

WASHINGTON STATE LEGISLATURE



# Legislative Digest No. 63

			SIXTY-THIR	D LEGISLA	TURE		
Tuesday, June 4, 2013			23rd Day - 2013 1st Special Session				
SENATE	SB 5912-S2 SB 5944	SB 5939	SB 5939-S	SB 5940	SB 5941	SB 5942	SB 5943
HOUSE	HB 2030-S HB 2068	HB 2063	HB 2064	HB 2064-S	HB 2065	HB 2066	HB 2067

This publication includes digest and history for bills, joint memorials, joint resolutions, concurrent resolutions, initiatives, and substitutes. Engrossed measures may be republished if the amendment makes a substantive change.

Electronic versions of Legislative Digests are available at http://apps.leg.wa.gov/billinfo/digests.aspx?year=2013.

# **House Bills**

HB 2030-S by House Committee on Public Safety (originally sponsored by Representatives Morrell, Klippert, Goodman, Short, Van De Wege, Warnick, Bergquist, Harris, Hansen, Zeiger, Tharinger, Hurst, Dahlquist, Fitzgibbon, Kochmar, Fey, Hope, Kirby, O'Ban, Seaquist, Haler, Habib, Hargrove, Sells, Smith, Stanford, Sullivan, Maxwell, McCoy, Springer, Hunt, Liias, Stonier, Pollet, Ryu, Farrell, Orwall, Moscoso, and Upthegrove; by request of Governor Inslee)

Modifying provisions that address impaired driving.

(DIGEST OF PROPOSED 1ST SUBSTITUTE)

Modifies provisions relating to driving under the influence of intoxicating liquor or drugs.

Establishes the Washington impaired driving work group to study effective strategies to reducing vehicle related deaths and serious injuries that are a result of impaired driving incidents.

Creates 24/7 alcohol/drug monitoring to be administered by the criminal justice training commission in conjunction with the Washington association of sheriffs and police chiefs.

Creates the 24/7 alcohol/drug monitoring revolving account program within the criminal justice training commission to assist in covering the monetary costs of purchasing, leasing, maintaining, and using 24/7 alcohol/drug monitoring devices for indigent persons who are required to participate in 24/7 alcohol/drug monitoring.

Prohibits a court from waiving or reducing fees or associated costs charged for participation in the 24/7 alcohol/drug monitoring.

Creates the target zero account and the 24/7 alcohol/ drug monitoring revolving account.

-- 2013 REGULAR SESSION --

Apr 18 Public hearing in the House Committee on Public Safety at 10:00 AM.

-- 2013 1ST SPECIAL SESSION --

May 22 PS - Majority; 1st substitute bill be substituted, do pass.

Minority; do not pass. Executive action taken in the House Committee on Public Safety at 10:30 AM.

May 29 Referred to Appropriations.

HB 2063 by Representatives Pike, Klippert, Hargrove, Haler, Orcutt, Warnick, and Magendanz

Establishing an education investment tax credit.

Creates the education investment tax credit program which allows a credit against business and occupation taxes for approved contributions made by a person to a scholarship organization.

Requires the department of revenue to: (1) Create and maintain a public list of all scholarship organizations that meet certain requirements;

(2) Post the list on its web site and frequently update the list; and

(3) Provide the list to the office of the superintendent of public instruction.

Requires the office of the superintendent of public instruction to: (1) Post the list on its web site, including any updates made by the department; and

(2) Assist the department in determining noncompliance by a scholarship organization.

Provides that an approved private school is not considered an agent of the state or federal government as a result of accepting a student who has received a scholarship from a scholarship organization.

-- 2013 1ST SPECIAL SESSION --

May 22 First reading, referred to Education (Not Officially read and referred until adoption of Introduction report).

HB 2064 by Representatives Ormsby, Reykdal, and Roberts

Preserving funding deposited into the education legacy trust account used to support common schools and access to higher education by restoring the application of the Washington estate and transfer tax to certain property transfers.

#### (SEE ALSO PROPOSED 1ST SUB)

Finds that: (1) In *In re Estate of Bracken*, Docket No. 84114-4, the Washington supreme court narrowly construed the term "transfer" as defined in the Washington estate tax code;

(2) The *Bracken* decision held certain qualified terminable interest property (QTIP) of married couples was transferred without incurring Washington state estate tax liability, which: Creates an inequity never intended by the legislature because unmarried individuals did not enjoy any similar opportunities to avoid or greatly reduce their potential Washington estate tax liability; and may create disparate treatment between QTIP property and other property transferred between spouses that is eligible for the marital deduction; and

(3) It is necessary to reinstate the legislature's intended meaning when it enacted the estate tax, restore parity between married couples and unmarried individuals, restore parity between QTIP property and other property eligible for the marital deduction, and prevent the adverse fiscal impacts of the *Bracken* decision by reaffirming its intent that the term "transfer" as used in the Washington estate and transfer tax is to be given its broadest possible meaning consistent with established United States supreme court precedents, subject only to the limits and exceptions expressly provided by the legislature.

-- 2013 1ST SPECIAL SESSION --

- May 28 First reading, referred to Finance (Not Officially read and referred until adoption of Introduction report).
- May 29 FIN Executive action taken by committee.

FIN - Majority; 1st substitute bill be

substituted, do pass.

Minority; do not pass.

- Placed on second reading. Public hearing and executive action taken in the House Committee on Finance at
- 10:00 AM.
- May 30 1st substitute bill substituted.

HB 2064-S by House Committee on Finance (originally sponsored by Representatives Ormsby, Reykdal, and Roberts)

Preserving funding deposited into the education legacy trust account used to support common schools and access to higher education by restoring the application of the Washington estate and transfer tax to certain property transfers.

(DIGEST OF PROPOSED 1ST SUBSTITUTE)

Finds that: (1) In *In re Estate of Bracken*, Docket No. 84114-4, the Washington supreme court narrowly construed the term "transfer" as defined in the Washington estate tax code;

(2) The *Bracken* decision held certain qualified terminable interest property (QTIP) of married couples was transferred without incurring Washington state estate tax liability, which: Creates an inequity never intended by the legislature because unmarried individuals did not enjoy any similar opportunities to avoid or greatly reduce their potential Washington estate tax liability; and may create disparate treatment between QTIP property and other property transferred between spouses that is eligible for the marital deduction; and

(3) It is necessary to reinstate the legislature's intended meaning when it enacted the estate tax, restore parity between married couples and unmarried individuals, restore parity between QTIP property and other property eligible for the marital deduction, and prevent the adverse fiscal impacts of the *Bracken* decision by reaffirming its intent that the term "transfer" as used in the Washington estate and transfer tax is to be given its broadest possible meaning consistent with established United States supreme court precedents, subject only to the limits and exceptions expressly provided by the legislature.

-- 2013 1ST SPECIAL SESSION --

May 29 FIN - Majority; 1st substitute bill be substituted, do pass.
Minority; do not pass.
Placed on second reading.
Public hearing and executive action taken in the House Committee on Finance at 10:00 AM.
May 30 1st substitute bill substituted.
Bules suspended Placed on Third Reading.

Rules suspended. Placed on Third Reading. Third reading, passed; yeas, 51; nays, 40; absent, 0; excused, 7. -- IN THE SENATE --

- May 31 First reading, referred to Ways & Means.
- HB 2065 by Representatives Kagi, Hunter, Sullivan, and Maxwell

Regarding an integrated high quality continuum of early learning.

Requires the legislature, at such time as the amount of funds from marijuana excise taxes distributed annually to the general fund is determined, to prioritize funding for an integrated high quality continuum of early learning, called early start, for children birth-to-five years of age.

-- 2013 1ST SPECIAL SESSION --

May 31 First reading, referred to Appropriations (Not Officially read and referred until adoption of Introduction report).

HB 2066 by Representatives Hunter and Alexander

Reducing the costs and inefficiencies in elections by eliminating a requirement to include the full text of ballot measures in the printed version of voters' pamphlets.

Eliminates the requirement to include the full text of ballot measures in the printed version of voters' pamphlets.

- -- 2013 1ST SPECIAL SESSION --
- Jun 3 First reading, referred to Appropriations (Not Officially read and referred until adoption of Introduction report).

HB 2067 by Representatives Tharinger, Springer, Zeiger, Green, Reykdal, Hunt, Fitzgibbon, Lytton, Fey,

Jinkins, Takko, Moscoso, Tarleton, Wylie, Sells, Liias, Orwall, and Moeller

Concerning the distribution of revenues under RCW 66.08.190 to the state, border areas, cities, and counties.

Changes the distribution of revenues from the liquor revolving fund to the state, border areas, cities, and counties.

-- 2013 1ST SPECIAL SESSION --

Jun 3 First reading, referred to Appropriations (Not Officially read and referred until adoption of Introduction report).

## HB 2068 by Representative Takko

Concerning the annexation of unincorporated territory within a code city.

Changes the boundary requirements of unincorporated territory with regard to annexation within a code city.

-- 2013 1ST SPECIAL SESSION --

Jun 3 Held on first reading.

#### **Senate Bills**

SB 5912-S2 by Senate Committee on Ways & Means (originally sponsored by Senators Padden, Kline, and Conway; by request of Governor Inslee)

Concerning driving under the influence of intoxicating liquor or drugs.

(DIGEST OF PROPOSED 2ND SUBSTITUTE)

Modifies DUI provisions relating to making a fourth offense a felony; increasing the penalty for DUI with a child in the vehicle; increasing the minimum mandatory sentence for offenses of DUI and physical control; consideration as an aggravating circumstance if driving the wrong way to the normal flow of traffic; prior DUI offenses counted in the offender score; and prohibiting courts from deferring DUI sentences.

Creates a 24/7 sobriety program and requires the Washington association of sheriffs and police chiefs to conduct a 24/7 sobriety program pilot project.

Establishes the Washington impaired driving work group to study effective strategies to reducing vehicle related deaths and serious injuries that are a result of impaired driving incidents.

Creates the 24/7 sobriety account.

-- 2013 REGULAR SESSION --

- Apr 18 Public hearing in the House Committee on Public Safety at 8:00 AM.
- Apr 23 Work session in the Senate Committee on Law & Justice at 8:00 AM.
  - -- 2013 1ST SPECIAL SESSION --
- May 14 Executive action taken in the Senate Committee on Law & Justice at 9:00 AM.
- May 31 WM Majority; 2nd substitute bill be substituted, do pass.
  - Public hearing and executive action taken in the Senate Committee on Ways & Means at 10:00 AM.
- Jun 3 Passed to Rules Committee for second reading.

## SB 5939 by Senators Hill and Braun

Concerning the estate tax.

#### (SEE ALSO PROPOSED 1ST SUB)

Reinstates the legislature's intended meaning when it enacted the estate tax; and restores parity between married couples and unmarried individuals and between QTIP property and other property eligible for the marital deduction.

Prevents the adverse fiscal impacts of the *Bracken* decision by reaffirming its intent that the term "transfer" as used in the Washington estate and transfer tax is to be given its broadest possible meaning consistent with established United States supreme court precedents, subject only to the limits and exceptions expressly provided by the legislature.

Finds that the state's estate tax burdens family owned businesses, undermines job creation, and discourages savings and investment.

Increases the threshold for determining whether the tax applies to an estate and decreases the tax rate to fifty percent by fiscal year 2022.

-- 2013 1ST SPECIAL SESSION --

May 30 First reading, referred to Ways & Means.

May 31	WM - Majority; 1st substitute bill be
•	substituted, do pass.
	Minority: do not pass.

Minority; without recommendation.

Public hearing and executive action taken in the Senate Committee on Ways & Means at 10:00 AM.

- Jun 3 Passed to Rules Committee for second reading.
- **SB 5939-S** by Senate Committee on Ways & Means (originally sponsored by Senators Hill and

Braun)

Concerning the estate tax.

(DIGEST OF PROPOSED 1ST SUBSTITUTE)

Reinstates the legislature's intended meaning when it enacted the estate tax; and restores parity between married couples and unmarried individuals and between QTIP property and other property eligible for the marital deduction.

Prevents the adverse fiscal impacts of the *Bracken* decision by reaffirming its intent that the term "transfer" as used in the Washington estate and transfer tax is to be given its broadest possible meaning consistent with established United States supreme court precedents, subject only to the limits and exceptions expressly provided by the legislature.

Finds that the state's estate tax burdens family owned businesses, undermines job creation, and discourages savings and investment.

Increases the threshold for determining whether the tax applies to an estate and decreases the tax rate to seventy-five percent of current rates by calendar year 2022.

-- 2013 1ST SPECIAL SESSION --

- May 31 WM Majority; 1st substitute bill be substituted, do pass. Minority; do not pass. Minority; without recommendation. Public hearing and executive action taken in the Senate Committee on Ways &
  - Means at 10:00 AM.
- Jun 3 Passed to Rules Committee for second reading.

#### SB 5940 by Senator Braun

Adjusting the applicable exclusion and tax rates on estate tax.

Adjusts the applicable exclusion and tax rates on estate tax.

-- 2013 1ST SPECIAL SESSION --

May 30 First reading, referred to Ways & Means.

May 31 Public hearing, executive session scheduled, but no action was taken in the Senate Committee on Ways & Means at 10:00 AM.

**SB 5941** by Senators Baumgartner and Bailey

Decreasing resident undergraduate tuition rates by three percent for the 2013-2015 fiscal biennium and limiting future growth of resident undergraduate tuition rates to inflation.

Decreases resident undergraduate tuition rates by three percent for the 2013-2015 fiscal biennium and limits future growth of resident undergraduate tuition rates to inflation.

# -- 2013 1ST SPECIAL SESSION --

May 31 First reading, referred to Ways & Means. Executive action scheduled, but the report on the motion to move the bill out of committee did not receive sufficient signatures.

#### SB 5942 by Senators Baumgartner and Bailey

Providing for a performance and enrollment-based methodology of distributing state appropriations to public institutions of higher education.

Distributes the support of public higher education more equitably between the state and students and their families by establishing a funding methodology that is based on enrollment levels with which to provide predictable and stable baseline state funding to the institutions of higher education and by establishing a process whereby any state funds over and above the level needed for the baseline levels of state funding are distributed among the institutions of higher education based on their performance in meeting statewide goals and expectations.

Rewards the highest performers.

Requires the office of financial management to: (1) Convene a work group to review certain per-resident student rates;

(2) Make recommendations for achieving equal funding for similar institutions by the 2017-2019 fiscal biennium; and

(3) Submit a final recommendation of the work group to the governor and appropriate committees of the legislature.

## -- 2013 1ST SPECIAL SESSION --

May 31 First reading, referred to Ways & Means. Executive action scheduled, but the report on the motion to move the bill out of committee did not receive sufficient signatures.

# SB 5943 by Senators Harper and Fain

Concerning a license fee or tax on certain businesses annexed into a first-class city.

Prohibits certain first-class cities from imposing a license fee or tax upon the business activity of marine manufacturing and industrial businesses that are annexed into the city for a minimum period of five years from the effective date of the annexation.

-- 2013 1ST SPECIAL SESSION --May 31 First reading, referred to Governmental

Operations.

## SB 5944 by Senator Baumgartner

Concerning special permits and signage for certain overheight or overwidth vehicle loads.

Prohibits the department of transportation and local authorities from issuing an overheight or overwidth special permit for a vehicle moving a load that exceeds the actual measured minimum clearance height or width of a bridge on the proposed route on Washington state highways.

Requires a low clearance sign on structures over or across a public highway that provide less than sixteen feet of clearance from the roadway.

-- 2013 1ST SPECIAL SESSION --

May 31 First reading, referred to Transportation.