E2SHB 2658 - S AMD **293**

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By Senators Kastama, Zarelli

ADOPTED 03/04/2010

1 Strike everything after the enacting clause and insert the 2 following:

- 3 "Sec. 1. RCW 43.330.007 and 2009 c 565 s 1 are each amended to 4 read as follows:
- (1)(a) In 2009, the legislature changed the name of the department 5 of community, trade, and economic development to the department of 6 commerce and directed the agency to, among other things, develop a 7 report with recommendations on statutory changes to ensure that the 8 9 department's efforts: Are organized around a concise core mission and 10 aligned with the state's comprehensive plan for economic development; 11 generate greater local capacity; maximize results through partnerships and the use of intermediaries; and provide transparency and increased 12 accountability. Recommendations for creating or consolidating programs 13 deemed important to meeting the department's core mission and 14 recommendations for terminating or transferring specific programs if 15 16 they are not consistent with the department's core mission were to be 17 included in the report.
 - (b) In accordance with that legislation, chapter 565, Laws of 2009, in November 2009 the department of commerce submitted a plan that establishes a mission of growing and improving jobs in the state and recognizes the need for an innovation-driven economy. The plan also outlines agency priorities, efficiencies, and program transfers that will help to advance the new mission.
- (c) The primary purpose of this act is to implement portions of the department of commerce plan by transferring certain programs from the department of commerce to other state agencies whose missions are more closely aligned with the core functions of those programs. This act also directs additional efficiencies in state government and directs development of a statewide clean energy strategy, which will better enable the department of commerce to focus on its new mission.

(2)(a) The legislature finds that the long-term economic health of the state and its citizens depends upon the strength and vitality of its communities and businesses. It is the intent of this chapter to create a department of commerce that fosters new partnerships for strong and sustainable communities. The mission of the department is to grow and improve jobs in Washington and facilitate innovation. To carry out its mission, the department will bring together focused efforts to: Streamline access to business assistance and economic development services by providing them thorough sector-based, clusterbased, and regional partners; provide focused and flexible responses to changing economic conditions; generate greater local capacity to respond to both economic growth and environmental challenges; increase accountability to the public, the executive branch, and the legislature; manage growth and achieve sustainable development; diversify the state's economy and export goods and services; provide greater access to economic opportunity; stimulate private sector investment and entrepreneurship; provide stable family-wage jobs and meet the diverse needs of families; provide affordable housing and housing services; and construct public infrastructure.

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- (b) The legislature further finds that as a result of the rapid pace of global social and economic change, the state and local communities will require coordinated and creative responses by every segment of the community. The state can play a role in assisting such local efforts by reorganizing state assistance efforts to promote such partnerships. The department has a primary responsibility to provide financial and technical assistance to the communities of the state, to assist in improving the delivery of federal, state, and local programs, and to provide communities with opportunities for productive and coordinated development beneficial to the well-being of communities and their residents. It is the intent of the legislature in creating the department to maximize the use of local expertise and resources in the delivery of community and economic development services.
- (3) The purpose of this chapter is to establish the broad outline of the structure of the department of commerce, leaving specific details of its internal organization and management to those charged with its administration. This chapter identifies the broad functions and responsibilities of the department and is intended to provide

flexibility to the director to reorganize these functions to more closely reflect its customers, its mission, and its priorities, and to make recommendations for changes.

- (4) In order to generate greater local capacity, maximize results through partnerships and the use of intermediaries, and leverage the use of state resources, the department shall, in carrying out its business assistance and economic development functions, provide business and economic development services primarily through sector-based, cluster-based, and regionally based organizations rather than providing assistance directly to individual firms.
- (5) The department shall examine the functions and operations of agricultural commodity commissions in the state and collaborate with industry sector and cluster associations on legislation that would enable industries to develop self-financing systems for addressing industry-identified issues such as workforce training, international marketing, quality improvement, and technology deployment. By December 1, 2010, the department shall report to the governor and the legislature on its findings and proposed legislation.
- (6) The legislature recognizes that there are many strong community services and housing programs currently operating within the department and serving our most vulnerable individuals, families, and communities. The legislature finds that some of these programs can readily be transferred beginning on July 1, 2010, to other mission-aligned agencies in state government. However, the legislature finds that to maintain the strength and credibility of the majority of the department's community services and housing programs, it is necessary to create a separate division for them within the department and to develop a plan to establish a separate state government agency for them in the future.
- (7)(a) The legislature directs the department of commerce to establish a single division to contain community services and housing programs that deliver essential services to individuals, families, and communities, and to plan for the creation of a community services and housing agency.
- (b) Services provided by the division shall include, but are not limited to: (i) Homeless housing and assistance programs including transitional housing, emergency shelter grants, independent youth housing, housing assistance for persons with mental illness, and

- housing opportunities for people with AIDS; (ii) affordable housing 1 2 development programs including the housing trust fund and low-income home energy assistance; (iii) farm worker housing; (iv) crime victims' 3 advocacy and sexual assault services; (v) community mobilization 4 against substance abuse and violence; (vi) asset building for working 5 6 families; (vii) local and community projects including the building communities fund, building for the arts, and youth recreational 7 facilities grants; (viii) dispute resolution centers; (ix) the 8 9 Washington families fund; (x) community services block grants; (xi) community development block grants; (xii) child care facility fund; 10 (xiii) WorkFirst community jobs; (xiv) long-term care ombudsman; (xv) 11 state drug task forces; (xvi) justice assistance grants; (xvii) 12 children and families of incarcerated parents; and (xviii) the 13 14 Washington new Americans program.
- (c) The economic development committees in the house of 15 representatives and the senate shall, in consultation with the governor 16 and the department: (i) Solicit information and advice from 17 representatives of community, social services, and housing 18 organizations at the local and state levels, including minority 19 20 communities, people with disabilities, and other vulnerable 21 populations; and (ii) develop a plan for consideration and action in the 2011 legislative session to establish a separate state government 22 23 agency whose mission is focused on community services and housing.
- NEW SECTION. Sec. 2. RCW 43.330.005 (Intent) and 1993 c 280 s 1 are each repealed.

26 PART I

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DEPARTMENT OF HEALTH--PUBLIC HEALTH

- 28 **Sec. 101.** RCW 70.05.125 and 2009 c 479 s 48 are each amended to 29 read as follows:
- (1) The county public health account is created in the state treasury. Funds deposited in the county public health account shall be distributed by the state treasurer to each local public health jurisdiction based upon amounts certified to it by the department of ((community, trade, and economic development)) health in consultation with the Washington state association of counties. The account shall

include funds distributed under RCW 82.14.200(8) and such funds as are appropriated to the account from the state general fund, the public health services account under RCW 43.72.902, and such other funds as the legislature may appropriate to it.

- (2)(a) The ((director)) secretary of the department of ((community, trade, and economic development)) health shall certify the amounts to be distributed to each local public health jurisdiction using 1995 as the base year of actual city contributions to local public health.
- (b) Only if funds are available and in an amount no greater than available funds under RCW 82.14.200(8), the department of community, trade, and economic development shall adjust the amount certified under (a) of this subsection to compensate for any annexation of an area with fifty thousand residents or more to any city as a result of a petition during calendar year 1996 or 1997, or for any city that became newly incorporated as a result of an election during calendar year 1994 or 1995. The amount to be adjusted shall be equal to the amount which otherwise would have been lost to the health jurisdiction due to the annexation or incorporation as calculated using the jurisdiction's 1995 funding formula.
- (c) The county treasurer shall certify the actual 1995 city contribution to the department. Funds in excess of the base shall be distributed proportionately among the health jurisdictions based on incorporated population figures as last determined by the office of financial management.
- 25 (3) Moneys distributed under this section shall be expended exclusively for local public health purposes.
 - NEW SECTION. Sec. 102. (1) All powers, duties, and functions of the department of commerce pertaining to county public health assistance are transferred to the department of health. All references to the director or the department of commerce in the Revised Code of Washington shall be construed to mean the secretary or the department of health when referring to the functions transferred in this section.
 - (2)(a) All reports, documents, surveys, books, records, files, papers, or written material in the possession of the department of commerce pertaining to the powers, functions, and duties transferred shall be delivered to the custody of the department of health. All cabinets, furniture, office equipment, motor vehicles, and other

tangible property employed by the department of commerce in carrying out the powers, functions, and duties transferred shall be made available to the department of health. All funds, credits, or other assets held in connection with the powers, functions, and duties transferred shall be assigned to the department of health.

- (b) Any appropriations made to the department of commerce for carrying out the powers, functions, and duties transferred shall, on the effective date of this section, be transferred and credited to the department of health.
- (c) Whenever any question arises as to the transfer of any personnel, funds, books, documents, records, papers, files, equipment, or other tangible property 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) All employees of the department of commerce engaged in performing the powers, functions, and duties transferred are transferred to the jurisdiction of the department of health. All employees classified under chapter 41.06 RCW, the state civil service law, are assigned to the department of health to perform their usual duties upon the same terms as formerly, without any loss of rights, subject to any action that may be appropriate thereafter in accordance with the laws and rules governing state civil service.
- (4) All rules and all pending business before the department of commerce pertaining to the powers, functions, and duties transferred shall be continued and acted upon by the department of health. All existing contracts and obligations shall remain in full force and shall be performed by the department of health.
- (5) The transfer of the powers, duties, functions, and personnel of the department of commerce shall not affect the validity of any act performed before the effective date of this section.
- (6) 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.

(7) All classified employees of the department of commerce assigned to the department of health under this section whose positions are within an existing bargaining unit description at the department of health shall become a part of the existing bargaining unit at the department of health and shall be considered an appropriate inclusion or modification of the existing bargaining unit under the provisions of chapter 41.80 RCW.

8 PART II

DEPARTMENT OF HEALTH--DEVELOPMENTAL DISABILITIES

Sec. 201. RCW 43.330.210 and 2009 c 565 s 11 are each amended to 11 read as follows:

The developmental disabilities endowment governing board is established to design and administer the developmental disabilities endowment. To the extent funds are appropriated for this purpose, the ((director)) secretary of the department ((of commerce)) shall provide staff and administrative support to the governing board.

- (1) The governing board shall consist of seven members as follows:
- 18 (a) Three of the members, who shall be appointed by the governor, 19 shall be persons who have demonstrated expertise and leadership in 20 areas such as finance, actuarial science, management, business, or 21 public policy.
 - (b) Three members of the board, who shall be appointed by the governor, shall be persons who have demonstrated expertise and leadership in areas such as business, developmental disabilities service design, management, or public policy, and shall be family members of persons with developmental disabilities.
 - (c) The seventh member of the board, who shall serve as chair of the board, shall be appointed by the remaining six members of the board.
 - (2) Members of the board shall serve terms of four years and may be appointed for successive terms of four years at the discretion of the appointing authority. However, the governor may stagger the terms of the initial six members of the board so that approximately one-fourth of the members' terms expire each year.
 - (3) Members of the board shall be compensated for their service

- under RCW 43.03.240 and shall be reimbursed for travel expenses as provided in RCW 43.03.050 and 43.03.060.
- 3 (4) The board shall meet periodically as specified by the call of 4 the chair, or a majority of the board.
- 5 (5) Members of the governing board and the state investment board 6 shall not be considered an insurer of the funds or assets of the 7 endowment trust fund or the individual trust accounts. Neither of 8 these two boards or their members shall be liable for the action or 9 inaction of the other.
- 10 (6) Members of the governing board and the state investment board 11 are not liable to the state, to the fund, or to any other person as a 12 result of their activities as members, whether ministerial or 13 discretionary, except for willful dishonesty or intentional violations 14 of law. The department and the state investment board, respectively, 15 may purchase liability insurance for members.
- 16 **Sec. 202.** RCW 43.330.240 and 2009 c 565 s 12 are each amended to read as follows:
- The department ((of commerce)) shall adopt rules for the implementation of policies established by the governing board in RCW 43.330.200 through 43.330.230 (as recodified by this act). Such rules will be consistent with those statutes and chapter 34.05 RCW.
- NEW SECTION. Sec. 203. The following sections are each recodified as sections in chapter 43.70 RCW:
- 24 RCW 43.330.195
- 25 RCW 43.330.200
- 26 RCW 43.330.205
- 27 RCW 43.330.210
- 28 RCW 43.330.220
- 29 RCW 43.330.225
- 30 RCW 43.330.230
- 31 RCW 43.330.240
- NEW SECTION. **Sec. 204.** (1) All powers, duties, and functions of the department of commerce pertaining to the developmental disabilities endowment are transferred to the department of health. All references

to the director or the department of commerce in the Revised Code of Washington shall be construed to mean the secretary or the department of health when referring to the functions transferred in this section.

- (2)(a) All reports, documents, surveys, books, records, files, papers, or written material in the possession of the department of commerce pertaining to the powers, functions, and duties transferred shall be delivered to the custody of the department of health. All cabinets, furniture, office equipment, motor vehicles, and other tangible property employed by the department of commerce in carrying out the powers, functions, and duties transferred shall be made available to the department of health. All funds, credits, or other assets held in connection with the powers, functions, and duties transferred shall be assigned to the department of health.
- (b) Any appropriations made to the department of commerce for carrying out the powers, functions, and duties transferred shall, on the effective date of this section, be transferred and credited to the department of health.
- (c) Whenever any question arises as to the transfer of any personnel, funds, books, documents, records, papers, files, equipment, or other tangible property 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) All employees of the department of commerce engaged in performing the powers, functions, and duties transferred are transferred to the jurisdiction of the department of health. All employees classified under chapter 41.06 RCW, the state civil service law, are assigned to the department of health to perform their usual duties upon the same terms as formerly, without any loss of rights, subject to any action that may be appropriate thereafter in accordance with the laws and rules governing state civil service.
- (4) All rules and all pending business before the department of commerce pertaining to the powers, functions, and duties transferred shall be continued and acted upon by the department of health. All existing contracts and obligations shall remain in full force and shall be performed by the department of health.
 - (5) The transfer of the powers, duties, functions, and personnel of

- the department of commerce shall not affect the validity of any act performed before the effective date of this section.
- (6) 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.
- (7) All classified employees of the department of commerce assigned to the department of health under this section whose positions are within an existing bargaining unit description at the department of health shall become a part of the existing bargaining unit at the department of health and shall be considered an appropriate inclusion or modification of the existing bargaining unit under the provisions of chapter 41.80 RCW.

16 PART III

17 BUILDING CODE COUNCIL

Sec. 301. RCW 19.27.070 and 1995 c 399 s 8 are each amended to read as follows:

20 There is hereby established a state building code council to be 21 appointed by the governor.

members, two of whom shall be county elected legislative body members or elected executives and two of whom shall be city elected legislative body members or mayors. One of the members shall be a local government building code enforcement official and one of the members shall be a local government fire service official. Of the remaining nine members, one member shall represent general construction, specializing in commercial and industrial building construction; one member shall represent general construction; one member shall represent the architectural design profession; one member shall represent the structural engineering profession; one member shall represent the mechanical engineering profession; one member shall represent the construction building trades; one member shall represent manufacturers, installers, or suppliers of building materials and components; one

member shall be a person with a physical disability and shall represent 1 2 the disability community; and one member shall represent the general public. At least six of these fifteen members shall reside east of the 3 crest of the Cascade mountains. The council shall include: 4 members of the house of representatives appointed by the speaker of the 5 6 house, one from each caucus; two members of the senate appointed by the 7 president of the senate, one from each caucus; and an employee of the 8 electrical division of the department of labor and industries, as ex 9 officio, nonvoting members with all other privileges and rights of 10 Terms of office shall be for three years. The council shall elect a member to serve as chair of the council for one-year 11 12 terms of office. Any member who is appointed by virtue of being an 13 elected official or holding public employment shall be removed from the council if he or she ceases being such an elected official or holding 14 such public employment. Before making any appointments to the building 15 code council, the governor shall seek nominations from recognized 16 17 organizations which represent the entities or interests listed in this 18 subsection. Members serving on the council on July 28, 1985, may 19 complete their terms of office. Any vacancy shall be filled by alternating appointments from governmental and nongovernmental entities 20 21 or interests until the council is constituted as required by this 22 subsection.

- 23 (2) Members shall not be compensated but shall receive 24 reimbursement for travel expenses in accordance with RCW 43.03.050 and 25 43.03.060.
- 26 (3) The department of ((community, trade, and economic development)) general administration shall provide administrative and clerical assistance to the building code council.
- 29 **Sec. 302.** RCW 19.27.097 and 1995 c 399 s 9 are each amended to 30 read as follows:
- 31 (1) Each applicant for a building permit of a building 32 necessitating potable water shall provide evidence of an adequate water 33 supply for the intended use of the building. Evidence may be in the 34 form of a water right permit from the department of ecology, a letter 35 from an approved water purveyor stating the ability to provide water, 36 or another form sufficient to verify the existence of an adequate water 37 supply. In addition to other authorities, the county or city may

impose conditions on building permits requiring connection to an existing public water system where the existing system is willing and able to provide safe and reliable potable water to the applicant with reasonable economy and efficiency. An application for a water right shall not be sufficient proof of an adequate water supply.

- (2) Within counties not required or not choosing to plan pursuant to RCW 36.70A.040, the county and the state may mutually determine those areas in the county in which the requirements of subsection (1) of this section shall not apply. The departments of health and ecology shall coordinate on the implementation of this section. Should the county and the state fail to mutually determine those areas to be designated pursuant to this subsection, the county may petition the department of ((community, trade, and economic development)) general administration to mediate or, if necessary, make the determination.
- (3) Buildings that do not need potable water facilities are exempt from the provisions of this section. The department of ecology, after consultation with local governments, may adopt rules to implement this section, which may recognize differences between high-growth and low-growth counties.
- **Sec. 303.** RCW 19.27.150 and 1995 c 399 s 10 are each amended to 21 read as follows:
 - Every month a copy of the United States department of commerce, bureau of the census' "report of building or zoning permits issued and local public construction" or equivalent report shall be transmitted by the governing bodies of counties and cities to the department of ((community, trade, and economic development)) general administration.
- **Sec. 304.** RCW 19.27A.020 and 2009 c 423 s 4 are each amended to 28 read as follows:
 - (1) The state building code council shall adopt rules to be known as the Washington state energy code as part of the state building code.
 - (2) The council shall follow the legislature's standards set forth in this section to adopt rules to be known as the Washington state energy code. The Washington state energy code shall be designed to:
- 34 (a) Construct increasingly energy efficient homes and buildings 35 that help achieve the broader goal of building zero fossil-fuel 36 greenhouse gas emission homes and buildings by the year 2031;

(b) Require new buildings to meet a certain level of energy efficiency, but allow flexibility in building design, construction, and heating equipment efficiencies within that framework; and

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- (c) Allow space heating equipment efficiency to offset or substitute for building envelope thermal performance.
- (3) The Washington state energy code shall take into account regional climatic conditions. Climate zone 1 shall include all counties not included in climate zone 2. Climate zone 2 includes: Adams, Chelan, Douglas, Ferry, Grant, Kittitas, Lincoln, Okanogan, Pend Oreille, Spokane, Stevens, and Whitman counties.
- (4) The Washington state energy code for residential buildings shall be the 2006 edition of the Washington state energy code, or as amended by rule by the council.
- (5) The minimum state energy code for new nonresidential buildings shall be the Washington state energy code, 2006 edition, or as amended by the council by rule.
- (6)(a) Except as provided in (b) of this subsection, the Washington state energy code for residential structures shall preempt the residential energy code of each city, town, and county in the state of Washington.
- (b) The state energy code for residential structures does not preempt a city, town, or county's energy code for residential structures which exceeds the requirements of the state energy code and which was adopted by the city, town, or county prior to March 1, 1990. Such cities, towns, or counties may not subsequently amend their energy code for residential structures to exceed the requirements adopted prior to March 1, 1990.
- (7) The state building code council shall consult with the department of ((community, trade, and economic development)) general administration as provided in RCW 34.05.310 prior to publication of proposed rules. The director of the department of ((community, trade, and economic development)) general administration shall recommend to the state building code council any changes necessary to conform the proposed rules to the requirements of this section.
- 35 (8) The state building code council shall evaluate and consider 36 adoption of the international energy conservation code in Washington 37 state in place of the existing state energy code.

- (9) The definitions in RCW 19.27A.140 apply throughout this 1 2 section.
- 3 **Sec. 305.** RCW 19.27A.140 and 2009 c 423 s 2 are each amended to 4 read as follows:

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- The definitions in this section apply to RCW 19.27A.130 through 6 19.27A.190 and 19.27A.020 unless the context clearly requires 7 otherwise.
 - (1) "Benchmark" means the energy used by a facility as recorded monthly for at least one year and the facility characteristics information inputs required for a portfolio manager.
 - (2) "Conditioned space" means conditioned space, as defined in the Washington state energy code.
 - (3) "Consumer-owned utility" includes a municipal electric utility formed under Title 35 RCW, a public utility district formed under Title 54 RCW, an irrigation district formed under chapter 87.03 RCW, a cooperative formed under chapter 23.86 RCW, a mutual corporation or association formed under chapter 24.06 RCW, a port district formed under Title 53 RCW, or a water-sewer district formed under Title 57 RCW, that is engaged in the business of distributing electricity to one or more retail electric customers in the state.
- 21 (4) "Cost-effectiveness" means that a project or resource is 22 forecast:
 - (a) To be reliable and available within the time it is needed; and
 - (b) To meet or reduce the power demand of the intended consumers at an estimated incremental system cost no greater than that of the leastcost similarly reliable and available alternative project or resource, or any combination thereof.
 - (5) "Council" means the state building code council.
- 29 (6) (("Department" means the department of community, trade, and 30 economic development.
 - (7)) "Embodied energy" means the total amount of fossil fuel energy consumed to extract raw materials and to manufacture, assemble, transport, and install the materials in a building and the life-cycle cost benefits including the recyclability and energy efficiencies with respect to building materials, taking into account the total sum of current values for the costs of investment, capital, installation,

- operating, maintenance, and replacement as estimated for the lifetime of the product or project.
- $((\frac{8}{1}))$ <u>(7)</u> "Energy consumption data" means the monthly amount of energy consumed by a customer as recorded by the applicable energy meter for the most recent twelve-month period.
- 6 $((\frac{9}{}))$ <u>(8)</u> "Energy service company" has the same meaning as in RCW 43.19.670.
- 8 (((10))) "General administration" means the department of general administration.
- 10 (((11))) <u>(10)</u> "Greenhouse gas" and "greenhouse gases" includes 11 carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, 12 perfluorocarbons, and sulfur hexafluoride.
- $((\frac{(12)}{(12)}))$ (11) "Investment grade energy audit" means an intensive engineering analysis of energy efficiency and management measures for the facility, net energy savings, and a cost-effectiveness determination.
- $((\frac{(13)}{(13)}))$ "Investor-owned utility" means a corporation owned by investors that meets the definition of "corporation" as defined in RCW 80.04.010 and is engaged in distributing either electricity or natural gas, or both, to more than one retail electric customer in the state.
- 21 (((14))) <u>(13)</u> "Major facility" means any publicly owned or leased 22 building, or a group of such buildings at a single site, having ten 23 thousand square feet or more of conditioned floor space.

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- (((15))) (14) "National energy performance rating" means the score provided by the energy star program, to indicate the energy efficiency performance of the building compared to similar buildings in that climate as defined in the United States environmental protection agency "ENERGY STAR® Performance Ratings Technical Methodology."
- 29 $((\frac{16}{16}))$ "Net zero energy use" means a building with net 30 energy consumption of zero over a typical year.
- 31 (((17))) <u>(16)</u> "Portfolio manager" means the United States 32 environmental protection agency's energy star portfolio manager or an 33 equivalent tool adopted by the department of general administration.
- (((18))) (17) "Preliminary energy audit" means a quick evaluation by an energy service company of the energy savings potential of a building.
- $((\frac{(19)}{(18)}))$ <u>(18)</u> "Qualifying public agency" includes all state agencies, colleges, and universities.

 $((\frac{(20)}{(20)}))$ <u>(19)</u> "Qualifying utility" means a consumer-owned or 2 investor-owned gas or electric utility that serves more than twenty-3 five thousand customers in the state of Washington.

- $((\frac{21}{21}))$ <u>(20)</u> "Reporting public facility" means any of the following:
 - (a) A building or structure, or a group of buildings or structures at a single site, owned by a qualifying public agency, that exceed ten thousand square feet of conditioned space;
- (b) Buildings, structures, or spaces leased by a qualifying public agency that exceeds ten thousand square feet of conditioned space, where the qualifying public agency purchases energy directly from the investor-owned or consumer-owned utility;
- 13 (c) A wastewater treatment facility owned by a qualifying public 14 agency; or
 - (d) Other facilities selected by the qualifying public agency.
- $((\frac{(22)}{(22)}))$ (21) "State portfolio manager master account" means a portfolio manager account established to provide a single shared portfolio that includes reports for all the reporting public facilities.
- **Sec. 306.** RCW 19.27A.150 and 2009 c 423 s 3 are each amended to 21 read as follows:
 - (1) To the extent that funding is appropriated specifically for the purposes of this section, the department of commerce shall develop and implement a strategic plan for enhancing energy efficiency in and reducing greenhouse gas emissions from homes, buildings, districts, and neighborhoods. The strategic plan must be used to help direct the future code increases in RCW 19.27A.020, with targets for new buildings consistent with RCW 19.27A.160. The strategic plan will identify barriers to achieving net zero energy use in homes and buildings and identify how to overcome these barriers in future energy code updates and through complementary policies.
 - (2) The department <u>of commerce</u> must complete and release the strategic plan to the legislature and the council by December 31, 2010, and update the plan every three years.
- 35 (3) The strategic plan must include recommendations to the council 36 on energy code upgrades. At a minimum, the strategic plan must:

(a) Consider development of aspirational codes separate from the state energy code that contain economically and technically feasible optional standards that could achieve higher energy efficiency for those builders that elected to follow the aspirational codes in lieu of or in addition to complying with the standards set forth in the state energy code;

- (b) Determine the appropriate methodology to measure achievement of state energy code targets using the United States environmental protection agency's target finder program or equivalent methodology;
 - (c) Address the need for enhanced code training and enforcement;
- (d) Include state strategies to support research, demonstration, and education programs designed to achieve a seventy percent reduction in annual net energy consumption as specified in RCW 19.27A.160 and enhance energy efficiency and on-site renewable energy production in buildings;
- (e) Recommend incentives, education, training programs and certifications, particularly state-approved training or certification programs, joint apprenticeship programs, or labor-management partnership programs that train workers for energy-efficiency projects to ensure proposed programs are designed to increase building professionals' ability to design, construct, and operate buildings that will meet the seventy percent reduction in annual net energy consumption as specified in RCW 19.27A.160;
- (f) Address barriers for utilities to serve net zero energy homes and buildings and policies to overcome those barriers;
- (g) Address the limits of a prescriptive code in achieving net zero energy use homes and buildings and propose a transition to performance-based codes;
- (h) Identify financial mechanisms such as tax incentives, rebates, and innovative financing to motivate energy consumers to take action to increase energy efficiency and their use of on-site renewable energy. Such incentives, rebates, or financing options may consider the role of government programs as well as utility-sponsored programs;
- (i) Address the adequacy of education and technical assistance, including school curricula, technical training, and peer-to-peer exchanges for professional and trade audiences;
- (j) Develop strategies to develop and install district and

neighborhood-wide energy systems that help meet net zero energy use in homes and buildings;

- (k) Identify costs and benefits of energy efficiency measures on residential and nonresidential construction; and
- (1) Investigate methodologies and standards for the measurement of the amount of embodied energy used in building materials.
- (4) The department <u>of commerce</u> and the council shall convene a work group with the affected parties to inform the initial development of the strategic plan.
- **Sec. 307.** RCW 19.27A.180 and 2009 c 423 s 7 are each amended to 11 read as follows:

By December 31, 2009, to the extent that funding is appropriated specifically for the purposes of this section, the department of commerce shall develop and recommend to the legislature a methodology to determine an energy performance score for residential buildings and an implementation strategy to use such information to improve the energy efficiency of the state's existing housing supply. In developing its strategy, the department of commerce shall seek input from providers of residential energy audits, utilities, building contractors, mixed use developers, the residential real estate industry, and real estate listing and form providers.

NEW SECTION. Sec. 308. (1) All powers, duties, and functions of the department of commerce pertaining to administrative and support services for the state building code council are transferred to the department of general administration. All references to the director or the department of commerce in the Revised Code of Washington shall be construed to mean the director or the department of general administration when referring to the functions transferred in this section. Policy and planning assistance functions performed by the department of commerce remain with the department of commerce.

(2)(a) All reports, documents, surveys, books, records, files, papers, or written material in the possession of the department of commerce pertaining to the powers, functions, and duties transferred shall be delivered to the custody of the department of general administration. All cabinets, furniture, office equipment, motor vehicles, and other tangible property employed by the department of

commerce in carrying out the powers, functions, and duties transferred shall be made available to the department of general administration. All funds, credits, or other assets held in connection with the powers, functions, and duties transferred shall be assigned to the department of general administration.

- (b) Any appropriations made to the department of commerce for carrying out the powers, functions, and duties transferred shall, on the effective date of this section, be transferred and credited to the department of general administration.
- (c) Whenever any question arises as to the transfer of any personnel, funds, books, documents, records, papers, files, equipment, or other tangible property 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) All employees of the department of commerce engaged in performing the powers, functions, and duties transferred are transferred to the jurisdiction of the department of general administration. All employees classified under chapter 41.06 RCW, the state civil service law, are assigned to the department of general administration to perform their usual duties upon the same terms as formerly, without any loss of rights, subject to any action that may be appropriate thereafter in accordance with the laws and rules governing state civil service.
- (4) All rules and all pending business before the department of commerce pertaining to the powers, functions, and duties transferred shall be continued and acted upon by the department of general administration. All existing contracts and obligations shall remain in full force and shall be performed by the department of general administration.
- (5) The transfer of the powers, duties, functions, and personnel of the department of commerce shall not affect the validity of any act performed before the effective date of this section.
- (6) 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.

(7) All classified employees of the department of commerce assigned to the department of general administration under this section whose positions are within an existing bargaining unit description at the department of general administration shall become a part of the existing bargaining unit at the department of general administration and shall be considered an appropriate inclusion or modification of the existing bargaining unit under the provisions of chapter 41.80 RCW.

10 PART IV

DEPARTMENT OF COMMERCE--ENERGY POLICY

- **Sec. 401.** RCW 43.21F.010 and 1975-'76 2nd ex.s. c 108 s 1 are each amended to read as follows:
- 14 <u>(1) The legislature finds that the state needs to implement a</u> 15 comprehensive energy planning process that:
 - (a) Is based on high quality, unbiased analysis;
- 17 (b) Engages public agencies and stakeholders in a thoughtful,
 18 deliberative process that creates a cohesive plan that earns sustained
 19 support of the public and organizations and institutions that will
 20 ultimately be responsible for implementation and execution of the plan;
 21 and
 - (c) Establishes policies and practices needed to ensure the effective implementation of the strategy.
 - (2) The legislature further finds that energy drives the entire modern economy from petroleum for vehicles to electricity to light homes and power businesses. The legislature further finds that the nation and the world have started the transition to a clean energy economy, with significant improvements in energy efficiency and investments in new clean and renewable energy resources and technologies. The legislature further finds this transition may increase or decrease energy costs and efforts should be made to mitigate cost increases.
 - (3) The legislature finds and declares that it is the continuing purpose of state government, consistent with other essential considerations of state policy, to foster wise and efficient energy use and to promote energy self-sufficiency through the use of indigenous

- and renewable energy sources, consistent with the promotion of reliable 1 2 sources, the general welfare, and the protection 3 environmental quality.
- 4 (4) The legislature further declares that a successful state energy strategy must balance three goals to:

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- (a) Maintain competitive energy prices that are fair and reasonable for consumers and businesses and support our state's continued economic success;
- (b) Increase competitiveness by fostering a clean energy economy 9 and jobs through business and workforce development; and 10
- (c) Meet the state's obligations to reduce greenhouse gas 11 12 emissions.
- Sec. 402. RCW 43.21F.025 and 2009 c 565 s 27 are each reenacted 13 and amended to read as follows: 14
- "Assistant director" means the assistant director of the 15 16 department of commerce responsible for energy policy activities;
 - (2) "Department" means the department of commerce;
 - (3) "Director" means the director of the department of commerce;
 - (4) "Distributor" means any person, private corporation, partnership, individual proprietorship, utility, including investorowned utilities, municipal utility, public utility district, joint operating agency, or cooperative, which engages in or is authorized to engage in the activity of generating, transmitting, or distributing energy in this state;
 - (5) "Energy" means petroleum or other liquid fuels; natural or synthetic fuel gas; solid carbonaceous fuels; fissionable nuclear material; electricity; solar radiation; geothermal resources; hydropower; organic waste products; wind; tidal activity; any other substance or process used to produce heat, light, or motion; or the savings from nongeneration technologies, including conservation or improved efficiency in the usage of any of the sources described in this subsection;
- (6) "Person" means an individual, partnership, joint venture, 33 34 private or public corporation, association, firm, public service 35 company, political subdivision, municipal corporation, government 36 agency, public utility district, joint operating agency, or any other 37 entity, public or private, however organized; and

- 1 (7) "State energy strategy" means the document ((and energy policy direction)) developed ((under section 1, chapter 201, Laws of 1991 including any related appendices)) and updated by the department as allowed in RCW 43.21F.090.
- 5 <u>NEW SECTION.</u> **Sec. 403.** A new section is added to chapter 43.21F 6 RCW to read as follows:

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- (1) The state shall use the following principles to guide development and implementation of the state's energy strategy and to meet the goals of RCW 43.21F.010:
- (a) Pursue all cost-effective energy efficiency and conservation as the state's preferred energy resource, consistent with state law;
- (b) Ensure that the state's energy system meets the health, welfare, and economic needs of its citizens with particular emphasis on meeting the needs of low-income and vulnerable populations;
- (c) Maintain and enhance economic competitiveness by ensuring an affordable and reliable supply of energy resources and by supporting clean energy technology innovation, access to clean energy markets worldwide, and clean energy business and workforce development;
- (d) Reduce dependence on fossil fuel energy sources through improved efficiency and development of cleaner energy sources, such as bioenergy, low-carbon energy sources, and natural gas, and leveraging the indigenous resources of the state for the production of clean energy;
- (e) Improve efficiency of transportation energy use through advances in vehicle technology, increased system efficiencies, development of electricity, biofuels, and other clean fuels, and regional transportation planning to improve transportation choices;
- (f) Meet the state's statutory greenhouse gas limits and environmental requirements as the state develops and uses energy resources;
- 31 (g) Build on the advantage provided by the state's clean regional 32 electrical grid by expanding and integrating additional carbon-free and 33 carbon-neutral generation, and improving the transmission capacity 34 serving the state;
- 35 (h) Make state government a model for energy efficiency, use of 36 clean and renewable energy, and greenhouse gas-neutral operations; and

- 1 (i) Maintain and enhance our state's existing energy 2 infrastructure.
 - (2) The department shall:

- (a) During energy shortage emergencies, give priority in the allocation of energy resources to maintaining the public health, safety, and welfare of the state's citizens and industry in order to minimize adverse impacts on their physical, social, and economic wellbeing;
- (b) Develop and disseminate impartial and objective energy information and analysis, while taking full advantage of the capabilities of the state's institutions of higher education, national laboratory, and other organizations with relevant expertise and analytical capabilities;
- (c) Actively seek to maximize federal and other nonstate funding and support to the state for energy efficiency, renewable energy, emerging energy technologies, and other activities of benefit to the state's overall energy future; and
- (d) Monitor the actions of all agencies of the state for consistent implementation of the state's energy policy including applicable statutory policies and goals relating to energy supply and use.
- **Sec. 404.** RCW 43.21F.090 and 1996 c 186 s 106 are each amended to 22 read as follows:
 - (1) By December 1, 2010, the department ((shall review the state energy strategy as developed under section 1, chapter 201, Laws of 1991, periodically with the guidance of an advisory committee. For each review, an advisory committee shall be established with a membership resembling as closely as possible the original energy strategy advisory committee specified under section 1, chapter 201, Laws of 1991. Upon completion of a public hearing regarding the advisory committee's advice and recommendations for revisions to the energy strategy, a written report shall be conveyed by the department to the governor and the appropriate legislative committees. Any advisory committee established under this section shall be dissolved within three months after their written report is conveyed.)) of commerce shall update and revise the state energy strategy and implementation report with the guidance of an advisory committee formed under subsection (4) of this section. By December 1, 2011, and at

- least every five years thereafter, the department shall produce a fully updated state energy strategy and implementation report with the guidance of an advisory committee formed under subsection (4) of this section.
- 5 (2)(a) The strategy shall, to the maximum extent feasible, examine 6 the state's entire energy system.
 - (b) In producing and updating the energy strategy, the department and advisory committee shall review related processes and documents relevant to a state energy strategy including, but not limited to, prior state energy strategies, the work of the clean energy leadership council, the climate advisory and action teams, the evergreen jobs committee, and reports of the state transportation planning commission, the economic development commission, and the Northwest power and conservation council.
- 15 <u>(c) The strategy must build upon and be consistent with all</u>
 16 <u>relevant and applicable statutorily authorized energy, environmental,</u>
 17 <u>and other policies, goals, and programs.</u>
- (d) The strategy must identify administrative actions, regulatory coordination, and legislative recommendations that need to be undertaken to ensure that the energy strategy is implemented and operationally supported by all state agencies and regulatory bodies responsible for implementation of energy policy in the state.
- 23 (3) In order to facilitate high quality decision making, the 24 director of the department shall engage a group of scientific, 25 engineering, economic, and other experts in energy analysis.
- 26 <u>(a) This group shall be comprised of representatives from the</u> 27 <u>following institutions:</u>
 - (i) Research institutions of higher education;
- 29 (ii) The Pacific Northwest national laboratory;
- 30 (iii) The Northwest power planning and conservation council;
- 31 <u>and</u>

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- (iv) Other private, public, and nonprofit organizations that have a recognized expertise in engineering or economic analysis.
 - (b) This group will:
- (i) Identify near and long-term analytical needs and capabilities
 necessary to develop a state energy strategy;
- 37 (ii) Provide unbiased information about the state and region's

- energy portfolio, future energy needs, scenarios for growth, and 1 2 improved productivity.
- (c) The department and advisory committee shall use this 3 information in updating the state energy strategy. 4
- (4)(a) In order to update the state strategy, the department shall 5 6 form an advisory committee.
 - (b) The director shall appoint the advisory committee with a membership reflecting a balance of the interests in:
 - (i) Energy generation, distribution, and consumption;
- (ii) Economic development; and 10
- (iii) Environmental protection, including: 11
- (A) Residential, commercial, industrial, and agricultural users; 12
- 13 (B) Electric and natural gas utilities or organizations, both consumer-owned and investor-owned; 14
- (C) Liquid fuel and natural gas industries; 15
- 16 (D) Local governments;

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- 17 (E) Civic and environmental organizations;
- (F) Clean energy companies; 18
- (G) Energy research and development organizations, economic 19 development organizations, and key public agencies; and 20
 - (H) Other interested stakeholders.
 - (c) Any advisory committee established under this section must be dissolved within three months after the written report is conveyed.
 - (d) The department and advisory committee shall work with stakeholders and other state agencies to develop the strategy.
 - (5) Upon completion of a public hearing regarding the advisory committee's advice and recommendations for revisions to the energy strategy, the department shall present a written report to the governor and legislature which may include specific actions that will be needed to implement the strategy. The legislature shall, by concurrent resolution, approve or recommend changes to the strategy and updates.
- (6) The department may periodically review and update the state 32 energy strategy as necessary. The department shall engage an advisory 33 committee as required in this section when updating the strategy and 34 35 present any updates to the legislature for its approval.
- 36 (7) To assist in updates of the state energy strategy, the department shall actively seek both in-kind and financial support for 37 this process from other nonstate sources. In order to avoid 38

- 1 <u>competition among Washington state agencies, the department shall</u>
- 2 <u>coordinate the search for such external support. The department shall</u>
- 3 develop a work plan for updating the energy strategy that reflects the
- 4 <u>levels of activities and deliverables commensurate with the level of</u>
- 5 <u>funding and in-kind support available from state and nonstate sources.</u>
- 6 <u>NEW SECTION.</u> **Sec. 405.** RCW 43.21F.015 (State policy) and 1994 c 7 207 s 3 & 1981 c 295 s 1 are each repealed.

8 PART V

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CRIMINAL JUSTICE TRAINING COMMISSION--DRUG

10 PROSECUTION ASSISTANCE PROGRAM

11 **Sec. 501.** RCW 36.27.100 and 1995 c 399 s 41 are each amended to read as follows:

The legislature recognizes that, due to the magnitude or volume of offenses in a given area of the state, there is a recurring need for supplemental assistance in the prosecuting of drug and drug-related offenses that can be directed to the area of the state with the greatest need for short-term assistance. A statewide drug prosecution assistance program is created within the ((department of community, trade, and economic development)) criminal justice training commission to assist county prosecuting attorneys in the prosecution of drug and drug-related offenses.

NEW SECTION. Sec. 502. (1) All powers, duties, and functions of the department of commerce pertaining to the drug prosecution assistance program are transferred to the criminal justice training commission. All references to the director or the department of commerce in the Revised Code of Washington shall be construed to mean the director or the criminal justice training commission when referring to the functions transferred in this section.

(2)(a) All reports, documents, surveys, books, records, files, papers, or written material in the possession of the department of commerce pertaining to the powers, functions, and duties transferred shall be delivered to the custody of the criminal justice training commission. All cabinets, furniture, office equipment, motor vehicles, and other tangible property employed by the department of commerce in

carrying out the powers, functions, and duties transferred shall be made available to the criminal justice training commission. All funds, credits, or other assets held in connection with the powers, functions, and duties transferred shall be assigned to the criminal justice training commission.

- (b) Any appropriations made to the department of commerce for carrying out the powers, functions, and duties transferred shall, on the effective date of this section, be transferred and credited to the criminal justice training commission.
- (c) Whenever any question arises as to the transfer of any personnel, funds, books, documents, records, papers, files, equipment, or other tangible property 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) All employees of the department of commerce engaged in performing the powers, functions, and duties transferred are transferred to the jurisdiction of the criminal justice training commission. All employees classified under chapter 41.06 RCW, the state civil service law, are assigned to the criminal justice training commission to perform their usual duties upon the same terms as formerly, without any loss of rights, subject to any action that may be appropriate thereafter in accordance with the laws and rules governing state civil service.
- (4) All rules and all pending business before the department of commerce pertaining to the powers, functions, and duties transferred shall be continued and acted upon by the criminal justice training commission. All existing contracts and obligations shall remain in full force and shall be performed by the criminal justice training commission.
- (5) The transfer of the powers, duties, functions, and personnel of the department of commerce shall not affect the validity of any act performed before the effective date of this section.
- (6) 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.

(7) All classified employees of the department of commerce assigned to the criminal justice training commission under this section whose positions are within an existing bargaining unit description at the criminal justice training commission shall become a part of the existing bargaining unit at the criminal justice training commission and shall be considered an appropriate inclusion or modification of the existing bargaining unit under the provisions of chapter 41.80 RCW.

10 PART VI

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION -- ENERGY

- **Sec. 601.** RCW 80.50.030 and 2001 c 214 s 4 are each amended to 13 read as follows:
- 14 (1) There is created and established the energy facility site 15 evaluation council.
 - (2)(a) The chair of the council shall be appointed by the governor with the advice and consent of the senate, shall have a vote on matters before the council, shall serve for a term coextensive with the term of the governor, and is removable for cause. The chair may designate a member of the council to serve as acting chair in the event of the chair's absence. The salary of the chair shall be determined under RCW 43.03.040. The chair is a "state employee" for the purposes of chapter 42.52 RCW. As applicable, when attending meetings of the council, members may receive reimbursement for travel expenses in accordance with RCW 43.03.050 and 43.03.060, and are eligible for compensation under RCW 43.03.250.
 - (b) The chair or a designee shall execute all official documents, contracts, and other materials on behalf of the council. The Washington ((state department of community, trade, and economic development)) utilities and transportation commission shall provide all administrative and staff support for the council. The ((director of the department of community, trade, and economic development)) commission has supervisory authority over the staff of the council and shall employ such personnel as are necessary to implement this chapter. Not more than three such employees may be exempt from chapter 41.06 RCW. The council shall otherwise retain its independence in exercising

- its powers, functions, and duties and its supervisory control over nonadministrative staff support. Membership, powers, functions, and duties of the Washington state utilities and transportation commission and the council shall otherwise remain as provided by law.
 - (3)(a) The council shall consist of the directors, administrators, or their designees, of the following departments, agencies, commissions, and committees or their statutory successors:
 - (i) Department of ecology;

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- (ii) Department of fish and wildlife;
- 10 (iii) Department of ((community, trade, and economic development))
 11 commerce;
 - (iv) Utilities and transportation commission; and
- 13 (v) Department of natural resources.
 - (b) The directors, administrators, or their designees, of the following departments, agencies, and commissions, or their statutory successors, may participate as councilmembers at their own discretion provided they elect to participate no later than sixty days after an application is filed:
 - (i) Department of agriculture;
 - (ii) Department of health;
 - (iii) Military department; and
- 22 (iv) Department of transportation.
 - (c) Council membership is discretionary for agencies that choose to participate under (b) of this subsection only for applications that are filed with the council on or after May 8, 2001. For applications filed before May 8, 2001, council membership is mandatory for those agencies listed in (b) of this subsection.
 - (4) The appropriate county legislative authority of every county wherein an application for a proposed site is filed shall appoint a member or designee as a voting member to the council. The member or designee so appointed shall sit with the council only at such times as the council considers the proposed site for the county which he or she represents, and such member or designee shall serve until there has been a final acceptance or rejection of the proposed site.
 - (5) The city legislative authority of every city within whose corporate limits an energy plant is proposed to be located shall appoint a member or designee as a voting member to the council. The member or designee so appointed shall sit with the council only at such

times as the council considers the proposed site for the city which he or she represents, and such member or designee shall serve until there has been a final acceptance or rejection of the proposed site.

(6) For any port district wherein an application for a proposed port facility is filed subject to this chapter, the port district shall appoint a member or designee as a nonvoting member to the council. The member or designee so appointed shall sit with the council only at such times as the council considers the proposed site for the port district which he or she represents, and such member or designee shall serve until there has been a final acceptance or rejection of the proposed site. The provisions of this subsection shall not apply if the port district is the applicant, either singly or in partnership or association with any other person.

NEW SECTION. Sec. 602. (1) All administrative powers, duties, and functions of the department of commerce pertaining to the energy facility site evaluation council are transferred to the Washington utilities and transportation commission. All references to the director or the department of commerce in the Revised Code of Washington shall be construed to mean the Washington utilities and transportation commission when referring to the functions transferred in this section.

- (2)(a) All reports, documents, surveys, books, records, files, papers, or written material in the possession of the department of commerce pertaining to the powers, functions, and duties transferred shall be delivered to the custody of the Washington utilities and transportation commission. All cabinets, furniture, office equipment, motor vehicles, and other tangible property employed by the department of commerce in carrying out the powers, functions, and duties transferred shall be made available to the Washington utilities and transportation commission. All funds, credits, or other assets held in connection with the powers, functions, and duties transferred shall be assigned to the Washington utilities and transportation commission.
- (b) Any appropriations made to the department of commerce for carrying out the powers, functions, and duties transferred shall, on the effective date of this section, be transferred and credited to the Washington utilities and transportation commission.

(c) Whenever any question arises as to the transfer of any personnel, funds, books, documents, records, papers, files, equipment, or other tangible property 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) All employees of the department of commerce engaged in performing the powers, functions, and duties transferred are transferred to the jurisdiction of the Washington utilities and transportation commission. All employees classified under chapter 41.06 RCW, the state civil service law, are assigned to the Washington utilities and transportation commission to perform their usual duties upon the same terms as formerly, without any loss of rights, subject to any action that may be appropriate thereafter in accordance with the laws and rules governing state civil service.
- (4) All rules and all pending business before the department of commerce pertaining to the powers, functions, and duties transferred shall be continued and acted upon by the Washington utilities and transportation commission. All existing contracts and obligations shall remain in full force and shall be performed by the Washington utilities and transportation commission.
- (5) The transfer of the powers, duties, functions, and personnel of the department of commerce shall not affect the validity of any act performed before the effective date of this section.
- (6) 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.
- (7) All classified employees of the department of commerce assigned to the Washington utilities and transportation commission under this section whose positions are within an existing bargaining unit description at the Washington utilities and transportation commission shall become a part of the existing bargaining unit at the Washington utilities and transportation commission and shall be considered an appropriate inclusion or modification of the existing bargaining unit under the provisions of chapter 41.80 RCW.

Sec. 701. RCW 43.110.030 and 2000 c 227 s 3 are each amended to 4 read as follows:

- (1) The ((municipal research council)) department of commerce shall contract for the provision of municipal research and services to cities, towns, and counties. Contracts for municipal research and services shall be made with state agencies, educational institutions, or private consulting firms, that in the judgment of ((council members)) the department are qualified to provide such research and services. Contracts for staff support may be made with state agencies, educational institutions, or private consulting firms that in the judgment of the ((council members)) department are qualified to provide such support.
 - (2) Municipal research and services shall consist of:
- $((\frac{1}{1}))$ <u>(a)</u> Studying and researching city, town, and county government and issues relating to city, town, and county government;
- $((\frac{(2)}{2}))$ <u>(b) A</u>cquiring, preparing, and distributing publications related to city, town, and county government and issues relating to city, town, and county government;
- $((\frac{3}{2}))$ (c) Providing educational conferences relating to city, town, and county government and issues relating to city, town, and county government; and
 - ((+4))) <u>(d)</u> Furnishing legal, technical, consultative, and field services to cities, towns, and counties concerning planning, public health, utility services, fire protection, law enforcement, public works, and other issues relating to city, town, and county government.
 - (3) Requests for legal services by county officials shall be sent to the office of the county prosecuting attorney. Responses by the ((municipal research council)) department of commerce to county requests for legal services shall be provided to the requesting official and the county prosecuting attorney.
- (4) The ((activities, programs, and services of the municipal research council shall be carried on in cooperation)) department of commerce shall coordinate with the association of Washington cities and the Washington state association of counties in carrying out the activities in this section. Services to cities and towns shall be

- based upon the moneys appropriated to the ((municipal research 1
- 2 council)) department from the city and town research services account
- under RCW 43.110.060. Services to counties shall be based upon the 3
- 4 moneys appropriated to the ((municipal research council)) department
- from the county research services account under RCW 43.110.050. 5

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- **Sec. 702.** RCW 43.110.060 and 2002 c 38 s 4 are each amended to 6 7 read as follows:
 - The city and town research services account is created in the state treasury. Moneys in the account shall consist of amounts transferred under RCW 66.08.190(2) and any other transfers or appropriations to the Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for city and town research.
- All unobligated moneys remaining in the account at the end of the 14 fiscal biennium shall be distributed by the treasurer to the 15 incorporated cities and towns of the state in the same manner as the 16 distribution under RCW 66.08.190(1)(b)(iii). 17
- ((The treasurer may disburse amounts appropriated to the municipal 18 research council from the city and town research services account by 19 20 warrant or check to the contracting parties on invoices or vouchers 21 certified by the chair of the municipal research council or his or her 22 designee.)) Payments to public agencies may be made in advance of 23 actual work contracted for, at the discretion of the ((council)) department of commerce. 24
- 25 **Sec. 703.** RCW 43.110.080 and 2006 c 328 s 1 are each amended to 26 read as follows:
 - (1) The ((municipal research council)) department of commerce shall contract for the provision of research and services to special purpose districts. A contract shall be made with a state agency, educational institution, or private consulting firm, that in the judgment of ((council members)) the department is qualified to provide such research and services.
- 33 (2) Research and services to special purpose districts shall 34 consist of:
- 35 (a) Studying and researching issues relating to special purpose 36 district government;

1 (b) Acquiring, preparing, and distributing publications related to special purpose districts; and

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- (c) <u>Furnishing legal</u>, technical, consultative, and field services to special purpose districts concerning issues relating to special purpose district government.
- (3) The ((activities, programs, and services of the municipal 6 7 research council to special purpose districts shall be carried on in cooperation)) department of commerce shall coordinate with the 8 associations representing the various special purpose districts with 9 10 respect to carrying out the activities in this section. Services to special purpose districts shall be based upon the moneys appropriated 11 12 to the ((municipal research council)) department of commerce from the 13 special purpose district research services account under RCW 14 43.110.090.
- 15 **Sec. 704.** RCW 43.15.020 and 2009 c 560 s 27 are each amended to read as follows:

The lieutenant governor serves as president of the senate and is responsible for making appointments to, and serving on, the committees and boards as set forth in this section.

- 20 (1) The lieutenant governor serves on the following boards and 21 committees:
 - (a) Capitol furnishings preservation committee, RCW 27.48.040;
- 23 (b) Washington higher education facilities authority, RCW 24 28B.07.030;
- 25 (c) Productivity board, also known as the employee involvement and recognition board, RCW 41.60.015;
 - (d) State finance committee, RCW 43.33.010;
 - (e) State capitol committee, RCW 43.34.010;
- 29 (f) Washington health care facilities authority, RCW 70.37.030;
 - (g) State medal of merit nominating committee, RCW 1.40.020;
 - (h) Medal of valor committee, RCW 1.60.020; and
- 32 (i) Association of Washington generals, RCW 43.15.030.
- 33 (2) The lieutenant governor, and when serving as president of the senate, appoints members to the following boards and committees:
- 35 (a) Civil legal aid oversight committee, RCW 2.53.010;
- 36 (b) Office of public defense advisory committee, RCW 2.70.030;
- 37 (c) Washington state gambling commission, RCW 9.46.040;

- 1 (d) Sentencing guidelines commission, RCW 9.94A.860;
- 2 (e) State building code council, RCW 19.27.070;
- 3 (f) Women's history consortium board of advisors, RCW 27.34.365;
- 4 (g) Financial ((literacy)) <u>education</u> public-private partnership,
- 5 RCW 28A.300.450;
- 6 (h) Joint administrative rules review committee, RCW 34.05.610;
- 7 (i) Capital projects advisory review board, RCW 39.10.220;
- 8 (j) Select committee on pension policy, RCW 41.04.276;
- 9 (k) Legislative ethics board, RCW 42.52.310;
- 10 (1) Washington citizens' commission on salaries, RCW 43.03.305;
- 11 (m) Legislative oral history committee, RCW 44.04.325;
- 12 (n) State council on aging, RCW 43.20A.685;
- 13 (o) State investment board, RCW 43.33A.020;
- (p) Capitol campus design advisory committee, RCW 43.34.080;
- 15 (q) Washington state arts commission, RCW 43.46.015;
- 16 (r) Information services board, RCW 43.105.032;
- 17 (s) K-20 educational network board, RCW 43.105.800;
- 18 (t) ((Municipal research council, RCW 43.110.010;
- 19 (u))) Council for children and families, RCW 43.121.020;
- 20 $((\frac{v}{v}))$ (u) PNWER-Net working subgroup under chapter 43.147 RCW;
- 21 $((\frac{w}{v}))$ Community economic revitalization board, RCW
- 22 43.160.030;
- 23 $((\frac{x}{x}))$ <u>(w)</u> Washington economic development finance authority, RCW
- 24 43.163.020;
- 25 $((\frac{y}{y}))$ (x) Life sciences discovery fund authority, RCW 43.350.020;
- 26 $((\frac{z}{z}))$ Legislative children's oversight committee, RCW
- 27 44.04.220;
- 28 $((\frac{(aa)}{(aa)}))$ <u>(z)</u> Joint legislative audit and review committee, RCW
- 29 44.28.010;
- 30 (((bb))) <u>(aa)</u> Joint committee on energy supply and energy
- 31 conservation, RCW 44.39.015;
- (((cc))) (bb) Legislative evaluation and accountability program
- 33 committee, RCW 44.48.010;
- $((\frac{dd}{d}))$ (cc) Agency council on coordinated transportation, RCW
- 35 47.06B.020;
- 36 (((ee))) (dd) Manufactured housing task force, RCW 59.22.090;
- $((\frac{ff}))$ (ee) Washington horse racing commission, RCW 67.16.014;

- $((\frac{(gg)}))$ <u>(ff)</u> Correctional industries board of directors, RCW 2 72.09.080;
- $((\frac{hh}{}))$ (gg) Joint committee on veterans' and military affairs, 4 RCW 73.04.150;
- 5 (((ii))) (hh) Joint legislative committee on water supply during drought, RCW 90.86.020;
 - $((\frac{(jj)}{(jj)}))$ (ii) Statute law committee, RCW 1.08.001; and

- $((\frac{kk}{l}))$ <u>(jj)</u> Joint legislative oversight committee on trade policy, RCW 44.55.020.
- **Sec. 705.** RCW 35.21.185 and 1995 c 21 s 1 are each amended to read 11 as follows:
 - (1) It is the purpose of this section to provide a means whereby all cities and towns may obtain, through a single source, information regarding ordinances of other cities and towns that may be of assistance to them in enacting appropriate local legislation.
 - (2) For the purposes of this section, (a) "clerk" means the city or town clerk or other person who is lawfully designated to perform the recordkeeping function of that office, and (b) "((municipal research council)) department" means the ((municipal research council created by chapter 43.110 RCW)) department of commerce.
 - (3) The clerk of every city and town is directed to provide to the ((municipal research council)) department or its designee, promptly after adoption, a copy of each of its regulatory ordinances and such other ordinances or kinds of ordinances as may be described in a list or lists promulgated by the ((municipal research council)) department or its designee from time to time, and may provide such copies without charge. The ((municipal research council)) department may provide that information to the entity with which it contracts for the provision of municipal research and services, in order to provide a pool of information for all cities and towns in the state of Washington.
 - (4) This section is intended to be directory and not mandatory.
- **Sec. 706.** RCW 35.102.040 and 2006 c 301 s 7 are each amended to 33 read as follows:
- 34 (1)(a) The cities, working through the association of Washington 35 cities, shall form a model ordinance development committee made up of 36 a representative sampling of cities that as of July 27, 2003, impose a

business and occupation tax. This committee shall work through the association of Washington cities to adopt a model ordinance on municipal gross receipts business and occupation tax. The model ordinance and subsequent amendments shall be adopted using a process that includes opportunity for substantial input from business stakeholders and other members of the public. Input shall be solicited from statewide business associations and from local chambers of commerce and downtown business associations in cities that levy a business and occupation tax.

- (b) The ((municipal research council)) department of commerce shall contract to post the model ordinance on an internet web site and to make paper copies available for inspection upon request. The department of revenue and the department of licensing shall post copies of or links to the model ordinance on their internet web sites. Additionally, a city that imposes a business and occupation tax must make copies of its ordinance available for inspection and copying as provided in chapter 42.56 RCW.
- (c) The definitions and tax classifications in the model ordinance may not be amended more frequently than once every four years, however the model ordinance may be amended at any time to comply with changes in state law. Any amendment to a mandatory provision of the model ordinance must be adopted with the same effective date by all cities.
- (2) A city that imposes a business and occupation tax must adopt the mandatory provisions of the model ordinance. The following provisions are mandatory:
- (a) A system of credits that meets the requirements of RCW 35.102.060 and a form for such use;
 - (b) A uniform, minimum small business tax threshold of at least the equivalent of twenty thousand dollars in gross income annually. A city may elect to deviate from this requirement by creating a higher threshold or exemption but it shall not deviate lower than the level required in this subsection. If a city has a small business threshold or exemption in excess of that provided in this subsection as of January 1, 2003, and chooses to deviate below the threshold or exemption level that was in place as of January 1, 2003, the city must notify all businesses licensed to do business within the city at least one hundred twenty days prior to the potential implementation of a lower threshold or exemption amount;

- 1 (c) Tax reporting frequencies that meet the requirements of RCW 35.102.070;
- 3 (d) Penalty and interest provisions that meet the requirements of 4 RCW 35.102.080 and 35.102.090;
 - (e) Claim periods that meet the requirements of RCW 35.102.100;
- 6 (f) Refund provisions that meet the requirements of RCW 35.102.110; and

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- (g) Definitions, which at a minimum, must include the definitions enumerated in RCW 35.102.030 and 35.102.120. The definitions in chapter 82.04 RCW shall be used as the baseline for all definitions in the model ordinance, and any deviation in the model ordinance from these definitions must be described by a comment in the model ordinance.
- (3) Except for the deduction required by RCW 35.102.160 and the system of credits developed to address multiple taxation under subsection (2)(a) of this section, a city may adopt its own provisions for tax exemptions, tax credits, and tax deductions.
- (4) Any city that adopts an ordinance that deviates from the nonmandatory provisions of the model ordinance shall make a description of such differences available to the public, in written and electronic form.
- 22 **Sec. 707.** RCW 36.70B.220 and 2005 c 274 s 272 are each amended to 23 read as follows:
 - (1) Each county and city having populations of ten thousand or more that plan under RCW 36.70A.040 shall designate permit assistance staff whose function it is to assist permit applicants. An existing employee may be designated as the permit assistance staff.
 - (2) Permit assistance staff designated under this section shall:
- 29 (a) Make available to permit applicants all current local government regulations and adopted policies that apply to the subject application. The local government shall provide counter copies thereof and, upon request, provide copies according to chapter 42.56 RCW. The staff shall also publish and keep current one or more handouts containing lists and explanations of all local government regulations and adopted policies;
- 36 (b) Establish and make known to the public the means of obtaining 37 the handouts and related information; and

1 (c) Provide assistance regarding the application of the local government's regulations in particular cases.

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- (3) Permit assistance staff designated under this section may obtain technical assistance and support in the compilation and production of the handouts under subsection (2) of this section from the ((municipal research council and the department of community, trade, and economic development)) department of commerce.
- 8 <u>NEW SECTION.</u> **Sec. 708.** The following acts or parts of acts are 9 each repealed:
- 10 (1) RCW 43.110.010 (Council created--Membership--Terms--Travel expenses) and 2001 c 290 s 1, 1997 c 437 s 1, 1990 c 104 s 1, 1983 c 22 s 1, 1975-'76 2nd ex.s. c 34 s 129, 1975 1st ex.s. c 218 s 1, & 1969 c 13 108 s 2;
- 14 (2) RCW 43.110.040 (Local government regulation and policy 15 handouts--Technical assistance) and 1996 c 206 s 10; and
- 16 (3) RCW 43.110.070 (Hazardous liquid and gas pipeline--Model ordinance and franchise agreement) and 2000 c 191 s 8.
- NEW SECTION. Sec. 709. (1) The municipal research council is hereby abolished and its powers, duties, and functions are hereby transferred to the department of commerce. All references to the municipal research council in the Revised Code of Washington shall be construed to mean the department of commerce.
 - (2)(a) All reports, documents, surveys, books, records, files, papers, or written material in the possession of the municipal research council shall be delivered to the custody of the department of commerce. All cabinets, furniture, office equipment, motor vehicles, and other tangible property employed by the municipal research council shall be made available to the department of commerce. All funds, credits, or other assets held by the municipal research council shall be assigned to the department of commerce.
 - (b) Any appropriations made to the municipal research council shall, on the effective date of this section, be transferred and credited to the department of commerce.
- 34 (c) If any question arises as to the transfer of any funds, books, 35 documents, records, papers, files, equipment, or other tangible 36 property 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) All rules and all pending business before the municipal research council shall be continued and acted upon by the department of commerce. All existing contracts and obligations shall remain in full force and shall be performed by the department of commerce.
 - (4) The transfer of the powers, duties, and functions of the municipal research council shall not affect the validity of any act performed before the effective date of this section.
 - (5) 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.
- 17 PART VIII

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- 18 MISCELLANEOUS PROVISIONS
- 19 <u>NEW SECTION.</u> **Sec. 801.** RCW 43.63A.150 is decodified.
- 20 <u>NEW SECTION.</u> **Sec. 802.** This act takes effect July 1, 2010."

E2SHB 2658 - S AMD By Senators Kastama, Zarelli

ADOPTED 03/04/2010

On page 1, line 2 of the title, after "programs;" strike the remainder of the title and insert "amending RCW 43.330.007, 70.05.125, 43.330.210, 43.330.240, 19.27.070, 19.27.097, 19.27.150, 19.27A.020, 19.27A.140, 19.27A.150, 19.27A.180, 43.21F.010, 43.21F.090, 36.27.100, 80.50.030, 43.110.030, 43.110.060, 43.110.080, 43.15.020, 35.21.185, 35.102.040, and 36.70B.220; reenacting and amending RCW 43.21F.025; adding new sections to chapter 43.70 RCW; adding a new section to

- chapter 43.21F RCW; creating new sections; recodifying RCW 43.330.195,
- 2 43.330.200, 43.330.205, 43.330.210, 43.330.220, 43.330.225, 43.330.230,
- 3 and 43.330.240; decodifying RCW 43.63A.150; repealing RCW 43.330.005,
- 4 43.21F.015, 43.110.010, 43.110.040, and 43.110.070; and providing an
- 5 effective date."

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