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SUBSTITUTE SENATE BILL 5287

State of Washington 63rd Legislature 2013 Regular Session

By Senate Ways & Means (originally sponsored by Senators Hill and Hargrove; by request of Office of Financial Management)

READ FIRST TIME 02/08/13.

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- 1 AN ACT Relating to eliminating accounts and funds; amending RCW 2 41.06.280, 43.19.025, 64.44.060, 70.116.134, 41.05.140, 82.45.180, and 70.122.130; reenacting and amending RCW 43.84.092, 43.84.092, 3 43.79A.040, 70.47.100, and 82.44.180; creating new sections; repealing 4 RCW 43.19.730, 43.70.325, 43.338.030, 46.68.210, 46.68.330, and 5 6 70.122.140; repealing 2006 c 372 s 715 (uncodified); providing an 7 effective date; providing a contingent effective date; providing a contingent expiration date; and declaring an emergency. 8
- 9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 10 **Sec. 1.** RCW 41.06.280 and 2011 1st sp.s. c 43 s 419 are each 11 amended to read as follows:

There is hereby created a fund within the state treasury, designated as the "personnel service fund," to be used by the office of financial management ((and the department of enterprise services)) as a revolving fund for the payment of salaries, wages, and operations required for the administration of the provisions of this chapter, applicable provisions of chapter 41.04 RCW, and chapter 41.60 RCW. An amount not to exceed one and one-half percent of the salaries and wages for all positions in the classified service in each of the agencies

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subject to this chapter, except the institutions of higher education, shall be charged to the operations appropriations of each agency and credited to the personnel service fund as the allotments are approved pursuant to chapter 43.88 RCW. Subject to the above limitations, the amount shall be charged against the allotments pro rata, at a rate to be fixed by the director from time to time which, together with income derived from services rendered under RCW 41.06.080, will provide the office of financial management ((and the department of enterprise services)) with funds to meet its anticipated expenditures during the allotment period, including the training requirements in RCW 41.06.500 and 41.06.530.

The director shall fix the terms and charges for services rendered by ((the department of enterprise services and)) the office of financial management pursuant to RCW 41.06.080, which amounts shall be credited to the personnel service fund and charged against the proper fund or appropriation of the recipient of such services on a monthly basis. Payment for services so rendered under RCW 41.06.080 shall be made on a monthly basis to the state treasurer and deposited in the personnel service fund.

Moneys from the personnel service fund shall be disbursed by the state treasurer by warrants on vouchers duly authorized by the office of financial management ((and the department of enterprise services)).

Sec. 2. RCW 43.19.025 and 2011 1st sp.s. c 43 s 202 are each amended to read as follows:

The enterprise services account is created in the custody of the state treasurer and shall be used for all activities ((previously budgeted and accounted for in the following internal service funds: The motor transport account, the enterprise services management fund, the enterprise services facilities and services revolving fund, the central stores revolving fund, the surplus property purchase revolving fund, and the energy efficiency services account)) conducted by the department, except information technology services. Only the director or the director's designee may authorize expenditures from the account. The account is subject to the allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

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Sec. 3. RCW 43.84.092 and 2012 c 198 s 2, 2012 c 196 s 7, 2012 c 187 s 14, and 2012 c 83 s 4 are each reenacted and amended to read as follows:

- (1) All earnings of investments of surplus balances in the state treasury shall be deposited to the treasury income account, which account is hereby established in the state treasury.
- (2) The treasury income account shall be utilized to pay or receive funds associated with federal programs as required by the federal cash management improvement act of 1990. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for refunds or allocations of interest earnings required by the cash management improvement act. Refunds of interest to the federal treasury required under the cash management improvement act fall under RCW 43.88.180 and shall not require appropriation. The office of financial management shall determine the amounts due to or from the federal government pursuant to the cash management improvement The office of financial management may direct transfers of funds between accounts as deemed necessary to implement the provisions of the cash management improvement act, and this subsection. Refunds or allocations shall occur prior to the distributions of earnings set forth in subsection (4) of this section.
- (3) Except for the provisions of RCW 43.84.160, the treasury income account may be utilized for the payment of purchased banking services on behalf of treasury funds including, but not limited to, depository, safekeeping, and disbursement functions for the state treasury and affected state agencies. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for payments to financial institutions. Payments shall occur prior to distribution of earnings set forth in subsection (4) of this section.
- (4) Monthly, the state treasurer shall distribute the earnings credited to the treasury income account. The state treasurer shall credit the general fund with all the earnings credited to the treasury income account except:
- (a) The following accounts and funds shall receive their proportionate share of earnings based upon each account's and fund's average daily balance for the period: The aeronautics account, the aircraft search and rescue account, the Alaskan Way viaduct replacement project account, the budget stabilization account, the capital vessel

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replacement account, the capitol building construction account, the 1 2 Cedar River channel construction and operation account, the Central Washington University capital projects account, the charitable, 3 4 educational, penal and reformatory institutions account, the cleanup settlement account, the Columbia river basin water supply development 5 6 account, the Columbia river basin taxable bond water supply development 7 account, the Columbia river basin water supply revenue recovery 8 account, the common school construction fund, the county arterial 9 preservation account, the county criminal justice assistance account, deferred compensation administrative account, 10 the compensation principal account, the department of licensing services 11 12 account, the department of retirement systems expense account, the developmental disabilities community trust account, the drinking water 13 14 assistance account, the drinking water assistance administrative account, the drinking water assistance repayment account, the Eastern 15 Washington University capital projects account, the Interstate 405 16 17 express toll lanes operations account, the education construction fund, the education legacy trust account, the election account, the energy 18 19 freedom account, the energy recovery act account, the essential rail 20 assistance account, The Evergreen State College capital projects 21 account, the federal forest revolving account, the ferry bond 22 retirement fund, ((the freight congestion relief account,)) the freight 23 mobility investment account, the freight mobility multimodal account, 24 the grade crossing protective fund, the public health services account, 25 the high capacity transportation account, the state higher education 26 construction account, the higher education construction account, the 27 highway bond retirement fund, the highway infrastructure account, the 28 highway safety ((account [fund])) fund, the high occupancy toll lanes 29 operations account, the hospital safety net assessment fund, the 30 industrial insurance premium refund account, the judges' retirement account, the judicial retirement administrative account, the judicial 31 32 retirement principal account, the local leasehold excise tax account, the local real estate excise tax account, the local sales and use tax 33 account, the marine resources stewardship trust account, the medical 34 35 aid account, the mobile home park relocation fund, the motor vehicle 36 fund, the motorcycle safety education account, the multimodal 37 transportation account, the municipal criminal justice assistance 38 account, the natural resources deposit account, the oyster reserve land

account, the pension funding stabilization account, the perpetual 1 2 surveillance and maintenance account, the public employees' retirement system plan 1 account, the public employees' retirement system combined 3 4 plan 2 and plan 3 account, the public facilities construction loan 5 revolving account beginning July 1, 2004, the public health 6 supplemental account, ((the public transportation systems account,)) 7 public works assistance account, the Puget Sound capital 8 construction account, the Puget Sound ferry operations account, ((the 9 Puyallup tribal settlement account,)) the real estate appraiser commission account, the recreational vehicle account, the regional 10 11 mobility grant program account, the resource management cost account, 12 the rural arterial trust account, the rural mobility grant program 13 account, the rural Washington loan fund, the site closure account, the skilled nursing facility safety net trust fund, the small city pavement 14 and sidewalk account, the special category C account, the special 15 wildlife account, the state employees' insurance account, the state 16 17 employees' insurance reserve account, the state investment board expense account, the state investment board commingled trust fund 18 19 accounts, the state patrol highway account, the state route number 520 20 civil penalties account, the state route number 520 corridor account, 21 the state wildlife account, the supplemental pension account, the Tacoma Narrows toll bridge account, the teachers' retirement system 22 23 plan 1 account, the teachers' retirement system combined plan 2 and 24 plan 3 account, the tobacco prevention and control account, the tobacco settlement account, the toll facility bond retirement account, the 25 26 transportation 2003 account (nickel account), the transportation equipment fund, the transportation fund, the transportation improvement 27 account, the transportation improvement board bond retirement account, 28 29 transportation infrastructure account, the transportation 30 partnership account, the traumatic brain injury account, the tuition recovery trust fund, the University of Washington bond retirement fund, 31 University of Washington building account, the volunteer 32 firefighters' and reserve officers' relief and pension principal fund, 33 the volunteer firefighters' and reserve officers' administrative fund, 34 35 the Washington judicial retirement system account, the Washington law 36 enforcement officers' and firefighters' system plan 1 retirement 37 account, the Washington law enforcement officers' and firefighters' system plan 2 retirement account, the Washington public safety 38

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employees' plan 2 retirement account, the Washington school employees' retirement system combined plan 2 and 3 account, the Washington state economic development commission account, the Washington state health insurance pool account, the Washington state patrol retirement account, the Washington State University building account, the Washington State University bond retirement fund, the water pollution control revolving fund, and the Western Washington University capital projects account. Earnings derived from investing balances of the agricultural permanent fund, the normal school permanent fund, the permanent common school fund, the scientific permanent fund, the state university permanent fund, and the state reclamation revolving account shall be allocated to their respective beneficiary accounts.

- (b) Any state agency that has independent authority over accounts or funds not statutorily required to be held in the state treasury that deposits funds into a fund or account in the state treasury pursuant to an agreement with the office of the state treasurer shall receive its proportionate share of earnings based upon each account's or fund's average daily balance for the period.
- 19 (5) In conformance with Article II, section 37 of the state 20 Constitution, no treasury accounts or funds shall be allocated earnings 21 without the specific affirmative directive of this section.
- **Sec. 4.** RCW 43.84.092 and 2012 c 198 s 2, 2012 c 196 s 7, 2012 c 187 s 14, 2012 c 83 s 4, and 2012 c 36 s 5 are each reenacted and 24 amended to read as follows:
 - (1) All earnings of investments of surplus balances in the state treasury shall be deposited to the treasury income account, which account is hereby established in the state treasury.
 - (2) The treasury income account shall be utilized to pay or receive funds associated with federal programs as required by the federal cash management improvement act of 1990. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for refunds or allocations of interest earnings required by the cash management improvement act. Refunds of interest to the federal treasury required under the cash management improvement act fall under RCW 43.88.180 and shall not require appropriation. The office of financial management shall determine the amounts due to or from the federal government pursuant to the cash management improvement

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act. The office of financial management may direct transfers of funds between accounts as deemed necessary to implement the provisions of the cash management improvement act, and this subsection. Refunds or allocations shall occur prior to the distributions of earnings set forth in subsection (4) of this section.

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- (3) Except for the provisions of RCW 43.84.160, the treasury income account may be utilized for the payment of purchased banking services on behalf of treasury funds including, but not limited to, depository, safekeeping, and disbursement functions for the state treasury and affected state agencies. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for payments to financial institutions. Payments shall occur prior to distribution of earnings set forth in subsection (4) of this section.
- (4) Monthly, the state treasurer shall distribute the earnings credited to the treasury income account. The state treasurer shall credit the general fund with all the earnings credited to the treasury income account except:
- The following accounts and funds shall receive their (a) proportionate share of earnings based upon each account's and fund's average daily balance for the period: The aeronautics account, the aircraft search and rescue account, the Alaskan Way viaduct replacement project account, the budget stabilization account, the capital vessel replacement account, the capitol building construction account, the Cedar River channel construction and operation account, the Central Washington University capital projects account, the charitable, educational, penal and reformatory institutions account, the cleanup settlement account, the Columbia river basin water supply development account, the Columbia river basin taxable bond water supply development account, the Columbia river basin water supply revenue recovery account, the Columbia river crossing project account, the common school construction fund, the county arterial preservation account, the county criminal justice assistance account, the deferred compensation administrative account, the deferred compensation principal account, the department of licensing services account, the department of retirement systems expense account, the developmental disabilities community trust account, the drinking water assistance account, the drinking water assistance administrative account, the drinking water assistance repayment account, the Eastern Washington University capital

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projects account, the Interstate 405 express toll lanes operations 1 2 account, the education construction fund, the education legacy trust account, the election account, the energy freedom account, the energy 3 4 recovery act account, the essential rail assistance account, The 5 Evergreen State College capital projects account, the federal forest revolving account, the ferry bond retirement fund, ((the freight 6 7 congestion relief account,)) the freight mobility investment account, 8 the freight mobility multimodal account, the grade crossing protective 9 health services account, public the high 10 transportation account, the state higher education construction account, the higher education construction account, the highway bond 11 12 retirement fund, the highway infrastructure account, the highway safety 13 ((account [fund])) <u>fund</u>, the high occupancy toll lanes operations 14 account, the hospital safety net assessment fund, the industrial insurance premium refund account, the judges' retirement account, the 15 judicial retirement administrative account, the judicial retirement 16 17 principal account, the local leasehold excise tax account, the local real estate excise tax account, the local sales and use tax account, 18 19 the marine resources stewardship trust account, the medical aid account, the mobile home park relocation fund, the motor vehicle fund, 20 21 the motorcycle safety education account, the multimodal transportation 22 account, the municipal criminal justice assistance account, the natural 23 resources deposit account, the oyster reserve land account, the pension 24 stabilization account, the perpetual surveillance 25 maintenance account, the public employees' retirement system plan 1 26 account, the public employees' retirement system combined plan 2 and 27 plan 3 account, the public facilities construction loan revolving account beginning July 1, 2004, the public health supplemental account, 28 29 ((the public transportation systems account,)) the public works 30 assistance account, the Puget Sound capital construction account, the Puget Sound ferry operations account, ((the Puyallup tribal settlement 31 32 account,)) the real estate appraiser commission account, recreational vehicle account, the regional mobility grant program 33 account, the resource management cost account, the rural arterial trust 34 35 account, the rural mobility grant program account, the rural Washington 36 loan fund, the site closure account, the skilled nursing facility 37 safety net trust fund, the small city pavement and sidewalk account, 38 the special category C account, the special wildlife account, the state

employees' insurance account, the state employees' insurance reserve 1 2 account, the state investment board expense account, the state investment board commingled trust fund accounts, the state patrol 3 4 highway account, the state route number 520 civil penalties account, the state route number 520 corridor account, the state wildlife 5 6 account, the supplemental pension account, the Tacoma Narrows toll 7 bridge account, the teachers' retirement system plan 1 account, the 8 teachers' retirement system combined plan 2 and plan 3 account, the 9 tobacco prevention and control account, the tobacco settlement account, the toll facility bond retirement account, the transportation 2003 10 11 account (nickel account), the transportation equipment fund, the 12 transportation fund, the transportation improvement account, the 13 transportation improvement board bond retirement account, the 14 transportation infrastructure account, the transportation partnership account, the traumatic brain injury account, the tuition recovery trust 15 fund, the University of Washington bond retirement fund, the University 16 of Washington building account, the volunteer firefighters' and reserve 17 18 officers' relief and pension principal fund, the volunteer 19 firefighters' and reserve officers' administrative fund, the Washington judicial retirement system account, the Washington law enforcement 20 officers' and firefighters' system plan 1 retirement account, the 21 22 Washington law enforcement officers' and firefighters' system plan 2 retirement account, the Washington public safety employees' plan 2 23 24 retirement account, the Washington school employees' retirement system 25 combined plan 2 and 3 account, the Washington state economic 26 development commission account, the Washington state health insurance 27 pool account, the Washington state patrol retirement account, the Washington State University building account, the Washington State 28 29 University bond retirement fund, the water pollution control revolving 30 fund, and the Western Washington University capital projects account. Earnings derived from investing balances of the agricultural permanent 31 32 fund, the normal school permanent fund, the permanent common school fund, the scientific permanent fund, the state university permanent 33 fund, and the state reclamation revolving account shall be allocated to 34 35 their respective beneficiary accounts.

(b) Any state agency that has independent authority over accounts or funds not statutorily required to be held in the state treasury that deposits funds into a fund or account in the state treasury pursuant to

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an agreement with the office of the state treasurer shall receive its proportionate share of earnings based upon each account's or fund's average daily balance for the period.

- (5) In conformance with Article II, section 37 of the state Constitution, no treasury accounts or funds shall be allocated earnings without the specific affirmative directive of this section.
- 7 Sec. 5. RCW 43.79A.040 and 2012 c 198 s 8, 2012 c 196 s 6, 2012 c
 8 187 s 13, and 2012 c 114 s 3 are each reenacted and amended to read as
 9 follows:
 - (1) Money in the treasurer's trust fund may be deposited, invested, and reinvested by the state treasurer in accordance with RCW 43.84.080 in the same manner and to the same extent as if the money were in the state treasury, and may be commingled with moneys in the state treasury for cash management and cash balance purposes.
 - (2) All income received from investment of the treasurer's trust fund must be set aside in an account in the treasury trust fund to be known as the investment income account.
 - (3) The investment income account may be utilized for the payment of purchased banking services on behalf of treasurer's trust funds including, but not limited to, depository, safekeeping, and disbursement functions for the state treasurer or affected state agencies. The investment income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for payments to financial institutions. Payments must occur prior to distribution of earnings set forth in subsection (4) of this section.
 - (4)(a) Monthly, the state treasurer must distribute the earnings credited to the investment income account to the state general fund except under (b), (c), and (d) of this subsection.
 - (b) The following accounts and funds must receive their proportionate share of earnings based upon each account's or fund's average daily balance for the period: The Washington promise scholarship account, the Washington advanced college tuition payment program account, the accessible communities account, the community and technical college innovation account, the agricultural local fund, the American Indian scholarship endowment fund, the foster care scholarship endowment fund, the foster care endowed scholarship trust fund, ((the basic health plan self-insurance reserve account,)) the contract

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

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

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(d) Any state agency that has independent authority over accounts or funds not statutorily required to be held in the custody of the state treasurer that deposits funds into a fund or account in the custody of the state treasurer pursuant to an agreement with the office of the state treasurer shall receive its proportionate share of earnings based upon each account's or fund's average daily balance for the period.

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- (5) In conformance with Article II, section 37 of the state Constitution, no trust accounts or funds shall be allocated earnings without the specific affirmative directive of this section.
- 11 **Sec. 6.** RCW 64.44.060 and 2006 c 339 s 206 are each amended to read as follows:
 - (1)A contractor, supervisor, or worker may not perform decontamination, demolition, or disposal work unless issued a certificate by the state department of health. The department shall establish performance standards for contractors, supervisors, by rule in accordance with chapter workers 34.05 the administrative procedure act. The department shall train and test, or may approve courses to train and test, contractors, supervisors, and workers on the essential elements in assessing property used as an illegal controlled substances manufacturing or storage site determine hazard reduction measures needed, techniques for adequately reducing contaminants, use of personal protective equipment, methods for proper decontamination, demolition, removal, and disposal of contaminated property, and relevant federal and state regulations. Upon successful completion of the training, and after a background check, the contractor, supervisor, or worker shall be certified.
 - (2) The department may require the successful completion of annual refresher courses provided or approved by the department for the continued certification of the contractor or employee.
 - (3) The department shall provide for reciprocal certification of any individual trained to engage in decontamination, demolition, or disposal work in another state when the prior training is shown to be substantially similar to the training required by the department. The department may require such individuals to take an examination or refresher course before certification.

- (4) The department may deny, suspend, revoke, or place restrictions on a certificate for failure to comply with the requirements of this chapter or any rule adopted pursuant to this chapter. A certificate may be denied, suspended, revoked, or have restrictions placed on it on any of the following grounds:
- (a) Failing to perform decontamination, demolition, or disposal work under the supervision of trained personnel;
- (b) Failing to perform decontamination, demolition, or disposal work using department of health certified decontamination personnel;
 - (c) Failing to file a work plan;

- (d) Failing to perform work pursuant to the work plan;
- 12 (e) Failing to perform work that meets the requirements of the 13 department and the requirements of the local health officers;
 - (f) Failing to properly dispose of contaminated property;
 - (g) Committing fraud or misrepresentation in: (i) Applying for or obtaining a certification, recertification, or reinstatement; (ii) seeking approval of a work plan; and (iii) documenting completion of work to the department or local health officer;
 - (h) Failing the evaluation and inspection of decontamination projects pursuant to RCW 64.44.075; or
 - (i) If the person has been certified pursuant to RCW 74.20A.320 by the department of social and health services as a person who is not in compliance with a support order or a residential or visitation order. If the person has continued to meet all other requirements for reinstatement during the suspension, reissuance of the license or certificate shall be automatic upon the department's receipt of a release issued by the department of social and health services stating that the person is in compliance with the order.
 - (5) A contractor, supervisor, or worker who violates any provision of this chapter may be assessed a fine not to exceed five hundred dollars for each violation.
 - (6) The department of health shall prescribe fees as provided for in RCW 43.70.250 for: The issuance and renewal of certificates, conducting background checks of applicants, the administration of examinations, and the review of training courses.
 - (((7) The decontamination account is hereby established in the state treasury. All fees collected under this chapter shall be

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- 1 deposited in this account. Moneys in the account may only be spent
- 2 after appropriation for costs incurred by the department in the
- 3 administration and enforcement of this chapter.))

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- Sec. 7. RCW 70.47.100 and 2011 1st sp.s. c 9 s 4 and 2011 c 316 s 5 are each reenacted and amended to read as follows:
- 6 (1) A managed health care system participating in the plan shall do 7 so by contract with the ((administrator)) director and shall provide, directly or by contract with other health care providers, covered basic 8 9 health care services to each enrollee covered by its contract with the director 10 ((administrator)) as long as payments 11 ((administrator)) director on behalf of the enrollee are current. A 12 participating managed health care system may offer, without additional 13 cost, health care benefits or services not included in the schedule of covered services under the plan. A participating managed health care 14 system shall not give preference in enrollment to enrollees who accept 15 16 such additional health care benefits or services. Managed health care 17 systems participating in the plan shall not discriminate against any potential or current enrollee based upon health status, sex, race, 18 ethnicity, or religion. The ((administrator)) director may receive and 19 20 act upon complaints from enrollees regarding failure to provide covered 21 efforts to obtain payment, other than authorized copayments, for covered services directly from enrollees, but nothing 22 23 in this chapter empowers the ((administrator)) director to impose any 24 sanctions under Title 18 RCW or any other professional or facility 25 licensing statute.
 - (2) A managed health care system shall pay a nonparticipating provider that provides a service covered under this chapter to the system's enrollee no more than the lowest amount paid for that service under the managed health care system's contracts with similar providers in the state.
 - (3) Pursuant to federal managed care access standards, 42 C.F.R. Sec. 438, managed health care systems must maintain a network of appropriate providers that is supported by written agreements sufficient to provide adequate access to all services covered under the contract with the authority, including hospital-based physician services. The authority will monitor and periodically report on the proportion of services provided by contracted providers and

nonparticipating providers, by county, for each managed health care system to ensure that managed health care systems are meeting network adequacy requirements. No later than January 1st of each year, the authority will review and report its findings to the appropriate policy and fiscal committees of the legislature for the preceding state fiscal year.

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- (4) The plan shall allow, at least annually, an opportunity for enrollees to transfer their enrollments among participating managed care serving their health systems respective areas. ((administrator)) director shall establish a period of at least twenty days in a given year when this opportunity is afforded enrollees, and in those areas served by more than one participating managed health care system the ((administrator)) director shall endeavor to establish a uniform period for such opportunity. The plan shall allow enrollees to transfer their enrollment to another participating managed health care system at any time upon a showing of good cause for the transfer.
- (5) Prior to negotiating with any managed health care system, the ((administrator)) director shall determine, on an actuarially sound basis, the reasonable cost of providing the schedule of basic health care services, expressed in terms of upper and lower limits, and recognizing variations in the cost of providing the services through the various systems and in different areas of the state.
- (6) In negotiating with managed health care systems for participation in the plan, the ((administrator)) director shall adopt a uniform procedure that includes at least the following:
- (a) The ((administrator)) director shall issue a request for proposals, including standards regarding the quality of services to be provided; financial integrity of the responding systems; and responsiveness to the unmet health care needs of the local communities or populations that may be served;
- (b) The ((administrator)) <u>director</u> shall then review responsive proposals and may negotiate with respondents to the extent necessary to refine any proposals;
- (c) The ((administrator)) director may then select one or more systems to provide the covered services within a local area; and
- 36 (d) The ((administrator)) director may adopt a policy that gives
 37 preference to respondents, such as nonprofit community health clinics,

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that have a history of providing quality health care services to lowincome persons.

- (7)(a) The ((administrator)) director may contract with a managed health care system to provide covered basic health care services to subsidized enrollees, nonsubsidized enrollees, health coverage tax credit eligible enrollees, or any combination thereof. At a minimum, such contracts issued on or after January 1, 2012, must include:
- (i) Provider reimbursement methods that incentivize chronic care management within health homes;
- (ii) Provider reimbursement methods that reward health homes that, by using chronic care management, reduce emergency department and inpatient use; and
- (iii) Promoting provider participation in the program of training and technical assistance regarding care of people with chronic conditions described in RCW 43.70.533, including allocation of funds to support provider participation in the training unless the managed care system is an integrated health delivery system that has programs in place for chronic care management.
- (b) Health home services contracted for under this subsection may be prioritized to enrollees with complex, high cost, or multiple chronic conditions.
- (c) For the purposes of this subsection, "chronic care management," "chronic condition," and "health home" have the same meaning as in RCW 74.09.010.
- (d) Contracts that include the items in (a)(i) through (iii) of this subsection must not exceed the rates that would be paid in the absence of these provisions.
- (8) The ((administrator)) director may establish procedures and policies to further negotiate and contract with managed health care systems following completion of the request for proposal process in subsection (6) of this section, upon a determination by the ((administrator)) director that it is necessary to provide access, as defined in the request for proposal documents, to covered basic health care services for enrollees.
- (9) ((The administrator may implement a self-funded or self-insured method of providing insurance coverage to subsidized enrollees, as provided under RCW 41.05.140. Prior to implementing a self-funded or self-insured method, the administrator shall ensure that funding

- available in the basic health plan self-insurance reserve account is sufficient for the self-funded or self-insured risk assumed, or expected to be assumed, by the administrator. If implementing a self-funded or self-insured method, the administrator may request funds to be moved from the basic health plan trust account or the basic health plan subscription account to the basic health plan self-insurance reserve account established in RCW 41.05.140.
 - (10))) Subsections (2) and (3) of this section expire July 1, 2016.

- Sec. 8. RCW 70.116.134 and 1991 c 18 s 1 are each amended to read as follows:
 - (1) The secretary shall adopt rules pursuant to chapter 34.05 RCW establishing criteria for designating individuals or water purveyors as qualified satellite system management agencies. The criteria shall set forth minimum standards for designation as a satellite system management agency qualified to assume ownership, operation, or both, of an existing or proposed public water system. The criteria shall include demonstration of financial integrity and operational capability, and may require demonstration of previous experience in successful operation and management of a public water system.
 - (2) Each county shall identify potential satellite system management agencies to the secretary for areas where: (a) No purveyor has been designated a future service area pursuant to this chapter, or (b) an existing purveyor is unable or unwilling to provide service. Preference shall be given to public utilities or utility districts or to investor-owned utilities under the jurisdiction of the utilities and transportation commission.
 - (3) The secretary shall approve satellite system management agencies meeting the established criteria and shall maintain and make available to counties a list of approved agencies. Prior to the construction of a new public water system, the individual(s) proposing the new system or requesting service shall first be directed by the local agency responsible for issuing the construction or building permit to one or more qualified satellite system management agencies designated for the service area where the new system is proposed for the purpose of exploring the possibility of a satellite agency either owning or operating the proposed new water system.

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(4) Approved satellite system management agencies shall be reviewed periodically by the secretary for continued compliance with established criteria. The secretary may require status reports and other information necessary for such review. Satellite system management agencies shall be subject to reapproval at the discretion of the secretary but not less than once every five years.

- (5) The secretary may assess reasonable fees to process applications for initial approval and for periodic review of satellite system management agencies. ((A satellite system management account is hereby created in the custody of the state treasurer. All receipts from satellite system management agencies or applicants under subsection (4) of this section shall be deposited into the account. Funds in this account may be used only for administration of the satellite system management program. Expenditures from the account shall be authorized by the secretary or the secretary's designee. The account is subject to allotment procedures under chapter 43.88 RCW, but no appropriation is required for expenditures.))
- (6) For purposes of this section, "satellite system management agency" and "satellite agency" shall mean a person or entity that is certified by the secretary to own or operate more than one public water system on a regional or countywide basis, without the necessity for a physical connection between such systems.
- Sec. 9. RCW 82.44.180 and 1999 c 402 s 5 and 1999 c 94 s 31 are each reenacted and amended to read as follows:
 - $((\frac{1}{1}))$ The transportation fund is created in the state treasury. Revenues under RCW $((\frac{82.44.110 \text{ and}}{1000}))$ 82.50.510 shall be deposited into the fund as provided in $((\frac{1}{1000}))$ that $(\frac{1}{1000})$.

Moneys in the fund may be spent only after appropriation. Expenditures from the fund may be used only for transportation purposes and activities and operations of the Washington state patrol not directly related to the policing of public highways and that are not authorized under Article II, section 40 of the state Constitution.

(((2) There is hereby created the public transportation systems account within the transportation fund. Moneys deposited into the account under RCW 82.44.150(2) (b) and (c) shall be appropriated to the transportation improvement board and allocated by the transportation improvement board to public transportation projects submitted by the

- public transportation systems as defined by chapters 36.56, 36.57, and 36.57A RCW and RCW 35.84.060 and 81.112.030, and the Washington state ferry system, solely for:
 - (a) Planning;

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- 5 (b) Development of capital projects;
- 6 (c) Development of high capacity transportation systems as defined
 7 in RCW 81.104.015;
- 8 (d) Development of high occupancy vehicle lanes and related 9 facilities as defined in RCW 81.100.020;
- 10 (e) Other public transportation system-related roadway projects on 11 state highways, county roads, or city streets;
- 12 (f) Public transportation system contributions required to fund 13 projects under federal programs and those approved by the 14 transportation improvement board from other fund sources; and
- 15 (g) Reimbursement to the general fund of tax credits authorized 16 under RCW 82.04.4453 and 82.16.048, subject to appropriation.))
 - Sec. 10. RCW 41.05.140 and 2012 c 187 s 10 are each amended to read as follows:
 - (1) Except for property and casualty insurance, the authority may self-fund, self-insure, or enter into other methods of providing insurance coverage for insurance programs under its jurisdiction, including the basic health plan as provided in chapter 70.47 RCW. The authority shall contract for payment of claims or other administrative services for programs under its jurisdiction. If a program does not require the prepayment of reserves, the authority shall establish such reserves within a reasonable period of time for the payment of claims as are normally required for that type of insurance under an insured program. The authority shall endeavor to reimburse basic health plan health care providers under this section at rates similar to the average reimbursement rates offered by the statewide benchmark plan determined through the request for proposal process.
 - (2) Reserves established by the authority for employee and retiree benefit programs shall be held in a separate account in the custody of the state treasurer and shall be known as the public employees' and retirees' insurance reserve fund. The state treasurer may invest the moneys in the reserve fund pursuant to RCW 43.79A.040.

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(3) Any savings realized as a result of a program created for employees and retirees under this section shall not be used to increase benefits unless such use is authorized by statute.

- (4) ((Reserves established by the authority to provide insurance coverage for the basic health plan under chapter 70.47 RCW shall be held in a separate trust account in the custody of the state treasurer and shall be known as the basic health plan self-insurance reserve account. The state treasurer may invest the moneys in the reserve fund pursuant to RCW 43.79A.040.
- (5)) Any program created under this section shall be subject to the examination requirements of chapter 48.03 RCW as if the program were a domestic insurer. In conducting an examination, the commissioner shall determine the adequacy of the reserves established for the program.
- ((+6))) (5) The authority shall keep full and adequate accounts and records of the assets, obligations, transactions, and affairs of any program created under this section.
 - (((7))) <u>(6)</u> The authority shall file a quarterly statement of the financial condition, transactions, and affairs of any program created under this section in a form and manner prescribed by the insurance commissioner. The statement shall contain information as required by the commissioner for the type of insurance being offered under the program. A copy of the annual statement shall be filed with the speaker of the house of representatives and the president of the senate.
- $((\frac{(8)}{(8)}))$ The provisions of this section do not apply to the 27 administration of chapter 74.09 RCW.
- **Sec. 11.** RCW 82.45.180 and 2010 1st sp.s. c 26 s 9 are each 29 amended to read as follows:
 - (1)(a) For taxes collected by the county under this chapter, the county treasurer shall collect a five dollar fee on all transactions required by this chapter where the transaction does not require the payment of tax. A total of five dollars shall be collected in the form of a tax and fee, where the calculated tax payment is less than five dollars. Through June 30, 2006, the county treasurer shall place one percent of the taxes collected by the county under this chapter and the treasurer's fee in the county current expense fund to defray costs of

collection. After June 30, 2006, the county treasurer shall place one 1 2 and three-tenths percent of the taxes collected by the county under this chapter and the treasurer's fee in the county current expense fund 3 to defray costs of collection. For taxes collected by the county under 4 this chapter before July 1, 2006, the county treasurer shall pay over 5 to the state treasurer and account to the department of revenue for the 6 7 proceeds at the same time the county treasurer remits funds to the 8 state under RCW 84.56.280. For taxes collected by the county under this chapter after June 30, 2006, on a monthly basis the county 9 10 treasurer shall pay over to the state treasurer the month's The month's transmittal must be received by the state 11 transmittal. 12 treasurer by 12:00 p.m. on the last working day of each month. 13 county treasurer shall account to the department for the month's 14 transmittal by the twentieth day of the month following the month in which the month's transmittal was paid over to the state treasurer. 15 16 The state treasurer shall deposit the proceeds in the general fund.

(b) For purposes of this subsection, the definitions in this subsection apply.

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- (i) "Close of business" means the time when the county treasurer makes his or her daily deposit of proceeds.
- (ii) "Month's transmittal" means all proceeds deposited by the county through the close of business of the day that is two working days before the last working day of the month. This definition of "month's transmittal" shall not be construed as requiring any change in a county's practices regarding the timing of its daily deposits of proceeds.
- (iii) "Proceeds" means moneys collected and receipted by the county from the taxes imposed by this chapter, less the county's share of the proceeds used to defray the county's costs of collection allowable in (a) of this subsection.
- (iv) "Working day" means a calendar day, except Saturdays, Sundays, and all legal holidays as provided in RCW 1.16.050.
- (2) For taxes collected by the department of revenue under this chapter, the department shall remit the tax to the state treasurer who shall deposit the proceeds of any state tax in the general fund. The state treasurer shall deposit the proceeds of any local taxes imposed under chapter 82.46 RCW in the local real estate excise tax account hereby created in the state treasury. Moneys in the local real estate

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excise tax account may be spent only for distribution to counties, cities, and towns imposing a tax under chapter 82.46 RCW. Except as provided in RCW 43.08.190, all earnings of investments of balances in the local real estate excise tax account shall be credited to the local real estate excise tax account and distributed to the counties, cities, and towns monthly. Monthly the state treasurer shall make distribution from the local real estate excise tax account to the counties, cities, and towns the amount of tax collected on behalf of each taxing authority. The state treasurer shall make the distribution under this subsection without appropriation.

(3)(a) ((The real estate excise tax electronic technology account is created in the custody of the state treasurer. An appropriation is not required for expenditures and the account is not subject to allotment procedures under chapter 43.88 RCW.

(b))) Through June 30, 2010, the county treasurer shall collect an additional five dollar fee on all transactions required by this chapter, regardless of whether the transaction requires the payment of tax. The county treasurer shall remit this fee to the state treasurer at the same time the county treasurer remits funds to the state under subsection (1) of this section. The state treasurer shall place money from this fee in the ((real estate excise tax electronic technology account)) general fund. By the twentieth day of the subsequent month, the state treasurer shall distribute to each county treasurer according to the following formula: Three-quarters of the funds available shall be equally distributed among the thirty-nine counties; and the balance shall be ratably distributed among the counties in direct proportion to their population as it relates to the total state's population based on most recent statistics by the office of financial management.

((\(\frac{(c)}{)}\)) (b) When received by the county treasurer, the funds shall be placed in a special real estate excise tax electronic technology fund held by the county treasurer to be used exclusively for the development, implementation, and maintenance of an electronic processing and reporting system for real estate excise tax affidavits. Funds may be expended to make the system compatible with the automated real estate excise tax system developed by the department and compatible with the processes used in the offices of the county assessor and county auditor. Any funds held in the account that are not expended by the earlier of: July 1, 2015, or at such time that the

county treasurer is utilizing an electronic processing and reporting system for real estate excise tax affidavits compatible with the department and compatible with the processes used in the offices of the county assessor and county auditor, revert to the special real estate and property tax administration assistance account in accordance with subsection (5)(c) of this section.

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- (4) Beginning July 1, 2010, through December 31, 2013, the county treasurer shall continue to collect the additional five dollar fee in subsection (3) of this section on all transactions required by this chapter, regardless of whether the transaction requires the payment of tax. During this period, the county treasurer shall remit this fee to the state treasurer at the same time the county treasurer remits funds to the state under subsection (1) of this section. The state treasurer shall place money from this fee in the annual property revaluation grant account created in RCW 84.41.170.
- (5)(a) The real estate and property tax administration assistance account is created in the custody of the state treasurer. An appropriation is not required for expenditures and the account is not subject to allotment procedures under chapter 43.88 RCW.
- (b) Beginning January 1, 2014, the county treasurer must continue to collect the additional five dollar fee in subsection (3) of this section on all transactions required by this chapter, regardless of whether the transaction requires the payment of tax. treasurer shall deposit one-half of this fee in the special real estate and property tax administration assistance account in accordance with (c) of this subsection and remit the balance to the state treasurer at the same time the county treasurer remits funds to the state under subsection (1) of this section. The state treasurer must place money from this fee in the real estate and property tax administration assistance account. By the twentieth day of the subsequent month, the state treasurer must distribute the funds to each county treasurer according to the following formula: One-half of the funds available must be equally distributed among the thirty-nine counties; and the balance must be ratably distributed among the counties in direct proportion to their population as it relates to the total state's population based on most recent statistics by the office of financial management.

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1 (c) When received by the county treasurer, the funds must be placed 2 in a special real estate and property tax administration assistance 3 account held by the county treasurer to be used for:

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- (i) Maintenance and operation of an annual revaluation system for property tax valuation; and
- 6 (ii) Maintenance and operation of an electronic processing and 7 reporting system for real estate excise tax affidavits.
- 8 **Sec. 12.** RCW 70.122.130 and 2006 c 108 s 2 are each amended to 9 read as follows:
- (1) The department of health shall establish and maintain a 10 11 statewide health care declarations registry containing the health care 12 declarations identified in subsection (2) of this section as submitted 13 by residents of Washington. The department shall digitally reproduce and store health care declarations in the registry. The department may 14 establish standards for individuals to submit digitally reproduced 15 16 health care declarations directly to the registry, but is not required 17 to review the health care declarations that it receives to ensure they comply with the particular statutory requirements applicable to the 18 document. The department may contract with an organization that meets 19 20 the standards identified in this section.
- (2)(a) An individual may submit any of the following health care declarations to the department of health to be digitally reproduced and stored in the registry:
 - (i) A directive, as defined by this chapter;
- 25 (ii) A durable power of attorney for health care, as authorized in 26 chapter 11.94 RCW;
- 27 (iii) A mental health advance directive, as defined by chapter 28 71.32 RCW; or
- (iv) A form adopted pursuant to the department of health's authority in RCW 43.70.480.
- 31 (b) Failure to submit a health care declaration to the department 32 of health does not affect the validity of the declaration.
- 33 (c) Failure to notify the department of health of a valid 34 revocation of a health care declaration does not affect the validity of 35 the revocation.
- 36 (d) The entry of a health care directive in the registry under this 37 section does not:

- (i) Affect the validity of the document;
- 2 (ii) Take the place of any requirements in law necessary to make 3 the submitted document legal; or
 - (iii) Create a presumption regarding the validity of the document.
 - (3) The department of health shall prescribe a procedure for an individual to revoke a health care declaration contained in the registry.
 - (4) The registry must:

- 9 (a) Be maintained in a secure database that is accessible through 10 a web site maintained by the department of health;
 - (b) Send annual electronic messages to individuals that have submitted health care declarations to request that they review the registry materials to ensure that it is current;
 - (c) Provide individuals who have submitted one or more health care declarations with access to their documents and the ability to revoke their documents at all times; and
 - (d) Provide the personal representatives of individuals who have submitted one or more health care declarations to the registry, attending physicians, advanced registered nurse practitioners, health care providers licensed by a disciplining authority identified in RCW 18.130.040 who is acting under the direction of a physician or an advanced registered nurse practitioner, and health care facilities, as defined in this chapter or in chapter 71.32 RCW, access to the registry at all times.
 - (5) In designing the registry and web site, the department of health shall ensure compliance with state and federal requirements related to patient confidentiality.
 - (6) The department shall provide information to health care providers and health care facilities on the registry web site regarding the different federal and Washington state requirements to ascertain and document whether a patient has an advance directive.
 - (7) The department of health may accept donations, grants, gifts, or other forms of voluntary contributions to support activities related to the creation and maintenance of the health care declarations registry and statewide public education campaigns related to the existence of the registry. ((All funds received shall be transferred to the health care declarations registry account, created in RCW 70.122.140.)) All receipts from donations made under this section, and

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- 1 other contributions and appropriations specifically made for the
- 2 purposes of creating and maintaining the registry established under
- 3 this section and statewide public education campaigns related to the
- 4 <u>existence of the registry, shall be deposited into the general fund.</u>
- 5 These moneys in the general fund may be spent only after appropriation.
- 6 (8) The department of health may adopt rules as necessary to 7 implement chapter 108, Laws of 2006.
- 8 (9) By December 1, 2008, the department shall report to the house 9 and senate committees on health care the following information:
 - (a) Number of participants in the registry;
- 11 (b) Number of health care declarations submitted by type of declaration as defined in this section;
- 13 (c) Number of health care declarations revoked and the method of revocation;
- 15 (d) Number of providers and facilities, by type, that have been 16 provided access to the registry;
 - (e) Actual costs of operation of the registry(($\dot{\tau}$
- 18 (f) Donations received by the department for deposit into the 19 health care declarations registry account, created in RCW 70.122.140 by
- 20 type of donor)).

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- NEW SECTION. Sec. 13. The following acts or parts of acts are each repealed:
- 23 (1) RCW 43.19.730 (Public printing revolving account) and 2011 1st 24 sp.s. c 43 s 307;
- 25 (2) RCW 43.70.325 (Rural health access account) and 1992 c 120 s 1;
- 26 (3) RCW 43.338.030 (Manufacturing innovation and modernization 27 account) and 2008 c 315 s 5;
- 28 (4) RCW 46.68.210 (Puyallup tribal settlement account) and 1991 29 sp.s. c 13 s 104 & 1990 c 42 s 411;
- 30 (5) RCW 46.68.330 (Freight congestion relief account) and 2007 c 31 514 s 2;
- 32 (6) RCW 70.122.140 (Health care declarations registry account) and 33 2006 c 108 s 3; and
- 34 (7) 2006 c 372 s 715 (uncodified).
- 35 <u>NEW SECTION.</u> **Sec. 14.** The office of the state treasurer, the office of financial management, and the code reviser shall review state

- 1 statutes relating to state capital construction funds and accounts and
- 2 bond authorizations and submit to the appropriate fiscal committees of
- 3 the 2015 legislature recommended legislation for the amendment, repeal,
- 4 or decodification of those statutes that are inactive, obsolete, or no
- 5 longer necessary for continued publication in the Revised Code of
- 6 Washington.
- 7 <u>NEW SECTION.</u> **Sec. 15.** Section 3 of this act expires if the
- 8 requirements set out in section 7, chapter 36, Laws of 2012 are met.
- 9 <u>NEW SECTION.</u> **Sec. 16.** Section 4 of this act takes effect if the
- 10 requirements set out in section 7, chapter 36, Laws of 2012 are met.
- 11 <u>NEW SECTION.</u> **Sec. 17.** Any residual balance of funds remaining in
- 12 the public printing revolving account repealed by section 13 of this
- 13 act on the effective date of this section shall be transferred to the
- 14 enterprise services account. Any residual balance of funds remaining
- in the Puyallup tribal settlement account repealed by section 13 of
- 16 this act on the effective date of this section shall be transferred to
- 17 the motor vehicle fund. Any residual balance of funds remaining in any
- 18 other account abolished in this act on June 30, 2013, shall be
- 19 transferred by the state treasurer to the state general fund.
- 20 NEW SECTION. Sec. 18. Except for section 4 of this act, this act
- 21 is necessary for the immediate preservation of the public peace,
- 22 health, or safety, or support of the state government and its existing
- 23 public institutions, and takes effect June 30, 2013.

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