

E3SHB 2939 - S AMD 313

By Senator Rockefeller

PULLED 03/02/2006

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

3 "NEW SECTION. **Sec. 1.** The legislature finds that:

4 (1) Washington's dependence on energy supplied from outside the
5 state and volatile global energy markets makes its economy and citizens
6 vulnerable to unpredictable and high energy prices;

7 (2) Washington's dependence on petroleum-based fuels increases
8 energy costs for citizens and businesses;

9 (3) Diesel soot from diesel engines ranks as the highest toxic air
10 pollutant in Washington, leading to hundreds of premature deaths and
11 increasing rates of asthma and other lung diseases;

12 (4) The use of biodiesel results in significantly less air
13 pollution than traditional diesel fuels;

14 (5) Improper disposal and treatment of organic waste from farms and
15 livestock operations can have a significant negative impact on water
16 quality;

17 (6) Washington has abundant supplies of organic wastes from farms
18 that can be used for energy production and abundant farmland where
19 crops could be grown to supplement or supplant petroleum-based fuels;

20 (7) The use of energy and fuel derived from these sources can help
21 citizens and businesses conserve energy and reduce the use of
22 petroleum-based fuels, would improve air and water quality in
23 Washington, reduce environmental risks from farm wastes, create new
24 markets for farm products, and provide new industries and jobs for
25 Washington citizens;

26 (8) The bioenergy industry is a new and developing industry that
27 is, in part, limited by the availability of capital for the
28 construction of facilities for converting farm and forest products into
29 energy and fuels;

1 (9) Instead of leaving our economy at the mercy of global events,
2 and the policies of foreign nations, Washington state should adopt a
3 policy of energy independence; and

4 (10) The energy freedom program is meant to lead Washington state
5 towards energy independence.

6 Therefore, the legislature finds that it is in the public interest
7 to encourage the rapid adoption and use of bioenergy, to develop a
8 viable bioenergy industry within Washington state, to promote public
9 research and development in bioenergy sources and markets, and to
10 support a viable agriculture industry to grow bioenergy crops. To
11 accomplish this, the energy freedom program is established to promote
12 public research and development in bioenergy, and to stimulate the
13 construction of facilities in Washington to generate energy from farm
14 sources or convert organic matter into fuels.

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

17 (1) "Applicant" means any political subdivision of the state,
18 including port districts, counties, cities, towns, special purpose
19 districts, and other municipal corporations or quasi-municipal
20 corporations. "Applicant" may also include federally recognized tribes
21 and state institutions of higher education with appropriate research
22 capabilities.

23 (2) "Assistance" includes loans, leases, product purchases, or
24 other forms of financial or technical assistance.

25 (3) "Department" means the department of agriculture.

26 (4) "Director" means the director of the department of agriculture.

27 (5) "Peer review committee" means a board, appointed by the
28 director, that includes bioenergy specialists, energy conservation
29 specialists, scientists, and individuals with specific recognized
30 expertise.

31 (6) "Project" means the construction of facilities, including the
32 purchase of equipment, to convert farm products or wastes into
33 electricity or gaseous or liquid fuels or other coproducts associated
34 with such conversion. These specifically include fixed or mobile
35 facilities to generate electricity or methane from the anaerobic
36 digestion of organic matter, and fixed or mobile facilities for
37 extracting oils from canola, rape, mustard, and other oilseeds.

1 "Project" may also include the construction of facilities associated
2 with such conversion for the distribution and storage of such
3 feedstocks and fuels.

4 (7) "Research and development project" means research and
5 development, by an institution of higher education as defined in
6 subsection (1) of this section, relating to:

7 (a) Bioenergy sources including but not limited to biomass and
8 associated gases; or

9 (b) The development of markets for bioenergy coproducts.

10 NEW SECTION. **Sec. 3.** (1) The energy freedom program is
11 established within the department. The director may establish policies
12 and procedures necessary for processing, reviewing, and approving
13 applications made under this chapter.

14 (2) When reviewing applications submitted under this program, the
15 director shall consult with those agencies having expertise and
16 knowledge to assess the technical and business feasibility of the
17 project and probability of success. These agencies may include, but
18 are not limited to, Washington State University, the University of
19 Washington, the department of ecology, the department of community,
20 trade, and economic development, and the Washington state conservation
21 commission.

22 (3) The director, in cooperation with the department of community,
23 trade, and economic development, may approve an application only if the
24 director finds:

25 (a) The project will convert farm products or wastes directly into
26 electricity or into gaseous or liquid fuels or other coproducts
27 associated with such conversion;

28 (b) The project demonstrates technical feasibility and directly
29 assists in moving a commercially viable project into the marketplace
30 for use by Washington state citizens;

31 (c) The facility will produce long-term economic benefits to the
32 state, a region of the state, or a particular community in the state;

33 (d) The project does not require continuing state support;

34 (e) The assistance will result in new jobs, job retention, or
35 higher incomes for citizens of the state;

36 (f) The state is provided an option under the assistance agreement

1 to purchase a portion of the fuel or feedstock to be produced by the
2 project, exercisable by the department of general administration;

3 (g) The project will increase energy independence or diversity for
4 the state;

5 (h) The project will use feedstocks produced in the state, if
6 feasible, except this criterion does not apply to the construction of
7 facilities used to distribute and store fuels that are produced from
8 farm products or wastes;

9 (i) Any product produced by the project will be suitable for its
10 intended use, will meet accepted national or state standards, and will
11 be stored and distributed in a safe and environmentally sound manner;

12 (j) The application provides for adequate reporting or disclosure
13 of financial and employment data to the director, and permits the
14 director to require an annual or other periodic audit of the project
15 books; and

16 (k) For research and development projects, the application has been
17 independently reviewed by a peer review committee as defined in section
18 2 of this act and the findings delivered to the director.

19 (4) The director may approve an application for assistance up to
20 five million dollars. In no circumstances shall this assistance
21 constitute more than fifty percent of the total project cost.

22 (5) Chapter 39.12 RCW applies to all projects receiving assistance
23 in whole or in part under the energy freedom program.

24 (6) The director shall enter into agreements with approved
25 applicants to fix the terms and rates of the assistance to minimize the
26 costs to the applicants, and to encourage establishment of a viable
27 bioenergy industry. The agreement shall include provisions to protect
28 the state's investment, including a requirement that a successful
29 applicant enter into contracts with any partners that may be involved
30 in the use of any assistance provided under this program, including
31 services, facilities, infrastructure, or equipment. Contracts with any
32 partners shall become part of the application record.

33 (7) The director may defer any payments for up to twenty-four
34 months or until the project starts to receive revenue from operations,
35 whichever is sooner.

36 NEW SECTION. **Sec. 4.** (1) Upon written notice to the recipient of

1 any assistance under this program, the director may suspend or cancel
2 the assistance if any of the following occur:

3 (a) The recipient fails to make satisfactory and reasonable
4 progress to complete the project, or the director concludes the
5 recipient will be unable to complete the project or any portion of it;
6 or

7 (b) The recipient has made misrepresentations in any information
8 furnished to the director in connection with the project.

9 (2) In the event that any assistance has been awarded to the
10 recipient under this program at the time of breach, or failure of the
11 recipient to satisfactorily perform, the director may require that the
12 full amount or value of the assistance, or a portion thereof, be repaid
13 within a period specified by the director.

14 NEW SECTION. **Sec. 5.** If the total requested dollar amount of
15 assistance exceeds the amount available in the energy freedom account
16 created in section 6 of this act, the applications must be prioritized
17 based upon the following criteria:

18 (1) The extent to which the project will help reduce dependence on
19 petroleum fuels and imported energy either directly or indirectly;

20 (2) The extent to which the project will reduce air and water
21 pollution either directly or indirectly;

22 (3) The extent to which the project will establish a viable
23 bioenergy production capacity in Washington;

24 (4) The benefits to Washington's agricultural producers; and

25 (5) The number and quality of jobs and economic benefits created by
26 the project.

27 NEW SECTION. **Sec. 6.** The energy freedom account is created in the
28 state treasury. All receipts from appropriations made to the account
29 and any loan payments of principal and interest derived from loans made
30 under this chapter must be deposited into the account. Moneys in the
31 account may be spent only after appropriation. Expenditures from the
32 account may be used only for assistance for projects consistent with
33 this chapter. Administrative costs of the department may not exceed
34 three percent of the total funds available for this program.

1 NEW SECTION. **Sec. 7.** The director shall report to the legislature
2 and governor on the status of the energy freedom program created under
3 this chapter, on or before December 1, 2006, and annually thereafter.
4 This report must include information on the projects that have been
5 funded, the status of these projects, and their environmental, energy
6 savings, and job creation benefits.

7 **Sec. 8.** RCW 42.56.270 and 2005 c 274 s 407 are each amended to
8 read as follows:

9 The following financial, commercial, and proprietary information is
10 exempt from disclosure under this chapter:

11 (1) Valuable formulae, designs, drawings, computer source code or
12 object code, and research data obtained by any agency within five years
13 of the request for disclosure when disclosure would produce private
14 gain and public loss;

15 (2) Financial information supplied by or on behalf of a person,
16 firm, or corporation for the purpose of qualifying to submit a bid or
17 proposal for (a) a ferry system construction or repair contract as
18 required by RCW 47.60.680 through 47.60.750 or (b) highway construction
19 or improvement as required by RCW 47.28.070;

20 (3) Financial and commercial information and records supplied by
21 private persons pertaining to export services provided under chapters
22 43.163 and 53.31 RCW, and by persons pertaining to export projects
23 under RCW 43.23.035;

24 (4) Financial and commercial information and records supplied by
25 businesses or individuals during application for loans or program
26 services provided by chapters 43.-- (sections 2 through 7, 11, 15, and
27 16 of this act), 43.163, 43.160, 43.330, and 43.168 RCW, or during
28 application for economic development loans or program services provided
29 by any local agency;

30 (5) Financial information, business plans, examination reports, and
31 any information produced or obtained in evaluating or examining a
32 business and industrial development corporation organized or seeking
33 certification under chapter 31.24 RCW;

34 (6) Financial and commercial information supplied to the state
35 investment board by any person when the information relates to the
36 investment of public trust or retirement funds and when disclosure

1 would result in loss to such funds or in private loss to the providers
2 of this information;

3 (7) Financial and valuable trade information under RCW 51.36.120;

4 (8) Financial, commercial, operations, and technical and research
5 information and data submitted to or obtained by the clean Washington
6 center in applications for, or delivery of, program services under
7 chapter 70.95H RCW;

8 (9) Financial and commercial information requested by the public
9 stadium authority from any person or organization that leases or uses
10 the stadium and exhibition center as defined in RCW 36.102.010;

11 (10) Financial information, including but not limited to account
12 numbers and values, and other identification numbers supplied by or on
13 behalf of a person, firm, corporation, limited liability company,
14 partnership, or other entity related to an application for a liquor
15 license, gambling license, or lottery retail license;

16 (11) Proprietary data, trade secrets, or other information that
17 relates to: (a) A vendor's unique methods of conducting business; (b)
18 data unique to the product or services of the vendor; or (c)
19 determining prices or rates to be charged for services, submitted by
20 any vendor to the department of social and health services for purposes
21 of the development, acquisition, or implementation of state purchased
22 health care as defined in RCW 41.05.011; and

23 (12)(a) When supplied to and in the records of the department of
24 community, trade, and economic development:

25 (i) Financial and proprietary information collected from any person
26 and provided to the department of community, trade, and economic
27 development pursuant to RCW 43.330.050(8) and 43.330.080(4); and

28 (ii) Financial or proprietary information collected from any person
29 and provided to the department of community, trade, and economic
30 development or the office of the governor in connection with the
31 siting, recruitment, expansion, retention, or relocation of that
32 person's business and until a siting decision is made, identifying
33 information of any person supplying information under this subsection
34 and the locations being considered for siting, relocation, or expansion
35 of a business;

36 (b) When developed by the department of community, trade, and
37 economic development based on information as described in (a)(i) of
38 this subsection, any work product is not exempt from disclosure;

1 (c) For the purposes of this subsection, "siting decision" means
2 the decision to acquire or not to acquire a site;

3 (d) If there is no written contact for a period of sixty days to
4 the department of community, trade, and economic development from a
5 person connected with siting, recruitment, expansion, retention, or
6 relocation of that person's business, information described in (a)(ii)
7 of this subsection will be available to the public under this chapter.

8 **Sec. 9.** RCW 43.84.092 and 2005 c 514 s 1105, 2005 c 353 s 3, 2005
9 c 339 s 22, 2005 c 314 s 109, 2005 c 312 s 7, and 2005 c 94 s 1 are
10 each reenacted and amended to read as follows:

11 (1) All earnings of investments of surplus balances in the state
12 treasury shall be deposited to the treasury income account, which
13 account is hereby established in the state treasury.

14 (2) The treasury income account shall be utilized to pay or receive
15 funds associated with federal programs as required by the federal cash
16 management improvement act of 1990. The treasury income account is
17 subject in all respects to chapter 43.88 RCW, but no appropriation is
18 required for refunds or allocations of interest earnings required by
19 the cash management improvement act. Refunds of interest to the
20 federal treasury required under the cash management improvement act
21 fall under RCW 43.88.180 and shall not require appropriation. The
22 office of financial management shall determine the amounts due to or
23 from the federal government pursuant to the cash management improvement
24 act. The office of financial management may direct transfers of funds
25 between accounts as deemed necessary to implement the provisions of the
26 cash management improvement act, and this subsection. Refunds or
27 allocations shall occur prior to the distributions of earnings set
28 forth in subsection (4) of this section.

29 (3) Except for the provisions of RCW 43.84.160, the treasury income
30 account may be utilized for the payment of purchased banking services
31 on behalf of treasury funds including, but not limited to, depository,
32 safekeeping, and disbursement functions for the state treasury and
33 affected state agencies. The treasury income account is subject in all
34 respects to chapter 43.88 RCW, but no appropriation is required for
35 payments to financial institutions. Payments shall occur prior to
36 distribution of earnings set forth in subsection (4) of this section.

1 (4) Monthly, the state treasurer shall distribute the earnings
2 credited to the treasury income account. The state treasurer shall
3 credit the general fund with all the earnings credited to the treasury
4 income account except:

5 (a) The following accounts and funds shall receive their
6 proportionate share of earnings based upon each account's and fund's
7 average daily balance for the period: The capitol building
8 construction account, the Cedar River channel construction and
9 operation account, the Central Washington University capital projects
10 account, the charitable, educational, penal and reformatory
11 institutions account, the common school construction fund, the county
12 criminal justice assistance account, the county sales and use tax
13 equalization account, the data processing building construction
14 account, the deferred compensation administrative account, the deferred
15 compensation principal account, the department of retirement systems
16 expense account, the developmental disabilities community trust
17 account, the drinking water assistance account, the drinking water
18 assistance administrative account, the drinking water assistance
19 repayment account, the Eastern Washington University capital projects
20 account, the education construction fund, the education legacy trust
21 account, the election account, the emergency reserve fund, the energy
22 freedom account, The Evergreen State College capital projects account,
23 the federal forest revolving account, the freight mobility investment
24 account, the health services account, the public health services
25 account, the health system capacity account, the personal health
26 services account, the state higher education construction account, the
27 higher education construction account, the highway infrastructure
28 account, the high-occupancy toll lanes operations account, the
29 industrial insurance premium refund account, the judges' retirement
30 account, the judicial retirement administrative account, the judicial
31 retirement principal account, the local leasehold excise tax account,
32 the local real estate excise tax account, the local sales and use tax
33 account, the medical aid account, the mobile home park relocation fund,
34 the multimodal transportation account, the municipal criminal justice
35 assistance account, the municipal sales and use tax equalization
36 account, the natural resources deposit account, the oyster reserve land
37 account, the perpetual surveillance and maintenance account, the public
38 employees' retirement system plan 1 account, the public employees'

1 retirement system combined plan 2 and plan 3 account, the public
2 facilities construction loan revolving account beginning July 1, 2004,
3 the public health supplemental account, the Puyallup tribal settlement
4 account, the real estate appraiser commission account, the regional
5 transportation investment district account, the resource management
6 cost account, the rural Washington loan fund, the site closure account,
7 the small city pavement and sidewalk account, the special wildlife
8 account, the state employees' insurance account, the state employees'
9 insurance reserve account, the state investment board expense account,
10 the state investment board commingled trust fund accounts, the
11 supplemental pension account, the Tacoma Narrows toll bridge account,
12 the teachers' retirement system plan 1 account, the teachers'
13 retirement system combined plan 2 and plan 3 account, the tobacco
14 prevention and control account, the tobacco settlement account, the
15 transportation infrastructure account, the transportation partnership
16 account, the tuition recovery trust fund, the University of Washington
17 bond retirement fund, the University of Washington building account,
18 the volunteer fire fighters' and reserve officers' relief and pension
19 principal fund, the volunteer fire fighters' and reserve officers'
20 administrative fund, the Washington fruit express account, the
21 Washington judicial retirement system account, the Washington law
22 enforcement officers' and fire fighters' system plan 1 retirement
23 account, the Washington law enforcement officers' and fire fighters'
24 system plan 2 retirement account, the Washington school employees'
25 retirement system combined plan 2 and 3 account, the Washington state
26 health insurance pool account, the Washington state patrol retirement
27 account, the Washington State University building account, the
28 Washington State University bond retirement fund, the water pollution
29 control revolving fund, and the Western Washington University capital
30 projects account. Earnings derived from investing balances of the
31 agricultural permanent fund, the normal school permanent fund, the
32 permanent common school fund, the scientific permanent fund, and the
33 state university permanent fund shall be allocated to their respective
34 beneficiary accounts. All earnings to be distributed under this
35 subsection (4)(a) shall first be reduced by the allocation to the state
36 treasurer's service fund pursuant to RCW 43.08.190.

37 (b) The following accounts and funds shall receive eighty percent
38 of their proportionate share of earnings based upon each account's or

1 fund's average daily balance for the period: The aeronautics account,
2 the aircraft search and rescue account, the county arterial
3 preservation account, the department of licensing services account, the
4 essential rail assistance account, the ferry bond retirement fund, the
5 grade crossing protective fund, the high capacity transportation
6 account, the highway bond retirement fund, the highway safety account,
7 the motor vehicle fund, the motorcycle safety education account, the
8 pilotage account, the public transportation systems account, the Puget
9 Sound capital construction account, the Puget Sound ferry operations
10 account, the recreational vehicle account, the rural arterial trust
11 account, the safety and education account, the special category C
12 account, the state patrol highway account, the transportation 2003
13 account (nickel account), the transportation equipment fund, the
14 transportation fund, the transportation improvement account, the
15 transportation improvement board bond retirement account, and the urban
16 arterial trust account.

17 (5) In conformance with Article II, section 37 of the state
18 Constitution, no treasury accounts or funds shall be allocated earnings
19 without the specific affirmative directive of this section.

20 **Sec. 10.** RCW 43.84.092 and 2006 c 6 s 8 are each amended to read
21 as follows:

22 (1) All earnings of investments of surplus balances in the state
23 treasury shall be deposited to the treasury income account, which
24 account is hereby established in the state treasury.

25 (2) The treasury income account shall be utilized to pay or receive
26 funds associated with federal programs as required by the federal cash
27 management improvement act of 1990. The treasury income account is
28 subject in all respects to chapter 43.88 RCW, but no appropriation is
29 required for refunds or allocations of interest earnings required by
30 the cash management improvement act. Refunds of interest to the
31 federal treasury required under the cash management improvement act
32 fall under RCW 43.88.180 and shall not require appropriation. The
33 office of financial management shall determine the amounts due to or
34 from the federal government pursuant to the cash management improvement
35 act. The office of financial management may direct transfers of funds
36 between accounts as deemed necessary to implement the provisions of the

1 cash management improvement act, and this subsection. Refunds or
2 allocations shall occur prior to the distributions of earnings set
3 forth in subsection (4) of this section.

4 (3) Except for the provisions of RCW 43.84.160, the treasury income
5 account may be utilized for the payment of purchased banking services
6 on behalf of treasury funds including, but not limited to, depository,
7 safekeeping, and disbursement functions for the state treasury and
8 affected state agencies. The treasury income account is subject in all
9 respects to chapter 43.88 RCW, but no appropriation is required for
10 payments to financial institutions. Payments shall occur prior to
11 distribution of earnings set forth in subsection (4) of this section.

12 (4) Monthly, the state treasurer shall distribute the earnings
13 credited to the treasury income account. The state treasurer shall
14 credit the general fund with all the earnings credited to the treasury
15 income account except:

16 (a) The following accounts and funds shall receive their
17 proportionate share of earnings based upon each account's and fund's
18 average daily balance for the period: The capitol building
19 construction account, the Cedar River channel construction and
20 operation account, the Central Washington University capital projects
21 account, the charitable, educational, penal and reformatory
22 institutions account, the Columbia river basin water supply development
23 account, the common school construction fund, the county criminal
24 justice assistance account, the county sales and use tax equalization
25 account, the data processing building construction account, the
26 deferred compensation administrative account, the deferred compensation
27 principal account, the department of retirement systems expense
28 account, the developmental disabilities community trust account, the
29 drinking water assistance account, the drinking water assistance
30 administrative account, the drinking water assistance repayment
31 account, the Eastern Washington University capital projects account,
32 the education construction fund, the education legacy trust account,
33 the election account, the emergency reserve fund, the energy freedom
34 account, The Evergreen State College capital projects account, the
35 federal forest revolving account, the freight mobility investment
36 account, the health services account, the public health services
37 account, the health system capacity account, the personal health
38 services account, the state higher education construction account, the

1 higher education construction account, the highway infrastructure
2 account, the high-occupancy toll lanes operations account, the
3 industrial insurance premium refund account, the judges' retirement
4 account, the judicial retirement administrative account, the judicial
5 retirement principal account, the local leasehold excise tax account,
6 the local real estate excise tax account, the local sales and use tax
7 account, the medical aid account, the mobile home park relocation fund,
8 the multimodal transportation account, the municipal criminal justice
9 assistance account, the municipal sales and use tax equalization
10 account, the natural resources deposit account, the oyster reserve land
11 account, the perpetual surveillance and maintenance account, the public
12 employees' retirement system plan 1 account, the public employees'
13 retirement system combined plan 2 and plan 3 account, the public
14 facilities construction loan revolving account beginning July 1, 2004,
15 the public health supplemental account, the public works assistance
16 account, the Puyallup tribal settlement account, the real estate
17 appraiser commission account, the regional transportation investment
18 district account, the resource management cost account, the rural
19 Washington loan fund, the site closure account, the small city pavement
20 and sidewalk account, the special wildlife account, the state
21 employees' insurance account, the state employees' insurance reserve
22 account, the state investment board expense account, the state
23 investment board commingled trust fund accounts, the supplemental
24 pension account, the Tacoma Narrows toll bridge account, the teachers'
25 retirement system plan 1 account, the teachers' retirement system
26 combined plan 2 and plan 3 account, the tobacco prevention and control
27 account, the tobacco settlement account, the transportation
28 infrastructure account, the transportation partnership account, the
29 tuition recovery trust fund, the University of Washington bond
30 retirement fund, the University of Washington building account, the
31 volunteer fire fighters' and reserve officers' relief and pension
32 principal fund, the volunteer fire fighters' and reserve officers'
33 administrative fund, the Washington fruit express account, the
34 Washington judicial retirement system account, the Washington law
35 enforcement officers' and fire fighters' system plan 1 retirement
36 account, the Washington law enforcement officers' and fire fighters'
37 system plan 2 retirement account, the Washington public safety
38 employees' plan 2 retirement account, the Washington school employees'

1 retirement system combined plan 2 and 3 account, the Washington state
2 health insurance pool account, the Washington state patrol retirement
3 account, the Washington State University building account, the
4 Washington State University bond retirement fund, the water pollution
5 control revolving fund, and the Western Washington University capital
6 projects account. Earnings derived from investing balances of the
7 agricultural permanent fund, the normal school permanent fund, the
8 permanent common school fund, the scientific permanent fund, and the
9 state university permanent fund shall be allocated to their respective
10 beneficiary accounts. All earnings to be distributed under this
11 subsection (4)(a) shall first be reduced by the allocation to the state
12 treasurer's service fund pursuant to RCW 43.08.190.

13 (b) The following accounts and funds shall receive eighty percent
14 of their proportionate share of earnings based upon each account's or
15 fund's average daily balance for the period: The aeronautics account,
16 the aircraft search and rescue account, the county arterial
17 preservation account, the department of licensing services account, the
18 essential rail assistance account, the ferry bond retirement fund, the
19 grade crossing protective fund, the high capacity transportation
20 account, the highway bond retirement fund, the highway safety account,
21 the motor vehicle fund, the motorcycle safety education account, the
22 pilotage account, the public transportation systems account, the Puget
23 Sound capital construction account, the Puget Sound ferry operations
24 account, the recreational vehicle account, the rural arterial trust
25 account, the safety and education account, the special category C
26 account, the state patrol highway account, the transportation 2003
27 account (nickel account), the transportation equipment fund, the
28 transportation fund, the transportation improvement account, the
29 transportation improvement board bond retirement account, and the urban
30 arterial trust account.

31 (5) In conformance with Article II, section 37 of the state
32 Constitution, no treasury accounts or funds shall be allocated earnings
33 without the specific affirmative directive of this section.

34 NEW SECTION. **Sec. 11.** Sections 1 through 7 of this act expire
35 June 30, 2016. Any moneys in the energy freedom account on that date
36 and any moneys received pursuant to assistance made under this chapter
37 must be deposited in the general fund.

1 NEW SECTION. **Sec. 12.** Sections 2 through 7, 11, 15, and 16 of
2 this act constitute a new chapter in Title 15 RCW.

3 NEW SECTION. **Sec. 13.** Sections 8 and 10 of this act take effect
4 July 1, 2006.

5 NEW SECTION. **Sec. 14.** Section 9 of this act expires July 1, 2006.

6 NEW SECTION. **Sec. 15.** If any provision of this act or its
7 application to any person or circumstance is held invalid, the
8 remainder of the act or the application of the provision to other
9 persons or circumstances is not affected.

10 NEW SECTION. **Sec. 16.** Except for sections 8 and 10 of this act,
11 this act is necessary for the immediate preservation of the public
12 peace, health, or safety, or support of the state government and its
13 existing public institutions, and takes effect immediately."

E3SHB 2939 - S AMD
By Senator Rockefeller

PULLED 03/02/2006

14 On page 1, line 1 of the title, after "program;" strike the
15 remainder of the title and insert "amending RCW 42.56.270 and
16 43.84.092; reenacting and amending RCW 43.84.092; adding a new chapter
17 to Title 15 RCW; creating new sections; providing an effective date;
18 providing expiration dates; and declaring an emergency."

EFFECT: The underlying bill is stricken and the text of ESSB 6501
is inserted and modified with language from E3SHB 2939. Findings
concerning energy independence and public research and development are
added. Definitions for "applicant," "peer review committee," and
"research and development project" are added. "Coproducts" and "fixed

or mobile" facilities are added to the definition of "project." Eligible applicants are limited to political subdivisions, federally recognized tribes, and certain state institutions of higher education. A peer review process is added for research and development projects by higher education institutions. A requirement concerning the "business success" of a project is changed to emphasize "commercial viability" in the "marketplace." Two criteria are removed and replaced with a requirement that assistance may not exceed fifty percent of the total assistance granted for the project. A prevailing wage requirement for energy freedom projects is added. Contracts are required with the partners of successful applicants and shall become part of the application record. The deferral period for payments is extended from 12 to 24 months. The director is also required to submit annual reports to the governor and legislature. Accountability penalties are added. Legislative findings are not codified. Technical changes are made. An emergency clause is added.

--- END ---