FIFTY NINTH DAY

House Chamber, Olympia, Wednesday, March 12, 2014

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

The flags were escorted to the rostrum by a Sergeant at Arms Color Guard, Pages Caleb Pittman and Kiana Rahni. The Speaker (Representative Moeller presiding) led the Chamber in the Pledge of Allegiance. The prayer was offered by Dr. Bruce Cook, Pastor, Gig Harbor Family Church, Washington.

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

RESOLUTION

HOUSE RESOLUTION NO. 4701, by Representative Muri

WHEREAS, Medal of Honor and Purple Heart recipient, Staff Sergeant Ty Michael Carter, began his distinguished military career by enlisting in the United States Marine Corps in October 1998; and

WHEREAS, In January 2008, Sergeant Ty Michael Carter continued his military service by enlisting in the United States Army as a cavalry scout, receiving his training at Fort Knox, Kentucky; and

WHEREAS, Beginning in May 2009, Sergeant Carter spent a year stationed in Afghanistan as a soldier in the 3rd Squadron, 61st Cavalry Regiment, 4th Infantry Division; and

WHEREAS, On October 3, 2009, while serving in the Kamdesh district of the Nuristan Province, Sergeant Carter was forced to think on his feet while responding to a barrage of enemy fire, making difficult decisions while under attack during the Battle of Kamdesh; and

WHEREAS, During the attack, more than 300 enemy combatants opened fire, prompting Sergeant Carter to move 100 meters across open ground from his station to a Humvee located at the south battle position, then turn around and run back to retrieve machine gun oil and ammunition and — once more — traverse the distance to gain access to additional supplies; and

WHEREAS, Despite sustaining wounds and facing incalculable odds against hundreds of enemy fighters, Sergeant Carter returned fire using his excellent marksmanship skills to force out the individuals who continued to attack Sergeant Carter and his squadron; and

WHEREAS, Sergeant Carter skillfully maneuvered under the camp's perimeter fence to retrieve additional weapons and ammunition to bring back to his station, then traveled an additional 30 meters to help treat the wounds of a fallen soldier and carry him back to the Humvee. During the remainder of the battle, which lasted late into the evening, Sergeant Carter remained calm through the extreme stress of discovering the bodies of fallen soldiers, while searching for a radio in order to signal for help, and finally returning to the Humvee to seek cover; and

WHEREAS, With the assistance of a fellow soldier, Sergeant Carter carried a wounded soldier a 100-meter distance to a first-aid station and helped to keep his comrade alive until reinforcements arrived to assist in evacuation efforts; and

WHEREAS, As a result of his bravery, Sergeant Carter was awarded the Medal of Honor on August 26, 2013, and was instated into the Pentagon Hall of Heroes on August 27th; and

WHEREAS, Sergeant Carter was stationed at Joint Base Lewis-McChord, in his home state of Washington, in October 2010, becoming assigned to the position of Stryker gunner with the 8th Squadron, 1st Cavalry Regiment, 2nd Stryker Combat Team, 2nd Infantry Division. Sergeant Carter received a second deployment to Afghanistan in October 2012, before returning to Joint Base Lewis-McChord where he continues to serve today; and

WHEREAS, In addition to displays of heroism and gallantry in the United States Army, Sergeant Carter has worked with dedication and a profound sense of hope toward providing further understanding of Posttraumatic Stress Disorder and is working toward greater public understanding of the condition in honor of those who fought bravely in the military and face PTSD-related issues every day;

NOW, THEREFORE, BE IT RESOLVED, That the Washington State House of Representatives offer its sincere gratitude and appreciation to Medal of Honor recipient, Staff Sergeant Ty Michael Carter, who bravely risked his life and fought with unwavering gallantry and fortitude, and give him thanks for his continued service and dedication to the United States of America; and

BE IT FURTHER RESOLVED, That copies of this resolution be immediately transmitted by the Chief Clerk of the House of Representatives to United States Army Staff Sergeant Ty Michael Carter.

The Speaker (Representative Moeller presiding) stated the question before the House to be adoption of House Resolution No. 4701.

HOUSE RESOLUTION NO. 4701 was adopted.

MESSAGE FROM THE SENATE

March 11, 2014

MR. SPEAKER:

The Senate receded from its amendment(s) to SUBSTITUTE HOUSE BILL NO. 2613, and passed the bill without said amendments.

and the same are herewith transmitted.

Hunter G. Goodman, Secretary

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

INTRODUCTION & FIRST READING

HB 2804 by Representatives Fitzgibbon and Farrell

AN ACT Relating to reducing greenhouse gas emissions through land use and transportation requirements; amending RCW 36.70A.070, 36.70A.100, 36.70A.108, 47.80.030, and

36.70A.210; adding a new section to chapter 36.70A RCW; and adding a new section to chapter 43.21C RCW.

Referred to Committee on Local Government.

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

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

THIRD READING

MESSAGE FROM THE SENATE

March 6, 2014

Mr. Speaker:

The Senate has passed ENGROSSED HOUSE BILL NO. 1224 with the following amendment:

Strike everything after the enacting clause and insert the following:

"**Sec. 1.** RCW 36.70A.040 and 2000 c 36 s 1 are each amended to read as follows:

(1) Each county that has both a population of fifty thousand or more and, until May 16, 1995, has had its population increase by more than ten percent in the previous ten years or, on or after May 16, 1995, has had its population increase by more than seventeen percent in the previous ten years, and the cities located within such county, and any other county regardless of its population that has had its population increase by more than twenty percent in the previous ten years, and the cities located within such county, shall conform with all of the requirements of this chapter. However, the county legislative authority of such a county with a population of less than fifty thousand population may adopt a resolution removing the county, and the cities located within the county, from the requirements of adopting comprehensive land use plans and development regulations under this chapter if this resolution is adopted and filed with the department by December 31, 1990, for counties initially meeting this set of criteria, or within sixty days of the date the office of financial management certifies that a county meets this set of criteria under subsection (5) of this section. For the purposes of this subsection, a county not currently planning under this chapter is not required to include in its population count those persons confined in a correctional facility under the jurisdiction of the department of corrections that is located in the county.

Once a county meets either of these sets of criteria, the requirement to conform with all of the requirements of this chapter remains in effect, even if the county no longer meets one of these sets of criteria.

(2)(a) The county legislative authority of any county that does not meet either of the sets of criteria established under subsection (1) of this section may adopt a resolution indicating its intention to have subsection (1) of this section apply to the county. Each city, located in a county that chooses to plan under this subsection, shall conform with all of the requirements of this chapter. Once such a resolution has been adopted, the county and the cities located within the county remain subject to all of the requirements of this chapter, unless the county subsequently adopts a withdrawal resolution for partial planning pursuant to (b)(i) of this subsection.

(b)(i) Until December 31, 2015, the legislative authority of a county may adopt a resolution removing the county and the cities located within the county from the requirements to plan under this section if:

(A) The county has a population, as estimated by the office of financial management, of twenty thousand or fewer inhabitants at any time between April 1, 2010, and April 1, 2015;

(B) The county has previously adopted a resolution indicating its intention to have subsection (1) of this section apply to the county;

(C) At least sixty days prior to adopting a resolution for partial planning, the county provides written notification to the legislative body of each city within the county of its intent to consider adopting the resolution; and

(D) The legislative bodies of at least sixty percent of those cities having an aggregate population of at least seventy-five percent of the incorporated county population have not: Adopted resolutions opposing the action by the county; and provided written notification of the resolutions to the county.

(ii) Upon adoption of a resolution for partial planning under (b)(i) of this subsection:

(A) The county and the cities within the county are, except as provided otherwise, no longer obligated to plan under this section; and

(B) The county may not, for a minimum of ten years from the date of adoption of the resolution, adopt another resolution indicating its intention to have subsection (1) of this section apply to the county.

(c) The adoption of a resolution for partial planning under (b)(i) of this subsection does not nullify or otherwise modify the requirements for counties and cities established in RCW 36.70A.060, 36.70A.070(5) and associated development regulations, 36.70A.170, and 36.70A.172.

(3) Any county or city that is initially required to conform with all of the requirements of this chapter under subsection (1) of this section shall take actions under this chapter as follows: (a) The county legislative authority shall adopt a countywide planning policy under RCW 36.70A.210; (b) the county and each city located within the county shall designate critical areas, agricultural lands, forest lands, and mineral resource lands, and adopt development regulations conserving these designated agricultural lands, forest lands, and mineral resource lands and protecting these designated critical areas, under RCW 36.70A.170 and 36.70A.060; (c) the county shall designate and take other actions related to urban growth areas under RCW 36.70A.110; (d) if the county has a population of fifty thousand or more, the county and each city located within the county shall adopt a comprehensive plan under this chapter and development regulations that are consistent with and implement the comprehensive plan on or before July 1, 1994, and if the county has a population of less than fifty thousand, the county and each city located within the county shall adopt a comprehensive plan under this chapter and development regulations that are consistent with and implement the comprehensive plan by January 1, 1995, but if the governor makes written findings that a county with a population of less than fifty thousand or a city located within such a county is not making reasonable progress toward adopting a comprehensive plan and development regulations the governor may reduce this deadline for such actions to be taken by no more than one hundred eighty days. Any county or city subject to this subsection may obtain an additional six months before it is required to have adopted its development regulations by submitting a letter notifying the department ((~~of community, trade, and economic development~~)) of its need prior to the deadline for adopting both a comprehensive plan and development regulations.

(4) Any county or city that is required to conform with all the requirements of this chapter, as a result of the county legislative authority adopting its resolution of intention under subsection (2) of this section, shall take actions under this chapter as follows: (a) The county legislative authority shall adopt a county-wide planning policy under RCW 36.70A.210; (b) the county and each city that is located

within the county shall adopt development regulations conserving agricultural lands, forest lands, and mineral resource lands it designated under RCW 36.70A.060 within one year of the date the county legislative authority adopts its resolution of intention; (c) the county shall designate and take other actions related to urban growth areas under RCW 36.70A.110; and (d) the county and each city that is located within the county shall adopt a comprehensive plan and development regulations that are consistent with and implement the comprehensive plan not later than four years from the date the county legislative authority adopts its resolution of intention, but a county or city may obtain an additional six months before it is required to have adopted its development regulations by submitting a letter notifying the department ((~~of community, trade, and economic development~~)) of its need prior to the deadline for adopting both a comprehensive plan and development regulations.

(5) If the office of financial management certifies that the population of a county that previously had not been required to plan under subsection (1) or (2) of this section has changed sufficiently to meet either of the sets of criteria specified under subsection (1) of this section, and where applicable, the county legislative authority has not adopted a resolution removing the county from these requirements as provided in subsection (1) of this section, the county and each city within such county shall take actions under this chapter as follows: (a) The county legislative authority shall adopt a countywide planning policy under RCW 36.70A.210; (b) the county and each city located within the county shall adopt development regulations under RCW 36.70A.060 conserving agricultural lands, forest lands, and mineral resource lands it designated within one year of the certification by the office of financial management; (c) the county shall designate and take other actions related to urban growth areas under RCW 36.70A.110; and (d) the county and each city located within the county shall adopt a comprehensive land use plan and development regulations that are consistent with and implement the comprehensive plan within four years of the certification by the office of financial management, but a county or city may obtain an additional six months before it is required to have adopted its development regulations by submitting a letter notifying the department ((~~of community, trade, and economic development~~)) of its need prior to the deadline for adopting both a comprehensive plan and development regulations.

(6) A copy of each document that is required under this section shall be submitted to the department at the time of its adoption.

(7) Cities and counties planning under this chapter must amend the transportation element of the comprehensive plan to be in compliance with this chapter and chapter 47.80 RCW no later than December 31, 2000.

Sec. 2. RCW 36.70A.060 and 2005 c 423 s 3 are each amended to read as follows:

(1)(a) ((~~Except as provided in RCW 36.70A.1701,~~)) Each county that is required or chooses to plan under RCW 36.70A.040, and each city within such county, shall adopt development regulations on or before September 1, 1991, to assure the conservation of agricultural, forest, and mineral resource lands designated under RCW 36.70A.170. Regulations adopted under this subsection may not prohibit uses legally existing on any parcel prior to their adoption and shall remain in effect until the county or city adopts development regulations pursuant to RCW 36.70A.040. Such regulations shall assure that the use of lands adjacent to agricultural, forest, or mineral resource lands shall not interfere with the continued use, in the accustomed manner and in accordance with best management practices, of these designated lands for the production of food, agricultural products, or timber, or for the extraction of minerals.

(b) Counties and cities shall require that all plats, short plats, development permits, and building permits issued for development activities on, or within five hundred feet of, lands designated as agricultural lands, forest lands, or mineral resource lands, contain a notice that the subject property is within or near designated agricultural lands, forest lands, or mineral resource lands on which a variety of commercial activities may occur that are not compatible with residential development for certain periods of limited duration. The notice for mineral resource lands shall also inform that an application might be made for mining-related activities, including mining, extraction, washing, crushing, stockpiling, blasting, transporting, and recycling of minerals.

(c) Each county that adopts a resolution of partial planning under RCW 36.70A.040(2)(b), and each city within such county, shall adopt development regulations within one year after the adoption of the resolution of partial planning to assure the conservation of agricultural, forest, and mineral resource lands designated under RCW 36.70A.170. Regulations adopted under this subsection (1)(c) must comply with the requirements governing regulations adopted under (a) of this subsection.

(d)(i) A county that adopts a resolution of partial planning under RCW 36.70A.040(2)(b) and that is not in compliance with the planning requirements of this section, RCW 36.70A.040(4), 36.70A.070(5), 36.70A.170, and 36.70A.172 at the time the resolution is adopted must, by January 30, 2017, apply for a determination of compliance from the department finding that the county's development regulations, including development regulations adopted to protect critical areas, and comprehensive plans are in compliance with the requirements of this section, RCW 36.70A.040(4), 36.70A.070(5), 36.70A.170, and 36.70A.172. The department must approve or deny the application for a determination of compliance within one hundred twenty days of its receipt or by June 30, 2017, whichever date is earlier.

(ii) If the department denies an application under (d)(i) of this subsection, the county and each city within is obligated to comply with all requirements of this chapter and the resolution for partial planning adopted under RCW 36.70A.040(2)(b) is no longer in effect.

(iii) A petition for review of a determination of compliance under (d)(i) of this subsection may only be appealed to the growth management hearings board within sixty days of the issuance of the decision by the department.

(iv) In the event of a filing of a petition in accordance with (d)(iii) of this subsection, the county and the department must equally share the costs incurred by the department for defending an approval of determination of compliance that is before the growth management hearings board.

(v) The department may implement this subsection (d) by adopting rules related to determinations of compliance. The rules may address, but are not limited to: The requirements for applications for a determination of compliance; charging of costs under (d)(iv) of this subsection; procedures for processing applications; criteria for the evaluation of applications; issuance and notice of department decisions; and applicable timelines.

(2) Each county and city shall adopt development regulations that protect critical areas that are required to be designated under RCW 36.70A.170. For counties and cities that are required or choose to plan under RCW 36.70A.040, such development regulations shall be adopted on or before September 1, 1991. For the remainder of the counties and cities, such development regulations shall be adopted on or before March 1, 1992.

(3) Such counties and cities shall review these designations and development regulations when adopting their comprehensive plans under RCW 36.70A.040 and implementing development regulations under RCW 36.70A.120 and may alter such designations and development regulations to insure consistency.

(4) Forest land and agricultural land located within urban growth areas shall not be designated by a county or city as forest land or agricultural land of long-term commercial significance under RCW 36.70A.170 unless the city or county has enacted a program authorizing transfer or purchase of development rights.

Sec. 3. RCW 36.70A.280 and 2011 c 360 s 17 are each amended to read as follows:

(1) The growth management hearings board shall hear and determine only those petitions alleging either:

(a) That, except as provided otherwise by this subsection, a state agency, county, or city planning under this chapter is not in compliance with the requirements of this chapter, chapter 90.58 RCW as it relates to the adoption of shoreline master programs or amendments thereto, or chapter 43.21C RCW as it relates to plans, development regulations, or amendments, adopted under RCW 36.70A.040 or chapter 90.58 RCW. Nothing in this subsection authorizes the board to hear petitions alleging noncompliance with RCW 36.70A.5801;

(b) That the twenty-year growth management planning population projections adopted by the office of financial management pursuant to RCW 43.62.035 should be adjusted;

(c) That the approval of a work plan adopted under RCW 36.70A.735(1)(a) is not in compliance with the requirements of the program established under RCW 36.70A.710;

(d) That regulations adopted under RCW 36.70A.735(1)(b) are not regionally applicable and cannot be adopted, wholly or partially, by another jurisdiction; ((~~or~~))

(e) That a department certification under RCW 36.70A.735(1)(c) is erroneous; or

(f) That a department determination under RCW 36.70A.060(1)(d) is erroneous.

(2) A petition may be filed only by: (a) The state, or a county or city that plans under this chapter; (b) a person who has participated orally or in writing before the county or city regarding the matter on which a review is being requested; (c) a person who is certified by the governor within sixty days of filing the request with the board; or (d) a person qualified pursuant to RCW 34.05.530.

(3) For purposes of this section "person" means any individual, partnership, corporation, association, state agency, governmental subdivision or unit thereof, or public or private organization or entity of any character.

(4) To establish participation standing under subsection (2)(b) of this section, a person must show that his or her participation before the county or city was reasonably related to the person's issue as presented to the board.

(5) When considering a possible adjustment to a growth management planning population projection prepared by the office of financial management, the board shall consider the implications of any such adjustment to the population forecast for the entire state.

The rationale for any adjustment that is adopted by the board must be documented and filed with the office of financial management within ten working days after adoption.

If adjusted by the board, a county growth management planning population projection shall only be used for the planning purposes set forth in this chapter and shall be known as the "board adjusted population projection." None of these changes shall affect the official state and county population forecasts prepared by the office of financial management, which shall continue to be used for state budget and planning purposes.

NEW SECTION. **Sec. 4.** Section 3 of this act expires December 31, 2020."

On page 1, line 3 of the title, after "act;" strike the remainder of the title and insert "amending RCW 36.70A.040, 36.70A.060, and 36.70A.280; and providing an expiration date."

and the same is herewith transmitted.

Hunter Goodman, Secretary

SENATE AMENDMENT TO HOUSE BILL

There being no objection, the House concurred in the Senate amendment to ENGROSSED HOUSE BILL NO. 1224 and advanced the bill as amended by the Senate to final passage.

FINAL PASSAGE OF HOUSE BILL AS SENATE AMENDED

Representatives Kretz, Takko, Riccelli, Hurst and Pollet spoke in favor of the passage of the bill.

The Speaker (Representative Moeller presiding) stated the question before the House to be the final passage of Engrossed House Bill No. 1224, as amended by the Senate.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed House Bill No. 1224, as amended by the Senate, and the bill passed the House by the following vote: Yeas, 84; Nays, 12; Absent, 0; Excused, 2.

Voting yea: Representatives Appleton, Bergquist, Blake, Buys, Chandler, Christian, Clibborn, Cody, Condotta, Dahlquist, DeBolt, Fagan, Farrell, Fitzgibbon, Freeman, G. Hunt, Green, Gregerson, Habib, Haigh, Haler, Hansen, Hargrove, Harris, Hawkins, Hayes, Holy, Hope, Hunter, Johnson, Kirby, Klippert, Kochmar, Kretz, Kristiansen, Lytton, MacEwen, Magendanz, Manweller, Moeller, Morrell, Morris, Moscoso, Muri, Nealey, Orcutt, Ortiz-Self, Orwall, Overstreet, Parker, Pettigrew, Pike, Reykdal, Riccelli, Roberts, Robinson, Rodne, Ross, S. Hunt, Santos, Schmick, Scott, Seaquist, Sells, Senn, Shea, Short, Smith, Springer, Stonier, Sullivan, Takko, Taylor, Tharinger, Van De Wege, Vick, Walkinshaw, Walsh, Warnick, Wilcox, Wylie, Young, Zeiger and Mr. Speaker.

Voting nay: Representatives Carlyle, Dunshee, Fey, Goodman, Hudgins, Jinkins, Kagi, Ormsby, Ryu, Sawyer, Stanford and Tarleton.

Excused: Representatives Hurst and Pollet.

ENGROSSED HOUSE BILL NO. 1224, as amended by the Senate, having received the necessary constitutional majority, was declared passed.

STATEMENT FOR THE JOURNAL

I intended to vote NAY on Engrossed House Bill No. 1224.

Representative Reykdal, 22 District

The Speaker assumed the chair.

SIGNED BY THE SPEAKER

The Speaker signed the following bills:

ENGROSSED SENATE BILL NO. 5048
SUBSTITUTE SENATE BILL NO. 5123
SUBSTITUTE SENATE BILL NO. 5467
SECOND ENGROSSED SUBSTITUTE SENATE BILL NO. 5785
ENGROSSED SENATE BILL NO. 6031
ENGROSSED SENATE BILL NO. 6034
SECOND SUBSTITUTE SENATE BILL NO. 6062
SENATE BILL NO. 6065
SECOND SUBSTITUTE SENATE BILL NO. 6330
ENGROSSED SUBSTITUTE SENATE BILL NO. 6511
SECOND SUBSTITUTE SENATE BILL NO. 5064

Draft

SENATE BILL NO. 5141
SENATE BILL NO. 5775
SUBSTITUTE SENATE BILL NO. 5859
SUBSTITUTE SENATE BILL NO. 5977
SUBSTITUTE SENATE BILL NO. 6014
ENGROSSED SUBSTITUTE SENATE BILL NO. 6016
ENGROSSED SUBSTITUTE SENATE BILL NO. 6041
SUBSTITUTE SENATE BILL NO. 6054
SUBSTITUTE SENATE BILL NO. 6095
ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 6126
SENATE BILL NO. 6128
ENGROSSED SUBSTITUTE SENATE BILL NO. 6137
SUBSTITUTE SENATE BILL NO. 6145
SECOND SUBSTITUTE SENATE BILL NO. 6163
SUBSTITUTE SENATE BILL NO. 6199
SENATE BILL NO. 6208
ENGROSSED SUBSTITUTE SENATE BILL NO. 6228
ENGROSSED SUBSTITUTE SENATE BILL NO. 6242
SUBSTITUTE SENATE BILL NO. 6279
SENATE BILL NO. 6413
SENATE BILL NO. 6415
SENATE BILL NO. 6424
SUBSTITUTE SENATE BILL NO. 6431
ENGROSSED SUBSTITUTE SENATE BILL NO. 6436
ENGROSSED SUBSTITUTE SENATE BILL NO. 6479
ENGROSSED SENATE BILL NO. 6501
ENGROSSED SUBSTITUTE SENATE BILL NO. 6517
ENGROSSED SENATE BILL NO. 6553
SECOND ENGROSSED SUBSTITUTE HOUSE BILL NO. 1117
ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1129
SECOND SUBSTITUTE HOUSE BILL NO. 1651
SECOND SUBSTITUTE HOUSE BILL NO. 1709
SUBSTITUTE HOUSE BILL NO. 1791
ENGROSSED HOUSE BILL NO. 2108
ENGROSSED SUBSTITUTE HOUSE BILL NO. 2111
SECOND SUBSTITUTE HOUSE BILL NO. 2163
SECOND SUBSTITUTE HOUSE BILL NO. 2251
HOUSE BILL NO. 2253
ENGROSSED SUBSTITUTE HOUSE BILL NO. 2315
SECOND SUBSTITUTE HOUSE BILL NO. 2457
ENGROSSED SUBSTITUTE HOUSE BILL NO. 2463
ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 2569
ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 2580
SUBSTITUTE HOUSE BILL NO. 2612
ENGROSSED SUBSTITUTE HOUSE BILL NO. 2626
SECOND SUBSTITUTE HOUSE BILL NO. 2627
SUBSTITUTE HOUSE BILL NO. 2724
ENGROSSED SUBSTITUTE HOUSE BILL NO. 2023
ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 2493
ENGROSSED SUBSTITUTE HOUSE BILL NO. 2519
SUBSTITUTE HOUSE BILL NO. 2613
SECOND SUBSTITUTE HOUSE BILL NO. 2616
ENGROSSED HOUSE BILL NO. 2789

The Speaker called upon Representative Moeller to preside.

MESSAGES FROM THE SENATE

March 12, 2014

MR. SPEAKER:

The President has signed:
ENGROSSED SENATE BILL NO. 5048
SUBSTITUTE SENATE BILL NO. 5467
SECOND ENGROSSED SUBSTITUTE SENATE BILL NO. 5785
ENGROSSED SENATE BILL NO. 6031
ENGROSSED SENATE BILL NO. 6034
SECOND SUBSTITUTE SENATE BILL NO. 6062
SENATE BILL NO. 6065
SECOND SUBSTITUTE SENATE BILL NO. 6330
ENGROSSED SUBSTITUTE SENATE BILL NO. 6511
and the same are herewith transmitted.

Hunter G. Goodman, Secretary

March 12, 2014

MR. SPEAKER:

The President has signed:
SECOND SUBSTITUTE SENATE BILL NO. 5064
SENATE BILL NO. 5141
SENATE BILL NO. 5775
SUBSTITUTE SENATE BILL NO. 5859
SUBSTITUTE SENATE BILL NO. 5977
SUBSTITUTE SENATE BILL NO. 6014
ENGROSSED SUBSTITUTE SENATE BILL NO. 6016
ENGROSSED SUBSTITUTE SENATE BILL NO. 6041
SUBSTITUTE SENATE BILL NO. 6054
SUBSTITUTE SENATE BILL NO. 6095
ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 6126
SENATE BILL NO. 6128
ENGROSSED SUBSTITUTE SENATE BILL NO. 6137
SUBSTITUTE SENATE BILL NO. 6145
SECOND SUBSTITUTE SENATE BILL NO. 6163
SUBSTITUTE SENATE BILL NO. 6199
SENATE BILL NO. 6208
ENGROSSED SUBSTITUTE SENATE BILL NO. 6228
ENGROSSED SUBSTITUTE SENATE BILL NO. 6242
SUBSTITUTE SENATE BILL NO. 6279
SENATE BILL NO. 6413
SENATE BILL NO. 6415
SENATE BILL NO. 6424
SUBSTITUTE SENATE BILL NO. 6431
ENGROSSED SUBSTITUTE SENATE BILL NO. 6436
ENGROSSED SUBSTITUTE SENATE BILL NO. 6479
ENGROSSED SENATE BILL NO. 6501
ENGROSSED SUBSTITUTE SENATE BILL NO. 6517
ENGROSSED SENATE BILL NO. 6553
and the same are herewith transmitted.

Hunter G. Goodman, Secretary

March 12, 2014

MR. SPEAKER:

The President has signed:
SUBSTITUTE HOUSE BILL NO. 1254
SUBSTITUTE HOUSE BILL NO. 1292
HOUSE BILL NO. 1360
SUBSTITUTE HOUSE BILL NO. 1669
HOUSE BILL NO. 1724
SECOND SUBSTITUTE HOUSE BILL NO. 1773
HOUSE BILL NO. 2099
SUBSTITUTE HOUSE BILL NO. 2102
HOUSE BILL NO. 2115
SUBSTITUTE HOUSE BILL NO. 2125
HOUSE BILL NO. 2130
SUBSTITUTE HOUSE BILL NO. 2146
ENGROSSED SUBSTITUTE HOUSE BILL NO. 2151
ENGROSSED SUBSTITUTE HOUSE BILL NO. 2155

draft

ENGROSSED SUBSTITUTE HOUSE BILL NO. 2164
SUBSTITUTE HOUSE BILL NO. 2171
ENGROSSED SUBSTITUTE HOUSE BILL NO. 2246
HOUSE BILL NO. 2276
HOUSE BILL NO. 2296
SUBSTITUTE HOUSE BILL NO. 2310
SUBSTITUTE HOUSE BILL NO. 2318
HOUSE BILL NO. 2359
SUBSTITUTE HOUSE BILL NO. 2363
HOUSE BILL NO. 2398
SUBSTITUTE HOUSE BILL NO. 2430
SUBSTITUTE HOUSE BILL NO. 2433
SUBSTITUTE HOUSE BILL NO. 2454
HOUSE BILL NO. 2575
HOUSE BILL NO. 2700
HOUSE BILL NO. 2708
HOUSE BILL NO. 2723
SUBSTITUTE HOUSE BILL NO. 2739

and the same are herewith transmitted.

Hunter G. Goodman, Secretary

MESSAGE FROM THE SENATE

March 6, 2014

MR. SPEAKER:

The Senate has passed SUBSTITUTE HOUSE BILL NO. 2175, with the following amendment(s): 2175-S AMS BILL S4993.2

Strike everything after the enacting clause and insert the following:

"**Sec. 5.** RCW 80.36.375 and 1997 c 219 s 2 are each amended to read as follows:

(1) If a personal wireless service provider applies to site several microcells ((~~and/or~~)), minor facilities, or a small cell network in a single geographical area:

(a) If one or more of the microcells and/or minor facilities are not exempt from the requirements of RCW 43.21C.030(2)(c), local governmental entities are encouraged: (i) To allow the applicant, at the applicant's discretion, to file a single set of documents required by chapter 43.21C RCW that will apply to all the microcells and/or minor facilities to be sited; and (ii) to render decisions under chapter 43.21C RCW regarding all the microcells and/or minor facilities in a single administrative proceeding; ((~~and~~))

(b) Local governmental entities are encouraged: (i) To allow the applicant, at the applicant's discretion, to file a single set of documents for land use permits that will apply to all the microcells and/or minor facilities to be sited; and (ii) to render decisions regarding land use permits for all the microcells and/or minor facilities in a single administrative proceeding; and

(c) For small cell networks involving multiple individual small cell facilities, local governmental entities shall allow the applicant, if the applicant so chooses, to file a consolidated application and receive a single permit for the small cell network in a single jurisdiction instead of filing separate applications for each individual small cell facility.

(2) For the purposes of this section:

(a) "Personal wireless services" means commercial mobile services, unlicensed wireless services, and common carrier wireless exchange access services, as defined by federal laws and regulations.

(b) "Microcell" means a wireless communication facility consisting of an antenna that is either: (i) Four feet in height and with an area of not more than five hundred eighty square inches; or (ii) if a tubular antenna, no more than four inches in diameter and no more than six feet in length.

(c) "Minor facility" means a wireless communication facility consisting of up to three antennas, each of which is either: (i) Four feet in height and with an area of not more than five hundred eighty square inches; or (ii) if a tubular antenna, no more than four inches in diameter and no more than six feet in length; and the associated equipment cabinet that is six feet or less in height and no more than forty-eight square feet in floor area.

(d) "Small cell facility" means a personal wireless services facility that meets both of the following qualifications:

(i) Each antenna is located inside an antenna enclosure of no more than three cubic feet in volume or, in the case of an antenna that has exposed elements, the antenna and all of its exposed elements could fit within an imaginary enclosure of no more than three cubic feet; and

(ii) Primary equipment enclosures are no larger than seventeen cubic feet in volume. The following associated equipment may be located outside the primary equipment enclosure and if so located, are not included in the calculation of equipment volume: Electric meter, concealment, telecomm demarcation box, ground-based enclosures, battery back-up power systems, grounding equipment, power transfer switch, and cut-off switch.

(e) "Small cell network" means a collection of interrelated small cell facilities designed to deliver personal wireless services.

Sec. 6. RCW 35.21.860 and 2007 c 6 s 1020 are each amended to read as follows:

(1) No city or town may impose a franchise fee or any other fee or charge of whatever nature or description upon the light and power, or gas distribution businesses, as defined in RCW 82.16.010, or telephone business, as defined in RCW 82.16.010, or service provider for use of the right-of-way, except:

(a) A tax authorized by RCW 35.21.865 may be imposed;

(b) A fee may be charged to such businesses or service providers that recovers actual administrative expenses incurred by a city or town that are directly related to receiving and approving a permit, license, and franchise, to inspecting plans and construction, or to the preparation of a detailed statement pursuant to chapter 43.21C RCW;

(c) Taxes permitted by state law on service providers;

(d) Franchise requirements and fees for cable television services as allowed by federal law; and

(e) A site-specific charge pursuant to an agreement between the city or town and a service provider of personal wireless services acceptable to the parties for:

(i) The placement of new structures in the right-of-way regardless of height, unless the new structure is the result of a mandated relocation in which case no charge will be imposed if the previous location was not charged;

(ii) The placement of replacement structures when the replacement is necessary for the installation or attachment of wireless facilities, the replacement structure is higher than the replaced structure, and the overall height of the replacement structure and the wireless facility is more than sixty feet; or

(iii) The placement of personal wireless facilities on structures owned by the city or town located in the right-of-way. However, a site-specific charge shall not apply to the placement of personal wireless facilities on existing structures, unless the structure is owned by the city or town.

A city or town is not required to approve the use permit for the placement of a facility for personal wireless services that meets one of the criteria in this subsection absent such an agreement. If the parties are unable to agree on the amount of the charge, the service provider may submit the amount of the charge to binding arbitration by serving notice on the city or town. Within thirty days of receipt of the initial notice, each party shall furnish a list of acceptable arbitrators. The parties shall select an arbitrator; failing to agree on an arbitrator, each

party shall select one arbitrator and the two arbitrators shall select a third arbitrator for an arbitration panel. The arbitrator or arbitrators shall determine the charge based on comparable siting agreements involving public land and rights-of-way. The arbitrator or arbitrators shall not decide any other disputed issues, including but not limited to size, location, and zoning requirements. Costs of the arbitration, including compensation for the arbitrator's services, must be borne equally by the parties participating in the arbitration and each party shall bear its own costs and expenses, including legal fees and witness expenses, in connection with the arbitration proceeding.

(2) Subsection (1) of this section does not prohibit franchise fees imposed on an electrical energy, natural gas, or telephone business, by contract existing on April 20, 1982, with a city or town, for the duration of the contract, but the franchise fees shall be considered taxes for the purposes of the limitations established in RCW 35.21.865 and 35.21.870 to the extent the fees exceed the costs allowable under subsection (1) of this section."

On page 1, line 2 of the title, after "industry;" strike the remainder of the title and insert "and amending RCW 80.36.375 and 35.21.860."

and the same is herewith transmitted.

Hunter Goodman Secretary

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

SENATE AMENDMENT TO HOUSE BILL

There being no objection, the House refused to concur in the Senate amendment to Substitute House Bill No. 2175 and asked the Senate to recede therefrom.

MESSAGE FROM THE SENATE

March 7, 2014

MR. SPEAKER:

The Senate has passed ENGROSSED HOUSE BILL NO. 2582, with the following amendment(s): 2582.E AMS HARG S4925.2

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and the same is herewith transmitted.

Brad Hendrickson Deputy Secretary

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

SENATE AMENDMENT TO HOUSE BILL

There being no objection, the House refused to concur in the Senate amendment to Engrossed House Bill No. 2582 and asked the Senate to recede therefrom.

MESSAGE FROM THE SENATE

March 8, 2014

Mr. Speaker:

The Senate refuses to concur in the House amendment to SECOND SUBSTITUTE SENATE BILL NO. 6312 and asks the House to recede therefrom, and the same is herewith transmitted.

Brad Hendrickson, Deputy Secretary

HOUSE AMENDMENT TO SENATE BILL

There being no objection, the House receded from its amendment. The rules were suspended and SECOND SUBSTITUTE SENATE BILL NO. 6312 was returned to second reading for the purpose of amendment.

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

SECOND READING

SECOND SUBSTITUTE SENATE BILL NO. 6312, by Senate Committee on Ways & Means (originally sponsored by Senators Darneille, Hargrove, Rolfes, McAuliffe, Ranker, Conway, Cleveland, Fraser, McCoy, Keiser and Kohl-Welles)

Concerning state purchasing of mental health and chemical dependency treatment services.

SECOND SUBSTITUTE SENATE BILL NO. 6312, by Senate Committee on Ways & Means (originally sponsored by Senators Darneille, Hargrove, Rolfes, McAuliffe, Ranker, Conway, Cleveland, Fraser, McCoy, Keiser and Kohl-Welles)

Concerning state purchasing of mental health and chemical dependency treatment services.

The bill was read the second time.

Representative Cody moved the adoption of amendment (963).

Strike everything after the enacting clause and insert the following:

"**Sec. 1.** 2013 c 338 s 1 (uncodified) is amended to read as follows:

(1)(a) Beginning ((~~May~~)) April 1, 2014, the legislature shall convene a task force to examine reform of the adult behavioral health system, with voting members as provided in this subsection.

(i) The president of the senate shall appoint one member and one alternate member from each of the two largest caucuses of the senate.

(ii) The speaker of the house of representatives shall appoint one member and one alternate member from each of the two largest caucuses in the house of representatives.

(iii) The governor shall appoint three members consisting of the secretary of the department of social and health services or the secretary's designee, the director of the health care authority or the director's designee, and a representative of the governor.

(iv) The Washington state association of counties shall appoint three members.

(v) The governor shall request participation by a representative of tribal governments.

(b) The task force shall choose two cochairs from among its legislative members.

(c) The task force shall adopt a bottom-up approach and welcome input and participation from all stakeholders interested in the improvement of the adult behavioral health system. To that end, the task force must invite participation from, at a minimum, the

following: The department of commerce, the department of corrections, the office of financial management, behavioral health service recipients and their families; local government; representatives of regional support networks; representatives of county coordinators; law enforcement; city and county jails; tribal representatives; behavioral health service providers; housing providers; labor representatives; counties with state hospitals; mental health advocates; chemical dependency advocates; public defenders with involuntary mental health commitment or mental health court experience; chemical dependency experts working with drug courts; medicaid managed care plan and associated delivery system representatives; long-term care service providers; the Washington state hospital association; and individuals with expertise in evidence-based and research-based behavioral health service practices. Leadership of subcommittees formed by the task force may be drawn from this body of invited participants.

(2) The task force shall undertake a systemwide review of the adult behavioral health system and make recommendations for reform concerning, but not limited to, the following:

(a) The means by which services are purchased and delivered for adults with mental illness and chemical dependency disorders through the department of social and health services and the health care authority, including:

(i) Guidance for the creation of common regional service areas for purchasing behavioral health services and medical care services by the department of social and health services and the health care authority, taking into consideration any proposal submitted by the Washington state association of counties under section 2 of this act;

(ii) Identification of key issues which must be addressed by the department of social and health services to accomplish the integration of chemical dependency purchasing primarily with managed care contracts by April 1, 2016, under section 5 of this act, including review of the results of any available actuarial study to establish provider rates;

(iii) Strategies for moving towards full integration of medical and behavioral health services by January 1, 2020, and identification of key issues that must be addressed by the health care authority and the department of social and health services in furtherance of this goal;

(iv) By August 1, 2014, a review of performance measures and outcomes developed pursuant to RCW 43.20A.895 and chapter 70.320 RCW;

(v) Review criteria developed by the department of social and health services and the health care authority concerning submission of detailed plans and requests for early adoption of fully integrated purchasing and incentives under section 5 of this act;

(vi) Whether a statewide behavioral health ombuds office should be created;

(vii) Whether the state chemical dependency program should be mandated to provide twenty-four hour detoxification services, medication-assisted outpatient treatment, or contracts for case management and residential treatment services for pregnant and parenting women;

(viii) Review legal, clinical, and technological obstacles to sharing relevant health care information related to mental health, chemical dependency, and physical health across practice settings; and

(ix) Review the extent and causes of variations in commitment rates in different jurisdictions across the state;

(b) Availability of effective means to promote recovery and prevent harm associated with mental illness and chemical dependency;

(c) Availability of crisis services, including boarding of mental health patients outside of regularly certified treatment beds;

(d) Best practices for cross-system collaboration between behavioral health treatment providers, medical care providers, long-term care service providers, entities providing health home services to high-risk medicaid clients, law enforcement, and criminal justice agencies; ((~~and~~))

(e) Public safety practices involving persons with mental illness and chemical dependency with forensic involvement.

(3) Staff support for the task force must be provided by the senate committee services and the house of representatives office of program research.

(4) Legislative members of the task force must be reimbursed for travel expenses in accordance with RCW 44.04.120. Nonlegislative members, except those representing an employer or organization, are entitled to be reimbursed for travel expenses in accordance with RCW 43.03.050 and 43.03.060.

(5) The expenses of the task force must be paid jointly by the senate and house of representatives. Task force expenditures are subject to approval by the senate facilities and operations committee and the house of representatives executive rules committee, or their successor committees.

(6) The task force shall report ((~~its~~)) initial findings and recommendations to the governor and the appropriate committees of the legislature in a preliminary report by ((~~January 1, 2015~~)) December 15, 2014, and a final report by December 15, 2015. Recommendations under subsection (2)(a)(i) of this section must be submitted to the governor by September 1, 2014.

(7) This section expires ((~~June~~)) July 1, ((~~2015~~)) 2016.

NEW SECTION. **Sec. 2.** A new section is added to chapter 43.20A RCW to read as follows:

(1) Upon receipt of guidance for the creation of common regional service areas from the adult behavioral health system task force established in section 1, chapter 338, Laws of 2013, the department and the health care authority shall jointly establish regional service areas as provided in this section.

(2) Counties, through the Washington state association of counties, must be given the opportunity to propose the composition of regional service areas. Each service area must:

(a) Include a sufficient number of medicaid lives to support full financial risk managed care contracting for services included in contracts with the department or the health care authority;

(b) Include full counties that are contiguous with one another; and

(c) Reflect natural medical and behavioral health service referral patterns and shared clinical, health care service, behavioral health service, and behavioral health crisis response resources.

(3) The Washington state association of counties must submit their recommendations to the department, the health care authority, and the task force described in section 1 of this act on or before August 1, 2014.

NEW SECTION. **Sec. 3.** A new section is added to chapter 43.20A RCW to read as follows:

(1) Any agreement or contract by the department or the health care authority to provide behavioral health services as defined under RCW 71.24.025 to persons eligible for benefits under medicaid, Title XIX of the social security act, and to persons not eligible for medicaid must include the following:

(a) Contractual provisions consistent with the intent expressed in RCW 71.24.015, 71.36.005, 70.96A.010, and 70.96A.011;

(b) Standards regarding the quality of services to be provided, including increased use of evidence-based, research-based, and promising practices, as defined in RCW 71.24.025;

(c) Accountability for the client outcomes established in RCW 43.20A.895, 70.320.020, and 71.36.025 and performance measures linked to those outcomes;

(d) Standards requiring behavioral health organizations to maintain a network of appropriate providers that is supported by written agreements sufficient to provide adequate access to all services covered under the contract with the department or the health care authority and to protect essential existing behavioral health

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system infrastructure and capacity, including a continuum of chemical dependency services;

(e) Provisions to require that medically necessary chemical dependency and mental health treatment services be available to clients;

(f) Standards requiring the use of behavioral health service provider reimbursement methods that incentivize improved performance with respect to the client outcomes established in RCW 43.20A.895 and 71.36.025, integration of behavioral health and primary care services at the clinical level, and improved care coordination for individuals with complex care needs;

(g) Standards related to the financial integrity of the responding organization. The department shall adopt rules establishing the solvency requirements and other financial integrity standards for behavioral health organizations. This subsection does not limit the authority of the department to take action under a contract upon finding that a behavioral health organization's financial status jeopardizes the organization's ability to meet its contractual obligations;

(h) Mechanisms for monitoring performance under the contract and remedies for failure to substantially comply with the requirements of the contract including, but not limited to, financial deductions, termination of the contract, receivership, reprocurement of the contract, and injunctive remedies;

(i) Provisions to maintain the decision-making independence of designated mental health professionals or designated chemical dependency specialists; and

(j) Provisions stating that public funds appropriated by the legislature may not be used to promote or deter, encourage, or discourage employees from exercising their rights under Title 29, chapter 7, subchapter II, United States Code or chapter 41.56 RCW.

(2) The following factors must be given significant weight in any purchasing process:

(a) Demonstrated commitment and experience in serving low-income populations;

(b) Demonstrated commitment and experience serving persons who have mental illness, chemical dependency, or co-occurring disorders;

(c) Demonstrated commitment to and experience with partnerships with county and municipal criminal justice systems, housing services, and other critical support services necessary to achieve the outcomes established in RCW 43.20A.895, 70.320.020, and 71.36.025;

(d) Recognition that meeting enrollees' physical and behavioral health care needs is a shared responsibility of contracted behavioral health organizations, managed health care systems, service providers, the state, and communities;

(e) Consideration of past and current performance and participation in other state or federal behavioral health programs as a contractor; and

(f) The ability to meet requirements established by the department.

(3) For purposes of purchasing behavioral health services and medical care services for persons eligible for benefits under medicaid, Title XIX of the social security act and for persons not eligible for medicaid, the department and the health care authority must use common regional service areas. The regional service areas must be established by the department and the health care authority as provided in section 2 of this act.

(4) Consideration must be given to using multiple-biennia contracting periods.

(5) Each behavioral health organization operating pursuant to a contract issued under this section shall enroll clients within its regional service area who meet the department's eligibility criteria for mental health and chemical dependency services.

NEW SECTION. **Sec. 4.** A new section is added to chapter 43.20A RCW to read as follows:

The secretary shall require that behavioral health organizations offer contracts to managed health care systems under chapter 74.09 RCW or primary care practice settings to promote access to the services of chemical dependency professionals under chapter 18.205 RCW and mental health professionals, as defined by the department in rule, for the purposes of integrating such services into primary care settings for individuals with behavioral health and medical comorbidities.

NEW SECTION. **Sec. 5.** A new section is added to chapter 71.24 RCW to read as follows:

(1) The secretary shall purchase mental health and chemical dependency treatment services primarily through managed care contracting, but may continue to purchase behavioral health services directly from tribal clinics and other tribal providers.

(2)(a) The secretary shall request a detailed plan from the entities identified in (b) of this subsection that demonstrates compliance with the contractual elements of section 3 of this act and federal regulations related to medicaid managed care contracting, including, but not limited to: Having a sufficient network of providers to provide adequate access to mental health and chemical dependency services for residents of the regional service area that meet eligibility criteria for services, ability to maintain and manage adequate reserves, and maintenance of quality assurance processes. Any responding entity that submits a detailed plan that demonstrates that it can meet the requirements of this section must be awarded the contract to serve as the behavioral health organization.

(b)(i) For purposes of responding to the request for a detailed plan under (a) of this subsection, the entities from which a plan will be requested are:

(A) A county in a single county regional service area that currently serves as the regional support network for that area;

(B) In the event that a county has made a decision prior to January 1, 2014, not to contract as a regional support network, any private entity that serves as the regional support network for that area;

(C) All counties within a regional service area that includes more than one county, which shall form a responding entity through the adoption of an interlocal agreement. The interlocal agreement must specify the terms by which the responding entity shall serve as the behavioral health organization within the regional service area.

(ii) In the event that a regional service area is comprised of multiple counties including one that has made a decision prior to January 1, 2014, not to contract as a regional support network the counties shall adopt an interlocal agreement and may respond to the request for a detailed plan under (a) of this subsection and the private entity may also respond to the request for a detailed plan. If both responding entities meet the requirements of this section, the responding entities shall follow the department's procurement process established in subsection (3) of this section.

(3) If an entity that has received a request under this section to submit a detailed plan does not respond to the request, a responding entity under subsection (1) of this section is unable to substantially meet the requirements of the request for a detailed plan, or more than one responding entity substantially meets the requirements for the request for a detailed plan, the department shall use a procurement process in which other entities recognized by the secretary may bid to serve as the behavioral health organization in that regional service area.

(4) Contracts for behavioral health organizations must begin on April 1, 2016.

(5) Upon request of all of the county authorities in a regional service area, the department and the health care authority may jointly purchase behavioral health services through an integrated medical and behavioral health services contract with a behavioral health organization or a managed health care system as defined in RCW

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74.09.522, pursuant to standards to be developed jointly by the secretary and the health care authority. Any contract for such a purchase must comply with all federal medicaid and state law requirements related to managed health care contracting.

(6) As an incentive to county authorities to become early adopters of fully integrated purchasing of medical and behavioral health services, the standards adopted by the secretary and the health care authority under subsection (5) of this section shall provide for an incentive payment to counties which elect to move to full integration by January 1, 2016. Subject to federal approval, the incentive payment shall be targeted at ten percent of savings realized by the state within the regional service area in which the fully integrated purchasing takes place. Savings shall be calculated in alignment with the outcome and performance measures established in RCW 43.20A.895, 70.320.020, and 71.36.025, and incentive payments for early adopter counties shall be made available for up to a six-year period, or until full integration of medical and behavioral health services is accomplished statewide, whichever comes sooner, according to rules to be developed by the secretary and health care authority.

Sec. 6. RCW 71.24.015 and 2005 c 503 s 1 are each amended to read as follows:

It is the intent of the legislature to establish a community mental health program which shall help people experiencing mental illness to retain a respected and productive position in the community. This will be accomplished through programs that focus on resilience and recovery, and practices that are evidence-based, research-based, consensus-based, or, where these do not exist, promising or emerging best practices, which provide for:

(1) Access to mental health services for adults ((~~of the state who are acutely mentally ill, chronically mentally ill, or seriously disturbed~~)) with mental illness and children ((~~of the state who are acutely mentally ill, severely emotionally disturbed, or seriously disturbed,~~)) with mental illness or emotional disturbances who meet access to care standards which services recognize the special needs of underserved populations, including minorities, children, the elderly, ((~~disabled~~)) individuals with disabilities, and low-income persons. Access to mental health services shall not be limited by a person's history of confinement in a state, federal, or local correctional facility. It is also the purpose of this chapter to promote the early identification of ((~~mentally ill~~)) children with mental illness and to ensure that they receive the mental health care and treatment which is appropriate to their developmental level. This care should improve home, school, and community functioning, maintain children in a safe and nurturing home environment, and should enable treatment decisions to be made in response to clinical needs in accordance with sound professional judgment while also recognizing parents' rights to participate in treatment decisions for their children;

(2) The involvement of persons with mental illness, their family members, and advocates in designing and implementing mental health services that reduce unnecessary hospitalization and incarceration and promote the recovery and employment of persons with mental illness. To improve the quality of services available and promote the rehabilitation, recovery, and reintegration of persons with mental illness, consumer and advocate participation in mental health services is an integral part of the community mental health system and shall be supported;

(3) Accountability of efficient and effective services through state-of-the-art outcome and performance measures and statewide standards for monitoring client and system outcomes, performance, and reporting of client and system outcome information. These processes shall be designed so as to maximize the use of available resources for direct care of people with a mental illness and to assure uniform data collection across the state;

(4) Minimum service delivery standards;

(5) Priorities for the use of available resources for the care of ((~~the mentally ill~~)) individuals with mental illness consistent with the priorities defined in the statute;

(6) Coordination of services within the department, including those divisions within the department that provide services to children, between the department and the office of the superintendent of public instruction, and among state mental hospitals, county authorities, ((~~regional support networks~~)) behavioral health organizations, community mental health services, and other support services, which shall to the maximum extent feasible also include the families of ((~~the mentally ill~~)) individuals with mental illness, and other service providers; and

(7) Coordination of services aimed at reducing duplication in service delivery and promoting complementary services among all entities that provide mental health services to adults and children.

It is the policy of the state to encourage the provision of a full range of treatment and rehabilitation services in the state for mental disorders including services operated by consumers and advocates. The legislature intends to encourage the development of regional mental health services with adequate local flexibility to assure eligible people in need of care access to the least-restrictive treatment alternative appropriate to their needs, and the availability of treatment components to assure continuity of care. To this end, counties ((~~are encouraged to~~)) must enter into joint operating agreements with other counties to form regional systems of care that are consistent with the regional service areas established under section 2 of this act. Regional systems of care, whether operated by a county, group of counties, or another entity shall integrate planning, administration, and service delivery duties under chapters 71.05 and 71.24 RCW to consolidate administration, reduce administrative layering, and reduce administrative costs. The legislature hereby finds and declares that sound fiscal management requires vigilance to ensure that funds appropriated by the legislature for the provision of needed community mental health programs and services are ultimately expended solely for the purpose for which they were appropriated, and not for any other purpose.

It is further the intent of the legislature to integrate the provision of services to provide continuity of care through all phases of treatment. To this end, the legislature intends to promote active engagement with ((~~mentally ill~~)) persons with mental illness and collaboration between families and service providers.

Sec. 7. RCW 71.24.016 and 2006 c 333 s 102 are each amended to read as follows:

(1) The legislature intends that eastern and western state hospitals shall operate as clinical centers for handling the most complicated long-term care needs of patients with a primary diagnosis of mental disorder. It is further the intent of the legislature that the community mental health service delivery system focus on maintaining ((~~mentally ill~~)) individuals with mental illness in the community. The program shall be evaluated and managed through a limited number of outcome and performance measures ((~~designed to hold each regional support network accountable for program success~~)), as provided in RCW 43.20A.895, 70.320.020, and 71.36.025.

(2) The legislature intends to address the needs of people with mental disorders with a targeted, coordinated, and comprehensive set of evidence-based practices that are effective in serving individuals in their community and will reduce the need for placements in state mental hospitals. The legislature further intends to explicitly hold ((~~regional support networks~~)) behavioral health organizations accountable for serving people with mental disorders within the boundaries of their ((~~geographic boundaries~~)) regional service area and for not exceeding their allocation of state hospital beds. ((~~Within funds appropriated by the legislature for this purpose, regional support networks shall develop the means to serve the needs of people with mental disorders within their geographic boundaries. Elements of the program may include:~~

~~(a) Crisis triage;~~
~~(b) Evaluation and treatment and community hospital beds;~~
~~(c) Residential beds;~~
~~(d) Programs for community treatment teams; and~~
~~(e) Outpatient services.~~
~~(3) The regional support network shall have the flexibility, within the funds appropriated by the legislature for this purpose, to design the mix of services that will be most effective within their service area of meeting the needs of people with mental disorders and avoiding placement of such individuals at the state mental hospital. Regional support networks are encouraged to maximize the use of evidence-based practices and alternative resources with the goal of substantially reducing and potentially eliminating the use of institutions for mental diseases.~~))

NEW SECTION. **Sec. 8.** A new section is added to chapter 71.24 RCW to read as follows:

(1) By December 1, 2018, the department and the health care authority shall report to the governor and the legislature regarding the preparedness of each regional service area to provide mental health services, chemical dependency services, and medical care services to medicaid clients under a fully integrated managed care health system.

(2) By January 1, 2020, the community behavioral health program must be fully integrated in a managed care health system that provides mental health services, chemical dependency services, and medical care services to medicaid clients.

NEW SECTION. **Sec. 9.** A new section is added to chapter 71.24 RCW to read as follows:

(1) Within funds appropriated by the legislature for this purpose, behavioral health organizations shall develop the means to serve the needs of people with mental disorders residing within the boundaries of their regional service area. Elements of the program may include:

(a) Crisis diversion services;

(b) Evaluation and treatment and community hospital beds;

(c) Residential treatment;

(d) Programs for intensive community treatment;

(e) Outpatient services;

(f) Peer support services;

(g) Community support services;

(h) Resource management services; and

(i) Supported housing and supported employment services.

(2) The behavioral health organization shall have the flexibility, within the funds appropriated by the legislature for this purpose and the terms of their contract, to design the mix of services that will be most effective within their service area of meeting the needs of people with mental disorders and avoiding placement of such individuals at the state mental hospital. Behavioral health organizations are encouraged to maximize the use of evidence-based practices and alternative resources with the goal of substantially reducing and potentially eliminating the use of institutions for mental diseases.

Sec. 10. RCW 71.24.025 and 2013 c 338 s 5 are each amended to read as follows:

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

(1) "Acutely mentally ill" means a condition which is limited to a short-term severe crisis episode of:

(a) A mental disorder as defined in RCW 71.05.020 or, in the case of a child, as defined in RCW 71.34.020;

(b) Being gravely disabled as defined in RCW 71.05.020 or, in the case of a child, a gravely disabled minor as defined in RCW 71.34.020; or

(c) Presenting a likelihood of serious harm as defined in RCW 71.05.020 or, in the case of a child, as defined in RCW 71.34.020.

(2) "Available resources" means funds appropriated for the purpose of providing community mental health programs, federal funds, except those provided according to Title XIX of the Social Security Act, and state funds appropriated under this chapter or chapter 71.05 RCW by the legislature during any biennium for the purpose of providing residential services, resource management services, community support services, and other mental health services. This does not include funds appropriated for the purpose of operating and administering the state psychiatric hospitals.

(3) "Child" means a person under the age of eighteen years.

(4) "Chronically mentally ill adult" or "adult who is chronically mentally ill" means an adult who has a mental disorder and meets at least one of the following criteria:

(a) Has undergone two or more episodes of hospital care for a mental disorder within the preceding two years; or

(b) Has experienced a continuous psychiatric hospitalization or residential treatment exceeding six months' duration within the preceding year; or

(c) Has been unable to engage in any substantial gainful activity by reason of any mental disorder which has lasted for a continuous period of not less than twelve months. "Substantial gainful activity" shall be defined by the department by rule consistent with Public Law 92-603, as amended.

(5) "Clubhouse" means a community-based program that provides rehabilitation services and is certified by the department of social and health services.

(6) "Community mental health program" means all mental health services, activities, or programs using available resources.

(7) "Community mental health service delivery system" means public, ((~~or~~)) private, or tribal agencies that provide services specifically to persons with mental disorders as defined under RCW 71.05.020 and receive funding from public sources.

(8) "Community support services" means services authorized, planned, and coordinated through resource management services including, at a minimum, assessment, diagnosis, emergency crisis intervention available twenty-four hours, seven days a week, prescreening determinations for persons who are mentally ill being considered for placement in nursing homes as required by federal law, screening for patients being considered for admission to residential services, diagnosis and treatment for children who are acutely mentally ill or severely emotionally disturbed discovered under screening through the federal Title XIX early and periodic screening, diagnosis, and treatment program, investigation, legal, and other nonresidential services under chapter 71.05 RCW, case management services, psychiatric treatment including medication supervision, counseling, psychotherapy, assuring transfer of relevant patient information between service providers, recovery services, and other services determined by ((~~regional support networks~~)) behavioral health organizations.

(9) "Consensus-based" means a program or practice that has general support among treatment providers and experts, based on experience or professional literature, and may have anecdotal or case study support, or that is agreed but not possible to perform studies with random assignment and controlled groups.

(10) "County authority" means the board of county commissioners, county council, or county executive having authority to establish a community mental health program, or two or more of the county authorities specified in this subsection which have entered into an agreement to provide a community mental health program.

(11) "Department" means the department of social and health services.

(12) "Designated mental health professional" means a mental health professional designated by the county or other authority authorized in rule to perform the duties specified in this chapter.

(13) "Emerging best practice" or "promising practice" means a program or practice that, based on statistical analyses or a well established theory of change, shows potential for meeting the evidence- based or research-based criteria, which may include the use of a program that is evidence-based for outcomes other than those listed in subsection (14) of this section.

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(14) "Evidence-based" means a program or practice that has been tested in heterogeneous or intended populations with multiple randomized, or statistically controlled evaluations, or both; or one large multiple site randomized, or statistically controlled evaluation, or both, where the weight of the evidence from a systemic review demonstrates sustained improvements in at least one outcome. "Evidence-based" also means a program or practice that can be implemented with a set of procedures to allow successful replication in Washington and, when possible, is determined to be cost-beneficial.

(15) "Licensed service provider" means an entity licensed according to this chapter or chapter 71.05 or 70.96A RCW or an entity deemed to meet state minimum standards as a result of accreditation by a recognized behavioral health accrediting body recognized and having a current agreement with the department, or tribal attestation that meets state minimum standards, or persons licensed under chapter 18.57, 18.71, 18.83, or 18.79 RCW, as it applies to registered nurses and advanced registered nurse practitioners.

(16) "Long-term inpatient care" means inpatient services for persons committed for, or voluntarily receiving intensive treatment for, periods of ninety days or greater under chapter 71.05 RCW. "Long- term inpatient care" as used in this chapter does not include: (a) Services for individuals committed under chapter 71.05 RCW who are receiving services pursuant to a conditional release or a court-ordered less restrictive alternative to detention; or (b) services for individuals voluntarily receiving less restrictive alternative treatment on the grounds of the state hospital.

(17) "Mental health services" means all services provided by ((~~regional support networks~~)) behavioral health organizations and other services provided by the state for persons who are mentally ill.

(18) "Mentally ill persons," "persons who are mentally ill," and "the mentally ill" mean persons and conditions defined in subsections (1), (4), (27), and (28) of this section.

(19) "Recovery" means the process in which people are able to live, work, learn, and participate fully in their communities.

(20) "((~~Regional support network~~)) Behavioral health organization" means ((~~a~~)) any county authority or group of county authorities or other entity recognized by the secretary in contract in a defined region.

(21) "Registration records" include all the records of the department, ((~~regional support networks~~)) behavioral health organizations, treatment facilities, and other persons providing services to the department, county departments, or facilities which identify persons who are receiving or who at any time have received services for mental illness.

(22) "Research-based" means a program or practice that has been tested with a single randomized, or statistically controlled evaluation, or both, demonstrating sustained desirable outcomes; or where the weight of the evidence from a systemic review supports sustained outcomes as described in subsection (14) of this section but does not meet the full criteria for evidence-based.

(23) "Residential services" means a complete range of residences and supports authorized by resource management services and which may involve a facility, a distinct part thereof, or services which support community living, for persons who are acutely mentally ill, adults who are chronically mentally ill, children who are severely emotionally disturbed, or adults who are seriously disturbed and determined by the ((~~regional support network~~)) behavioral health organization to be at risk of becoming acutely or chronically mentally ill. The services shall include at least evaluation and treatment services as defined in chapter 71.05 RCW, acute crisis respite care, long-term adaptive and rehabilitative care, and supervised and supported living services, and shall also include any residential services developed to service persons who are mentally ill in nursing homes, assisted living facilities, and adult family homes, and may include outpatient services provided as an element in a package of services in a supported housing model. Residential services for children in out-of-home placements related to their mental disorder shall not include the costs of food and shelter, except for children's long-term residential facilities existing prior to January 1, 1991.

(24) "Resilience" means the personal and community qualities that enable individuals to rebound from adversity, trauma, tragedy, threats, or other stresses, and to live productive lives.

(25) "Resource management services" mean the planning, coordination, and authorization of residential services and community support services administered pursuant to an individual service plan for: (a) Adults and children who are acutely mentally ill; (b) adults who are chronically mentally ill; (c) children who are severely emotionally disturbed; or (d) adults who are seriously disturbed and determined solely by a ((~~regional support network~~)) behavioral health organization to be at risk of becoming acutely or chronically mentally ill. Such planning, coordination, and authorization shall include mental health screening for children eligible under the federal Title XIX early and periodic screening, diagnosis, and treatment program. Resource management services include seven day a week, twenty-four hour a day availability of information regarding enrollment of adults and children who are mentally ill in services and their individual service plan to designated mental health professionals, evaluation and treatment facilities, and others as determined by the ((~~regional support network~~)) behavioral health organization.

(26) "Secretary" means the secretary of social and health services.

(27) "Seriously disturbed person" means a person who:

(a) Is gravely disabled or presents a likelihood of serious harm to himself or herself or others, or to the property of others, as a result of a mental disorder as defined in chapter 71.05 RCW;

(b) Has been on conditional release status, or under a less restrictive alternative order, at some time during the preceding two years from an evaluation and treatment facility or a state mental health hospital;

(c) Has a mental disorder which causes major impairment in several areas of daily living;

(d) Exhibits suicidal preoccupation or attempts; or

(e) Is a child diagnosed by a mental health professional, as defined in chapter 71.34 RCW, as experiencing a mental disorder which is clearly interfering with the child's functioning in family or school or with peers or is clearly interfering with the child's personality development and learning.

(28) "Severely emotionally disturbed child" or "child who is severely emotionally disturbed" means a child who has been determined by the ((~~regional support network~~)) behavioral health organization to be experiencing a mental disorder as defined in chapter 71.34 RCW, including those mental disorders that result in a behavioral or conduct disorder, that is clearly interfering with the child's functioning in family or school or with peers and who meets at least one of the following criteria:

(a) Has undergone inpatient treatment or placement outside of the home related to a mental disorder within the last two years;

(b) Has undergone involuntary treatment under chapter 71.34 RCW within the last two years;

(c) Is currently served by at least one of the following child-serving systems: Juvenile justice, child-protection/welfare, special education, or developmental disabilities;

(d) Is at risk of escalating maladjustment due to:

(i) Chronic family dysfunction involving a caretaker who is mentally ill or inadequate;

(ii) Changes in custodial adult;

(iii) Going to, residing in, or returning from any placement outside of the home, for example, psychiatric hospital, short-term inpatient, residential treatment, group or foster home, or a correctional facility;

(iv) Subject to repeated physical abuse or neglect;

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(v) Drug or alcohol abuse; or

(vi) Homelessness.

(29) "State minimum standards" means minimum requirements established by rules adopted by the secretary and necessary to implement this chapter for: (a) Delivery of mental health services; (b) licensed service providers for the provision of mental health services; (c) residential services; and (d) community support services and resource management services.

(30) "Treatment records" include registration and all other records concerning persons who are receiving or who at any time have received services for mental illness, which are maintained by the department, by ((~~regional support networks~~)) behavioral health organizations and their staffs, and by treatment facilities. Treatment records do not include notes or records maintained for personal use by a person providing treatment services for the department, ((~~regional support networks~~)) behavioral health organizations, or a treatment facility if the notes or records are not available to others.

(31) "Tribal authority," for the purposes of this section and RCW 71.24.300 only, means: The federally recognized Indian tribes and the major Indian organizations recognized by the secretary insofar as these organizations do not have a financial relationship with any ((~~regional support network~~)) behavioral health organization that would present a conflict of interest.

(32) "Behavioral health services" means mental health services as described in this chapter and chapter 71.36 RCW and chemical dependency treatment services as described in chapter 70.96A RCW.

Sec. 11. RCW 71.24.035 and 2013 c 200 s 24 are each amended to read as follows:

(1) The department is designated as the state mental health authority.

(2) The secretary shall provide for public, client, tribal, and licensed service provider participation in developing the state mental health program, developing contracts with ((~~regional support networks~~)) behavioral health organizations, and any waiver request to the federal government under medicaid.

(3) The secretary shall provide for participation in developing the state mental health program for children and other underserved populations, by including representatives on any committee established to provide oversight to the state mental health program.

(4) The secretary shall be designated as the ((~~regional support network~~)) behavioral health organization if the ((~~regional support network~~)) behavioral health organization fails to meet state minimum standards or refuses to exercise responsibilities under its contract or RCW 71.24.045, until such time as a new ((~~regional support network~~)) behavioral health organization is designated ((~~under RCW 71.24.320~~)).

(5) The secretary shall:

(a) Develop a biennial state mental health program that incorporates regional biennial needs assessments and regional mental health service plans and state services for adults and children with mental illness((~~. The secretary shall also develop a six-year state mental health plan~~));

(b) Assure that any ((~~regional~~)) behavioral health organization or county community mental health program provides ((~~access to treatment for the region's residents, including parents who are respondents in dependency cases, in the following order of priority: (i) Persons with acute mental illness; (ii) adults with chronic mental illness and children who are severely emotionally disturbed; and (iii) persons who are seriously disturbed. Such programs shall provide:~~

~~(A) Outpatient services;~~

~~(B) Emergency care services for twenty-four hours per day;~~

~~(C) Day treatment for persons with mental illness which includes training in basic living and social skills, supported work, vocational rehabilitation, and day activities. Such services may include therapeutic treatment. In the case of a child, day treatment includes age-appropriate basic living and social skills, educational and prevocational services, day activities, and therapeutic treatment;~~

~~(D) Screening for patients being considered for admission to state mental health facilities to determine the appropriateness of admission;~~

~~(E) Employment services, which may include supported employment, transitional work, placement in competitive employment, and other work-related services, that result in persons with mental illness becoming engaged in meaningful and gainful full or part-time work. Other sources of funding such as the division of vocational rehabilitation may be utilized by the secretary to maximize federal funding and provide for integration of services;~~

~~(F) Consultation and education services; and~~

~~(G) Community support services~~)) medically necessary services to medicaid recipients consistent with the state's medicaid state plan or federal waiver authorities, and nonmedicaid services consistent with priorities established by the department;

(c) Develop and adopt rules establishing state minimum standards for the delivery of mental health services pursuant to RCW 71.24.037 including, but not limited to:

(i) Licensed service providers. These rules shall permit a county-operated mental health program to be licensed as a service provider subject to compliance with applicable statutes and rules. The secretary shall provide for deeming of compliance with state minimum standards for those entities accredited by recognized behavioral health accrediting bodies recognized and having a current agreement with the department;

(ii) ((~~Regional support networks; and~~

~~(iii)~~)) Inpatient services, evaluation and treatment services and facilities under chapter 71.05 RCW, resource management services, and community support services;

(d) Assure that the special needs of persons who are minorities, elderly, disabled, children, low-income, and parents who are respondents in dependency cases are met within the priorities established in this section;

(e) Establish a standard contract or contracts, consistent with state minimum standards((~~, RCW 71.24.320 and 71.24.330,~~)) which shall be used in contracting with ((~~regional support networks~~)) behavioral health organizations. The standard contract shall include a maximum fund balance, which shall be consistent with that required by federal regulations or waiver stipulations;

(f) Establish, to the extent possible, a standardized auditing procedure which is designed to assure compliance with contractual agreements authorized by this chapter and minimizes paperwork requirements of ((~~regional support networks~~)) behavioral health organizations and licensed service providers. The audit procedure shall focus on the outcomes of service ((~~and not the processes for accomplishing them~~)) as provided in RCW 43.20A.895, 70.320.020, and 71.36.025;

(g) Develop and maintain an information system to be used by the state and ((~~regional support networks~~)) behavioral health organizations that includes a tracking method which allows the department and ((~~regional support networks~~)) behavioral health organizations to identify mental health clients' participation in any mental health service or public program on an immediate basis. The information system shall not include individual patient's case history files. Confidentiality of client information and records shall be maintained as provided in this chapter and chapter 70.02 RCW;

(h) License service providers who meet state minimum standards;

(i) ((~~Certify regional support networks that meet state minimum standards;~~

~~(j)~~)) Periodically monitor the compliance of ((~~certified regional support networks~~)) behavioral health organizations and their network of licensed service providers for compliance with the contract between the department, the ((~~regional support network~~)) behavioral health organization, and federal and state rules at reasonable times and in a reasonable manner;

((~~(k)~~)) (j) Fix fees to be paid by evaluation and treatment centers to the secretary for the required inspections;

((~~(l)~~)) (k) Monitor and audit ((~~regional support networks~~)) behavioral health organizations and licensed service providers as needed to assure compliance with contractual agreements authorized by this chapter;

((~~(m)~~)) (l) Adopt such rules as are necessary to implement the department's responsibilities under this chapter;

((~~(n) Assure the availability of an appropriate amount, as determined by the legislature in the operating budget by amounts appropriated for this specific purpose, of community-based, geographically distributed residential services; (o)~~)) (m) License or certify crisis stabilization units that meet state minimum standards;

((~~(p)~~)) (n) License or certify clubhouses that meet state minimum standards; and

((~~(q)~~)) (o) License or certify triage facilities that meet state minimum standards.

(6) The secretary shall use available resources only for ((~~regional support networks~~)) behavioral health organizations, except:

(a) To the extent authorized, and in accordance with any priorities or conditions specified, in the biennial appropriations act; or

(b) To incentivize improved performance with respect to the client outcomes established in RCW 43.20A.895, 70.320.020, and 71.36.025, integration of behavioral health and medical services at the clinical level, and improved care coordination for individuals with complex care needs.

(7) Each ((~~certified regional support network~~)) behavioral health organization and licensed service provider shall file with the secretary, on request, such data, statistics, schedules, and information as the secretary reasonably requires. A ((~~certified regional support network~~)) behavioral health organization or licensed service provider which, without good cause, fails to furnish any data, statistics, schedules, or information as requested, or files fraudulent reports thereof, may ((~~have its~~)) be subject to the behavioral health organization contractual remedies in section 3 of this act or may have its service provider certification or license revoked or suspended.

(8) The secretary may suspend, revoke, limit, or restrict a certification or license, or refuse to grant a certification or license for failure to conform to: (a) The law; (b) applicable rules and regulations; (c) applicable standards; or (d) state minimum standards.

(9) The superior court may restrain any ((~~regional support network~~)) behavioral health organization or service provider from operating without a contract, certification, or a license or any other violation of this section. The court may also review, pursuant to procedures contained in chapter 34.05 RCW, any denial, suspension, limitation, restriction, or revocation of certification or license, and grant other relief required to enforce the provisions of this chapter.

(10) Upon petition by the secretary, and after hearing held upon reasonable notice to the facility, the superior court may issue a warrant to an officer or employee of the secretary authorizing him or her to enter at reasonable times, and examine the records, books, and accounts of any ((~~regional support network~~)) behavioral health organizations or service provider refusing to consent to inspection or examination by the authority.

(11) Notwithstanding the existence or pursuit of any other remedy, the secretary may file an action for an injunction or other process against any person or governmental unit to restrain or prevent the establishment, conduct, or operation of a ((~~regional support network~~)) behavioral health organization or service provider without a contract, certification, or a license under this chapter.

(12) The standards for certification or licensure of evaluation and treatment facilities shall include standards relating to maintenance of good physical and mental health and other services to be afforded persons pursuant to this chapter and chapters 71.05 and 71.34 RCW, and shall otherwise assure the effectuation of the purposes of these chapters.

(13) The standards for certification or licensure of crisis stabilization units shall include standards that:

(a) Permit location of the units at a jail facility if the unit is physically separate from the general population of the jail;

(b) Require administration of the unit by mental health professionals who direct the stabilization and rehabilitation efforts; and

(c) Provide an environment affording security appropriate with the alleged criminal behavior and necessary to protect the public safety.

(14) The standards for certification or licensure of a clubhouse shall at a minimum include:

(a) The facilities may be peer-operated and must be recovery-focused;

(b) Members and employees must work together;

(c) Members must have the opportunity to participate in all the work of the clubhouse, including administration, research, intake and orientation, outreach, hiring, training and evaluation of staff, public relations, advocacy, and evaluation of clubhouse effectiveness;

(d) Members and staff and ultimately the clubhouse director must be responsible for the operation of the clubhouse, central to this responsibility is the engagement of members and staff in all aspects of clubhouse operations;

(e) Clubhouse programs must be comprised of structured activities including but not limited to social skills training, vocational rehabilitation, employment training and job placement, and community resource development;

(f) Clubhouse programs must provide in-house educational programs that significantly utilize the teaching and tutoring skills of members and assist members by helping them to take advantage of adult education opportunities in the community;

(g) Clubhouse programs must focus on strengths, talents, and abilities of its members;

(h) The work-ordered day may not include medication clinics, day treatment, or other therapy programs within the clubhouse.

(15) The department shall distribute appropriated state and federal funds in accordance with any priorities, terms, or conditions specified in the appropriations act.

(16) The secretary shall assume all duties assigned to the nonparticipating ((~~regional support networks~~)) behavioral health organizations under chapters 71.05 and 71.34 RCW and this chapter. Such responsibilities shall include those which would have been assigned to the nonparticipating counties in regions where there are not participating ((~~regional support networks~~)) behavioral health organizations.

The ((~~regional support networks~~)) behavioral health organizations, or the secretary's assumption of all responsibilities under chapters 71.05 and 71.34 RCW and this chapter, shall be included in all state and federal plans affecting the state mental health program including at least those required by this chapter, the medicaid program, and P.L. 99-660. Nothing in these plans shall be inconsistent with the intent and requirements of this chapter.

(17) The secretary shall:

(a) Disburse funds for the ((~~regional support networks~~)) behavioral health organizations within sixty days of approval of the biennial contract. The department must either approve or reject the biennial contract within sixty days of receipt.

(b) Enter into biennial contracts with ((~~regional support networks~~)) behavioral health organizations. The contracts shall be consistent with available resources. No contract shall be approved that does not include progress toward meeting the goals of this chapter by taking responsibility for: (i) Short-term commitments; (ii) residential care; and (iii) emergency response systems.

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(c) Notify ((~~regional support networks~~)) behavioral health organizations of their allocation of available resources at least sixty days prior to the start of a new biennial contract period.

(d) Deny all or part of the funding allocations to ((~~regional support networks~~)) behavioral health organizations based solely upon formal findings of noncompliance with the terms of the ((~~regional support network's~~)) behavioral health organization's contract with the department. ((~~Regional support networks~~)) Behavioral health organizations disputing the decision of the secretary to withhold funding allocations are limited to the remedies provided in the department's contracts with the ((~~regional support networks~~)) behavioral health organizations.

(18) The department, in cooperation with the state congressional delegation, shall actively seek waivers of federal requirements and such modifications of federal regulations as are necessary to allow federal medicaid reimbursement for services provided by freestanding evaluation and treatment facilities certified under chapter 71.05 RCW. The department shall periodically report its efforts to the appropriate committees of the senate and the house of representatives.

Sec. 12. RCW 71.24.045 and 2006 c 333 s 105 are each amended to read as follows:

The regional support network shall:

(1) Contract as needed with licensed service providers. The regional support network may, in the absence of a licensed service provider entity, become a licensed service provider entity pursuant to minimum standards required for licensing by the department for the purpose of providing services not available from licensed service providers;

(2) Operate as a licensed service provider if it deems that doing so is more efficient and cost effective than contracting for services. When doing so, the regional support network shall comply with rules promulgated by the secretary that shall provide measurements to determine when a regional support network provided service is more efficient and cost effective;

(3) Monitor and perform biennial fiscal audits of licensed service providers who have contracted with the regional support network to provide services required by this chapter. The monitoring and audits shall be performed by means of a formal process which insures that the licensed service providers and professionals designated in this subsection meet the terms of their contracts;

(4) Establish reasonable limitations on administrative costs for agencies that contract with the behavioral health organization;

(5) Assure that the special needs of minorities, ((~~the elderly~~)) older adults, ((~~disabled~~)) individuals with disabilities, children, and low-income persons are met within the priorities established in this chapter;

((~~(5)~~)) (6) Maintain patient tracking information in a central location as required for resource management services and the department's information system;

((~~(6)~~)) (7) Collaborate to ensure that policies do not result in an adverse shift of ((~~mentally ill~~)) persons with mental illness into state and local correctional facilities;

((~~(7)~~)) (8) Work with the department to expedite the enrollment or re-enrollment of eligible persons leaving state or local correctional facilities and institutions for mental diseases;

((~~(8)~~)) (9) If a regional support network is not operated by the county, work closely with the county designated mental health professional or county designated crisis responder to maximize appropriate placement of persons into community services; and

((~~(9)~~)) (10) Coordinate services for individuals who have received services through the community mental health system and who become patients at a state ((~~mental~~)) psychiatric hospital to ensure they are transitioned into the community in accordance with mutually agreed upon discharge plans and upon determination by the medical director of the state ((~~mental~~)) psychiatric hospital that they no longer need intensive inpatient care.

Sec. 13. RCW 71.24.045 and 2014 c . . . s 11 (section 12 of this act) are each amended to read as follows:

The ((~~regional support network~~)) behavioral health organization shall:

(1) Contract as needed with licensed service providers. The ((~~regional support network~~)) behavioral health organization may, in the absence of a licensed service provider entity, become a licensed service provider entity pursuant to minimum standards required for licensing by the department for the purpose of providing services not available from licensed service providers;

(2) Operate as a licensed service provider if it deems that doing so is more efficient and cost effective than contracting for services. When doing so, the ((~~regional support network~~)) behavioral health organization shall comply with rules promulgated by the secretary that shall provide measurements to determine when a ((~~regional support network~~)) behavioral health organization provided service is more efficient and cost effective;

(3) Monitor and perform biennial fiscal audits of licensed service providers who have contracted with the ((~~regional support network~~)) behavioral health organization to provide services required by this chapter. The monitoring and audits shall be performed by means of a formal process which insures that the licensed service providers and professionals designated in this subsection meet the terms of their contracts;

(4) Establish reasonable limitations on administrative costs for agencies that contract with the behavioral health organization;

(5) Assure that the special needs of minorities, older adults, individuals with disabilities, children, and low-income persons are met within the priorities established in this chapter;

(6) Maintain patient tracking information in a central location as required for resource management services and the department's information system;

(7) Collaborate to ensure that policies do not result in an adverse shift of persons with mental illness into state and local correctional facilities;

(8) Work with the department to expedite the enrollment or re-enrollment of eligible persons leaving state or local correctional facilities and institutions for mental diseases;

(9) ((~~If a regional support network is not operated by the county,~~)) Work closely with the county designated mental health professional or county designated crisis responder to maximize appropriate placement of persons into community services; and

(10) Coordinate services for individuals who have received services through the community mental health system and who become patients at a state psychiatric hospital to ensure they are transitioned into the community in accordance with mutually agreed upon discharge plans and upon determination by the medical director of the state psychiatric hospital that they no longer need intensive inpatient care.

Sec. 14. RCW 71.24.100 and 2012 c 117 s 442 are each amended to read as follows:

A county authority or a group of county authorities may enter into a joint operating agreement to ((~~form~~)) respond to a request for a detailed plan and contract with the state to operate a ((~~regional support network~~)) behavioral health organization whose boundaries are consistent with the regional service areas established under section 2 of this act. Any agreement between two or more county authorities ((~~for the establishment of a regional support network~~)) shall provide:

(1) That each county shall bear a share of the cost of mental health services; and

(2) That the treasurer of one participating county shall be the custodian of funds made available for the purposes of such mental health services, and that the treasurer may make payments from such funds upon audit by the appropriate auditing officer of the county for which he or she is treasurer.

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Sec. 15. RCW 71.24.110 and 1999 c 10 s 7 are each amended to read as follows:

An agreement ((~~for the establishment of a community mental health program~~)) to contract with the state to operate a behavioral health organization under RCW 71.24.100 may also provide:

(1) For the joint supervision or operation of services and facilities, or for the supervision or operation of service and facilities by one participating county under contract for the other participating counties; and

(2) For such other matters as are necessary or proper to effectuate the purposes of this chapter.

Sec. 16. RCW 71.24.340 and 2005 c 503 s 13 are each amended to read as follows:

The secretary shall require the ((~~regional support networks~~)) behavioral health organizations to develop ((~~interlocal agreements pursuant to RCW 74.09.555. To this end, the regional support networks shall~~)) agreements with city and county jails to accept referrals for enrollment on behalf of a confined person, prior to the person's release.

Sec. 17. RCW 71.24.420 and 2001 c 323 s 2 are each amended to read as follows:

The department shall operate the community mental health service delivery system authorized under this chapter within the following constraints:

(1) The full amount of federal funds for mental health services, plus qualifying state expenditures as appropriated in the biennial operating budget, shall be appropriated to the department each year in the biennial appropriations act to carry out the provisions of the community mental health service delivery system authorized in this chapter.

(2) The department may expend funds defined in subsection (1) of this section in any manner that will effectively accomplish the outcome measures ((~~defined in section 5 of this act~~)) established in RCW 43.20A.895 and 71.36.025 and performance measures linked to those outcomes.

(3) The department shall implement strategies that accomplish the outcome measures ((~~identified in section 5 of this act that are within the funding constraints in this section~~)) established in RCW 43.20A.895, 70.320.020, and 71.36.025 and performance measures linked to those outcomes.

(4) The department shall monitor expenditures against the appropriation levels provided for in subsection (1) of this section.

Sec. 18. RCW 70.96A.010 and 1989 c 271 s 304 are each amended to read as follows:

It is the policy of this state that ((~~alcoholics~~)) persons with alcoholism and intoxicated persons may not be subjected to criminal prosecution solely because of their consumption of alcoholic beverages but rather should, within available funds, be afforded a continuum of treatment in order that they may lead normal lives as productive members of society. Within available funds, treatment should also be provided for ((~~drug addicts~~)) persons with drug addiction.

Sec. 19. RCW 70.96A.011 and 1989 c 270 s 1 are each amended to read as follows:

The legislature finds that the use of alcohol and other drugs has become a serious threat to the health of the citizens of the state of Washington. The use of psychoactive chemicals has been found to be a prime factor in the current AIDS epidemic. Therefore, a comprehensive statute to deal with alcoholism and other drug addiction is necessary.

The legislature agrees with the 1987 resolution of the American Medical Association that endorses the proposition that all chemical dependencies, including alcoholism, are diseases. It is the intent of the legislature to ((~~end the sharp distinctions between alcoholism services and other drug addiction services, to~~)) recognize that chemical dependency is a disease, and to insure that prevention and treatment services are available and are of high quality. It is the purpose of this chapter to provide the financial assistance necessary to enable the department of social and health services to provide a ((~~discrete~~)) program of alcoholism and other drug addiction services.

Sec. 20. RCW 70.96A.020 and 2001 c 13 s 1 are each amended to read as follows:

For the purposes of this chapter the following words and phrases shall have the following meanings unless the context clearly requires otherwise:

(1) ((~~"Alcoholic" means a person who suffers from the disease of alcoholism.~~

~~(2)~~)) "Alcoholism" means a disease, characterized by a dependency on alcoholic beverages, loss of control over the amount and circumstances of use, symptoms of tolerance, physiological or psychological withdrawal, or both, if use is reduced or discontinued, and impairment of health or disruption of social or economic functioning.

((~~(3)~~)) (2) "Approved treatment program" means a ((~~discrete~~)) program ((~~of chemical dependency treatment~~)) for persons with a substance use disorder provided by a treatment program certified by the department of social and health services as meeting standards adopted under this chapter.

((~~(4)~~)) (3) "Chemical dependency" means:

(a) Alcoholism; (b) drug addiction; or (c) dependence on alcohol and one or more other psychoactive chemicals, as the context requires.

((~~(5)~~)) (4) "Chemical dependency program" means expenditures and activities of the department designed and conducted to prevent or treat alcoholism and other drug addiction, including reasonable administration and overhead.

((~~(6)~~)) (5) "Department" means the department of social and health services.

((~~(7)~~)) (6) "Designated chemical dependency specialist" or "specialist" means a person designated by the behavioral health organization or by the county alcoholism and other drug addiction program coordinator designated under RCW 70.96A.310 to perform the commitment duties described in RCW 70.96A.140 and qualified to do so by meeting standards adopted by the department.

((~~(8)~~)) (7) "Director" means the person administering the ((~~chemical dependency~~)) substance use disorder program within the department.

((~~(9) "Drug addict" means a person who suffers from the disease of drug addiction.~~

~~(10)~~)) (8) "Drug addiction" means a disease characterized by a dependency on psychoactive chemicals, loss of control over the amount and circumstances of use, symptoms of tolerance, physiological or psychological withdrawal, or both, if use is reduced or discontinued, and impairment of health or disruption of social or economic functioning.

((~~(11)~~)) (9) "Emergency service patrol" means a patrol established under RCW 70.96A.170.

((~~(12)~~)) (10) "Gravely disabled by alcohol or other psychoactive chemicals" or "gravely disabled" means that a person, as a result of the use of alcohol or other psychoactive chemicals: (a) Is in danger of serious physical harm resulting from a failure to provide for his or her essential human needs of health or safety; or (b) manifests severe deterioration in routine functioning evidenced by a repeated and escalating loss of cognition or volitional control over his or her actions and is not receiving care as essential for his or her health or safety.

((~~(13)~~)) (11) "History of one or more violent acts" refers to the period of time ten years prior to the filing of a petition under this chapter, excluding any time spent, but not any violent acts committed, in a mental health facility, or a long-term alcoholism or drug treatment facility, or in confinement.

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((~~(14)~~)) (12) "Incapacitated by alcohol or other psychoactive chemicals" means that a person, as a result of the use of alcohol or other psychoactive chemicals, is gravely disabled or presents a likelihood of serious harm to himself or herself, to any other person, or to property.

((~~(15)~~)) (13) "Incompetent person" means a person who has been adjudged incompetent by the superior court.

((~~(16)~~)) (14) "Intoxicated person" means a person whose mental or physical functioning is substantially impaired as a result of the use of alcohol or other psychoactive chemicals.

((~~(17)~~)) (15) "Licensed physician" means a person licensed to practice medicine or osteopathic medicine and surgery in the state of Washington.

((~~(18)~~)) (16) "Likelihood of serious harm" means:

(a) A substantial risk that: (i) Physical harm will be inflicted by an individual upon his or her own person, as evidenced by threats or attempts to commit suicide or inflict physical harm on one's self; (ii) physical harm will be inflicted by an individual upon another, as evidenced by behavior that has caused the harm or that places another person or persons in reasonable fear of sustaining the harm; or (iii) physical harm will be inflicted by an individual upon the property of others, as evidenced by behavior that has caused substantial loss or damage to the property of others; or

(b) The individual has threatened the physical safety of another and has a history of one or more violent acts.

((~~(19)~~)) (17) "Medical necessity" for inpatient care of a minor means a requested certified inpatient service that is reasonably calculated to: (a) Diagnose, arrest, or alleviate a chemical dependency; or (b) prevent the ((~~worsening of chemical dependency conditions~~)) progression of substance use disorders that endanger life or cause suffering and pain, or result in illness or infirmity or threaten to cause or aggravate a handicap, or cause physical deformity or malfunction, and there is no adequate less restrictive alternative available.

((~~(20)~~)) (18) "Minor" means a person less than eighteen years of age.

((~~(21)~~)) (19) "Parent" means the parent or parents who have the legal right to custody of the child. Parent includes custodian or guardian.

((~~(22)~~)) (20) "Peace officer" means a law enforcement official of a public agency or governmental unit, and includes persons specifically given peace officer powers by any state law, local ordinance, or judicial order of appointment.

((~~(23)~~)) (21) "Person" means an individual, including a minor.

((~~(24)~~)) (22) "Professional person in charge" or "professional person" means a physician or chemical dependency counselor as defined in rule by the department, who is empowered by a certified treatment program with authority to make assessment, admission, continuing care, and discharge decisions on behalf of the certified program.

((~~(25)~~)) (23) "Secretary" means the secretary of the department of social and health services.

((~~(26)~~)) (24) "Treatment" means the broad range of emergency, ((~~detoxification~~)) withdrawal management, residential, and outpatient services and care, including diagnostic evaluation, chemical dependency education and counseling, medical, psychiatric, psychological, and social service care, vocational rehabilitation and career counseling, which may be extended to ((~~alcoholics and other drug addicts~~)) persons with substance use disorders and their families, persons incapacitated by alcohol or other psychoactive chemicals, and intoxicated persons.

((~~(27)~~)) (25) "Treatment program" means an organization, institution, or corporation, public or private, engaged in the care, treatment, or rehabilitation of ((~~alcoholics or other drug addicts~~)) persons with substance use disorder.

((~~(28)~~)) (26) "Violent act" means behavior that resulted in homicide, attempted suicide, nonfatal injuries, or substantial damage to property.

(27) "Behavioral health organization" means a county authority or group of county authorities or other entity recognized by the secretary in contract in a defined regional service area.

(28) "Behavioral health services" means mental health services as described in chapters 71.24 and 71.36 RCW and chemical dependency treatment services as described in this chapter.

(29) "Substance use disorder" means a cluster of cognitive, behavioral, and physiological symptoms indicating that an individual continues using the substance despite significant substance-related problems. The diagnosis of a substance use disorder is based on a pathological pattern of behaviors related to the use of the substances.

Sec. 21. RCW 70.96A.030 and 1989 c 270 s 4 are each amended to read as follows:

A ((~~discrete~~)) program ((~~of chemical dependency~~)) for persons with a substance use disorder is established within the department of social and health services, to be administered by a qualified person who has training and experience in handling alcoholism and other drug addiction problems or the organization or administration of treatment services for persons suffering from alcoholism or other drug addiction problems.

Sec. 22. RCW 70.96A.040 and 1989 c 270 s 5 are each amended to read as follows:

The department, in the operation of the chemical dependency program may:

(1) Plan, establish, and maintain prevention and treatment programs as necessary or desirable;

(2) Make contracts necessary or incidental to the performance of its duties and the execution of its powers, including managed care contracts for behavioral health services, contracts entered into under RCW 74.09.522, and contracts with public and private agencies, organizations, and individuals to pay them for services rendered or furnished to ((~~alcoholics or other drug addicts~~)) persons with substance use disorders, persons incapacitated by alcohol or other psychoactive chemicals, or intoxicated persons;

(3) Enter into agreements for monitoring of verification of qualifications of counselors employed by approved treatment programs;

(4) Adopt rules under chapter 34.05 RCW to carry out the provisions and purposes of this chapter and contract, cooperate, and coordinate with other public or private agencies or individuals for those purposes;

(5) Solicit and accept for use any gift of money or property made by will or otherwise, and any grant of money, services, or property from the federal government, the state, or any political subdivision thereof or any private source, and do all things necessary to cooperate with the federal government or any of its agencies in making an application for any grant;

(6) Administer or supervise the administration of the provisions relating to ((~~alcoholics, other drug addicts,~~)) persons with substance use disorders and intoxicated persons of any state plan submitted for federal funding pursuant to federal health, welfare, or treatment legislation;

(7) Coordinate its activities and cooperate with chemical dependency programs in this and other states, and make contracts and other joint or cooperative arrangements with state, local, or private agencies in this and other states for the treatment of ((~~alcoholics and other drug addicts~~)) persons with substance use disorders and their families, persons incapacitated by alcohol or other psychoactive chemicals, and intoxicated persons and for the common advancement of chemical dependency programs;

(8) Keep records and engage in research and the gathering of relevant statistics;

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(9) Do other acts and things necessary or convenient to execute the authority expressly granted to it;

(10) Acquire, hold, or dispose of real property or any interest therein, and construct, lease, or otherwise provide treatment programs.

Sec. 23. RCW 70.96A.050 and 2001 c 13 s 2 are each amended to read as follows:

The department shall:

(1) Develop, encourage, and foster statewide, regional, and local plans and programs for the prevention of alcoholism and other drug addiction, treatment of ((~~alcoholics and other drug addicts~~)) persons with substance use disorders and their families, persons incapacitated by alcohol or other psychoactive chemicals, and intoxicated persons in cooperation with public and private agencies, organizations, and individuals and provide technical assistance and consultation services for these purposes;

(2) Assure that any behavioral health organization managed care contract, or managed care contract under RCW 74.09.522 for behavioral health services or programs for the treatment of persons with substance use disorders, and their families, persons incapacitated by alcohol or other psychoactive chemicals, and intoxicated persons provides medically necessary services to medicaid recipients. This must include a continuum of mental health and chemical dependency services consistent with the state's medicaid plan or federal waiver authorities, and nonmedicaid services consistent with priorities established by the department;

(3) Coordinate the efforts and enlist the assistance of all public and private agencies, organizations, and individuals interested in prevention of alcoholism and drug addiction, and treatment of ((~~alcoholics and other drug addicts~~)) persons with substance use disorders and their families, persons incapacitated by alcohol or other psychoactive chemicals, and intoxicated persons;

((~~(3)~~)) (4) Cooperate with public and private agencies in establishing and conducting programs to provide treatment for ((~~alcoholics and other drug addicts~~)) persons with substance use disorders and their families, persons incapacitated by alcohol or other psychoactive chemicals, and intoxicated persons who are clients of the correctional system;

((~~(4)~~)) (5) Cooperate with the superintendent of public instruction, state board of education, schools, police departments, courts, and other public and private agencies, organizations and individuals in establishing programs for the prevention of alcoholism and other drug addiction, treatment of ((~~alcoholics or other drug addicts~~)) persons with substance use disorders and their families, persons incapacitated by alcohol or other psychoactive chemicals, and intoxicated persons, and preparing curriculum materials thereon for use at all levels of school education;

((~~(5)~~)) (6) Prepare, publish, evaluate, and disseminate educational material dealing with the nature and effects of alcohol and other psychoactive chemicals and the consequences of their use;

((~~(6)~~)) (7) Develop and implement, as an integral part of treatment programs, an educational program for use in the treatment of ((~~alcoholics or other drug addicts~~)) persons with substance use disorders, persons incapacitated by alcohol or other psychoactive chemicals, and intoxicated persons, which program shall include the dissemination of information concerning the nature and effects of alcohol and other psychoactive chemicals, the consequences of their use, the principles of recovery, and HIV and AIDS;

((~~(7)~~)) (8) Organize and foster training programs for persons engaged in treatment of ((~~alcoholics or other drug addicts~~)) persons with substance use disorders, persons incapacitated by alcohol or other psychoactive chemicals, and intoxicated persons;

((~~(8)~~)) (9) Sponsor and encourage research into the causes and nature of alcoholism and other drug addiction, treatment of ((~~alcoholics and other drug addicts~~)) persons with substance use disorders, persons incapacitated by alcohol or other psychoactive chemicals, and intoxicated persons, and serve as a clearinghouse for information relating to alcoholism or other drug addiction;

((~~(9)~~)) (10) Specify uniform methods for keeping statistical information by public and private agencies, organizations, and individuals, and collect and make available relevant statistical information, including number of persons treated, frequency of admission and readmission, and frequency and duration of treatment;

((~~(10)~~)) (11) Advise the governor in the preparation of a comprehensive plan for treatment of ((~~alcoholics and other drug addicts~~)) persons with substance use disorders, persons incapacitated by alcohol or other psychoactive chemicals, and intoxicated persons for inclusion in the state's comprehensive health plan;

((~~(11)~~)) (12) Review all state health, welfare, and treatment plans to be submitted for federal funding under federal legislation, and advise the governor on provisions to be included relating to ((~~alcoholism and other drug addiction, persons incapacitated by alcohol or other psychoactive chemicals, and intoxicated persons~~)) substance use disorders;

((~~(12)~~)) (13) Assist in the development of, and cooperate with, programs for alcohol and other psychoactive chemical education and treatment for employees of state and local governments and businesses and industries in the state;

((~~(13)~~)) (14) Use the support and assistance of interested persons in the community to encourage ((~~alcoholics and other drug addicts~~)) persons with substance use disorders voluntarily to undergo treatment;

((~~(14)~~)) (15) Cooperate with public and private agencies in establishing and conducting programs designed to deal with the problem of persons operating motor vehicles while intoxicated;

((~~(15)~~)) (16) Encourage general hospitals and other appropriate health facilities to admit without discrimination ((~~alcoholics and other drug addicts~~)) persons with substance use disorders, persons incapacitated by alcohol or other psychoactive chemicals, and intoxicated persons and to provide them with adequate and appropriate treatment;

((~~(16)~~)) (17) Encourage all health and disability insurance programs to include alcoholism and other drug addiction as a covered illness; and

((~~(17)~~)) (18) Organize and sponsor a statewide program to help court personnel, including judges, better understand the disease of alcoholism and other drug addiction and the uses of chemical dependency treatment programs.

Sec. 24. RCW 70.96A.060 and 1989 c 270 s 8 are each amended to read as follows:

(1) An interdepartmental coordinating committee is established, composed of the superintendent of public instruction or his or her designee, the director of licensing or his or her designee, the executive secretary of the Washington state law enforcement training commission or his or her designee, and one or more designees (not to exceed three) of the secretary, one of whom shall be the director of the chemical dependency program. The committee shall meet at least twice annually at the call of the secretary, or his or her designee, who shall be its chair. The committee shall provide for the coordination of, and exchange of information on, all programs relating to alcoholism and other drug addiction, and shall act as a permanent liaison among the departments engaged in activities affecting ((~~alcoholics and other drug addicts~~)) persons with substance use disorders, persons incapacitated by alcohol or other psychoactive chemicals, and intoxicated persons. The committee shall assist the secretary and director in formulating a comprehensive plan for prevention of alcoholism and other drug addiction, for treatment of ((~~alcoholics and other drug addicts~~)) persons with substance use disorders, persons incapacitated by alcohol or other psychoactive chemicals, and intoxicated persons.

(2) In exercising its coordinating functions, the committee shall assure that:

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(a) The appropriate state agencies provide or assure all necessary medical, social, treatment, and educational services for ((~~alcoholics and other drug addicts~~)) persons with substance use disorders and their families, persons incapacitated by alcohol or other psychoactive chemicals, and intoxicated persons and for the prevention of alcoholism and other chemical dependency, without unnecessary duplication of services;

(b) The several state agencies cooperate in the use of facilities and in the treatment of ((~~alcoholics and other drug addicts~~)) persons with substance use disorders, persons incapacitated by alcohol or other psychoactive chemicals, and intoxicated persons; and

(c) All state agencies adopt approaches to the prevention of ((~~alcoholism and other drug addiction~~)) substance use disorders, the treatment of ((~~alcoholics and other drug addicts~~)) persons with substance use disorders and their families, persons incapacitated by alcohol or other psychoactive chemicals, and intoxicated persons consistent with the policy of this chapter.

Sec. 25. RCW 70.96A.080 and 1989 c 270 s 18 are each amended to read as follows:

(1) In coordination with the health care authority, the department shall establish by ((~~all~~)) appropriate means, ((~~including contracting for services,~~)) a comprehensive and coordinated ((~~discrete~~)) program for the treatment of ((~~alcoholics and other drug addicts~~)) persons with substance use disorders, and their families, persons incapacitated by alcohol or other psychoactive chemicals, and intoxicated persons.

(2)(a) The program shall include, but not necessarily be limited to, a continuum of chemical dependency treatment services that includes:

((~~(a) Detoxification~~)) (i) Withdrawal management;

((~~(b)~~)) (ii) Residential treatment; and

((~~(c)~~)) (iii) Outpatient treatment.

(b) The program may include peer support, supported housing, supported employment, crisis diversion, or recovery support services.

(3) All appropriate public and private resources shall be coordinated with and used in the program when possible.

(4) The department may contract for the use of an approved treatment program or other individual or organization if the secretary considers this to be an effective and economical course to follow.

(5) By April 1, 2016, treatment provided under this chapter must be purchased primarily through managed care contracts. Consistent with RCW 70.96A.350, services and funding provided through the criminal justice treatment account are intended to be exempted from managed care contracting.

Sec. 26. RCW 70.96A.085 and 1989 c 270 s 12 are each amended to read as follows:

A city, town, or county that does not have its own facility or program for the treatment and rehabilitation of ((~~alcoholics and other drug addicts~~)) persons with substance use disorders may share in the use of a facility or program maintained by another city or county so long as it contributes no less than two percent of its share of liquor taxes and profits to the support of the facility or program.

Sec. 27. RCW 70.96A.100 and 1989 c 270 s 23 are each amended to read as follows:

The secretary shall adopt and may amend and repeal rules for acceptance of persons into the approved treatment program, considering available treatment resources and facilities, for the purpose of early and effective treatment of ((~~alcoholics and other drug addicts~~)) persons with substance use disorders, persons incapacitated by alcohol or other psychoactive chemicals, and intoxicated persons. In establishing the rules, the secretary shall be guided by the following standards:

(1) If possible a patient shall be treated on a voluntary rather than an involuntary basis.

(2) A patient shall be initially assigned or transferred to outpatient treatment, unless he or she is found to require residential treatment.

(3) A person shall not be denied treatment solely because he or she has withdrawn from treatment against medical advice on a prior occasion or because he or she has relapsed after earlier treatment.

(4) An individualized treatment plan shall be prepared and maintained on a current basis for each patient.

(5) Provision shall be made for a continuum of coordinated treatment services, so that a person who leaves a facility or a form of treatment will have available and use other appropriate treatment.

Sec. 28. RCW 70.96A.110 and 1990 c 151 s 7 are each amended to read as follows:

(1) ((~~An alcoholic or other drug addict~~)) An individual with a substance use disorder may apply for voluntary treatment directly to an approved treatment program. If the proposed patient is a minor or an incompetent person, he or she, a parent, a legal guardian, or other legal representative may make the application.

(2) Subject to rules adopted by the secretary, the administrator in charge of an approved treatment program may determine who shall be admitted for treatment. If a person is refused admission to an approved treatment program, the administrator, subject to rules adopted by the secretary, shall refer the person to another approved treatment program for treatment if possible and appropriate.

(3) If a patient receiving inpatient care leaves an approved treatment program, he or she shall be encouraged to consent to appropriate outpatient treatment. If it appears to the administrator in charge of the treatment program that the patient is ((~~an alcoholic or other drug addict~~)) an individual with a substance use disorder who requires help, the department may arrange for assistance in obtaining supportive services and residential programs.

(4) If a patient leaves an approved public treatment program, with or against the advice of the administrator in charge of the program, the department may make reasonable provisions for his or her transportation to another program or to his or her home. If the patient has no home he or she should be assisted in obtaining shelter. If the patient is less than fourteen years of age or an incompetent person the request for discharge from an inpatient program shall be made by a parent, legal guardian, or other legal representative or by the minor or incompetent if he or she was the original applicant.

Sec. 29. RCW 70.96A.140 and 2001 c 13 s 3 are each amended to read as follows:

(1) When a designated chemical dependency specialist receives information alleging that a person presents a likelihood of serious harm or is gravely disabled as a result of chemical dependency, the designated chemical dependency specialist, after investigation and evaluation of the specific facts alleged and of the reliability and credibility of the information, may file a petition for commitment of such person with the superior court, district court, or in another court permitted by court rule.

If a petition for commitment is not filed in the case of a minor, the parent, guardian, or custodian who has custody of the minor may seek review of that decision made by the designated chemical dependency specialist in superior or district court. The parent, guardian, or custodian shall file notice with the court and provide a copy of the designated chemical dependency specialist's report.

If the designated chemical dependency specialist finds that the initial needs of such person would be better served by placement within the mental health system, the person shall be referred to either a ((~~county~~)) designated mental health professional or an evaluation and treatment facility as defined in RCW 71.05.020 or 71.34.020. If placement in a chemical dependency program is available and deemed appropriate, the petition shall allege that: The person is chemically dependent and presents a likelihood of serious harm or is gravely disabled by alcohol or drug addiction, or that the person has twice before in the preceding twelve months been admitted for ((~~detoxification~~)) withdrawal management, sobering services, or chemical dependency treatment pursuant to RCW 70.96A.110 or 70.96A.120, and is in need of a more sustained treatment program, or

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that the person is chemically dependent and has threatened, attempted, or inflicted physical harm on another and is likely to inflict physical harm on another unless committed. A refusal to undergo treatment, by itself, does not constitute evidence of lack of judgment as to the need for treatment. The petition shall be accompanied by a certificate of a licensed physician who has examined the person within five days before submission of the petition, unless the person whose commitment is sought has refused to submit to a medical examination, in which case the fact of refusal shall be alleged in the petition. The certificate shall set forth the licensed physician's findings in support of the allegations of the petition. A physician employed by the petitioning program or the department is eligible to be the certifying physician.

(2) Upon filing the petition, the court shall fix a date for a hearing no less than two and no more than seven days after the date the petition was filed unless the person petitioned against is presently being detained in a program, pursuant to RCW 70.96A.120, 71.05.210, or ((~~71.34.050~~)) 71.34.710, in which case the hearing shall be held within seventy-two hours of the filing of the petition: PROVIDED, HOWEVER, That the above specified seventy-two hours shall be computed by excluding Saturdays, Sundays, and holidays: PROVIDED FURTHER, That, the court may, upon motion of the person whose commitment is sought, or upon motion of petitioner with written permission of the person whose commitment is sought, or his or her counsel and, upon good cause shown, extend the date for the hearing. A copy of the petition and of the notice of the hearing, including the date fixed by the court, shall be served by the designated chemical dependency specialist on the person whose commitment is sought, his or her next of kin, a parent or his or her legal guardian if he or she is a minor, and any other person the court believes advisable. A copy of the petition and certificate shall be delivered to each person notified.

(3) At the hearing the court shall hear all relevant testimony, including, if possible, the testimony, which may be telephonic, of at least one licensed physician who has examined the person whose commitment is sought. Communications otherwise deemed privileged under the laws of this state are deemed to be waived in proceedings under this chapter when a court of competent jurisdiction in its discretion determines that the waiver is necessary to protect either the detained person or the public. The waiver of a privilege under this section is limited to records or testimony relevant to evaluation of the detained person for purposes of a proceeding under this chapter. Upon motion by the detained person, or on its own motion, the court shall examine a record or testimony sought by a petitioner to determine whether it is within the scope of the waiver.

The record maker shall not be required to testify in order to introduce medical, nursing, or psychological records of detained persons so long as the requirements of RCW 5.45.020 are met, except that portions of the record that contain opinions as to whether the detained person is chemically dependent shall be deleted from the records unless the person offering the opinions is available for cross-examination. The person shall be present unless the court believes that his or her presence is likely to be injurious to him or her; in this event the court may deem it appropriate to appoint a guardian ad litem to represent him or her throughout the proceeding. If deemed advisable, the court may examine the person out of courtroom. If the person has refused to be examined by a licensed physician, he or she shall be given an opportunity to be examined by a court appointed licensed physician. If he or she refuses and there is sufficient evidence to believe that the allegations of the petition are true, or if the court believes that more medical evidence is necessary, the court may make a temporary order committing him or her to the department for a period of not more than five days for purposes of a diagnostic examination.

(4) If after hearing all relevant evidence, including the results of any diagnostic examination, the court finds that grounds for involuntary commitment have been established by clear, cogent, and convincing proof, it shall make an order of commitment to an approved treatment program. It shall not order commitment of a person unless it determines that an approved treatment program is available and able to provide adequate and appropriate treatment for him or her.

(5) A person committed under this section shall remain in the program for treatment for a period of sixty days unless sooner discharged. At the end of the sixty-day period, he or she shall be discharged automatically unless the program, before expiration of the period, files a petition for his or her recommitment upon the grounds set forth in subsection (1) of this section for a further period of ninety days unless sooner discharged.

If a petition for recommitment is not filed in the case of a minor, the parent, guardian, or custodian who has custody of the minor may seek review of that decision made by the designated chemical dependency specialist in superior or district court. The parent, guardian, or custodian shall file notice with the court and provide a copy of the treatment progress report.

If a person has been committed because he or she is chemically dependent and likely to inflict physical harm on another, the program shall apply for recommitment if after examination it is determined that the likelihood still exists.

(6) Upon the filing of a petition for recommitment under subsection (5) of this section, the court shall fix a date for hearing no less than two and no more than seven days after the date the petition was filed: PROVIDED, That, the court may, upon motion of the person whose commitment is sought and upon good cause shown, extend the date for the hearing. A copy of the petition and of the notice of hearing, including the date fixed by the court, shall be served by the treatment program on the person whose commitment is sought, his or her next of kin, the original petitioner under subsection (1) of this section if different from the petitioner for recommitment, one of his or her parents or his or her legal guardian if he or she is a minor, and his or her attorney and any other person the court believes advisable. At the hearing the court shall proceed as provided in subsection (3) of this section.

(7) The approved treatment program shall provide for adequate and appropriate treatment of a person committed to its custody. A person committed under this section may be transferred from one approved public treatment program to another if transfer is medically advisable.

(8) A person committed to the custody of a program for treatment shall be discharged at any time before the end of the period for which he or she has been committed and he or she shall be discharged by order of the court if either of the following conditions are met:

(a) In case of a chemically dependent person committed on the grounds of likelihood of infliction of physical harm upon himself, herself, or another, the likelihood no longer exists; or further treatment will not be likely to bring about significant improvement in the person's condition, or treatment is no longer adequate or appropriate.

(b) In case of a chemically dependent person committed on the grounds of the need of treatment and incapacity, that the incapacity no longer exists.

(9) The court shall inform the person whose commitment or recommitment is sought of his or her right to contest the application, be represented by counsel at every stage of any proceedings relating to his or her commitment and recommitment, and have counsel appointed by the court or provided by the court, if he or she wants the assistance of counsel and is unable to obtain counsel. If the court believes that the person needs the assistance of counsel, the court shall require, by appointment if necessary, counsel for him or her regardless of his or her wishes. The person shall, if he or she is financially able, bear the costs of such legal service; otherwise such legal service shall be at public expense. The person whose

commitment or recommitment is sought shall be informed of his or her right to be examined by a licensed physician of his or her choice. If the person is unable to obtain a licensed physician and requests examination by a physician, the court shall employ a licensed physician.

(10) A person committed under this chapter may at any time seek to be discharged from commitment by writ of habeas corpus in a court of competent jurisdiction.

(11) The venue for proceedings under this section is the county in which person to be committed resides or is present.

(12) When in the opinion of the professional person in charge of the program providing involuntary treatment under this chapter, the committed patient can be appropriately served by less restrictive treatment before expiration of the period of commitment, then the less restrictive care may be required as a condition for early release for a period which, when added to the initial treatment period, does not exceed the period of commitment. If the program designated to provide the less restrictive treatment is other than the program providing the initial involuntary treatment, the program so designated must agree in writing to assume such responsibility. A copy of the conditions for early release shall be given to the patient, the designated chemical dependency specialist of original commitment, and the court of original commitment. The program designated to provide less restrictive care may modify the conditions for continued release when the modifications are in the best interests of the patient. If the program providing less restrictive care and the designated chemical dependency specialist determine that a conditionally released patient is failing to adhere to the terms and conditions of his or her release, or that substantial deterioration in the patient's functioning has occurred, then the designated chemical dependency specialist shall notify the court of original commitment and request a hearing to be held no less than two and no more than seven days after the date of the request to determine whether or not the person should be returned to more restrictive care. The designated chemical dependency specialist shall file a petition with the court stating the facts substantiating the need for the hearing along with the treatment recommendations. The patient shall have the same rights with respect to notice, hearing, and counsel as for the original involuntary treatment proceedings. The issues to be determined at the hearing are whether the conditionally released patient did or did not adhere to the terms and conditions of his or her release to less restrictive care or that substantial deterioration of the patient's functioning has occurred and whether the conditions of release should be modified or the person should be returned to a more restrictive program. The hearing may be waived by the patient and his or her counsel and his or her guardian or conservator, if any, but may not be waived unless all such persons agree to the waiver. Upon waiver, the person may be returned for involuntary treatment or continued on conditional release on the same or modified conditions.

Sec. 30. RCW 70.96A.190 and 1989 c 270 s 32 are each amended to read as follows:

(1) No county, municipality, or other political subdivision may adopt or enforce a local law, ordinance, resolution, or rule having the force of law that includes drinking, being ((~~an alcoholic or drug addict~~)) an individual with a substance use disorder, or being found in an intoxicated condition as one of the elements of the offense giving rise to a criminal or civil penalty or sanction.

(2) No county, municipality, or other political subdivision may interpret or apply any law of general application to circumvent the provision of subsection (1) of this section.

(3) Nothing in this chapter affects any law, ordinance, resolution, or rule against drunken driving, driving under the influence of alcohol or other psychoactive chemicals, or other similar offense involving the operation of a vehicle, aircraft, boat, machinery, or other equipment, or regarding the sale, purchase, dispensing, possessing, or use of alcoholic beverages or other psychoactive chemicals at stated times and places or by a particular class of persons; nor shall evidence of intoxication affect, other than as a defense, the application of any law, ordinance, resolution, or rule to conduct otherwise establishing the elements of an offense.

Sec. 31. RCW 70.96A.300 and 1989 c 270 s 15 are each amended to read as follows:

(1) A county or combination of counties acting jointly by agreement, referred to as "county" in this chapter, may create an alcoholism and other drug addiction board. This board may also be designated as a board for other related purposes.

(2) The board shall be composed of not less than seven nor more than fifteen members, who shall be chosen for their demonstrated concern for alcoholism and other drug addiction problems. Members of the board shall be representative of the community, shall include at least one-quarter recovered ((~~alcoholics or other recovered drug addicts~~)) persons with substance use disorders, and shall include minority group representation. No member may be a provider of alcoholism and other drug addiction treatment services. No more than four elected or appointed city or county officials may serve on the board at the same time. Members of the board shall serve three-year terms and hold office until their successors are appointed and qualified. They shall not be compensated for the performance of their duties as members of the board, but may be reimbursed for travel expenses.

(3) The alcoholism and other drug addiction board shall:

(a) Conduct public hearings and other investigations to determine the needs and priorities of county citizens;

(b) Prepare and recommend to the county legislative authority for approval, all plans, budgets, and applications by the county to the department and other state agencies on behalf of the county alcoholism and other drug addiction program;

(c) Monitor the implementation of the alcoholism and other drug addiction plan and evaluate the performance of the alcoholism and drug addiction program at least annually;

(d) Advise the county legislative authority and county alcoholism and other drug addiction program coordinator on matters relating to the alcoholism and other drug addiction program, including prevention and education;

(e) Nominate individuals to the county legislative authority for the position of county alcoholism and other drug addiction program coordinator. The nominees should have training and experience in the administration of alcoholism and other drug addiction services and shall meet the minimum qualifications established by rule of the department;

(f) Carry out other duties that the department may prescribe by rule.

Sec. 32. RCW 70.96A.320 and 2013 c 320 s 8 are each amended to read as follows:

(1) A county legislative authority, or two or more counties acting jointly, may establish an alcoholism and other drug addiction program. If two or more counties jointly establish the program, they shall designate one county to provide administrative and financial services.

(2) To be eligible for funds from the department for the support of the county alcoholism and other drug addiction program, the county legislative authority shall establish a county alcoholism and other drug addiction board under RCW 70.96A.300 and appoint a county alcoholism and other drug addiction program coordinator under RCW 70.96A.310.

(3) The county legislative authority may apply to the department for financial support for the county program of alcoholism and other drug addiction. To receive financial support, the county legislative authority shall submit a plan that meets the following conditions:

(a) It shall describe the prevention, early intervention, or recovery support services and activities to be provided;

(b) It shall include anticipated expenditures and revenues;

(c) It shall be prepared by the county alcoholism and other drug addiction program board and be adopted by the county legislative authority;

(d) It shall reflect maximum effective use of existing services and programs; and

(e) It shall meet other conditions that the secretary may require.

(4) The county may accept and spend gifts, grants, and fees, from public and private sources, to implement its program of alcoholism and other drug addiction.

(5) The department shall require that any agreement to provide financial support to a county that performs the activities of a service coordination organization for alcoholism and other drug addiction services must incorporate the expected outcomes and criteria to measure the performance of service coordination organizations as provided in chapter 70.320 RCW.

(6) The county may subcontract for ((~~detoxification~~)) withdrawal management, residential treatment, or outpatient treatment with treatment programs that are approved treatment programs. The county may subcontract for other services with individuals or organizations approved by the department.

(7) To continue to be eligible for financial support from the department for the county alcoholism and other drug addiction program, an increase in state financial support shall not be used to supplant local funds from a source that was used to support the county alcoholism and other drug addiction program before the effective date of the increase.

Sec. 33. RCW 70.96A.800 and 2008 c 320 s 1 are each amended to read as follows:

(1) Subject to funds appropriated for this specific purpose, the secretary shall select and contract with counties to provide intensive case management for chemically dependent persons with histories of high utilization of crisis services at two sites. In selecting the two sites, the secretary shall endeavor to site one in an urban county, and one in a rural county; and to site them in counties other than those selected pursuant to RCW 70.96B.020, to the extent necessary to facilitate evaluation of pilot project results. Subject to funds appropriated for this specific purpose, the secretary may contract with additional counties to provide intensive case management.

(2) The contracted sites shall implement the pilot programs by providing intensive case management to persons with a primary chemical dependency diagnosis or dual primary chemical dependency and mental health diagnoses, through the employment of chemical dependency case managers. The chemical dependency case managers shall:

(a) Be trained in and use the integrated, comprehensive screening and assessment process adopted under RCW 70.96C.010;

(b) Reduce the use of crisis medical, chemical dependency and mental health services, including but not limited to, emergency room admissions, hospitalizations, ((~~detoxification~~)) withdrawal management programs, inpatient psychiatric admissions, involuntary treatment petitions, emergency medical services, and ambulance services;

(c) Reduce the use of emergency first responder services including police, fire, emergency medical, and ambulance services;

(d) Reduce the number of criminal justice interventions including arrests, violations of conditions of supervision, bookings, jail days, prison sanction day for violations, court appearances, and prosecutor and defense costs;

(e) Where appropriate and available, work with therapeutic courts including drug courts and mental health courts to maximize the outcomes for the individual and reduce the likelihood of reoffense;

(f) Coordinate with local offices of the economic services administration to assist the person in accessing and remaining enrolled in those programs to which the person may be entitled;

(g) Where appropriate and available, coordinate with primary care and other programs operated through the federal government including federally qualified health centers, Indian health programs, and veterans' health programs for which the person is eligible to reduce duplication of services and conflicts in case approach;

(h) Where appropriate, advocate for the client's needs to assist the person in achieving and maintaining stability and progress toward recovery;

(i) Document the numbers of persons with co-occurring mental and substance abuse disorders and the point of determination of the co- occurring disorder by quadrant of intensity of need; and

(j) Where a program participant is under supervision by the department of corrections, collaborate with the department of corrections to maximize treatment outcomes and reduce the likelihood of reoffense.

(3) The pilot programs established by this section shall begin providing services by March 1, 2006.

Sec. 34. RCW 71.24.049 and 2001 c 323 s 13 are each amended to read as follows:

By January 1st of each odd-numbered year, the ((~~regional support network~~)) behavioral health organization shall identify: (1) The number of children in each priority group, as defined by this chapter, who are receiving mental health services funded in part or in whole under this chapter, (2) the amount of funds under this chapter used for children's mental health services, (3) an estimate of the number of unserved children in each priority group, and (4) the estimated cost of serving these additional children and their families.

Sec. 35. RCW 71.24.061 and 2007 c 359 s 7 are each amended to read as follows:

(1) The department shall provide flexibility in provider contracting to ((~~regional support networks~~)) behavioral health organizations for children's mental health services. Beginning with 2007-2009 biennium contracts, ((~~regional support network~~)) behavioral health organization contracts shall authorize ((~~regional support networks~~)) behavioral health organizations to allow and encourage licensed community mental health centers to subcontract with individual licensed mental health professionals when necessary to meet the need for an adequate, culturally competent, and qualified children's mental health provider network.

(2) To the extent that funds are specifically appropriated for this purpose or that nonstate funds are available, a children's mental health evidence-based practice institute shall be established at the University of Washington division of public behavioral health and justice policy. The institute shall closely collaborate with entities currently engaged in evaluating and promoting the use of evidence- based, research-based, promising, or consensus-based practices in children's mental health treatment, including but not limited to the University of Washington department of psychiatry and behavioral sciences, children's hospital and regional medical center, the University of Washington school of nursing, the University of Washington school of social work, and the Washington state institute for public policy. To ensure that funds appropriated are used to the greatest extent possible for their intended purpose, the University of Washington's indirect costs of administration shall not exceed ten percent of appropriated funding. The institute shall:

(a) Improve the implementation of evidence-based and research-based practices by providing sustained and effective training and consultation to licensed children's mental health providers and child-serving agencies who are implementing evidence-based or researched-based practices for treatment of children's emotional or behavioral disorders, or who are interested in adapting these practices to better serve ethnically or culturally diverse children. Efforts under this subsection should include a focus on appropriate oversight of implementation of evidence-based practices to ensure fidelity to these practices and thereby achieve positive outcomes;

(b) Continue the successful implementation of the "partnerships for success" model by consulting with communities so they may select, implement, and continually evaluate the success of evidence-

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based practices that are relevant to the needs of children, youth, and families in their community;

(c) Partner with youth, family members, family advocacy, and culturally competent provider organizations to develop a series of information sessions, literature, and online resources for families to become informed and engaged in evidence-based and research-based practices;

(d) Participate in the identification of outcome-based performance measures under RCW 71.36.025(2) and partner in a statewide effort to implement statewide outcomes monitoring and quality improvement processes; and

(e) Serve as a statewide resource to the department and other entities on child and adolescent evidence-based, research-based, promising, or consensus-based practices for children's mental health treatment, maintaining a working knowledge through ongoing review of academic and professional literature, and knowledge of other evidence- based practice implementation efforts in Washington and other states.

(3) To the extent that funds are specifically appropriated for this purpose, the department in collaboration with the evidence-based practice institute shall implement a pilot program to support primary care providers in the assessment and provision of appropriate diagnosis and treatment of children with mental and behavioral health disorders and track outcomes of this program. The program shall be designed to promote more accurate diagnoses and treatment through timely case consultation between primary care providers and child psychiatric specialists, and focused educational learning collaboratives with primary care providers.

Sec. 36. RCW 71.24.155 and 2001 c 323 s 14 are each amended to read as follows:

Grants shall be made by the department to ((~~regional support networks~~)) behavioral health organizations for community mental health programs totaling not less than ninety-five percent of available resources. The department may use up to forty percent of the remaining five percent to provide community demonstration projects, including early intervention or primary prevention programs for children, and the remainder shall be for emergency needs and technical assistance under this chapter.

Sec. 37. RCW 71.24.160 and 2011 c 343 s 6 are each amended to read as follows:

The ((~~regional support networks~~)) behavioral health organizations shall make satisfactory showing to the secretary that state funds shall in no case be used to replace local funds from any source being used to finance mental health services prior to January 1, 1990. Maintenance of effort funds devoted to judicial services related to involuntary commitment reimbursed under RCW 71.05.730 must be expended for other purposes that further treatment for mental health and chemical dependency disorders.

Sec. 38. RCW 71.24.250 and 2001 c 323 s 16 are each amended to read as follows:

The ((~~regional support network~~)) behavioral health organization may accept and expend gifts and grants received from private, county, state, and federal sources.

Sec. 39. RCW 71.24.300 and 2008 c 261 s 4 are each amended to read as follows:

(1) Upon the request of a tribal authority or authorities within a ((~~regional support network~~)) behavioral health organization the joint operating agreement or the county authority shall allow for the inclusion of the tribal authority to be represented as a party to the ((~~regional support network~~)) behavioral health organization.

(2) The roles and responsibilities of the county and tribal authorities shall be determined by the terms of that agreement including a determination of membership on the governing board and advisory committees, the number of tribal representatives to be party to the agreement, and the provisions of law and shall assure the provision of culturally competent services to the tribes served.

(3) The state mental health authority may not determine the roles and responsibilities of county authorities as to each other under ((~~regional support networks~~)) behavioral health organizations by rule, except to assure that all duties required of ((~~regional support networks~~)) behavioral health organizations are assigned and that counties and the ((~~regional support network~~)) behavioral health organization do not duplicate functions and that a single authority has final responsibility for all available resources and performance under the ((~~regional support network's~~)) behavioral health organization's contract with the secretary.

(4) If a ((~~regional support network~~)) behavioral health organization is a private entity, the department shall allow for the inclusion of the tribal authority to be represented as a party to the ((~~regional support network~~)) behavioral health organization.

(5) The roles and responsibilities of the private entity and the tribal authorities shall be determined by the department, through negotiation with the tribal authority.

(6) ((~~Regional support networks~~)) Behavioral health organizations shall submit an overall six-year operating and capital plan, timeline, and budget and submit progress reports and an updated two-year plan biennially thereafter, to assume within available resources all of the following duties:

(a) Administer and provide for the availability of all resource management services, residential services, and community support services.

(b) Administer and provide for the availability of all investigation, transportation, court-related, and other services provided by the state or counties pursuant to chapter 71.05 RCW.

(c) Provide within the boundaries of each ((~~regional support network~~)) behavioral health organization evaluation and treatment services for at least ninety percent of persons detained or committed for periods up to seventeen days according to chapter 71.05 RCW. ((~~Regional support networks~~)) Behavioral health organizations may contract to purchase evaluation and treatment services from other ((~~networks~~)) organizations if they are unable to provide for appropriate resources within their boundaries. Insofar as the original intent of serving persons in the community is maintained, the secretary is authorized to approve exceptions on a case-by-case basis to the requirement to provide evaluation and treatment services within the boundaries of each ((~~regional support network~~)) behavioral health organization. Such exceptions are limited to:

(i) Contracts with neighboring or contiguous regions; or

(ii) Individuals detained or committed for periods up to seventeen days at the state hospitals at the discretion of the secretary.

(d) Administer and provide for the availability of all other mental health services, which shall include patient counseling, day treatment, consultation, education services, employment services as ((~~defined~~)) described in RCW 71.24.035, and mental health services to children.

(e) Establish standards and procedures for reviewing individual service plans and determining when that person may be discharged from resource management services.

(7) A ((~~regional support network~~)) behavioral health organization may request that any state-owned land, building, facility, or other capital asset which was ever purchased, deeded, given, or placed in trust for the care of the persons with mental illness and which is within the boundaries of a ((~~regional support network~~)) behavioral health organization be made available to support the operations of the ((~~regional support network~~)) behavioral health organization. State agencies managing such capital assets shall give first priority to requests for their use pursuant to this chapter.

(8) Each ((~~regional support network~~)) behavioral health organization shall appoint a mental health advisory board which shall review and provide comments on plans and policies developed under this chapter, provide local oversight regarding the activities of the ((~~regional support network~~)) behavioral health organization, and work with the ((~~regional support network~~)) behavioral health organization

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to resolve significant concerns regarding service delivery and outcomes. The department shall establish statewide procedures for the operation of regional advisory committees including mechanisms for advisory board feedback to the department regarding ((~~regional support network~~)) behavioral health organization performance. The composition of the board shall be broadly representative of the demographic character of the region and shall include, but not be limited to, representatives of consumers and families, law enforcement, and where the county is not the ((~~regional support network~~)) behavioral health organization, county elected officials. Composition and length of terms of board members may differ between ((~~regional support networks~~)) behavioral health organizations but shall be included in each ((~~regional support network's~~)) behavioral health organization's contract and approved by the secretary.

(9) ((~~Regional support networks~~)) Behavioral health organizations shall assume all duties specified in their plans and joint operating agreements through biennial contractual agreements with the secretary.

(10) ((~~Regional support networks~~)) Behavioral health organizations may receive technical assistance from the housing trust fund and may identify and submit projects for housing and housing support services to the housing trust fund established under chapter 43.185 RCW. Projects identified or submitted under this subsection must be fully integrated with the ((~~regional support network~~)) behavioral health organization six-year operating and capital plan, timeline, and budget required by subsection (6) of this section.

Sec. 40. RCW 71.24.310 and 2013 2nd sp.s. c 4 s 994 are each amended to read as follows:

The legislature finds that administration of chapter 71.05 RCW and this chapter can be most efficiently and effectively implemented as part of the ((~~regional support network~~)) behavioral health organization defined in RCW 71.24.025. For this reason, the legislature intends that the department and the ((~~regional support networks~~)) behavioral health organizations shall work together to implement chapter 71.05 RCW as follows:

(1) By June 1, 2006, ((~~regional support networks~~)) behavioral health organizations shall recommend to the department the number of state hospital beds that should be allocated for use by each ((~~regional support network~~)) behavioral health organization. The statewide total allocation shall not exceed the number of state hospital beds offering long-term inpatient care, as defined in this chapter, for which funding is provided in the biennial appropriations act.

(2) If there is consensus among the ((~~regional support networks~~)) behavioral health organizations regarding the number of state hospital beds that should be allocated for use by each ((~~regional support network~~)) behavioral health organization, the department shall contract with each ((~~regional support network~~)) behavioral health organization accordingly.

(3) If there is not consensus among the ((~~regional support networks~~)) behavioral health organizations regarding the number of beds that should be allocated for use by each ((~~regional support network~~)) behavioral health organization, the department shall establish by emergency rule the number of state hospital beds that are available for use by each ((~~regional support network~~)) behavioral health organization. The emergency rule shall be effective September 1, 2006. The primary factor used in the allocation shall be the estimated number of adults with acute and chronic mental illness in each ((~~regional support network~~)) behavioral health organization area, based upon population-adjusted incidence and utilization.

(4) The allocation formula shall be updated at least every three years to reflect demographic changes, and new evidence regarding the incidence of acute and chronic mental illness and the need for long-term inpatient care. In the updates, the statewide total allocation shall include (a) all state hospital beds offering long-term inpatient care for which funding is provided in the biennial appropriations act; plus (b) the estimated equivalent number of beds or comparable diversion services contracted in accordance with subsection (5) of this section.

(5) The department is encouraged to enter performance-based contracts with ((~~regional support networks~~)) behavioral health organizations to provide some or all of the ((~~regional support network's~~)) behavioral health organization's allocated long-term inpatient treatment capacity in the community, rather than in the state hospital. The performance contracts shall specify the number of patient days of care available for use by the ((~~regional support network~~)) behavioral health organization in the state hospital.

(6) If a ((~~regional support network~~)) behavioral health organization uses more state hospital patient days of care than it has been allocated under subsection (3) or (4) of this section, or than it has contracted to use under subsection (5) of this section, whichever is less, it shall reimburse the department for that care, except during the period of July 1, 2012, through December 31, 2013, where reimbursements may be temporarily altered per section 204, chapter 4, Laws of 2013 2nd sp. sess. The reimbursement rate per day shall be the hospital's total annual budget for long-term inpatient care, divided by the total patient days of care assumed in development of that budget.

(7) One-half of any reimbursements received pursuant to subsection (6) of this section shall be used to support the cost of operating the state hospital and, during the 2007-2009 fiscal biennium, implementing new services that will enable a ((~~regional support network~~)) behavioral health organization to reduce its utilization of the state hospital. The department shall distribute the remaining half of such reimbursements among ((~~regional support networks~~)) behavioral health organizations that have used less than their allocated or contracted patient days of care at that hospital, proportional to the number of patient days of care not used.

Sec. 41. RCW 71.24.350 and 2013 c 23 s 189 are each amended to read as follows:

The department shall require each ((~~regional support network~~)) behavioral health organization to provide for a separately funded mental health ombuds office in each ((~~regional support network~~)) behavioral health organization that is independent of the ((~~regional support network~~)) behavioral health organization. The ombuds office shall maximize the use of consumer advocates.

Sec. 42. RCW 71.24.370 and 2006 c 333 s 103 are each amended to read as follows:

(1) Except for monetary damage claims which have been reduced to final judgment by a superior court, this section applies to all claims against the state, state agencies, state officials, or state employees that exist on or arise after March 29, 2006.

(2) Except as expressly provided in contracts entered into between the department and the ((~~regional support networks~~)) behavioral health organizations after March 29, 2006, the entities identified in subsection (3) of this section shall have no claim for declaratory relief, injunctive relief, judicial review under chapter 34.05 RCW, or civil liability against the state or state agencies for actions or inactions performed pursuant to the administration of this chapter with regard to the following: (a) The allocation or payment of federal or state funds; (b) the use or allocation of state hospital beds; or (c) financial responsibility for the provision of inpatient mental health care.

(3) This section applies to counties, ((~~regional support networks~~)) behavioral health organizations, and entities which contract to provide ((~~regional support network~~)) behavioral health organization services and their subcontractors, agents, or employees.

Sec. 43. RCW 71.24.455 and 1997 c 342 s 2 are each amended to read as follows:

(1) The secretary shall select and contract with a ((~~regional support network~~)) behavioral health organization or private provider to provide specialized access and services to ((~~mentally ill~~)) offenders with mental illness upon release from total confinement within the

department of corrections who have been identified by the department of corrections and selected by the ((~~regional support network~~)) behavioral health organization or private provider as high-priority clients for services and who meet service program entrance criteria. The program shall enroll no more than twenty-five offenders at any one time, or a number of offenders that can be accommodated within the appropriated funding level, and shall seek to fill any vacancies that occur.

(2) Criteria shall include a determination by department of corrections staff that:

(a) The offender suffers from a major mental illness and needs continued mental health treatment;

(b) The offender's previous crime or crimes have been determined by either the court or department of corrections staff to have been substantially influenced by the offender's mental illness;

(c) It is believed the offender will be less likely to commit further criminal acts if provided ongoing mental health care;

(d) The offender is unable or unlikely to obtain housing and/or treatment from other sources for any reason; and

(e) The offender has at least one year remaining before his or her sentence expires but is within six months of release to community housing and is currently housed within a work release facility or any department of corrections' division of prisons facility.

(3) The ((~~regional support network~~)) behavioral health organization or private provider shall provide specialized access and services to the selected offenders. The services shall be aimed at lowering the risk of recidivism. An oversight committee composed of a representative of the department, a representative of the selected ((~~regional support network~~)) behavioral health organization or private provider, and a representative of the department of corrections shall develop policies to guide the pilot program, provide dispute resolution including making determinations as to when entrance criteria or required services may be waived in individual cases, advise the department of corrections and the ((~~regional support network~~)) behavioral health organization or private provider on the selection of eligible offenders, and set minimum requirements for service contracts. The selected ((~~regional support network~~)) behavioral health organization or private provider shall implement the policies and service contracts. The following services shall be provided:

(a) Intensive case management to include a full range of intensive community support and treatment in client-to-staff ratios of not more than ten offenders per case manager including: (i) A minimum of weekly group and weekly individual counseling; (ii) home visits by the program manager at least two times per month; and (iii) counseling focusing on relapse prevention and past, current, or future behavior of the offender.

(b) The case manager shall attempt to locate and procure housing appropriate to the living and clinical needs of the offender and as needed to maintain the psychiatric stability of the offender. The entire range of emergency, transitional, and permanent housing and involuntary hospitalization must be considered as available housing options. A housing subsidy may be provided to offenders to defray housing costs up to a maximum of six thousand six hundred dollars per offender per year and be administered by the case manager. Additional funding sources may be used to offset these costs when available.

(c) The case manager shall collaborate with the assigned prison, work release, or community corrections staff during release planning, prior to discharge, and in ongoing supervision of the offender while under the authority of the department of corrections.

(d) Medications including the full range of psychotropic medications including atypical antipsychotic medications may be required as a condition of the program. Medication prescription, medication monitoring, and counseling to support offender understanding, acceptance, and compliance with prescribed medication regimens must be included.

(e) A systematic effort to engage offenders to continuously involve themselves in current and long-term treatment and appropriate habilitative activities shall be made.

(f) Classes appropriate to the clinical and living needs of the offender and appropriate to his or her level of understanding.

(g) The case manager shall assist the offender in the application and qualification for entitlement funding, including medicaid, state assistance, and other available government and private assistance at any point that the offender is qualified and resources are available.

(h) The offender shall be provided access to daily activities such as drop-in centers, prevocational and vocational training and jobs, and volunteer activities.

(4) Once an offender has been selected into the pilot program, the offender shall remain in the program until the end of his or her sentence or unless the offender is released from the pilot program earlier by the department of corrections.

(5) Specialized training in the management and supervision of high- crime risk ((~~mentally ill~~)) offenders with mental illness shall be provided to all participating mental health providers by the department and the department of corrections prior to their participation in the program and as requested thereafter.

(6) The pilot program provided for in this section must be providing services by July 1, 1998.

Sec. 44. RCW 71.24.470 and 2009 c 319 s 1 are each amended to read as follows:

(1) The secretary shall contract, to the extent that funds are appropriated for this purpose, for case management services and such other services as the secretary deems necessary to assist offenders identified under RCW 72.09.370 for participation in the offender reentry community safety program. The contracts may be with ((~~regional support networks~~)) behavioral health organizations or any other qualified and appropriate entities.

(2) The case manager has the authority to assist these offenders in obtaining the services, as set forth in the plan created under RCW 72.09.370(2), for up to five years. The services may include coordination of mental health services, assistance with unfunded medical expenses, obtaining chemical dependency treatment, housing, employment services, educational or vocational training, independent living skills, parenting education, anger management services, and such other services as the case manager deems necessary.

(3) The legislature intends that funds appropriated for the purposes of RCW 72.09.370, 71.05.145, and 71.05.212, and this section and distributed to the ((~~regional support networks~~)) behavioral health organizations are to supplement and not to supplant general funding. Funds appropriated to implement RCW 72.09.370, 71.05.145, and 71.05.212, and this section are not to be considered available resources as defined in RCW 71.24.025 and are not subject to the priorities, terms, or conditions in the appropriations act established pursuant to RCW 71.24.035.

(4) The offender reentry community safety program was formerly known as the community integration assistance program.

Sec. 45. RCW 71.24.480 and 2009 c 319 s 2 are each amended to read as follows:

(1) A licensed service provider or ((~~regional support network~~)) behavioral health organization, acting in the course of the provider's or ((~~network's~~)) organization's duties under this chapter, is not liable for civil damages resulting from the injury or death of another caused by a participant in the offender reentry community safety program who is a client of the provider or ((~~network~~)) organization, unless the act or omission of the provider or ((~~network~~)) organization constitutes:

(a) Gross negligence;

(b) Willful or wanton misconduct; or

(c) A breach of the duty to warn of and protect from a client's threatened violent behavior if the client has communicated a serious

threat of physical violence against a reasonably ascertainable victim or victims.

(2) In addition to any other requirements to report violations, the licensed service provider and ((~~regional support network~~)) behavioral health organization shall report an offender's expressions of intent to harm or other predatory behavior, regardless of whether there is an ascertainable victim, in progress reports and other established processes that enable courts and supervising entities to assess and address the progress and appropriateness of treatment.

(3) A licensed service provider's or ((~~regional support network's~~)) behavioral health organization's mere act of treating a participant in the offender reentry community safety program is not negligence. Nothing in this subsection alters the licensed service provider's or ((~~regional support network's~~)) behavioral health organization's normal duty of care with regard to the client.

(4) The limited liability provided by this section applies only to the conduct of licensed service providers and ((~~regional support networks~~)) behavioral health organizations and does not apply to conduct of the state.

(5) For purposes of this section, "participant in the offender reentry community safety program" means a person who has been identified under RCW 72.09.370 as an offender who: (a) Is reasonably believed to be dangerous to himself or herself or others; and (b) has a mental disorder.

Sec. 46. RCW 71.24.845 and 2013 c 230 s 1 are each amended to read as follows:

The ((~~regional support networks~~)) behavioral health organizations shall jointly develop a uniform transfer agreement to govern the transfer of clients between ((~~regional support networks~~)) behavioral health organizations. By September 1, 2013, the ((~~regional support networks~~)) behavioral health organizations shall submit the uniform transfer agreement to the department. By December 1, 2013, the department shall establish guidelines to implement the uniform transfer agreement and may modify the uniform transfer agreement as necessary to avoid impacts on state administrative systems.

Sec. 47. RCW 71.24.055 and 2007 c 359 s 4 are each amended to read as follows:

As part of the system transformation initiative, the department of social and health services shall undertake the following activities related specifically to children's mental health services:

(1) The development of recommended revisions to the access to care standards for children. The recommended revisions shall reflect the policies and principles set out in RCW 71.36.005, 71.36.010, and 71.36.025, and recognize that early identification, intervention and prevention services, and brief intervention services may be provided outside of the ((~~regional support network~~)) behavioral health organization system. Revised access to care standards shall assess a child's need for mental health services based upon the child's diagnosis and its negative impact upon his or her persistent impaired functioning in family, school, or the community, and should not solely condition the receipt of services upon a determination that a child is engaged in high risk behavior or is in imminent need of hospitalization or out-of-home placement. Assessment and diagnosis for children under five years of age shall be determined using a nationally accepted assessment tool designed specifically for children of that age. The recommendations shall also address whether amendments to RCW 71.24.025 ((~~(26) and~~)) (27) and (28) and 71.24.035(5) are necessary to implement revised access to care standards;

(2) Development of a revised children's mental health benefit package. The department shall ensure that services included in the children's mental health benefit package reflect the policies and principles included in RCW 71.36.005 and 71.36.025, to the extent allowable under medicaid, Title XIX of the federal social security act. Strong consideration shall be given to developmentally appropriate evidence-based and research-based practices, family-based interventions, the use of natural and peer supports, and community support services. This effort shall include a review of other states' efforts to fund family-centered children's mental health services through their medicaid programs;

(3) Consistent with the timeline developed for the system transformation initiative, recommendations for revisions to the children's access to care standards and the children's mental health services benefits package shall be presented to the legislature by January 1, 2009.

Sec. 48. RCW 71.24.065 and 2007 c 359 s 10 are each amended to read as follows:

To the extent funds are specifically appropriated for this purpose, the department of social and health services shall contract for implementation of a wraparound model of integrated children's mental health services delivery in up to four ((~~regional support network~~)) behavioral health organization regions in Washington state in which wraparound programs are not currently operating, and in up to two ((~~regional support network~~)) behavioral health organization regions in which wraparound programs are currently operating. Contracts in regions with existing wraparound programs shall be for the purpose of expanding the number of children served.

(1) Funding provided may be expended for: Costs associated with a request for proposal and contracting process; administrative costs associated with successful bidders' operation of the wraparound model; the evaluation under subsection (5) of this section; and funding for services needed by children enrolled in wraparound model sites that are not otherwise covered under existing state programs. The services provided through the wraparound model sites shall include, but not be limited to, services covered under the medicaid program. The department shall maximize the use of medicaid and other existing state- funded programs as a funding source. However, state funds provided may be used to develop a broader service package to meet needs identified in a child's care plan. Amounts provided shall supplement, and not supplant, state, local, or other funding for services that a child being served through a wraparound site would otherwise be eligible to receive.

(2) The wraparound model sites shall serve children with serious emotional or behavioral disturbances who are at high risk of residential or correctional placement or psychiatric hospitalization, and who have been referred for services from the department, a county juvenile court, a tribal court, a school, or a licensed mental health provider or agency.

(3) Through a request for proposal process, the department shall contract, with ((~~regional support networks~~)) behavioral health organizations, alone or in partnership with either educational service districts or entities licensed to provide mental health services to children with serious emotional or behavioral disturbances, to operate the wraparound model sites. The contractor shall provide care coordination and facilitate the delivery of services and other supports to families using a strength-based, highly individualized wraparound process. The request for proposal shall require that:

(a) The ((~~regional support network~~)) behavioral health organization agree to use its medicaid revenues to fund services included in the existing ((~~regional support network's~~)) behavioral health organization's benefit package that a medicaid-eligible child participating in the wraparound model site is determined to need;

(b) The contractor provide evidence of commitments from at least the following entities to participate in wraparound care plan development and service provision when appropriate: Community mental health agencies, schools, the department of social and health services children's administration, juvenile courts, the department of social and health services juvenile rehabilitation administration, and managed health care systems contracting with the department under RCW 74.09.522; and

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(c) The contractor will operate the wraparound model site in a manner that maintains fidelity to the wraparound process as defined in RCW 71.36.010.

(4) Contracts for operation of the wraparound model sites shall be executed on or before April 1, 2008, with enrollment and service delivery beginning on or before July 1, 2008.

(5) The evidence-based practice institute established in RCW 71.24.061 shall evaluate the wraparound model sites, measuring outcomes for children served. Outcomes measured shall include, but are not limited to: Decreased out-of-home placement, including residential, group, and foster care, and increased stability of such placements, school attendance, school performance, recidivism, emergency room utilization, involvement with the juvenile justice system, decreased use of psychotropic medication, and decreased hospitalization.

(6) The evidence-based practice institute shall provide a report and recommendations to the appropriate committees of the legislature by December 1, 2010.

Sec. 49. RCW 71.24.240 and 2005 c 503 s 10 are each amended to read as follows:

In order to establish eligibility for funding under this chapter, any ((~~regional support network~~)) behavioral health organization seeking to obtain federal funds for the support of any aspect of a community mental health program as defined in this chapter shall submit program plans to the secretary for prior review and approval before such plans are submitted to any federal agency.

Sec. 50. RCW 71.24.320 and 2008 c 261 s 5 are each amended to read as follows:

(1) If an existing ((~~regional support network~~)) behavioral health organization chooses not to respond to a request for ((~~qualifications~~)) a detailed plan, or is unable to substantially meet the requirements of a request for ((~~qualifications~~)) a detailed plan, or notifies the department of social and health services it will no longer serve as a ((~~regional support network~~)) behavioral health organization, the department shall utilize a procurement process in which other entities recognized by the secretary may bid to serve as the ((~~regional support network~~)) behavioral health organization.

(a) The request for proposal shall include a scoring factor for proposals that include additional financial resources beyond that provided by state appropriation or allocation.

(b) The department shall provide detailed briefings to all bidders in accordance with department and state procurement policies.

(c) The request for proposal shall also include a scoring factor for proposals submitted by nonprofit entities that include a component to maximize the utilization of state provided resources and the leverage of other funds for the support of mental health services to persons with mental illness.

(2) A ((~~regional support network~~)) behavioral health organization that voluntarily terminates, refuses to renew, or refuses to sign a mandatory amendment to its contract to act as a ((~~regional support network~~)) behavioral health organization is prohibited from responding to a procurement under this section or serving as a ((~~regional support network~~)) behavioral health organization for five years from the date that the department signs a contract with the entity that will serve as the ((~~regional support network~~)) behavioral health organization.

Sec. 51. RCW 71.24.330 and 2013 c 320 s 9 are each amended to read as follows:

(1)(a) Contracts between a ((~~regional support network~~)) behavioral health organization and the department shall include mechanisms for monitoring performance under the contract and remedies for failure to substantially comply with the requirements of the contract including, but not limited to, financial penalties, termination of the contract, and reprocurement of the contract.

(b) The department shall incorporate the criteria to measure the performance of service coordination organizations into contracts with ((~~regional support networks~~)) behavioral health organizations as provided in chapter 70.320 RCW.

(2) The ((~~regional support network~~)) behavioral health organization procurement processes shall encourage the preservation of infrastructure previously purchased by the community mental health service delivery system, the maintenance of linkages between other services and delivery systems, and maximization of the use of available funds for services versus profits. However, a ((~~regional support network~~)) behavioral health organization selected through the procurement process is not required to contract for services with any county-owned or operated facility. The ((~~regional support network~~)) behavioral health organization procurement process shall provide that public funds appropriated by the legislature shall not be used to promote or deter, encourage, or discourage employees from exercising their rights under Title 29, chapter 7, subchapter II, United States Code or chapter 41.56 RCW.

(3) In addition to the requirements of RCW 71.24.035, contracts shall:

(a) Define administrative costs and ensure that the ((~~regional support network~~)) behavioral health organization does not exceed an administrative cost of ten percent of available funds;

(b) Require effective collaboration with law enforcement, criminal justice agencies, and the chemical dependency treatment system;

(c) Require substantial implementation of department adopted integrated screening and assessment process and matrix of best practices;

(d) Maintain the decision-making independence of designated mental health professionals;

(e) Except at the discretion of the secretary or as specified in the biennial budget, require ((~~regional support networks~~)) behavioral health organizations to pay the state for the costs associated with individuals who are being served on the grounds of the state hospitals and who are not receiving long-term inpatient care as defined in RCW 71.24.025;

(f) Include a negotiated alternative dispute resolution clause; and

(g) Include a provision requiring either party to provide one hundred eighty days' notice of any issue that may cause either party to voluntarily terminate, refuse to renew, or refuse to sign a mandatory amendment to the contract to act as a ((~~regional support network~~)) behavioral health organization. If either party decides to voluntarily terminate, refuse to renew, or refuse to sign a mandatory amendment to the contract to serve as a ((~~regional support network~~)) behavioral health organization they shall provide ninety days' advance notice in writing to the other party.

Sec. 52. RCW 71.24.360 and 2012 c 91 s 1 are each amended to read as follows:

(1) The department may establish new ((~~regional support network~~)) behavioral health organization boundaries in any part of the state:

(a) Where more than one ((~~network~~)) organization chooses not to respond to, or is unable to substantially meet the requirements of, the request for ((~~qualifications~~)) a detailed plan under RCW 71.24.320;

(b) Where a ((~~regional support network~~)) behavioral health organization is subject to reprocurement under RCW 71.24.330; or

(c) Where two or more ((~~regional support networks~~)) behavioral health organizations propose to reconfigure themselves to achieve consolidation, in which case the procurement process described in RCW 71.24.320 and 71.24.330(2) does not apply.

(2) The department may establish no fewer than six and no more than fourteen ((~~regional support networks~~)) behavioral health organizations under this chapter. No entity shall be responsible for more than three ((~~regional support networks~~)) behavioral health organizations.

Sec. 53. RCW 71.24.405 and 2001 c 323 s 19 are each amended to read as follows:

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The department shall establish a comprehensive and collaborative effort within ((~~regional support networks~~)) behavioral health organizations and with local mental health service providers aimed at creating innovative and streamlined community mental health service delivery systems, in order to carry out the purposes set forth in RCW 71.24.400 and to capture the diversity of the community mental health service delivery system.

The department must accomplish the following:

(1) Identification, review, and cataloging of all rules, regulations, duplicative administrative and monitoring functions, and other requirements that currently lead to inefficiencies in the community mental health service delivery system and, if possible, eliminate the requirements;

(2) The systematic and incremental development of a single system of accountability for all federal, state, and local funds provided to the community mental health service delivery system. Systematic efforts should be made to include federal and local funds into the single system of accountability;

(3) The elimination of process regulations and related contract and reporting requirements. In place of the regulations and requirements, a set of outcomes for mental health adult and children clients according to chapter 71.24 RCW must be used to measure the performance of mental health service providers and ((~~regional support networks~~)) behavioral health organizations. Such outcomes shall focus on stabilizing out-of-home and hospital care, increasing stable community living, increasing age-appropriate activities, achieving family and consumer satisfaction with services, and system efficiencies;

(4) Evaluation of the feasibility of contractual agreements between the department of social and health services and ((~~regional support networks~~)) behavioral health organizations and mental health service providers that link financial incentives to the success or failure of mental health service providers and ((~~regional support networks~~)) behavioral health organizations to meet outcomes established for mental health service clients;

(5) The involvement of mental health consumers and their representatives. Mental health consumers and their representatives will be involved in the development of outcome standards for mental health clients under section 5 of this act; and

(6) An independent evaluation component to measure the success of the department in fully implementing the provisions of RCW 71.24.400 and this section.

Sec. 54. RCW 71.24.430 and 2001 c 323 s 3 are each amended to read as follows:

(1) The department shall ensure the coordination of allied services for mental health clients. The department shall implement strategies for resolving organizational, regulatory, and funding issues at all levels of the system, including the state, the ((~~regional support networks~~)) behavioral health organizations, and local service providers.

(2) The department shall propose, in operating budget requests, transfers of funding among programs to support collaborative service delivery to persons who require services from multiple department programs. The department shall report annually to the appropriate committees of the senate and house of representatives on actions and projects it has taken to promote collaborative service delivery.

Sec. 55. RCW 74.09.522 and 2013 2nd sp.s. c 17 s 13 are each amended to read as follows:

(1) For the purposes of this section:

(a) "Managed health care system" means any health care organization, including health care providers, insurers, health care service contractors, health maintenance organizations, health insuring organizations, or any combination thereof, that provides directly or by contract health care services covered under this chapter and rendered by licensed providers, on a prepaid capitated basis and that meets the requirements of section 1903(m)(1)(A) of Title XIX of the federal social security act or federal demonstration waivers granted under section 1115(a) of Title XI of the federal social security act;

(b) "Nonparticipating provider" means a person, health care provider, practitioner, facility, or entity, acting within their scope of practice, that does not have a written contract to participate in a managed health care system's provider network, but provides health care services to enrollees of programs authorized under this chapter whose health care services are provided by the managed health care system.

(2) The authority shall enter into agreements with managed health care systems to provide health care services to recipients of temporary assistance for needy families under the following conditions:

(a) Agreements shall be made for at least thirty thousand recipients statewide;

(b) Agreements in at least one county shall include enrollment of all recipients of temporary assistance for needy families;

(c) To the extent that this provision is consistent with section 1903(m) of Title XIX of the federal social security act or federal demonstration waivers granted under section 1115(a) of Title XI of the federal social security act, recipients shall have a choice of systems in which to enroll and shall have the right to terminate their enrollment in a system: PROVIDED, That the authority may limit recipient termination of enrollment without cause to the first month of a period of enrollment, which period shall not exceed twelve months: AND PROVIDED FURTHER, That the authority shall not restrict a recipient's right to terminate enrollment in a system for good cause as established by the authority by rule;

(d) To the extent that this provision is consistent with section 1903(m) of Title XIX of the federal social security act, participating managed health care systems shall not enroll a disproportionate number of medical assistance recipients within the total numbers of persons served by the managed health care systems, except as authorized by the authority under federal demonstration waivers granted under section 1115(a) of Title XI of the federal social security act;

(e)(i) In negotiating with managed health care systems the authority shall adopt a uniform procedure to enter into contractual arrangements, to be included in contracts issued or renewed on or after January 1, 2015, including:

(A) Standards regarding the quality of services to be provided;

(B) The financial integrity of the responding system;

(C) Provider reimbursement methods that incentivize chronic care management within health homes, including comprehensive medication management services for patients with multiple chronic conditions consistent with the findings and goals established in RCW 74.09.5223;

(D) Provider reimbursement methods that reward health homes that, by using chronic care management, reduce emergency department and inpatient use;

(E) Promoting provider participation in the program of training and technical assistance regarding care of people with chronic conditions described in RCW 43.70.533, including allocation of funds to support provider participation in the training, unless the managed care system is an integrated health delivery system that has programs in place for chronic care management;

(F) Provider reimbursement methods within the medical billing processes that incentivize pharmacists or other qualified providers licensed in Washington state to provide comprehensive medication management services consistent with the findings and goals established in RCW 74.09.5223; ((~~and~~))

(G) Evaluation and reporting on the impact of comprehensive medication management services on patient clinical outcomes and total health care costs, including reductions in emergency department utilization, hospitalization, and drug costs; and

(H) Established consistent processes to incentivize integration of

behavioral health services in the primary care setting, promoting care that is integrated, collaborative, co-located, and preventive.

(ii)(A) Health home services contracted for under this subsection may be prioritized to enrollees with complex, high cost, or multiple chronic conditions.

(B) Contracts that include the items in (e)(i)(C) through (G) of this subsection must not exceed the rates that would be paid in the absence of these provisions;

(f) The authority shall seek waivers from federal requirements as necessary to implement this chapter;

(g) The authority shall, wherever possible, enter into prepaid capitation contracts that include inpatient care. However, if this is not possible or feasible, the authority may enter into prepaid capitation contracts that do not include inpatient care;

(h) The authority shall define those circumstances under which a managed health care system is responsible for out-of-plan services and assure that recipients shall not be charged for such services;

(i) Nothing in this section prevents the authority from entering into similar agreements for other groups of people eligible to receive services under this chapter; and

(j) The authority must consult with the federal center for medicare and medicaid innovation and seek funding opportunities to support health homes.

(3) The authority shall ensure that publicly supported community health centers and providers in rural areas, who show serious intent and apparent capability to participate as managed health care systems are seriously considered as contractors. The authority shall coordinate its managed care activities with activities under chapter 70.47 RCW.

(4) The authority shall work jointly with the state of Oregon and other states in this geographical region in order to develop recommendations to be presented to the appropriate federal agencies and the United States congress for improving health care of the poor, while controlling related costs.

(5) The legislature finds that competition in the managed health care marketplace is enhanced, in the long term, by the existence of a large number of managed health care system options for medicaid clients. In a managed care delivery system, whose goal is to focus on prevention, primary care, and improved enrollee health status, continuity in care relationships is of substantial importance, and disruption to clients and health care providers should be minimized. To help ensure these goals are met, the following principles shall guide the authority in its healthy options managed health care purchasing efforts:

(a) All managed health care systems should have an opportunity to contract with the authority to the extent that minimum contracting requirements defined by the authority are met, at payment rates that enable the authority to operate as far below appropriated spending levels as possible, consistent with the principles established in this section.

(b) Managed health care systems should compete for the award of contracts and assignment of medicaid beneficiaries who do not voluntarily select a contracting system, based upon:

(i) Demonstrated commitment to or experience in serving low-income populations;

(ii) Quality of services provided to enrollees;

(iii) Accessibility, including appropriate utilization, of services offered to enrollees;

(iv) Demonstrated capability to perform contracted services, including ability to supply an adequate provider network;

(v) Payment rates; and

(vi) The ability to meet other specifically defined contract requirements established by the authority, including consideration of past and current performance and participation in other state or federal health programs as a contractor.

(c) Consideration should be given to using multiple year contracting periods.

(d) Quality, accessibility, and demonstrated commitment to serving low-income populations shall be given significant weight in the contracting, evaluation, and assignment process.

(e) All contractors that are regulated health carriers must meet state minimum net worth requirements as defined in applicable state laws. The authority shall adopt rules establishing the minimum net worth requirements for contractors that are not regulated health carriers. This subsection does not limit the authority of the Washington state health care authority to take action under a contract upon finding that a contractor's financial status seriously jeopardizes the contractor's ability to meet its contract obligations.

(f) Procedures for resolution of disputes between the authority and contract bidders or the authority and contracting carriers related to the award of, or failure to award, a managed care contract must be clearly set out in the procurement document.

(6) The authority may apply the principles set forth in subsection (5) of this section to its managed health care purchasing efforts on behalf of clients receiving supplemental security income benefits to the extent appropriate.

(7) By April 1, 2016, any contract with a managed health care system to provide services to medical assistance enrollees shall require that managed health care systems offer contracts to behavioral health organizations, mental health providers, or chemical dependency treatment providers to provide access to primary care services integrated into behavioral health clinical settings, for individuals with behavioral health and medical comorbidities.

(8) Managed health care system contracts effective on or after April 1, 2016, shall serve geographic areas that correspond to the regional service areas established in section 2 of this act.

(9) A managed health care system shall pay a nonparticipating provider that provides a service covered under this chapter to the system's enrollee no more than the lowest amount paid for that service under the managed health care system's contracts with similar providers in the state.

((~~(8)~~)) (10) For services covered under this chapter to medical assistance or medical care services enrollees and provided on or after August 24, 2011, nonparticipating providers must accept as payment in full the amount paid by the managed health care system under subsection (7) of this section in addition to any deductible, coinsurance, or copayment that is due from the enrollee for the service provided. An enrollee is not liable to any nonparticipating provider for covered services, except for amounts due for any deductible, coinsurance, or copayment under the terms and conditions set forth in the managed health care system contract to provide services under this section.

((~~(9)~~)) (11) Pursuant to federal managed care access standards, 42 C.F.R. Sec. 438, managed health care systems must maintain a network of appropriate providers that is supported by written agreements sufficient to provide adequate access to all services covered under the contract with the authority, including hospital-based physician services. The authority will monitor and periodically report on the proportion of services provided by contracted providers and nonparticipating providers, by county, for each managed health care system to ensure that managed health care systems are meeting network adequacy requirements. No later than January 1st of each year, the authority will review and report its findings to the appropriate policy and fiscal committees of the legislature for the preceding state fiscal year.

((~~(10)~~)) (12) Payments under RCW 74.60.130 are exempt from this section.

((~~(11)~~)) (13) Subsections ((~~(7)~~)) (9) through ((~~(9)~~)) (11) of this section expire July 1, 2016.

Sec. 56. RCW 9.41.280 and 2009 c 453 s 1 are each amended to read as follows:

(1) It is unlawful for a person to carry onto, or to possess on, public or private elementary or secondary school premises, school-provided transportation, or areas of facilities while being used exclusively by public or private schools:

(a) Any firearm;

(b) Any other dangerous weapon as defined in RCW 9.41.250;

(c) Any device commonly known as "nun-chu-ka sticks", consisting of two or more lengths of wood, metal, plastic, or similar substance connected with wire, rope, or other means;

(d) Any device, commonly known as "throwing stars", which are multi-pointed, metal objects designed to embed upon impact from any aspect;

(e) Any air gun, including any air pistol or air rifle, designed to propel a BB, pellet, or other projectile by the discharge of compressed air, carbon dioxide, or other gas; or

(f)(i) Any portable device manufactured to function as a weapon and which is commonly known as a stun gun, including a projectile stun gun which projects wired probes that are attached to the device that emit an electrical charge designed to administer to a person or an animal an electric shock, charge, or impulse; or

(ii) Any device, object, or instrument which is used or intended to be used as a weapon with the intent to injure a person by an electric shock, charge, or impulse.

(2) Any such person violating subsection (1) of this section is guilty of a gross misdemeanor. If any person is convicted of a violation of subsection (1)(a) of this section, the person shall have his or her concealed pistol license, if any revoked for a period of three years. Anyone convicted under this subsection is prohibited from applying for a concealed pistol license for a period of three years. The court shall send notice of the revocation to the department of licensing, and the city, town, or county which issued the license.

Any violation of subsection (1) of this section by elementary or secondary school students constitutes grounds for expulsion from the state's public schools in accordance with RCW 28A.600.010. An appropriate school authority shall promptly notify law enforcement and the student's parent or guardian regarding any allegation or indication of such violation.

Upon the arrest of a person at least twelve years of age and not more than twenty-one years of age for violating subsection (1)(a) of this section, the person shall be detained or confined in a juvenile or adult facility for up to seventy-two hours. The person shall not be released within the seventy-two hours until after the person has been examined and evaluated by the designated mental health professional unless the court in its discretion releases the person sooner after a determination regarding probable cause or on probation bond or bail.

Within twenty-four hours of the arrest, the arresting law enforcement agency shall refer the person to the designated mental health professional for examination and evaluation under chapter 71.05 or 71.34 RCW and inform a parent or guardian of the person of the arrest, detention, and examination. The designated mental health professional shall examine and evaluate the person subject to the provisions of chapter 71.05 or 71.34 RCW. The examination shall occur at the facility in which the person is detained or confined. If the person has been released on probation, bond, or bail, the examination shall occur wherever is appropriate.

The designated mental health professional may determine whether to refer the person to the county-designated chemical dependency specialist for examination and evaluation in accordance with chapter 70.96A RCW. The county-designated chemical dependency specialist shall examine the person subject to the provisions of chapter 70.96A RCW. The examination shall occur at the facility in which the person is detained or confined. If the person has been released on probation, bond, or bail, the examination shall occur wherever is appropriate.

Upon completion of any examination by the designated mental health professional or the county-designated chemical dependency specialist, the results of the examination shall be sent to the court, and the court shall consider those results in making any determination about the person.

The designated mental health professional and county-designated chemical dependency specialist shall, to the extent permitted by law, notify a parent or guardian of the person that an examination and evaluation has taken place and the results of the examination. Nothing in this subsection prohibits the delivery of additional, appropriate mental health examinations to the person while the person is detained or confined.

If the designated mental health professional determines it is appropriate, the designated mental health professional may refer the person to the local ((~~regional support network~~)) behavioral health organization for follow-up services or the department of social and health services or other community providers for other services to the family and individual.

(3) Subsection (1) of this section does not apply to:

(a) Any student or employee of a private military academy when on the property of the academy;

(b) Any person engaged in military, law enforcement, or school district security activities. However, a person who is not a commissioned law enforcement officer and who provides school security services under the direction of a school administrator may not possess a device listed in subsection (1)(f) of this section unless he or she has successfully completed training in the use of such devices that is equivalent to the training received by commissioned law enforcement officers;

(c) Any person who is involved in a convention, showing, demonstration, lecture, or firearms safety course authorized by school authorities in which the firearms of collectors or instructors are handled or displayed;

(d) Any person while the person is participating in a firearms or air gun competition approved by the school or school district;

(e) Any person in possession of a pistol who has been issued a license under RCW 9.41.070, or is exempt from the licensing requirement by RCW 9.41.060, while picking up or dropping off a student;

(f) Any nonstudent at least eighteen years of age legally in possession of a firearm or dangerous weapon that is secured within an attended vehicle or concealed from view within a locked unattended vehicle while conducting legitimate business at the school;

(g) Any nonstudent at least eighteen years of age who is in lawful possession of an unloaded firearm, secured in a vehicle while conducting legitimate business at the school; or

(h) Any law enforcement officer of the federal, state, or local government agency.

(4) Subsections (1)(c) and (d) of this section do not apply to any person who possesses nun-chu-ka sticks, throwing stars, or other dangerous weapons to be used in martial arts classes authorized to be conducted on the school premises.

(5) Subsection (1)(f)(i) of this section does not apply to any person who possesses a device listed in subsection (1)(f)(i) of this section, if the device is possessed and used solely for the purpose approved by a school for use in a school authorized event, lecture, or activity conducted on the school premises.

(6) Except as provided in subsection (3)(b), (c), (f), and (h) of this section, firearms are not permitted in a public or private school building.

(7) "GUN-FREE ZONE" signs shall be posted around school facilities giving warning of the prohibition of the possession of firearms on school grounds.

Sec. 57. RCW 10.31.110 and 2011 c 305 s 7 and 2011 c 148 s 3 are each reenacted and amended to read as follows:

(1) When a police officer has reasonable cause to believe that the individual has committed acts constituting a nonfelony crime that is not a serious offense as identified in RCW 10.77.092 and the

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individual is known by history or consultation with the ((~~regional support network~~)) behavioral health organization to suffer from a mental disorder, the arresting officer may:

(a) Take the individual to a crisis stabilization unit as defined in RCW 71.05.020(6). Individuals delivered to a crisis stabilization unit pursuant to this section may be held by the facility for a period of up to twelve hours. The individual must be examined by a mental health professional within three hours of arrival;

(b) Take the individual to a triage facility as defined in RCW 71.05.020. An individual delivered to a triage facility which has elected to operate as an involuntary facility may be held up to a period of twelve hours. The individual must be examined by a mental health professional within three hours of arrival;

(c) Refer the individual to a mental health professional for evaluation for initial detention and proceeding under chapter 71.05 RCW; or

(d) Release the individual upon agreement to voluntary participation in outpatient treatment.

(2) If the individual is released to the community, the mental health provider shall inform the arresting officer of the release within a reasonable period of time after the release if the arresting officer has specifically requested notification and provided contact information to the provider.

(3) In deciding whether to refer the individual to treatment under this section, the police officer shall be guided by standards mutually agreed upon with the prosecuting authority, which address, at a minimum, the length, seriousness, and recency of the known criminal history of the individual, the mental health history of the individual, where available, and the circumstances surrounding the commission of the alleged offense.

(4) Any agreement to participate in treatment shall not require individuals to stipulate to any of the alleged facts regarding the criminal activity as a prerequisite to participation in a mental health treatment alternative. The agreement is inadmissible in any criminal or civil proceeding. The agreement does not create immunity from prosecution for the alleged criminal activity.

(5) If an individual violates such agreement and the mental health treatment alternative is no longer appropriate:

(a) The mental health provider shall inform the referring law enforcement agency of the violation; and

(b) The original charges may be filed or referred to the prosecutor, as appropriate, and the matter may proceed accordingly.

(6) The police officer is immune from liability for any good faith conduct under this section.

Sec. 58. RCW 10.77.010 and 2011 c 89 s 4 are each amended to read as follows:

As used in this chapter:

(1) "Admission" means acceptance based on medical necessity, of a person as a patient.

(2) "Commitment" means the determination by a court that a person should be detained for a period of either evaluation or treatment, or both, in an inpatient or a less-restrictive setting.

(3) "Conditional release" means modification of a court-ordered commitment, which may be revoked upon violation of any of its terms.

(4) A "criminally insane" person means any person who has been acquitted of a crime charged by reason of insanity, and thereupon found to be a substantial danger to other persons or to present a substantial likelihood of committing criminal acts jeopardizing public safety or security unless kept under further control by the court or other persons or institutions.

(5) "Department" means the state department of social and health services.

(6) "Designated mental health professional" has the same meaning as provided in RCW 71.05.020.

(7) "Detention" or "detain" means the lawful confinement of a person, under the provisions of this chapter, pending evaluation.

(8) "Developmental disabilities professional" means a person who has specialized training and three years of experience in directly treating or working with persons with developmental disabilities and is a psychiatrist or psychologist, or a social worker, and such other developmental disabilities professionals as may be defined by rules adopted by the secretary.

(9) "Developmental disability" means the condition as defined in RCW 71A.10.020((~~(3)~~))(4).

(10) "Discharge" means the termination of hospital medical authority. The commitment may remain in place, be terminated, or be amended by court order.

(11) "Furlough" means an authorized leave of absence for a resident of a state institution operated by the department designated for the custody, care, and treatment of the criminally insane, consistent with an order of conditional release from the court under this chapter, without any requirement that the resident be accompanied by, or be in the custody of, any law enforcement or institutional staff, while on such unescorted leave.

(12) "Habilitative services" means those services provided by program personnel to assist persons in acquiring and maintaining life skills and in raising their levels of physical, mental, social, and vocational functioning. Habilitative services include education, training for employment, and therapy. The habilitative process shall be undertaken with recognition of the risk to the public safety presented by the person being assisted as manifested by prior charged criminal conduct.

(13) "History of one or more violent acts" means violent acts committed during: (a) The ten-year period of time prior to the filing of criminal charges; plus (b) the amount of time equal to time spent during the ten-year period in a mental health facility or in confinement as a result of a criminal conviction.

(14) "Immediate family member" means a spouse, child, stepchild, parent, stepparent, grandparent, sibling, or domestic partner.

(15) "Incompetency" means a person lacks the capacity to understand the nature of the proceedings against him or her or to assist in his or her own defense as a result of mental disease or defect.

(16) "Indigent" means any person who is financially unable to obtain counsel or other necessary expert or professional services without causing substantial hardship to the person or his or her family.

(17) "Individualized service plan" means a plan prepared by a developmental disabilities professional with other professionals as a team, for an individual with developmental disabilities, which shall state:

(a) The nature of the person's specific problems, prior charged criminal behavior, and habilitation needs;

(b) The conditions and strategies necessary to achieve the purposes of habilitation;

(c) The intermediate and long-range goals of the habilitation program, with a projected timetable for the attainment;

(d) The rationale for using this plan of habilitation to achieve those intermediate and long-range goals;

(e) The staff responsible for carrying out the plan;

(f) Where relevant in light of past criminal behavior and due consideration for public safety, the criteria for proposed movement to less-restrictive settings, criteria for proposed eventual release, and a projected possible date for release; and

(g) The type of residence immediately anticipated for the person and possible future types of residences.

(18) "Professional person" means:

(a) A psychiatrist licensed as a physician and surgeon in this state who has, in addition, completed three years of graduate training in psychiatry in a program approved by the American medical

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association or the American osteopathic association and is certified or eligible to be certified by the American board of psychiatry and neurology or the American osteopathic board of neurology and psychiatry;

(b) A psychologist licensed as a psychologist pursuant to chapter 18.83 RCW; or

(c) A social worker with a master's or further advanced degree from a social work educational program accredited and approved as provided in RCW 18.320.010.

(19) "Registration records" include all the records of the department, ((~~regional support networks~~)) behavioral health organizations, treatment facilities, and other persons providing services to the department, county departments, or facilities which identify persons who are receiving or who at any time have received services for mental illness.

(20) "Release" means legal termination of the court-ordered commitment under the provisions of this chapter.

(21) "Secretary" means the secretary of the department of social and health services or his or her designee.

(22) "Treatment" means any currently standardized medical or mental health procedure including medication.

(23) "Treatment records" include registration and all other records concerning persons who are receiving or who at any time have received services for mental illness, which are maintained by the department, by ((~~regional support networks~~)) behavioral health organizations and their staffs, and by treatment facilities. Treatment records do not include notes or records maintained for personal use by a person providing treatment services for the department, ((~~regional support networks~~)) behavioral health organizations, or a treatment facility if the notes or records are not available to others.

(24) "Violent act" means behavior that: (a)(i) Resulted in; (ii) if completed as intended would have resulted in; or (iii) was threatened to be carried out by a person who had the intent and opportunity to carry out the threat and would have resulted in, homicide, nonfatal injuries, or substantial damage to property; or (b) recklessly creates an immediate risk of serious physical injury to another person. As used in this subsection, "nonfatal injuries" means physical pain or injury, illness, or an impairment of physical condition. "Nonfatal injuries" shall be construed to be consistent with the definition of "bodily injury," as defined in RCW 9A.04.110.

Sec. 59. RCW 10.77.065 and 2013 c 214 s 1 are each amended to read as follows:

(1)(a)(i) The expert conducting the evaluation shall provide his or her report and recommendation to the court in which the criminal proceeding is pending. For a competency evaluation of a defendant who is released from custody, if the evaluation cannot be completed within twenty-one days due to a lack of cooperation by the defendant, the evaluator shall notify the court that he or she is unable to complete the evaluation because of such lack of cooperation.

(ii) A copy of the report and recommendation shall be provided to the designated mental health professional, the prosecuting attorney, the defense attorney, and the professional person at the local correctional facility where the defendant is being held, or if there is no professional person, to the person designated under (a)(iv) of this subsection. Upon request, the evaluator shall also provide copies of any source documents relevant to the evaluation to the designated mental health professional.

(iii) Any facility providing inpatient services related to competency shall discharge the defendant as soon as the facility determines that the defendant is competent to stand trial. Discharge shall not be postponed during the writing and distribution of the evaluation report. Distribution of an evaluation report by a facility providing inpatient services shall ordinarily be accomplished within two working days or less following the final evaluation of the defendant. If the defendant is discharged to the custody of a local correctional facility, the local correctional facility must continue the medication regimen prescribed by the facility, when clinically appropriate, unless the defendant refuses to cooperate with medication.

(iv) If there is no professional person at the local correctional facility, the local correctional facility shall designate a professional person as defined in RCW 71.05.020 or, in cooperation with the ((~~regional support network~~)) behavioral health organization, a professional person at the ((~~regional support network~~)) behavioral health organization to receive the report and recommendation.

(v) Upon commencement of a defendant's evaluation in the local correctional facility, the local correctional facility must notify the evaluator of the name of the professional person, or person designated under (a)(iv) of this subsection, to receive the report and recommendation.

(b) If the evaluator concludes, under RCW 10.77.060(3)(f), the person should be evaluated by a designated mental health professional under chapter 71.05 RCW, the court shall order such evaluation be conducted prior to release from confinement when the person is acquitted or convicted and sentenced to confinement for twenty-four months or less, or when charges are dismissed pursuant to a finding of incompetent to stand trial.

(2) The designated mental health professional shall provide written notification within twenty-four hours of the results of the determination whether to commence proceedings under chapter 71.05 RCW. The notification shall be provided to the persons identified in subsection (1)(a) of this section.

(3) The prosecuting attorney shall provide a copy of the results of any proceedings commenced by the designated mental health professional under subsection (2) of this section to the secretary.

(4) A facility conducting a civil commitment evaluation under RCW 10.77.086(4) or 10.77.088(1)(b)(ii) that makes a determination to release the person instead of filing a civil commitment petition must provide written notice to the prosecutor and defense attorney at least twenty-four hours prior to release. The notice may be given by electronic mail, facsimile, or other means reasonably likely to communicate the information immediately.

(5) The fact of admission and all information and records compiled, obtained, or maintained in the course of providing services under this chapter may also be disclosed to the courts solely to prevent the entry of any evaluation or treatment order that is inconsistent with any order entered under chapter 71.05 RCW.

Sec. 60. RCW 28A.310.202 and 2007 c 359 s 9 are each amended to read as follows:

Educational service district boards may partner with ((~~regional support networks~~)) behavioral health organizations to respond to a request for proposal for operation of a wraparound model site under chapter 359, Laws of 2007 and, if selected, may contract for the provision of services to coordinate care and facilitate the delivery of services and other supports under a wraparound model.

Sec. 61. RCW 43.185.060 and 1994 c 160 s 2 are each amended to read as follows:

Organizations that may receive assistance from the department under this chapter are local governments, local housing authorities, ((~~regional support networks~~)) behavioral health organizations established under chapter 71.24 RCW, nonprofit community or neighborhood-based organizations, federally recognized Indian tribes in the state of Washington, and regional or statewide nonprofit housing assistance organizations.

Eligibility for assistance from the department under this chapter also requires compliance with the revenue and taxation laws, as applicable to the recipient, at the time the grant is made.

Sec. 62. RCW 43.185.070 and 2013 c 145 s 3 are each amended to read as follows:

(1) During each calendar year in which funds from the housing trust fund or other legislative appropriations are available for use by the department for the housing assistance program, the department

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must announce to all known interested parties, and through major media throughout the state, a grant and loan application period of at least ninety days' duration. This announcement must be made as often as the director deems appropriate for proper utilization of resources. The department must then promptly grant as many applications as will utilize available funds less appropriate administrative costs of the department as provided in RCW 43.185.050.

(2) In awarding funds under this chapter, the department must:

(a) Provide for a geographic distribution on a statewide basis; and

(b) Until June 30, 2013, consider the total cost and per-unit cost of each project for which an application is submitted for funding under RCW 43.185.050(2) (a) and (j), as compared to similar housing projects constructed or renovated within the same geographic area.

(3) The department, with advice and input from the affordable housing advisory board established in RCW 43.185B.020, or a subcommittee of the affordable housing advisory board, must report recommendations for awarding funds in a cost-effective manner. The report must include an implementation plan, timeline, and any other items the department identifies as important to consider to the legislature by December 1, 2012.

(4) The department must give first priority to applications for projects and activities which utilize existing privately owned housing stock including privately owned housing stock purchased by nonprofit public development authorities and public housing authorities as created in chapter 35.82 RCW. As used in this subsection, privately owned housing stock includes housing that is acquired by a federal agency through a default on the mortgage by the private owner. Such projects and activities must be evaluated under subsection (5) of this section. Second priority must be given to activities and projects which utilize existing publicly owned housing stock. All projects and activities must be evaluated by some or all of the criteria under subsection (5) of this section, and similar projects and activities shall be evaluated under the same criteria.

(5) The department must give preference for applications based on some or all of the criteria under this subsection, and similar projects and activities must be evaluated under the same criteria:

(a) The degree of leveraging of other funds that will occur;

(b) The degree of commitment from programs to provide necessary habilitation and support services for projects focusing on special needs populations;

(c) Recipient contributions to total project costs, including allied contributions from other sources such as professional, craft and trade services, and lender interest rate subsidies;

(d) Local government project contributions in the form of infrastructure improvements, and others;

(e) Projects that encourage ownership, management, and other project-related responsibility opportunities;

(f) Projects that demonstrate a strong probability of serving the original target group or income level for a period of at least twenty-five years;

(g) The applicant has the demonstrated ability, stability and resources to implement the project;

(h) Projects which demonstrate serving the greatest need;

(i) Projects that provide housing for persons and families with the lowest incomes;

(j) Projects serving special needs populations which are under statutory mandate to develop community housing;

(k) Project location and access to employment centers in the region or area;

(l) Projects that provide employment and training opportunities for disadvantaged youth under a youthbuild or youthbuild-type program as defined in RCW 50.72.020; and

(m) Project location and access to available public transportation services.

(6) The department may only approve applications for projects for persons with mental illness that are consistent with a ((~~regional support network~~)) behavioral health organization six-year capital and operating plan.

Sec. 63. RCW 43.185.110 and 1993 c 478 s 15 are each amended to read as follows:

The affordable housing advisory board established in RCW 43.185B.020 shall advise the director on housing needs in this state, including housing needs for persons ((~~who are mentally ill or developmentally disabled~~)) with mental illness or developmental disabilities or youth who are blind or deaf or otherwise disabled, operational aspects of the grant and loan program or revenue collection programs established by this chapter, and implementation of the policy and goals of this chapter. Such advice shall be consistent with policies and plans developed by ((~~regional support networks~~)) behavioral health organizations according to chapter 71.24 RCW for ((~~the mentally ill~~)) individuals with mental illness and the developmental disabilities planning council for ((~~the developmentally disabled~~)) individuals with developmental disabilities.

Sec. 64. RCW 43.20A.895 and 2013 c 338 s 2 are each amended to read as follows:

(1) The systems responsible for financing, administration, and delivery of publicly funded mental health and chemical dependency services to adults must be designed and administered to achieve improved outcomes for adult clients served by those systems through increased use and development of evidence-based, research-based, and promising practices, as defined in RCW 71.24.025. For purposes of this section, client outcomes include: Improved health status; increased participation in employment and education; reduced involvement with the criminal justice system; enhanced safety and access to treatment for forensic patients; reduction in avoidable utilization of and costs associated with hospital, emergency room, and crisis services; increased housing stability; improved quality of life, including measures of recovery and resilience; and decreased population level disparities in access to treatment and treatment outcomes.

(2) The department and the health care authority must implement a strategy for the improvement of the adult behavioral health system.

(a) The department must establish a steering committee that includes at least the following members: Behavioral health service recipients and their families; local government; representatives of ((~~regional support networks~~)) behavioral health organizations; representatives of county coordinators; law enforcement; city and county jails; tribal representatives; behavioral health service providers, including at least one chemical dependency provider and at least one psychiatric advanced registered nurse practitioner; housing providers; medicaid managed care plan representatives; long-term care service providers; organizations representing health care professionals providing services in mental health settings; the Washington state hospital association; the Washington state medical association; individuals with expertise in evidence-based and research-based behavioral health service practices; and the health care authority.

(b) The adult behavioral health system improvement strategy must include:

(i) An assessment of the capacity of the current publicly funded behavioral health services system to provide evidence-based, research- based, and promising practices;

(ii) Identification, development, and increased use of evidence-based, research-based, and promising practices;

(iii) Design and implementation of a transparent quality management system, including analysis of current system capacity to implement outcomes reporting and development of baseline and improvement targets for each outcome measure provided in this section;

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(iv) Identification and phased implementation of service delivery, financing, or other strategies that will promote improvement of the behavioral health system as described in this section and incentivize the medical care, behavioral health, and long-term care service delivery systems to achieve the improvements described in this section and collaborate across systems. The strategies must include phased implementation of public reporting of outcome and performance measures in a form that allows for comparison of performance and levels of improvement between geographic regions of Washington; and

(v) Identification of effective methods for promoting workforce capacity, efficiency, stability, diversity, and safety.

(c) The department must seek private foundation and federal grant funding to support the adult behavioral health system improvement strategy.

(d) By May 15, 2014, the Washington state institute for public policy, in consultation with the department, the University of Washington evidence-based practice institute, the University of Washington alcohol and drug abuse institute, and the Washington institute for mental health research and training, shall prepare an inventory of evidence-based, research-based, and promising practices for prevention and intervention services pursuant to subsection (1) of this section. The department shall use the inventory in preparing the behavioral health improvement strategy. The department shall provide the institute with data necessary to complete the inventory.

(e) By August 1, 2014, the department must report to the governor and the relevant fiscal and policy committees of the legislature on the status of implementation of the behavioral health improvement strategy, including strategies developed or implemented to date, timelines, and costs to accomplish phased implementation of the adult behavioral health system improvement strategy.

(3) The department must contract for the services of an independent consultant to review the provision of forensic mental health services in Washington state and provide recommendations as to whether and how the state's forensic mental health system should be modified to provide an appropriate treatment environment for individuals with mental disorders who have been charged with a crime while enhancing the safety and security of the public and other patients and staff at forensic treatment facilities. By August 1, 2014, the department must submit a report regarding the recommendations of the independent consultant to the governor and the relevant fiscal and policy committees of the legislature.

Sec. 65. RCW 43.20A.897 and 2013 c 338 s 7 are each amended to read as follows:

(1) By November 30, 2013, the department and the health care authority must report to the governor and the relevant fiscal and policy committees of the legislature, consistent with RCW 43.01.036, a plan that establishes a tribal-centric behavioral health system incorporating both mental health and chemical dependency services. The plan must assure that child, adult, and older adult American Indians and Alaskan Natives eligible for medicaid have increased access to culturally appropriate mental health and chemical dependency services. The plan must:

(a) Include implementation dates, major milestones, and fiscal estimates as needed;

(b) Emphasize the use of culturally appropriate evidence-based and promising practices;

(c) Address equitable access to crisis services, outpatient care, voluntary and involuntary hospitalization, and behavioral health care coordination;

(d) Identify statutory changes necessary to implement the tribal-centric behavioral health system; and

(e) Be developed with the department's Indian policy advisory committee and the American Indian health commission, in consultation with Washington's federally recognized tribes.

(2) The department shall enter into agreements with the tribes and urban Indian health programs and modify ((~~regional support network~~)) behavioral health organization contracts as necessary to develop a tribal-centric behavioral health system that better serves the needs of the tribes.

Sec. 66. RCW 43.20C.020 and 2012 c 232 s 3 are each amended to read as follows:

The department of social and health services shall accomplish the following in consultation and collaboration with the Washington state institute for public policy, the evidence-based practice institute at the University of Washington, a university-based child welfare partnership and research entity, other national experts in the delivery of evidence-based services, and organizations representing Washington practitioners:

(1) By September 30, 2012, the Washington state institute for public policy, the University of Washington evidence-based practice institute, in consultation with the department shall publish descriptive definitions of evidence-based, research-based, and promising practices in the areas of child welfare, juvenile rehabilitation, and children's mental health services.

(a) In addition to descriptive definitions, the Washington state institute for public policy and the University of Washington evidence-based practice institute must prepare an inventory of evidence-based, research-based, and promising practices for prevention and intervention services that will be used for the purpose of completing the baseline assessment described in subsection (2) of this section. The inventory shall be periodically updated as more practices are identified.

(b) In identifying evidence-based and research-based services, the Washington state institute for public policy and the University of Washington evidence-based practice institute must:

(i) Consider any available systemic evidence-based assessment of a program's efficacy and cost-effectiveness; and

(ii) Attempt to identify assessments that use valid and reliable evidence.

(c) Using state, federal, or private funds, the department shall prioritize the assessment of promising practices identified in (a) of this subsection with the goal of increasing the number of such practices that meet the standards for evidence-based and research-based practices.

(2) By June 30, 2013, the department and the health care authority shall complete a baseline assessment of utilization of evidence-based and research-based practices in the areas of child welfare, juvenile rehabilitation, and children's mental health services. The assessment must include prevention and intervention services provided through medicaid fee-for-service and healthy options managed care contracts. The assessment shall include estimates of:

(a) The number of children receiving each service;

(b) For juvenile rehabilitation and child welfare services, the total amount of state and federal funds expended on the service;

(c) For children's mental health services, the number and percentage of encounters using these services that are provided to children served by ((~~regional support networks~~)) behavioral health organizations and children receiving mental health services through medicaid fee-for-service or healthy options;

(d) The relative availability of the service in the various regions of the state; and

(e) To the extent possible, the unmet need for each service.

(3)(a) By December 30, 2013, the department and the health care authority shall report to the governor and to the appropriate fiscal and policy committees of the legislature on recommended strategies, timelines, and costs for increasing the use of evidence-based and research-based practices. The report must distinguish between a reallocation of existing funding to support the recommended strategies and new funding needed to increase the use of the practices.

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(b) The department shall provide updated recommendations to the governor and the legislature by December 30, 2014, and by December 30, 2015.

(4)(a) The report required under subsection (3) of this section must include recommendations for the reallocation of resources for evidence-based and research-based practices and substantial increases above the baseline assessment of the use of evidence-based and research-based practices for the 2015-2017 and the 2017-2019 biennia. The recommendations for increases shall be consistent with subsection (2) of this section.

(b) If the department or health care authority anticipates that it will not meet its recommended levels for an upcoming biennium as set forth in its report, it must report to the legislature by November 1st of the year preceding the biennium. The report shall include:

(i) The identified impediments to meeting the recommended levels;

(ii) The current and anticipated performance level; and

(iii) Strategies that will be undertaken to improve performance.

(5) Recommendations made pursuant to subsections (3) and (4) of this section must include strategies to identify programs that are effective with ethnically diverse clients and to consult with tribal governments, experts within ethnically diverse communities, and community organizations that serve diverse communities.

Sec. 67. RCW 43.20C.030 and 2012 c 232 s 4 are each amended to read as follows:

The department of social and health services, in consultation with a university-based evidence-based practice institute entity in Washington, the Washington partnership council on juvenile justice, the child mental health systems of care planning committee, the children, youth, and family advisory committee, the Washington state racial disproportionality advisory committee, a university-based child welfare research entity in Washington state, ((~~regional support networks~~)) behavioral health organizations, the Washington association of juvenile court administrators, and the Washington state institute for public policy, shall:

(1) Develop strategies to use unified and coordinated case plans for children, youth, and their families who are or are likely to be involved in multiple systems within the department;

(2) Use monitoring and quality control procedures designed to measure fidelity with evidence-based and research-based prevention and treatment programs; and

(3) Utilize any existing data reporting and system of quality management processes at the state and local level for monitoring the quality control and fidelity of the implementation of evidence-based and research-based practices.

Sec. 68. RCW 44.28.800 and 1998 c 297 s 61 are each amended to read as follows:

The joint legislative audit and review committee shall conduct an evaluation of the efficiency and effectiveness of chapter 297, Laws of 1998 in meeting its stated goals. Such an evaluation shall include the operation of the state mental hospitals and the ((~~regional support networks~~)) behavioral health organizations, as well as any other appropriate entity. The joint legislative audit and review committee shall prepare an interim report of its findings which shall be delivered to the appropriate legislative committees of the house of representatives and the senate no later than September 1, 2000. In addition, the joint legislative audit and review committee shall prepare a final report of its findings which shall be delivered to the appropriate legislative committees of the house of representatives and the senate no later than January 1, 2001.

Sec. 69. RCW 48.01.220 and 1993 c 462 s 104 are each amended to read as follows:

The activities and operations of mental health ((~~regional support networks~~)) behavioral health organizations, to the extent they pertain to the operation of a medical assistance managed care system in accordance with chapters 71.24 and 74.09 RCW, are exempt from the requirements of this title.

Sec. 70. RCW 70.02.010 and 2013 c 200 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) "Admission" has the same meaning as in RCW 71.05.020.

(2) "Audit" means an assessment, evaluation, determination, or investigation of a health care provider by a person not employed by or affiliated with the provider to determine compliance with:

(a) Statutory, regulatory, fiscal, medical, or scientific standards;

(b) A private or public program of payments to a health care provider; or

(c) Requirements for licensing, accreditation, or certification.

(3) "Commitment" has the same meaning as in RCW 71.05.020.

(4) "Custody" has the same meaning as in RCW 71.05.020.

(5) "Deidentified" means health information that does not identify an individual and with respect to which there is no reasonable basis to believe that the information can be used to identify an individual.

(6) "Department" means the department of social and health services.

(7) "Designated mental health professional" has the same meaning as in RCW 71.05.020 or 71.34.020, as applicable.

(8) "Detention" or "detain" has the same meaning as in RCW 71.05.020.

(9) "Directory information" means information disclosing the presence, and for the purpose of identification, the name, location within a health care facility, and the general health condition of a particular patient who is a patient in a health care facility or who is currently receiving emergency health care in a health care facility.

(10) "Discharge" has the same meaning as in RCW 71.05.020.

(11) "Evaluation and treatment facility" has the same meaning as in RCW 71.05.020 or 71.34.020, as applicable.

(12) "Federal, state, or local law enforcement authorities" means an officer of any agency or authority in the United States, a state, a tribe, a territory, or a political subdivision of a state, a tribe, or a territory who is empowered by law to: (a) Investigate or conduct an official inquiry into a potential criminal violation of law; or (b) prosecute or otherwise conduct a criminal proceeding arising from an alleged violation of law.

(13) "General health condition" means the patient's health status described in terms of "critical," "poor," "fair," "good," "excellent," or terms denoting similar conditions.

(14) "Health care" means any care, service, or procedure provided by a health care provider:

(a) To diagnose, treat, or maintain a patient's physical or mental condition; or

(b) That affects the structure or any function of the human body.

(15) "Health care facility" means a hospital, clinic, nursing home, laboratory, office, or similar place where a health care provider provides health care to patients.

(16) "Health care information" means any information, whether oral or recorded in any form or medium, that identifies or can readily be associated with the identity of a patient and directly relates to the patient's health care, including a patient's deoxyribonucleic acid and identified sequence of chemical base pairs. The term includes any required accounting of disclosures of health care information.

(17) "Health care operations" means any of the following activities of a health care provider, health care facility, or third-party payor to the extent that the activities are related to functions that make an entity a health care provider, a health care facility, or a third-party payor:

(a) Conducting: Quality assessment and improvement activities, including outcomes evaluation and development of clinical guidelines, if the obtaining of generalizable knowledge is not the primary purpose of any studies resulting from such activities;

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population-based activities relating to improving health or reducing health care costs, protocol development, case management and care coordination, contacting of health care providers and patients with information about treatment alternatives; and related functions that do not include treatment;

(b) Reviewing the competence or qualifications of health care professionals, evaluating practitioner and provider performance and third-party payor performance, conducting training programs in which students, trainees, or practitioners in areas of health care learn under supervision to practice or improve their skills as health care providers, training of nonhealth care professionals, accreditation, certification, licensing, or credentialing activities;

(c) Underwriting, premium rating, and other activities relating to the creation, renewal, or replacement of a contract of health insurance or health benefits, and ceding, securing, or placing a contract for reinsurance of risk relating to claims for health care, including stop-loss insurance and excess of loss insurance, if any applicable legal requirements are met;

(d) Conducting or arranging for medical review, legal services, and auditing functions, including fraud and abuse detection and compliance programs;

(e) Business planning and development, such as conducting cost-management and planning-related analyses related to managing and operating the health care facility or third-party payor, including formulary development and administration, development, or improvement of methods of payment or coverage policies; and

(f) Business management and general administrative activities of the health care facility, health care provider, or third-party payor including, but not limited to:

(i) Management activities relating to implementation of and compliance with the requirements of this chapter;

(ii) Customer service, including the provision of data analyses for policy holders, plan sponsors, or other customers, provided that health care information is not disclosed to such policy holder, plan sponsor, or customer;

(iii) Resolution of internal grievances;

(iv) The sale, transfer, merger, or consolidation of all or part of a health care provider, health care facility, or third-party payor with another health care provider, health care facility, or third-party payor or an entity that following such activity will become a health care provider, health care facility, or third-party payor, and due diligence related to such activity; and

(v) Consistent with applicable legal requirements, creating deidentified health care information or a limited dataset for the benefit of the health care provider, health care facility, or third- party payor.

(18) "Health care provider" means a person who is licensed, certified, registered, or otherwise authorized by the law of this state to provide health care in the ordinary course of business or practice of a profession.

(19) "Human immunodeficiency virus" or "HIV" has the same meaning as in RCW 70.24.017.

(20) "Imminent" has the same meaning as in RCW 71.05.020.

(21) "Information and records related to mental health services" means a type of health care information that relates to all information and records, including mental health treatment records, compiled, obtained, or maintained in the course of providing services by a mental health service agency, as defined in this section. This may include documents of legal proceedings under chapter 71.05, 71.34, or 10.77 RCW, or somatic health care information. For health care information maintained by a hospital as defined in RCW 70.41.020 or a health care facility or health care provider that participates with a hospital in an organized health care arrangement defined under federal law, "information and records related to mental health services" is limited to information and records of services provided by a mental health professional or information and records of services created by a hospital-operated community mental health program as defined in RCW 71.24.025(6).

(22) "Information and records related to sexually transmitted diseases" means a type of health care information that relates to the identity of any person upon whom an HIV antibody test or other sexually transmitted infection test is performed, the results of such tests, and any information relating to diagnosis of or treatment for any confirmed sexually transmitted infections.

(23) "Institutional review board" means any board, committee, or other group formally designated by an institution, or authorized under federal or state law, to review, approve the initiation of, or conduct periodic review of research programs to assure the protection of the rights and welfare of human research subjects.

(24) "Legal counsel" has the same meaning as in RCW 71.05.020.

(25) "Local public health officer" has the same meaning as in RCW 70.24.017.

(26) "Maintain," as related to health care information, means to hold, possess, preserve, retain, store, or control that information.

(27) "Mental health professional" has the same meaning as in RCW 71.05.020.

(28) "Mental health service agency" means a public or private agency that provides services to persons with mental disorders as defined under RCW 71.05.020 or 71.34.020 and receives funding from public sources. This includes evaluation and treatment facilities as defined in RCW 71.34.020, community mental health service delivery systems, or community mental health programs, as defined in RCW 71.24.025, and facilities conducting competency evaluations and restoration under chapter 10.77 RCW.

(29) "Mental health treatment records" include registration records, as defined in RCW 71.05.020, and all other records concerning persons who are receiving or who at any time have received services for mental illness, which are maintained by the department, by ((~~regional support networks~~)) behavioral health organizations and their staffs, and by treatment facilities. "Mental health treatment records" include mental health information contained in a medical bill including, but not limited to, mental health drugs, a mental health diagnosis, provider name, and dates of service stemming from a medical service. "Mental health treatment records" do not include notes or records maintained for personal use by a person providing treatment services for the department, ((~~regional support networks~~)) behavioral health organizations, or a treatment facility if the notes or records are not available to others.

(30) "Minor" has the same meaning as in RCW 71.34.020.

(31) "Parent" has the same meaning as in RCW 71.34.020.

(32) "Patient" means an individual who receives or has received health care. The term includes a deceased individual who has received health care.

(33) "Payment" means:

(a) The activities undertaken by:

(i) A third-party payor to obtain premiums or to determine or fulfill its responsibility for coverage and provision of benefits by the third-party payor; or

(ii) A health care provider, health care facility, or third-party payor, to obtain or provide reimbursement for the provision of health care; and

(b) The activities in (a) of this subsection that relate to the patient to whom health care is provided and that include, but are not limited to:

(i) Determinations of eligibility or coverage, including coordination of benefits or the determination of cost-sharing amounts, and adjudication or subrogation of health benefit claims;

(ii) Risk adjusting amounts due based on enrollee health status and demographic characteristics;

(iii) Billing, claims management, collection activities, obtaining payment under a contract for reinsurance, including stop-loss

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insurance and excess of loss insurance, and related health care data processing;

(iv) Review of health care services with respect to medical necessity, coverage under a health plan, appropriateness of care, or justification of charges;

(v) Utilization review activities, including precertification and preauthorization of services, and concurrent and retrospective review of services; and

(vi) Disclosure to consumer reporting agencies of any of the following health care information relating to collection of premiums or reimbursement:

(A) Name and address;

(B) Date of birth;

(C) Social security number;

(D) Payment history;

(E) Account number; and

(F) Name and address of the health care provider, health care facility, and/or third-party payor.

(34) "Person" means an individual, corporation, business trust, estate, trust, partnership, association, joint venture, government, governmental subdivision or agency, or any other legal or commercial entity.

(35) "Professional person" has the same meaning as in RCW 71.05.020.

(36) "Psychiatric advanced registered nurse practitioner" has the same meaning as in RCW 71.05.020.

(37) "Reasonable fee" means the charges for duplicating or searching the record, but shall not exceed sixty-five cents per page for the first thirty pages and fifty cents per page for all other pages. In addition, a clerical fee for searching and handling may be charged not to exceed fifteen dollars. These amounts shall be adjusted biennially in accordance with changes in the consumer price index, all consumers, for Seattle-Tacoma metropolitan statistical area as determined by the secretary of health. However, where editing of records by a health care provider is required by statute and is done by the provider personally, the fee may be the usual and customary charge for a basic office visit.

(38) "Release" has the same meaning as in RCW 71.05.020.

(39) "Resource management services" has the same meaning as in RCW 71.05.020.

(40) "Serious violent offense" has the same meaning as in RCW 71.05.020.

(41) "Sexually transmitted infection" or "sexually transmitted disease" has the same meaning as "sexually transmitted disease" in RCW 70.24.017.

(42) "Test for a sexually transmitted disease" has the same meaning as in RCW 70.24.017.

(43) "Third-party payor" means an insurer regulated under Title 48 RCW authorized to transact business in this state or other jurisdiction, including a health care service contractor, and health maintenance organization; or an employee welfare benefit plan, excluding fitness or wellness plans; or a state or federal health benefit program.

(44) "Treatment" means the provision, coordination, or management of health care and related services by one or more health care providers or health care facilities, including the coordination or management of health care by a health care provider or health care facility with a third party; consultation between health care providers or health care facilities relating to a patient; or the referral of a patient for health care from one health care provider or health care facility to another.

Sec. 71. RCW 70.02.230 and 2013 c 200 s 7 are each amended to read as follows:

(1) Except as provided in this section, RCW 70.02.050, 71.05.445, 70.96A.150, 74.09.295, 70.02.210, 70.02.240, 70.02.250, and 70.02.260, or pursuant to a valid authorization under RCW 70.02.030, the fact of admission to a provider for mental health services and all information and records compiled, obtained, or maintained in the course of providing mental health services to either voluntary or involuntary recipients of services at public or private agencies must be confidential.

(2) Information and records related to mental health services, other than those obtained through treatment under chapter 71.34 RCW, may be disclosed only:

(a) In communications between qualified professional persons to meet the requirements of chapter 71.05 RCW, in the provision of services or appropriate referrals, or in the course of guardianship proceedings if provided to a professional person:

(i) Employed by the facility;

(ii) Who has medical responsibility for the patient's care;

(iii) Who is a designated mental health professional;

(iv) Who is providing services under chapter 71.24 RCW;

(v) Who is employed by a state or local correctional facility where the person is confined or supervised; or

(vi) Who is providing evaluation, treatment, or follow-up services under chapter 10.77 RCW;

(b) When the communications regard the special needs of a patient and the necessary circumstances giving rise to such needs and the disclosure is made by a facility providing services to the operator of a facility in which the patient resides or will reside;

(c)(i) When the person receiving services, or his or her guardian, designates persons to whom information or records may be released, or if the person is a minor, when his or her parents make such a designation;

(ii) A public or private agency shall release to a person's next of kin, attorney, personal representative, guardian, or conservator, if any:

(A) The information that the person is presently a patient in the facility or that the person is seriously physically ill;

(B) A statement evaluating the mental and physical condition of the patient, and a statement of the probable duration of the patient's confinement, if such information is requested by the next of kin, attorney, personal representative, guardian, or conservator; and

(iii) Other information requested by the next of kin or attorney as may be necessary to decide whether or not proceedings should be instituted to appoint a guardian or conservator;

(d)(i) To the courts as necessary to the administration of chapter 71.05 RCW or to a court ordering an evaluation or treatment under chapter 10.77 RCW solely for the purpose of preventing the entry of any evaluation or treatment order that is inconsistent with any order entered under chapter 71.05 RCW.

(ii) To a court or its designee in which a motion under chapter 10.77 RCW has been made for involuntary medication of a defendant for the purpose of competency restoration.

(iii) Disclosure under this subsection is mandatory for the purpose of the federal health insurance portability and accountability act;

(e)(i) When a mental health professional is requested by a representative of a law enforcement or corrections agency, including a police officer, sheriff, community corrections officer, a municipal attorney, or prosecuting attorney to undertake an investigation or provide treatment under RCW 71.05.150, 10.31.110, or 71.05.153, the mental health professional shall, if requested to do so, advise the representative in writing of the results of the investigation including a statement of reasons for the decision to detain or release the person investigated. The written report must be submitted within seventy-two hours of the completion of the investigation or the request from the law enforcement or corrections representative, whichever occurs later.

(ii) Disclosure under this subsection is mandatory for the purposes of the federal health insurance portability and accountability act;

(f) To the attorney of the detained person;

(g) To the prosecuting attorney as necessary to carry out the responsibilities of the office under RCW 71.05.330(2), 71.05.340(1)(b), and 71.05.335. The prosecutor must be provided access to records regarding the committed person's treatment and prognosis, medication, behavior problems, and other records relevant to the issue of whether treatment less restrictive than inpatient treatment is in the best interest of the committed person or others. Information must be disclosed only after giving notice to the committed person and the person's counsel;

(h)(i) To appropriate law enforcement agencies and to a person, when the identity of the person is known to the public or private agency, whose health and safety has been threatened, or who is known to have been repeatedly harassed, by the patient. The person may designate a representative to receive the disclosure. The disclosure must be made by the professional person in charge of the public or private agency or his or her designee and must include the dates of commitment, admission, discharge, or release, authorized or unauthorized absence from the agency's facility, and only any other information that is pertinent to the threat or harassment. The agency or its employees are not civilly liable for the decision to disclose or not, so long as the decision was reached in good faith and without gross negligence.

(ii) Disclosure under this subsection is mandatory for the purposes of the federal health insurance portability and accountability act;

(i)(i) To appropriate corrections and law enforcement agencies all necessary and relevant information in the event of a crisis or emergent situation that poses a significant and imminent risk to the public. The mental health service agency or its employees are not civilly liable for the decision to disclose or not so long as the decision was reached in good faith and without gross negligence.

(ii) Disclosure under this subsection is mandatory for the purposes of the health insurance portability and accountability act;

(j) To the persons designated in RCW 71.05.425 for the purposes described in those sections;

(k) Upon the death of a person. The person's next of kin, personal representative, guardian, or conservator, if any, must be notified. Next of kin who are of legal age and competent must be notified under this section in the following order: Spouse, parents, children, brothers and sisters, and other relatives according to the degree of relation. Access to all records and information compiled, obtained, or maintained in the course of providing services to a deceased patient are governed by RCW 70.02.140;

(l) To mark headstones or otherwise memorialize patients interred at state hospital cemeteries. The department of social and health services shall make available the name, date of birth, and date of death of patients buried in state hospital cemeteries fifty years after the death of a patient;

(m) To law enforcement officers and to prosecuting attorneys as are necessary to enforce RCW 9.41.040(2)(a)(ii). The extent of information that may be released is limited as follows:

(i) Only the fact, place, and date of involuntary commitment, an official copy of any order or orders of commitment, and an official copy of any written or oral notice of ineligibility to possess a firearm that was provided to the person pursuant to RCW 9.41.047(1), must be disclosed upon request;

(ii) The law enforcement and prosecuting attorneys may only release the information obtained to the person's attorney as required by court rule and to a jury or judge, if a jury is waived, that presides over any trial at which the person is charged with violating RCW 9.41.040(2)(a)(ii);

(iii) Disclosure under this subsection is mandatory for the purposes of the federal health insurance portability and accountability act;

(n) When a patient would otherwise be subject to the provisions of this section and disclosure is necessary for the protection of the patient or others due to his or her unauthorized disappearance from the facility, and his or her whereabouts is unknown, notice of the disappearance, along with relevant information, may be made to relatives, the department of corrections when the person is under the supervision of the department, and governmental law enforcement agencies designated by the physician or psychiatric advanced registered nurse practitioner in charge of the patient or the professional person in charge of the facility, or his or her professional designee;

(o) Pursuant to lawful order of a court;

(p) To qualified staff members of the department, to the director of ((~~regional support networks~~)) behavioral health organizations, to resource management services responsible for serving a patient, or to service providers designated by resource management services as necessary to determine the progress and adequacy of treatment and to determine whether the person should be transferred to a less restrictive or more appropriate treatment modality or facility;

(q) Within the treatment facility where the patient is receiving treatment, confidential information may be disclosed to persons employed, serving in bona fide training programs, or participating in supervised volunteer programs, at the facility when it is necessary to perform their duties;

(r) Within the department as necessary to coordinate treatment for mental illness, developmental disabilities, alcoholism, or drug abuse of persons who are under the supervision of the department;

(s) To a licensed physician or psychiatric advanced registered nurse practitioner who has determined that the life or health of the person is in danger and that treatment without the information contained in the mental health treatment records could be injurious to the patient's health. Disclosure must be limited to the portions of the records necessary to meet the medical emergency;

(t) Consistent with the requirements of the federal health information portability and accountability act, to a licensed mental health professional or a health care professional licensed under chapter 18.71, 18.71A, 18.57, 18.57A, 18.79, or 18.36A RCW who is providing care to a person, or to whom a person has been referred for evaluation or treatment, to assure coordinated care and treatment of that person. Psychotherapy notes, as defined in 45 C.F.R. Sec. 164.501, may not be released without authorization of the person who is the subject of the request for release of information;

(u) To administrative and office support staff designated to obtain medical records for those licensed professionals listed in (t) of this subsection;

(v) To a facility that is to receive a person who is involuntarily committed under chapter 71.05 RCW, or upon transfer of the person from one treatment facility to another. The release of records under this subsection is limited to the mental health treatment records required by law, a record or summary of all somatic treatments, and a discharge summary. The discharge summary may include a statement of the patient's problem, the treatment goals, the type of treatment which has been provided, and recommendation for future treatment, but may not include the patient's complete treatment record;

(w) To the person's counsel or guardian ad litem, without modification, at any time in order to prepare for involuntary commitment or recommitment proceedings, reexaminations, appeals, or other actions relating to detention, admission, commitment, or patient's rights under chapter 71.05 RCW;

(x) To staff members of the protection and advocacy agency or to staff members of a private, nonprofit corporation for the purpose of protecting and advocating the rights of persons with mental disorders or developmental disabilities. Resource management services may limit the release of information to the name, birthdate, and county of residence of the patient, information regarding whether the patient was voluntarily admitted, or involuntarily committed, the date and place of admission, placement, or commitment, the name and address

of a guardian of the patient, and the date and place of the guardian's appointment. Any staff member who wishes to obtain additional information must notify the patient's resource management services in writing of the request and of the resource management services' right to object. The staff member shall send the notice by mail to the guardian's address. If the guardian does not object in writing within fifteen days after the notice is mailed, the staff member may obtain the additional information. If the guardian objects in writing within fifteen days after the notice is mailed, the staff member may not obtain the additional information;

(y) To all current treating providers of the patient with prescriptive authority who have written a prescription for the patient within the last twelve months. For purposes of coordinating health care, the department may release without written authorization of the patient, information acquired for billing and collection purposes as described in RCW 70.02.050(1)(e). The department shall notify the patient that billing and collection information has been released to named providers, and provide the substance of the information released and the dates of such release. The department may not release counseling, inpatient psychiatric hospitalization, or drug and alcohol treatment information without a signed written release from the client;

(z)(i) To the secretary of social and health services for either program evaluation or research, or both so long as the secretary adopts rules for the conduct of the evaluation or research, or both. Such rules must include, but need not be limited to, the requirement that all evaluators and researchers sign an oath of confidentiality substantially as follows:

"As a condition of conducting evaluation or research concerning persons who have received services from (fill in the facility, agency, or person) I, ..., agree not to divulge, publish, or otherwise make known to unauthorized persons or the public any information obtained in the course of such evaluation or research regarding persons who have received services such that the person who received such services is identifiable.

I recognize that unauthorized release of confidential information may subject me to civil liability under the provisions of state law.

/s/ . . . . . ."

(ii) Nothing in this chapter may be construed to prohibit the compilation and publication of statistical data for use by government or researchers under standards, including standards to assure maintenance of confidentiality, set forth by the secretary.

(3) Whenever federal law or federal regulations restrict the release of information contained in the treatment records of any patient who receives treatment for chemical dependency, the department may restrict the release of the information as necessary to comply with federal law and regulations.

(4) Civil liability and immunity for the release of information about a particular person who is committed to the department of social and health services under RCW 71.05.280(3) and 71.05.320(3)(c) after dismissal of a sex offense as defined in RCW 9.94A.030, is governed by RCW 4.24.550.

(5) The fact of admission to a provider of mental health services, as well as all records, files, evidence, findings, or orders made, prepared, collected, or maintained pursuant to chapter 71.05 RCW are not admissible as evidence in any legal proceeding outside that chapter without the written authorization of the person who was the subject of the proceeding except as provided in RCW 70.02.260, in a subsequent criminal prosecution of a person committed pursuant to RCW 71.05.280(3) or 71.05.320(3)(c) on charges that were dismissed pursuant to chapter 10.77 RCW due to incompetency to stand trial, in a civil commitment proceeding pursuant to chapter 71.09 RCW, or, in the case of a minor, a guardianship or dependency proceeding. The records and files maintained in any court proceeding pursuant to chapter 71.05 RCW must be confidential and available subsequent to such proceedings only to the person who was the subject of the proceeding or his or her attorney. In addition, the court may order the subsequent release or use of such records or files only upon good cause shown if the court finds that appropriate safeguards for strict confidentiality are and will be maintained.

(6)(a) Except as provided in RCW 4.24.550, any person may bring an action against an individual who has willfully released confidential information or records concerning him or her in violation of the provisions of this section, for the greater of the following amounts:

(i) One thousand dollars; or

(ii) Three times the amount of actual damages sustained, if any.

(b) It is not a prerequisite to recovery under this subsection that the plaintiff suffered or was threatened with special, as contrasted with general, damages.

(c) Any person may bring an action to enjoin the release of confidential information or records concerning him or her or his or her ward, in violation of the provisions of this section, and may in the same action seek damages as provided in this subsection.

(d) The court may award to the plaintiff, should he or she prevail in any action authorized by this subsection, reasonable attorney fees in addition to those otherwise provided by law.

(e) If an action is brought under this subsection, no action may be brought under RCW 70.02.170.

Sec. 72. RCW 70.02.250 and 2013 c 200 s 9 are each amended to read as follows:

(1) Information and records related to mental health services delivered to a person subject to chapter 9.94A or 9.95 RCW must be released, upon request, by a mental health service agency to department of corrections personnel for whom the information is necessary to carry out the responsibilities of their office. The information must be provided only for the purpose of completing presentence investigations, supervision of an incarcerated person, planning for and provision of supervision of a person, or assessment of a person's risk to the community. The request must be in writing and may not require the consent of the subject of the records.

(2) The information to be released to the department of corrections must include all relevant records and reports, as defined by rule, necessary for the department of corrections to carry out its duties, including those records and reports identified in subsection (1) of this section.

(3) The department shall, subject to available resources, electronically, or by the most cost-effective means available, provide the department of corrections with the names, last dates of services, and addresses of specific ((~~regional support networks~~)) behavioral health organizations and mental health service agencies that delivered mental health services to a person subject to chapter 9.94A or 9.95 RCW pursuant to an agreement between the departments.

(4) The department and the department of corrections, in consultation with ((~~regional support networks~~)) behavioral health organizations, mental health service agencies as defined in RCW 70.02.010, mental health consumers, and advocates for persons with mental illness, shall adopt rules to implement the provisions of this section related to the type and scope of information to be released. These rules must:

(a) Enhance and facilitate the ability of the department of corrections to carry out its responsibility of planning and ensuring community protection with respect to persons subject to sentencing under chapter 9.94A or 9.95 RCW, including accessing and releasing or disclosing information of persons who received mental health services as a minor; and

(b) Establish requirements for the notification of persons under the supervision of the department of corrections regarding the provisions of this section.

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(5) The information received by the department of corrections under this section must remain confidential and subject to the limitations on disclosure outlined in chapter 71.34 RCW, except as provided in RCW 72.09.585.

(6) No mental health service agency or individual employed by a mental health service agency may be held responsible for information released to or used by the department of corrections under the provisions of this section or rules adopted under this section.

(7) Whenever federal law or federal regulations restrict the release of information contained in the treatment records of any patient who receives treatment for alcoholism or drug dependency, the release of the information may be restricted as necessary to comply with federal law and regulations.

(8) This section does not modify the terms and conditions of disclosure of information related to sexually transmitted diseases under this chapter.

Sec. 73. RCW 70.320.010 and 2013 c 320 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) "Authority" means the health care authority.

(2) "Department" means the department of social and health services.

(3) "Emerging best practice" or "promising practice" means a program or practice that, based on statistical analyses or a well-established theory of change, shows potential for meeting the evidence- based or research-based criteria, which may include the use of a program that is evidence-based for outcomes other than those listed in this section.

(4) "Evidence-based" means a program or practice that has been tested in heterogeneous or intended populations with multiple randomized, or statistically controlled evaluations, or both; or one large multiple site randomized, or statistically controlled evaluation, or both, where the weight of the evidence from a systemic review demonstrates sustained improvements in at least one outcome. "Evidence-based" also means a program or practice that can be implemented with a set of procedures to allow successful replication in Washington and, when possible, is determined to be cost-beneficial.

(5) "Research-based" means a program or practice that has been tested with a single randomized, or statistically controlled evaluation, or both, demonstrating sustained desirable outcomes; or where the weight of the evidence from a systemic review supports sustained outcomes as described in this subsection but does not meet the full criteria for evidence-based.

(6) "Service coordination organization" or "service contracting entity" means the authority and department, or an entity that may contract with the state to provide, directly or through subcontracts, a comprehensive delivery system of medical, behavioral, long-term care, or social support services, including entities such as ((~~regional support networks~~)) behavioral health organizations as defined in RCW 71.24.025, managed care organizations that provide medical services to clients under chapter 74.09 RCW, counties providing chemical dependency services under chapters 74.50 and 70.96A RCW, and area agencies on aging providing case management services under chapter 74.39A RCW.

Sec. 74. RCW 70.96B.010 and 2011 c 89 s 10 are each amended to read as follows:

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

(1) "Admission" or "admit" means a decision by a physician that a person should be examined or treated as a patient in a hospital, an evaluation and treatment facility, or other inpatient facility, or a decision by a professional person in charge or his or her designee that a person should be detained as a patient for evaluation and treatment in a secure detoxification facility or other certified chemical dependency provider.

(2) "Antipsychotic medications" means that class of drugs primarily used to treat serious manifestations of mental illness associated with thought disorders, which includes but is not limited to atypical antipsychotic medications.

(3) "Approved treatment program" means a discrete program of chemical dependency treatment provided by a treatment program certified by the department as meeting standards adopted under chapter 70.96A RCW.

(4) "Attending staff" means any person on the staff of a public or private agency having responsibility for the care and treatment of a patient.

(5) "Chemical dependency" means:

(a) Alcoholism;

(b) Drug addiction; or

(c) Dependence on alcohol and one or more other psychoactive chemicals, as the context requires.

(6) "Chemical dependency professional" means a person certified as a chemical dependency professional by the department of health under chapter 18.205 RCW.

(7) "Commitment" means the determination by a court that a person should be detained for a period of either evaluation or treatment, or both, in an inpatient or a less restrictive setting.

(8) "Conditional release" means a revocable modification of a commitment that may be revoked upon violation of any of its terms.

(9) "Custody" means involuntary detention under either chapter 71.05 or 70.96A RCW or this chapter, uninterrupted by any period of unconditional release from commitment from a facility providing involuntary care and treatment.

(10) "Department" means the department of social and health services.

(11) "Designated chemical dependency specialist" or "specialist" means a person designated by the county alcoholism and other drug addiction program coordinator designated under RCW 70.96A.310 to perform the commitment duties described in RCW 70.96A.140 and this chapter, and qualified to do so by meeting standards adopted by the department.

(12) "Designated crisis responder" means a person designated by the county or ((~~regional support network~~)) behavioral health organization to perform the duties specified in this chapter.

(13) "Designated mental health professional" means a mental health professional designated by the county or other authority authorized in rule to perform the duties specified in this chapter.

(14) "Detention" or "detain" means the lawful confinement of a person under this chapter, or chapter 70.96A or 71.05 RCW.

(15) "Developmental disabilities professional" means a person who has specialized training and three years of experience in directly treating or working with individuals with developmental disabilities and is a psychiatrist, psychologist, or social worker, and such other developmental disabilities professionals as may be defined by rules adopted by the secretary.

(16) "Developmental disability" means that condition defined in RCW 71A.10.020.

(17) "Discharge" means the termination of facility authority. The commitment may remain in place, be terminated, or be amended by court order.

(18) "Evaluation and treatment facility" means any facility that can provide directly, or by direct arrangement with other public or private agencies, emergency evaluation and treatment, outpatient care, and timely and appropriate inpatient care to persons suffering from a mental disorder, and that is certified as such by the department. A physically separate and separately operated portion of a state hospital may be designated as an evaluation and treatment facility. A facility that is part of, or operated by, the department or any federal agency does not require certification. No correctional institution or facility,

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or jail, may be an evaluation and treatment facility within the meaning of this chapter.

(19) "Facility" means either an evaluation and treatment facility or a secure detoxification facility.

(20) "Gravely disabled" means a condition in which a person, as a result of a mental disorder, or as a result of the use of alcohol or other psychoactive chemicals:

(a) Is in danger of serious physical harm resulting from a failure to provide for his or her essential human needs of health or safety; or

(b) Manifests severe deterioration in routine functioning evidenced by repeated and escalating loss of cognitive or volitional control over his or her actions and is not receiving such care as is essential for his or her health or safety.

(21) "History of one or more violent acts" refers to the period of time ten years before the filing of a petition under this chapter, or chapter 70.96A or 71.05 RCW, excluding any time spent, but not any violent acts committed, in a mental health facility or a long-term alcoholism or drug treatment facility, or in confinement as a result of a criminal conviction.

(22) "Imminent" means the state or condition of being likely to occur at any moment or near at hand, rather than distant or remote.

(23) "Intoxicated person" means a person whose mental or physical functioning is substantially impaired as a result of the use of alcohol or other psychoactive chemicals.

(24) "Judicial commitment" means a commitment by a court under this chapter.

(25) "Licensed physician" means a person licensed to practice medicine or osteopathic medicine and surgery in the state of Washington.

(26) "Likelihood of serious harm" means:

(a) A substantial risk that:

(i) Physical harm will be inflicted by a person upon his or her own person, as evidenced by threats or attempts to commit suicide or inflict physical harm on oneself;

(ii) Physical harm will be inflicted by a person upon another, as evidenced by behavior that has caused such harm or that places another person or persons in reasonable fear of sustaining such harm; or

(iii) Physical harm will be inflicted by a person upon the property of others, as evidenced by behavior that has caused substantial loss or damage to the property of others; or

(b) The person has threatened the physical safety of another and has a history of one or more violent acts.

(27) "Mental disorder" means any organic, mental, or emotional impairment that has substantial adverse effects on a person's cognitive or volitional functions.

(28) "Mental health professional" means a psychiatrist, psychologist, psychiatric nurse, or social worker, and such other mental health professionals as may be defined by rules adopted by the secretary under the authority of chapter 71.05 RCW.

(29) "Peace officer" means a law enforcement official of a public agency or governmental unit, and includes persons specifically given peace officer powers by any state law, local ordinance, or judicial order of appointment.

(30) "Person in charge" means a physician or chemical dependency counselor as defined in rule by the department, who is empowered by a certified treatment program with authority to make assessment, admission, continuing care, and discharge decisions on behalf of the certified program.

(31) "Private agency" means any person, partnership, corporation, or association that is not a public agency, whether or not financed in whole or in part by public funds, that constitutes an evaluation and treatment facility or private institution, or hospital, or approved treatment program, that is conducted for, or includes a department or ward conducted for, the care and treatment of persons who are mentally ill and/or chemically dependent.

(32) "Professional person" means a mental health professional or chemical dependency professional and shall also mean a physician, registered nurse, and such others as may be defined by rules adopted by the secretary pursuant to the provisions of this chapter.

(33) "Psychiatrist" means a person having a license as a physician and surgeon in this state who has in addition completed three years of graduate training in psychiatry in a program approved by the American medical association or the American osteopathic association and is certified or eligible to be certified by the American board of psychiatry and neurology.

(34) "Psychologist" means a person who has been licensed as a psychologist under chapter 18.83 RCW.

(35) "Public agency" means any evaluation and treatment facility or institution, or hospital, or approved treatment program that is conducted for, or includes a department or ward conducted for, the care and treatment of persons who are mentally ill and/or chemically dependent, if the agency is operated directly by federal, state, county, or municipal government, or a combination of such governments.

(36) "Registration records" means all the records of the department, ((~~regional support networks~~)) behavioral health organizations, treatment facilities, and other persons providing services to the department, county departments, or facilities which identify persons who are receiving or who at any time have received services for mental illness.

(37) "Release" means legal termination of the commitment under chapter 70.96A or 71.05 RCW or this chapter.

(38) "Secretary" means the secretary of the department or the secretary's designee.

(39) "Secure detoxification facility" means a facility operated by either a public or private agency or by the program of an agency that serves the purpose of providing evaluation and assessment, and acute and/or subacute detoxification services for intoxicated persons and includes security measures sufficient to protect the patients, staff, and community.

(40) "Social worker" means a person with a master's or further advanced degree from a social work educational program accredited and approved as provided in RCW 18.320.010.

(41) "Treatment records" means registration records and all other records concerning persons who are receiving or who at any time have received services for mental illness, which are maintained by the department, by ((~~regional support networks~~)) behavioral health organizations and their staffs, and by treatment facilities. Treatment records do not include notes or records maintained for personal use by a person providing treatment services for the department, ((~~regional support networks~~)) behavioral health organizations, or a treatment facility if the notes or records are not available to others.

(42) "Violent act" means behavior that resulted in homicide, attempted suicide, nonfatal injuries, or substantial damage to property.

Sec. 75. RCW 70.96B.020 and 2005 c 504 s 203 are each amended to read as follows:

(1) The secretary, after consulting with the Washington state association of counties, shall select and contract with ((~~regional support networks~~)) behavioral health organizations or counties to provide two integrated crisis response and involuntary treatment pilot programs for adults and shall allocate resources for both integrated services and secure detoxification services in the pilot areas. In selecting the two ((~~regional support networks~~)) behavioral health organizations or counties, the secretary shall endeavor to site one in an urban and one in a rural ((~~regional support network~~)) behavioral health organization or county; and to site them in counties other than those selected pursuant to RCW 70.96A.800, to the extent necessary to facilitate evaluation of pilot project results.

(2) The ((~~regional support networks~~)) behavioral health organizations or counties shall implement the pilot programs by providing integrated crisis response and involuntary treatment to

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persons with a chemical dependency, a mental disorder, or both, consistent with this chapter. The pilot programs shall:

(a) Combine the crisis responder functions of a designated mental health professional under chapter 71.05 RCW and a designated chemical dependency specialist under chapter 70.96A RCW by establishing a new designated crisis responder who is authorized to conduct investigations and detain persons up to seventy-two hours to the proper facility;

(b) Provide training to the crisis responders as required by the department;

(c) Provide sufficient staff and resources to ensure availability of an adequate number of crisis responders twenty-four hours a day, seven days a week;

(d) Provide the administrative and court-related staff, resources, and processes necessary to facilitate the legal requirements of the initial detention and the commitment hearings for persons with a chemical dependency;

(e) Participate in the evaluation and report to assess the outcomes of the pilot programs including providing data and information as requested;

(f) Provide the other services necessary to the implementation of the pilot programs, consistent with this chapter as determined by the secretary in contract; and

(g) Collaborate with the department of corrections where persons detained or committed are also subject to supervision by the department of corrections.

(3) The pilot programs established by this section shall begin providing services by March 1, 2006.

Sec. 76. RCW 70.96B.030 and 2005 c 504 s 204 are each amended to read as follows:

To qualify as a designated crisis responder, a person must have received chemical dependency training as determined by the department and be a:

(1) Psychiatrist, psychologist, psychiatric nurse, or social worker;

(2) Person with a master's degree or further advanced degree in counseling or one of the social sciences from an accredited college or university and who have, in addition, at least two years of experience in direct treatment of persons with mental illness or emotional disturbance, such experience gained under the direction of a mental health professional;

(3) Person who meets the waiver criteria of RCW 71.24.260, which waiver was granted before 1986;

(4) Person who had an approved waiver to perform the duties of a mental health professional that was requested by the ((~~regional support network~~)) behavioral health organization and granted by the department before July 1, 2001; or

(5) Person who has been granted a time-limited exception of the minimum requirements of a mental health professional by the department consistent with rules adopted by the secretary.

Sec. 77. RCW 70.96C.010 and 2005 c 504 s 601 are each amended to read as follows:

(1) The department of social and health services, in consultation with the members of the team charged with developing the state plan for co-occurring mental and substance abuse disorders, shall adopt, not later than January 1, 2006, an integrated and comprehensive screening and assessment process for chemical dependency and mental disorders and co-occurring chemical dependency and mental disorders.

(a) The process adopted shall include, at a minimum:

(i) An initial screening tool that can be used by intake personnel system-wide and which will identify the most common types of co-occurring disorders;

(ii) An assessment process for those cases in which assessment is indicated that provides an appropriate degree of assessment for most situations, which can be expanded for complex situations;

(iii) Identification of triggers in the screening that indicate the need to begin an assessment;

(iv) Identification of triggers after or outside the screening that indicate a need to begin or resume an assessment;

(v) The components of an assessment process and a protocol for determining whether part or all of the assessment is necessary, and at what point; and

(vi) Emphasis that the process adopted under this section is to replace and not to duplicate existing intake, screening, and assessment tools and processes.

(b) The department shall consider existing models, including those already adopted by other states, and to the extent possible, adopt an established, proven model.

(c) The integrated, comprehensive screening and assessment process shall be implemented statewide by all chemical dependency and mental health treatment providers as well as all designated mental health professionals, designated chemical dependency specialists, and designated crisis responders not later than January 1, 2007.

(2) The department shall provide adequate training to effect statewide implementation by the dates designated in this section and shall report the rates of co-occurring disorders and the stage of screening or assessment at which the co-occurring disorder was identified to the appropriate committees of the legislature.

(3) The department shall establish contractual penalties to contracted treatment providers, the ((~~regional support networks~~)) behavioral health organizations, and their contracted providers for failure to implement the integrated screening and assessment process by July 1, 2007.

Sec. 78. RCW 70.97.010 and 2011 c 89 s 11 are each amended to read as follows:

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

(1) "Antipsychotic medications" means that class of drugs primarily used to treat serious manifestations of mental illness associated with thought disorders, which includes but is not limited to atypical antipsychotic medications.

(2) "Attending staff" means any person on the staff of a public or private agency having responsibility for the care and treatment of a patient.

(3) "Chemical dependency" means alcoholism, drug addiction, or dependence on alcohol and one or more other psychoactive chemicals, as the context requires and as those terms are defined in chapter 70.96A RCW.

(4) "Chemical dependency professional" means a person certified as a chemical dependency professional by the department of health under chapter 18.205 RCW.

(5) "Commitment" means the determination by a court that an individual should be detained for a period of either evaluation or treatment, or both, in an inpatient or a less restrictive setting.

(6) "Conditional release" means a modification of a commitment that may be revoked upon violation of any of its terms.

(7) "Custody" means involuntary detention under chapter 71.05 or 70.96A RCW, uninterrupted by any period of unconditional release from commitment from a facility providing involuntary care and treatment.

(8) "Department" means the department of social and health services.

(9) "Designated responder" means a designated mental health professional, a designated chemical dependency specialist, or a designated crisis responder as those terms are defined in chapter 70.96A, 71.05, or 70.96B RCW.

(10) "Detention" or "detain" means the lawful confinement of an individual under chapter 70.96A or 71.05 RCW.

(11) "Discharge" means the termination of facility authority. The commitment may remain in place, be terminated, or be amended by court order.

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(12) "Enhanced services facility" means a facility that provides treatment and services to persons for whom acute inpatient treatment is not medically necessary and who have been determined by the department to be inappropriate for placement in other licensed facilities due to the complex needs that result in behavioral and security issues.

(13) "Expanded community services program" means a nonsecure program of enhanced behavioral and residential support provided to long-term and residential care providers serving specifically eligible clients who would otherwise be at risk for hospitalization at state hospital geriatric units.

(14) "Facility" means an enhanced services facility.

(15) "Gravely disabled" means a condition in which an individual, as a result of a mental disorder, as a result of the use of alcohol or other psychoactive chemicals, or both:

(a) Is in danger of serious physical harm resulting from a failure to provide for his or her essential human needs of health or safety; or

(b) Manifests severe deterioration in routine functioning evidenced by repeated and escalating loss of cognitive or volitional control over his or her actions and is not receiving such care as is essential for his or her health or safety.

(16) "History of one or more violent acts" refers to the period of time ten years before the filing of a petition under this chapter, or chapter 70.96A or 71.05 RCW, excluding any time spent, but not any violent acts committed, in a mental health facility or a long-term alcoholism or drug treatment facility, or in confinement as a result of a criminal conviction.

(17) "Licensed physician" means a person licensed to practice medicine or osteopathic medicine and surgery in the state of Washington.

(18) "Likelihood of serious harm" means:

(a) A substantial risk that:

(i) Physical harm will be inflicted by an individual upon his or her own person, as evidenced by threats or attempts to commit suicide or inflict physical harm on oneself;

(ii) Physical harm will be inflicted by an individual upon another, as evidenced by behavior that has caused such harm or that places another person or persons in reasonable fear of sustaining such harm; or

(iii) Physical harm will be inflicted by an individual upon the property of others, as evidenced by behavior that has caused substantial loss or damage to the property of others; or

(b) The individual has threatened the physical safety of another and has a history of one or more violent acts.

(19) "Mental disorder" means any organic, mental, or emotional impairment that has substantial adverse effects on an individual's cognitive or volitional functions.

(20) "Mental health professional" means a psychiatrist, psychologist, psychiatric nurse, or social worker, and such other mental health professionals as may be defined by rules adopted by the secretary under the authority of chapter 71.05 RCW.

(21) "Professional person" means a mental health professional and also means a physician, registered nurse, and such others as may be defined in rules adopted by the secretary pursuant to the provisions of this chapter.

(22) "Psychiatrist" means a person having a license as a physician and surgeon in this state who has in addition completed three years of graduate training in psychiatry in a program approved by the American medical association or the American osteopathic association and is certified or eligible to be certified by the American board of psychiatry and neurology.

(23) "Psychologist" means a person who has been licensed as a psychologist under chapter 18.83 RCW.

(24) "Registration records" include all the records of the department, ((~~regional support networks~~)) behavioral health organizations, treatment facilities, and other persons providing services to the department, county departments, or facilities which identify individuals who are receiving or who at any time have received services for mental illness.

(25) "Release" means legal termination of the commitment under chapter 70.96A or 71.05 RCW.

(26) "Resident" means a person admitted to an enhanced services facility.

(27) "Secretary" means the secretary of the department or the secretary's designee.

(28) "Significant change" means:

(a) A deterioration in a resident's physical, mental, or psychosocial condition that has caused or is likely to cause clinical complications or life-threatening conditions; or

(b) An improvement in the resident's physical, mental, or psychosocial condition that may make the resident eligible for release or for treatment in a less intensive or less secure setting.

(29) "Social worker" means a person with a master's or further advanced degree from a social work educational program accredited and approved as provided in RCW 18.320.010.

(30) "Treatment" means the broad range of emergency, detoxification, residential, inpatient, and outpatient services and care, including diagnostic evaluation, mental health or chemical dependency education and counseling, medical, psychiatric, psychological, and social service care, vocational rehabilitation, and career counseling, which may be extended to persons with mental disorders, chemical dependency disorders, or both, and their families.

(31) "Treatment records" include registration and all other records concerning individuals who are receiving or who at any time have received services for mental illness, which are maintained by the department, by ((~~regional support networks~~)) behavioral health organizations and their staffs, and by treatment facilities. "Treatment records" do not include notes or records maintained for personal use by an individual providing treatment services for the department, ((~~regional support networks~~)) behavioral health organizations, or a treatment facility if the notes or records are not available to others.

(32) "Violent act" means behavior that resulted in homicide, attempted suicide, nonfatal injuries, or substantial damage to property.

Sec. 79. RCW 71.05.020 and 2011 c 148 s 1 and 2011 c 89 s 14 are each reenacted and amended to read as follows:

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

(1) "Admission" or "admit" means a decision by a physician or psychiatric advanced registered nurse practitioner that a person should be examined or treated as a patient in a hospital;

(2) "Antipsychotic medications" means that class of drugs primarily used to treat serious manifestations of mental illness associated with thought disorders, which includes, but is not limited to atypical antipsychotic medications;

(3) "Attending staff" means any person on the staff of a public or private agency having responsibility for the care and treatment of a patient;

(4) "Commitment" means the determination by a court that a person should be detained for a period of either evaluation or treatment, or both, in an inpatient or a less restrictive setting;

(5) "Conditional release" means a revocable modification of a commitment, which may be revoked upon violation of any of its terms;

(6) "Crisis stabilization unit" means a short-term facility or a portion of a facility licensed by the department of health and certified by the department of social and health services under RCW 71.24.035, such as an evaluation and treatment facility or a hospital, which has been designed to assess, diagnose, and treat individuals experiencing an acute crisis without the use of long-term hospitalization;

(7) "Custody" means involuntary detention under the provisions of this chapter or chapter 10.77 RCW, uninterrupted by any period of

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unconditional release from commitment from a facility providing involuntary care and treatment;

(8) "Department" means the department of social and health services;

(9) "Designated chemical dependency specialist" means a person designated by the county alcoholism and other drug addiction program coordinator designated under RCW 70.96A.310 to perform the commitment duties described in chapters 70.96A and 70.96B RCW;

(10) "Designated crisis responder" means a mental health professional appointed by the county or the ((~~regional support network~~)) behavioral health organization to perform the duties specified in this chapter;

(11) "Designated mental health professional" means a mental health professional designated by the county or other authority authorized in rule to perform the duties specified in this chapter;

(12) "Detention" or "detain" means the lawful confinement of a person, under the provisions of this chapter;

(13) "Developmental disabilities professional" means a person who has specialized training and three years of experience in directly treating or working with persons with developmental disabilities and is a psychiatrist, psychologist, psychiatric advanced registered nurse practitioner, or social worker, and such other developmental disabilities professionals as may be defined by rules adopted by the secretary;

(14) "Developmental disability" means that condition defined in RCW 71A.10.020((~~(3)~~))(4);

(15) "Discharge" means the termination of hospital medical authority. The commitment may remain in place, be terminated, or be amended by court order;

(16) "Evaluation and treatment facility" means any facility which can provide directly, or by direct arrangement with other public or private agencies, emergency evaluation and treatment, outpatient care, and timely and appropriate inpatient care to persons suffering from a mental disorder, and which is certified as such by the department. A physically separate and separately operated portion of a state hospital may be designated as an evaluation and treatment facility. A facility which is part of, or operated by, the department or any federal agency will not require certification. No correctional institution or facility, or jail, shall be an evaluation and treatment facility within the meaning of this chapter;

(17) "Gravely disabled" means a condition in which a person, as a result of a mental disorder: (a) Is in danger of serious physical harm resulting from a failure to provide for his or her essential human needs of health or safety; or (b) manifests severe deterioration in routine functioning evidenced by repeated and escalating loss of cognitive or volitional control over his or her actions and is not receiving such care as is essential for his or her health or safety;

(18) "Habilitative services" means those services provided by program personnel to assist persons in acquiring and maintaining life skills and in raising their levels of physical, mental, social, and vocational functioning. Habilitative services include education, training for employment, and therapy. The habilitative process shall be undertaken with recognition of the risk to the public safety presented by the person being assisted as manifested by prior charged criminal conduct;

(19) "History of one or more violent acts" refers to the period of time ten years prior to the filing of a petition under this chapter, excluding any time spent, but not any violent acts committed, in a mental health facility or in confinement as a result of a criminal conviction;

(20) "Imminent" means the state or condition of being likely to occur at any moment or near at hand, rather than distant or remote;

(21) "Individualized service plan" means a plan prepared by a developmental disabilities professional with other professionals as a team, for a person with developmental disabilities, which shall state:

(a) The nature of the person's specific problems, prior charged criminal behavior, and habilitation needs;

(b) The conditions and strategies necessary to achieve the purposes of habilitation;

(c) The intermediate and long-range goals of the habilitation program, with a projected timetable for the attainment;

(d) The rationale for using this plan of habilitation to achieve those intermediate and long-range goals;

(e) The staff responsible for carrying out the plan;

(f) Where relevant in light of past criminal behavior and due consideration for public safety, the criteria for proposed movement to less-restrictive settings, criteria for proposed eventual discharge or release, and a projected possible date for discharge or release; and

(g) The type of residence immediately anticipated for the person and possible future types of residences;

(22) "Information related to mental health services" means all information and records compiled, obtained, or maintained in the course of providing services to either voluntary or involuntary recipients of services by a mental health service provider. This may include documents of legal proceedings under this chapter or chapter 71.34 or 10.77 RCW, or somatic health care information;

(23) "Judicial commitment" means a commitment by a court pursuant to the provisions of this chapter;

(24) "Legal counsel" means attorneys and staff employed by county prosecutor offices or the state attorney general acting in their capacity as legal representatives of public mental health service providers under RCW 71.05.130;

(25) "Likelihood of serious harm" means:

(a) A substantial risk that: (i) Physical harm will be inflicted by a person upon his or her own person, as evidenced by threats or attempts to commit suicide or inflict physical harm on oneself; (ii) physical harm will be inflicted by a person upon another, as evidenced by behavior which has caused such harm or which places another person or persons in reasonable fear of sustaining such harm; or (iii) physical harm will be inflicted by a person upon the property of others, as evidenced by behavior which has caused substantial loss or damage to the property of others; or

(b) The person has threatened the physical safety of another and has a history of one or more violent acts;

(26) "Mental disorder" means any organic, mental, or emotional impairment which has substantial adverse effects on a person's cognitive or volitional functions;

(27) "Mental health professional" means a psychiatrist, psychologist, psychiatric advanced registered nurse practitioner, psychiatric nurse, or social worker, and such other mental health professionals as may be defined by rules adopted by the secretary pursuant to the provisions of this chapter;

(28) "Mental health service provider" means a public or private agency that provides mental health services to persons with mental disorders as defined under this section and receives funding from public sources. This includes, but is not limited to, hospitals licensed under chapter 70.41 RCW, evaluation and treatment facilities as defined in this section, community mental health service delivery systems or community mental health programs as defined in RCW 71.24.025, facilities conducting competency evaluations and restoration under chapter 10.77 RCW, and correctional facilities operated by state and local governments;

(29) "Peace officer" means a law enforcement official of a public agency or governmental unit, and includes persons specifically given peace officer powers by any state law, local ordinance, or judicial order of appointment;

(30) "Private agency" means any person, partnership, corporation, or association that is not a public agency, whether or not financed in whole or in part by public funds, which constitutes an evaluation and treatment facility or private institution, or hospital, which is

conducted for, or includes a department or ward conducted for, the care and treatment of persons who are mentally ill;

(31) "Professional person" means a mental health professional and shall also mean a physician, psychiatric advanced registered nurse practitioner, registered nurse, and such others as may be defined by rules adopted by the secretary pursuant to the provisions of this chapter;

(32) "Psychiatric advanced registered nurse practitioner" means a person who is licensed as an advanced registered nurse practitioner pursuant to chapter 18.79 RCW; and who is board certified in advanced practice psychiatric and mental health nursing;

(33) "Psychiatrist" means a person having a license as a physician and surgeon in this state who has in addition completed three years of graduate training in psychiatry in a program approved by the American medical association or the American osteopathic association and is certified or eligible to be certified by the American board of psychiatry and neurology;

(34) "Psychologist" means a person who has been licensed as a psychologist pursuant to chapter 18.83 RCW;

(35) "Public agency" means any evaluation and treatment facility or institution, or hospital which is conducted for, or includes a department or ward conducted for, the care and treatment of persons with mental illness, if the agency is operated directly by, federal, state, county, or municipal government, or a combination of such governments;

(36) "Registration records" include all the records of the department, ((~~regional support networks~~)) behavioral health organizations, treatment facilities, and other persons providing services to the department, county departments, or facilities which identify persons who are receiving or who at any time have received services for mental illness;

(37) "Release" means legal termination of the commitment under the provisions of this chapter;

(38) "Resource management services" has the meaning given in chapter 71.24 RCW;

(39) "Secretary" means the secretary of the department of social and health services, or his or her designee;

(40) "Serious violent offense" has the same meaning as provided in RCW 9.94A.030;

(41) "Social worker" means a person with a master's or further advanced degree from a social work educational program accredited and approved as provided in RCW 18.320.010;

(42) "Therapeutic court personnel" means the staff of a mental health court or other therapeutic court which has jurisdiction over defendants who are dually diagnosed with mental disorders, including court personnel, probation officers, a court monitor, prosecuting attorney, or defense counsel acting within the scope of therapeutic court duties;

(43) "Triage facility" means a short-term facility or a portion of a facility licensed by the department of health and certified by the department of social and health services under RCW 71.24.035, which is designed as a facility to assess and stabilize an individual or determine the need for involuntary commitment of an individual, and must meet department of health residential treatment facility standards. A triage facility may be structured as a voluntary or involuntary placement facility;

(44) "Treatment records" include registration and all other records concerning persons who are receiving or who at any time have received services for mental illness, which are maintained by the department, by ((~~regional support networks~~)) behavioral health organizations and their staffs, and by treatment facilities. Treatment records include mental health information contained in a medical bill including but not limited to mental health drugs, a mental health diagnosis, provider name, and dates of service stemming from a medical service. Treatment records do not include notes or records maintained for personal use by a person providing treatment services for the department, ((~~regional support networks~~)) behavioral health organizations, or a treatment facility if the notes or records are not available to others;

(45) "Violent act" means behavior that resulted in homicide, attempted suicide, nonfatal injuries, or substantial damage to property.

Sec. 80. RCW 71.05.025 and 2000 c 94 s 2 are each amended to read as follows:

The legislature intends that the procedures and services authorized in this chapter be integrated with those in chapter 71.24 RCW to the maximum extent necessary to assure a continuum of care to persons ((~~who are mentally ill~~)) with mental illness or who have mental disorders, as defined in either or both this chapter and chapter 71.24 RCW. To this end, ((~~regional support networks~~)) behavioral health organizations established in accordance with chapter 71.24 RCW shall institute procedures which require timely consultation with resource management services by ((~~county~~))designated mental health professionals and evaluation and treatment facilities to assure that determinations to admit, detain, commit, treat, discharge, or release persons with mental disorders under this chapter are made only after appropriate information regarding such person's treatment history and current treatment plan has been sought from resource management services.

Sec. 81. RCW 71.05.026 and 2006 c 333 s 301 are each amended to read as follows:

(1) Except for monetary damage claims which have been reduced to final judgment by a superior court, this section applies to all claims against the state, state agencies, state officials, or state employees that exist on or arise after March 29, 2006.

(2) Except as expressly provided in contracts entered into between the department and the ((~~regional support networks~~)) behavioral health organizations after March 29, 2006, the entities identified in subsection (3) of this section shall have no claim for declaratory relief, injunctive relief, judicial review under chapter 34.05 RCW, or civil liability against the state or state agencies for actions or inactions performed pursuant to the administration of this chapter with regard to the following: (a) The allocation or payment of federal or state funds; (b) the use or allocation of state hospital beds; or (c) financial responsibility for the provision of inpatient mental health care.

(3) This section applies to counties, ((~~regional support networks~~)) behavioral health organizations, and entities which contract to provide ((~~regional support network~~)) behavioral health organization services and their subcontractors, agents, or employees.

Sec. 82. RCW 71.05.027 and 2005 c 504 s 103 are each amended to read as follows:

(1) Not later than January 1, 2007, all persons providing treatment under this chapter shall also implement the integrated comprehensive screening and assessment process for chemical dependency and mental disorders adopted pursuant to RCW 70.96C.010 and shall document the numbers of clients with co-occurring mental and substance abuse disorders based on a quadrant system of low and high needs.

(2) Treatment providers and ((~~regional support networks~~)) behavioral health organizations who fail to implement the integrated comprehensive screening and assessment process for chemical dependency and mental disorders by July 1, 2007, shall be subject to contractual penalties established under RCW 70.96C.010.

Sec. 83. RCW 71.05.110 and 2011 c 343 s 5 are each amended to read as follows:

Attorneys appointed for persons pursuant to this chapter shall be compensated for their services as follows: (1) The person for whom an attorney is appointed shall, if he or she is financially able pursuant to standards as to financial capability and indigency set by the superior court of the county in which the proceeding is held, bear the costs of such legal services; (2) if such person is indigent pursuant to such standards, the ((~~regional support network~~)) behavioral health

organization shall reimburse the county in which the proceeding is held for the direct costs of such legal services, as provided in RCW 71.05.730.

Sec. 84. RCW 71.05.300 and 2009 c 293 s 5 and 2009 c 217 s 4 are each reenacted and amended to read as follows:

(1) The petition for ninety day treatment shall be filed with the clerk of the superior court at least three days before expiration of the fourteen-day period of intensive treatment. At the time of filing such petition, the clerk shall set a time for the person to come before the court on the next judicial day after the day of filing unless such appearance is waived by the person's attorney, and the clerk shall notify the designated mental health professional. The designated mental health professional shall immediately notify the person detained, his or her attorney, if any, and his or her guardian or conservator, if any, the prosecuting attorney, and the ((~~regional support network~~)) behavioral health organization administrator, and provide a copy of the petition to such persons as soon as possible. The ((~~regional support network~~)) behavioral health organization administrator or designee may review the petition and may appear and testify at the full hearing on the petition.

(2) At the time set for appearance the detained person shall be brought before the court, unless such appearance has been waived and the court shall advise him or her of his or her right to be represented by an attorney, his or her right to a jury trial, and his or her loss of firearm rights if involuntarily committed. If the detained person is not represented by an attorney, or is indigent or is unwilling to retain an attorney, the court shall immediately appoint an attorney to represent him or her. The court shall, if requested, appoint a reasonably available licensed physician, psychiatric advanced registered nurse practitioner, psychologist, or psychiatrist, designated by the detained person to examine and testify on behalf of the detained person.

(3) The court may, if requested, also appoint a professional person as defined in RCW 71.05.020 to seek less restrictive alternative courses of treatment and to testify on behalf of the detained person. In the case of a person with a developmental disability who has been determined to be incompetent pursuant to RCW 10.77.086(4), then the appointed professional person under this section shall be a developmental disabilities professional.

(4) The court shall also set a date for a full hearing on the petition as provided in RCW 71.05.310.

Sec. 85. RCW 71.05.365 and 2013 c 338 s 4 are each amended to read as follows:

When a person has been involuntarily committed for treatment to a hospital for a period of ninety or one hundred eighty days, and the superintendent or professional person in charge of the hospital determines that the person no longer requires active psychiatric treatment at an inpatient level of care, the ((~~regional support network~~)) behavioral health organization responsible for resource management services for the person must work with the hospital to develop an individualized discharge plan and arrange for a transition to the community in accordance with the person's individualized discharge plan within twenty-one days of the determination.

Sec. 86. RCW 71.05.445 and 2013 c 200 s 31 are each amended to read as follows:

(1)(a) When a mental health service provider conducts its initial assessment for a person receiving court-ordered treatment, the service provider shall inquire and shall be told by the offender whether he or she is subject to supervision by the department of corrections.

(b) When a person receiving court-ordered treatment or treatment ordered by the department of corrections discloses to his or her mental health service provider that he or she is subject to supervision by the department of corrections, the mental health service provider shall notify the department of corrections that he or she is treating the offender and shall notify the offender that his or her community corrections officer will be notified of the treatment, provided that if the offender has received relief from disclosure pursuant to RCW 9.94A.562, 70.96A.155, or 71.05.132 and the offender has provided the mental health service provider with a copy of the order granting relief from disclosure pursuant to RCW 9.94A.562, 70.96A.155, or 71.05.132, the mental health service provider is not required to notify the department of corrections that the mental health service provider is treating the offender. The notification may be written or oral and shall not require the consent of the offender. If an oral notification is made, it must be confirmed by a written notification. For purposes of this section, a written notification includes notification by e-mail or facsimile, so long as the notifying mental health service provider is clearly identified.

(2) The information to be released to the department of corrections shall include all relevant records and reports, as defined by rule, necessary for the department of corrections to carry out its duties.

(3) The department and the department of corrections, in consultation with ((~~regional support networks~~)) behavioral health organizations, mental health service providers as defined in RCW 71.05.020, mental health consumers, and advocates for persons with mental illness, shall adopt rules to implement the provisions of this section related to the type and scope of information to be released. These rules shall:

(a) Enhance and facilitate the ability of the department of corrections to carry out its responsibility of planning and ensuring community protection with respect to persons subject to sentencing under chapter 9.94A or 9.95 RCW, including accessing and releasing or disclosing information of persons who received mental health services as a minor; and

(b) Establish requirements for the notification of persons under the supervision of the department of corrections regarding the provisions of this section.

(4) The information received by the department of corrections under this section shall remain confidential and subject to the limitations on disclosure outlined in chapter 71.05 RCW, except as provided in RCW 72.09.585.

(5) No mental health service provider or individual employed by a mental health service provider shall be held responsible for information released to or used by the department of corrections under the provisions of this section or rules adopted under this section.

(6) Whenever federal law or federal regulations restrict the release of information contained in the treatment records of any patient who receives treatment for alcoholism or drug dependency, the release of the information may be restricted as necessary to comply with federal law and regulations.

(7) This section does not modify the terms and conditions of disclosure of information related to sexually transmitted diseases under chapter 70.24 RCW.

(8) The department shall, subject to available resources, electronically, or by the most cost-effective means available, provide the department of corrections with the names, last dates of services, and addresses of specific ((~~regional support networks~~)) behavioral health organizations and mental health service providers that delivered mental health services to a person subject to chapter 9.94A or 9.95 RCW pursuant to an agreement between the departments.

Sec. 87. RCW 71.05.730 and 2011 c 343 s 2 are each amended to read as follows:

(1) A county may apply to its ((~~regional support network~~)) behavioral health organization on a quarterly basis for reimbursement of its direct costs in providing judicial services for civil commitment cases under this chapter and chapter 71.34 RCW. The ((~~regional support network~~)) behavioral health organization shall in turn be entitled to reimbursement from the ((~~regional support network~~)) behavioral health organization that serves the county of residence of the individual who is the subject of the civil commitment case. Reimbursements under this section shall be paid out of the ((~~regional~~

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~~support network's~~)) behavioral health organization's nonmedicaid appropriation.

(2) Reimbursement for judicial services shall be provided per civil commitment case at a rate to be determined based on an independent assessment of the county's actual direct costs. This assessment must be based on an average of the expenditures for judicial services within the county over the past three years. In the event that a baseline cannot be established because there is no significant history of similar cases within the county, the reimbursement rate shall be equal to eighty percent of the median reimbursement rate of counties included in the independent assessment.

(3) For the purposes of this section:

(a) "Civil commitment case" includes all judicial hearings related to a single episode of hospitalization, or less restrictive alternative detention in lieu of hospitalization, except that the filing of a petition for a one hundred eighty-day commitment under this chapter or a petition for a successive one hundred eighty-day commitment under chapter 71.34 RCW shall be considered to be a new case regardless of whether there has been a break in detention. "Civil commitment case" does not include the filing of a petition for a one hundred eighty-day commitment under this chapter on behalf of a patient at a state psychiatric hospital.

(b) "Judicial services" means a county's reasonable direct costs in providing prosecutor services, assigned counsel and defense services, court services, and court clerk services for civil commitment cases under this chapter and chapter 71.34 RCW.

(4) To the extent that resources have shared purpose, the ((~~regional support network~~)) behavioral health organization may only reimburse counties to the extent such resources are necessary for and devoted to judicial services as described in this section.

(5) No filing fee may be charged or collected for any civil commitment case subject to reimbursement under this section.

Sec. 88. RCW 71.05.740 and 2013 c 216 s 2 are each amended to read as follows:

By August 1, 2013, all ((~~regional support networks~~)) behavioral health organizations in the state of Washington must forward historical mental health involuntary commitment information retained by the organization including identifying information and dates of commitment to the department. As soon as feasible, the ((~~regional support networks~~)) behavioral health organizations must arrange to report new commitment data to the department within twenty-four hours. Commitment information under this section does not need to be resent if it is already in the possession of the department. ((~~Regional support networks~~)) Behavioral health organizations and the department shall be immune from liability related to the sharing of commitment information under this section.

Sec. 89. RCW 71.34.330 and 2011 c 343 s 8 are each amended to read as follows:

Attorneys appointed for minors under this chapter shall be compensated for their services as follows:

(1) Responsible others shall bear the costs of such legal services if financially able according to standards set by the court of the county in which the proceeding is held.

(2) If all responsible others are indigent as determined by these standards, the ((~~regional support network~~)) behavioral health organization shall reimburse the county in which the proceeding is held for the direct costs of such legal services, as provided in RCW 71.05.730.

Sec. 90. RCW 71.34.415 and 2011 c 343 s 4 are each amended to read as follows:

A county may apply to its ((~~regional support network~~)) behavioral health organization for reimbursement of its direct costs in providing judicial services for civil commitment cases under this chapter, as provided in RCW 71.05.730.

Sec. 91. RCW 71.36.010 and 2007 c 359 s 2 are each amended to read as follows:

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

(1) "Agency" means a state, tribal, or local governmental entity or a private not-for-profit organization.

(2) "Child" means a person under eighteen years of age, except as expressly provided otherwise in state or federal law.

(3) "Consensus-based" means a program or practice that has general support among treatment providers and experts, based on experience or professional literature, and may have anecdotal or case study support, or that is agreed but not possible to perform studies with random assignment and controlled groups.

(4) "County authority" means the board of county commissioners or county executive.

(5) "Department" means the department of social and health services.

(6) "Early periodic screening, diagnosis, and treatment" means the component of the federal medicaid program established pursuant to 42 U.S.C. Sec. 1396d(r), as amended.

(7) "Evidence-based" means a program or practice that has had multiple site random controlled trials across heterogeneous populations demonstrating that the program or practice is effective for the population.

(8) "Family" means a child's biological parents, adoptive parents, foster parents, guardian, legal custodian authorized pursuant to Title 26 RCW, a relative with whom a child has been placed by the department of social and health services, or a tribe.

(9) "Promising practice" or "emerging best practice" means a practice that presents, based upon preliminary information, potential for becoming a research-based or consensus-based practice.

(10) "((~~Regional support network~~)) Behavioral health organization" means a county authority or group of county authorities or other nonprofit entity that has entered into contracts with the secretary pursuant to chapter 71.24 RCW.

(11) "Research-based" means a program or practice that has some research demonstrating effectiveness, but that does not yet meet the standard of evidence-based practices.

(12) "Secretary" means the secretary of social and health services.

(13) "Wraparound process" means a family driven planning process designed to address the needs of children and youth by the formation of a team that empowers families to make key decisions regarding the care of the child or youth in partnership with professionals and the family's natural community supports. The team produces a community- based and culturally competent intervention plan which identifies the strengths and needs of the child or youth and family and defines goals that the team collaborates on achieving with respect for the unique cultural values of the family. The "wraparound process" shall emphasize principles of persistence and outcome-based measurements of success.

Sec. 92. RCW 71.36.025 and 2007 c 359 s 3 are each amended to read as follows:

(1) It is the goal of the legislature that, by 2012, the children's mental health system in Washington state include the following elements:

(a) A continuum of services from early identification, intervention, and prevention through crisis intervention and inpatient treatment, including peer support and parent mentoring services;

(b) Equity in access to services for similarly situated children, including children with co-occurring disorders;

(c) Developmentally appropriate, high quality, and culturally competent services available statewide;

(d) Treatment of each child in the context of his or her family and other persons that are a source of support and stability in his or her life;

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(e) A sufficient supply of qualified and culturally competent children's mental health providers;

(f) Use of developmentally appropriate evidence-based and research-based practices;

(g) Integrated and flexible services to meet the needs of children who, due to mental illness or emotional or behavioral disturbance, are at risk of out-of-home placement or involved with multiple child-serving systems.

(2) The effectiveness of the children's mental health system shall be determined through the use of outcome-based performance measures. The department and the evidence-based practice institute established in RCW 71.24.061, in consultation with parents, caregivers, youth, ((~~regional support networks~~)) behavioral health organizations, mental health services providers, health plans, primary care providers, tribes, and others, shall develop outcome-based performance measures such as:

(a) Decreased emergency room utilization;

(b) Decreased psychiatric hospitalization;

(c) Lessening of symptoms, as measured by commonly used assessment tools;

(d) Decreased out-of-home placement, including residential, group, and foster care, and increased stability of such placements, when necessary;

(e) Decreased runaways from home or residential placements;

(f) Decreased rates of chemical dependency;

(g) Decreased involvement with the juvenile justice system;

(h) Improved school attendance and performance;

(i) Reductions in school or child care suspensions or expulsions;

(j) Reductions in use of prescribed medication where cognitive behavioral therapies are indicated;

(k) Improved rates of high school graduation and employment; and

(l) Decreased use of mental health services upon reaching adulthood for mental disorders other than those that require ongoing treatment to maintain stability.

Performance measure reporting for children's mental health services should be integrated into existing performance measurement and reporting systems developed and implemented under chapter 71.24 RCW.

Sec. 93. RCW 71.36.040 and 2003 c 281 s 2 are each amended to read as follows:

(1) The legislature supports recommendations made in the August 2002 study of the public mental health system for children conducted by the joint legislative audit and review committee.

(2) The department shall, within available funds:

(a) Identify internal business operation issues that limit the agency's ability to meet legislative intent to coordinate existing categorical children's mental health programs and funding;

(b) Collect reliable mental health cost, service, and outcome data specific to children. This information must be used to identify best practices and methods of improving fiscal management;

(c) Revise the early periodic screening diagnosis and treatment plan to reflect the mental health system structure in place on July 27, 2003, and thereafter revise the plan as necessary to conform to subsequent changes in the structure.

(3) The department and the office of the superintendent of public instruction shall jointly identify school districts where mental health and education systems coordinate services and resources to provide public mental health care for children. The department and the office of the superintendent of public instruction shall work together to share information about these approaches with other school districts, ((~~regional support networks~~)) behavioral health organizations, and state agencies.

Sec. 94. RCW 72.09.350 and 1993 c 459 s 1 are each amended to read as follows:

(1) The department of corrections and the University of Washington may enter into a collaborative arrangement to provide improved services for ((~~mentally ill~~)) offenders with mental illness with a focus on prevention, treatment, and reintegration into society. The participants in the collaborative arrangement may develop a strategic plan within sixty days after May 17, 1993, to address the management of ((~~mentally ill~~)) offenders with mental illness within the correctional system, facilitating their reentry into the community and the mental health system, and preventing the inappropriate incarceration of ((~~mentally ill~~)) individuals with mental illness. The collaborative arrangement may also specify the establishment and maintenance of a corrections mental health center located at McNeil Island corrections center. The collaborative arrangement shall require that an advisory panel of key stakeholders be established and consulted throughout the development and implementation of the center. The stakeholders advisory panel shall include a broad array of interest groups drawn from representatives of mental health, criminal justice, and correctional systems. The stakeholders advisory panel shall include, but is not limited to, membership from: The department of corrections, the department of social and health services mental health division and division of juvenile rehabilitation, ((~~regional support networks~~)) behavioral health organizations, local and regional law enforcement agencies, the sentencing guidelines commission, county and city jails, mental health advocacy groups for ((~~the mentally ill, developmentally disabled~~)) individuals with mental illness or developmental disabilities, and the traumatically brain-injured, and the general public. The center established by the department of corrections and University of Washington, in consultation with the stakeholder advisory groups, shall have the authority to:

(a) Develop new and innovative treatment approaches for corrections mental health clients;

(b) Improve the quality of mental health services within the department and throughout the corrections system;

(c) Facilitate mental health staff recruitment and training to meet departmental, county, and municipal needs;

(d) Expand research activities within the department in the area of treatment services, the design of delivery systems, the development of organizational models, and training for corrections mental health care professionals;

(e) Improve the work environment for correctional employees by developing the skills, knowledge, and understanding of how to work with offenders with special chronic mental health challenges;

(f) Establish a more positive rehabilitative environment for offenders;

(g) Strengthen multidisciplinary mental health collaboration between the University of Washington, other groups committed to the intent of this section, and the department of corrections;

(h) Strengthen department linkages between institutions of higher education, public sector mental health systems, and county and municipal corrections;

(i) Assist in the continued formulation of corrections mental health policies;

(j) Develop innovative and effective recruitment and training programs for correctional personnel working with ((~~mentally ill~~)) offenders with mental illness;

(k) Assist in the development of a coordinated continuum of mental health care capable of providing services from corrections entry to community return; and

(l) Evaluate all current and innovative approaches developed within this center in terms of their effective and efficient achievement of improved mental health of inmates, development and utilization of personnel, the impact of these approaches on the functioning of correctional institutions, and the relationship of the corrections system to mental health and criminal justice systems. Specific attention should be paid to evaluating the effects of programs on the

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reintegration of ((~~mentally ill~~)) offenders with mental illness into the community and the prevention of inappropriate incarceration of ((~~mentally ill~~)) persons with mental illness.

(2) The corrections mental health center may conduct research, training, and treatment activities for the ((~~mentally ill~~)) offender with mental illness within selected sites operated by the department. The department shall provide support services for the center such as food services, maintenance, perimeter security, classification, offender supervision, and living unit functions. The University of Washington may develop, implement, and evaluate the clinical, treatment, research, and evaluation components of the mentally ill offender center. The institute of ((~~[for]~~)) for public policy and management may be consulted regarding the development of the center and in the recommendations regarding public policy. As resources permit, training within the center shall be available to state, county, and municipal agencies requiring the services. Other state colleges, state universities, and mental health providers may be involved in activities as required on a subcontract basis. Community mental health organizations, research groups, and community advocacy groups may be critical components of the center's operations and involved as appropriate to annual objectives. ((~~Mentally ill~~)) Clients with mental illness may be drawn from throughout the department's population and transferred to the center as clinical need, available services, and department jurisdiction permits.

(3) The department shall prepare a report of the center's progress toward the attainment of stated goals and provide the report to the legislature annually.

Sec. 95. RCW 72.09.370 and 2009 c 319 s 3 and 2009 c 28 s 36 are each reenacted and amended to read as follows:

(1) The offender reentry community safety program is established to provide intensive services to offenders identified under this subsection and to thereby promote public safety. The secretary shall identify offenders in confinement or partial confinement who: (a) Are reasonably believed to be dangerous to themselves or others; and (b) have a mental disorder. In determining an offender's dangerousness, the secretary shall consider behavior known to the department and factors, based on research, that are linked to an increased risk for dangerousness of offenders with mental illnesses and shall include consideration of an offender's chemical dependency or abuse.

(2) Prior to release of an offender identified under this section, a team consisting of representatives of the department of corrections, the division of mental health, and, as necessary, the indeterminate sentence review board, other divisions or administrations within the department of social and health services, specifically including the division of alcohol and substance abuse and the division of developmental disabilities, the appropriate ((~~regional support network~~)) behavioral health organization, and the providers, as appropriate, shall develop a plan, as determined necessary by the team, for delivery of treatment and support services to the offender upon release. In developing the plan, the offender shall be offered assistance in executing a mental health directive under chapter 71.32 RCW, after being fully informed of the benefits, scope, and purposes of such directive. The team may include a school district representative for offenders under the age of twenty-one. The team shall consult with the offender's counsel, if any, and, as appropriate, the offender's family and community. The team shall notify the crime victim/witness program, which shall provide notice to all people registered to receive notice under RCW 72.09.712 of the proposed release plan developed by the team. Victims, witnesses, and other interested people notified by the department may provide information and comments to the department on potential safety risk to specific individuals or classes of individuals posed by the specific offender. The team may recommend: (a) That the offender be evaluated by the designated mental health professional, as defined in chapter 71.05 RCW; (b) department- supervised community treatment; or (c) voluntary community mental health or chemical dependency or abuse treatment.

(3) Prior to release of an offender identified under this section, the team shall determine whether or not an evaluation by a designated mental health professional is needed. If an evaluation is recommended, the supporting documentation shall be immediately forwarded to the appropriate designated mental health professional. The supporting documentation shall include the offender's criminal history, history of judicially required or administratively ordered involuntary antipsychotic medication while in confinement, and any known history of involuntary civil commitment.

(4) If an evaluation by a designated mental health professional is recommended by the team, such evaluation shall occur not more than ten days, nor less than five days, prior to release.

(5) A second evaluation by a designated mental health professional shall occur on the day of release if requested by the team, based upon new information or a change in the offender's mental condition, and the initial evaluation did not result in an emergency detention or a summons under chapter 71.05 RCW.

(6) If the designated mental health professional determines an emergency detention under chapter 71.05 RCW is necessary, the department shall release the offender only to a state hospital or to a consenting evaluation and treatment facility. The department shall arrange transportation of the offender to the hospital or facility.

(7) If the designated mental health professional believes that a less restrictive alternative treatment is appropriate, he or she shall seek a summons, pursuant to the provisions of chapter 71.05 RCW, to require the offender to appear at an evaluation and treatment facility. If a summons is issued, the offender shall remain within the corrections facility until completion of his or her term of confinement and be transported, by corrections personnel on the day of completion, directly to the identified evaluation and treatment facility.

(8) The secretary shall adopt rules to implement this section.

Sec. 96. RCW 72.09.381 and 1999 c 214 s 11 are each amended to read as follows:

The secretary of the department of corrections and the secretary of the department of social and health services shall, in consultation with the ((~~regional support networks~~)) behavioral health organizations and provider representatives, each adopt rules as necessary to implement chapter 214, Laws of 1999.

Sec. 97. RCW 72.10.060 and 1998 c 297 s 48 are each amended to read as follows:

The secretary shall, for any person committed to a state correctional facility after July 1, 1998, inquire at the time of commitment whether the person had received outpatient mental health treatment within the two years preceding confinement and the name of the person providing the treatment.

The secretary shall inquire of the treatment provider if he or she wishes to be notified of the release of the person from confinement, for purposes of offering treatment upon the inmate's release. If the treatment provider wishes to be notified of the inmate's release, the secretary shall attempt to provide such notice at least seven days prior to release.

At the time of an inmate's release if the secretary is unable to locate the treatment provider, the secretary shall notify the ((~~regional support network~~)) behavioral health organization in the county the inmate will most likely reside following release.

If the secretary has, prior to the release from the facility, evaluated the inmate and determined he or she requires postrelease mental health treatment, a copy of relevant records and reports relating to the inmate's mental health treatment or status shall be promptly made available to the offender's present or future treatment provider. The secretary shall determine which records and reports are relevant and may provide a summary in lieu of copies of the records.

Sec. 98. RCW 72.23.025 and 2011 1st sp.s. c 21 s 1 are each amended to read as follows:

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(1) It is the intent of the legislature to improve the quality of service at state hospitals, eliminate overcrowding, and more specifically define the role of the state hospitals. The legislature intends that eastern and western state hospitals shall become clinical centers for handling the most complicated long-term care needs of patients with a primary diagnosis of mental disorder. To this end, the legislature intends that funds appropriated for mental health programs, including funds for ((~~regional support networks~~)) behavioral health organizations and the state hospitals be used for persons with primary diagnosis of mental disorder. The legislature finds that establishment of institutes for the study and treatment of mental disorders at both eastern state hospital and western state hospital will be instrumental in implementing the legislative intent.

(2)(a) There is established at eastern state hospital and western state hospital, institutes for the study and treatment of mental disorders. The institutes shall be operated by joint operating agreements between state colleges and universities and the department of social and health services. The institutes are intended to conduct training, research, and clinical program development activities that will directly benefit persons with mental illness who are receiving treatment in Washington state by performing the following activities:

(i) Promote recruitment and retention of highly qualified professionals at the state hospitals and community mental health programs;

(ii) Improve clinical care by exploring new, innovative, and scientifically based treatment models for persons presenting particularly difficult and complicated clinical syndromes;

(iii) Provide expanded training opportunities for existing staff at the state hospitals and community mental health programs;

(iv) Promote bilateral understanding of treatment orientation, possibilities, and challenges between state hospital professionals and community mental health professionals.

(b) To accomplish these purposes the institutes may, within funds appropriated for this purpose:

(i) Enter joint operating agreements with state universities or other institutions of higher education to accomplish the placement and training of students and faculty in psychiatry, psychology, social work, occupational therapy, nursing, and other relevant professions at the state hospitals and community mental health programs;

(ii) Design and implement clinical research projects to improve the quality and effectiveness of state hospital services and operations;

(iii) Enter into agreements with community mental health service providers to accomplish the exchange of professional staff between the state hospitals and community mental health service providers;

(iv) Establish a student loan forgiveness and conditional scholarship program to retain qualified professionals at the state hospitals and community mental health providers when the secretary has determined a shortage of such professionals exists.

(c) Notwithstanding any other provisions of law to the contrary, the institutes may enter into agreements with the department or the state hospitals which may involve changes in staffing necessary to implement improved patient care programs contemplated by this section.

(d) The institutes are authorized to seek and accept public or private gifts, grants, contracts, or donations to accomplish their purposes under this section.

Sec. 99. RCW 72.78.020 and 2007 c 483 s 102 are each amended to read as follows:

(1) Each county or group of counties shall conduct an inventory of the services and resources available in the county or group of counties to assist offenders in reentering the community.

(2) In conducting its inventory, the county or group of counties should consult with the following:

(a) The department of corrections, including community corrections officers;

(b) The department of social and health services in applicable program areas;

(c) Representatives from county human services departments and, where applicable, multicounty ((~~regional support networks~~)) behavioral health organizations;

(d) Local public health jurisdictions;

(e) City and county law enforcement;

(f) Local probation/supervision programs;

(g) Local community and technical colleges;

(h) The local worksource center operated under the statewide workforce investment system;

(i) Faith-based and nonprofit organizations providing assistance to offenders;

(j) Housing providers;

(k) Crime victims service providers; and

(l) Other community stakeholders interested in reentry efforts.

(3) The inventory must include, but is not limited to:

(a) A list of programs available through the entities listed in subsection (2) of this section and services currently available in the community for offenders including, but not limited to, housing assistance, employment assistance, education, vocational training, parenting education, financial literacy, treatment for substance abuse, mental health, anger management, life skills training, specialized treatment programs such as batterers treatment and sex offender treatment, and any other service or program that will assist the former offender to successfully transition into the community; and

(b) An indication of the availability of community representatives or volunteers to assist the offender with his or her transition.

(4) No later than January 1, 2008, each county or group of counties shall present its inventory to the policy advisory committee convened in RCW 72.78.030(8).

Sec. 100. RCW 74.09.515 and 2011 1st sp.s. c 15 s 26 are each amended to read as follows:

(1) The authority shall adopt rules and policies providing that when youth who were enrolled in a medical assistance program immediately prior to confinement are released from confinement, their medical assistance coverage will be fully reinstated on the day of their release, subject to any expedited review of their continued eligibility for medical assistance coverage that is required under federal or state law.

(2) The authority, in collaboration with the department, county juvenile court administrators, and ((~~regional support networks~~)) behavioral health organizations, shall establish procedures for coordination between department field offices, juvenile rehabilitation administration institutions, and county juvenile courts that result in prompt reinstatement of eligibility and speedy eligibility determinations for youth who are likely to be eligible for medical assistance services upon release from confinement. Procedures developed under this subsection must address:

(a) Mechanisms for receiving medical assistance services' applications on behalf of confined youth in anticipation of their release from confinement;

(b) Expeditious review of applications filed by or on behalf of confined youth and, to the extent practicable, completion of the review before the youth is released; and

(c) Mechanisms for providing medical assistance services' identity cards to youth eligible for medical assistance services immediately upon their release from confinement.

(3) For purposes of this section, "confined" or "confinement" means detained in a facility operated by or under contract with the department of social and health services, juvenile rehabilitation administration, or detained in a juvenile detention facility operated under chapter 13.04 RCW.

(4) The authority shall adopt standardized statewide screening and application practices and forms designed to facilitate the

application of a confined youth who is likely to be eligible for a medical assistance program.

Sec. 101. RCW 74.09.521 and 2011 1st sp.s. c 15 s 28 are each amended to read as follows:

(1) To the extent that funds are specifically appropriated for this purpose the authority shall revise its medicaid healthy options managed care and fee-for-service program standards under medicaid, Title XIX of the federal social security act to improve access to mental health services for children who do not meet the ((~~regional support network~~)) behavioral health organization access to care standards. The program standards shall be revised to allow outpatient therapy services to be provided by licensed mental health professionals, as defined in RCW 71.34.020, or by a mental health professional regulated under Title 18 RCW who is under the direct supervision of a licensed mental health professional, and up to twenty outpatient therapy hours per calendar year, including family therapy visits integral to a child's treatment. This section shall be administered in a manner consistent with federal early and periodic screening, diagnosis, and treatment requirements related to the receipt of medically necessary services when a child's need for such services is identified through developmental screening.

(2) The authority and the children's mental health evidence-based practice institute established in RCW 71.24.061 shall collaborate to encourage and develop incentives for the use of prescribing practices and evidence-based and research-based treatment practices developed under RCW 74.09.490 by mental health professionals serving children under this section.

Sec. 102. RCW 74.09.555 and 2011 1st sp.s. c 36 s 32 and 2011 1st sp.s c 15 s 34 are each reenacted and amended to read as follows:

(1) The authority shall adopt rules and policies providing that when persons with a mental disorder, who were enrolled in medical assistance immediately prior to confinement, are released from confinement, their medical assistance coverage will be fully reinstated on the day of their release, subject to any expedited review of their continued eligibility for medical assistance coverage that is required under federal or state law.

(2) The authority, in collaboration with the Washington association of sheriffs and police chiefs, the department of corrections, and the ((~~regional support networks~~)) behavioral health organizations, shall establish procedures for coordination between the authority and department field offices, institutions for mental disease, and correctional institutions, as defined in RCW 9.94.049, that result in prompt reinstatement of eligibility and speedy eligibility determinations for persons who are likely to be eligible for medical assistance services upon release from confinement. Procedures developed under this subsection must address:

(a) Mechanisms for receiving medical assistance services applications on behalf of confined persons in anticipation of their release from confinement;

(b) Expeditious review of applications filed by or on behalf of confined persons and, to the extent practicable, completion of the review before the person is released;

(c) Mechanisms for providing medical assistance services identity cards to persons eligible for medical assistance services immediately upon their release from confinement; and

(d) Coordination with the federal social security administration, through interagency agreements or otherwise, to expedite processing of applications for federal supplemental security income or social security disability benefits, including federal acceptance of applications on behalf of confined persons.

(3) Where medical or psychiatric examinations during a person's confinement indicate that the person is disabled, the correctional institution or institution for mental diseases shall provide the authority with that information for purposes of making medical assistance eligibility and enrollment determinations prior to the person's release from confinement. The authority shall, to the maximum extent permitted by federal law, use the examination in making its determination whether the person is disabled and eligible for medical assistance.

(4) For purposes of this section, "confined" or "confinement" means incarcerated in a correctional institution, as defined in RCW 9.94.049, or admitted to an institute for mental disease, as defined in 42 C.F.R. part 435, Sec. 1009 on July 24, 2005.

(5) For purposes of this section, "likely to be eligible" means that a person:

(a) Was enrolled in medicaid or supplemental security income or the medical care services program immediately before he or she was confined and his or her enrollment was terminated during his or her confinement; or

(b) Was enrolled in medicaid or supplemental security income or the medical care services program at any time during the five years before his or her confinement, and medical or psychiatric examinations during the person's confinement indicate that the person continues to be disabled and the disability is likely to last at least twelve months following release.

(6) The economic services administration within the department shall adopt standardized statewide screening and application practices and forms designed to facilitate the application of a confined person who is likely to be eligible for medicaid.

Sec. 103. RCW 74.34.068 and 2001 c 233 s 2 are each amended to read as follows:

(1) After the investigation is complete, the department may provide a written report of the outcome of the investigation to an agency or program described in this subsection when the department determines from its investigation that an incident of abuse, abandonment, financial exploitation, or neglect occurred. Agencies or programs that may be provided this report are home health, hospice, or home care agencies, or after January 1, 2002, any in-home services agency licensed under chapter 70.127 RCW, a program authorized under chapter 71A.12 RCW, an adult day care or day health program, ((~~regional support networks~~)) behavioral health organizations authorized under chapter 71.24 RCW, or other agencies. The report may contain the name of the vulnerable adult and the alleged perpetrator. The report shall not disclose the identity of the person who made the report or any witness without the written permission of the reporter or witness. The department shall notify the alleged perpetrator regarding the outcome of the investigation. The name of the vulnerable adult must not be disclosed during this notification.

(2) The department may also refer a report or outcome of an investigation to appropriate state or local governmental authorities responsible for licensing or certification of the agencies or programs listed in subsection (1) of this section.

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

Sec. 104. RCW 82.04.4277 and 2011 1st sp.s. c 19 s 1 are each amended to read as follows:

(1) A health or social welfare organization may deduct from the measure of tax amounts received as compensation for providing mental health services under a government-funded program.

(2) A ((~~regional support network~~)) behavioral health organization may deduct from the measure of tax amounts received from the state of Washington for distribution to a health or social welfare organization that is eligible to deduct the distribution under subsection (1) of this section.

(3) A person claiming a deduction under this section must file a complete annual report with the department under RCW 82.32.534.

(4) The definitions in this subsection apply to this section.

(a) "Health or social welfare organization" has the meaning provided in RCW 82.04.431.

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(b) "Mental health services" and "((~~regional support network~~)) behavioral health organization" have the meanings provided in RCW 71.24.025.

(5) This section expires August 1, 2016.

Sec. 105. RCW 70.48.100 and 1990 c 3 s 130 are each amended to read as follows:

(1) A department of corrections or chief law enforcement officer responsible for the operation of a jail shall maintain a jail register, open to the public, into which shall be entered in a timely basis:

(a) The name of each person confined in the jail with the hour, date and cause of the confinement; and

(b) The hour, date and manner of each person's discharge.

(2) Except as provided in subsection (3) of this section the records of a person confined in jail shall be held in confidence and shall be made available only to criminal justice agencies as defined in RCW 43.43.705; or

(a) For use in inspections made pursuant to RCW 70.48.070;

(b) In jail certification proceedings;

(c) For use in court proceedings upon the written order of the court in which the proceedings are conducted; ((~~or~~))

(d) To the Washington association of sheriffs and police chiefs;

(e) To the Washington institute for public policy, research and data analysis division of the department of social and health services, higher education institutions of Washington state, Washington state health care authority, state auditor's office, caseload forecast council, office of financial management, or the successor entities of these organizations, for the purpose of research in the public interest. Data disclosed for research purposes must comply with relevant state and federal statutes; or

(f) Upon the written permission of the person.

(3)(a) Law enforcement may use booking photographs of a person arrested or confined in a local or state penal institution to assist them in conducting investigations of crimes.

(b) Photographs and information concerning a person convicted of a sex offense as defined in RCW 9.94A.030 may be disseminated as provided in RCW 4.24.550, 9A.44.130, 9A.44.140, 10.01.200, 43.43.540, 43.43.745, 46.20.187, 70.48.470, 72.09.330, and section 401, chapter 3, Laws of 1990.

Sec. 106. RCW 70.38.111 and 2012 c 10 s 48 are each amended to read as follows:

(1) The department shall not require a certificate of need for the offering of an inpatient tertiary health service by:

(a) A health maintenance organization or a combination of health maintenance organizations if (i) the organization or combination of organizations has, in the service area of the organization or the service areas of the organizations in the combination, an enrollment of at least fifty thousand individuals, (ii) the facility in which the service will be provided is or will be geographically located so that the service will be reasonably accessible to such enrolled individuals, and (iii) at least seventy-five percent of the patients who can reasonably be expected to receive the tertiary health service will be individuals enrolled with such organization or organizations in the combination;

(b) A health care facility if (i) the facility primarily provides or will provide inpatient health services, (ii) the facility is or will be controlled, directly or indirectly, by a health maintenance organization or a combination of health maintenance organizations which has, in the service area of the organization or service areas of the organizations in the combination, an enrollment of at least fifty thousand individuals, (iii) the facility is or will be geographically located so that the service will be reasonably accessible to such enrolled individuals, and (iv) at least seventy-five percent of the patients who can reasonably be expected to receive the tertiary health service will be individuals enrolled with such organization or organizations in the combination; or

(c) A health care facility (or portion thereof) if (i) the facility is or will be leased by a health maintenance organization or combination of health maintenance organizations which has, in the service area of the organization or the service areas of the organizations in the combination, an enrollment of at least fifty thousand individuals and, on the date the application is submitted under subsection (2) of this section, at least fifteen years remain in the term of the lease, (ii) the facility is or will be geographically located so that the service will be reasonably accessible to such enrolled individuals, and (iii) at least seventy-five percent of the patients who can reasonably be expected to receive the tertiary health service will be individuals enrolled with such organization;

if, with respect to such offering or obligation by a nursing home, the department has, upon application under subsection (2) of this section, granted an exemption from such requirement to the organization, combination of organizations, or facility.

(2) A health maintenance organization, combination of health maintenance organizations, or health care facility shall not be exempt under subsection (1) of this section from obtaining a certificate of need before offering a tertiary health service unless:

(a) It has submitted at least thirty days prior to the offering of services reviewable under RCW 70.38.105(4)(d) an application for such exemption; and

(b) The application contains such information respecting the organization, combination, or facility and the proposed offering or obligation by a nursing home as the department may require to determine if the organization or combination meets the requirements of subsection (1) of this section or the facility meets or will meet such requirements; and

(c) The department approves such application. The department shall approve or disapprove an application for exemption within thirty days of receipt of a completed application. In the case of a proposed health care facility (or portion thereof) which has not begun to provide tertiary health services on the date an application is submitted under this subsection with respect to such facility (or portion), the facility (or portion) shall meet the applicable requirements of subsection (1) of this section when the facility first provides such services. The department shall approve an application submitted under this subsection if it determines that the applicable requirements of subsection (1) of this section are met.

(3) A health care facility (or any part thereof) with respect to which an exemption was granted under subsection (1) of this section may not be sold or leased and a controlling interest in such facility or in a lease of such facility may not be acquired and a health care facility described in (1)(c) which was granted an exemption under subsection (1) of this section may not be used by any person other than the lessee described in (1)(c) unless:

(a) The department issues a certificate of need approving the sale, lease, acquisition, or use; or

(b) The department determines, upon application, that (i) the entity to which the facility is proposed to be sold or leased, which intends to acquire the controlling interest, or which intends to use the facility is a health maintenance organization or a combination of health maintenance organizations which meets the requirements of (1)(a)(i), and (ii) with respect to such facility, meets the requirements of (1)(a)(ii) or (iii) or the requirements of (1)(b)(i) and (ii).

(4) In the case of a health maintenance organization, an ambulatory care facility, or a health care facility, which ambulatory or health care facility is controlled, directly or indirectly, by a health maintenance organization or a combination of health maintenance organizations, the department may under the program apply its certificate of need requirements to the offering of inpatient tertiary health services to the extent that such offering is not exempt under the provisions of this section or RCW 70.38.105(7).

(5)(a) The department shall not require a certificate of need for the construction, development, or other establishment of a nursing home, or the addition of beds to an existing nursing home, that is owned and operated by a continuing care retirement community that:

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(i) Offers services only to contractual members;

(ii) Provides its members a contractually guaranteed range of services from independent living through skilled nursing, including some assistance with daily living activities;

(iii) Contractually assumes responsibility for the cost of services exceeding the member's financial responsibility under the contract, so that no third party, with the exception of insurance purchased by the retirement community or its members, but including the medicaid program, is liable for costs of care even if the member depletes his or her personal resources;

(iv) Has offered continuing care contracts and operated a nursing home continuously since January 1, 1988, or has obtained a certificate of need to establish a nursing home;

(v) Maintains a binding agreement with the state assuring that financial liability for services to members, including nursing home services, will not fall upon the state;

(vi) Does not operate, and has not undertaken a project that would result in a number of nursing home beds in excess of one for every four living units operated by the continuing care retirement community, exclusive of nursing home beds; and

(vii) Has obtained a professional review of pricing and long-term solvency within the prior five years which was fully disclosed to members.

(b) A continuing care retirement community shall not be exempt under this subsection from obtaining a certificate of need unless:

(i) It has submitted an application for exemption at least thirty days prior to commencing construction of, is submitting an application for the licensure of, or is commencing operation of a nursing home, whichever comes first; and

(ii) The application documents to the department that the continuing care retirement community qualifies for exemption.

(c) The sale, lease, acquisition, or use of part or all of a continuing care retirement community nursing home that qualifies for exemption under this subsection shall require prior certificate of need approval to qualify for licensure as a nursing home unless the department determines such sale, lease, acquisition, or use is by a continuing care retirement community that meets the conditions of (a) of this subsection.

(6) A rural hospital, as defined by the department, reducing the number of licensed beds to become a rural primary care hospital under the provisions of Part A Title XVIII of the Social Security Act Section 1820, 42 U.S.C., 1395c et seq. may, within three years of the reduction of beds licensed under chapter 70.41 RCW, increase the number of licensed beds to no more than the previously licensed number without being subject to the provisions of this chapter.

(7) A rural health care facility licensed under RCW 70.175.100 formerly licensed as a hospital under chapter 70.41 RCW may, within three years of the effective date of the rural health care facility license, apply to the department for a hospital license and not be subject to the requirements of RCW 70.38.105(4)(a) as the construction, development, or other establishment of a new hospital, provided there is no increase in the number of beds previously licensed under chapter 70.41 RCW and there is no redistribution in the number of beds used for acute care or long-term care, the rural health care facility has been in continuous operation, and the rural health care facility has not been purchased or leased.

(8)(a) A nursing home that voluntarily reduces the number of its licensed beds to provide assisted living, licensed assisted living facility care, adult day care, adult day health, respite care, hospice, outpatient therapy services, congregate meals, home health, or senior wellness clinic, or to reduce to one or two the number of beds per room or to otherwise enhance the quality of life for residents in the nursing home, may convert the original facility or portion of the facility back, and thereby increase the number of nursing home beds to no more than the previously licensed number of nursing home beds without obtaining a certificate of need under this chapter, provided the facility has been in continuous operation and has not been purchased or leased. Any conversion to the original licensed bed capacity, or to any portion thereof, shall comply with the same life and safety code requirements as existed at the time the nursing home voluntarily reduced its licensed beds; unless waivers from such requirements were issued, in which case the converted beds shall reflect the conditions or standards that then existed pursuant to the approved waivers.

(b) To convert beds back to nursing home beds under this subsection, the nursing home must:

(i) Give notice of its intent to preserve conversion options to the department of health no later than thirty days after the effective date of the license reduction; and

(ii) Give notice to the department of health and to the department of social and health services of the intent to convert beds back. If construction is required for the conversion of beds back, the notice of intent to convert beds back must be given, at a minimum, one year prior to the effective date of license modification reflecting the restored beds; otherwise, the notice must be given a minimum of ninety days prior to the effective date of license modification reflecting the restored beds. Prior to any license modification to convert beds back to nursing home beds under this section, the licensee must demonstrate that the nursing home meets the certificate of need exemption requirements of this section.

The term "construction," as used in (b)(ii) of this subsection, is limited to those projects that are expected to equal or exceed the expenditure minimum amount, as determined under this chapter.

(c) Conversion of beds back under this subsection must be completed no later than four years after the effective date of the license reduction. However, for good cause shown, the four-year period for conversion may be extended by the department of health for one additional four-year period.

(d) Nursing home beds that have been voluntarily reduced under this section shall be counted as available nursing home beds for the purpose of evaluating need under RCW 70.38.115(2) (a) and (k) so long as the facility retains the ability to convert them back to nursing home use under the terms of this section.

(e) When a building owner has secured an interest in the nursing home beds, which are intended to be voluntarily reduced by the licensee under (a) of this subsection, the applicant shall provide the department with a written statement indicating the building owner's approval of the bed reduction.

(9)(a) The department shall not require a certificate of need for a hospice agency if:

(i) The hospice agency is designed to serve the unique religious or cultural needs of a religious group or an ethnic minority and commits to furnishing hospice services in a manner specifically aimed at meeting the unique religious or cultural needs of the religious group or ethnic minority;

(ii) The hospice agency is operated by an organization that:

(A) Operates a facility, or group of facilities, that offers a comprehensive continuum of long-term care services, including, at a minimum, a licensed, medicare-certified nursing home, assisted living, independent living, day health, and various community-based support services, designed to meet the unique social, cultural, and religious needs of a specific cultural and ethnic minority group;

(B) Has operated the facility or group of facilities for at least ten continuous years prior to the establishment of the hospice agency;

(iii) The hospice agency commits to coordinating with existing hospice programs in its community when appropriate;

(iv) The hospice agency has a census of no more than forty patients;

(v) The hospice agency commits to obtaining and maintaining medicare certification;

(vi) The hospice agency only serves patients located in the same county as the majority of the long-term care services offered by the organization that operates the agency; and

(vii) The hospice agency is not sold or transferred to another agency.

(b) The department shall include the patient census for an agency exempted under this subsection (9) in its calculations for future certificate of need applications.

(10) To alleviate the need to board psychiatric patients in emergency departments, for fiscal year 2015 the department shall suspend the certificate of need requirement for a hospital licensed under chapter 70.41 RCW that changes the use of licensed beds to increase the number of beds to provide psychiatric services, including involuntary treatment services. A certificate of need exemption under this section shall be valid for two years.

Sec. 107. RCW 70.320.020 and 2013 c 320 s 2 are each amended to read as follows:

(1) The authority and the department shall base contract performance measures developed under RCW 70.320.030 on the following outcomes when contracting with service contracting entities: Improvements in client health status and wellness; increases in client participation in meaningful activities; reductions in client involvement with criminal justice systems; reductions in avoidable costs in hospitals, emergency rooms, crisis services, and jails and prisons; increases in stable housing in the community; improvements in client satisfaction with quality of life; and reductions in population-level health disparities.

(2) The performance measures must demonstrate the manner in which the following principles are achieved within each of the outcomes under subsection (1) of this section:

(a) Maximization of the use of evidence-based practices will be given priority over the use of research-based and promising practices, and research-based practices will be given priority over the use of promising practices. The agencies will develop strategies to identify programs that are effective with ethnically diverse clients and to consult with tribal governments, experts within ethnically diverse communities and community organizations that serve diverse communities;

(b) The maximization of the client's independence, recovery, and employment;

(c) The maximization of the client's participation in treatment decisions; and

(d) The collaboration between consumer-based support programs in providing services to the client.

(3) In developing performance measures under RCW 70.320.030, the authority and the department shall consider expected outcomes relevant to the general populations that each agency serves. The authority and the department may adapt the outcomes to account for the unique needs and characteristics of discrete subcategories of populations receiving services, including ethnically diverse communities.

(4) The authority and the department shall coordinate the establishment of the expected outcomes and the performance measures between each agency as well as each program to identify expected outcomes and performance measures that are common to the clients enrolled in multiple programs and to eliminate conflicting standards among the agencies and programs.

(5)(a) The authority and the department shall establish timelines and mechanisms for service contracting entities to report data related to performance measures and outcomes, including phased implementation of public reporting of outcome and performance measures in a form that allows for comparison of performance measures and levels of improvement between geographic [illegible] Washington.

(b) The authority and the department may not release any public reports of client outcomes unless the data have been deidentified and aggregated in such a way that the identity of individual clients cannot be determined through directly identifiable data or the combination of multiple data elements.

Sec. 108. RCW 18.205.040 and 2008 c 135 s 17 are each amended to read as follows:

(1) Except as provided in subsection (2) of this section, nothing in this chapter shall be construed to authorize the use of the title "certified chemical dependency professional" or "certified chemical dependency professional trainee" when treating patients in settings other than programs approved under chapter 70.96A RCW.

(2) A person who holds a credential as a "certified chemical dependency professional" or a "certified chemical dependency professional trainee" may use such title when treating patients in settings other than programs approved under chapter 70.96A RCW if the person also holds a license as: An advanced registered nurse practitioner under chapter 18.79 RCW; a marriage and family therapist, mental health counselor, advanced social worker, or independent clinical social health worker under chapter 18.225 RCW; a psychologist under chapter 18.83 RCW; an osteopathic physician under chapter 18.57 RCW; an osteopathic physician assistant under chapter 18.57A RCW; a physician under chapter 18.71 RCW; or a physician assistant under chapter 18.71A RCW.

NEW SECTION. **Sec. 109.** A new section is added to chapter 70.320 RCW to read as follows:

The authority, the department, and service contracting entities shall establish record retention schedules for maintaining data reported by service contracting entities under RCW 70.320.020. For data elements related to the identity of individual clients, the schedules may not allow the retention of data for longer than required by law unless the authority, the department, or service contracting entities require the data for purposes contemplated by RCW 70.320.020 or to meet other service requirements. Regardless of how long data reported by service contracting entities under RCW 70.320.020 is kept, it must be protected in a way that prevents improper use or disclosure of confidential client information.

NEW SECTION. **Sec. 110.** A new section is added to chapter 71.24 RCW to read as follows:

(1) The department and the health care authority shall develop a plan to provide integrated managed health and mental health care for foster children receiving care through the medical assistance program. The plan shall detail the steps necessary to implement and operate a fully integrated program for foster children, including development of a service delivery system, benefit design, reimbursement mechanisms, and standards for contracting with health plans. The plan must be designed so that all of the requirements for providing mental health services to children under the *T.R. v. Dreyfus and Porter* settlement are met. The plan shall include an implementation timeline and funding estimate. The department and the health care authority shall submit the plan to the legislature by December 1, 2014.

(2) This section expires July 1, 2015.

NEW SECTION. **Sec. 111.** Section 1 of this act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

NEW SECTION. **Sec. 112.** Sections 7, 10, 13 through 54, 56 through 84, and 86 through 104 of this act take effect April 1, 2016.

NEW SECTION. **Sec. 113.** Section 85 of this act takes effect July 1, 2018."

Correct the title.

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

Amendment (963) 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 Cody and Harris spoke in favor of the passage of the bill.

Representative Holy spoke against the passage of the bill.

Representative Lytton was excused from the bar.

The Speaker (Representative Moeller presiding) stated the question before the House to be the final passage of Second Substitute Senate Bill No. 6312, as amended by the House.

ROLL CALL

The Clerk called the roll on the final passage of Second Substitute Senate Bill No. 6312, as amended by the House, and the bill passed the House by the following vote: Yeas, 75; Nays, 22; Absent, 0; Excused, 1.

Voting yea: Representatives Appleton, Bergquist, Blake, Buys, Carlyle, Clibborn, Cody, Dahlquist, Dunshee, Fagan, Farrell, Fey, Fitzgibbon, Freeman, Goodman, Green, Gregerson, Habib, Haigh, Hansen, Harris, Hope, Hudgins, Hunter, Hurst, Jinkins, Johnson, Kagi, Kirby, Klippert, Kochmar, Kristiansen, MacEwen, Magendanz, Manweller, Moeller, Morrell, Morris, Moscoso, Muri, Nealey, Ormsby, Ortiz-Self, Orwall, Pettigrew, Pollet, Reykdal, Riccelli, Roberts, Robinson, Rodne, Ross, Ryu, S. Hunt, Santos, Sawyer, Schmick, Seaquist, Sells, Senn, Springer, Stanford, Stonier, Sullivan, Takko, Tarleton, Tharinger, Van De Wege, Walkinshaw, Walsh, Warnick, Wylie, Young, Zeiger and Mr. Speaker.

Voting nay: Representatives Chandler, Christian, Condotta, DeBolt, G. Hunt, Haler, Hargrove, Hawkins, Hayes, Holy, Kretz, Orcutt, Overstreet, Parker, Pike, Scott, Shea, Short, Smith, Taylor, Vick and Wilcox.

Excused: Representative Lytton.

SECOND SUBSTITUTE SENATE BILL NO. 6312, as amended by the House, having received the necessary constitutional majority, was declared passed.

SENATE BILL NO. 6505, by Senators Hargrove, Hill and Braun

Delaying the use of existing tax preferences by the marijuana industry to ensure a regulated and safe transition to the controlled and legal marijuana market in Washington.

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 Carlyle, Hurst, Orcutt and Klippert spoke in favor of the passage of the bill.

Representatives Condotta, Shea, Buys, Taylor and Manweller spoke against the passage of the bill.

POINT OF PARLIAMENTARY INQUIRY

Representative Green: "Mr. Speaker, how many votes are needed for passage of Senate Bill 6505."

SPEAKER'S RULING

Mr. Speaker: In ruling upon the point of inquiry raised by Representative Green as to the number of votes necessary to pass Senate Bill 6505, the Speaker finds and rules as follows: Amending an initiative within the first two years of its adoption requires a two-thirds vote. This supermajority requirement, however, applies only to changes made to law adopted under the initiative, or changes to other areas of law which would have a substantive impact on the operation of the law enacted by the initiative.

Senate Bill 6505 would delay certain tax preferences for marijuana and marijuana products for ten years.

For purposes of analysis, it is important to start by noting that Initiative 502, the marijuana law passed by the voters in 2012, touches on many areas of production, processing, distribution and taxation relating to marijuana but imposes only one new tax in and of itself: a marijuana excise tax. The initiative makes clear that this excise tax is 'separate and in addition to the general state and local sales and use taxes' which will also apply to marijuana sales, but I-502 did not make any changes to the existing sales and use tax. Similarly, it did not make any changes to the existing property tax structure or business and occupation tax structure, which could also apply to the production, processing and distribution of marijuana.

In short, while the already-existing tax structure would apply to marijuana production, processing and distribution in our state under I-502, the initiative made no changes to the pre-existing tax structure, except to add an additional excise tax. As a result, the legislature is free to modify that existing tax structure as it deems necessary or desirable, and it may do so even with respect to marijuana production, processing and sales without changing any provisions or the operation of I-502. For these reasons, Senate Bill 6505 requires only a simple majority vote for final passage."

The Speaker (Representative Moeller presiding) stated the question before the House to be the final passage of Senate Bill No. 6505.

ROLL CALL

The Clerk called the roll on the final passage of Senate Bill No. 6505, and the bill passed the House by the following vote: Yeas, 55; Nays, 42; Absent, 0; Excused, 1.

Voting yea: Representatives Appleton, Bergquist, Blake, Carlyle, Clibborn, Cody, Dahlquist, Dunshee, Farrell, Fey, Fitzgibbon, Freeman, Goodman, Green, Gregerson, Haigh, Hansen, Hudgins, Hunter, Hurst, Jinkins, Kagi, Kirby, Klippert, Moeller, Morrell, Morris, Nealey, Ormsby, Ortiz-Self, Orwall, Pettigrew, Pollet, Reykdal, Riccelli, Roberts, Robinson, Rodne, Ryu, S. Hunt, Santos, Seaquist, Sells, Senn, Smith, Springer, Stanford, Sullivan, Takko, Tarleton, Tharinger, Van De Wege, Walkinshaw, Wylie and Mr. Speaker.

Voting nay: Representatives Buys, Chandler, Christian, Condotta, DeBolt, Fagan, G. Hunt, Habib, Haler, Hargrove, Harris, Hawkins, Hayes, Holy, Hope, Johnson, Kochmar, Kretz, Kristiansen, MacEwen, Magendanz, Manweller, Moscoso, Muri, Orcutt, Overstreet, Parker, Pike, Ross, Sawyer, Schmick, Scott, Shea, Short, Stonier, Taylor, Vick, Walsh, Warnick, Wilcox, Young and Zeiger.

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Excused: Representative Lytton.

SENATE BILL NO. 6505, having received the necessary constitutional majority, was declared passed.

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

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

SUBSTITUTE SENATE BILL NO. 6387

There being no objection, the Committee on Appropriations was relieved of the following bills and the bills were placed on the second reading calendar:

ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 6518
SENATE BILL NO. 6573

MESSAGE FROM THE SENATE

March 11, 2014

MR. SPEAKER:

The Senate has passed:
ENGROSSED SUBSTITUTE SENATE BILL NO. 6430
ENGROSSED SUBSTITUTE SENATE BILL NO. 6478
and the same are herewith transmitted.

Hunter G. Goodman, Secretary

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

SECOND READING

ENGROSSED SUBSTITUTE SENATE BILL NO. 6440, by Senate Committee on Transportation (originally sponsored by Senators King, Eide and Kline)

Imposing motor vehicle fuel taxes on compressed natural and liquefied natural gas used for transportation purposes. Revised for 1st Substitute: Imposing transportation taxes and fees on compressed natural gas and liquefied natural gas used for transportation purposes. (REVISED FOR ENGROSSED: Concerning compressed natural gas and liquefied natural gas used for transportation purposes.)

The bill was read the second time.

There being no objection, the committee amendment by the Committee on Finance was not adopted. (For Committee amendment, see Journal, Day 58, Mark 11, 2014.

Representative Carlyle moved the adoption of amendment (965).

Strike everything after the enacting clause and insert the following:

"**PART I**

Tax Performance Statement

NEW SECTION. **Sec. 101.** (1) The legislature finds that current law taxes natural gas as a traditional home heating or electric generation fuel while not taking into account the benefits of natural gas use as a transportation fuel. The legislature further finds that the construction and operation of a natural gas liquefaction plant and compressed natural gas refueling stations as well as the ongoing use of compressed and liquefied natural gas will lead to positive job creation, economic development, environmental benefits, lower fuel costs, and increased tax revenues to the state. The legislature further finds that it is sound tax policy to provide uniform tax treatment of natural gas used as a transportation fuel, regardless of whether the taxpayer providing the natural gas is a gas distribution business or not, so as to prevent any particular entity from receiving a competitive advantage solely through a structural inefficiency in the tax code.

(2)(a) This subsection is the tax performance statement for this act. The performance statement is only intended to be used for subsequent evaluation of the tax changes made in this act. It is not intended to create a private right of action by any party or be used to determine eligibility for preferential tax treatment.

(b) The legislature categorizes the tax changes in this act as changes intended to accomplish the general purposes indicated in RCW 82.32.808(2) (c) and (d).

(c) It is the legislature's specific public policy objectives to promote job creation and positive economic development; lower carbon dioxide, sulfur dioxide, nitrogen dioxide, and particulate emissions; and secure optimal liquefied natural gas pricing for the state of Washington and other public entities.

(d) To measure the effectiveness of the exemption provided in this act in achieving the specific public policy objective described in (c) of this subsection, the joint legislative audit and review committee must evaluate the following:

(i) The number of employment positions and wages at a natural gas liquefaction facility located in Washington and operated by a gas distribution business where some or all of the liquefied natural gas is sold for use as a transportation fuel. If the average number of employment positions at the liquefaction facility once it is operationally complete equals or exceeds eighteen and average annual wages for employment positions at the facility exceed thirty-five thousand dollars, it is presumed that the public policy objective of job creation has been achieved.

(ii) The estimated total cost of construction of a liquefaction plant by a gas distribution company, including costs for machinery and equipment. If the total cost equals or exceeds two hundred fifty million dollars, it is presumed that the public policy objective of positive economic development has been achieved.

(iii) The estimated fuel savings by the Washington state ferry system and other public entities through the use of liquefied natural gas purchased from a gas distribution business.

(iv) The estimated reduction in carbon dioxide, sulfur dioxide, nitrogen dioxide, and particulate emissions, resulting from the use of liquefied natural gas and compressed natural gas as a transportation fuel where the natural gas is sold by a gas distribution business. The emissions of liquefied and compressed natural gas must be specifically compared with an equivalent amount of diesel fuel. If the estimated annual reduction in emissions exceeds the following benchmarks, it is presumed that the public policy objective of reducing emissions has been achieved:

(A) Three hundred million pounds of carbon dioxide;

(B) Two hundred thousand pounds of particulates;

(C) Four hundred thousand pounds of sulfur dioxide; and

(D) Four hundred fifty thousand pounds of nitrogen dioxide.

(e)(i) The following data sources are intended to provide the informational basis for the evaluation under (d) of this subsection:

(A) Employment data provided by the state employment security department;

(B) Ferry fuel purchasing data provided by the state department of transportation;

(C) Diesel and other energy pricing data found on the United States energy information administration's web site; and

(D) Information provided by a gas distribution business on the annual report required under RCW 82.32.534.

(ii) In addition to the data source described under (e)(i) of this subsection, the joint legislative audit and review committee may use any other data it deems necessary in performing the evaluation under (d) of this subsection.

(3) A gas distribution business claiming the exemption under RCW 82.08.02565 or 82.12.02565 must file the annual report under RCW 82.32.534 or any successor document. In addition to the information contained in the report, the report must also include the amount of liquefied natural gas and compressed natural gas sold by the gas distribution business as a transportation fuel. A gas distribution business is not required to file the annual survey under RCW 82.32.585, as would otherwise be required under RCW 82.32.808(5).

(4) The joint legislative audit and review committee must perform the review required in this section in a manner consistent with its tax preference review process under chapter 43.136 RCW. The committee must perform the review in calendar year 2025.

PART II

Fuel Taxes and Sales Taxes

Sec. 201. RCW 82.38.030 and 2013 c 225 s 103 are each amended to read as follows:

(1) There is levied and imposed upon fuel licensees a tax at the rate of twenty-three cents per each gallon of 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 each gallon of fuel((~~, or each one hundred cubic feet of compressed natural gas~~)), measured at standard pressure and temperature is imposed on fuel licensees. 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 each gallon of fuel((~~, or each one hundred cubic feet of compressed natural gas~~)), measured at standard pressure and temperature is imposed on fuel licensees.

(4) Beginning July 1, 2006, an additional and cumulative tax rate of three cents per each gallon of fuel((~~, or each one hundred cubic feet of compressed natural gas~~)), measured at standard pressure and temperature is imposed on fuel licensees.

(5) Beginning July 1, 2007, an additional and cumulative tax rate of two cents per each gallon of fuel((~~, or each one hundred cubic feet of compressed natural gas~~)), measured at standard pressure and temperature is imposed on fuel licensees.

(6) Beginning July 1, 2008, an additional and cumulative tax rate of one and one-half cents per each gallon of fuel((~~, or each one hundred cubic feet of compressed natural gas~~)), measured at standard pressure and temperature is imposed on fuel licensees.

(7) Taxes are imposed when:

(a) Fuel is removed in this state from a terminal if the fuel is removed at the rack unless the removal is by a licensed supplier or distributor for direct delivery to a destination outside of the state, or the removal is by a fuel supplier for direct delivery to an international fuel tax agreement licensee under RCW 82.38.320;

(b) 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 fuel immediately before the removal is not a licensed supplier; or

(ii) The removal is at the refinery rack unless the removal is to a licensed supplier or distributor for direct delivery to a destination outside of the state, or the removal is to a licensed supplier for direct delivery to an international fuel tax agreement licensee under RCW 82.38.320;

(c) 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 licensed supplier; or

(ii) The entry is not by bulk transfer;

(d) Fuel enters this state by means outside the bulk transfer-terminal system and is delivered directly to a licensed terminal unless the owner is a licensed distributor or supplier;

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

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

(g) Dyed special fuel is used on a highway, as authorized by the internal revenue code, unless the use is exempt from the fuel tax;

(h) Dyed special fuel is held for sale, sold, used, or is intended to be used in violation of this chapter;

(i) Special fuel purchased by an international fuel tax agreement licensee under RCW 82.38.320 is used on a highway; and

(j) Fuel is sold by a licensed fuel supplier to a fuel distributor or fuel blender and the fuel is not removed from the bulk transfer-terminal system.

Sec. 202. RCW 82.38.075 and 2013 c 225 s 110 are each amended to read as follows:

(1) To encourage the use of nonpolluting fuels, an annual license fee in lieu of the tax imposed by RCW 82.38.030 is imposed upon the use of liquefied natural gas, compressed natural gas, or propane used in any motor vehicle. The annual license fee must be based upon the following schedule and formula:

VEHICLE TONNAGE (GVW)			FEE
0	-	6,000	$ 45
6,001	-	10,000	$ 45
10,001	-	18,000	$ 80
18,001	-	28,000	$110
28,001	-	36,000	$150
36,001	and above		$250

(2) To determine the annual license fee for a registration year, the appropriate dollar amount in the schedule is multiplied by the fuel tax rate per gallon effective on July 1st of the preceding calendar year and the product is divided by 12 cents.

(3) The department, in addition to the resulting fee, must charge an additional fee of five dollars as a handling charge for each license issued.

(4) The vehicle tonnage fee must be prorated so the annual license will correspond with the staggered vehicle licensing system.

(5) A decal or other identifying device issued upon payment of the annual fee must be displayed as prescribed by the department as authority to purchase this fuel.

(6) Persons selling or dispensing natural gas or propane may not sell or dispense this fuel for their own use or the use of others into tanks of vehicles powered by this fuel which do not display a valid decal or other identifying device.

(7) Commercial motor vehicles registered in a foreign jurisdiction under the provisions of the international registration plan are subject to the annual fee.

(8) Motor vehicles registered in a foreign jurisdiction, except those registered under the international registration plan under chapter 46.87 RCW, are exempt from this section.

(9) Vehicles registered in jurisdictions outside the state of Washington are exempt from this section.

((~~(8)~~)) (10) Any person selling or dispensing liquefied natural gas, compressed natural gas, or propane into the tank of a motor vehicle powered by this fuel, except as prescribed in this chapter, is subject to the penalty provisions of this chapter.

Sec. 203. RCW 82.80.010 and 2013 c 225 s 641 are each amended to read as follows:

(1) ((~~For purposes of this section:~~)) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Distributor" means every person who imports, refines, manufactures, produces, or compounds motor vehicle fuel and special fuel as defined in RCW 82.38.020((~~, respectively,~~)) and sells or distributes the fuel into a county((~~;~~)).

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

(2) Subject to the conditions of this section, any county may levy, by approval of its legislative body and a majority of the registered voters of the county voting on the proposition at a general or special election, additional excise taxes equal to ten percent of the statewide ((~~motor vehicle fuel tax rate under RCW 82.38.030 on each gallon of motor vehicle fuel as defined in RCW 82.38.020 and on each gallon of special fuel~~)) fuel tax rates under RCW 82.38.030 on motor vehicle fuel and special fuel as defined in RCW 82.38.020 sold within the boundaries of the county. Vehicles paying an annual license fee under RCW 82.38.075 are exempt from the county fuel excise tax. An election held under this section must be held not more than twelve months before the date on which the proposed tax is to be levied. The ballot setting forth the proposition must state the tax rate that is proposed. The county's authority to levy additional excise taxes under this section includes the incorporated and unincorporated areas of the county. The additional excise taxes are subject to the same exceptions and rights of refund as applicable to other motor vehicle fuel and special fuel excise taxes levied under chapter 82.38 RCW. The proposed tax may not be levied less than one month from the date the election results are certified by the county election officer. The commencement date for the levy of any tax under this section must be the first day of January, April, July, or October.

(3) The local option motor vehicle fuel tax on ((~~each gallon of~~)) motor vehicle fuel and on ((~~each gallon of~~)) special fuel is imposed upon the distributor of the fuel.

(4) A taxable event for the purposes of this section occurs upon the first distribution of the fuel within the boundaries of a county to a retail outlet, bulk fuel user, or ultimate user of the fuel.

(5) All administrative provisions in chapters 82.01, 82.03, and 82.32 RCW, insofar as they are applicable, apply to local option fuel taxes imposed under this section.

(6) Before the effective date of the imposition of the fuel taxes under this section, a county must contract with the department of revenue for the administration and collection of the taxes. The contract must provide that a percentage amount, not to exceed one percent of the taxes imposed under this section, will be deposited into the local tax administration account created in the custody of the state treasurer. The department of revenue may spend money from this account, upon appropriation, for the administration of the local taxes imposed under this section.

(7) The state treasurer must distribute monthly to the levying county and cities contained therein the proceeds of the additional excise taxes collected under this section, after the deductions for payments and expenditures as provided in RCW 46.68.090(1) (a) and (b) and under the conditions and limitations provided in RCW 82.80.080.

(8) The proceeds of the additional excise taxes levied under this section must be used strictly for transportation purposes in accordance with RCW 82.80.070.

(9) A county may not levy the tax under this section if they are levying the tax in RCW 82.80.110 or if they are a member of a regional transportation investment district levying the tax in RCW 82.80.120.

Sec. 204. RCW 82.80.110 and 2013 c 225 s 642 are each amended to read as follows:

(1) ((~~For purposes of this section:~~)) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Distributor" means every person who imports, refines, manufactures, produces, or compounds motor vehicle fuel and special fuel as defined in RCW 82.38.020((~~, respectively,~~)) and sells or distributes the fuel into a county((~~;~~)).

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

(2) For purposes of dedication to a regional transportation investment district plan under chapter 36.120 RCW, subject to the conditions of this section, a county may levy additional excise taxes equal to ten percent of the statewide ((~~motor vehicle fuel tax rate under RCW 82.38.030 on each gallon of motor vehicle fuel as defined in RCW 82.38.020 and on each gallon of special fuel~~)) fuel tax rates under RCW 82.38.030 on motor vehicle fuel and special fuel as defined in RCW ((~~82.32.020 [82.38.020]~~)) 82.38.020 sold within the boundaries of the county. The additional excise tax is subject to the approval of the county's legislative body and a majority of the registered voters of the county voting on the proposition at a general or special election. An election held under this section must be held not more than twelve months before the date on which the proposed tax is to be levied. The ballot setting forth the proposition must state that the revenues from the tax will be used for a regional transportation investment district plan. The county's authority to levy additional excise taxes under this section includes the incorporated and unincorporated areas of the county. Vehicles paying an annual license fee under RCW 82.38.075 are exempt from the county fuel excise tax. The additional excise taxes are subject to the same exceptions and rights of refund as applicable to other motor vehicle fuel and special fuel excise taxes levied under chapter 82.38 RCW. The proposed tax may not be levied less than one month from the date the election results are certified by the county election officer. The commencement date for the levy of any tax under this section will be the first day of January, April, July, or October.

(3) The local option motor vehicle fuel tax on ((~~each gallon of~~)) motor vehicle fuel and on ((~~each gallon of~~)) special fuel is imposed upon the distributor of the fuel.

(4) A taxable event for the purposes of this section occurs upon the first distribution of the fuel within the boundaries of a county to a retail outlet, bulk fuel user, or ultimate user of the fuel.

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(5) All administrative provisions in chapters 82.01, 82.03, and 82.32 RCW, insofar as they are applicable, apply to local option fuel taxes imposed under this section.

(6) Before the effective date of the imposition of the fuel taxes under this section, a county must contract with the department of revenue for the administration and collection of the taxes. The contract must provide that a percentage amount, not to exceed one percent of the taxes imposed under this section, will be deposited into the local tax administration account created in the custody of the state treasurer. The department of revenue may spend money from this account, upon appropriation, for the administration of the local taxes imposed under this section.

(7) The state treasurer must distribute monthly to the county levying the tax as part of a regional transportation investment plan, after the deductions for payments and expenditures as provided in RCW 46.68.090(1) (a) and (b).

(8) The proceeds of the additional taxes levied by a county in this section, to be used as a part of a regional transportation investment plan, must be used in accordance with chapter 36.120 RCW, but only for those areas that are considered "highway purposes" as that term is construed in Article II, section 40 of the state Constitution.

(9) A county may not levy the tax under this section if they are a member of a regional transportation investment district that is levying the tax in RCW 82.80.120 or the county is levying the tax in RCW 82.80.010.

Sec. 205. RCW 82.80.120 and 2013 c 225 s 643 are each amended to read as follows:

(1) ((~~For purposes of this section:~~)) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Distributor" means every person who imports, refines, manufactures, produces, or compounds motor vehicle fuel and special fuel as defined in RCW 82.38.020((~~, respectively,~~)) and sells or distributes the fuel into a county((~~;~~)).

(b) "Person" has the same meaning as in RCW 82.04.030;

(c) "District" means a regional transportation investment district under chapter 36.120 RCW.

(2) A regional transportation investment district under chapter 36.120 RCW, subject to the conditions of this section, may levy additional excise taxes equal to ten percent of the statewide ((~~motor vehicle fuel tax rate under RCW 82.38.030 on each gallon of motor vehicle fuel as defined in RCW 82.38.020 and on each gallon of special fuel~~)) fuel tax rates under RCW 82.38.030 on motor vehicle fuel and special fuel as defined in RCW 82.38.020 sold within the boundaries of the district. The additional excise tax is subject to the approval of a majority of the voters within the district boundaries. Vehicles paying an annual license fee under RCW 82.38.075 are exempt from the district's fuel excise tax. The additional excise taxes are subject to the same exceptions and rights of refund as applicable to other motor vehicle fuel and special fuel excise taxes levied under chapter 82.38 RCW. The proposed tax may not be levied less than one month from the date the election results are certified. The commencement date for the levy of any tax under this section will be the first day of January, April, July, or October.

(3) The local option motor vehicle fuel tax on ((~~each gallon of~~)) motor vehicle fuel and on ((~~each gallon of~~)) special fuel is imposed upon the distributor of the fuel.

(4) A taxable event for the purposes of this section occurs upon the first distribution of the fuel within the boundaries of the district to a retail outlet, bulk fuel user, or ultimate user of the fuel.

(5) All administrative provisions in chapters 82.01, 82.03, and 82.32 RCW, insofar as they are applicable, apply to local option fuel taxes imposed under this section.

(6) Before the effective date of the imposition of the fuel taxes under this section, a district must contract with the department of revenue for the administration and collection of the taxes. The contract must provide that a percentage amount, not to exceed one percent of the taxes imposed under this section, will be deposited into the local tax administration account created in the custody of the state treasurer. The department of revenue may spend money from this account, upon appropriation, for the administration of the local taxes imposed under this section.

(7) The state treasurer must distribute monthly to the district levying the tax as part of the regional transportation investment district plan, after the deductions for payments and expenditures as provided in RCW 46.68.090(1) (a) and (b).

(8) The proceeds of the additional taxes levied by a district in this section, to be used as a part of a regional transportation investment district plan, must be used in accordance with chapter 36.120 RCW, but only for those areas that are considered "highway purposes" as that term is construed in Article II, section 40 of the state Constitution.

(9) A district may only levy the tax under this section if the district is comprised of boundaries identical to the boundaries of a county or counties. A district may not levy the tax in this section if a member county is levying the tax in RCW 82.80.010 or 82.80.110.

Sec. 206. RCW 82.47.010 and 1998 c 176 s 85 are each amended to read as follows:

((~~The definitions set forth in this section shall apply throughout this chapter unless the context clearly requires otherwise.~~

~~(1) "Motor vehicle fuel" has the meaning given in RCW 82.36.010.~~

~~(2) "Special fuel" has the meaning given in RCW 82.38.020.~~

~~(3) "Motor vehicle" has the meaning given in RCW 82.36.010.~~)) For purposes of this chapter, unless the context clearly requires otherwise, "fuel," "motor vehicle fuel," "special fuel," and "motor vehicle" have the meaning given in RCW 82.38.020.

Sec. 207. RCW 46.16A.060 and 2011 c 114 s 6 are each amended to read as follows:

(1) The department, county auditor or other agent, or subagent appointed by the director may not issue or renew a motor vehicle registration or change the registered owner of a registered vehicle for any motor vehicle required to be inspected under chapter 70.120 RCW, unless the application for issuance or renewal is: (a) Accompanied by a valid certificate of compliance or a valid certificate of acceptance issued as required under chapter 70.120 RCW; or (b) exempt, as described in subsection (2) of this section. The certificates must have a date of validation that is within twelve months of the assigned registration renewal date. Certificates for fleet or owner tested diesel vehicles may have a date of validation that is within twelve months of the assigned registration renewal date.

(2) The following motor vehicles are exempt from emission test requirements:

(a) Motor vehicles that are less than five years old or more than twenty-five years old;

(b) Motor vehicles that are a 2009 model year or newer;

(c) Motor vehicles powered exclusively by electricity, propane, compressed natural gas, liquefied natural gas, or liquid petroleum gas;

(d) Motorcycles as defined in RCW 46.04.330 and motor-driven cycles as defined in RCW 46.04.332;

(e) Farm vehicles as defined in RCW 46.04.181;

(f) Street rod vehicles as defined in RCW 46.04.572 and custom vehicles as defined in RCW 46.04.161;

(g) Used vehicles that are offered for sale by a motor vehicle dealer licensed under chapter 46.70 RCW;

(h) Classes of motor vehicles exempted by the director of the department of ecology; and

(i) Hybrid motor vehicles that obtain a rating by the environmental protection agency of at least fifty miles per gallon of gas during city driving. For purposes of this section, a hybrid motor vehicle is one that uses propulsion units powered by both electricity and gas.

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(3) The department of ecology ((~~shall~~)) must provide information to motor vehicle owners:

(a) Regarding the boundaries of emission contributing areas and restrictions established under this section that apply to vehicles registered in such areas; and

(b) On the relationship between motor vehicles and air pollution and steps motor vehicle owners should take to reduce motor vehicle related air pollution.

(4) The department of licensing ((~~shall~~)) must:

(a) Notify all registered motor vehicle owners affected by the emission testing program that they must have an emission test to renew their registration;

(b) Adopt rules implementing and enforcing this section, except for subsection (2)(e) of this section, as specified in chapter 34.05 RCW.

(5) A motor vehicle may not be registered, leased, rented, or sold for use in the state, starting with the model year as provided in RCW 70.120A.010, unless the vehicle:

(a) Has seven thousand five hundred miles or more; or

(b)(i) Is consistent with the vehicle emission standards and carbon dioxide equivalent emission standards adopted by the department of ecology; and

(ii) Has a California certification label for all emission standards, and carbon dioxide equivalent emission standards necessary to meet fleet average requirements.

(6) The department of licensing, in consultation with the department of ecology, may adopt rules necessary to implement this section and may provide for reasonable exemptions to these requirements. The department of ecology may exempt public safety vehicles from meeting the standards where the department finds that vehicles necessary to meet the needs of public safety agencies are not otherwise reasonably available.

Sec. 208. RCW 46.37.467 and 1995 c 369 s 23 are each amended to read as follows:

(1) Every automobile, truck, motorcycle, motor home, or off-road vehicle that is fueled by an alternative fuel source ((~~shall~~)) must bear a reflective placard issued by the national fire protection association indicating that the vehicle is so fueled. Violation of this subsection is a traffic infraction.

(2) As used in this section "alternative fuel source" includes propane, compressed natural gas, liquefied natural gas, liquid petroleum gas, or any chemically similar gas but does not include gasoline or diesel fuel.

(3) If a placard for a specific alternative fuel source has not been issued by the national fire protection association, a placard issued by the chief of the Washington state patrol, through the director of fire protection, ((~~shall be~~)) is required. The chief of the Washington state patrol, through the director of fire protection, ((~~shall~~)) must develop rules for the design, size, and placement of the placard which ((~~shall~~)) remains effective until a specific placard is issued by the national fire protection association.

NEW SECTION. **Sec. 209.** (1) The department of licensing must convene a work group that includes, at a minimum, representatives from the department of transportation, the trucking industry, manufacturers of compressed natural gas and liquefied natural gas, and any other stakeholders as deemed necessary, for the following purposes:

(a) To evaluate the annual license fee in lieu of fuel tax under RCW 82.38.075 to determine a fee that more closely represents the average consumption of vehicles by weight and to make recommendations to the transportation committees of the legislature by December 1, 2014, on an updated fee schedule.

(b) To develop a transition plan to move vehicles powered by liquefied natural gas, compressed natural gas, and propane from the annual license fee in lieu of fuel tax to the fuel tax under RCW 82.38.030. The transition plan must incorporate stakeholder feedback and must include draft legislation and cost and revenue estimates. The transition plan must be submitted to the transportation committees of the legislature by December 1, 2015.

(2) The department of revenue must convene a work group that includes, at a minimum, representatives from the department of transportation, the marine shipping industry, manufacturers of liquefied natural gas, and any other stakeholders as deemed necessary, for the purpose of examining the appropriate level and manner of taxing liquefied natural gas used for marine vessel transportation. The department must make recommendations to the fiscal committees of the legislature by December 1, 2025.

PART III

State and Local Business Taxes

NEW SECTION. **Sec. 301.** A new section is added to chapter 82.16 RCW to read as follows:

(1) The provisions of this chapter do not apply to sales by a gas distribution business of:

(a) Compressed natural gas or liquefied natural gas, where the compressed natural gas or liquefied natural gas is to be sold or used as transportation fuel; or

(b) Natural gas from which the buyer manufactures compressed natural gas or liquefied natural gas, where the compressed natural gas or liquefied natural gas is to be sold or used as transportation fuel.

(2) The exemption is available only when 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.

(3) For the purposes of this section, "transportation fuel" means fuel for the generation of power to propel a motor vehicle as defined in RCW 46.04.320, a vessel as defined in RCW 88.02.310, or a locomotive or railroad car.

Sec. 302. RCW 82.04.310 and 2007 c 58 s 1 are each amended to read as follows:

(1) This chapter ((~~shall~~)) does not apply to any person in respect to a business activity with respect to which tax liability is specifically imposed under the provisions of chapter 82.16 RCW including amounts derived from activities for which a deduction is allowed under RCW 82.16.050. The exemption in this subsection does not apply to sales of natural gas, including compressed natural gas and liquefied natural gas, by a gas distribution business, if such sales are exempt from the tax imposed under chapter 82.16 RCW as provided in section 301 of this act.

(2) This chapter does not apply to amounts received by any person for the sale of electrical energy for resale within or outside the state.

(3)(a) This chapter does not apply to amounts received by any person for the sale of natural or manufactured gas in a calendar year if that person sells within the United States a total amount of natural or manufactured gas in that calendar year that is no more than twenty percent of the amount of natural or manufactured gas that it consumes within the United States in the same calendar year.

(b) For purposes of determining whether a person has sold within the United States a total amount of natural or manufactured gas in a calendar year that is no more than twenty percent of the amount of natural or manufactured gas that it consumes within the United States in the same calendar year, the following transfers of gas are not considered to be the sale of natural or manufactured gas:

(i) The transfer of any natural or manufactured gas as a result of the acquisition of another business, through merger or otherwise; or

(ii) The transfer of any natural or manufactured gas accomplished solely to comply with federal regulatory requirements imposed on the

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pipeline transportation of such gas when it is shipped by a third-party manager of a person's pipeline transportation.

Sec. 303. RCW 82.04.120 and 2011 c 23 s 3 are each amended to read as follows:

(1) "To manufacture" embraces all activities of a commercial or industrial nature wherein labor or skill is applied, by hand or machinery, to materials so that as a result thereof a new, different or useful substance or article of tangible personal property is produced for sale or commercial or industrial use, and includes:

(a) The production or fabrication of special made or custom made articles;

(b) The production or fabrication of dental appliances, devices, restorations, substitutes, or other dental laboratory products by a dental laboratory or dental technician;

(c) Cutting, delimbing, and measuring of felled, cut, or taken trees; ((~~and~~))

(d) Crushing and/or blending of rock, sand, stone, gravel, or ore; and

(e) The production of compressed natural gas or liquefied natural gas for use as a transportation fuel as defined in section 301 of this act.

(2) "To manufacture" does not include:

(a) Conditioning of seed for use in planting; cubing hay or alfalfa;

(b) Activities which consist of cutting, grading, or ice glazing seafood which has been cooked, frozen, or canned outside this state;

(c) The growing, harvesting, or producing of agricultural products;

(d) Packing of agricultural products, including sorting, washing, rinsing, grading, waxing, treating with fungicide, packaging, chilling, or placing in controlled atmospheric storage;

(e) The production of digital goods;

(f) The production of computer software if the computer software is delivered from the seller to the purchaser by means other than tangible storage media, including the delivery by use of a tangible storage media where the tangible storage media is not physically transferred to the purchaser; and

(g) Except as provided in subsection (1)(e) of this section, any activity that is integral to any public service business as defined in RCW 82.16.010 and with respect to which the gross income associated with such activity: (i) Is subject to tax under chapter 82.16 RCW; or (ii) would be subject to tax under chapter 82.16 RCW if such activity were conducted in this state or if not for an exemption or deduction.

(3) With respect to wastewater treatment facilities:

(a) "To manufacture" does not include the treatment of wastewater, the production of reclaimed water, and the production of class B biosolids; and

(b) "To manufacture" does include the production of class A or exceptional quality biosolids, but only with respect to the processing activities that occur after the biosolids have reached class B standards.

Sec. 304. RCW 82.12.022 and 2011 c 174 s 304 are each amended to read as follows:

(1) A use tax is levied on every person in this state for the privilege of using natural gas or manufactured gas, including compressed natural gas and liquefied natural gas, within this state as a consumer.

(2) The tax must be levied and collected in an amount equal to the value of the article used by the taxpayer multiplied by the rate in effect for the public utility tax on gas distribution businesses under RCW 82.16.020. The "value of the article used" does not include any amounts that are paid for the hire or use of a gas distribution business as defined in RCW 82.16.010(2) in transporting the gas subject to tax under this subsection if those amounts are subject to tax under that chapter.

(3) The tax levied in this section does not apply to the use of natural or manufactured gas delivered to the consumer by other means than through a pipeline.

(4) The tax levied in this section does not apply to the use of natural or manufactured gas if the person who sold the gas to the consumer has paid a tax under RCW 82.16.020 with respect to the gas for which exemption is sought under this subsection.

(5)(a) The tax levied in this section does not apply to the use of natural or manufactured gas by an aluminum smelter as that term is defined in RCW 82.04.217 before January 1, 2017.

(b) A person claiming the exemption provided in this subsection (5) must file a complete annual report with the department under RCW 82.32.534.

(6) The tax imposed by this section does not apply to the use of natural gas, compressed natural gas, or liquefied natural gas, if the consumer uses the gas for transportation fuel as defined in section 301 of this act.

(7) There is a credit against the tax levied under this section in an amount equal to any tax paid by:

(a) The person who sold the gas to the consumer when that tax is a gross receipts tax similar to that imposed pursuant to RCW 82.16.020 by another state with respect to the gas for which a credit is sought under this subsection; or

(b) The person consuming the gas upon which a use tax similar to the tax imposed by this section was paid to another state with respect to the gas for which a credit is sought under this subsection.

((~~(7)~~)) (8) The use tax imposed in this section must be paid by the consumer to the department.

((~~(8)~~)) (9) There is imposed a reporting requirement on the person who delivered the gas to the consumer to make a quarterly report to the department. Such report must contain the volume of gas delivered, name of the consumer to whom delivered, and such other information as the department may require by rule.

((~~(9)~~)) (10) The department may adopt rules under chapter 34.05 RCW for the administration and enforcement of sections 1 through 6, chapter 384, Laws of 1989.

Sec. 305. RCW 82.14.230 and 2010 c 127 s 5 are each amended to read as follows:

(1) The governing body of any city, while not required by legislative mandate to do so, may, by resolution or ordinance for the purposes authorized by this chapter, fix and impose on every person a use tax for the privilege of using natural gas or manufactured gas in the city as a consumer.

(2) The tax is imposed in an amount equal to the value of the article used by the taxpayer multiplied by the rate in effect for the tax on natural gas businesses under RCW 35.21.870 in the city in which the article is used. The "value of the article used," does not include any amounts that are paid for the hire or use of a natural gas business in transporting the gas subject to tax under this subsection if those amounts are subject to tax under RCW 35.21.870.

(3) The tax imposed under this section does not apply to the use of natural or manufactured gas if the person who sold the gas to the consumer has paid a tax under RCW 35.21.870 with respect to the gas for which exemption is sought under this subsection.

(4) There is a credit against the tax levied under this section in an amount equal to any tax paid by:

(a) The person who sold the gas to the consumer when that tax is a gross receipts tax similar to that imposed pursuant to RCW 35.21.870 by another municipality or other unit of local government with respect to the gas for which a credit is sought under this subsection; or

(b) The person consuming the gas upon which a use tax similar to the tax imposed by this section was paid to another municipality or other unit of local government with respect to the gas for which a credit is sought under this subsection.

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(5) The use tax imposed must be paid by the consumer. The administration and collection of the tax imposed is pursuant to RCW 82.14.050.

(6) The tax authorized by this section does not apply to the use of natural gas, compressed natural gas, or liquefied natural gas, if the consumer uses the gas for transportation fuel as defined in section 301 of this act.

Sec. 306. RCW 35.21.870 and 1984 c 225 s 6 are each amended to read as follows:

(1) No city or town may impose a tax on the privilege of conducting an electrical energy, natural gas, steam energy, or telephone business at a rate which exceeds six percent unless the rate is first approved by a majority of the voters of the city or town voting on such a proposition.

(2)(a) If a city or town is imposing a rate of tax under subsection (1) of this section in excess of six percent on April 20, 1982, the city or town ((~~shall~~)) must decrease the rate to a rate of six percent or less by reducing the rate each year on or before November 1st by ordinances to be effective on January 1st of the succeeding year, by an amount equal to one-tenth the difference between the tax rate on April 20, 1982, and six percent.

(b) Nothing in this subsection prohibits a city or town from reducing its rates by amounts greater than the amounts required in this subsection.

(3) Voter approved rate increases under subsection (1) of this section ((~~shall~~)) may not be included in the computations under this subsection.

(4) No city or town may impose a tax on the privilege of conducting a natural gas business with respect to sales that are exempt from the tax imposed under chapter 82.16 RCW as provided in section 301 of this act at a rate higher than its business and occupation tax rate on the sale of tangible personal property or, if the city or town does not impose a business and occupation tax on the sale of tangible personal property, at a rate greater than .002.

Sec. 307. RCW 82.14.030 and 2008 c 86 s 101 are each amended to read as follows:

(1) The governing body of any county or city, while not required by legislative mandate to do so, may, by resolution or ordinance for the purposes authorized by this chapter, impose a sales and use tax in accordance with the terms of this chapter. Such tax ((~~shall~~)) must be collected from those persons who are taxable by the state under chapters 82.08 and 82.12 RCW, upon the occurrence of any taxable event within the county or city as the case may be. ((~~Except as provided in RCW 82.14.230,~~)) This sales and use tax ((~~shall~~)) does not apply to natural or manufactured gas, except for natural gas that is used as a transportation fuel as defined in section 301 of this act and is taxable by the state under chapters 82.08 and 82.12 RCW. The rate of such tax imposed by a county ((~~shall be~~)) is five-tenths of one percent of the selling price (in the case of a sales tax) or value of the article used (in the case of a use tax). The rate of such tax imposed by a city ((~~shall~~)) may not exceed five-tenths of one percent of the selling price (in the case of a sales tax) or value of the article used (in the case of a use tax). However, in the event a county imposes a sales and use tax under this subsection, the rate of such tax imposed under this subsection by any city therein ((~~shall~~)) may not exceed four hundred and twenty-five one-thousandths of one percent.

(2) In addition to the tax authorized in subsection (1) of this section, the governing body of any county or city may by resolution or ordinance impose an additional sales and use tax in accordance with the terms of this chapter. Such additional tax ((~~shall~~)) must be collected upon the same taxable events upon which the tax imposed under subsection (1) of this section is imposed. The rate of such additional tax imposed by a county ((~~shall be~~)) is up to five-tenths of one percent of the selling price (in the case of a sales tax) or value of the article used (in the case of a use tax). The rate of such additional tax imposed by a city ((~~shall be~~)) is up to five-tenths of one percent of the selling price (in the case of a sales tax) or value of the article used (in the case of a use tax). However, in the event a county imposes a sales and use tax under the authority of this subsection at a rate equal to or greater than the rate imposed under the authority of this subsection by a city within the county, the county ((~~shall~~)) must receive fifteen percent of the city tax. In the event that the county imposes a sales and use tax under the authority of this subsection at a rate which is less than the rate imposed under this subsection by a city within the county, the county ((~~shall~~)) must receive that amount of revenues from the city tax equal to fifteen percent of the rate of tax imposed by the county under the authority of this subsection. The authority to impose a tax under this subsection is intended in part to compensate local government for any losses from the phase-out of the property tax on business inventories.

PART IV

Export and Machinery and Equipment Sales and Use Tax Exemptions

Sec. 401. RCW 82.08.02565 and 2011 c 23 s 2 are each amended to read as follows:

(1)(a) The tax levied by RCW 82.08.020 does not apply to sales to a manufacturer or processor for hire of machinery and equipment used directly in a manufacturing operation or research and development operation, to sales to a person engaged in testing for a manufacturer or processor for hire of machinery and equipment used directly in a testing operation, or to sales of or charges made for labor and services rendered in respect to installing, repairing, cleaning, altering, or improving the machinery and equipment.

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

(c)(i) The exemption under this section is in the form of a remittance for a gas distribution business, as defined in RCW 82.16.010, claiming the exemption for machinery and equipment used for the production of compressed natural gas or liquefied natural gas for use as a transportation fuel.

(ii) A gas distribution business claiming an exemption from state and local tax in the form of a remittance under this section must pay the tax under RCW 82.08.020 and all applicable local sales taxes. Beginning July 1, 2017, the gas distribution business may then apply to the department for remittance of state and local sales and use taxes. A gas distribution business may not apply for a remittance more frequently than once a quarter. The gas distribution business must specify the amount of exempted tax claimed and the qualifying purchases for which the exemption is claimed. The gas distribution business must retain, in adequate detail, records to enable the department to determine whether the business is entitled to an exemption under this section, including: Invoices; proof of tax paid; and documents describing the machinery and equipment.

(iii) The department must determine eligibility under this section based on the information provided by the gas distribution business, which is subject to audit verification by the department. The department must on a quarterly basis remit exempted amounts to qualifying businesses who submitted applications during the previous quarter.

(iv) Beginning July 1, 2028, a gas distribution business may not apply for a refund under this section or RCW 82.12.02565.

(2) For purposes of this section and RCW 82.12.02565:

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(a) "Machinery and equipment" means industrial fixtures, devices, and support facilities, and tangible personal property that becomes an ingredient or component thereof, including repair parts and replacement parts. "Machinery and equipment" includes pollution control equipment installed and used in a manufacturing operation, testing operation, or research and development operation to prevent air pollution, water pollution, or contamination that might otherwise result from the manufacturing operation, testing operation, or research and development operation. "Machinery and equipment" also includes digital goods.

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

(i) Hand-powered tools;

(ii) Property with a useful life of less than one year;

(iii) Buildings, other than machinery and equipment that is permanently affixed to or becomes a physical part of a building; and

(iv) Building fixtures that are not integral to the manufacturing operation, testing operation, or research and development operation that are permanently affixed to and become a physical part of a building, such as utility systems for heating, ventilation, air conditioning, communications, plumbing, or electrical.

(c) Machinery and equipment is "used directly" in a manufacturing operation, testing operation, or research and development operation if the machinery and equipment:

(i) Acts upon or interacts with an item of tangible personal property;

(ii) Conveys, transports, handles, or temporarily stores an item of tangible personal property at the manufacturing site or testing site;

(iii) Controls, guides, measures, verifies, aligns, regulates, or tests tangible personal property at the site or away from the site;

(iv) Provides physical support for or access to tangible personal property;

(v) Produces power for, or lubricates machinery and equipment;

(vi) Produces another item of tangible personal property for use in the manufacturing operation, testing operation, or research and development operation;

(vii) Places tangible personal property in the container, package, or wrapping in which the tangible personal property is normally sold or transported; or

(viii) Is integral to research and development as defined in RCW 82.63.010.

(d) "Manufacturer" means a person that qualifies as a manufacturer under RCW 82.04.110. "Manufacturer" also includes a person that prints newspapers or other materials.

(e) "Manufacturing" means only those activities that come within the definition of "to manufacture" in RCW 82.04.120 and are taxed as manufacturing or processing for hire under chapter 82.04 RCW, or would be taxed as such if such activity were conducted in this state or if not for an exemption or deduction. "Manufacturing" also includes printing newspapers or other materials. An activity is not taxed as manufacturing or processing for hire under chapter 82.04 RCW if the activity is within the purview of chapter 82.16 RCW.

(f) "Manufacturing operation" means the manufacturing of articles, substances, or commodities for sale as tangible personal property. A manufacturing operation begins at the point where the raw materials enter the manufacturing site and ends at the point where the processed material leaves the manufacturing site. With respect to the production of class A or exceptional quality biosolids by a wastewater treatment facility, the manufacturing operation begins at the point where class B biosolids undergo additional processing to achieve class A or exceptional quality standards. Notwithstanding anything to the contrary in this section, the term also includes that portion of a cogeneration project that is used to generate power for consumption within the manufacturing site of which the cogeneration project is an integral part. The term does not include the preparation of food products on the premises of a person selling food products at retail.

(g) "Cogeneration" means the simultaneous generation of electrical energy and low-grade heat from the same fuel.

(h) "Research and development operation" means engaging in research and development as defined in RCW 82.63.010 by a manufacturer or processor for hire.

(i) "Testing" means activities performed to establish or determine the properties, qualities, and limitations of tangible personal property.

(j) "Testing operation" means the testing of tangible personal property for a manufacturer or processor for hire. A testing operation begins at the point where the tangible personal property enters the testing site and ends at the point where the tangible personal property leaves the testing site. The term also includes the testing of tangible personal property for use in that portion of a cogeneration project that is used to generate power for consumption within the manufacturing site of which the cogeneration project is an integral part. The term does not include the testing of tangible personal property for use in the production of electricity by a light and power business as defined in RCW 82.16.010 or the preparation of food products on the premises of a person selling food products at retail.

Sec. 402. RCW 82.12.02565 and 2003 c 5 s 5 are each amended to read as follows:

(1) The provisions of this chapter ((~~shall~~)) do not apply in respect to the use by a manufacturer or processor for hire of machinery and equipment used directly in a manufacturing operation or research and development operation, to the use by a person engaged in testing for a manufacturer or processor for hire of machinery and equipment used directly in a testing operation, or to the use of labor and services rendered in respect to installing, repairing, cleaning, altering, or improving the machinery and equipment.

(2) The definitions, conditions, and requirements in RCW 82.08.02565 apply to this section.

Sec. 403. RCW 82.14.050 and 2012 1st sp.s. c 9 s 1 are each amended to read as follows:

(1) The counties, cities, and transportation authorities under RCW 82.14.045, public facilities districts under chapters 36.100 and 35.57 RCW, public transportation benefit areas under RCW 82.14.440, regional transportation investment districts, and transportation benefit districts under chapter 36.73 RCW must contract, prior to the effective date of a resolution or ordinance imposing a sales and use tax, the administration and collection to the state department of revenue, which must deduct a percentage amount, as provided by contract, not to exceed two percent of the taxes collected for administration and collection expenses incurred by the department. The remainder of any portion of any tax authorized by this chapter that is collected by the department of revenue must be deposited by the state department of revenue in the local sales and use tax account hereby created in the state treasury. Beginning January 1, 2013, the department of revenue must make deposits in the local sales and use tax account on a monthly basis on the last business day of the month in which distributions required in (a) of this subsection are due. Moneys in the local sales and use tax account may be withdrawn only for:

(a) Distribution to counties, cities, transportation authorities, public facilities districts, public transportation benefit areas, regional transportation investment districts, and transportation benefit districts imposing a sales and use tax; and

(b) Making refunds of taxes imposed under the authority of this chapter and RCW 81.104.170 and exempted under RCW 82.08.962 ((~~and~~)), 82.12.962, 82.08.02565, and 82.12.02565.

(2) All administrative provisions in chapters 82.03, 82.08, 82.12, and 82.32 RCW, as they now exist or may hereafter be amended, insofar as they are applicable to state sales and use taxes, are applicable to taxes imposed pursuant to this chapter.

(3) Counties, cities, transportation authorities, public facilities districts, and regional transportation investment districts may not

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conduct independent sales or use tax audits of sellers registered under the streamlined sales tax agreement.

(4) Except as provided in RCW 43.08.190 and subsection (5) of this section, all earnings of investments of balances in the local sales and use tax account must be credited to the local sales and use tax account and distributed to the counties, cities, transportation authorities, public facilities districts, public transportation benefit areas, regional transportation investment districts, and transportation benefit districts monthly.

(5) Beginning January 1, 2013, the state treasurer must determine the amount of earnings on investments that would have been credited to the local sales and use tax account if the collections had been deposited in the account over the prior month. When distributions are made under subsection (1)(a) of this section, the state treasurer must transfer this amount from the state general fund to the local sales and use tax account and must distribute such sums to the counties, cities, transportation authorities, public facilities districts, public transportation benefit areas, regional transportation investment districts, and transportation benefit districts.

Sec. 404. RCW 82.14.060 and 2009 c 469 s 108 are each amended to read as follows:

(1)(a) Monthly, the state treasurer must distribute from the local sales and use tax account to the counties, cities, transportation authorities, public facilities districts, and transportation benefit districts the amount of tax collected on behalf of each taxing authority, less:

(i) The deduction provided for in RCW 82.14.050; and

(ii) The amount of any refunds of local sales and use taxes exempted under RCW 82.08.962 ((~~and~~)), 82.12.962, 82.08.02565, and 82.12.02565, which must be made without appropriation.

(b) The state treasurer ((~~shall~~)) must make the distribution under this section without appropriation.

(2) In the event that any ordinance or resolution imposes a sales and use tax at a rate in excess of the applicable limits contained herein, such ordinance or resolution ((~~shall~~)) may not be considered void in toto, but only with respect to that portion of the rate which is in excess of the applicable limits contained herein.

Sec. 405. RCW 82.08.0261 and 1980 c 37 s 28 are each amended to read as follows:

(1) Except as otherwise provided in this section, the tax levied by RCW 82.08.020 ((~~shall~~)) does not apply to sales of tangible personal property (other than the type referred to in RCW 82.08.0262) for use by the purchaser in connection with the business of operating as a private or common carrier by air, rail, or water in interstate or foreign commerce((~~: PROVIDED, That~~)). However, any actual use of such property in this state ((~~shall~~)) is, at the time of such actual use, ((~~be~~)) subject to the tax imposed by chapter 82.12 RCW.

(2)(a) With respect to the sale of liquefied natural gas to a business operating as a private or common carrier by water in interstate or foreign commerce, the buyer is entitled to a partial exemption from the tax levied by RCW 82.08.020 and the associated local sales taxes. The exemption under this subsection (2) is for the state and local retail sales taxes on ninety percent of the amount of the liquefied natural gas transported and consumed outside this state by the buyer.

(b) Sellers are relieved of the obligation to collect the state and local retail sales taxes on sales eligible for the partial exemption provided in this subsection (2) to buyers who are registered with the department if the seller:

(i) Obtains a completed exemption certificate from the buyer, which must include the buyer's tax registration number with the department; or

(ii) Captures the relevant data elements as allowed under the streamlined sales and use tax agreement, including the buyer's tax registration number with the department.

(c) Buyers entitled to a partial exemption under this subsection (2) must either:

(i) Pay the full amount of state and local retail sales tax to the seller on the sale, including the amount of tax qualifying for exemption under this subsection (2), and then request a refund of the exempted portion of the tax from the department within the time allowed for making refunds under RCW 82.32.060; or

(ii) If the seller did not collect the retail sales tax from the buyer, remit to the department the state and local retail sales taxes due on all liquefied natural gas consumed in this state and on ten percent of the liquefied natural gas that is transported and consumed outside of this state.

(3) This section does not apply to the sale of liquefied natural gas on or after July 1, 2028, for use as fuel in any marine vessel.

NEW SECTION. **Sec. 406.** A new section is added to chapter 46.68 RCW to read as follows:

(1) The finished fuel account is created in the state treasury. Money received from revenues transferred under section 407 of this act must be deposited into the account. Money in the account may be spent only after appropriation. Funds may be used only to construct, improve, repair, or rehabilitate Washington state ferry boat vessels, or to convert such vessels to operate using special fuels other than diesel fuel or using other alternative energy sources.

(2) This section expires July 1, 2028.

NEW SECTION. **Sec. 407.** A new section is added to chapter 82.32 RCW to read as follows:

(1) By the last workday of the second and fourth calendar quarters, the state treasurer must transfer the amount specified in subsection (2) of this section from the general fund to the finished fuel account created in section 406 of this act. The first transfer under this subsection must occur by December 31, 2017.

(2) By December 15th and by June 15th of each year, the department must estimate the increase in state general fund revenues from the taxes collected under RCW 82.08.0261(2)(a) on the nonexempt portion of liquefied natural gas sales in the current and prior calendar quarters and notify the state treasurer of the increase.

(3) This section expires July 1, 2028.

NEW SECTION. **Sec. 408.** A new section is added to chapter 43.135 RCW to read as follows:

(1) RCW 43.135.034(4) does not apply to the transfers under section 407 of this act.

(2) This section expires July 1, 2028.

NEW SECTION. **Sec. 409.** A new section is added to chapter 39.42 RCW to read as follows:

(1) The purpose of eliminating a portion of the sales exemption under RCW 82.08.0261 for liquefied natural gas sold for use as a marine vessel transportation fuel is to fund improvements to Washington state ferries. For this reason, general state revenues transferred under section 407 of this act to the finished fuel account are excluded from the calculation of general state revenues for purposes of Article VIII, section 1 of the state Constitution and RCW 39.42.130 and 39.42.140.

(2) This section expires July 1, 2028.

PART V

Utility Law Change

Sec. 501. RCW 80.28.280 and 1991 c 199 s 216 are each amended to read as follows:

(1) The legislature finds that compressed natural gas and liquefied natural gas offers significant potential to reduce vehicle and vessel emissions and to significantly decrease dependence on petroleum-based fuels. The legislature also finds that well-developed and convenient refueling systems are imperative if compressed natural gas ((~~is~~)) and liquefied natural gas are to be widely used by the public.

The legislature declares that the development of compressed natural gas ((~~refueling stations are in the public interest.~~)) and liquefied natural gas motor vehicle refueling stations and vessel refueling facilities are in the public interest. Except as provided in subsection (2) of this section, nothing in this section and RCW 80.28.290 is intended to alter the regulatory practices of the commission or allow the subsidization of one ratepayer class by another.

(2) When a liquefied natural gas facility owned by a natural gas company serves both a private customer operating marine vessels and the Washington state ferries or any other public entity, the rate charged by the natural gas company to the Washington state ferries or other public entity may not be more than the rate charged to the private customer operating marine vessels.

PART VI

Miscellaneous Provisions

NEW SECTION. **Sec. 601.** This act takes effect July 1, 2015."

Correct the title.

Representative Orcutt moved the adoption of amendment (970).

On page 1, line 12 of the amendment, after "benefits," insert "and"

On page 1, line 13 of the amendment, after "costs" strike all material through "state"

Representatives Orcutt and Carlyle spoke in favor of the adoption of the amendment to the striking amendment.

Amendment (970) was adopted.

Representative Clibborn moved the adoption of amendment (969).

On page 14, line 31 of the striking amendment, after "liquefied natural gas" strike ", compressed natural gas, and propane" and insert "and compressed natural gas"

Representatives Clibborn and Orcutt spoke in favor of the adoption of the amendment to the striking amendment.

Amendment (969) was adopted.

Representative Clibborn moved the adoption of amendment (968).

On page 29, beginning on line 6 of the striking amendment, strike all of section 406

Renumber the remaining sections consecutively and correct internal references accordingly.

On page 29, beginning on line 20 of the striking amendment, after "to the" strike all material through "act" on line 21 and insert "motor vehicle fund established under RCW 46.68.070"

On page 30, line 3 of the striking amendment, after "sales" insert "tax"

On page 30, beginning on line 5 of the striking amendment, after "is to" strike all material through "ferries" on line 6 and insert "support the Washington state ferries and other state highway system needs"

On page 30, line 7 of the striking amendment, after "to the" strike "finished fuel account" and insert "motor vehicle fund"

Representatives Clibborn and Orcutt spoke in favor of the adoption of the amendment to the striking amendment.

Amendment (968) was adopted.

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

Amendment (965), 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 Carlyle, Nealey, Clibborn and Fey spoke in favor of the passage of the bill.

The Speaker (Representative Moeller presiding) stated the question before the House to be the final passage of Engrossed Substitute Senate Bill No. 6440, as amended by the House.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed Substitute Senate Bill No. 6440, as amended by the House, and the bill passed the House by the following vote: Yeas, 87; Nays, 11; Absent, 0; Excused, 0.

Voting yea: Representatives Appleton, Bergquist, Blake, Buys, Carlyle, Chandler, Clibborn, Cody, Dahlquist, DeBolt, Dunshee, Fagan, Farrell, Fey, Fitzgibbon, Freeman, G. Hunt, Goodman, Green, Gregerson, Habib, Haigh, Haler, Hansen, Hargrove, Harris, Hawkins, Hayes, Hope, Hudgins, Hunter, Hurst, Jinkins, Kagi, Kirby, Klippert, Kochmar, Kretz, Kristiansen, Lytton, MacEwen, Magendanz, Manweller, Moeller, Morrell, Morris, Moscoso, Muri, Nealey, Orcutt, Ormsby, Ortiz-Self, Orwall, Pettigrew, Pollet, Reykdal, Riccelli, Roberts, Robinson, Rodne, Ryu, S. Hunt, Santos, Sawyer, Schmick, Seaquist, Sells, Senn, Short, Smith, Springer, Stanford, Stonier, Sullivan, Takko, Tarleton, Tharinger, Van De Wege, Vick, Walkinshaw, Walsh, Warnick, Wilcox, Wylie, Young, Zeiger and Mr. Speaker.

Voting nay: Representatives Christian, Condotta, Holy, Johnson, Overstreet, Parker, Pike, Ross, Scott, Shea and Taylor.

ENGROSSED SUBSTITUTE SENATE BILL NO. 6440, as amended by the House, having received the necessary constitutional majority, was declared passed.

RESOLUTION

HOUSE RESOLUTION NO. 4702, by Representatives Chopp, Kristiansen, Appleton, Bergquist, Blake, Buys, Carlyle, Chandler, Christian, Clibborn, Cody, Condotta, Dahlquist, DeBolt, Dunshee, Fagan, Farrell, Fey, Fitzgibbon, Freeman, Goodman, Green, Gregerson, Habib, Haigh, Haler, Hansen, Hargrove, Harris, Hawkins, Hayes, Holy, Hudgins, G. Hunt, S. Hunt, Hunter, Hurst, Jinkins, Johnson, Kagi, Kirby, Klippert, Kochmar, Kretz, Lytton, MacEwen, Magendanz, Manweller, Moeller, Morrell, Morris, Moscoso, Muri, Nealey, Orcutt, Ormsby, Ortiz-Self, Orwall, Overstreet, Parker, Pettigrew, Pike, Pollet, Reykdal, Riccelli, Roberts, Robinson, Rodne, Ross, Ryu,

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Santos, Sawyer, Schmick, Scott, Seaquist, Sells, Senn, Shea, Short, Smith, Springer, Stanford, Stonier, Sullivan, Takko, Tarleton, Taylor, Tharinger, Van De Wege, Vick, Walkinshaw, Walsh, Warnick, Wilcox, Wylie, Young, and Zeiger

WHEREAS, It is the policy of the Washington State House of Representatives to recognize the achievements and dedication of elected officials representing Washington state; and

WHEREAS, State Representative Mike Hope served the 44th Legislative District in the Washington State House of Representatives with distinction and honor from 2009 to 2014; and

WHEREAS, Representative Hope served in leadership as former 2009-2010 Assistant Minority Whip, and on a variety of legislative committees, including Health Care and Wellness, Judiciary, Community Development, Housing and Tribal Affairs, Public Safety, Education, Appropriations, Oversight, and more during his service; and

WHEREAS, Representative Hope sponsored legislation to protect law enforcement officers, by sponsoring the Lakewood Police Officers Memorial Act, and those most vulnerable among us, by cosponsoring Eryk's Law; and

WHEREAS, Representative Hope addressed his colleagues and constituents with conviction and passion about matters important to his district and our state; and

WHEREAS, Representative Hope contributed to the alertness (and the local economy) of fellow members and staff by encouraging and covering the cost of frequent and regular trips to Starbucks; and

WHEREAS, Representative Hope demonstrated Shackleton-esque qualities by both finding and utilizing the subterranean and little known House gym, and thereby introducing terms never before heard in the House lexicon including "lats," "biceps," and "pecs"; and

WHEREAS, Representative Hope was not a career legislator, but rather a "renaissance man," where in addition to his legislative duties was a United States Marine, a fifteen-year police officer and detective for the Seattle Police Department, a small business owner of a gym where he served as a personal trainer, and also a financial advisor with Morgan Stanley; and

WHEREAS, Representative Hope respected members from both sides of the aisle and always endeavored to put good policy ahead of party affiliation; and

WHEREAS, Representative Hope now enters into a new chapter of his life with his wonderful wife, Sara, and their son, Noah;

NOW, THEREFORE, BE IT RESOLVED, That the Washington State House of Representatives recognize Representative Hope for his six years of devoted service to Washington state and for representing the people of the 44th Legislative District with integrity and honor; and

BE IT FURTHER RESOLVED, That a copy of this Resolution be transmitted by the Chief Clerk of the House of Representatives to the Honorable Representative Mike Hope.

Representative Parker moved adoption of HOUSE RESOLUTION NO. 4702

Representatives Parker, Dunshee, DeBolt, Orwall and Kagi spoke in favor of the adoption of the resolution.

HOUSE RESOLUTION NO. 4702 was adopted.

RESOLUTION

HOUSE RESOLUTION NO. 4700, by Representatives Chopp, Kristiansen, Ortiz-Self, Appleton, Bergquist, Blake, Buys, Carlyle, Chandler, Christian, Clibborn, Cody, Condotta, Dahlquist, DeBolt, Dunshee, Fagan, Farrell, Fey, Fitzgibbon, Freeman, Goodman, Green, Gregerson, Habib, Haigh, Haler, Hansen, Hargrove, Harris, Hawkins, Hayes, Holy, Hope, Hudgins, G. Hunt, S. Hunt, Hunter, Hurst, Jinkins, Johnson, Kagi, Kirby, Klippert, Kochmar, Kretz, Lytton, MacEwen, Magendanz, Manweller, Moeller, Morrell, Morris, Moscoso, Muri, Nealey, Orcutt, Ormsby, Orwall, Overstreet, Parker, Pettigrew, Pike, Pollet, Reykdal, Riccelli, Robinson, Rodne, Ross, Ryu, Santos, Sawyer, Schmick, Scott, Seaquist, Sells, Senn, Shea, Short, Smith, Springer, Stanford, Stonier, Sullivan, Takko, Tarleton, Taylor, Tharinger, Van De Wege, Vick, Walkinshaw, Walsh, Warnick, Wilcox, Wylie, Young, and Zeiger

WHEREAS, Washington State Representative Mary Helen Roberts, first elected in 2004, is in her fifth term serving the best interests of families in the Twenty-First Legislative District of Southwest Snohomish County; and

WHEREAS, Representative Roberts, for her highest priorities, has invariably established safe and strong communities, quality education, accessible health care, a clean environment, and economic vitality; and

WHEREAS, During her eminent decade of service in the Washington State Legislature, Representative Roberts dedicated her tireless commitment to wide ranging issues involving children and human services, higher education, public safety, justice, and labor; and

WHEREAS, Representative Mary Helen Roberts was named "2011 Legislator of the Year" by the National Alliance on Mental Illness; and

WHEREAS, She has kept the lives of foster kids in the Olympia spotlight, recognizing that more than 10,000 youngsters on any given day are living in foster care here in the Evergreen State; and

WHEREAS, Among her many legislative successes, Representative Roberts won support for her proposal to extend Medicaid and support services for kids in foster care up to their 21st birthdays; and

WHEREAS, Her legislation opening doors of higher education for foster kids extends foster care for young people enrolled in a postsecondary or vocational education program; and

WHEREAS, Representative Roberts championed legislation providing juvenile offenders a fair and justifiable opportunity for earning redemption; and

WHEREAS, Representative Roberts has stood her ground in working toward state policy that provides mental health care for juvenile offenders, instead of sending them to jail; and

WHEREAS, Representative Mary Helen Roberts recently announced that later this year she will not seek reelection to the Washington State House of Representatives;

NOW, THEREFORE, BE IT RESOLVED, That the Washington State House of Representatives salute and celebrate Representative Mary Helen Roberts for her dedication to the people of the Twenty-First Legislative District and, indeed, to the people of the entire state of Washington; and

BE IT FURTHER RESOLVED, That copies of this Resolution be immediately transmitted by the Chief Clerk of the House of Representatives to the family of Washington State Representative Mary Helen Roberts.

Representative Ortiz-Self moved adoption of HOUSE RESOLUTION NO. 4700

Representatives Ortiz-Self, Walsh, Pettigrew, Klippert, Green, Johnson, S. Hunt, Takko, Reykdal, Kagi, Appleton, Goodman and Freeman spoke in favor of the adoption of the resolution.

HOUSE RESOLUTION NO. 4700 was adopted.

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

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

HOUSE BILL NO. 2397

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

ENGROSSED SUBSTITUTE SENATE BILL NO. 6040

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

SECOND READING

SENATE BILL NO. 6180, by Senators Braun, Holmquist Newbry, Padden, Sheldon, Brown, Schoesler, Rivers and Parlette

Consolidating designated forest lands and open space timber lands for ease of administration.

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 Blake and Orcutt spoke in favor of the passage of the bill.

The Speaker (Representative Moeller presiding) stated the question before the House to be the final passage of Senate Bill No. 6180.

ROLL CALL

The Clerk called the roll on the final passage of Senate Bill No. 6180, and the bill passed the House by the following vote: Yeas, 98; Nays, 0; Absent, 0; Excused, 0.

Voting yea: Representatives Appleton, Bergquist, Blake, Buys, Carlyle, Chandler, Christian, Clibborn, Cody, Condotta, Dahlquist, DeBolt, Dunshee, Fagan, Farrell, Fey, Fitzgibbon, Freeman, G. Hunt, Goodman, Green, Gregerson, Habib, Haigh, Haler, Hansen, Hargrove, Harris, Hawkins, Hayes, Holy, Hope, Hudgins, Hunter, Hurst, Jinkins, Johnson, Kagi, Kirby, Klippert, Kochmar, Kretz, Kristiansen, Lytton, MacEwen, Magendanz, Manweller, Moeller, Morrell, Morris, Moscoso, Muri, Nealey, Orcutt, Ormsby, Ortiz-Self, Orwall, Overstreet, Parker, Pettigrew, Pike, Pollet, Reykdal, Riccelli, Roberts, Robinson, Rodne, Ross, Ryu, S. Hunt, Santos, Sawyer, Schmick, Scott, Seaquist, Sells, Senn, Shea, Short, Smith, Springer, Stanford, Stonier, Sullivan, Takko, Tarleton, Taylor, Tharinger, Van De Wege, Vick, Walkinshaw, Walsh, Warnick, Wilcox, Wylie, Young, Zeiger and Mr. Speaker.

SENATE BILL NO. 6180, having received the necessary constitutional majority, was declared passed.

ENGROSSED SUBSTITUTE SENATE BILL NO. 6040, by Senate Committee on Natural Resources & Parks (originally sponsored by Senators Honeyford, Hargrove, Pearson, Ranker, Parlette and Sheldon)

Concerning invasive species.

The bill was read the second time.

There being no objection, the committee amendment by the Committee on Appropriations was before the House for purpose of amendment. (For Committee amendment, see Journal, Day 50, March 3, 2014).

Representative Taylor moved the adoption of amendment (884) to the committee amendment:

On page 7, after line 33 of the amendment, insert the following:

"NEW SECTION. **Sec. 104.** (1) The department must establish a program to assist with the eradication of invasive species by paying cash bounties to citizens in exchange for their participation in eradication efforts.

(2) The framework of the bounty program must be established by the department by rule. The rules must include how the department will identify species eligible for a bounty, how a participant must confirm their successful eradication assistance efforts, and how much of a bounty to be paid for each included species.

(3) All bounties must be paid from the fish and wildlife enforcement reward account created in RCW 77.15.425.

(4) The department may determine which invasive species are eligible for inclusion in the bounty program. This list of included species may include any of the following:

(a) Invasive species;

(b) Aquatic invasive species;

(c) Prohibited aquatic animal species under section 105 or 106 of this act;

(d) Regulated aquatic animal species under section 105 or 106 of this act;

(e) Nonnative avian species of the family Strigidae that are displacing native avian species; and

(f) Mammalian predators of a species that has been eradicated in Washington in its native form if that species is reemerging into Washington through the migration of individual animals from a nonnative gene pool.

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

On page 39, after line 11 of the amendment, insert the following:

"**Sec. 305.** RCW 77.15.425 and 2009 c 333 s 18 are each amended to read as follows:

(1) The fish and wildlife enforcement reward account is created in the custody of the state treasurer. Deposits to the account include: Receipts from fish and shellfish overages as a result of a department enforcement action; fees for hunter education deferral applications; fees for master hunter applications and master hunter certification renewals; all receipts from criminal wildlife penalty assessments under RCW 77.15.400 and 77.15.420; all receipts of court-ordered restitution or donations associated with any fish, shellfish, or wildlife enforcement action; and proceeds from forfeitures and evidence pursuant to RCW 77.15.070 and 77.15.100. The department may accept money or personal property from persons under conditions requiring the property or money to be used consistent with the intent of expenditures from the fish and wildlife enforcement reward account.

(2) Expenditures from the account may be used only for investigation and prosecution of fish and wildlife offenses, to provide rewards to persons informing the department about violations of this title and rules adopted under this title, to offset department-approved costs incurred to administer the hunter education deferral program and the master hunter (([~~permit~~])) permit program, for the payment of

invasive species bounties under section 104 of this act, and for other valid enforcement uses as determined by the commission. Only the director or the director's designee may authorize expenditures from the account. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures."

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

Representative Taylor spoke in favor of the adoption of the amendment to the committee striking amendment.

Representative Hunter spoke against the adoption of the amendment to the committee striking amendment.

Amendment (884) was not adopted.

The committee amendment 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 Blake and MacEwen spoke in favor of the passage of the bill.

The Speaker (Representative Moeller presiding) stated the question before the House to be the final passage of Engrossed Substitute Senate Bill No. 6040, as amended by the House.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed Substitute Senate Bill No. 6040, 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 Appleton, Bergquist, Blake, Buys, Carlyle, Chandler, Christian, Clibborn, Cody, Condotta, Dahlquist, DeBolt, Dunshee, Fagan, Farrell, Fey, Fitzgibbon, Freeman, G. Hunt, Goodman, Green, Gregerson, Habib, Haigh, Haler, Hansen, Hargrove, Harris, Hawkins, Hayes, Holy, Hope, Hudgins, Hunter, Hurst, Jinkins, Johnson, Kagi, Kirby, Klippert, Kochmar, Kretz, Kristiansen, Lytton, MacEwen, Magendanz, Manweller, Moeller, Morrell, Morris, Moscoso, Muri, Nealey, Orcutt, Ormsby, Ortiz-Self, Orwall, Parker, Pettigrew, Pike, Pollet, Reykdal, Riccelli, Roberts, Robinson, Rodne, Ross, Ryu, S. Hunt, Santos, Sawyer, Schmick, Scott, Seaquist, Sells, Senn, Shea, Short, Smith, Springer, Stanford, Stonier, Sullivan, Takko, Tarleton, Taylor, Tharinger, Van De Wege, Vick, Walkinshaw, Walsh, Warnick, Wilcox, Wylie, Young, Zeiger and Mr. Speaker.
Voting nay: Representative Overstreet.

ENGROSSED SUBSTITUTE SENATE BILL NO. 6040, as amended by the House, having received the necessary constitutional majority, was declared passed.

ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 6552, by Senate Committee on Ways & Means (originally sponsored by Senators Rolfes, Dammeier, Litzow, Rivers, Tom, Fain, Hill, Kohl-Welles, Mullet, McAuliffe and Cleveland)

Improving student success by increasing instructional hour and graduation requirements. Revised for 2nd Substitute: Improving student success by modifying instructional hour and graduation requirements.

The bill was read the second time.

There being no objection, the committee amendment by the Committee on Appropriations was before the House for purpose of amendment. (For Committee amendment, see Journal, Day 50, March 3, 2014).

With the consent of the house, amendments (820), (829), (874), (875), (876), (877), (882), (883), (889), (890), (905), (906), (910), (911), (912), (916), (917), (921), (922), (940), (947), (950), (951), (953), (955), and (956) were withdrawn.

Representative S. Hunt moved the adoption of amendment (967) to the committee amendment:

On page 1, line 27 of the striking amendment, after "2019" insert ", with the opportunity for school districts to request a waiver for up to two years"

On page 3, line 25 of the striking amendment, after "technical course" strike ", if the course is offered,"

On page 4, after line 8 of the striking amendment, insert the following:

"**Sec. 103.** RCW 28A.230.010 and 2003 c 49 s 1 are each amended to read as follows:

(1) School district boards of directors shall identify and offer courses with content that meet or exceed: (((~~(1)~~))) (a) The basic education skills identified in RCW 28A.150.210; (((~~(2)~~))) (b) the graduation requirements under RCW 28A.230.090; (((~~(3)~~))) (c) the courses required to meet the minimum college entrance requirements under RCW 28A.230.130; and (((~~(4)~~))) (d) the course options for career development under RCW 28A.230.130. Such courses may be applied or theoretical, academic, or vocational.

(2) School district boards of directors must provide high school students with the opportunity to access at least one career and technical education course that is considered equivalent to a mathematics course or at least one career and technical education course that is considered equivalent to a science course as determined by the office of the superintendent of public instruction and the state board of education in RCW 28A.700.070. Students may access such courses at high schools, interdistrict cooperatives, skill centers or branch or satellite skill centers, or through online learning or applicable running start vocational courses.

(3) School district boards of directors of school districts with fewer than two thousand students may apply to the state board of education for a waiver from the provisions of subsection (2) of this section.

NEW SECTION. **Sec. 104.** A new section is added to chapter 28A.305 RCW to read as follows:

The state board of education may grant a waiver from the provisions of RCW 28A.230.010(2) based on an application from a board of directors of a school district with fewer than two thousand students."

On page 5, line 8 of the striking amendment, after "2019" insert "or as otherwise provided in RCW 28A.230.090"

On page 7, line 10 of the striking amendment, after "level." insert "Effective with the graduating class of 2015, the state board of education may not establish a requirement for students to complete a culminating project for graduation."

On page 7, line 11 of the striking amendment, after "(d)" insert "(i)"

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On page 7, beginning on line 14 of the striking amendment, after "2019" strike all material through "education" on line 17 and insert "or as otherwise provided in this subsection (d). The rules must include authorization for a school district to waive up to two credits for individual students based on unusual circumstances and in accordance with written policies that must be adopted by each board of directors of a school district that grants diplomas. The rules must also provide that the content of the third credit of mathematics and the content of the third credit of science may be chosen by the student based on the student's interests and high school and beyond plan with agreement of the student's parent or guardian or agreement of the school counselor or principal.

(ii) School districts may apply to the state board of education for a waiver to implement the career and college ready graduation requirement proposal beginning with the graduating class of 2020 or 2021 instead of the graduating class of 2019. In the application, a school district must describe why the waiver is being requested, the specific impediments preventing timely implementation, and efforts that will be taken to achieve implementation with the graduating class proposed under the waiver. The state board of education shall grant a waiver under this subsection (d) to an applying school district at the next subsequent meeting of the board after receiving an application"

On page 8, after line 31 of the striking amendment, insert the following:

"NEW SECTION. **Sec. 203.** The Washington state school directors' association shall adopt a model policy and procedure that school districts may use for granting waivers to individual students of up to two credits required for high school graduation based on unusual circumstances. The purpose of the model policy and procedure is to assist school districts in providing all students the opportunity to complete graduation requirements without discrimination and without disparate impact on groups of students. The model policy must take into consideration the unique limitations of a student that may be associated with such circumstances as homelessness, limited English proficiency, medical conditions that impair a student's opportunity to learn, or disabilities, regardless of whether the student has an individualized education program or a plan under section 504 of the federal rehabilitation act of 1973. The model policy must also address waivers if the student has not been provided with an opportunity to retake classes or enroll in remedial classes free of charge during the first four years of high school. The Washington state school directors' association must distribute the model policy and procedure to all school districts in the state that grant high school diplomas by June 30, 2015.

Sec. 204. RCW 28A.230.097 and 2013 c 241 s 2 are each amended to read as follows:

(1) Each high school or school district board of directors shall adopt course equivalencies for career and technical high school courses offered to students in high schools and skill centers. A career and technical course equivalency may be for whole or partial credit. Each school district board of directors shall develop a course equivalency approval procedure. Boards of directors must approve AP computer science courses as equivalent to high school mathematics or science, and must denote on a student's transcript that AP computer science qualifies as a math-based quantitative course for students who take the course in their senior year. In order for a board to approve AP computer science as equivalent to high school mathematics, the student must be concurrently enrolled in or have successfully completed algebra II.

(2) Career and technical courses determined to be equivalent to academic core courses, in full or in part, by the high school or school district shall be accepted as meeting core requirements, including graduation requirements, if the courses are recorded on the student's transcript using the equivalent academic high school department designation and title. Full or partial credit shall be recorded as appropriate. The high school or school district shall also issue and keep record of course completion certificates that demonstrate that the career and technical courses were successfully completed as needed for industry certification, college credit, or preapprenticeship, as applicable. The certificate shall be ((~~either~~)) part of the student's high school and beyond plan ((~~or the student's culminating project, as determined by the student~~)). The office of the superintendent of public instruction shall develop and make available electronic samples of certificates of course completion.

Sec. 205. RCW 28A.320.240 and 2006 c 263 s 914 are each amended to read as follows:

(1) The purpose of this section is to identify quality criteria for school library media programs that support the student learning goals under RCW 28A.150.210, the essential academic learning requirements under RCW 28A.655.070, and high school graduation requirements adopted under RCW 28A.230.090.

(2) Every board of directors shall provide for the operation and stocking of such libraries as the board deems necessary for the proper education of the district's students or as otherwise required by law or rule of the superintendent of public instruction.

(3) "Teacher-librarian" means a certified teacher with a library media endorsement under rules adopted by the professional educator standards board.

(4) "School-library media program" means a school-based program that is staffed by a certificated teacher-librarian and provides a variety of resources that support student mastery of the essential academic learning requirements in all subject areas and the implementation of the district's school improvement plan.

(5) The teacher-librarian, through the school-library media program, shall collaborate as an instructional partner to help all students meet the content goals in all subject areas, and assist high school students completing ((~~the culminating project and~~)) high school and beyond plans required for graduation."

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

On page 16, after line 19 of the striking amendment, insert the following:

"NEW SECTION. **Sec. 204.** A new section is added to chapter 43.06B RCW to read as follows:

(1) The office of the education ombuds shall convene a task force on success for students with special needs to:

a) Define and assess barriers that students with special needs face in earning a high school diploma and fully accessing the educational program provided by the public schools, including but not limited to students with disabilities, dyslexia, and other physical or emotional conditions for which students do not have an individualized education program or section 504 plan but that create limitations to their ability to succeed in school;

b) Outline recommendations for systemic changes to address barriers identified and successful models for the delivery of education and supportive services for students with special needs;

c) Recommend steps for coordination of delivery of early learning through postsecondary education and career preparation for students with special needs through ongoing efforts of various state and local education and workforce agencies, including strategies for earlier assessment and identification of disabilities or barriers to learning in early learning programs and in kindergarten through third grade; and

d) Identify options for state assistance to help school districts develop course equivalencies for competency-based education or similar systems of personalized learning where students master specific knowledge and skills at their own pace.

(2) The task force shall be composed of at least the following members:

(a) One representative each from the office of the superintendent of public instruction, the workforce training and education coordinating board, the Washington state school

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directors' association, a statewide organization representing teachers and other certificated instructional staff, the student achievement council, the state board of education, the department of early learning, the educational opportunity gap oversight and accountability committee, a nonprofit organization providing professional development and resources for educators and parents regarding dyslexia, a nonprofit organization of special education parents and teachers, and the Washington association for career and technical education, each to be selected by the appropriate agency or organization; and

(b) At least one faculty member from a public institution of higher education, at least one special education teacher, at least one general education teacher, and at least three parent representatives from special needs families, each to be appointed by the education ombuds.

(3) The office of the education ombuds shall submit an initial report to the superintendent of public instruction, the governor, and the legislature by December 15, 2014, and December 15th of each year thereafter until 2016 detailing its recommendations, including recommendations for specific strategies, programs, and potential changes to funding or accountability systems that are designed to close the opportunity gap, increase high school graduation rates, and assure students with special needs are fully accessing the educational program provided by the public schools.

(4) This section expires June 30, 2017.

NEW SECTION. **Sec. 205.** Sections 103 and 104 of this act take effect September 1, 2015."

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

Representatives S. Hunt and Magendanz spoke in favor of the adoption of the amendment to the committee striking amendment.

Amendment (967) was adopted.

The committee amendment 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 Reykdal, Magendanz, Stonier, Dahlquist, Bergquist, Scott, Pollet, Santos and Ortiz-Self spoke in favor of the passage of the bill.

The Speaker (Representative Moeller presiding) stated the question before the House to be the final passage of Engrossed Second Substitute Senate Bill No. 6552, as amended by the House.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed Second Substitute Senate Bill No. 6552, as amended by the House, and the bill passed the House by the following vote: Yeas, 93; Nays, 5; Absent, 0; Excused, 0.

Voting yea: Representatives Appleton, Bergquist, Blake, Buys, Carlyle, Chandler, Christian, Clibborn, Cody, Condotta, Dahlquist, DeBolt, Dunshee, Fagan, Farrell, Fey, Fitzgibbon, Freeman, G. Hunt, Goodman, Green, Gregerson, Habib, Haigh, Haler, Hansen, Hargrove, Harris, Hawkins, Hayes, Holy, Hope, Hudgins, Hunter, Hurst, Jinkins, Johnson, Kagi, Klippert, Kochmar, Kretz, Kristiansen, Lytton, MacEwen, Magendanz, Manweller, Moeller, Morrell, Morris, Moscoso, Muri, Nealey, Orcutt, Ortiz-Self, Orwall, Overstreet, Parker, Pettigrew, Pike, Pollet, Reykdal, Riccelli, Roberts, Rodne, Ross, Ryu, S. Hunt, Santos, Schmick, Scott, Seaquist, Sells, Senn, Shea, Short, Smith, Springer, Stanford, Stonier, Sullivan, Takko, Tarleton, Taylor, Tharinger, Vick, Walkinshaw, Walsh, Warnick, Wilcox, Wylie, Young, Zeiger and Mr. Speaker.

Voting nay: Representatives Kirby, Ormsby, Robinson, Sawyer and Van De Wege.

ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 6552, as amended by the House, having received the necessary constitutional majority, was declared passed.

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

THIRD READING

MESSAGE FROM THE SENATE

March 12, 2014

Mr. Speaker:

The Senate insists on its position in the House amendment to ENGROSSED SUBSTITUTE SENATE BILL NO. 6002 and asks the House for a Conference thereon. The President has appointed the following members as Conferees: Senators Braun, Hargrove and Hill, and the same is herewith transmitted.

Hunter Goodman, Secretary

SENATE AMENDMENT TO HOUSE BILL

There being no objection, the House granted the Senate's request for a Conference on ENGROSSED SUBSTITUTE SENATE BILL NO. 6002. The Speaker appointed the following members as Conferees: Representative Hunter, Sullivan and Chandler.

MESSAGES FROM THE SENATE

March 12, 2014

MR. SPEAKER:

The President has signed:

SECOND ENGROSSED SUBSTITUTE HOUSE BILL NO. 1117
ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 1129
SECOND SUBSTITUTE HOUSE BILL NO. 1651
SECOND SUBSTITUTE HOUSE BILL NO. 1709
SUBSTITUTE HOUSE BILL NO. 1791
ENGROSSED SUBSTITUTE HOUSE BILL NO. 2023
ENGROSSED HOUSE BILL NO. 2108
ENGROSSED SUBSTITUTE HOUSE BILL NO. 2111
SECOND SUBSTITUTE HOUSE BILL NO. 2163
SECOND SUBSTITUTE HOUSE BILL NO. 2251
HOUSE BILL NO. 2253
ENGROSSED SUBSTITUTE HOUSE BILL NO. 2315
SECOND SUBSTITUTE HOUSE BILL NO. 2457
ENGROSSED SUBSTITUTE HOUSE BILL NO. 2463
ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 2493
ENGROSSED SUBSTITUTE HOUSE BILL NO. 2519
ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 2569
ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 2580
SUBSTITUTE HOUSE BILL NO. 2612
SUBSTITUTE HOUSE BILL NO. 2613
SECOND SUBSTITUTE HOUSE BILL NO. 2616
ENGROSSED SUBSTITUTE HOUSE BILL NO. 2626
SECOND SUBSTITUTE HOUSE BILL NO. 2627
SUBSTITUTE HOUSE BILL NO. 2724
ENGROSSED HOUSE BILL NO. 2789

and the same are herewith transmitted.

Hunter G. Goodman, Secretary

March 12, 2014

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MR. SPEAKER:

The President has signed:

ENGROSSED SUBSTITUTE SENATE BILL NO. 5045
SUBSTITUTE SENATE BILL NO. 5173
SUBSTITUTE SENATE BILL NO. 6086
SUBSTITUTE SENATE BILL NO. 6129
SENATE BILL NO. 6141
ENGROSSED SUBSTITUTE SENATE BILL NO. 6388
ENGROSSED SENATE BILL NO. 6458
ENGROSSED SUBSTITUTE SENATE BILL NO. 6570

and the same are herewith transmitted.

Hunter G. Goodman, Secretary

March 12, 2014

MR. SPEAKER:

The Senate has passed:

HOUSE BILL NO. 2798

and the same are herewith transmitted.

Hunter G. Goodman, Secretary

March 12, 2014

MR. SPEAKER:

The Senate has passed:

SENATE BILL NO. 6327

and the same are herewith transmitted.

Hunter G. Goodman, Secretary

March 12, 2014

MR. SPEAKER:

The Senate concurred in the House amendment(s) to the following bills and passed the bills as amended by the House:

ENGROSSED SUBSTITUTE SENATE BILL NO. 5972
ENGROSSED SUBSTITUTE SENATE BILL NO. 6001
ENGROSSED SUBSTITUTE SENATE BILL NO. 6265
SECOND SUBSTITUTE SENATE BILL NO. 6312
ENGROSSED SUBSTITUTE SENATE BILL NO. 6440

and the same are herewith transmitted.

Hunter G. Goodman, Secretary

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

SECOND READING

HOUSE BILL NO. 2207, by Representatives Haigh, Orcutt, Haler, Tharinger, Blake, Short, Van De Wege, Fagan, Magendanz and Buys

Eliminating the reduction in state basic education funding that occurs in counties with federal forest lands.

The bill was read the second time.

There being no objection, Second Substitute House Bill No. 2207 was substituted for House Bill No. 2207 and the second substitute bill was placed on the second reading calendar.

SECOND SUBSTITUTE HOUSE BILL NO. 2207 was read the second time.

With the consent of the house, amendments (931) and (880) were withdrawn.

Representative Haigh moved the adoption of amendment (885).

Strike everything after the enacting clause and insert the following:

"**Sec. 1.** RCW 28A.150.250 and 2009 c 548 s 105 are each amended to read as follows:

(1) From those funds made available by the legislature for the current use of the common schools, the superintendent of public instruction shall distribute annually as provided in RCW 28A.510.250 to each school district of the state operating a basic education instructional program approved by the state board of education an amount based on the formulas provided in RCW 28A.150.260, 28A.150.390, and 28A.150.392 which, when combined with an appropriate portion of such locally available revenues, other than receipts from federal forest revenues distributed to school districts pursuant to RCW 28A.520.010 and 28A.520.020, as the superintendent of public instruction may deem appropriate for consideration in computing state equalization support, excluding excess property tax levies, will constitute a basic education allocation in dollars for each annual average full-time equivalent student enrolled. <u>However, pursuant to section 2 of this act, the superintendent may not offset basic education allocations with a district's federal forest revenues received under chapter 28A.520 RCW if the school district has a poverty level of at least 57 percent.</u>

(2) The instructional program of basic education shall be considered to be fully funded by those amounts of dollars appropriated by the legislature pursuant to RCW 28A.150.260, 28A.150.390, and 28A.150.392 to fund those program requirements identified in RCW 28A.150.220 in accordance with the formula provided in RCW 28A.150.260 and those amounts of dollars appropriated by the legislature to fund the salary requirements of RCW 28A.150.410.

(3) If a school district's basic education program fails to meet the basic education requirements enumerated in RCW 28A.150.260 and 28A.150.220, the state board of education shall require the superintendent of public instruction to withhold state funds in whole or in part for the basic education allocation until program compliance is assured. However, the state board of education may waive this requirement in the event of substantial lack of classroom space.

Sec. 2. RCW 28A.520.020 and 2011 c 278 s 1 are each amended to read as follows:

(1) There shall be a fund known as the federal forest revolving account. The state treasurer, who shall be custodian of the revolving account, shall deposit into the revolving account the funds for each county received by the state in accordance with Title 16, section 500, United States Code. The state treasurer shall distribute these moneys to the counties according to the determined proportional area. The county legislative authority shall expend fifty percent of the money for the benefit of the public roads and other public purposes as authorized by federal statute or public schools of such county and not otherwise. Disbursements by the counties of the remaining fifty percent of the money shall be as authorized by the superintendent of public instruction, or the superintendent's designee, and shall occur in the manner provided in subsection (2) of this section.

(2) No later than thirty days following receipt of the funds from the federal government, the superintendent of public instruction shall apportion moneys distributed to counties for schools to public school districts in the respective counties in proportion to the number of resident full-time equivalent students enrolled in each public school district to the number of resident full-time equivalent students enrolled in public schools in the county. In apportioning these funds,

the superintendent of public instruction shall utilize the October enrollment count.

(3) (a) Except as provided in (b) of this subsection, if the amount received by any public school district pursuant to subsection (2) of this section is less than the basic education allocation to which the district would otherwise be entitled, the superintendent of public instruction shall apportion to the district, in the manner provided by RCW 28A.510.250, an amount which shall be the difference between the amount received pursuant to subsection (2) of this section and the basic education allocation to which the district would otherwise be entitled.

(b) If a school district has a poverty level of at least 57 percent, the superintendent may not offset that district's basic education allocation by the amount of those federal forest revenues, to the extent that such revenues do not exceed $70,000. The superintendent may offset the district's basic education allocations by the portion of the federal forest revenues that exceeds $70,000. For purposes of this section, poverty is measured by the percentage of students eligible for free and reduced-price lunch in the previous school year.

(4) All federal forest funds shall be expended in accordance with the requirements of Title 16, section 500, United States Code, as now existing or hereafter amended.

(5) The definition of resident student for purposes of this section shall be based on rules adopted by the superintendent of public instruction, which shall consider and address the impact of alternative learning experience students on federal forest funds distribution."

Correct the title.

Representative Haigh moved the adoption of amendment (932) to the striking amendment.

On page 3, after line 26, insert the following:

"**Sec. 3.** This act takes effect September 1, 2014."

Representatives Haigh and Buys spoke in favor of the adoption of the amendment to the striking amendment.

Amendment (932) was adopted.

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

Amendment (885) was adopted.

The bill was ordered engrossed.

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

Representatives Haigh, Orcutt, Buys and Johnson spoke in favor of the passage of the bill.

The Speaker (Representative Moeller presiding) stated the question before the House to be the final passage of Engrossed Second Substitute House Bill No. 2207.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed Second Substitute House Bill No. 2207, and the bill passed the House by the following vote: Yeas, 97; Nays, 0; Absent, 0; Excused, 1.

Voting yea: Representatives Appleton, Bergquist, Blake, Buys, Carlyle, Chandler, Christian, Clibborn, Cody, Condotta, DeBolt, Dunshee, Fagan, Farrell, Fey, Fitzgibbon, Freeman, G. Hunt, Goodman, Green, Gregerson, Habib, Haigh, Haler, Hansen, Hargrove, Harris, Hawkins, Hayes, Holy, Hope, Hudgins, Hunter, Hurst, Jinkins, Johnson, Kagi, Kirby, Klippert, Kochmar, Kretz, Kristiansen, Lytton, MacEwen, Magendanz, Manweller, Moeller, Morrell, Morris, Moscoso, Muri, Nealey, Orcutt, Ormsby, Ortiz-Self, Orwall, Overstreet, Parker, Pettigrew, Pike, Pollet, Reykdal, Riccelli, Roberts, Robinson, Rodne, Ross, Ryu, S. Hunt, Santos, Sawyer, Schmick, Scott, Seaquist, Sells, Senn, Shea, Short, Smith, Springer, Stanford, Stonier, Sullivan, Takko, Tarleton, Taylor, Tharinger, Van De Wege, Vick, Walkinshaw, Walsh, Warnick, Wilcox, Wylie, Young, Zeiger and Mr. Speaker.

Excused: Representative Dahlquist.

ENGROSSED SECOND SUBSTITUTE HOUSE BILL NO. 2207, having received the necessary constitutional majority, was declared passed.

ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 6518, by Senate Committee on Ways & Means (originally sponsored by Senator Chase)

Transferring technology-based economic development programs from innovate Washington to the department of commerce. Revised for 2nd Substitute: Terminating the operations of innovate Washington and transferring property from innovate Washington to Washington State University and the department of commerce.

The bill was read the second time.

Representative Hudgins moved the adoption of amendment (944).

On page 12, beginning on line 1, strike all of section 7

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

On page 15, after line 1, insert the following:

"NEW SECTION. **Sec. 9.** A new section is added to chapter 43.333 RCW to read as follows:

(1) The innovate Washington program is created in the department to support business growth in the state's innovation and technology sectors and facilitate statewide technology transfer and commercialization activities, for the purpose of increasing the state's economic vitality.

(2) The innovate Washington program shall:

(a) Support businesses in securing federal and private funds to support product research and commercialization, developing and integrating technology in new or enhanced products and services, and launching those products and services in sustainable businesses in the state;

(b) Establish public-private partnerships and programmatic activities that increase the competitiveness of state industries;

(c) Work with utilities, district energy providers, the utilities and transportation commission, and the state energy office to improve the alignment of investments in clean energy technologies with existing state policies;

(d) Administer technology and innovation grant and loan programs including bridge funding programs for the state's technology sector;

(e) Work with impact Washington to ensure that customers have ready access to each other's services;

(f) Develop and strengthen academic-industry relationships through research and assistance that is primarily of interest to existing small and medium-sized Washington-based companies; and

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(g) Reach out to firms operating in the state's innovation partnership zones.

(3) The innovate Washington program terminates June 30, 2015. Until that time, any services provided by the program may be delivered by the department directly or through a contract with a 501(c)(3) nonprofit organization with a principal office located in Washington with experience facilitating interaction between the state's higher education institutions and the state's technology-based companies on technology transfer activities.

(4) The department must establish performance metrics for the innovate Washington program. The department must report the outcomes of the program against those metrics to the governor and the economic development committees of the legislature on December 1, 2014.

NEW SECTION. **Sec. 10.** A new section is added to chapter 43.333 RCW to read as follows:

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

(1) "Department" means the department of commerce.

(2) "Innovate Washington program" or "program" means the program created in section 205 of this act.

Sec. 11. RCW 43.333.030 and 2011 1st sp.s. c 14 s 4 are each amended to read as follows:

(1) The investing in innovation account is created in the custody of the state treasurer to receive state and federal funds, grants, private gifts, or contributions to further the purpose of ((~~innovate Washington~~)) growing the technology and innovation-based sectors of the state and supporting the commercialization of intellectual property and the manufacturing of innovative products in the state.

(2) Expenditures from the account may be used only for the purposes of the investing in innovation programs established in chapter 70.210 RCW and any other purpose consistent with the innovate Washington program established in this chapter.

(3) Only the ((~~executive~~)) director of ((~~innovate Washington~~)) commerce or the ((~~executive~~)) director's designee may authorize expenditures from the account. Funds may only be used for the department of commerce to provide directly or through contract services consistent with the purposes described in subsection (2) of this section. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

Sec. 12. RCW 43.333.040 and 2011 1st sp.s. c 14 s 3 are each amended to read as follows:

(1) To increase participation by Washington state small business innovators in federal small business research programs, the innovate Washington program shall provide ((~~or contract for the provision of~~)) a small business innovation assistance program. The assistance program must include a proposal review process and must train and assist Washington small business innovators to win awards from federal small business research programs. The assistance program must collaborate with small business development centers((~~, entrepreneur-in-residence programs,~~)) and other appropriate sources of technical assistance to ensure that small business innovators also receive the planning, counseling, and support services necessary to expand their businesses and protect their intellectual property.

(2) ((~~In operating the program,~~)) The innovate Washington program must give priority to first-time applicants to the federal small business research programs, new businesses, and firms with fewer than ten employees, and may charge a fee for its services.

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

(a) "Federal small business research programs" means the programs, operating pursuant to the small business innovation development act of 1982, P.L. 97-219, and the small business technology transfer act of 1992, P.L. 102-564, title II, that provide funds to small businesses to conduct research having commercial application.

(b) "Small business" means a corporation, partnership, sole proprietorship, or individual, operating a business for profit, with two hundred fifty employees or fewer, including employees employed in a subsidiary or affiliated corporation, that otherwise meets the requirements of federal small business research programs.

Sec. 13. RCW 43.333.050 and 2011 1st sp.s. c 14 s 13 are each amended to read as follows:

(1) The innovate Washington program shall administer the investing in innovation program.

(2) Not more than one percent of the available funds from the investing in innovation account may be used for administrative costs of the program.

Sec. 14. RCW 70.210.020 and 2011 1st sp.s. c 14 s 8 are each amended to read as follows:

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

((~~(1) "Board" means the innovate Washington board of directors.~~

~~(3) [(2)] "Innovate Washington" means the agency created in RCW 43.333.010.~~))

(1) "Department" means the department of commerce.

(2) "Innovate Washington program" means the program established at the department of commerce under chapter 43.333 RCW.

Sec. 15. RCW 70.210.030 and 2011 1st sp.s. c 14 s 9 are each amended to read as follows:

(1) The investing in innovation program is established.

(2) The innovate Washington program shall periodically make strategic assessments of the types of investments in research, technology, and industrial development in this state that would likely create new products, jobs, and business opportunities and produce the most beneficial long-term improvements to the lives and health of the citizens of the state. The assessments shall be available to the public and shall be used to guide decisions on awarding funds under this chapter.

Sec. 16. RCW 70.210.040 and 2011 1st sp.s. c 14 s 10 are each amended to read as follows:

The ((~~board~~)) innovate Washington program shall:

(1) Develop criteria for the awarding of loans or grants to qualifying universities, institutions, businesses, or individuals;

(2) Make decisions regarding distribution of funds;

(3) In making funding decisions and to the extent that economic impact is not diminished, provide priority to enterprises that:

(a) Were created through, and have existing intellectual property agreements in place with, public and private research institutions in the state; and

(b) Intend to produce new products or services, develop or expand facilities, or manufacture in the state; and

(4) Specify in contracts awarding funds that recipients must utilize funding received to support operations in the state of Washington and must subsequently report on the impact of their research, development, and any subsequent production activities within Washington for a period of ten years following the award of funds, and that a failure to comply with this requirement will obligate the recipient to return the amount of the award plus interest as determined by the ((~~board~~)) department.

Sec. 17. RCW 70.210.050 and 2011 1st sp.s. c 14 s 11 are each amended to read as follows:

(1) The ((~~board~~)) innovate Washington program may accept grant and loan proposals and establish a competitive process for the awarding of grants and loans.

(2) The ((~~board~~)) innovate Washington program shall establish a peer review committee to include ((~~board members,~~)) scientists, engineers, and individuals with specific recognized expertise. The peer review committee shall provide to the ((~~board~~)) innovate

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Washington program an independent peer review of all proposals determined to be competitive for a loan or grant award that are submitted to the ((~~board~~)) innovate Washington program.

(3) In the awarding of grants and loans, priority shall be given to proposals that leverage additional private and public funding resources.

((~~(4) Innovate Washington may not be a direct recipient of funding under this chapter.~~))

Sec. 18. RCW 70.210.060 and 2011 1st sp.s. c 14 s 12 are each amended to read as follows:

The ((~~board~~)) department shall establish performance benchmarks against which the program will be evaluated. The program shall be reviewed periodically by the ((~~board~~)) department. The ((~~board~~)) department shall report annually to the appropriate standing committees of the legislature on loans made and grants awarded and as appropriate on program reviews conducted by the ((~~board~~)) department.

NEW SECTION. **Sec. 19.** The following acts or parts of acts are each repealed:

(1) RCW 41.06.0711 (Innovate Washington--Certain personnel exempted from chapter) and 2011 1st sp.s. c 14 s 5;

(2) RCW 43.333.010 (Innovate Washington--Created--Mission--Transfer of administrative responsibilities for facilities located at the Washington technology center and Spokane intercollegiate research and technology institute--Five-year business plan requirements) and 2011 1st sp.s. c 14 s 1; and

(3) RCW 43.333.020 (Board of directors--Composition--Meetings--Duties) and 2011 1st sp.s. c 14 s 2.

(4) RCW 43.333.800 (Sustainable aviation biofuels work group) and 2012 c 63 s 4;

(5) RCW 43.333.900 (Transfer of powers, duties, and functions of Spokane intercollegiate research and technology institute and Washington technology center) and 2011 1st sp.s. c 14 s 17;

(6) RCW 43.333.901 (Effective date--2011 1st sp. S. c 14) and 2011 1st sp.s. c 14 c 12.

NEW SECTION. **Sec. 20.** A new section is added to chapter 43.333 RCW to read as follows:

(1) Innovate Washington is hereby abolished and its mission, powers, duties, and functions are hereby transferred to the department of commerce.

(2)(a) Except as provided in (c) of this subsection, all property of Innovate Washington shall be assigned and transferred to the department of commerce. Except as provided in (c) of this subsection, all reports, documents, surveys, books, records, files, papers, and written material, regardless of physical form or characteristics, in the possession of Innovate Washington shall be delivered to the department of commerce. Except as provided in (c) of this subsection, all cabinets, furniture, office equipment, motor vehicles, and other tangible property employed by Innovate Washington shall be made available to the department of commerce. Except as provided in (b) and (c) of this subsection, all funds, credits, and other assets, tangible or intangible, held by Innovate Washington shall be assigned and transferred to the department of commerce.

(b) The department of commerce shall honor any donor-imposed condition on the transfer of assets to Innovate Washington, consistent with chapter 14, Laws of 2011 1st sp. sess., returning any unused funds or other assets to the grantor or the grantor's successor in interest, if return of such funds or other assets is required in the grant or other instrument by which the asset was conveyed to Innovate Washington. Any donated assets, the use of which is limited by a donor-imposed restriction, shall be used only for the purposes specified in the granting instrument, and where the instrument restricts the use of such funds or other assets for the purposes of Innovate Washington, they shall be used by the department of commerce only for the purpose of growing the innovation-based economic sectors of the state and responding to the technology transfer needs of existing businesses in the state.

(c)(i) All real property of Innovate Washington is assigned and transferred to Washington State University, including all real estate, buildings, and facilities located at 665 North Riverpoint Boulevard in Spokane, Washington and any associated tenant leases and building obligations. All cabinets, furniture, office equipment, motor vehicles and other tangible property associated with the facilities located at 665 North Riverpoint Boulevard in Spokane, Washington are assigned and transferred to Washington State University. The master lease for the Spokane Technology Center Building located at 120 North Pine Street in Spokane, Washington is assigned and transferred to Washington State University. The department of commerce shall coordinate with the department of enterprise services in assigning and transferring the master lease. Washington State University shall explore terminating the master lease on the Spokane Technology Center and acquiring the property for reintegration into the campus, if in the best interests of the university.

(ii) In operating the 665 North Riverpoint Boulevard building and the Spokane Technology Center building, Washington State University may offer rental space to public, private, or private nonprofit entities that provided services to Innovate Washington in the Spokane Technology Center building, and not in the 665 North Riverpoint Boulevard building, and only at a gross per square foot rate equal to or greater than the rate charged to Washington State University as subleasees prior to the effective date of this act.

(d) If any question arises as to the transfer of any asset used or held in the exercise of the powers and the performance of the duties and functions transferred, the director of financial management shall make a determination as to the proper allocation and certify the same to the state agencies concerned.

(3) If apportionments of budgeted funds are required because of the transfers directed by this section, the director of financial management shall certify the apportionments to the agencies affected, the state auditor, and the state treasurer. Each of these shall make the appropriate transfer and adjustments in funds and appropriation accounts and equipment records in accordance with the certification.

NEW SECTION. **Sec. 21.** A new section is added to chapter 43.333 RCW to read as follows:

This chapter expires June 30, 2015.

NEW SECTION. **Sec. 22.** A new section is added to chapter 70.210 RCW to read as follows:

This chapter expires June 30, 2015."

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

On page 15, beginning on line 2, strike all of sections 9 and 10.

Correct the title.

Representatives Hudgins and Smith spoke in favor of the adoption of the amendment.

Amendment (944) was adopted.

Representative Hudgins moved the adoption of amendment (946).

On page 13, line 29, after "(1) The" strike "FAA center of excellence for alternative jet fuels and environment" and insert "office of alternative energy"

On page 14, line 10, after "(3) The" strike "FAA center of excellence for alternative jet fuels and environment" and insert "office of alternative energy"

Representatives Hudgins and Parker spoke in favor of the adoption of the amendment.

Amendment (946) 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, Smith and Riccelli spoke in favor of the passage of the bill.

The Speaker (Representative Moeller presiding) stated the question before the House to be the final passage of Engrossed Second Substitute Senate Bill No. 6518, as amended by the House.

ROLL CALL

The Clerk called the roll on the final passage of Engrossed Second Substitute Senate Bill No. 6518, as amended by the House, and the bill passed the House by the following vote: Yeas, 97; Nays, 0; Absent, 0; Excused, 1.

Voting yea: Representatives Appleton, Bergquist, Blake, Buys, Carlyle, Chandler, Christian, Clibborn, Cody, Condotta, DeBolt, Dunshee, Fagan, Farrell, Fey, Fitzgibbon, Freeman, G. Hunt, Goodman, Green, Gregerson, Habib, Haigh, Haler, Hansen, Hargrove, Harris, Hawkins, Hayes, Holy, Hope, Hudgins, Hunter, Hurst, Jinkins, Johnson, Kagi, Kirby, Klippert, Kochmar, Kretz, Kristiansen, Lytton, MacEwen, Magendanz, Manweller, Moeller, Morrell, Morris, Moscoso, Muri, Nealey, Orcutt, Ormsby, Ortiz-Self, Orwall, Overstreet, Parker, Pettigrew, Pike, Pollet, Reykdal, Riccelli, Roberts, Robinson, Rodne, Ross, Ryu, S. Hunt, Santos, Sawyer, Schmick, Scott, Seaquist, Sells, Senn, Shea, Short, Smith, Springer, Stanford, Stonier, Sullivan, Takko, Tarleton, Taylor, Tharinger, Van De Wege, Vick, Walkinshaw, Walsh, Warnick, Wilcox, Wylie, Young, Zeiger and Mr. Speaker.

Excused: Representative Dahlquist.

ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 6518, as amended by the House, having received the necessary constitutional majority, was declared passed.

SENATE BILL NO. 6573, by Senators Hargrove and Hill

Changing the effective date of modifications to the aged, blind, and disabled and the housing and essential needs programs.

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.

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

The Speaker (Representative Moeller presiding) stated the question before the House to be the final passage of Senate Bill No. 6573.

ROLL CALL

The Clerk called the roll on the final passage of Senate Bill No. 6573, and the bill passed the House by the following vote: Yeas, 92; Nays, 5; Absent, 0; Excused, 1.

Voting yea: Representatives Appleton, Bergquist, Blake, Buys, Carlyle, Chandler, Christian, Clibborn, Cody, Condotta, DeBolt, Dunshee, Fagan, Farrell, Fey, Fitzgibbon, Freeman, G. Hunt, Goodman, Green, Gregerson, Haigh, Haler, Hansen, Hargrove, Harris, Hawkins, Hayes, Holy, Hope, Hudgins, Hunter, Hurst, Jinkins, Johnson, Kagi, Kirby, Klippert, Kochmar, Kretz, Kristiansen, Lytton, MacEwen, Magendanz, Manweller, Moeller, Morrell, Morris, Moscoso, Muri, Nealey, Orcutt, Ormsby, Ortiz-Self, Orwall, Parker, Pettigrew, Pike, Pollet, Reykdal, Riccelli, Roberts, Robinson, Rodne, Ross, Ryu, S. Hunt, Sawyer, Schmick, Scott, Seaquist, Sells, Senn, Short, Smith, Springer, Stanford, Stonier, Sullivan, Takko, Tarleton, Tharinger, Van De Wege, Vick, Walkinshaw, Walsh, Warnick, Wilcox, Wylie, Young, Zeiger and Mr. Speaker.

Voting nay: Representatives Habib, Overstreet, Santos, Shea and Taylor.

Excused: Representative Dahlquist.

SENATE BILL NO. 6573, having received the necessary constitutional majority, was declared passed.

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

INTRODUCTION & FIRST READING

ESSB 6542 by Senate Committee on Ways & Means (originally sponsored by Senator Kohl-Welles)

AN ACT Relating to establishing the state cannabis industry coordinating committee; creating new sections; and providing an expiration date.

There being no objection, ENGROSSED SUBSTITUTE SENATE BILL NO. 6542 was read the first time, and under suspension of the rules was placed on the second reading calendar.

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

There being no objection, the Committee on Appropriations was relieved of SENATE BILL NO. 5318, and the bill was referred to the Committee on Rules.

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

HOUSE BILL NO. 2304

MESSAGE FROM THE SENATE

March 4, 2014

MR. SPEAKER:

The Senate has passed SUBSTITUTE HOUSE BILL NO. 1260, with the following amendment(s): 1260-S AMS AWRD S4440.2

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Strike everything after the enacting clause and insert the following:

"**Sec. 1.** RCW 43.160.010 and 2012 c 225 s 2 are each amended to read as follows:

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(1) The legislature finds that it is the ((public)) policy of the state of Washington to ((direct financial resources toward the fostering of economic development through the stimulation of investment and job opportunities and the retention of sustainable existing employment)) employ state and federal resources to foster economic development to promote private investment and to create or retain job opportunities for the general welfare of the inhabitants of the state. Reducing unemployment and reducing the time citizens remain jobless ((is)) are important for the economic welfare of the state.

(2) The legislature finds that a valuable means of fostering economic development is the construction of public facilities which contribute to the stability and growth of the state's economic base. Expenditures made for these purposes as authorized in this chapter are declared to be in the public interest, and constitute a proper use of public funds. ((A community economic revitalization board is needed which shall aid the development of economic opportunities. The general objectives of the board should include:

(a) Strengthening the economies of areas of the state which have experienced or are expected to experience chronically high unemployment rates or below average growth in their economies;

(b) Encouraging the diversification of the economies of the state and regions within the state in order to provide greater seasonal and cyclical stability of income and employment;

(c) Encouraging wider access to financial resources for both large and small industrial development projects;

(d) Encouraging new economic development or expansions to maximize employment;

(e) Encouraging the retention of viable existing firms and employment;

(f) Providing incentives for expansion of employment opportunities for groups of state residents that have been less successful relative to other groups in efforts to gain permanent employment; and

(g) Enhancing job and business growth through facility development and other improvements in innovation partnership zones designated under RCW 43.330.270.

(2))) (3) The legislature also finds that the state's economic development efforts can be enhanced by, in certain instances, providing funds to improve state highways, county roads, or city streets for industries considering locating or expanding in this state.

(((3))) (4) The legislature finds it desirable to provide a process whereby the need for diverse public works improvements necessitated by planned economic development can be addressed in a timely fashion and with coordination among all responsible governmental entities.

(((4))) (5) The legislature also finds that the state's economic development efforts can be enhanced by, in certain instances, providing funds to assist development of telecommunications infrastructure that supports business development, retention, and expansion in the state.

(((5))) (6) The legislature also finds that the state's economic development efforts can be enhanced by providing funds to improve markets for those recyclable materials representing a large fraction of the waste stream. The legislature finds that the construction or rehabilitation of public facilities ((which)) that result in private construction of processing or remanufacturing facilities for recyclable materials ((are)) is eligible for consideration from the board.

(((6))) (7) The legislature finds that sharing economic growth statewide is important to the welfare of the state. The ability of communities to pursue business and job retention, expansion, and development opportunities depends on their capacity to ready necessary economic development project plans, sites, permits, and infrastructure for private investments. Project-specific planning, predevelopment, and infrastructure are critical ingredients for economic development. ((It is, therefore, the intent of the legislature to increase the amount of funding available through the community economic revitalization board and to authorize flexibility for available resources in these areas to help fund planning, predevelopment, and construction costs of infrastructure and facilities and sites that foster economic vitality and diversification.))

(8) It is, therefore, the intent of the legislature to create a community economic revitalization board to aid the development of economic opportunities. The general objectives of the board should include:

(a) Strengthening the economies of areas of the state which have experienced or are expected to experience chronically high unemployment rates or below average growth in their economies;

(b) Encouraging the diversification of the economies of the state and regions within the state in order to provide greater stability of income and employment;

(c) Encouraging greater access to financial resources for both large and small industrial development projects;

(d) Encouraging new economic development or expansions to maximize employment;

(e) Encouraging the retention of viable existing firms and promoting employment within these firms;

(f) Providing incentives for expansion of employment opportunities for groups of state residents that have been less successful relative to other groups in efforts to gain permanent employment; and

(g) Enhancing job and business growth through facility development and other improvements in innovation partnership zones designated under RCW 43.330.270.

NEW SECTION. **Sec. 2.** A new section is added to chapter 43.160 RCW to read as follows:

The legislature finds that the community economic revitalization board has successfully acted as an economic development infrastructure financier for local governments. It is, therefore, the intent of the legislature to authorize flexibility for the community economic revitalization board to help fund planning, predevelopment, and construction costs of infrastructure and facilities and sites that foster economic vitality and diversification.

Sec. 3. RCW 43.160.020 and 2012 c 225 s 3 are each amended to read as follows:

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

(1) "Board" means the community economic revitalization board.

(2) "Department" means the department of commerce.

(3) "Director" means the director of the department.

(4) "Local government" or "political subdivision" means any port district, county, city, town, special purpose district, and any other municipal corporations or quasi-municipal corporations in the state providing for public facilities under this chapter.

(((4))) (5) "Planning project" means project-specific environmental, capital facilities, land use, permitting, feasibility, and marketing studies and plans; project design, site planning, and analysis; project debt and revenue impact analysis; and economic development industry cluster analysis.

(6) "Project" means a project of a local government or a federally recognized Indian tribe for the planning, acquisition, construction, repair, reconstruction, replacement, rehabilitation, or improvement of a public facility.

(7) "Public facilities" means ((a project of a local government or a federally recognized Indian tribe for the planning, acquisition, construction, repair, reconstruction, replacement, rehabilitation, or improvement of:)) bridges; roads; research, testing, training, and

incubation facilities in areas designated as innovation partnership zones under RCW 43.330.270; buildings or structures; domestic and industrial water, earth stabilization, sanitary sewer, storm ((sewer)) water, railroad, electricity, broadband, telecommunications, transportation, natural gas, and port facilities((; all for the purpose of job creation, job retention, or job expansion)).

(((5))) (8) "Rural county" means a county with a population density of fewer than one hundred persons per square mile or a county smaller than two hundred twenty-five square miles, as determined by the office of financial management and published each year by the department for the period July 1st to June 30th.

Sec. 4. RCW 43.160.030 and 2011 1st sp.s. c 21 s 25 are each amended to read as follows:

(1) The community economic revitalization board is hereby created to exercise the powers granted under this chapter.

(2) The board ((shall)) must consist of one member from each of the two major caucuses of the house of representatives to be appointed by the speaker of the house and one member from each of the two major caucuses of the senate to be appointed by the president of the senate. The board ((shall)) must also consist of the following members appointed by the director of commerce: A recognized private or public sector economist; one port district official; one county official; one city official; one representative of a federally recognized Indian tribe; one representative of the public; ((one)) four representatives of small businesses ((each from: (a) The area west of Puget Sound, (b) the area east of Puget Sound and west of the Cascade range, (c) the area east of the Cascade range and west of the Columbia river, and (d) the area east of the Columbia river; one executive from large businesses each from the area west of the Cascades and the area east of the Cascades)), two from the area east of the Cascade range and two from the area west of the Cascade range; and two executives from large businesses, one from the area east of the Cascade range and one from the area west of the Cascade range. The appointive members ((shall)) must initially be appointed to terms as follows: Three members for one-year terms, three members for two-year terms, and three members for three-year terms ((which shall)) that must include the chair. Thereafter each succeeding term ((shall)) must be for three years. The chair of the board ((shall)) must be selected by the director of commerce. The members of the board ((shall)) must elect one of their members to serve as vice((-))chair. The director of commerce, the director of revenue, the commissioner of employment security, and the secretary of transportation ((shall)) must serve as nonvoting advisory members of the board.

(3) ((Management services, including fiscal and contract services, shall be provided by the department to assist the board in implementing this chapter.

(4))) Members of the board ((shall)) must be reimbursed for travel expenses as provided in RCW 43.03.050 and 43.03.060.

(((5))) (4) If a vacancy occurs by death, resignation, or otherwise of appointive members of the board, the director of commerce ((shall)) must fill the same for the unexpired term. Members of the board may be removed for malfeasance or misfeasance in office, upon specific written charges by the director of commerce, under chapter 34.05 RCW.

(((6))) (5) A member appointed by the director of commerce may not be absent from more than fifty percent of the regularly scheduled meetings in any one calendar year. Any member who exceeds this absence limitation is deemed to have withdrawn from the office and may be replaced by the director of commerce.

(((7))) (6) A majority of members currently appointed constitutes a quorum.

Sec. 5. RCW 43.160.050 and 2008 c 327 s 4 are each amended to read as follows:

The board may:

(1) Adopt bylaws for the regulation of its affairs and the conduct of its business.

(2) Adopt an official seal and alter the seal at its pleasure.

(3) Utilize the services of other governmental agencies.

(4) Accept from any federal agency loans or grants for the planning or financing of any project and enter into an agreement with the agency respecting the loans or grants.

(5) Conduct examinations and investigations and take testimony at public hearings of any matter material for its information that will assist in determinations related to the exercise of the board's lawful powers.

(6) Accept any gifts, grants, or loans of funds, property, or financial or other aid in any form from any other source on any terms and conditions which are not in conflict with this chapter.

(7) Enter into agreements or other transactions with and accept grants and the cooperation of any governmental agency in furtherance of this chapter.

(8) Consistent with the guidelines issued by the office of financial management and in consultation with the department, prepare biennial operating and capital budgets and, as needed, update these budgets during the biennium.

(9) Adopt rules under chapter 34.05 RCW as necessary to carry out the purposes of this chapter.

(((9))) (10) Do all acts and things necessary or convenient to carry out the powers expressly granted or implied under this chapter.

NEW SECTION. **Sec. 6.** A new section is added to chapter 43.160 RCW to read as follows:

Management services, including fiscal and contract services, must be provided by the department to assist the board in implementing this chapter.

NEW SECTION. **Sec. 7.** A new section is added to chapter 43.160 RCW to read as follows:

(1) In order to assist political subdivisions of the state and federally recognized Indian tribes in financing the cost of public facilities, the board:

(a) Must execute contracts or otherwise financially obligate funds from the public facilities construction loan revolving account for projects approved for funding by the board under the following programs:

(i) Committed private sector partner construction;

(ii) Prospective development construction;

(iii) Planning; and

(iv) Any other program authorized by the legislature.

(b) Must provide loans to political subdivisions and federally recognized Indian tribes for the purposes of financing the cost of public facilities.

(i) The board must determine the interest rate that loans bear. The interest rate may not exceed ten percent per annum.

(ii) The board may provide reasonable terms and conditions for repayment for loans, including partial forgiveness of loan principal and interest payments on projects located in rural communities as defined by the board, or rural counties. The loans may not exceed twenty years in duration.

(c) May provide grants for purposes designated in this chapter, but only when, and to the extent that, a loan is not reasonably possible, given the limited resources of the political subdivision or the federally recognized Indian tribe and the finding by the board that financial circumstances require grant assistance to enable the project to move forward. The board must balance the need for grants with the need to sustain the public facilities construction loan revolving account.

(2) No more than twenty-five percent of all financial assistance approved by the board in any biennium may consist of grants to political subdivisions and federally recognized Indian tribes.

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(3) Except as authorized to the contrary under subsection (4) of this section, from all funds available to the board for financial assistance in a biennium under this chapter, the board must approve at least seventy-five percent of the first twenty million dollars of funds available and at least fifty percent of any additional funds for financial assistance for projects in rural counties or board defined rural communities.

(4) If at any time during the last six months of a biennium the board finds that the actual and anticipated applications for qualified projects in rural counties or board defined rural communities are clearly insufficient to use up the allocations under subsection (3) of this section, the board must estimate the amount of the insufficiency and during the remainder of the biennium may use that amount of the allocation for financial assistance to projects not located in rural counties or board defined rural communities.

(5) The board may elect to reserve up to one million dollars of its biennial appropriation to use as state match for federal grant awards. The purpose and use of the federal funds must be consistent with the board's purpose of financing economic development infrastructure. Reserved board funds must be matched, at a minimum, dollar for dollar by federal funds. If the set aside funds are not fully utilized for federal grant match by the 18th month of the biennium, the board may use those funds for other eligible projects as stated in this chapter.

NEW SECTION. **Sec. 8.** A new section is added to chapter 43.160 RCW to read as follows:

The board must:

(1) Establish and maintain collaborative relations with governmental, private, and other financing organizations, advocate groups, and other stakeholders associated with state economic development activities and policies;

(2) Provide information and advice to the governor and legislature on matters related to economic development; and

(3) At the direction of the governor, provide information and advocacy at the national level on matters related to economic development financing.

NEW SECTION. **Sec. 9.** A new section is added to chapter 43.160 RCW to read as follows:

(1) The board must prioritize awards for committed private sector partner construction and prospective development construction projects by considering at a minimum the following criteria:

(a) The number of jobs created by the expected business creation or expansion and the average wage of those expected jobs. In evaluating proposals for their job creation potential, the board may adjust the job estimates in applications based on the board's judgment of the credibility of the job estimates;

(b) The need for job creation based on the unemployment rate of the county or counties in which the project is located. In evaluating the average wages of the jobs created, the board must compare those wages to median wages of private sector jobs in the county or counties surrounding the project location. When evaluating the jobs created by the project, the board may consider the area labor supply and readily available skill sets of the labor pool in the county or counties surrounding the project location;

(c) How the expected business creation or expansion fits within the region's preferred economic growth strategy as indicated by the efforts of nearby innovation partnership zones, industry clusters, future export prospects, or local government equivalent if available;

(d) The speed with which the project can begin construction; and

(e) The extent that the project leverages nonstate funds, and achieves overall the greatest benefit in job creation at good wages for the amount of money provided.

(2) The board may not provide financial assistance:

(a) For a project the primary purpose of which is to facilitate or promote a retail shopping development or expansion;

(b) For any project for which evidence exists that would result in a development or expansion that would displace jobs in any other community in the state;

(c) For a project the primary purpose of which is to facilitate or promote gambling; or

(d) For a project located outside the jurisdiction of the applicant political subdivision or federally recognized Indian tribe.

Sec. 10. RCW 43.160.076 and 2011 c 180 s 301 are each amended to read as follows:

(((1) Except as authorized to the contrary under subsection (2) of this section, from all funds available to the board for financial assistance in a biennium under this chapter, the board shall approve at least seventy-five percent of the first twenty million dollars of funds available and at least fifty percent of any additional funds for financial assistance for projects in rural counties.

(2) If at any time during the last six months of a biennium the board finds that the actual and anticipated applications for qualified projects in rural counties are clearly insufficient to use up the allocations under subsection (1) of this section, then the board shall estimate the amount of the insufficiency and during the remainder of the biennium may use that amount of the allocation for financial assistance to projects not located in rural counties.

(3))) The board ((shall)) must solicit qualifying projects to plan, design, and construct public facilities needed to attract new industrial and commercial activities in areas impacted by the closure or potential closure of large coal-fired electric generation facilities, which for the purposes of this section means a facility that emitted more than one million tons of greenhouse gases in any calendar year prior to 2008. The projects should be consistent with any applicable plans for major industrial activity on lands formerly used or designated for surface coal mining and supporting uses under RCW 36.70A.368. When the board receives timely and eligible project applications from a political subdivision of the state for financial assistance for such projects, the board from available funds ((shall)) must give priority consideration to such projects.

Sec. 11. RCW 43.160.080 and 2010 1st sp.s. c 36 s 6011 are each amended to read as follows:

(1) There ((shall)) must be a fund in the state treasury known as the public facilities construction loan revolving account, which ((shall)) consists of all moneys collected under this chapter and any moneys appropriated to it by law. Disbursements from the revolving account ((shall)) must be on authorization of the board. In order to maintain an effective expenditure and revenue control, the public facilities construction loan revolving account ((shall be)) is subject in all respects to chapter 43.88 RCW. During the 2009-2011 biennium, sums in the public facilities construction loan revolving account may be used for community economic revitalization board export assistance grants and loans in section 1018, chapter 36, Laws of 2010 1st sp. sess. and for matching funds for the federal energy regional innovation cluster in section 1017, chapter 36, Laws of 2010 1st sp. sess.

(2) The moneys in the public facilities construction loan revolving account must be used solely to fulfill commitments arising from financial assistance authorized in this chapter. The total outstanding amount, which the board must dispense at any time pursuant to this section, may not exceed the moneys available from the account.

(3) Repayments of loans made from the public facilities construction loan revolving account under the contracts for public facilities construction loans must be paid into the public facilities construction loan revolving account.

Sec. 12. RCW 43.160.900 and 2008 c 327 s 9 are each amended to read as follows:

(1) The community economic revitalization board ((shall)) must conduct biennial outcome-based evaluations of the financial assistance provided under this chapter. The evaluations ((shall)) must include information on the number of applications for community economic revitalization board assistance; the number and types of projects approved; the grant or loan amount awarded each project; the projected number of jobs created or retained by each project; the actual number and cost of jobs created or retained by each project; the wages and health benefits associated with the jobs; the amount of state funds and total capital invested in projects; the number and types of businesses assisted by funded projects; the location of funded projects; the transportation infrastructure available for completed projects; the local match and local participation obtained; the number of delinquent loans; and the number of project terminations. The evaluations may also include additional performance measures and recommendations for programmatic changes.

(2)(a) By September 1st of each even-numbered year, the board ((shall)) must forward its draft evaluation to the Washington state economic development commission for review and comment((, as required in section 10 of this act)). The board ((shall)) must provide any additional information as may be requested by the commission for the purpose of its review.

(b) Any written comments or recommendations provided by the commission as a result of its review ((shall)) must be included in the board's completed evaluation. The evaluation must be presented to the governor and appropriate committees of the legislature by December 31st of each even-numbered year. ((The initial evaluation must be submitted by December 31, 2010.))

NEW SECTION. **Sec. 13.** The following acts or parts of acts are each repealed:

(1) RCW 43.160.060 (Loans and grants to political subdivisions and federally recognized Indian tribes for public facilities authorized-- Application--Requirements for financial assistance) and 2012 c 196 s 10, 2008 c 327 s 5, 2007 c 231 s 3, & 2004 c 252 s 3;

(2) RCW 43.160.070 (Conditions) and 2008 c 327 s 6, 1999 c 164 s 104, 1998 c 321 s 27, 1997 c 235 s 721, 1996 c 51 s 6, 1990 1st ex.s. c 16 s 802, 1983 1st ex.s. c 60 s 4, & 1982 1st ex.s. c 40 s 7; and

(3) RCW 43.160.078 (Board to familiarize government officials and public with chapter provisions) and 1985 c 446 s 5."

On page 1, line 1 of the title, after "loans;" strike the remainder of the title and insert "amending RCW 43.160.010, 43.160.020, 43.160.030, 43.160.050, 43.160.076, 43.160.080, and 43.160.900; adding new sections to chapter 43.160 RCW; and repealing RCW 43.160.060, 43.160.070, and 43.160.078."

and the same is herewith transmitted.

Brad Hendrickson Deputy Secretary

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

SENATE AMENDMENT TO HOUSE BILL

There being no objection, the House refused to concur in the Senate amendment to Substitute House Bill No. 1260 and asked the Senate to recede therefrom.

MESSAGE FROM THE SENATE

March 11, 2014

Mr. Speaker:

The Senate refuses to concur in the House amendment to SUBSTITUTE SENATE BILL NO. 6283 and asks the House to recede therefrom, and the same is herewith transmitted.

Brad Hendrickson, Deputy Secretary

HOUSE AMENDMENT TO SENATE BILL

There being no objection, the House insisted on its position in its amendment to SUBSTITUTE SENATE BILL NO. 6283 and asked the Senate to concur therein.

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 13, 2014, the 60th Day of the Regular Session.

FRANK CHOPP, Speaker

BARBARA BAKER, Chief Clerk

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