille, DeBolt, Dickerson, Dunn, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hinkle, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kretz, Kristiansen, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, Newhouse, Nixon, O'Brien, Orcutt, Ormsby, Pearson, Pettigrew, Priest, Quall, Roach, Roberts, Rodne, Santos, Schindler, Schual-Berke, Sells, Serben, Shabro, Simpson, Skinner, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Sump, Takko, Talcott, Tom, Upthegrove, Wallace, Walsh, Williams, Wood, Woods and Mr. Speaker - 98.

SUBSTITUTE SENATE BILL NO. 6359, having received the necessary constitutional majority, was declared passed.

**SUBSTITUTE SENATE BILL NO. 6406, By Senate Committee on Human Services & Corrections (originally sponsored by Senators Hargrove, Stevens, Doumit, McAuliffe, Regala, Rasmussen, Benton and Oke; by request of Attorney General)**

**Including assault of a child in the second degree in the list of two-strike offenses.**

The bill was read the second time.

There being no objection, the committee recommendation was adopted.

The bill was placed on final passage.

Representatives O'Brien and Pearson spoke in favor of passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Substitute Senate Bill No. 6406.

### ROLL CALL

The Clerk called the roll on the final passage of Substitute Senate Bill No. 6406, and the bill passed the House by the following vote: Yeas - 98, Nays - 0, Absent - 0, Excused - 0.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Bailey, Blake, Buck, Buri, Campbell, Chandler, Chase, Clements, Clibborn, Cody, Condotta, Conway, Cox, Crouse, Curtis, Darneille, DeBolt, Dickerson, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hinkle, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kretz, Kristiansen, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, Newhouse, Nixon, O'Brien, Orcutt, Ormsby, Pearson, Pettigrew, Priest, Quall, Roach, Roberts, Rodne, Santos, Schindler, Schual-Berke, Sells, Serben, Shabro, Simpson, Skinner, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Sump, Takko, Talcott, Tom, Upthegrove, Wallace, Walsh, Williams, Wood, Woods and Mr. Speaker - 98.

SUBSTITUTE SENATE BILL NO. 6406, having received the necessary constitutional majority, was declared passed.

**ENGROSSED SENATE BILL NO. 6537, By Senators Kohl-Welles, Parlette, Hewitt, Honeyford, Keiser and McAuliffe; by request of Liquor Control Board**

**Modifying requirements for the direct sale of wine to Washington state consumers.**

The bill was read the second time.

There being no objection, the committee recommendation was adopted.

The bill was placed on final passage.

Representatives Conway and Holmquist spoke in favor of passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Engrossed Senate Bill No. 6537.

### ROLL CALL

The Clerk called the roll on the final passage of Engrossed Senate Bill No. 6537, and the bill passed the House by the following vote: Yeas - 97, Nays - 1, Absent - 0, Excused - 0.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Bailey, Blake, Buck, Buri, Campbell, Chandler, Chase, Clements, Clibborn, Cody, Condotta, Conway, Cox, Crouse, Curtis, Darneille, DeBolt, Dickerson, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hinkle, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kretz, Kristiansen, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, Newhouse, Nixon, O'Brien, Orcutt, Ormsby, Pearson, Pettigrew, Priest, Quall, Roach, Roberts, Rodne, Santos, Schindler, Schual-Berke, Sells, Serben, Shabro, Simpson, Skinner, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Sump, Takko, Talcott, Tom, Upthegrove, Wallace, Walsh, Williams, Wood, Woods and Mr. Speaker - 97.

Voting nay: Representative Dunn - 1.

ENGROSSED SENATE BILL NO. 6537, having received the necessary constitutional majority, was declared passed.

**SUBSTITUTE SENATE BILL NO. 6540, By Senate Committee on Labor, Commerce, Research & Development (originally sponsored by Senators Kohl-Welles, Parlette and Keiser; by request of Liquor Control Board)**

**Concerning the processing of liquor licenses.**

The bill was read the second time.

There being no objection, the committee amendment by the Committee on Commerce & Labor was adopted. (For Committee amendment, see Journal, 47<sup>th</sup> Day, February 24, 2006.)

The bill was placed on final passage.

Representatives Wood and Holmquist spoke in favor of passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Substitute Senate Bill No. 6540.

### ROLL CALL

The Clerk called the roll on the final passage of Substitute Senate Bill No. 6540, and the bill passed the House by the following vote: Yeas - 98, Nays - 0, Absent - 0, Excused - 0.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Bailey, Blake, Buck, Buri, Campbell, Chandler, Chase, Clements, Clibborn, Cody, Condotta, Conway, Cox, Crouse, Curtis, Darneille, DeBolt, Dickerson, Dunn, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa,

Hinkle, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kretz, Kristiansen, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, Newhouse, Nixon, O'Brien, Orcutt, Ormsby, Pearson, Pettigrew, Priest, Quall, Roach, Roberts, Rodne, Santos, Schindler, Schual-Berke, Sells, Serben, Shabro, Simpson, Skinner, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Sump, Takko, Talcott, Tom, Upthegrove, Wallace, Walsh, Williams, Wood, Woods and Mr. Speaker - 98.

SUBSTITUTE SENATE BILL NO. 6540, having received the necessary constitutional majority, was declared passed.

**SENATE BILL NO. 6720, By Senators Brandland, Kohl-Welles, McAuliffe, Hargrove, Rockefeller, Schmidt, Rasmussen, Stevens, Delvin and Roach**

**Revising reporting requirements for criminal history record information.**

The bill was read the second time.

There being no objection, the committee recommendation was adopted.

The bill was placed on final passage.

Representatives O'Brien and Pearson spoke in favor of passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Senate Bill No. 6720.

#### **ROLL CALL**

The Clerk called the roll on the final passage of Senate Bill No. 6720, and the bill passed the House by the following vote: Yeas - 98, Nays - 0, Absent - 0, Excused - 0.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Bailey, Blake, Buck, Buri, Campbell, Chandler, Chase, Clements, Clibborn, Cody, Condotta, Conway, Cox, Crouse, Curtis, Darneille, DeBolt, Dickerson, Dunn, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hinkle, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kretz, Kristiansen, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, Newhouse, Nixon, O'Brien, Orcutt, Ormsby, Pearson, Pettigrew, Priest, Quall, Roach, Roberts, Rodne, Santos, Schindler, Schual-Berke, Sells, Serben, Shabro, Simpson, Skinner, Sommers, Springer, Strow, Sullivan, B., Sullivan, P.,

Sump, Takko, Talcott, Tom, Upthegrove, Wallace, Walsh, Williams, Wood, Woods and Mr. Speaker - 98.

SENATE BILL NO. 6720, as amended by the House, having received the necessary constitutional majority, was declared passed.

**SENATE BILL NO. 6731, By Senators Fraser, Kohl-Welles, Deccio, Fairley, Mulliken, Prentice, Roach, Honeyford, McAuliffe, Keiser, Regala, Delvin, Franklin, Shin, Sheldon, Berkey, Rasmussen, Haugen, Thibaudeau, Kline and Parlette**

**Prohibiting sellers of travel from promoting travel for sex tourism.**

The bill was read the second time.

There being no objection, the committee amendment by the Committee on Commerce & Labor was adopted. (For Committee amendment, see Journal, 47<sup>th</sup> Day, February 24., 2006.)

The bill was placed on final passage.

Representatives Kenney and Holmquist spoke in favor of passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Senate Bill No. 6731, as amended by the House.

#### **ROLL CALL**

The Clerk called the roll on the final passage of Senate Bill No. 6731, as amended by the House, and the bill passed the House by the following vote: Yeas - 98, Nays - 0, Absent - 0, Excused - 0.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Bailey, Blake, Buck, Buri, Campbell, Chandler, Chase, Clements, Clibborn, Cody, Condotta, Conway, Cox, Crouse, Curtis, Darneille, DeBolt, Dickerson, Dunn, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hinkle, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kretz, Kristiansen, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, Newhouse, Nixon, O'Brien, Orcutt, Ormsby, Pearson, Pettigrew, Priest, Quall, Roach, Roberts, Rodne, Santos, Schindler, Schual-Berke, Sells, Serben, Shabro, Simpson, Skinner, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Sump, Takko, Talcott, Tom, Upthegrove, Wallace, Walsh, Williams, Wood, Woods and Mr. Speaker - 98.



SENATE BILL NO. 6731, as amended by the House, having received the necessary constitutional majority, was declared passed.

**ENGROSSED SUBSTITUTE SENATE BILL NO. 6802, By Senate Committee on Water, Energy & Environment (originally sponsored by Senator Brown)**

**Regarding air pollution control authority boards.**

The bill was read the second time.

There being no objection, the committee recommendation was adopted.

The bill was placed on final passage.

Representatives Simpson and Schindler spoke in favor of passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Engrossed Substitute Senate Bill No. 6802.

**ROLL CALL**

The Clerk called the roll on the final passage of Engrossed Substitute Senate Bill No. 6802, and the bill passed the House by the following vote: Yeas - 98, Nays - 0, Absent - 0, Excused - 0.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Bailey, Blake, Buck, Buri, Campbell, Chandler, Chase, Clements, Clibborn, Cody, Condotta, Conway, Cox, Crouse, Curtis, Darneille, DeBolt, Dickerson, Dunn, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hinkle, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kretz, Kristiansen, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, Newhouse, Nixon, O'Brien, Orcutt, Ormsby, Pearson, Pettigrew, Priest, Quall, Roach, Roberts, Rodne, Santos, Schindler, Schual-Berke, Sells, Serben, Shabro, Simpson, Skinner, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Sump, Takko, Talcott, Tom, Upthegrove, Wallace, Walsh, Williams, Wood, Woods and Mr. Speaker - 98.

ENGROSSED SUBSTITUTE SENATE BILL NO. 6802, having received the necessary constitutional majority, was declared passed.

**RESOLUTION**

HOUSE RESOLUTION NO. 2006-4715, By Representatives Kessler, Anderson, Chandler, Kenney, Roach,

Morris, Linville, Hasegawa, McCoy, Ericks, Skinner, Hankins and Ericksen

WHEREAS, In 1884 an angry mob calling themselves the "Nooksack Vigilance Committee" crossed the United States-Canada border from Washington territory to British Columbia in search of Louie Sam, a 14-year-old boy from the Sto:lo Nation community of Kilgard, Canada, whom they accused of the murder of a Nooksack shopkeeper; and

WHEREAS, Having found the boy in the custody of a special deputy and awaiting being transported back to Canadian officials, the mob forcibly removed Louie Sam and lynched him; and

WHEREAS, The Washington territorial government was requested by federal officials in Washington, D.C., at the request of the Canadian government, to conduct an investigation to determine the identity of the members of the lynch mob, but failed to adequately do so; and

WHEREAS, Despite the fact that members of the 1884 cross-border lynch mob openly bragged about their participation in the crime, the Washington territorial government of the day reported that they were unable to determine the identity of those involved in the lynching; and

WHEREAS, Canadian undercover detectives sent into Washington Territory determined that Louie Sam was not responsible for the murder yet failed to follow up with the evidence that they had gathered thus compounding the injustice; and

WHEREAS, The family and neighbors of Louie Sam were so afraid of further cross-border violence that they permanently abandoned their village adjacent to the Canadian-American border to live with relatives; and

WHEREAS, By acknowledging this unfortunate historical injustice, the House of Representatives of the State of Washington join our peers in the Government of British Columbia and seek to promote healing among the Sto:lo people and reconciliation between Natives and nonnatives on the Pacific Coast;

NOW, THEREFORE, BE IT RESOLVED, That the House of Representatives of the State of Washington recognize that the territorial government of Washington and the Government of British Columbia both failed to take adequate action to identify the true culprit of the murder and bring the organizers and members of the lynch mob to justice; express the deepest sympathy to the descendants of Louie Sam, who was deprived of his life, and whose relatives were denied the opportunity to see his murderers brought to justice; and remember this tragic moment in the relations of Natives and nonnatives, to ensure that such a tragedy will neither be forgotten nor repeated; and

BE IT FURTHER RESOLVED, That copies of this resolution be immediately transmitted by the Chief Clerk of the House of Representatives to the leaders of the Sto:lo Nation; John van Dongen, Minister of State for Intergovernmental Relations for the Providence of British Columbia; Ms. Iona Campagnolo, Lieutenant Governor of British Columbia;

Washington State Governor's Office of Indian Affairs; members of our state's congressional delegation; and the Secretary of the Bureau of Indian Affairs.

Representative Kessler moved the adoption of the resolution.

Representatives Kessler and Skinner spoke in favor of the adoption of the resolution.

HOUSE RESOLUTION NO. 4715 was adopted.

## SECOND READING

**ENGROSSED SENATE BILL NO. 5179, By Senators Morton, Jacobsen, Sheldon and Stevens**

**Studying forest health issues.**

The bill was read the second time.

There being no objection, the committee amendment by the Committee on Appropriations was adopted. (For Committee amendment, see Journal, 47<sup>th</sup> Day, February 24, 2006.)

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

Representatives Upthegrove and Buck spoke in favor of passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Engrossed Senate Bill No. 5179, as amended by the House.

## ROLL CALL

The Clerk called the roll on the final passage of Engrossed Senate Bill No. 5179, as amended by the House and the bill passed the House by the following vote: Yeas - 98, Nays - 0, Absent - 0, Excused - 0.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Bailey, Blake, Buck, Buri, Campbell, Chandler, Chase, Clements, Clibborn, Cody, Condotta, Conway, Cox, Crouse, Curtis, Darneille, DeBolt, Dickerson, Dunn, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hinkle, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kretz, Kristiansen, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, Newhouse, Nixon, O'Brien, Orcutt, Ormsby, Pearson, Pettigrew, Priest, Quall, Roach, Roberts, Rodne, Santos, Schindler, Schual-Berke, Sells, Serben, Shabro, Simpson,

Skinner, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Sump, Takko, Talcott, Tom, Upthegrove, Wallace, Walsh, Williams, Wood, Woods and Mr. Speaker - 98.

ENGROSSED SENATE BILL NO. 5179, as amended by the House, having received the necessary constitutional majority, was declared passed.

**ENGROSSED SENATE BILL NO. 6152, By Senators Kastama and Kline; by request of Public Disclosure Commission**

**Regarding penalties for violations of the public disclosure act.**

The bill was read the second time.

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

Representatives Haigh and Nixon spoke in favor of passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Engrossed Senate Bill No. 6152.

## ROLL CALL

The Clerk called the roll on the final passage of Engrossed Senate Bill No. 6152 and the bill passed the House by the following vote: Yeas - 97, Nays - 1, Absent - 0, Excused - 0.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Bailey, Blake, Buck, Buri, Campbell, Chandler, Chase, Clements, Clibborn, Cody, Condotta, Conway, Cox, Crouse, Curtis, Darneille, DeBolt, Dickerson, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hinkle, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kretz, Kristiansen, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, Newhouse, Nixon, O'Brien, Orcutt, Ormsby, Pearson, Pettigrew, Priest, Quall, Roach, Roberts, Rodne, Santos, Schindler, Schual-Berke, Sells, Serben, Shabro, Simpson, Skinner, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Sump, Takko, Talcott, Tom, Upthegrove, Wallace, Walsh, Williams, Wood, Woods and Mr. Speaker - 97.

Voting nay: Representative Dunn - 1.

ENGROSSED SENATE BILL NO. 6152, having received the necessary constitutional majority, was declared passed.

**SENATE BILL NO. 6159, By Senators Jacobsen, Oke and Spanel**

**Concerning recreational fishing for albacore tuna.**

The bill was read the second time.

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

Representatives B. Sullivan and Buck spoke in favor of passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Senate Bill No. 6159.

**ROLL CALL**

The Clerk called the roll on the final passage of Senate Bill No. 6159 and the bill passed the House by the following vote: Yeas - 96, Nays - 2, Absent - 0, Excused - 0.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Bailey, Blake, Buck, Buri, Campbell, Chandler, Chase, Clements, Clibborn, Cody, Condotta, Conway, Cox, Crouse, Curtis, Darneille, Dickerson, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hinkle, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kretz, Kristiansen, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, Newhouse, Nixon, O'Brien, Orcutt, Ormsby, Pearson, Pettigrew, Priest, Quall, Roach, Roberts, Rodne, Santos, Schindler, Schual-Berke, Sells, Serben, Shabro, Simpson, Skinner, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Sump, Takko, Talcott, Tom, Upthegrove, Wallace, Walsh, Williams, Wood, Woods and Mr. Speaker - 96.

Voting nay: Representatives DeBolt, and Dunn - 2.

SENATE BILL NO. 6159, having received the necessary constitutional majority, was declared passed.

**SUBSTITUTE SENATE BILL NO. 6188, By Senate Committee on Health & Long-Term Care (originally sponsored by Senators Johnson, Keiser, Oke, Rockefeller, Thibaudeau and Kohl-Welles)**

**Providing health benefit plans offering coverage for prostate cancer screening.**

The bill was read the second time.

There being no objection, the committee amendment by the Committee on Appropriations was adopted. (For Committee amendment, see Journal, 47<sup>th</sup> Day, February 24, 2006.)

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

Representatives Morrell and Hinkle spoke in favor of passage of the bill.

Representative Bailey spoke against the passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Substitute Senate Bill No. 6188, as amended by the House.

**ROLL CALL**

The Clerk called the roll on the final passage of Substitute Senate Bill No. 6188, as amended by the House and the bill passed the House by the following vote: Yeas - 86, Nays - 12, Absent - 0, Excused - 0.

Voting yea: Representatives Alexander, Anderson, Appleton, Blake, Buck, Buri, Campbell, Chase, Clements, Clibborn, Cody, Conway, Crouse, Curtis, Darneille, DeBolt, Dickerson, Dunshee, Eickmeyer, Ericks, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hinkle, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kretz, Kristiansen, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, O'Brien, Ormsby, Pearson, Pettigrew, Priest, Quall, Roach, Roberts, Rodne, Santos, Schindler, Schual-Berke, Sells, Serben, Shabro, Simpson, Skinner, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Sump, Takko, Tom, Upthegrove, Wallace, Walsh, Williams, Wood, Woods and Mr. Speaker - 86.

Voting nay: Representatives Ahern, Armstrong, Bailey, Chandler, Condotta, Cox, Dunn, Ericksen, Newhouse, Nixon, Orcutt and Talcott - 12.

SUBSTITUTE SENATE BILL NO. 6188, as amended by the House, having received the necessary constitutional majority, was declared passed.

**ENGROSSED SENATE BILL NO. 6194, By Senators Franklin, Regala, Keiser, Eide, Prentice, Thibaudeau, Jacobsen, Fairley, McAuliffe, Fraser, Spanel, Kline, Kohl-Welles and Shin**

**Requiring multicultural education for health professionals.**

The bill was read the second time.

There being no objection, the committee amendment by the Committee on Health Care was before the House for purpose of amendment. (For Committee amendment, see Journal, 47<sup>th</sup> Day, February 24, 2006.)

Representative Hinkle moved the adoption of amendment (1037) to the committee amendment:

On page 2, line 3 of the amendment, after "profession." insert "A disciplining authority may require that instructors of continuing education or continuing competency programs integrate multicultural health into their curricula when it is appropriate to the subject matter of the instruction."

Representatives Hinkle and Morrell spoke in favor of the adoption of the amendment to the committee amendment.

The amendment to the committee amendment was adopted.

The committee amendment as amended was adopted.

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

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

Representative Hinkle spoke against the passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Engrossed Senate Bill No. 6194, as amended by the House.

#### ROLL CALL

The Clerk called the roll on the final passage of Engrossed Senate Bill No. 6194, as amended by the House and the bill passed the House by the following vote: Yeas - 67, Nays - 31, Absent - 0, Excused - 0.

Voting yea: Representatives Appleton, Blake, Campbell, Chase, Clibborn, Cody, Conway, Curtis, Darneille, Dickerson, Dunshee, Eickmeyer, Ericks, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, O'Brien, Ormsby, Pettigrew, Priest, Quall, Roberts, Santos, Schual-Berke, Sells, Simpson, Skinner, Sommers, Springer, Sullivan, B., Sullivan, P., Takko, Tom, Upthegrove, Wallace, Walsh, Williams, Wood, Woods and Mr. Speaker - 67.

Voting nay: Representatives Ahern, Alexander, Anderson, Armstrong, Bailey, Buck, Buri, Chandler, Clements, Condotta, Cox, Crouse, DeBolt, Dunn, Ericksen, Hinkle, Holmquist, Kretz, Kristiansen, Newhouse, Nixon, Orcutt, Pearson, Roach, Rodne, Schindler, Serben, Shabro, Strow, Sump and Talcott - 31.

ENGROSSED SENATE BILL NO. 6194, as amended by the House, having received the necessary constitutional majority, was declared passed.

**SUBSTITUTE SENATE BILL NO. 6223, By Senate Committee on Natural Resources, Ocean & Recreation (originally sponsored by Senators Rockefeller, Regala, Oke, Berkey and Spanel)**

**Modifying provisions regarding abandoned or derelict vessels.**

The bill was read the second time.

There being no objection, the committee amendment by the Committee on Natural Resources, Ecology & Parks was adopted. (For Committee amendment, see Journal, 47<sup>th</sup> Day, February 24, 2006.)

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

Representatives B. Sullivan and Buck spoke in favor of passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Substitute Senate Bill No. 6223, as amended by the House.

#### ROLL CALL

The Clerk called the roll on the final passage of Substitute Senate Bill No. 6223, as amended by the House and the bill passed the House by the following vote: Yeas - 98, Nays - 0, Absent - 0, Excused - 0.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Bailey, Blake, Buck, Buri, Campbell, Chandler, Chase, Clements, Clibborn, Cody, Condotta, Conway, Cox, Crouse, Curtis, Darneille, DeBolt, Dickerson, Dunn, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hinkle, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kretz, Kristiansen, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, Newhouse, Nixon, O'Brien, Orcutt, Ormsby, Pearson, Pettigrew, Priest, Quall, Roach, Roberts, Rodne, Santos, Schindler, Schual-Berke, Sells, Serben, Shabro, Simpson, Skinner, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Sump, Takko, Talcott, Tom, Upthegrove, Wallace, Walsh, Williams, Wood, Woods and Mr. Speaker - 98.

SUBSTITUTE SENATE BILL NO. 6223, as amended by the House, having received the necessary constitutional majority, was declared passed.

**SENATE BILL NO. 6338, By Senators Haugen, Oke, Berkey, Swecker, Eide, Mulliken, Spanel, Kline, Rasmussen, McAuliffe, Shin and Fairley**

**Regarding the property tax exemption for seniors and for persons retired due to disability.**

The bill was read the second time.

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

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

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Senate Bill No. 6338.

**ROLL CALL**

The Clerk called the roll on the final passage of Senate Bill No. 6338 and the bill passed the House by the following vote: Yeas - 98, Nays - 0, Absent - 0, Excused - 0.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Bailey, Blake, Buck, Buri, Campbell, Chandler, Chase, Clements, Clibborn, Cody, Condotta, Conway, Cox, Crouse, Curtis, Darneille, DeBolt, Dickerson, Dunn, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hinkle, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kretz, Kristiansen, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, Newhouse, Nixon, O'Brien, Orcutt, Ormsby, Pearson, Pettigrew, Priest, Quall, Roach, Roberts, Rodne, Santos, Schindler, Schual-Berke, Sells, Serben, Shabro, Simpson, Skinner, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Sump, Takko, Talcott, Tom, Upthegrove, Wallace, Walsh, Williams, Wood, Woods and Mr. Speaker - 98.

SENATE BILL NO. 6338, having received the necessary constitutional majority, was declared passed.

**SUBSTITUTE SENATE BILL NO. 6365, By Senate Committee on Agriculture & Rural Economic Development (originally sponsored by Senators Rasmussen, Schoesler, Jacobsen, Fraser and Shin; by request of Department of Agriculture)**

**Changing fees in the weights and measures program.**

The bill was read the second time.

There being no objection, the committee amendment by the Committee on Economic Development, Agriculture & Trade was not adopted. (For Committee amendment, see Journal, 47<sup>th</sup> Day, February 24, 2006.)

Representative Linville moved the adoption of amendment (1020):

Strike everything after the enacting clause and insert the following:

"**Sec. 1.** RCW 19.94.175 and 1995 c 355 s 7 are each amended to read as follows:

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

(a) Weighing devices:		
(i) Small scales "zero to four hundred pounds capacity" . . . . .	\$	<del>((5.00))</del> <u>7.50</u>
(ii) Intermediate scales "four hundred one pounds to five thousand pounds capacity" . . . . .	\$	<del>((20.00))</del> <u>30.00</u>
(iii) Large scales "over five thousand pounds capacity" . . . . .	\$	<del>((52.00))</del> <u>63.50</u>
(iv) <del>((Large scales with supplemental devices</del> . . . . .	\$	<del>52.00</del>
(+)) Railroad track scales . . . . .	\$	800.00
(b) Liquid fuel metering devices:		
(i) Motor fuel meters with flows of <del>((less than))</del> twenty gallons <u>or less</u> per minute . . . . .	\$	<del>((5.00))</del> <u>7.50</u>
(ii) Motor fuel meters with flows of more than twenty but not more than one hundred fifty gallons per minute . . . . .	\$	<del>((16.00))</del> <u>24.00</u>
(iii) Motor fuel meters with flows over one hundred fifty gallons per minute . . . . .	\$	<del>((25.00))</del> <u>37.50</u>
(c) Liquid petroleum gas meters:		
(i) With one inch diameter or smaller dispensers . . . . .	\$	<del>((10.00))</del> <u>17.50</u>
(ii) With greater than one inch diameter dispensers . . . . .	\$	<del>((30.00))</del> <u>40.00</u>
(d) Fabric meters . . . . .	\$	<del>((5.00))</del> <u>7.50</u>
(e) Cordage meters . . . . .	\$	<del>((5.00))</del> <u>7.50</u>
(f) Mass flow meters . . . . .	\$	<del>((14.00))</del> <u>107.00</u>

(g) Taxi meters ..... \$ ~~((5.00))~~  
15.00

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

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

**Sec. 2.** RCW 19.94.175 and 1995 c 355 s 7 are each amended to read as follows:

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

- (a) Weighing devices:
  - (i) Small scales "zero to four hundred pounds capacity" ..... \$ ~~((5.00))~~  
10.00
  - (ii) Intermediate scales "four hundred one pounds to five thousand pounds capacity" .... \$ ~~((20.00))~~  
40.00
  - (iii) Large scales "over five thousand pounds capacity" .... \$ ~~((52.00))~~  
75.00
  - (iv) ~~((Large scales with supplemental devices~~ ..... \$ ~~52.00~~
  - (v) Railroad track scales ..... \$ 800.00
- (b) Liquid fuel metering devices:
  - (i) Motor fuel meters with flows of ~~((less than))~~ twenty gallons or less per minute ..... \$ ~~((5.00))~~  
10.00
  - (ii) Motor fuel meters with flows of more than twenty but not more than one hundred fifty gallons per minute ..... \$ ~~((16.00))~~  
32.00
  - (iii) Motor fuel meters with flows over one hundred fifty gallons per minute ..... \$ ~~((25.00))~~  
50.00
- (c) Liquid petroleum gas meters:
  - (i) With one inch diameter or smaller dispensers ..... \$ ~~((10.00))~~  
25.00
  - (ii) With greater than one inch diameter dispensers ..... \$ ~~((30.00))~~  
50.00
- (d) Fabric meters ..... \$ ~~((5.00))~~  
10.00
- (e) Cordage meters ..... \$ ~~((5.00))~~  
10.00

(f) Mass flow meters ..... \$ ~~((14.00))~~  
200.00

(g) Taxi meters ..... \$ ~~((5.00))~~  
25.00

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

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

**Sec. 3.** RCW 15.80.450 and 1969 ex.s. c 100 s 16 are each amended to read as follows:

Any person may apply to the director for a weighmaster's license. Such application shall be on a form prescribed by the director and shall include:

- (1) The full name of the person applying for such license and if the applicant is a partnership, association or corporation, the full name of each member of the partnership or the names of the officers of the association or corporation;
- (2) The principal business address of the applicant in this state and elsewhere;
- (3) The names of the persons authorized to receive and accept service of summons and legal notice of all kinds for the applicant;
- (4) The location of any scale or scales subject to the applicant's control and from which certified weights will be issued; and
- (5) Such other information as the director feels necessary to carry out the purposes of this chapter.

Such annual application shall be accompanied by a license fee of ~~((twenty))~~ fifty dollars for each scale from which certified weights will be issued and a bond as provided for in RCW 15.80.480.

**Sec. 4.** RCW 15.80.490 and 1969 ex.s. c 100 s 20 are each amended to read as follows:

Any weighmaster may file an application with the director for a license for any employee or agent to operate and issue certified weight tickets from a scale which such weighmaster is licensed to operate under the provisions of this chapter. Such application shall be submitted on a form prescribed by the director and shall contain the following:

- (1) Name of the weighmaster;
- (2) The full name of the employee or agent and his resident address;
- (3) The position held by such person with the weighmaster;
- (4) The scale or scales from which such employee or agent will issue certified weights; and
- (5) Signature of the weigher and the weighmaster.

Such annual application shall be accompanied by a license fee of ~~((five))~~ ten dollars.

**Sec. 5.** RCW 19.94.2582 and 1995 c 355 s 16 are each amended to read as follows:

(1) Each request for an official registration certificate shall be in writing, under oath, and on a form prescribed by the department and

shall contain any relevant information as the director may require, including but not limited to the following:

(a) The name and address of the person, corporation, partnership, or sole proprietorship requesting registration;

(b) The names and addresses of all individuals requesting an official registration certificate from the department; and

(c) The tax registration number as required under RCW 82.32.030 or uniform business identifier provided on a master license issued under RCW 19.02.070.

(2) Each individual when submitting a request for an official registration certificate or a renewal of such a certificate shall pay a fee to the department in the amount of ~~((eighty))~~ one hundred sixty dollars per individual.

(3) The department shall issue a decision on a request for an official registration certificate within twenty days of receipt of the request. If an individual is denied their request for an official registration certificate, the department must notify that individual in writing stating the reasons for the denial and shall refund any payments made by that individual in connection with the request.

**NEW SECTION. Sec. 6.** The director of the department of agriculture or the director's designee shall convene its weights and measures advisory committee on a quarterly basis to monitor implementation of this act. The department and the advisory committee shall report to the appropriate committees of the legislature by December 1, 2006, if they have any recommended changes to the implementation of the weights and measures program.

**NEW SECTION. Sec. 7.** The department of agriculture shall provide a report to appropriate committees of the legislature on the status of the weights and measures program by December 15, 2007.

**NEW SECTION. Sec. 8.** (1) Sections 1 and 3 through 7 of this act take effect July 1, 2006.

(2) Section 2 of this act takes effect July 1, 2007.

**NEW SECTION. Sec. 9.** Section 1 of this act expires July 1, 2007."

On page 1, line 1 of the title, after "program;" strike the remainder of the title and insert "amending RCW 19.94.175, 19.94.175, 15.80.450, 15.80.490, and 19.94.2582; creating new sections; providing effective dates; and providing an expiration date."

Representatives Linville and Kristiansen spoke in favor of the adoption of the amendment.

The amendment was adopted.

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

Representatives Linville and Kristiansen spoke in favor of passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Substitute Senate Bill No. 6365, as amended by the House.

## ROLL CALL

The Clerk called the roll on the final passage of Substitute Senate Bill No. 6365, as amended by the House and the bill passed the House by the following vote: Yeas - 97, Nays - 1, Absent - 0, Excused - 0.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Bailey, Blake, Buck, Buri, Campbell, Chandler, Chase, Clements, Clibborn, Cody, Condotta, Conway, Crouse, Curtis, Darneille, DeBolt, Dickerson, Dunn, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hinkle, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kretz, Kristiansen, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, Newhouse, Nixon, O'Brien, Orcutt, Ormsby, Pearson, Pettigrew, Priest, Quall, Roach, Roberts, Rodne, Santos, Schindler, Schual-Berke, Sells, Serben, Shabro, Simpson, Skinner, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Sump, Takko, Talcott, Tom, Upthegrove, Wallace, Walsh, Williams, Wood, Woods and Mr. Speaker - 97.

Voting nay: Representative Cox - 1.

SUBSTITUTE SENATE BILL NO. 6365, as amended by the House, having received the necessary constitutional majority, was declared passed.

**SUBSTITUTE SENATE BILL NO. 6377, By Senate Committee on Agriculture & Rural Economic Development (originally sponsored by Senators Doumit, Rasmussen, Schoesler, Swecker, Morton, Zarelli, Shin and Pflug)**

### Changing the regulation of milk and milk products.

The bill was read the second time.

There being no objection, the committee amendment by the Committee on Economic Development, Agriculture & Trade was before the House for purpose of amendment. (For Committee amendment, see Journal, 47<sup>th</sup> Day, February 24, 2006.)

Representative Linville moved adoption of amendment (1021) to the committee amendment:

On page 7, line 35 of the amendment, strike all of section 9

Representative Linville spoke in favor of adoption of the amendment to the committee amendment.

The amendment to the committee amendment was adopted.

The committee amendment as amended was adopted.

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

Representatives Linville and Kristiansen spoke in favor of passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Substitute Senate Bill No. 6377, as amended by the House.

### ROLL CALL

The Clerk called the roll on the final passage of Substitute Senate Bill No. 6377, as amended by the House and the bill passed the House by the following vote: Yeas - 88, Nays - 10, Absent - 0, Excused - 0.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Bailey, Blake, Buck, Campbell, Chandler, Chase, Clements, Clibborn, Cody, Condotta, Conway, Curtis, Darneille, DeBolt, Dickerson, Dunshee, Eickmeyer, Ericks, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kretz, Kristiansen, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, Newhouse, Nixon, O'Brien, Orcutt, Ormsby, Pettigrew, Priest, Quall, Roach, Roberts, Rodne, Santos, Schual-Berke, Sells, Shabro, Simpson, Skinner, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Sump, Takko, Talcott, Tom, Upthegrove, Wallace, Walsh, Williams, Wood, Woods and Mr. Speaker - 88.

Voting nay: Representatives Buri, Cox, Crouse, Dunn, Ericksen, Hinkle, Holmquist, Pearson, Schindler and Serben - 10.

SUBSTITUTE SENATE BILL NO. 6377, as amended by the House, having received the necessary constitutional majority, was declared passed.

**ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 6480, By Senate Committee on Transportation (originally sponsored by Senators Kohl-Welles, Haugen, Brown and Keiser; by request of Department of Transportation)**

**Modifying public works apprenticeship utilization requirements.**

The bill was read the second time.

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

Representatives Conway and Wood spoke in favor of passage of the bill.

Representative Condotta spoke against the passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Engrossed Second Substitute Senate Bill No. 6480.

### ROLL CALL

The Clerk called the roll on the final passage of Engrossed Second Substitute Senate Bill No. 6480 and the bill passed the House by the following vote: Yeas - 71, Nays - 27, Absent - 0, Excused - 0.

Voting yea: Representatives Appleton, Blake, Buri, Campbell, Chase, Clements, Clibborn, Cody, Conway, Cox, Darneille, Dickerson, Dunshee, Eickmeyer, Ericks, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, O'Brien, Ormsby, Pettigrew, Priest, Quall, Roach, Roberts, Santos, Schual-Berke, Sells, Shabro, Simpson, Skinner, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Takko, Tom, Upthegrove, Wallace, Walsh, Williams, Wood and Mr. Speaker - 71.

Voting nay: Representatives Ahern, Alexander, Anderson, Armstrong, Bailey, Buck, Chandler, Condotta, Crouse, Curtis, DeBolt, Dunn, Ericksen, Hinkle, Holmquist, Kretz, Kristiansen, Newhouse, Nixon, Orcutt, Pearson, Rodne, Schindler, Serben, Sump, Talcott and Woods - 27.

ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 6480, having received the necessary constitutional majority, was declared passed.

**SENATE BILL NO. 6549, By Senators Benson, Jacobsen, Mulliken and Berkey; by request of Washington State Patrol**

**Modifying commercial vehicle provisions.**

The bill was read the second time.

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

Representatives Wallace and Woods spoke in favor of passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Senate Bill No. 6549.



**ROLL CALL**

The Clerk called the roll on the final passage of Senate Bill No. 6549 and the bill passed the House by the following vote: Yeas - 96, Nays - 2, Absent - 0, Excused - 0.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Bailey, Blake, Buck, Campbell, Chandler, Chase, Clements, Clibborn, Cody, Condotta, Conway, Crouse, Curtis, Darneille, DeBolt, Dickerson, Dunn, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hinkle, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kretz, Kristiansen, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, Newhouse, Nixon, O'Brien, Orcutt, Ormsby, Pearson, Pettigrew, Priest, Quall, Roach, Roberts, Rodne, Santos, Schindler, Schual-Berke, Sells, Serben, Shabro, Simpson, Skinner, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Sump, Takko, Talcott, Tom, Upthegrove, Wallace, Walsh, Williams, Wood, Woods and Mr. Speaker - 96.

Voting nay: Representatives Buri and Cox - 2.

SENATE BILL NO. 6549, having received the necessary constitutional majority, was declared passed.

**SENATE BILL NO. 6576, By Senators Hargrove, Brandland, Rasmussen and McAuliffe; by request of Washington State Patrol**

**Clarifying procedures for forwarding sex offender information.**

The bill was read the second time.

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

Representatives O'Brien and Pearson spoke in favor of passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Senate Bill No. 6576.

**ROLL CALL**

The Clerk called the roll on the final passage of Senate Bill No. 6576 and the bill passed the House by the following vote: Yeas - 98, Nays - 0, Absent - 0, Excused - 0.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Bailey, Blake, Buck, Buri, Campbell, Chandler, Chase, Clements, Clibborn, Cody, Condotta, Conway, Cox, Crouse, Curtis, Darneille, DeBolt, Dickerson, Dunn, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hinkle, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kretz, Kristiansen, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, Newhouse, Nixon, O'Brien, Orcutt, Ormsby, Pearson, Pettigrew, Priest, Quall, Roach, Roberts, Rodne, Santos, Schindler, Schual-Berke, Sells, Serben, Shabro, Simpson, Skinner, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Sump, Takko, Talcott, Tom, Upthegrove, Wallace, Walsh, Williams, Wood, Woods and Mr. Speaker - 98.

Dunn, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hinkle, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kretz, Kristiansen, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, Newhouse, Nixon, O'Brien, Orcutt, Ormsby, Pearson, Pettigrew, Priest, Quall, Roach, Roberts, Rodne, Santos, Schindler, Schual-Berke, Sells, Serben, Shabro, Simpson, Skinner, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Sump, Takko, Talcott, Tom, Upthegrove, Wallace, Walsh, Williams, Wood, Woods and Mr. Speaker - 98.

SENATE BILL NO. 6576, having received the necessary constitutional majority, was declared passed.

**SENATE BILL NO. 6596, By Senators Kline, Johnson, Weinstein and Esser**

**Revising the dissolution of Washington corporations.**

The bill was read the second time.

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

Representatives Williams and Priest spoke in favor of passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Senate Bill No. 6596.

**ROLL CALL**

The Clerk called the roll on the final passage of Senate Bill No. 6596 and the bill passed the House by the following vote: Yeas - 98, Nays - 0, Absent - 0, Excused - 0.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Bailey, Blake, Buck, Buri, Campbell, Chandler, Chase, Clements, Clibborn, Cody, Condotta, Conway, Cox, Crouse, Curtis, Darneille, DeBolt, Dickerson, Dunn, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hinkle, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kretz, Kristiansen, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, Newhouse, Nixon, O'Brien, Orcutt, Ormsby, Pearson, Pettigrew, Priest, Quall, Roach, Roberts, Rodne, Santos, Schindler, Schual-Berke, Sells, Serben, Shabro, Simpson, Skinner, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Sump, Takko, Talcott, Tom, Upthegrove, Wallace, Walsh, Williams, Wood, Woods and Mr. Speaker - 98.

SENATE BILL NO. 6596, having received the necessary constitutional majority, was declared passed.

**SUBSTITUTE SENATE BILL NO. 6617, By Senate Committee on Agriculture & Rural Economic Development (originally sponsored by Senators Haugen and Rasmussen)**

**Regarding the contents of farm plans prepared by conservation districts.**

The bill was read the second time.

There being no objection, the committee amendment by the Committee on Local Government was adopted. (For Committee amendment, see Journal, 47<sup>th</sup> Day, February 24, 2006.)

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

Representatives Simpson, Schindler and Nixon spoke in favor of passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Substitute Senate Bill No. 6617, as amended by the House.

### ROLL CALL

The Clerk called the roll on the final passage of Substitute Senate Bill No. 6617, as amended by the House and the bill passed the House by the following vote: Yeas - 98, Nays - 0, Absent - 0, Excused - 0.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Bailey, Blake, Buck, Buri, Campbell, Chandler, Chase, Clements, Clibborn, Cody, Condotta, Conway, Cox, Crouse, Curtis, Darneille, DeBolt, Dickerson, Dunn, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hinkle, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kretz, Kristiansen, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, Newhouse, Nixon, O'Brien, Orcutt, Ormsby, Pearson, Pettigrew, Priest, Quall, Roach, Roberts, Rodne, Santos, Schindler, Schual-Berke, Sells, Serben, Shabro, Simpson, Skinner, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Sump, Takko, Talcott, Tom, Upthegrove, Wallace, Walsh, Williams, Wood, Woods and Mr. Speaker - 98.

SUBSTITUTE SENATE BILL NO. 6617, as amended by the House, having received the necessary constitutional majority, was declared passed.

**ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 6630, By Senate Committee on Ways & Means (originally sponsored by Senators Kline, Prentice, Keiser, Fairley, Regala, McAuliffe and Kohl-Welles)**

**Establishing the community protection program for persons with developmental disabilities.**

The bill was read the second time.

There being no objection, the committee amendment by the Committee on Children & Family Services was not adopted. (For Committee amendment, see Journal, 47<sup>th</sup> Day, February 24, 2006.)

Representative Roberts moved the adoption of amendment (1057):

Strike everything after the enacting clause and insert the following:

**"NEW SECTION. Sec. 1.** The department of social and health services is providing a structured, therapeutic environment for persons who are eligible for placement in the community protection program in order for them to live safely and successfully in the community while minimizing the risk to public safety.

The legislature approves of steps already taken by the department to create a community protection program within the division of developmental disabilities.

**NEW SECTION. Sec. 2.** Sections 3 through 9 of this act apply to a person:

(1)(a) Who has been charged with or convicted of a crime and meets the following criteria:

(i) Has been convicted of one of the following:

(A) A crime of sexual violence as defined in chapter 9A.44 or 71.09 RCW including, but not limited to, rape, rape of a child, and child molestation;

(B) Sexual acts directed toward strangers, individuals with whom a relationship has been established or promoted for the primary purpose of victimization, or persons of casual acquaintance with whom NO. substantial personal relationship exists; or

(C) One or more violent offenses, as defined by RCW 9.94A.030; and

(ii) Constitutes a current risk to others as determined by a qualified professional. Charges or crimes that resulted in acquittal must be excluded; or

(b) Who has not been charged with and/or convicted of a crime, but meets the following criteria:

(i) Has a history of stalking, violent, sexually violent, predatory, and/or opportunistic behavior which demonstrates a likelihood to commit a violent, sexually violent, and/or predatory act; and

(ii) Constitutes a current risk to others as determined by a qualified professional; and

(2) Who has been determined to have a developmental disability as defined by RCW 71A.10.020(3).

**NEW SECTION. Sec. 3.** The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Assessment" means the written opinion of a qualified professional stating, at a minimum:

(a) Whether a person meets the criteria established in section 2 of this act;

(b) What restrictions are necessary.

(2) "Certified community protection program intensive supported living services" means access to twenty-four-hour supervision, instruction, and support services as identified in the person's plan of care.

(3) "Community protection program" means services specifically designed to support persons who meet the criteria of section 2 of this act.

(4) "Constitutes a risk to others" means a determination of a person's risk and/or dangerousness based upon a thorough assessment by a qualified professional.

(5) "Department" means the department of social and health services.

(6) "Developmental disability" means that condition defined in RCW 71A.10.020(3).

(7) "Disclosure" means providing copies of professional assessments, incident reports, legal documents, and other information pertaining to community protection issues to ensure the provider has all relevant information. Polygraph and plethysmograph reports are excluded from disclosure.

(8) "Division" means the division of developmental disabilities.

(9) "Managed successfully" means that a person supported by a community protection program does not engage in the behavior identified in section 2 of this act.

(10) "Opportunistic behavior" means an act committed on impulse, which is not premeditated.

(11) "Predatory" means acts directed toward strangers, individuals with whom a relationship has been established or promoted for the primary purpose of victimization, or casual acquaintances with whom NO. substantial personal relationship exists. Predatory behavior may be characterized by planning and/or rehearsing the act, stalking, and/or grooming the victim.

(12) "Qualified professional" means a person with at least three years' prior experience working with individuals with developmental disabilities, and: (a) If the person being assessed has demonstrated sexually aggressive or sexually violent behavior, that person must be assessed by a qualified professional who is a certified sex offender treatment provider, or affiliate sex offender treatment provider working under the supervision of a certified sex offender treatment provider; or (b) If the person being assessed has demonstrated violent, dangerous, or aggressive behavior, that person must be assessed by a licensed psychologist or psychiatrist who has received specialized training in the treatment of or has at least three years' prior experience treating violent or aggressive behavior.

(13) "Treatment team" means the program participant and the group of people responsible for the development, implementation, and monitoring of the person's individualized supports and services. This group may include, but is not limited to, the case resource manager, therapist, residential provider, employment/day program provider, and the person's legal representative and/or family, provided the person consents to the family member's involvement.

(14) "Violent offense" means any felony defined as a violent offense in RCW 9.94A.030.

(15) "Waiver" means the community-based funding under section 1915 of Title XIX of the federal social security act.

**NEW SECTION. Sec. 4.** (1) Prior to receiving services through the community protection program, a person must first receive an

assessment of risk and/or dangerousness by a qualified professional. The assessment must be consistent with the guidelines for risk assessments and psychosexual evaluations developed by the department. The person requesting services and the person's legal representative have the right to choose the qualified professional who will perform the assessment from a list of state contracted qualified professionals. The assessment must contain, at a minimum, a determination by the qualified professional whether the person can be managed successfully in the community with reasonably available safeguards and that lesser restrictive residential placement alternatives have been considered and would not be reasonable for the person seeking services. The department may request an additional evaluation by a qualified professional evaluator who is contracted with the state.

(2) Any person being considered for placement in the community protection program and his or her legal representative must be informed in writing of the following: (a) Limitations regarding the services that will be available due to the person's community protection issues; (b) disclosure requirements as a condition of receiving services other than case management; (c) the requirement to engage in therapeutic treatment may be a condition of receiving certain services; (d) anticipated restrictions that may be provided including, but not limited to intensive supervision, limited access to television viewing, reading material, videos; (e) the right to accept or decline services; (f) the anticipated consequences of declining services such as the loss of existing services and removal from waiver services; (g) the right to an administrative fair hearing in accordance with department and division policy; (h) the requirement to sign a preplacement agreement as a condition of receiving community protection intensive supported living services; (i) the right to retain current services during the pendency of any challenge to the department's decision; (j) the right to refuse to participate in the program.

(3)(a) If the department determines that a person is appropriate for placement in the community protection program, the individual and his or her legal representative shall receive in writing a determination by the department that the person meets the criteria for placement within the community protection program.

(b) If the department determines that a person cannot be managed successfully in the community protection program with reasonably available safeguards, the department must notify the person and his or her legal representative in writing.

**NEW SECTION. Sec. 5.** (1) Individuals receiving services through the department's community protection waiver retain all appeal rights provided for in RCW 71A.10.050. In addition, such individuals have a right to an administrative hearing pursuant to chapter 34.05 RCW to appeal the following decisions by the department:

(a) Termination of community protection waiver eligibility;

(b) Assignment of the applicant to the community protection waiver;

(c) Denial of a request for less restrictive community residential placement.

(2) Final administrative decisions may be appealed pursuant to the provisions of RCW 34.05.510.

(3) The secretary shall adopt rules concerning the procedure applicable to requests for hearings under this section and governing the conduct thereof.

(4) When the department takes any action described in subsection (1) of this section it shall give notice as provided by RCW 71A.10.060. The notice must include a statement advising the person

enrolled on the community protection waiver of the right to an adjudicative proceeding and the time limits for filing an application for an adjudicative proceeding. Notice must also include a statement advising the recipient of the right to file a petition for judicial review of a final administrative decision as provided in chapter 34.05 RCW.

(5) Nothing in this section creates an entitlement to placement on the community protection waiver nor does it create a right to an administrative hearing on department decisions denying placement on the community protection waiver.

**NEW SECTION. Sec. 6.** (1) Community protection program participants shall have appropriate opportunities to receive services in the least restrictive manner and in the least restrictive environments possible.

(2) There must be a review by the treatment team every ninety days to assess each participant's progress, evaluate use of less restrictive measures, and make changes in the participant's program as necessary. The team must review all restrictions and recommend reductions if appropriate. The therapist must write a report annually evaluating the participant's risk of offense and/or risk of behaviors that are dangerous to self or others. The department shall have rules in place describing this process. If a treatment team member has reason to be concerned that circumstances have changed significantly, the team member may request that a complete reassessment be conducted at any time.

**NEW SECTION. Sec. 7.** A participant who demonstrates success in complying with reduced restrictions and remains free of offenses that may indicate a relapse for at least twelve months, may be considered for placement in a less restrictive community residential setting.

The process to move a participant to a less restrictive residential placement shall include, at a minimum:

(1) Written verification of the person's treatment progress, compliance with reduced restrictions, an assessment of low risk of reoffense, and a recommendation as to suitable placement by the treatment team;

(2) Development of a gradual phase out plan by the treatment team, projected over a reasonable period of time and includes specific criteria for evaluating reductions in restrictions, especially supervision;

(3) The absence of any incidents that may indicate relapse for a minimum of twelve months;

(4) A written plan that details what supports and services, including the level of supervision the person will receive from the division upon exiting the community protection program;

(5) An assessment consistent with the guidelines for risk assessments and psychosexual evaluations developed by the division, conducted by a qualified professional. At a minimum, the assessment shall include:

(a) An evaluation of the participant's risk of reoffense and/or dangerousness; and

(b) An opinion as to whether or not the person can be managed successfully in a less restrictive community residential setting;

(6) Recommendation by the treatment team that the participant is ready to move to a less restrictive community residential placement.

**NEW SECTION. Sec. 8.** (1) The department is authorized to take one or more of the enforcement actions listed in subsection (2) of this section when the department finds that a provider of

residential services and support with whom the department entered into an agreement under this chapter has:

(a) Failed or refused to comply with the requirements of this chapter or the rules adopted under it;

(b) Failed or refused to cooperate with the certification process;

(c) Prevented or interfered with a certification, inspection, or investigation by the department;

(d) Failed to comply with any applicable requirements regarding vulnerable adults under chapter 74.34 RCW; or

(e) Knowingly, or with reason to know, made a false statement of material fact related to certification or contracting with the department, or in any matter under investigation by the department.

(2) The department may:

(a) Decertify or refuse to renew the certification of a provider;

(b) Impose conditions on a provider's certification status;

(c) Suspend department referrals to the provider; or

(d) Require a provider to implement a plan of correction developed by the department and to cooperate with subsequent monitoring of the provider's progress. In the event a provider fails to implement the plan of correction or fails to cooperate with subsequent monitoring, the department may impose civil penalties of not more than one hundred fifty dollars per day per violation. Each day during which the same or similar action or inaction occurs constitutes a separate violation.

(3) When determining the appropriate enforcement action or actions under subsection (2) of this section, the department must select actions commensurate with the seriousness of the harm or threat of harm to the persons being served by the provider. Further, the department may take enforcement actions that are more severe for violations that are uncorrected, repeated, pervasive, or which present a serious threat of harm to the health, safety, or welfare of persons served by the provider. The department shall by rule develop criteria for the selection and implementation of enforcement actions authorized in subsection (2) of this section. Rules adopted under this section shall include a process for an informal review upon request by a provider.

(4) The provisions of chapter 34.05 RCW apply to enforcement actions under this section. Except for the imposition of civil penalties, the effective date of enforcement actions shall not be delayed or suspended pending any hearing or informal review.

(5) The enforcement actions and penalties authorized in this section are not exclusive or exhaustive and nothing in this section prohibits the department from taking any other action authorized in statute or rule or under the terms of a contract with the provider.

**NEW SECTION. Sec. 9.** The department shall develop and maintain rules, guidelines, or policy manuals, as appropriate, for implementing and maintaining the community protection program under this chapter.

**Sec. 10.** RCW 71.09.020 and 2003 c 216 s 2 and 2003 c 50 s 1 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) "Department" means the department of social and health services.

(2) "Health care facility" means any hospital, hospice care center, licensed or certified health care facility, health maintenance organization regulated under chapter 48.46 RCW, federally qualified health maintenance organization, federally approved renal dialysis center or facility, or federally approved blood bank.

(3) "Health care practitioner" means an individual or firm licensed or certified to engage actively in a regulated health profession.

(4) "Health care services" means those services provided by health professionals licensed pursuant to RCW 18.120.020(4).

(5) "Health profession" means those licensed or regulated professions set forth in RCW 18.120.020(4).

(6) "Less restrictive alternative" means court-ordered treatment in a setting less restrictive than total confinement which satisfies the conditions set forth in RCW 71.09.092. A less restrictive alternative may not include placement in the community protection program as pursuant to section 4 of this act.

(7) "Likely to engage in predatory acts of sexual violence if not confined in a secure facility" means that the person more probably than not will engage in such acts if released unconditionally from detention on the sexually violent predator petition. Such likelihood must be evidenced by a recent overt act if the person is not totally confined at the time the petition is filed under RCW 71.09.030.

(8) "Mental abnormality" means a congenital or acquired condition affecting the emotional or volitional capacity which predisposes the person to the commission of criminal sexual acts in a degree constituting such person a menace to the health and safety of others.

(9) "Predatory" means acts directed towards: (a) Strangers; (b) individuals with whom a relationship has been established or promoted for the primary purpose of victimization; or (c) persons of casual acquaintance with whom NO. substantial personal relationship exists.

(10) "Recent overt act" means any act or threat that has either caused harm of a sexually violent nature or creates a reasonable apprehension of such harm in the mind of an objective person who knows of the history and mental condition of the person engaging in the act.

(11) "Risk potential activity" or "risk potential facility" means an activity or facility that provides a higher incidence of risk to the public from persons conditionally released from the special commitment center. Risk potential activities and facilities include: Public and private schools, school bus stops, licensed day care and licensed preschool facilities, public parks, publicly dedicated trails, sports fields, playgrounds, recreational and community centers, churches, synagogues, temples, mosques, public libraries, public and private youth camps, and others identified by the department following the hearings on a potential site required in RCW 71.09.315. For purposes of this chapter, "school bus stops" does not include bus stops established primarily for public transit.

(12) "Secretary" means the secretary of social and health services or the secretary's designee.

(13) "Secure facility" means a residential facility for persons civilly confined under the provisions of this chapter that includes security measures sufficient to protect the community. Such facilities include total confinement facilities, secure community transition facilities, and any residence used as a court-ordered placement under RCW 71.09.096.

(14) "Secure community transition facility" means a residential facility for persons civilly committed and conditionally released to a less restrictive alternative under this chapter. A secure community transition facility has supervision and security, and either provides or ensures the provision of sex offender treatment services. Secure community transition facilities include but are not limited to the facility established pursuant to RCW 71.09.250(1)(a)(i) and any community-based facilities established under this chapter and operated by the secretary or under contract with the secretary.

(15) "Sexually violent offense" means an act committed on, before, or after July 1, 1990, that is: (a) An act defined in Title 9A RCW as rape in the first degree, rape in the second degree by forcible compulsion, rape of a child in the first or second degree, statutory rape in the first or second degree, indecent liberties by forcible compulsion, indecent liberties against a child under age fourteen, incest against a child under age fourteen, or child molestation in the first or second degree; (b) a felony offense in effect at any time prior to July 1, 1990, that is comparable to a sexually violent offense as defined in (a) of this subsection, or any federal or out-of-state conviction for a felony offense that under the laws of this state would be a sexually violent offense as defined in this subsection; (c) an act of murder in the first or second degree, assault in the first or second degree, assault of a child in the first or second degree, kidnapping in the first or second degree, burglary in the first degree, residential burglary, or unlawful imprisonment, which act, either at the time of sentencing for the offense or subsequently during civil commitment proceedings pursuant to this chapter, has been determined beyond a reasonable doubt to have been sexually motivated, as that term is defined in RCW 9.94A.030; or (d) an act as described in chapter 9A.28 RCW, that is an attempt, criminal solicitation, or criminal conspiracy to commit one of the felonies designated in (a), (b), or (c) of this subsection.

(16) "Sexually violent predator" means any person who has been convicted of or charged with a crime of sexual violence and who suffers from a mental abnormality or personality disorder which makes the person likely to engage in predatory acts of sexual violence if not confined in a secure facility.

(17) "Total confinement facility" means a secure facility that provides supervision and sex offender treatment services in a total confinement setting. Total confinement facilities include the special commitment center and any similar facility designated as a total confinement facility by the secretary.

**Sec. 11.** RCW 71.09.060 and 2001 c 286 s 7 are each amended to read as follows:

(1) The court or jury shall determine whether, beyond a reasonable doubt, the person is a sexually violent predator. In determining whether or not the person would be likely to engage in predatory acts of sexual violence if not confined in a secure facility, the fact finder may consider only placement conditions and voluntary treatment options that would exist for the person if unconditionally released from detention on the sexually violent predator petition. The community protection program under section 4 of this act may not be considered as a placement condition or treatment option available to the person if unconditionally released from detention on a sexually violent predator petition. When the determination is made by a jury, the verdict must be unanimous.

If, on the date that the petition is filed, the person was living in the community after release from custody, the state must also prove beyond a reasonable doubt that the person had committed a recent overt act. If the state alleges that the prior sexually violent offense that forms the basis for the petition for commitment was an act that was sexually motivated as provided in RCW 71.09.020(~~((6))~~) (15)(c), the state must prove beyond a reasonable doubt that the alleged sexually violent act was sexually motivated as defined in RCW 9.94A.030.

If the court or jury determines that the person is a sexually violent predator, the person shall be committed to the custody of the department of social and health services for placement in a secure facility operated by the department of social and health services for control, care, and treatment until such time as: (a) The person's

condition has so changed that the person NO. longer meets the definition of a sexually violent predator; or (b) conditional release to a less restrictive alternative as set forth in RCW 71.09.092 is in the best interest of the person and conditions can be imposed that would adequately protect the community.

If the court or unanimous jury decides that the state has not met its burden of proving that the person is a sexually violent predator, the court shall direct the person's release.

If the jury is unable to reach a unanimous verdict, the court shall declare a mistrial and set a retrial within forty-five days of the date of the mistrial unless the prosecuting agency earlier moves to dismiss the petition. The retrial may be continued upon the request of either party accompanied by a showing of good cause, or by the court on its own motion in the due administration of justice provided that the respondent will not be substantially prejudiced. In NO. event may the person be released from confinement prior to retrial or dismissal of the case.

(2) If the person charged with a sexually violent offense has been found incompetent to stand trial, and is about to or has been released pursuant to RCW 10.77.090(4), and his or her commitment is sought pursuant to subsection (1) of this section, the court shall first hear evidence and determine whether the person did commit the act or acts charged if the court did not enter a finding prior to dismissal under RCW 10.77.090(4) that the person committed the act or acts charged. The hearing on this issue must comply with all the procedures specified in this section. In addition, the rules of evidence applicable in criminal cases shall apply, and all constitutional rights available to defendants at criminal trials, other than the right not to be tried while incompetent, shall apply. After hearing evidence on this issue, the court shall make specific findings on whether the person did commit the act or acts charged, the extent to which the person's incompetence or developmental disability affected the outcome of the hearing, including its effect on the person's ability to consult with and assist counsel and to testify on his or her own behalf, the extent to which the evidence could be reconstructed without the assistance of the person, and the strength of the prosecution's case. If, after the conclusion of the hearing on this issue, the court finds, beyond a reasonable doubt, that the person did commit the act or acts charged, it shall enter a final order, appealable by the person, on that issue, and may proceed to consider whether the person should be committed pursuant to this section.

(3) The state shall comply with RCW 10.77.220 while confining the person pursuant to this chapter, except that during all court proceedings the person shall be detained in a secure facility. The department shall not place the person, even temporarily, in a facility on the grounds of any state mental facility or regional habilitation center because these institutions are insufficiently secure for this population.

(4) A court has jurisdiction to order a less restrictive alternative placement only after a hearing ordered pursuant to RCW 71.09.090 following initial commitment under this section and in accord with the provisions of this chapter.

**NEW SECTION. Sec. 12.** Sections 2 through 9 of this act are each added to chapter 71A.12 RCW."

Correct the title.

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

The amendment was adopted.

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

Representatives Roberts and Walsh spoke in favor of passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Engrossed Second Substitute Senate Bill No. 6630, as amended by the House.

### ROLL CALL

The Clerk called the roll on the final passage of Engrossed Second Substitute Senate Bill No. 6630, as amended by the House and the bill passed the House by the following vote: Yeas - 98, Nays - 0, Absent - 0, Excused - 0.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Bailey, Blake, Buck, Buri, Campbell, Chandler, Chase, Clements, Clibborn, Cody, Condotta, Conway, Cox, Crouse, Curtis, Darneille, DeBolt, Dickerson, Dunn, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hinkle, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kretz, Kristiansen, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, Newhouse, Nixon, O'Brien, Orcutt, Ormsby, Pearson, Pettigrew, Priest, Quall, Roach, Roberts, Rodne, Santos, Schindler, Schual-Berke, Sells, Serben, Shabro, Simpson, Skinner, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Sump, Takko, Talcott, Tom, Upthegrove, Wallace, Walsh, Williams, Wood, Woods and Mr. Speaker - 98.

ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 6630, as amended by the House, having received the necessary constitutional majority, was declared passed.

**ENGROSSED SUBSTITUTE SENATE BILL NO. 6635, By Senate Committee on Human Services & Corrections (originally sponsored by Senators Franklin, Benton, Zarelli, Stevens, Honeyford and Rasmussen)**

### Changing provisions relating to adoption.

The bill was read the second time.

There being no objection, the committee amendment by the Committee on Children & Family Services was be for the House for purpose of amendment. (For Committee amendment, see Journal, 47<sup>th</sup> Day, February 24, 2006.)

Representative Kagi moved the adoption of amendment (1045) to the committee amendment:

On page 1, line 19 of the amendment, after "employees" strike "on a space-available basis"

Beginning on page 1, line 21 of the amendment, strike all of section 2 of the amendment and insert the following:

**"NEW SECTION. Sec. 2.** The department of health, in cooperation with the department of social and health services, shall recommend a process for the efficient collection, compilation, and annual publication of adoption statistical data, including data regarding fees, costs, and expenses paid by adoptive families. In developing recommendations, the department of health and the department of social and health services shall consider current processes and requirements for adoption data collection and reporting. The department of health shall report to the legislature not later than October 1, 2006, regarding its recommendations."

On page 2, line 6 of the amendment, after "department of" strike "health" and insert "social and health services"

Correct the title.

Representative Kagi spoke in favor of the adoption of the amendment to the committee amendment.

The amendment to the committee amendment was adopted.

The committee amendment as amended was adopted.

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

Representatives Kagi and Dunn spoke in favor of passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Engrossed Substitute Senate Bill No. 6635, as amended by the House.

### ROLL CALL

The Clerk called the roll on the final passage of Engrossed Substitute Senate Bill No. 6635, as amended by the House and the bill passed the House by the following vote: Yeas - 98, Nays - 0, Absent - 0, Excused - 0.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Bailey, Blake, Buck, Buri, Campbell, Chandler, Chase, Clements, Clibborn, Cody, Condotta, Conway, Cox, Crouse, Curtis, Darneille, DeBolt, Dickerson, Dunn, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hinkle, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kretz, Kristiansen, Lantz,

Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, Newhouse, Nixon, O'Brien, Orcutt, Ormsby, Pearson, Pettigrew, Priest, Quall, Roach, Roberts, Rodne, Santos, Schindler, Schual-Berke, Sells, Serben, Shabro, Simpson, Skinner, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Sump, Takko, Talcott, Tom, Upthegrove, Wallace, Walsh, Williams, Wood, Woods and Mr. Speaker - 98.

ENGROSSED SUBSTITUTE SENATE BILL NO. 6635, as amended by the House, having received the necessary constitutional majority, was declared passed.

### SENATE BILL NO. 6658, By Senators Thibaudeau and Deccio

#### Revising experience requirements for licensed mental health counselors.

The bill was read the second time.

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

Representatives Morrell and Hinkle spoke in favor of passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Senate Bill No. 6658.

### ROLL CALL

The Clerk called the roll on the final passage of Senate Bill No. 6658 and the bill passed the House by the following vote: Yeas - 98, Nays - 0, Absent - 0, Excused - 0.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Bailey, Blake, Buck, Buri, Campbell, Chandler, Chase, Clements, Clibborn, Cody, Condotta, Conway, Cox, Crouse, Curtis, Darneille, DeBolt, Dickerson, Dunn, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hinkle, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kretz, Kristiansen, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, Newhouse, Nixon, O'Brien, Orcutt, Ormsby, Pearson, Pettigrew, Priest, Quall, Roach, Roberts, Rodne, Santos, Schindler, Schual-Berke, Sells, Serben, Shabro, Simpson, Skinner, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Sump, Takko, Talcott, Tom, Upthegrove, Wallace, Walsh, Williams, Wood, Woods and Mr. Speaker - 98.

SENATE BILL NO. 6658, having received the necessary constitutional majority, was declared passed.

**ENGROSSED SENATE BILL NO. 6661, By Senators Rasmussen, Esser, Jacobsen, Schoesler and Kohl-Welles**

**Establishing the Washington beer commission.**

The bill was read the second time.

There being no objection, the committee amendment by the Committee on Economical Development, Agriculture & Trade was adopted. (For Committee amendment, see Journal, 47<sup>th</sup> Day, February 24, 2006.)

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

Representatives B. Sullivan and Newhouse spoke in favor of passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Engrossed Senate Bill No. 6661, as amended by the House.

**ROLL CALL**

The Clerk called the roll on the final passage of Engrossed Senate Bill No. 6661, as amended by the House and the bill passed the House by the following vote: Yeas - 95, Nays - 3, Absent - 0, Excused - 0.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Bailey, Blake, Buck, Buri, Campbell, Chandler, Chase, Clements, Clibborn, Cody, Condotta, Conway, Crouse, Curtis, Darneille, DeBolt, Dickerson, Dunn, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hinkle, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kenney, Kessler, Kilmer, Kirby, Kretz, Kristiansen, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, Newhouse, O'Brien, Orcutt, Ormsby, Pearson, Pettigrew, Priest, Quall, Roach, Roberts, Rodne, Santos, Schindler, Schual-Berke, Sells, Serben, Shabro, Simpson, Skinner, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Sump, Takko, Talcott, Tom, Upthegrove, Wallace, Walsh, Williams, Wood, Woods and Mr. Speaker - 95.

Voting nay: Representatives Cox, Kagi and Nixon - 3.

ENGROSSED SENATE BILL NO. 6661, as amended by the House, having received the necessary constitutional majority, was declared passed.

**ENGROSSED SUBSTITUTE SENATE BILL NO. 6679, By Senate Committee on Transportation (originally sponsored by Senator Haugen)**

**Introducing federal law preemption in regulating train speeds. (REVISED FOR ENGROSSED: Revising the provisions regulating train speeds.)**

The bill was read the second time.

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

Representatives Wallace and Woods spoke in favor of passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Engrossed Substitute Senate Bill No. 6679.

**ROLL CALL**

The Clerk called the roll on the final passage of Engrossed Substitute Senate Bill No. 6679 and the bill passed the House by the following vote: Yeas - 98, Nays - 0, Absent - 0, Excused - 0.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Bailey, Blake, Buck, Buri, Campbell, Chandler, Chase, Clements, Clibborn, Cody, Condotta, Conway, Cox, Crouse, Curtis, Darneille, DeBolt, Dickerson, Dunn, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hinkle, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kretz, Kristiansen, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, Newhouse, Nixon, O'Brien, Orcutt, Ormsby, Pearson, Pettigrew, Priest, Quall, Roach, Roberts, Rodne, Santos, Schindler, Schual-Berke, Sells, Serben, Shabro, Simpson, Skinner, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Sump, Takko, Talcott, Tom, Upthegrove, Wallace, Walsh, Williams, Wood, Woods and Mr. Speaker - 98.

ENGROSSED SUBSTITUTE SENATE BILL NO. 6679, having received the necessary constitutional majority, was declared passed.

**SENATE BILL NO. 6762, By Senators Mulliken, Benson, Schoesler and Sheldon**

**Limiting the posting of hazards to motorcycles to paved roadways.**

The bill was read the second time.

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



Representatives Wallace and Buri spoke in favor of passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Senate Bill No. 6762.

### ROLL CALL

The Clerk called the roll on the final passage of Senate Bill No. 6762 and the bill passed the House by the following vote: Yeas - 98, Nays - 0, Absent - 0, Excused - 0.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Bailey, Blake, Buck, Buri, Campbell, Chandler, Chase, Clements, Clibborn, Cody, Condotta, Conway, Cox, Crouse, Curtis, Darneille, DeBolt, Dickerson, Dunn, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hinkle, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kretz, Kristiansen, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, Newhouse, Nixon, O'Brien, Orcutt, Ormsby, Pearson, Pettigrew, Priest, Quall, Roach, Roberts, Rodne, Santos, Schindler, Schual-Berke, Sells, Serben, Shabro, Simpson, Skinner, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Sump, Takko, Talcott, Tom, Upthegrove, Wallace, Walsh, Williams, Wood, Woods and Mr. Speaker - 98.

SENATE BILL NO. 6762, having received the necessary constitutional majority, was declared passed.

### **SENATE BILL NO. 6766, By Senators Schmidt, McAuliffe and Rasmussen**

#### **Regarding the national guard conditional scholarship.**

The bill was read the second time.

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

Representatives Kenney and Cox spoke in favor of passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Senate Bill No. 6766.

### ROLL CALL

The Clerk called the roll on the final passage of Senate Bill No. 6766 and the bill passed the House by the following vote: Yeas - 98, Nays - 0, Absent - 0, Excused - 0.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Bailey, Blake, Buck, Buri, Campbell, Chandler, Chase, Clements, Clibborn, Cody, Condotta, Conway, Cox, Crouse, Curtis, Darneille, DeBolt, Dickerson, Dunn, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hinkle, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kretz, Kristiansen, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, Newhouse, Nixon, O'Brien, Orcutt, Ormsby, Pearson, Pettigrew, Priest, Quall, Roach, Roberts, Rodne, Santos, Schindler, Schual-Berke, Sells, Serben, Shabro, Simpson, Skinner, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Sump, Takko, Talcott, Tom, Upthegrove, Wallace, Walsh, Williams, Wood, Woods and Mr. Speaker - 98.

SENATE BILL NO. 6766, having received the necessary constitutional majority, was declared passed.

### **SENATE BILL NO. 6861, By Senators Delvin, Poulsen, Mulliken, Morton and Honeyford**

#### **Requiring a study of competing interests of domestic water users.**

The bill was read the second time.

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

Representatives Haler and Linville spoke in favor of passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Senate Bill No. 6861.

### ROLL CALL

The Clerk called the roll on the final passage of Senate Bill No. 6861 and the bill passed the House by the following vote: Yeas - 98, Nays - 0, Absent - 0, Excused - 0.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Bailey, Blake, Buck, Buri, Campbell, Chandler, Chase, Clements, Clibborn, Cody, Condotta, Conway, Cox, Crouse, Curtis, Darneille, DeBolt, Dickerson, Dunn, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hinkle, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kretz, Kristiansen, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, Newhouse, Nixon, O'Brien, Orcutt, Ormsby, Pearson, Pettigrew, Priest, Quall, Roach, Roberts, Rodne, Santos,

Schindler, Schual-Berke, Sells, Serben, Shabro, Simpson, Skinner, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Sump, Takko, Talcott, Tom, Upthegrove, Wallace, Walsh, Williams, Wood, Woods and Mr. Speaker - 98.

SENATE BILL NO. 6861, having received the necessary constitutional majority, was declared passed.

**ENGROSSED SENATE BILL NO. 5232, By Senators Oke, Swecker and Jacobsen**

**Requiring a turkey tag to hunt for turkey.**

The bill was read the second time.

Representative Roach moved the adoption of amendment (1035):

Strike everything after the enacting clause and insert the following:

"**Sec. 1.** RCW 77.32.460 and 2000 c 109 s 2 are each amended to read as follows:

(1) A small game hunting license is required to hunt for all classified wild animals and wild birds, except big game. A small game license also allows the holder to hunt for unclassified wildlife. ~~((The small game license includes one transport tag for turkey.))~~

(a) The fee for this license is thirty dollars for residents, one hundred fifty dollars for nonresidents, and fifteen dollars for youth.

(b) The fee for this license if purchased in conjunction with a big game combination license package is sixteen dollars for residents, eighty dollars for nonresidents, and eight dollars for youth.

(c) The fee for a three-consecutive-day small game license is fifty dollars for nonresidents.

(2) In addition to a small game license, a turkey tag is required to hunt for turkey.

(a) The fee for a primary turkey tag is fourteen dollars for residents and forty dollars for nonresidents. A primary turkey tag will, on request, be issued to the purchaser of a youth small game license at NO. charge.

(b) The fee for each additional turkey tag is ~~((eighteen))~~ fourteen dollars for residents, sixty dollars for nonresidents, and nine dollars for youth.

(c) All moneys received from turkey tags must be deposited in the state wildlife account. One-third of the moneys received from turkey tags must be appropriated solely for the purposes of turkey management. An additional one-third of the moneys received from turkey tags must be appropriated solely for upland game bird management. Moneys received from turkey tags may not supplant existing funds provided for these purposes."

Representatives Roach and B. Sullivan spoke in favor of the adoption of the amendment.

The amendment was adopted.

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

Representatives B. Sullivan and Buck spoke in favor of passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Engrossed Senate Bill No. 5232, as amended by the House.

**ROLL CALL**

The Clerk called the roll on the final passage of Engrossed Senate Bill No. 5232, as amended by the House and the bill passed the House by the following vote: Yeas - 92, Nays - 6, Absent - 0, Excused - 0.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Bailey, Blake, Buck, Buri, Campbell, Chandler, Chase, Clements, Clibborn, Cody, Condotta, Conway, Cox, Crouse, Curtis, Darneille, DeBolt, Dickerson, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hinkle, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kretz, Kristiansen, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morris, Murray, Newhouse, O'Brien, Ormsby, Pearson, Pettigrew, Priest, Quall, Roberts, Rodne, Santos, Schindler, Schual-Berke, Sells, Serben, Shabro, Simpson, Skinner, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Sump, Takko, Tom, Upthegrove, Wallace, Walsh, Williams, Wood, Woods and Mr. Speaker - 92.

Voting nay: Representatives Dunn, Morrell, Nixon, Orcutt, Roach, and Talcott - 6.

ENGROSSED SENATE BILL NO. 5232, as amended by the House, having received the necessary constitutional majority, was declared passed.

**SUBSTITUTE SENATE BILL NO. 6225, By Senate Committee on Labor, Commerce, Research & Development (originally sponsored by Senators Rasmussen, Honeyford, Haugen, Morton, Hewitt, Rockefeller, Pflug, Parlette, Shin and Oke)**

**Regulating the business of installing, repairing, and maintaining domestic water pumping systems.**

The bill was read the second time.

Representative Conway moved the adoption of amendment (1038):

On page 23, beginning on line 4, after "holders of" strike "pump and irrigation or domestic pump specialty certificates" and insert "the specialty plumber certificate under 18.106.010(10)(c)"

Representatives Conway and Condotta spoke in favor of the adoption of the amendment.

The amendment was adopted.

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

Representatives Wood and Condotta spoke in favor of passage of the bill.

#### COLLOQUY

Representative Condotta: "Will SSB 6225 affect the existing examination for plumbers?"

Representative Conway: "No, there is NO. intent that SSB 6225 will affect the existing examination for plumbers and this was confirmed by the Department of Labor and Industries in its testimony on this legislation."

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Substitute Senate Bill No. 6225, as amended by the House.

#### ROLL CALL

The Clerk called the roll on the final passage of Substitute Senate Bill No. 6225, as amended by the House and the bill passed the House by the following vote: Yeas - 97, Nays - 1, Absent - 0, Excused - 0.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Bailey, Blake, Buck, Buri, Campbell, Chandler, Chase, Clements, Clibborn, Cody, Condotta, Conway, Cox, Crouse, Curtis, Darneille, DeBolt, Dickerson, Dunn, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hinkle, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kretz, Kristiansen, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, Newhouse, O'Brien, Orcutt, Ormsby, Pearson, Pettigrew, Priest, Quall, Roach, Roberts, Rodne, Santos, Schindler, Schual-Berke, Sells, Serben, Shabro, Simpson, Skinner, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Sump, Takko, Talcott, Tom, Upthegrove, Wallace, Walsh, Williams, Wood, Woods and Mr. Speaker - 97.

Voting nay: Representative Nixon - 1.

SUBSTITUTE SENATE BILL NO. 6225, as amended by the House, having received the necessary constitutional majority, was declared passed.

**SUBSTITUTE SENATE BILL NO. 6257, By Senate Committee on Labor, Commerce, Research & Development (originally sponsored by Senator Delvin)**

#### **Exempting guest services or crowd management employees from the requirements of chapter 18.170 RCW.**

The bill was read the second time.

There being no objection, the committee amendment by the Committee on Commerce & Labor was adopted. (For Committee amendment, see Journal, 47<sup>th</sup> Day, February 24, 2006.)

Representative Hudgins moved the adoption of amendment (1069):

On page 2, line 2, after "of a" strike "security officer" and insert "private security guard"

On page 2, beginning on line 3, strike all of section 2

Correct the title.

Representatives Hudgins and Condotta spoke in favor of the adoption of the amendment.

The amendment was adopted.

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

Representatives Hudgins and Condotta spoke in favor of passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Substitute Senate Bill No. 6257, as amended by the House.

#### ROLL CALL

The Clerk called the roll on the final passage of Substitute Senate Bill No. 6257, as amended by the House and the bill passed the House by the following vote: Yeas - 98, Nays - 0, Absent - 0, Excused - 0.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Bailey, Blake, Buck, Buri, Campbell, Chandler, Chase, Clements, Clibborn, Cody, Condotta, Conway, Cox, Crouse, Curtis, Darneille, DeBolt, Dickerson, Dunn, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hinkle, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kretz, Kristiansen, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, Newhouse, Nixon, O'Brien, Orcutt, Ormsby, Pearson, Pettigrew, Priest, Quall, Roach, Roberts, Rodne, Santos, Schindler, Schual-Berke, Sells, Serben, Shabro, Simpson, Skinner, Sommers, Springer, Strow, Sullivan, B., Sullivan, P.,

Sump, Takko, Talcott, Tom, Upthegrove, Wallace, Walsh, Williams, Wood, Woods and Mr. Speaker - 98.

SUBSTITUTE SENATE BILL NO. 6257, as amended by the House, having received the necessary constitutional majority, was declared passed.

**SENATE BILL NO. 6411, By Senators Doumit, Parlette, Pridemore, Delvin, Fraser, McAuliffe, Shin and Kohl-Welles**

**Allowing six-year long collective bargaining agreements.**

The bill was read the second time.

There being no objection, the committee amendment by the Committee on Commerce & Labor was not adopted. (For Committee amendment, see Journal, 47<sup>th</sup> Day, February 24, 2006.)

Representative Condotta moved the adoption of amendment (1075):

On page 2, line 10, after "~~three~~" strike "six" and insert "four"

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

Representative Conway spoke against the adoption of the amendment.

The amendment was adopted.

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

Representative Conway spoke in favor of passage of the bill.

Representative Condotta spoke against the passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Senate Bill No. 6411.

#### ROLL CALL

The Clerk called the roll on the final passage of Senate Bill No. 6411 and the bill passed the House by the following vote: Yeas - 74, Nays - 24, Absent - 0, Excused - 0.

Voting yea: Representatives Alexander, Appleton, Blake, Buri, Campbell, Chase, Clibborn, Cody, Conway, Cox, Crouse, Darneille, DeBolt, Dickerson, Dunshee, Eickmeyer, Ericks, Flannigan, Fromhold, Grant, Green, Haigh, Haler,

Hankins, Hasegawa, Hinkle, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, Nixon, O'Brien, Ormsby, Pettigrew, Priest, Quall, Roach, Roberts, Santos, Schual-Berke, Sells, Simpson, Skinner, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Takko, Tom, Upthegrove, Wallace, Walsh, Williams, Wood and Mr. Speaker - 74.

Voting nay: Representatives Ahern, Anderson, Armstrong, Bailey, Buck, Chandler, Clements, Condotta, Curtis, Dunn, Ericksen, Holmquist, Kretz, Kristiansen, Newhouse, Orcutt, Pearson, Rodne, Schindler, Serben, Shabro, Sump, Talcott and Woods - 24.

SENATE BILL NO. 6411, having received the necessary constitutional majority, was declared passed.

**SENATE BILL NO. 6415, By Senators Pridemore, McAuliffe, Mulliken and Kohl-Welles**

**Allowing interpreters to assist hearing impaired persons during driver's license examinations.**

The bill was read the second time.

There being no objection, the committee amendment by the Committee on Transportation was adopted. (For Committee amendment, see Journal, 47<sup>th</sup> Day, February 24, 2006.)

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

Representatives Wallace and Woods spoke in favor of passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Senate Bill No. 6415, as amended by the House.

#### ROLL CALL

The Clerk called the roll on the final passage of Senate Bill No. 6415, as amended by the House and the bill passed the House by the following vote: Yeas - 98, Nays - 0, Absent - 0, Excused - 0.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Bailey, Blake, Buck, Buri, Campbell, Chandler, Chase, Clements, Clibborn, Cody, Condotta, Conway, Cox, Crouse, Curtis, Darneille, DeBolt, Dickerson, Dunn, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hinkle, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kretz, Kristiansen, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald,

McIntire, Miloscia, Moeller, Morrell, Morris, Murray, Newhouse, Nixon, O'Brien, Orcutt, Ormsby, Pearson, Pettigrew, Priest, Quall, Roach, Roberts, Rodne, Santos, Schindler, Schual-Berke, Sells, Serben, Shabro, Simpson, Skinner, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Sump, Takko, Talcott, Tom, Upthegrove, Wallace, Walsh, Williams, Wood, Woods and Mr. Speaker - 98.

SENATE BILL NO. 6415, as amended by the House, having received the necessary constitutional majority, was declared passed.

**ENGROSSED SUBSTITUTE SENATE BILL NO. 6508, By Senate Committee on Water, Energy & Environment (originally sponsored by Senators Rasmussen, Poulsen, Kline, McCaslin, Brown, Oke, Schmidt, Swecker, Finkbeiner and Kohl-Welles; by request of Governor Gregoire)**

**Developing minimum renewable fuel content requirements and fuel quality standards in an alternative fuels market.**

The bill was read the second time.

There being no objection, the committee amendment by the Committee on Technology, Energy & Communications was not adopted. (For Committee amendment, see Journal, 47<sup>th</sup> Day, February 24, 2006.)

With the consent of the House, amendments (1036), (1039), (1040), (1041), (1042), (1043), (1044), (1070), (1072) and (1073) were withdrawn.

Representative Morris moved the adoption of amendment (1066):

Strike everything after the enacting clause and insert the following:

**"NEW SECTION. Sec. 1.** The legislature finds that it is in the public interest to establish a market for alternative fuels in Washington. By requiring a growing percentage of our fuel supply to be renewable biofuel that meets appropriate fuel quality standards, we will reduce our dependence on imports of foreign oil, improve the health and quality of life for Washingtonians, and stimulate the creation of a new industry in Washington that benefits our farmers and rural communities. The legislature finds that it is in the public interest for the state to play a central role in spurring the market by purchasing an increasing amount of alternative fuels produced in Washington. The legislature finds that we must act now and that the time available before the requirements of this act take effect is sufficient for feedstock and fuel providers to prepare for successful implementation.

The legislature intends for consumers to have a choice of fuels and to encourage and promote the development, availability, and use of a diversity of renewable fuels and fuel blends ranging from fuels composed of NO. renewable content to completely renewable fuels.

**NEW SECTION. Sec. 2.** A new section is added to chapter 19.112 RCW to read as follows:

(1) Special fuel licensees under chapter 82.38 RCW, other than international fuel tax agreement licensees, dyed special fuel users, and special fuel distributors, shall provide evidence to the department of licensing that at least two percent of the total annual diesel fuel sold in Washington is biodiesel fuel, following the earlier of: (a) November 30, 2008; or (b) when a determination is made by the director, published in the Washington State Register, that feedstock grown in Washington state can satisfy a two-percent requirement.

(2) Special fuel licensees under chapter 82.38 RCW, other than international fuel tax agreement licensees, dyed special fuel users, and special fuel distributors, shall provide evidence to the department of licensing that at least five percent of total annual diesel fuel sold in Washington is biodiesel fuel, when the director determines, and publishes this determination in the Washington State Register, that both in-state oil seed crushing capacity and feedstock grown in Washington state can satisfy a three-percent requirement.

(3) The requirements of subsections (1) and (2) of this section shall take effect NO. sooner than one hundred eighty days after the determination has been published in the Washington State Register.

(4) The director and the director of licensing shall each adopt rules, in coordination with each other, for enforcing and carrying out the purposes of this section.

**NEW SECTION. Sec. 3.** A new section is added to chapter 19.112 RCW to read as follows:

(1) By December 1, 2008, motor vehicle fuel licensees under chapter 82.36 RCW, other than motor vehicle fuel distributors, shall provide evidence to the department of licensing that at least two percent of total gasoline sold in Washington, measured on a quarterly basis, is denatured ethanol.

(2) If the director of ecology determines that ethanol content greater than two percent of the total gasoline sold in Washington will not jeopardize continued attainment of the federal clean air act's national ambient air quality standard for ozone pollution in Washington and the director of agriculture determines and publishes this determination in the Washington State Register that sufficient raw materials are available within Washington to support economical production of ethanol at higher levels, the director of agriculture may require by rule that licensees provide evidence to the department of licensing that denatured ethanol comprises between two percent and at least ten percent of total gasoline sold in Washington, measured on a quarterly basis.

(3) The requirements of subsections (1) and (2) of this section shall take effect NO. sooner than one hundred eighty days after the determination has been published in the Washington State Register.

(4) The director and the director of licensing shall each adopt rules, in coordination with each other, for enforcing and carrying out the purposes of this section.

(5) Nothing in this section is intended to prohibit the production, sale, or use of motor fuel for use in federally designated flexibly fueled vehicles capable of using up to eighty-five percent ethanol fuel blends. Nothing in this section is intended to limit the use of high octane gasoline not blended with ethanol for use in aircraft.

**NEW SECTION. Sec. 4.** A new section is added to chapter 19.112 RCW to read as follows:

The director of the department of licensing shall establish rules to ensure that information submitted as required by section 2 or 3 of this act can be combined or aggregated for reporting purposes by the

department of licensing without releasing identifying individual company information.

**Sec. 5.** RCW 19.112.060 and 1990 c 102 s 7 are each amended to read as follows:

(1)(a) Any person who knowingly violates any provision of this chapter or rules adopted under it is guilty of a misdemeanor and, upon conviction, shall be punished by a fine of not more than one thousand dollars or imprisonment for not more than one year, or both.

(b) The director shall assess a civil penalty ranging from one hundred dollars to ten thousand dollars per occurrence, giving due consideration to the appropriateness of the penalty with respect to the gravity of the violation, and the history of previous violations. Civil penalties collected under this chapter shall be deposited into the motor vehicle fund.

(2) The penalties in subsection (1)(a) of this section do not apply to violations of sections 2 and 3 of this act.

**NEW SECTION. Sec. 6.** A new section is added to chapter 19.112 RCW to read as follows:

(1) The director shall adopt rules for maintaining standards for biodiesel fuel or fuel blended with biodiesel fuel by adopting all or part of the standards set forth in the Annual Book of ASTM Standards and supplements, amendments, or revisions thereof, all or part of the standards set forth in the National Institute of Standards and Technology (NIST) Handbook 130, Uniform Laws and Regulations in the areas of legal metrology and engine fuel quality rules, and any supplements, amendments, or revisions thereof, together with applicable federal environmental protection agency standards. If a conflict exists between federal environmental protection agency standards, ASTM standards, or NIST standards, for purposes of uniformity, federal environmental protection agency standards shall take precedence over ASTM and NIST standards. The department of agriculture shall not exceed ASTM standards for diesel.

(2) The rules adopted under subsection (1) of this section shall be updated to provide for fuel stability standards when national or international fuel stability standards have been adopted.

**Sec. 7.** RCW 19.112.020 and 1990 c 102 s 3 are each amended to read as follows:

(1) This chapter shall be administered by the director or his or her authorized agent. For the purpose of administering this chapter, for motor fuel except biodiesel fuel, the standards set forth in the Annual Book of ASTM Standards and supplements thereto, and revisions thereof, are adopted, together with applicable federal environmental protection agency standards. If a conflict exists between federal environmental protection agency standards, ASTM standards, or state standards, for purposes of uniformity, federal environmental protection agency standards shall take precedence over ASTM standards. Any state standards adopted must be consistent with federal environmental protection agency standards and ASTM standards not in conflict with federal environmental protection agency standards.

(2) The director may establish a fuel testing laboratory or may contract with a laboratory for testing. The director may also adopt rules on false and misleading advertising, labeling and posting of prices, and the standards for, and identity of, motor fuels. The director shall require fuel pumps offering biodiesel and ethanol blends to be identified by a label stating the percentage of biodiesel or ethanol.

**NEW SECTION. Sec. 8.** A new section is added to chapter 19.112 RCW to read as follows:

The director shall establish a biofuels advisory committee to advise the director on implementing or suspending the minimum renewable fuel content requirements. The committee shall advise the director on applicability to all users; logistical, technical, and economic issues of implementation, including the potential for credit trading, compliance and enforcement provisions, and tracking and reporting requirements; and how the use of renewable fuel blends greater than two percent and renewable fuels other than biodiesel or ethanol could achieve the goals of chapter ..., Laws of 2006 (this act). The director shall make recommendations to the legislature and the governor on the implementation or suspension of chapter . . . , Laws of 2006 (this act) by September 1, 2007.

**Sec. 9.** RCW 43.19.642 and 2003 c 17 s 2 are each amended to read as follows:

(1) All state agencies are encouraged to use a fuel blend of twenty percent biodiesel and eighty percent petroleum diesel for use in diesel-powered vehicles and equipment.

(2) Effective June 1, 2006, for agencies complying with the ultra-low sulfur diesel mandate of the United States environmental protection agency for on-highway diesel fuel, agencies shall use biodiesel as an additive to ultra-low sulfur diesel for lubricity, provided that the use of a lubricity additive is warranted and that the use of biodiesel is comparable in performance and cost with other available lubricity additives. The amount of biodiesel added to the ultra-low sulfur diesel fuel shall be not less than two percent.

(3) Effective June 1, 2009, state agencies are required to use a minimum of twenty percent biodiesel as compared to total volume of all diesel purchases made by the agencies for the operation of the agencies' diesel-powered vessels, vehicles, and construction equipment.

(4) All state agencies using biodiesel fuel shall, beginning on July 1, 2006, file quarterly reports with the department of general administration documenting the use of the fuel and a description of how any problems encountered were resolved.

**NEW SECTION. Sec. 10.** A new section is added to chapter 19.112 RCW to read as follows:

The governor, by executive order, may suspend all or portions of the minimum renewable fuel content requirements in section 2 or 3 of this act, or RCW 43.19.642, based on a determination that such requirements are temporarily technically or economically infeasible, or pose a significant risk to public safety.

**NEW SECTION. Sec. 11.** A new section is added to chapter 43.19 RCW to read as follows:

(1) The department of general administration must assist state agencies seeking to meet the biodiesel fuel requirements in RCW 43.19.642 by coordinating the purchase and delivery of biodiesel if requested by any state agency. The department may use long-term contracts of up to ten years, when purchasing from in-state suppliers who use predominantly in-state feedstock, to secure a sufficient and stable supply of biodiesel for use by state agencies.

(2) The department shall compile and analyze the reports submitted under RCW 43.19.642(4) and report in an electronic format its findings and recommendations to the governor and committees of the legislature with responsibility for energy issues, within sixty days from the end of each reporting period. The governor shall consider these reports in determining whether to

temporarily suspend minimum renewable fuel content requirements as authorized under section 10 of this act.

**NEW SECTION. Sec. 12.** A new section is added to chapter 19.112 RCW to read as follows:

(1) By November 30, 2008, the director shall determine whether the state's diesel fuel supply is comprised of at least ten percent biodiesel made predominantly from Washington feedstock.

(2) By November 30, 2008, the director shall determine whether the state's gasoline fuel supply is comprised of at least twenty percent ethanol made predominantly from Washington feedstock, without jeopardizing continued attainment of the federal clean air act's national ambient air quality standard for ozone pollution.

(3) By December 1, 2008, the director shall notify the governor and the legislature of the findings in subsections (1) and (2) of this section.

(4) If the findings from the director indicate that the goals of subsection (1) or (2) of this section, or both, have been achieved, then the governor shall issue an executive order declaring that section 2 or 3 of this act, or both, are NO. longer applicable.

**NEW SECTION. Sec. 13.** A new section is added to chapter 19.112 RCW to read as follows:

(1) If either or both of the goals in section 12 of this act are not achieved by November 30, 2008, the director shall monitor the state's diesel and gasoline fuel supply until such time as those goals, or either of them, is met.

(2) The director shall report to the governor and the legislature regarding the goals in section 12 of this act by November 30th of the year in which a goal is met.

(3) Following notification under this section that a goal has been met, the governor shall prepare executive request legislation repealing section 2 or 3 of this act, or both, as applicable.

**Sec. 14.** RCW 19.112.010 and 1991 c 145 s 1 are each amended to read as follows:

~~((As used in this chapter:))~~ The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Biodiesel fuel" means the monoalkyl esters of long chain fatty acids derived from plant or animal matter that meet the registration requirements for fuels and fuel additives established by the federal environmental protection agency and standards established by the American society of testing and materials.

(2) "Diesel" means special fuel as defined in RCW 82.38.020, and diesel fuel dyed in accordance with the regulations in 26 C.F.R. Sec. 48.4082-1T as of October 24, 2005.

(3) "Director" means the director of agriculture.

(4) "Motor fuel" means any liquid product used for the generation of power in an internal combustion engine used for the propulsion of a motor vehicle upon the highways of this state, and any biodiesel fuel. Motor fuels containing ethanol may be marketed if either (a) the base motor fuel meets the applicable standards before the addition of the ethanol or (b) the resultant blend meets the applicable standards after the addition of the ethanol.

~~((2) "Director" means the director of agriculture.))~~

**NEW SECTION. Sec. 15.** If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected."

Correct the title.

Representative Nixon moved the adoption of amendment (1081) to amendment (1066):

On page 3, beginning on line 11 of the amendment, strike all of section 4 and insert the following:

**"NEW SECTION. Sec. 4.** A new section is added to chapter 19.112 RCW to read as follows:

The department of licensing shall not publicly release, unless pursuant to an order of a court of competent jurisdiction, information submitted as evidence as required by section 2 or section 3 of this act, except information disclosed in aggregate form that does not permit the identification of information related to individual fuel licensees.

**Sec. 5.** RCW 42.56.270 and 2005 c 274 s 407 are each amended to read as follows:

The following financial, commercial, and proprietary information is exempt from disclosure under this chapter:

(1) Valuable formulae, designs, drawings, computer source code or object code, and research data obtained by any agency within five years of the request for disclosure when disclosure would produce private gain and public loss;

(2) Financial information supplied by or on behalf of a person, firm, or corporation for the purpose of qualifying to submit a bid or proposal for (a) a ferry system construction or repair contract as required by RCW 47.60.680 through 47.60.750 or (b) highway construction or improvement as required by RCW 47.28.070;

(3) Financial and commercial information and records supplied by private persons pertaining to export services provided under chapters 43.163 and 53.31 RCW, and by persons pertaining to export projects under RCW 43.23.035;

(4) Financial and commercial information and records supplied by businesses or individuals during application for loans or program services provided by chapters 43.163, 43.160, 43.330, and 43.168 RCW, or during application for economic development loans or program services provided by any local agency;

(5) Financial information, business plans, examination reports, and any information produced or obtained in evaluating or examining a business and industrial development corporation organized or seeking certification under chapter 31.24 RCW;

(6) Financial and commercial information supplied to the state investment board by any person when the information relates to the investment of public trust or retirement funds and when disclosure would result in loss to such funds or in private loss to the providers of this information;

(7) Financial and valuable trade information under RCW 51.36.120;

(8) Financial, commercial, operations, and technical and research information and data submitted to or obtained by the clean Washington center in applications for, or delivery of, program services under chapter 70.95H RCW;

(9) Financial and commercial information requested by the public stadium authority from any person or organization that leases or uses the stadium and exhibition center as defined in RCW 36.102.010;

(10) Financial information, including but not limited to account numbers and values, and other identification numbers supplied by or on behalf of a person, firm, corporation, limited liability company, partnership, or other entity related to an application for a liquor license, gambling license, or lottery retail license;

(11) Proprietary data, trade secrets, or other information that relates to: (a) A vendor's unique methods of conducting business; (b) data unique to the product or services of the vendor; or (c) determining prices or rates to be charged for services, submitted by any vendor to the department of social and health services for purposes of the development, acquisition, or implementation of state purchased health care as defined in RCW 41.05.011; and

(12)(a) When supplied to and in the records of the department of community, trade, and economic development:

(i) Financial and proprietary information collected from any person and provided to the department of community, trade, and economic development pursuant to RCW 43.330.050(8) and 43.330.080(4); ~~((and))~~

(ii) Financial or proprietary information collected from any person and provided to the department of community, trade, and economic development or the office of the governor in connection with the siting, recruitment, expansion, retention, or relocation of that person's business and until a siting decision is made, identifying information of any person supplying information under this subsection and the locations being considered for siting, relocation, or expansion of a business;

(b) When developed by the department of community, trade, and economic development based on information as described in (a)(i) of this subsection, any work product is not exempt from disclosure;

(c) For the purposes of this subsection, "siting decision" means the decision to acquire or not to acquire a site;

(d) If there is NO. written contact for a period of sixty days to the department of community, trade, and economic development from a person connected with siting, recruitment, expansion, retention, or relocation of that person's business, information described in (a)(ii) of this subsection will be available to the public under this chapter; and

(13) Financial and commercial information provided as evidence to the department of licensing as required by section 2 or section 3 of this act, except information disclosed in aggregate form that does not permit the identification of information related to individual fuel licensees."

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

On page 8, after line 1 of the amendment, insert the following:

"NEW SECTION. Sec. 15. This act takes effect July 1, 2006."

Renumber the remaining section consecutively.

Correct the title.

Representatives Nixon and Morris spoke in favor of the adoption of the amendment to amendment (1066).

The amendment to amendment (1066) was adopted.

Representative Morris moved the adoption of amendment (1080) to amendment (1066):

On page 4, line 7 of the amendment, after "standards." insert "The rules shall provide that the biodiesel refiner is responsible for meeting the ASTM standards required by this act when providing biodiesel fuel into the distribution system."

On page 4, after line 36 of the amendment, insert

"(3) The rules adopted under section 6 of this act shall also provide that the diesel refiner is responsible for meeting the ASTM standards required by this act when providing diesel fuel into the distribution system."

Representatives Morris and Haler spoke in favor of the adoption of the amendment to amendment (1066).

The amendment to amendment (1066): was adopted.

Representative Linville moved the adoption of amendment (1074) to amendment (1066):

On page 5, line 11 of the amendment, after "act)." insert "In addition, the committee shall make recommendations to the legislature and governor on the potential to use alternatives to biodiesel, which are produced from nonpetroleum renewable sources (inclusive of vegetable oils and animal fats), to meet the minimum renewable fuel content requirement."

Representatives Linville, Morris and Haler spoke in favor of the adoption of the amendment to amendment (1066).

The amendment to amendment (1066) was adopted.

Representative Haler moved the adoption of amendment (1079) to amendment (1066):

On page 7, line 21 of the amendment, after ""Biodiesel fuel" means" insert "(a)"

On page 7, line 25 of the amendment, after "materials" insert "; or (b) a diesel fuel substitute made from nonpetroleum renewable sources produced in the state (inclusive of vegetable oils and animal fats) that meets the registration requirements for fuels and fuel additives established by the US EPA in 40 CFR Part 79, as of January 1, 2006, and any blending components derived from renewable fuel produced in the state"

Representative Haler spoke in favor of the adoption of the amendment to amendment (1066).

Representative Morris spoke against the adoption of the amendment to amendment (1066).

The amendment to amendment (1066) was not adopted.

Representative Haler moved the adoption of amendment (1071) to amendment (1066):

On page 8, after line 1 of the amendment, insert the following:

"NEW SECTION. Sec. 15. A new section is added to chapter 19.112 RCW to read as follows:

A person or entity selling or offering for sale biodiesel fuel, or fuel blended with biodiesel fuel, that is in compliance with ASTM standards adopted under section 6 of this act, as determined by testing in a fuel testing laboratory, established or under contract,



under section of this act, is not liable for any damages, real or alleged, resulting from the transportation, storage, or use, intended or unintended, of the biodiesel fuel."

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

Correct the title.

Representatives Haler spoke in favor of the adoption of the amendment to amendment (1066).

Representative Morris spoke against the adoption of the amendment to amendment (1066).

The amendment to amendment (1066) was not adopted.

Amendment (1066) was adopted as amended.

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

Representatives Morris and Holmquist spoke in favor of passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Engrossed Substitute Senate Bill No. 6508, as amended by the House.

### ROLL CALL

The Clerk called the roll on the final passage of Engrossed Substitute Senate Bill No. 6508, as amended by the House and the bill passed the House by the following vote: Yeas - 68, Nays - 30, Absent - 0, Excused - 0.

Voting yea: Representatives Anderson, Appleton, Campbell, Chase, Clibborn, Cody, Conway, Darneille, Dickerson, Dunshee, Eickmeyer, Ericks, Flannigan, Fromhold, Grant, Green, Haigh, Hankins, Hasegawa, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, O'Brien, Ormsby, Pettigrew, Priest, Quall, Roberts, Rodne, Santos, Schual-Berke, Sells, Simpson, Skinner, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Takko, Tom, Upthegrove, Wallace, Walsh, Williams, Wood, Woods and Mr. Speaker - 68.

Voting nay: Representatives Ahern, Alexander, Armstrong, Bailey, Blake, Buck, Buri, Chandler, Clements, Condotta, Cox, Crouse, Curtis, DeBolt, Dunn, Ericksen, Haler, Hinkle, Kretz, Kristiansen, Newhouse, Nixon, Orcutt, Pearson, Roach, Schindler, Serben, Shabro, Sump and Talcott - 30.

ENGROSSED SUBSTITUTE SENATE BILL NO. 6508, as amended by the House, having received the necessary constitutional majority, was declared passed.

**SUBSTITUTE SENATE BILL NO. 6185, By Senate Committee on Labor, Commerce, Research & Development (originally sponsored by Senators Keiser, Kohl-Welles, Thibaudeau, Kline and Poulsen)**

### Modifying the family and medical leave act.

The bill was read the second time.

Representative Condotta moved the adoption of amendment (1065):

On page 2, beginning on line 15, strike all of subsections (4) and (5), and insert the following:

~~"(4)(a) "Employee" means a person ((other than an independent contractor employed by an employer on a continuous basis for the previous fifty-two weeks for at least thirty-five hours per week)) who has been employed: (i) For at least twelve months by the employer with respect to whom leave is requested under section 3 of this act; and (ii) for at least one thousand two hundred fifty hours of service with the employer during the previous twelve-month period.~~

~~(b) "Employee" does not mean a person who is employed at a worksite at which the employer employs less than fifty employees if the total number of employees employed by that employer within seventy-five miles of that worksite is less than fifty.~~

~~((4)) (5) "Employer" means:~~

~~(a) Any person, firm, corporation, partnership, business trust, legal representative, or other business entity which engages in any business, industry, profession, or activity in this state and ((includes any unit of local government including, but not limited to, a county, city, town, municipal corporation, quasi-municipal corporation, or political subdivision, which (i) employed a daily average of one hundred or more employees during the last calendar quarter at the place where the employee requesting leave reports for work, or (ii) employed a daily average of one hundred or more employees during the last calendar quarter within a twenty mile radius of the place where the employee requesting leave reports for work, where the employer maintains a central hiring location and customarily transfers employees among workplaces; and)) which employs fifty or more employees for each working day during each of twenty or more calendar workweeks in the current or preceding calendar year. "Employer" includes: (i) Any person who acts, directly or indirectly, in the interest of an employer to any of the employees of such employer; and (ii) any successor in interest of an employer;~~

~~(b) The state, state institutions, and state agencies; and~~

~~(c) Any unit of local government including, but not limited to, a county, city, town, municipal corporation, quasi-municipal corporation, or political subdivision."~~

Representatives Condotta and Chandler spoke in favor of the adoption of the amendment.

Representative Dickerson spoke against the adoption of the amendment.

The amendment was not adopted.

Representative Condotta moved the adoption of amendment (1065):

On page 12, beginning on line 28, strike all of section 12 and insert the following:

**"NEW SECTION, Sec. 12.** A new section is added to chapter 49.78 RCW to read as follows:

(1) Upon receiving a complaint by an employee, the director shall determine whether the complaint involves employee rights under state law that are greater than employee rights under federal law, including, but not limited to:

(a) An employee's right to be restored to an equivalent position with equivalent employment benefits, pay, and other terms and conditions of employment at a workplace within twenty miles of the employee's workplace when leave commenced under section 9 of this act; and

(b) An employee's right to leave for sickness or temporary disability because of pregnancy or childbirth under chapter 49.60 RCW and the rules adopted under chapter 49.60 RCW.

(2) If the director determines that the complaint involves employee rights under state law that are greater than employee rights under federal law, the director shall investigate to determine if there has been compliance with this chapter and the rules adopted under this chapter. If the investigation indicates that a violation may have occurred, a hearing must be held in accordance with chapter 34.05 RCW. The director must issue a written determination including his or her findings after the hearing. A judicial appeal from the director's determination may be taken in accordance with chapter 34.05 RCW, with the prevailing party entitled to recover reasonable costs and attorneys' fees.

(3) If the director determines that the complaint involves employee rights under state law that are the same or less than employee rights under federal law, the director shall forward the complaint to the United States department of labor."

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

Representative Dickerson spoke against the adoption of the amendment.

The amendment was not adopted.

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

#### COLLOQUY

Representative Hankins: "The bill amends state law to conform, in large part, with federal law. Under federal law, an employee is eligible for leave only if he or she satisfies a variety of requirements, including being employed at a work site where 50 or more employees are employed by the employer within 75 miles of that work site. Under the bill, is there a similar limitation on eligibility?"

Representative Dickerson: "Yes. The bill specifies that state law must be construed in a manner that is consistent with similar provisions of federal law. It also defines "employee" as excluding a person who is employed at a work site where less than 50 employees are employed by the employer, including public employers, within 75 miles of that work site."

Representatives Dickerson and Conway spoke in favor of passage of the bill.

Representatives Condotta and Chandler spoke against the passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Substitute Senate Bill No. 6185.

#### ROLL CALL

The Clerk called the roll on the final passage of Substitute Senate Bill No. 6185 and the bill passed the House by the following vote: Yeas - 54, Nays - 44, Absent - 0, Excused - 0.

Voting yea: Representatives Appleton, Blake, Campbell, Chase, Clibborn, Cody, Conway, Darneille, Dickerson, Dunshee, Eickmeyer, Ericks, Flannigan, Fromhold, Grant, Green, Haigh, Hankins, Hasegawa, Hudgins, Hunt, Hunter, Kagi, Kenney, Kessler, Kilmer, Kirby, Lantz, Linville, Lovick, McCoy, McIntire, Miloscia, Morrell, Morris, O'Brien, Ormsby, Pettigrew, Quall, Roberts, Santos, Schual-Berke, Sells, Simpson, Sommers, Springer, Sullivan, B., Sullivan, P., Takko, Upthegrove, Wallace, Williams, Wood and Mr. Speaker - 54.

Voting nay: Representatives Ahern, Alexander, Anderson, Armstrong, Bailey, Buck, Buri, Chandler, Clements, Condotta, Cox, Crouse, Curtis, DeBolt, Dunn, Ericksen, Haler, Hinkle, Holmquist, Jarrett, Kretz, Kristiansen, McCune, McDermott, McDonald, Moeller, Murray, Newhouse, Nixon, Orcutt, Pearson, Priest, Roach, Rodne, Schindler, Serben, Shabro, Skinner, Strow, Sump, Talcott, Tom, Walsh and Woods - 44.

SUBSTITUTE SENATE BILL NO. 6185, having received the necessary constitutional majority, was declared passed.

**SUBSTITUTE SENATE BILL NO. 6417, By Senate Committee on Judiciary (originally sponsored by Senators Roach, Kline, Jacobsen, Esser, Weinstein, Thibaudeau, Benson, Rasmussen, Schmidt, Carrell, Morton, Deccio, Stevens, Mulliken, McCaslin, Hargrove and Delvin)**

#### Changing provisions relating to animal cruelty.

The bill was read the second time.

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

Representatives O'Brien and Pearson spoke in favor of passage of the bill.

The Speaker (Representative Lovick presiding) stated the question before the House to be the final passage of Substitute Senate Bill No. 6417.

**ROLL CALL**

The Clerk called the roll on the final passage of Substitute Senate Bill No. 6417 and the bill passed the House by the following vote: Yeas - 98, Nays - 0, Absent - 0, Excused - 0.

Voting yea: Representatives Ahern, Alexander, Anderson, Appleton, Armstrong, Bailey, Blake, Buck, Buri, Campbell, Chandler, Chase, Clements, Clibborn, Cody, Condotta, Conway, Cox, Crouse, Curtis, Darneille, DeBolt, Dickerson, Dunn, Dunshee, Eickmeyer, Ericks, Ericksen, Flannigan, Fromhold, Grant, Green, Haigh, Haler, Hankins, Hasegawa, Hinkle, Holmquist, Hudgins, Hunt, Hunter, Jarrett, Kagi, Kenney, Kessler, Kilmer, Kirby, Kretz, Kristiansen, Lantz, Linville, Lovick, McCoy, McCune, McDermott, McDonald, McIntire, Miloscia, Moeller, Morrell, Morris, Murray, Newhouse, Nixon, O'Brien, Orcutt, Ormsby, Pearson, Pettigrew, Priest, Quall, Roach, Roberts, Rodne, Santos, Schindler, Schual-Berke, Sells, Serben, Shabro, Simpson, Skinner, Sommers, Springer, Strow, Sullivan, B., Sullivan, P., Sump, Takko, Talcott, Tom, Upthegrove, Wallace, Walsh, Williams, Wood, Woods and Mr. Speaker - 98.

SUBSTITUTE SENATE BILL NO. 6417, having received the necessary constitutional majority, was declared passed.

There being no objection, the Rules Committee was relieved of the following bill under a leadership pull, and the bills were placed on the Second Reading calendar:

- HOUSE BILL NO. 3315,
- SUBSTITUTE SENATE BILL NO. 5236,
- ENGROSSED SENATE BILL NO. 5330,
- SECOND SUBSTITUTE SENATE BILL NO. 5333,
- ENGROSSED SUBSTITUTE SENATE BILL NO. 5385,
- ENGROSSED SUBSTITUTE SENATE BILL NO. 5535,
- SENATE BILL NO. 6059,
- SECOND SUBSTITUTE SENATE BILL NO. 6172,
- SECOND SUBSTITUTE SENATE BILL NO. 6193,
- SECOND SUBSTITUTE SENATE BILL NO. 6197,
- SUBSTITUTE SENATE BILL NO. 6234,
- SUBSTITUTE SENATE BILL NO. 6241,
- SUBSTITUTE SENATE BILL NO. 6246,
- SUBSTITUTE SENATE BILL NO. 6308,
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- SUBSTITUTE SENATE BILL NO. 6320,
- SUBSTITUTE SENATE BILL NO. 6323,
- SUBSTITUTE SENATE BILL NO. 6330,

- SUBSTITUTE SENATE BILL NO. 6362,
- ENGROSSED SUBSTITUTE SENATE BILL NO. 6428,
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- SUBSTITUTE SENATE BILL NO. 6527,
- SUBSTITUTE SENATE BILL NO. 6555,
- SENATE BILL NO. 6568,
- SUBSTITUTE SENATE BILL NO. 6613,
- SENATE BILL NO. 6680,
- ENGROSSED SENATE BILL NO. 6741,
- ENGROSSED SUBSTITUTE SENATE BILL NO. 6800,
- SECOND SUBSTITUTE SENATE BILL NO. 6823,

The Speaker assumed the chair.

**SIGNED BY THE SPEAKER**

The Speaker signed:

- THIRD SUBSTITUTE HOUSE BILL NO. 1458,
- SECOND SUBSTITUTE HOUSE BILL NO. 2292,
- HOUSE BILL NO. 2338,
- ENGROSSED HOUSE BILL NO. 2340,
- SUBSTITUTE HOUSE BILL NO. 2344,
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- ENGROSSED HOUSE BILL NO. 2910,
- HOUSE BILL NO. 3019,
- SUBSTITUTE HOUSE BILL NO. 3024,
- SUBSTITUTE HOUSE BILL NO. 3150,
- SUBSTITUTE HOUSE BILL NO. 3190,
- HOUSE BILL NO. 3266,
- HOUSE JOINT MEMORIAL NO. 4038,

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

There being no objection, the House adjourned until 10:00 a.m., March 2, 2006, the 53rd Day of the Regular Session.

FRANK CHOPP, Speaker

RICHARD NAFZIGER, Chief Clerk

Draft

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