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**BILL REQUEST - CODE REVISER'S OFFICE**

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BILL REQ. #: Z-0761.3/14 3rd draft

ATTY/TYPIST: JA:eab

BRIEF DESCRIPTION: Funding suspended cost-of-living increases for educational employees and increasing materials, supplies, and operating cost allocations to school districts by narrowing or eliminating tax preferences.

1 AN ACT Relating to funding suspended cost-of-living increases for  
2 educational employees and increasing materials, supplies, and operating  
3 cost allocations to school districts by narrowing or eliminating tax  
4 preferences; amending RCW 82.04.050, 82.04.280, 82.04.280, 82.08.010,  
5 82.08.0273, 82.08.0293, 82.12.0293, 82.12.0263, 82.16.050, 28A.400.205,  
6 28B.50.465, and 28B.50.468; amending 2013 2nd sp.s. c 4 ss 502, 503,  
7 504, 507, 616, 617, 601, and 605 (uncodified); reenacting and amending  
8 RCW 82.32.790; adding new sections to chapter 82.08 RCW; adding new  
9 sections to chapter 82.12 RCW; adding a new section to chapter 82.16  
10 RCW; adding a new section to chapter 82.32 RCW; adding a new section to  
11 chapter 43.135 RCW; repealing RCW 82.04.272; prescribing penalties;  
12 making appropriations; providing effective dates; providing a  
13 contingent effective date; providing a contingent expiration date; and  
14 declaring an emergency.

15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

16 **PART I: Narrowing or Eliminating Tax Preferences**

17 **Sec. 101.** RCW 82.04.050 and 2013 2nd sp.s. c 13 s 802 are each  
18 amended to read as follows:

1 (1)(a) "Sale at retail" or "retail sale" means every sale of  
2 tangible personal property (including articles produced, fabricated, or  
3 imprinted) to all persons irrespective of the nature of their business  
4 and including, among others, without limiting the scope hereof, persons  
5 who install, repair, clean, alter, improve, construct, or decorate real  
6 or personal property of or for consumers other than a sale to a person  
7 who:

8 (i) Purchases for the purpose of resale as tangible personal  
9 property in the regular course of business without intervening use by  
10 such person, but a purchase for the purpose of resale by a regional  
11 transit authority under RCW 81.112.300 is not a sale for resale; or

12 (ii) Installs, repairs, cleans, alters, imprints, improves,  
13 constructs, or decorates real or personal property of or for consumers,  
14 if such tangible personal property becomes an ingredient or component  
15 of such real or personal property without intervening use by such  
16 person; or

17 (iii) Purchases for the purpose of consuming the property purchased  
18 in producing for sale as a new article of tangible personal property or  
19 substance, of which such property becomes an ingredient or component or  
20 is a chemical used in processing, when the primary purpose of such  
21 chemical is to create a chemical reaction directly through contact with  
22 an ingredient of a new article being produced for sale; or

23 (iv) Purchases for the purpose of consuming the property purchased  
24 in producing ferrosilicon which is subsequently used in producing  
25 magnesium for sale, if the primary purpose of such property is to  
26 create a chemical reaction directly through contact with an ingredient  
27 of ferrosilicon; or

28 (v) Purchases for the purpose of providing the property to  
29 consumers as part of competitive telephone service, as defined in RCW  
30 82.04.065; or

31 (vi) Purchases for the purpose of satisfying the person's  
32 obligations under an extended warranty as defined in subsection (7) of  
33 this section, if such tangible personal property replaces or becomes an  
34 ingredient or component of property covered by the extended warranty  
35 without intervening use by such person.

36 (b) The term includes every sale of tangible personal property that  
37 is used or consumed or to be used or consumed in the performance of any

1 activity defined as a "sale at retail" or "retail sale" even though  
2 such property is resold or used as provided in (a)(i) through (vi) of  
3 this subsection following such use.

4 (c) The term also means every sale of tangible personal property to  
5 persons engaged in any business that is taxable under RCW 82.04.280(1)  
6 (a), (b), and (g), 82.04.290, and 82.04.2908.

7 (2) The term "sale at retail" or "retail sale" includes the sale of  
8 or charge made for tangible personal property consumed and/or for labor  
9 and services rendered in respect to the following:

10 (a) The installing, repairing, cleaning, altering, imprinting, or  
11 improving of tangible personal property of or for consumers, including  
12 charges made for the mere use of facilities in respect thereto, but  
13 excluding charges made for the use of self-service laundry facilities,  
14 and also excluding sales of laundry service to nonprofit health care  
15 facilities, and excluding services rendered in respect to live animals,  
16 birds and insects;

17 (b) The constructing, repairing, decorating, or improving of new or  
18 existing buildings or other structures under, upon, or above real  
19 property of or for consumers, including the installing or attaching of  
20 any article of tangible personal property therein or thereto, whether  
21 or not such personal property becomes a part of the realty by virtue of  
22 installation, and also includes the sale of services or charges made  
23 for the clearing of land and the moving of earth excepting the mere  
24 leveling of land used in commercial farming or agriculture;

25 (c) The constructing, repairing, or improving of any structure  
26 upon, above, or under any real property owned by an owner who conveys  
27 the property by title, possession, or any other means to the person  
28 performing such construction, repair, or improvement for the purpose of  
29 performing such construction, repair, or improvement and the property  
30 is then reconveyed by title, possession, or any other means to the  
31 original owner;

32 (d) The cleaning, fumigating, razing, or moving of existing  
33 buildings or structures(~~(, but does not include the charge made for~~  
34 ~~janitorial services; and for purposes of this section the term~~  
35 ~~"janitorial services" means those cleaning and caretaking services~~  
36 ~~ordinarily performed by commercial janitor service businesses~~  
37 ~~including, but not limited to, wall and window washing, floor cleaning~~  
38 ~~and waxing, and the cleaning in place of rugs, drapes and upholstery.~~

1 ~~The term "janitorial services" does not include painting, papering,~~  
2 ~~repairing, furnace or septic tank cleaning, snow removal or~~  
3 ~~sandblasting));~~

4 (e) Automobile towing and similar automotive transportation  
5 services, but not in respect to those required to report and pay taxes  
6 under chapter 82.16 RCW;

7 (f) The furnishing of lodging and all other services by a hotel,  
8 rooming house, tourist court, motel, trailer camp, and the granting of  
9 any similar license to use real property, as distinguished from the  
10 renting or leasing of real property, and it is presumed that the  
11 occupancy of real property for a continuous period of one month or more  
12 constitutes a rental or lease of real property and not a mere license  
13 to use or enjoy the same. For the purposes of this subsection, it is  
14 presumed that the sale of and charge made for the furnishing of lodging  
15 for a continuous period of one month or more to a person is a rental or  
16 lease of real property and not a mere license to enjoy the same;

17 (g) The installing, repairing, altering, or improving of digital  
18 goods for consumers;

19 (h) Persons taxable under (a), (b), (c), (d), (e), (f), and (g) of  
20 this subsection when such sales or charges are for property, labor and  
21 services which are used or consumed in whole or in part by such persons  
22 in the performance of any activity defined as a "sale at retail" or  
23 "retail sale" even though such property, labor and services may be  
24 resold after such use or consumption. Nothing contained in this  
25 subsection may be construed to modify subsection (1) of this section  
26 and nothing contained in subsection (1) of this section may be  
27 construed to modify this subsection.

28 (3) The term "sale at retail" or "retail sale" includes the sale of  
29 or charge made for personal, business, or professional services  
30 including amounts designated as interest, rents, fees, admission, and  
31 other service emoluments however designated, received by persons  
32 engaging in the following business activities:

33 (a)(i) Amusement and recreation services including but not limited  
34 to golf, pool, billiards, skating, bowling, ski lifts and tows, day  
35 trips for sightseeing purposes, and others, when provided to consumers.

36 (ii) Until July 1, 2017, amusement and recreation services do not  
37 include the opportunity to dance provided by an establishment in  
38 exchange for a cover charge.

1 (iii) For purposes of this subsection (3)(a):

2 (A) "Cover charge" means a charge, regardless of its label, to  
3 enter an establishment or added to the purchaser's bill by an  
4 establishment or otherwise collected after entrance to the  
5 establishment, and the purchaser is provided the opportunity to dance  
6 in exchange for payment of the charge.

7 (B) "Opportunity to dance" means that an establishment provides a  
8 designated physical space, on either a temporary or permanent basis,  
9 where customers are allowed to dance and the establishment either  
10 advertises or otherwise makes customers aware that it has an area for  
11 dancing;

12 (b) Abstract, title insurance, and escrow services;

13 (c) Credit bureau services;

14 (d) Automobile parking and storage garage services;

15 (e) Landscape maintenance and horticultural services but excluding  
16 (i) horticultural services provided to farmers and (ii) pruning,  
17 trimming, repairing, removing, and clearing of trees and brush near  
18 electric transmission or distribution lines or equipment, if performed  
19 by or at the direction of an electric utility;

20 (f) Service charges associated with tickets to professional  
21 sporting events; and

22 (g) The following personal services: Physical fitness services,  
23 tanning salon services, tattoo parlor services, steam bath services,  
24 turkish bath services, escort services, and dating services.

25 (4)(a) The term also includes the renting or leasing of tangible  
26 personal property to consumers.

27 (b) The term does not include the renting or leasing of tangible  
28 personal property where the lease or rental is for the purpose of  
29 sublease or subrent.

30 (5) The term also includes the providing of "competitive telephone  
31 service," "telecommunications service," or "ancillary services," as  
32 those terms are defined in RCW 82.04.065, to consumers.

33 (6)(a) The term also includes the sale of prewritten computer  
34 software to a consumer, regardless of the method of delivery to the end  
35 user. For purposes of this subsection (6)(a), the sale of prewritten  
36 computer software includes the sale of or charge made for a key or an  
37 enabling or activation code, where the key or code is required to  
38 activate prewritten computer software and put the software into use.

1 There is no separate sale of the key or code from the prewritten  
2 computer software, regardless of how the sale may be characterized by  
3 the vendor or by the purchaser.

4 The term "retail sale" does not include the sale of or charge made  
5 for:

6 (i) Custom software; or

7 (ii) The customization of prewritten computer software.

8 (b)(i) The term also includes the charge made to consumers for the  
9 right to access and use prewritten computer software, where possession  
10 of the software is maintained by the seller or a third party,  
11 regardless of whether the charge for the service is on a per use, per  
12 user, per license, subscription, or some other basis.

13 (ii)(A) The service described in (b)(i) of this subsection (6)  
14 includes the right to access and use prewritten computer software to  
15 perform data processing.

16 (B) For purposes of this subsection (6)(b)(ii), "data processing"  
17 means the systematic performance of operations on data to extract the  
18 required information in an appropriate form or to convert the data to  
19 usable information. Data processing includes check processing, image  
20 processing, form processing, survey processing, payroll processing,  
21 claim processing, and similar activities.

22 (7) The term also includes the sale of or charge made for an  
23 extended warranty to a consumer. For purposes of this subsection,  
24 "extended warranty" means an agreement for a specified duration to  
25 perform the replacement or repair of tangible personal property at no  
26 additional charge or a reduced charge for tangible personal property,  
27 labor, or both, or to provide indemnification for the replacement or  
28 repair of tangible personal property, based on the occurrence of  
29 specified events. The term "extended warranty" does not include an  
30 agreement, otherwise meeting the definition of extended warranty in  
31 this subsection, if no separate charge is made for the agreement and  
32 the value of the agreement is included in the sales price of the  
33 tangible personal property covered by the agreement. For purposes of  
34 this subsection, "sales price" has the same meaning as in RCW  
35 82.08.010.

36 (8)(a) The term also includes the following sales to consumers of  
37 digital goods, digital codes, and digital automated services:

1 (i) Sales in which the seller has granted the purchaser the right  
2 of permanent use;

3 (ii) Sales in which the seller has granted the purchaser a right of  
4 use that is less than permanent;

5 (iii) Sales in which the purchaser is not obligated to make  
6 continued payment as a condition of the sale; and

7 (iv) Sales in which the purchaser is obligated to make continued  
8 payment as a condition of the sale.

9 (b) A retail sale of digital goods, digital codes, or digital  
10 automated services under this subsection (8) includes any services  
11 provided by the seller exclusively in connection with the digital  
12 goods, digital codes, or digital automated services, whether or not a  
13 separate charge is made for such services.

14 (c) For purposes of this subsection, "permanent" means perpetual or  
15 for an indefinite or unspecified length of time. A right of permanent  
16 use is presumed to have been granted unless the agreement between the  
17 seller and the purchaser specifies or the circumstances surrounding the  
18 transaction suggest or indicate that the right to use terminates on the  
19 occurrence of a condition subsequent.

20 (9) The term also includes the charge made for providing tangible  
21 personal property along with an operator for a fixed or indeterminate  
22 period of time. A consideration of this is that the operator is  
23 necessary for the tangible personal property to perform as designed.  
24 For the purpose of this subsection (9), an operator must do more than  
25 maintain, inspect, or set up the tangible personal property.

26 (10) The term does not include the sale of or charge made for labor  
27 and services rendered in respect to the building, repairing, or  
28 improving of any street, place, road, highway, easement, right-of-way,  
29 mass public transportation terminal or parking facility, bridge,  
30 tunnel, or trestle which is owned by a municipal corporation or  
31 political subdivision of the state or by the United States and which is  
32 used or to be used primarily for foot or vehicular traffic including  
33 mass transportation vehicles of any kind.

34 (11) The term also does not include sales of chemical sprays or  
35 washes to persons for the purpose of postharvest treatment of fruit for  
36 the prevention of scald, fungus, mold, or decay, nor does it include  
37 sales of feed, seed, seedlings, fertilizer, agents for enhanced  
38 pollination including insects such as bees, and spray materials to:

1 (a) Persons who participate in the federal conservation reserve  
2 program, the environmental quality incentives program, the wetlands  
3 reserve program, and the wildlife habitat incentives program, or their  
4 successors administered by the United States department of agriculture;  
5 (b) farmers for the purpose of producing for sale any agricultural  
6 product; and (c) farmers acting under cooperative habitat development  
7 or access contracts with an organization exempt from federal income tax  
8 under 26 U.S.C. Sec. 501(c)(3) of the federal internal revenue code or  
9 the Washington state department of fish and wildlife to produce or  
10 improve wildlife habitat on land that the farmer owns or leases.

11 (12) The term does not include the sale of or charge made for labor  
12 and services rendered in respect to the constructing, repairing,  
13 decorating, or improving of new or existing buildings or other  
14 structures under, upon, or above real property of or for the United  
15 States, any instrumentality thereof, or a county or city housing  
16 authority created pursuant to chapter 35.82 RCW, including the  
17 installing, or attaching of any article of tangible personal property  
18 therein or thereto, whether or not such personal property becomes a  
19 part of the realty by virtue of installation. Nor does the term  
20 include the sale of services or charges made for the clearing of land  
21 and the moving of earth of or for the United States, any  
22 instrumentality thereof, or a county or city housing authority. Nor  
23 does the term include the sale of services or charges made for cleaning  
24 up for the United States, or its instrumentalities, radioactive waste  
25 and other by-products of weapons production and nuclear research and  
26 development.

27 (13) The term does not include the sale of or charge made for  
28 labor, services, or tangible personal property pursuant to agreements  
29 providing maintenance services for bus, rail, or rail fixed guideway  
30 equipment when a regional transit authority is the recipient of the  
31 labor, services, or tangible personal property, and a transit agency,  
32 as defined in RCW 81.104.015, performs the labor or services.

33 (14) The term does not include the sale for resale of any service  
34 described in this section if the sale would otherwise constitute a  
35 "sale at retail" and "retail sale" under this section.

36 NEW SECTION. **Sec. 102.** RCW 82.04.272 (Tax on warehousing and

1 reselling prescription drugs) and 2013 c 19 s 127, 2003 c 168 s 401, &  
2 1998 c 343 s 1 are each repealed.

3 **Sec. 103.** RCW 82.04.280 and 2010 c 106 s 205 are each amended to  
4 read as follows:

5 (1) Upon every person engaging within this state in the business  
6 of: (a) Printing materials other than newspapers, and of publishing  
7 periodicals or magazines; (b) building, repairing or improving any  
8 street, place, road, highway, easement, right-of-way, mass public  
9 transportation terminal or parking facility, bridge, tunnel, or trestle  
10 which is owned by a municipal corporation or political subdivision of  
11 the state or by the United States and which is used or to be used,  
12 primarily for foot or vehicular traffic including mass transportation  
13 vehicles of any kind and including any readjustment, reconstruction or  
14 relocation of the facilities of any public, private or cooperatively  
15 owned utility or railroad in the course of such building, repairing or  
16 improving, the cost of which readjustment, reconstruction, or  
17 relocation, is the responsibility of the public authority whose street,  
18 place, road, highway, easement, right-of-way, mass public  
19 transportation terminal or parking facility, bridge, tunnel, or trestle  
20 is being built, repaired or improved; (c) extracting for hire or  
21 processing for hire, except persons taxable as extractors for hire or  
22 processors for hire under another section of this chapter; (d)  
23 operating a cold storage warehouse or storage warehouse, but not  
24 including the rental of cold storage lockers; (e) representing and  
25 performing services for fire or casualty insurance companies as an  
26 independent resident managing general agent licensed under the  
27 provisions of chapter 48.17 RCW; (f) radio and television broadcasting,  
28 excluding network, national and regional advertising computed as a  
29 standard deduction based on the national average thereof as annually  
30 reported by the federal communications commission, or in lieu thereof  
31 by itemization by the individual broadcasting station, and excluding  
32 that portion of revenue represented by the out-of-state audience  
33 computed as a ratio to the station's total audience as measured by the  
34 100 micro-volt signal strength and delivery by wire, if any; (g)  
35 engaging in activities which bring a person within the definition of  
36 consumer contained in RCW 82.04.190(6); as to such persons, the amount

1 of tax on such business is equal to the gross income of the business  
2 multiplied by the rate of 0.484 percent.

3 (2) For the purposes of this section, the following definitions  
4 apply unless the context clearly requires otherwise.

5 (a) "Cold storage warehouse" means a storage warehouse used to  
6 store fresh and/or frozen perishable fruits or vegetables, meat,  
7 seafood, dairy products, or fowl, or any combination thereof, at a  
8 desired temperature to maintain the quality of the product for orderly  
9 marketing.

10 (b) "Storage warehouse" means a building or structure, or any part  
11 thereof, in which goods, wares, or merchandise are received for storage  
12 for compensation, except field warehouses, fruit warehouses, fruit  
13 packing plants, warehouses licensed under chapter 22.09 RCW, public  
14 garages storing automobiles, railroad freight sheds, docks and wharves,  
15 and "self-storage" or "mini storage" facilities whereby customers have  
16 direct access to individual storage areas by separate entrance.  
17 (~~"Storage warehouse" does not include a building or structure, or that~~  
18 ~~part of such building or structure, in which an activity taxable under~~  
19 ~~RCW 82.04.272 is conducted.~~)

20 (c) "Periodical or magazine" means a printed publication, other  
21 than a newspaper, issued regularly at stated intervals at least once  
22 every three months, including any supplement or special edition of the  
23 publication.

24 **Sec. 104.** RCW 82.04.280 and 2010 c 106 s 206 are each amended to  
25 read as follows:

26 (1) Upon every person engaging within this state in the business  
27 of: (a) Printing materials other than newspapers, and of publishing  
28 periodicals or magazines; (b) building, repairing or improving any  
29 street, place, road, highway, easement, right-of-way, mass public  
30 transportation terminal or parking facility, bridge, tunnel, or trestle  
31 which is owned by a municipal corporation or political subdivision of  
32 the state or by the United States and which is used or to be used,  
33 primarily for foot or vehicular traffic including mass transportation  
34 vehicles of any kind and including any readjustment, reconstruction or  
35 relocation of the facilities of any public, private or cooperatively  
36 owned utility or railroad in the course of such building, repairing or  
37 improving, the cost of which readjustment, reconstruction, or

1 relocation, is the responsibility of the public authority whose street,  
2 place, road, highway, easement, right-of-way, mass public  
3 transportation terminal or parking facility, bridge, tunnel, or trestle  
4 is being built, repaired or improved; (c) extracting for hire or  
5 processing for hire, except persons taxable as extractors for hire or  
6 processors for hire under another section of this chapter; (d)  
7 operating a cold storage warehouse or storage warehouse, but not  
8 including the rental of cold storage lockers; (e) representing and  
9 performing services for fire or casualty insurance companies as an  
10 independent resident managing general agent licensed under the  
11 provisions of chapter 48.17 RCW; (f) radio and television broadcasting,  
12 excluding network, national and regional advertising computed as a  
13 standard deduction based on the national average thereof as annually  
14 reported by the federal communications commission, or in lieu thereof  
15 by itemization by the individual broadcasting station, and excluding  
16 that portion of revenue represented by the out-of-state audience  
17 computed as a ratio to the station's total audience as measured by the  
18 100 micro-volt signal strength and delivery by wire, if any; (g)  
19 engaging in activities which bring a person within the definition of  
20 consumer contained in RCW 82.04.190(6); as to such persons, the amount  
21 of tax on such business is equal to the gross income of the business  
22 multiplied by the rate of 0.484 percent.

23 (2) For the purposes of this section, the following definitions  
24 apply unless the context clearly requires otherwise.

25 (a) "Cold storage warehouse" means a storage warehouse used to  
26 store fresh and/or frozen perishable fruits or vegetables, meat,  
27 seafood, dairy products, or fowl, or any combination thereof, at a  
28 desired temperature to maintain the quality of the product for orderly  
29 marketing.

30 (b) "Storage warehouse" means a building or structure, or any part  
31 thereof, in which goods, wares, or merchandise are received for storage  
32 for compensation, except field warehouses, fruit warehouses, fruit  
33 packing plants, warehouses licensed under chapter 22.09 RCW, public  
34 garages storing automobiles, railroad freight sheds, docks and wharves,  
35 and "self-storage" or "mini storage" facilities whereby customers have  
36 direct access to individual storage areas by separate entrance.  
37 (~~"Storage warehouse" does not include a building or structure, or that~~

1 ~~part of such building or structure, in which an activity taxable under~~  
2 ~~RCW 82.04.272 is conducted.))~~

3 (c) "Periodical or magazine" means a printed publication, other  
4 than a newspaper, issued regularly at stated intervals at least once  
5 every three months, including any supplement or special edition of the  
6 publication.

7 **Sec. 105.** RCW 82.32.790 and 2010 c 114 s 201 and 2010 c 106 s 401  
8 are each reenacted and amended to read as follows:

9 (1)(a) Section 104, chapter . . . , Laws of 2014 (section 104 of  
10 this act), section 206, chapter 106, Laws of 2010, sections 104, 110,  
11 117, 123, 125, 129, 131, and 150, chapter 114, Laws of 2010, section 3,  
12 chapter 461, Laws of 2009, section 7, chapter 300, Laws of 2006, and  
13 ((section 47)) chapter 149, Laws of 2003 are contingent upon the siting  
14 and commercial operation of a significant semiconductor microchip  
15 fabrication facility in the state of Washington.

16 (b) For the purposes of this section:

17 (i) "Commercial operation" means the same as "commencement of  
18 commercial production" as used in RCW 82.08.965.

19 (ii) "Semiconductor microchip fabrication" means "manufacturing  
20 semiconductor microchips" as defined in RCW 82.04.426.

21 (iii) "Significant" means the combined investment of new buildings  
22 and new machinery and equipment in the buildings, at the commencement  
23 of commercial production, will be at least one billion dollars.

24 (2) Section 104, chapter . . . , Laws of 2014 (section 104 of this  
25 act), section 206, chapter 106, Laws of 2010, sections 104, 110, 117,  
26 123, 125, 129, 131, and 150, chapter 114, Laws of 2010, section 3,  
27 chapter 461, Laws of 2009, section 7, chapter 300, Laws of 2006, and  
28 chapter 149, Laws of 2003 take((s)) effect the first day of the month  
29 in which a contract for the construction of a significant semiconductor  
30 fabrication facility is signed, as determined by the director of the  
31 department of revenue.

32 (3)(a) The department of revenue must provide notice of the  
33 effective date of section 104, chapter . . . , Laws of 2014 (section 104  
34 of this act), section 206, chapter 106, Laws of 2010, sections 104,  
35 110, 117, 123, 125, 129, 131, and 150, chapter 114, Laws of  
36 2010((+,+)), section 3, chapter 461, Laws of 2009, section 7, chapter

1 300, Laws of 2006, and (~~section 4,~~) chapter 149, Laws of 2003 to  
2 affected taxpayers, the legislature, and others as deemed appropriate  
3 by the department.

4 (b) If, after making a determination that a contract has been  
5 signed and section 104, chapter . . ., Laws of 2014 (section 104 of  
6 this act), section 206, chapter 106, Laws of 2010, sections 104, 110,  
7 117, 123, 125, 129, 131, and 150, chapter 114, Laws of 2010, section 3,  
8 chapter 461, Laws of 2009, section 7, chapter 300, Laws of 2006, and  
9 chapter 149, Laws of 2003 (~~is~~) are effective, the department  
10 discovers that commencement of commercial production did not take place  
11 within three years of the date the contract was signed, the department  
12 must make a determination that section 104, chapter . . ., Laws of 2014  
13 (section 104 of this act), section 206, chapter 106, Laws of 2010,  
14 sections 104, 110, 117, 123, 125, 129, 131, and 150, chapter 114, Laws  
15 of 2010, section 3, chapter 461, Laws of 2009, section 7, chapter 300,  
16 Laws of 2006, and chapter 149, Laws of 2003 (~~is~~) are no longer  
17 effective, and all taxes that would have been otherwise due are deemed  
18 deferred taxes and are immediately assessed and payable from any person  
19 reporting tax under RCW 82.04.240(2) or claiming an exemption or credit  
20 under section 2 or 5 through 10, chapter 149, Laws of 2003. The  
21 department is not authorized to make a second determination regarding  
22 the effective date of section 104, chapter . . ., Laws of 2014 (section  
23 104 of this act), section 206, chapter 106, Laws of 2010, sections 104,  
24 110, 117, 123, 125, 129, 131, and 150, chapter 114, Laws of 2010,  
25 section 3, chapter 461, Laws of 2009, section 7, chapter 300, Laws of  
26 2006, and chapter 149, Laws of 2003.

27 **Sec. 106.** RCW 82.08.010 and 2010 c 106 s 210 are each amended to  
28 read as follows:

29 For the purposes of this chapter:

30 (1)(a) "Selling price" includes "sales price." "Sales price" means  
31 the total amount of consideration, (~~except separately stated trade-in~~  
32 ~~property of like kind,~~) including cash, credit, property, and  
33 services, for which tangible personal property, extended warranties,  
34 digital goods, digital codes, digital automated services, or other  
35 services or anything else defined as a "retail sale" under RCW  
36 82.04.050 are sold, leased, or rented, valued in money, whether  
37 received in money or otherwise.

1        (i) No deduction from the total amount of consideration is allowed  
2 for the following:

3        ~~((i))~~ (A) The seller's cost of the property sold;

4        ~~((ii))~~ (B) The cost of materials used, labor or service cost,  
5 interest, losses, all costs of transportation to the seller, all taxes  
6 imposed on the seller, and any other expense of the seller;

7        ~~((iii))~~ (C) Charges by the seller for any services necessary to  
8 complete the sale, other than delivery and installation charges;

9        ~~((iv))~~ (D) Delivery charges; and

10       ~~((v))~~ (E) Installation charges.

11       (ii) When tangible personal property is rented or leased under  
12 circumstances that the consideration paid does not represent a  
13 reasonable rental for the use of the articles so rented or leased, the  
14 "selling price" ~~((shall))~~ must be determined as nearly as possible  
15 according to the value of such use at the places of use of similar  
16 products of like quality and character under such rules as the  
17 department may prescribe;

18       (b) "Selling price" or "sales price" does not include:

19       (i) The value of separately stated trade-in property of like kind,  
20 up to a maximum amount of ten thousand dollars;

21       (ii) Discounts, including cash, term, or coupons that are not  
22 reimbursed by a third party that are allowed by a seller and taken by  
23 a purchaser on a sale;

24       (iii) Interest, financing, and carrying charges from credit  
25 extended on the sale of tangible personal property, extended  
26 warranties, digital goods, digital codes, digital automated services,  
27 or other services or anything else defined as a retail sale in RCW  
28 82.04.050, if the amount is separately stated on the invoice, bill of  
29 sale, or similar document given to the purchaser; and

30       (iv) Any taxes legally imposed directly on the consumer that are  
31 separately stated on the invoice, bill of sale, or similar document  
32 given to the purchaser;

33       (c) "Selling price" or "sales price" includes consideration  
34 received by the seller from a third party if:

35       (i) The seller actually receives consideration from a party other  
36 than the purchaser, and the consideration is directly related to a  
37 price reduction or discount on the sale;

1 (ii) The seller has an obligation to pass the price reduction or  
2 discount through to the purchaser;

3 (iii) The amount of the consideration attributable to the sale is  
4 fixed and determinable by the seller at the time of the sale of the  
5 item to the purchaser; and

6 (iv) One of the criteria in this subsection (1)(c)(iv) is met:

7 (A) The purchaser presents a coupon, certificate, or other  
8 documentation to the seller to claim a price reduction or discount  
9 where the coupon, certificate, or documentation is authorized,  
10 distributed, or granted by a third party with the understanding that  
11 the third party will reimburse any seller to whom the coupon,  
12 certificate, or documentation is presented;

13 (B) The purchaser identifies himself or herself to the seller as a  
14 member of a group or organization entitled to a price reduction or  
15 discount, however a "preferred customer" card that is available to any  
16 patron does not constitute membership in such a group; or

17 (C) The price reduction or discount is identified as a third party  
18 price reduction or discount on the invoice received by the purchaser or  
19 on a coupon, certificate, or other documentation presented by the  
20 purchaser;

21 (2)(a) "Seller" means every person, including the state and its  
22 departments and institutions, making sales at retail or retail sales to  
23 a buyer, purchaser, or consumer, whether as agent, broker, or  
24 principal, except "seller" does not mean:

25 (i) The state and its departments and institutions when making  
26 sales to the state and its departments and institutions; or

27 (ii) A professional employer organization when a covered employee  
28 coemployed with the client under the terms of a professional employer  
29 agreement engages in activities that constitute a sale at retail that  
30 is subject to the tax imposed by this chapter. In such cases, the  
31 client, and not the professional employer organization, is deemed to be  
32 the seller and is responsible for collecting and remitting the tax  
33 imposed by this chapter.

34 (b) For the purposes of (a) of this subsection, the terms "client,"  
35 "covered employee," "professional employer agreement," and  
36 "professional employer organization" have the same meanings as in RCW  
37 82.04.540;

1 (3) "Buyer," "purchaser," and "consumer" include, without limiting  
2 the scope hereof, every individual, receiver, assignee, trustee in  
3 bankruptcy, trust, estate, firm, copartnership, joint venture, club,  
4 company, joint stock company, business trust, corporation, association,  
5 society, or any group of individuals acting as a unit, whether mutual,  
6 cooperative, fraternal, nonprofit, or otherwise, municipal corporation,  
7 quasi municipal corporation, and also the state, its departments and  
8 institutions and all political subdivisions thereof, irrespective of  
9 the nature of the activities engaged in or functions performed, and  
10 also the United States or any instrumentality thereof;

11 (4) "Delivery charges" means charges by the seller of personal  
12 property or services for preparation and delivery to a location  
13 designated by the purchaser of personal property or services including,  
14 but not limited to, transportation, shipping, postage, handling,  
15 crating, and packing;

16 (5) "Direct mail" means printed material delivered or distributed  
17 by United States mail or other delivery service to a mass audience or  
18 to addressees on a mailing list provided by the purchaser or at the  
19 direction of the purchaser when the cost of the items are not billed  
20 directly to the recipients. "Direct mail" includes tangible personal  
21 property supplied directly or indirectly by the purchaser to the direct  
22 mail seller for inclusion in the package containing the printed  
23 material. "Direct mail" does not include multiple items of printed  
24 material delivered to a single address;

25 (6) The meaning attributed in chapter 82.04 RCW to the terms "tax  
26 year," "taxable year," "person," "company," "sale," "sale at  
27 wholesale," "wholesale," "business," "engaging in business," "cash  
28 discount," "successor," "consumer," "in this state" and "within this  
29 state" applies equally to the provisions of this chapter;

30 (7) For the purposes of the taxes imposed under this chapter and  
31 under chapter 82.12 RCW, "tangible personal property" means personal  
32 property that can be seen, weighed, measured, felt, or touched, or that  
33 is in any other manner perceptible to the senses. Tangible personal  
34 property includes electricity, water, gas, steam, and prewritten  
35 computer software;

36 (8) "Extended warranty" has the same meaning as in RCW  
37 82.04.050(7);

38 (9) The definitions in RCW 82.04.192 apply to this chapter;

1 (10) For the purposes of the taxes imposed under this chapter and  
2 chapter 82.12 RCW, whenever the terms "property" or "personal property"  
3 are used, those terms must be construed to include digital goods and  
4 digital codes unless:

5 (a) It is clear from the context that the term "personal property"  
6 is intended only to refer to tangible personal property;

7 (b) It is clear from the context that the term "property" is  
8 intended only to refer to tangible personal property, real property, or  
9 both; or

10 (c) To construe the term "property" or "personal property" as  
11 including digital goods and digital codes would yield unlikely, absurd,  
12 or strained consequences; and

13 (11) "Retail sale" or "sale at retail" means any sale, lease, or  
14 rental for any purpose other than for resale, sublease, or subrent.

15 **Sec. 107.** RCW 82.08.0273 and 2011 c 7 s 1 are each amended to read  
16 as follows:

17 (1) (~~The tax levied by RCW 82.08.020 does not apply to sales to~~  
18 ~~nonresidents of this state of tangible personal property, digital~~  
19 ~~goods, and digital codes, when)) Subject to the conditions and  
20 limitations in this section, an exemption from the tax levied by RCW  
21 82.08.020 in the form of a remittance from the department is provided  
22 for sales to nonresidents of this state of tangible personal property,  
23 digital goods, and digital codes. The exemption only applies if:~~

24 (a) The property is for use outside this state;

25 (b) The purchaser is a bona fide resident of a province or  
26 territory of Canada or a state, territory, or possession of the United  
27 States, other than the state of Washington; and

28 (i) Such state, possession, territory, or province does not impose,  
29 or have imposed on its behalf, a generally applicable retail sales tax,  
30 use tax, value added tax, gross receipts tax on retailing activities,  
31 or similar generally applicable tax, of three percent or more; or

32 (ii) If imposing a tax described in (b)(i) of this subsection,  
33 provides an exemption for sales to Washington residents by reason of  
34 their residence; and

35 (c) The purchaser agrees, when requested, to grant the department  
36 of revenue access to such records and other forms of verification at

1 ((his or her)) the purchaser's place of residence to assure that such  
2 purchases are not first used substantially in the state of Washington.

3 (2) Notwithstanding anything to the contrary in this chapter, if  
4 parts or other tangible personal property are installed by the seller  
5 during the course of repairing, cleaning, altering, or improving motor  
6 vehicles, trailers, or campers and the seller makes a separate charge  
7 for the tangible personal property, the tax levied by RCW 82.08.020  
8 does not apply to the separately stated charge to a nonresident  
9 purchaser for the tangible personal property but only if the separately  
10 stated charge does not exceed either the seller's current publicly  
11 stated retail price for the tangible personal property or, if no  
12 publicly stated retail price is available, the seller's cost for the  
13 tangible personal property. However, the exemption provided by this  
14 section does not apply if tangible personal property is installed by  
15 the seller during the course of repairing, cleaning, altering, or  
16 improving motor vehicles, trailers, or campers and the seller makes a  
17 single nonitemized charge for providing the tangible personal property  
18 and service. All of the ~~((requirements))~~ provisions in subsections (1)  
19 and (3) through ~~((+6))~~ (7) of this section apply to this subsection.

20 (3)(a) Any person claiming exemption from retail sales tax under  
21 the provisions of this section must ~~((display proof of his or her  
22 current nonresident status as provided in this section))~~ pay the state  
23 and local sales tax to the seller at the time of purchase and then  
24 request a remittance of the state portion of the sales tax from the  
25 department in accordance with this subsection and subsection (4) of  
26 this section. A request for remittance must include proof of the  
27 person's status as a nonresident at the time of the purchase for which  
28 a remittance is requested. The request for a remittance must also  
29 include any additional information and documentation as required by the  
30 department, which may include a description of the item purchased for  
31 which a remittance is requested, the sales price of the item, the  
32 amount of state and local sales tax paid on the item, the date of the  
33 purchase, the name of the seller and the physical address where the  
34 sale took place, and copies of sales receipts showing the qualified  
35 purchases.

36 (b) Acceptable proof of a nonresident person's status includes one  
37 piece of identification such as a valid driver's license from the  
38 jurisdiction in which the out-of-state residency is claimed or a valid

1 identification card which has a photograph of the holder and is issued  
2 by the out-of-state jurisdiction. Identification under this subsection  
3 (3)(b) must show the holder's residential address and have as one of  
4 its legal purposes the establishment of residency in that out-of-state  
5 jurisdiction.

6 ~~((c) In lieu of furnishing proof of a person's nonresident status  
7 under (b) of this subsection (3), a person claiming exemption from  
8 retail sales tax under the provisions of this section may provide the  
9 seller with an exemption certificate in compliance with subsection  
10 (4)(b) of this section.))~~

11 ~~(4)(a) ((Nothing in this section requires the vendor to make tax  
12 exempt retail sales to nonresidents. A vendor may choose to make sales  
13 to nonresidents, collect the sales tax, and remit the amount of sales  
14 tax collected to the state as otherwise provided by law. If the vendor  
15 chooses to make a sale to a nonresident without collecting the sales  
16 tax, the vendor must examine the purchaser's proof of nonresidence,  
17 determine whether the proof is acceptable under subsection (3)(b) of  
18 this section, and maintain records for each nontaxable sale which shall  
19 show the type of proof accepted, including any identification numbers  
20 where appropriate, and the expiration date, if any.~~

21 ~~(b) In lieu of using the method provided in (a) of this subsection  
22 to document an exempt sale to a nonresident, a seller may accept from  
23 the purchaser a properly completed uniform exemption certificate  
24 approved by the streamlined sales and use tax agreement governing board  
25 or any other exemption certificate as may be authorized by the  
26 department and properly completed by the purchaser. A nonresident  
27 purchaser who uses an exemption certificate authorized in this  
28 subsection (4)(b) must include the purchaser's driver's license number  
29 or other state-issued identification number and the state of issuance.~~

30 ~~(c) In lieu of using the methods provided in (a) and (b) of this  
31 subsection to document an exempt sale to a nonresident, a seller may  
32 capture the relevant data elements as allowed under the streamlined  
33 sales and use tax agreement.~~

34 ~~(5)(a) Any person making fraudulent statements, which includes the  
35 offer of fraudulent identification or fraudulently procured  
36 identification to a vendor, in order to purchase goods without paying  
37 retail sales tax is guilty of perjury under chapter 9A.72 RCW.~~

1       ~~(b) Any person making tax exempt purchases under this section by~~  
2 ~~displaying proof of identification not his or her own, or counterfeit~~  
3 ~~identification, with intent to violate the provisions of this section,~~  
4 ~~is guilty of a misdemeanor and, in addition, is liable for the tax and~~  
5 ~~subject to a penalty equal to the greater of one hundred dollars or the~~  
6 ~~tax due on such purchases.~~

7       ~~(6)(a) Any vendor who makes sales without collecting the tax and~~  
8 ~~who fails to maintain records of sales to nonresidents as provided in~~  
9 ~~this section is personally liable for the amount of tax due.~~

10       ~~(b) Any vendor who makes sales without collecting the retail sales~~  
11 ~~tax under this section and who has actual knowledge that the~~  
12 ~~purchaser's proof of identification establishing out-of-state residency~~  
13 ~~is fraudulent is guilty of a misdemeanor and, in addition, is liable~~  
14 ~~for the tax and subject to a penalty equal to the greater of one~~  
15 ~~thousand dollars or the tax due on such sales. In addition, both the~~  
16 ~~purchaser and the vendor are liable for any penalties and interest~~  
17 ~~assessable under chapter 82.32 RCW))~~

18       (i) Beginning January 1, 2015, through December 31, 2015, a person  
19 may request a remittance from the department for state and local sales  
20 taxes paid by the person on qualified retail purchases made in  
21 Washington between July 1, 2014, and December 31, 2014.

22       (ii) Beginning January 1, 2016, a person may request a remittance  
23 from the department during any calendar year for state sales taxes paid  
24 by the person on qualified retail purchases made in Washington during  
25 the immediately preceding calendar year only. No application may be  
26 made with respect to purchases made before the immediately preceding  
27 calendar year.

28       (b) The remittance request, including proof of nonresident status  
29 and any other documentation and information required by the department,  
30 must be made using an application process as prescribed by the  
31 department, which may be a paper process, electronic process, or a  
32 combination of a paper and electronic process. Only one remittance  
33 request may be made by a person per calendar year.

34       (c) The total amount of a remittance request must be at least  
35 twenty-five dollars. The department must deny any request for a  
36 remittance that is less than twenty-five dollars.

37       (d) The department will examine the applicant's proof of

1 nonresident status and any other documentation and information as  
2 required in the application to determine whether the applicant is  
3 entitled to a remittance under this section.

4 (5)(a) Any person making fraudulent statements to the department,  
5 which includes the offer of fraudulent or fraudulently procured  
6 identification or fraudulent sales receipts, in order to receive a  
7 remittance of retail sales tax is guilty of perjury under chapter 9A.72  
8 RCW and is ineligible to receive any further remittances from the  
9 department under this section.

10 (b) Any person requesting a remittance of sales tax from the  
11 department by providing proof of identification or sales receipts not  
12 the person's own, or counterfeit identification or sales receipts, with  
13 intent to violate the provisions of this section, is (i) guilty of a  
14 misdemeanor, (ii) liable for the tax, (iii) subject to a penalty equal  
15 to the greater of one hundred dollars or the tax due on such purchases,  
16 and (iv) ineligible to receive any further remittances from the  
17 department under this section.

18 (6) The exemption provided by this section is for the state sales  
19 tax only.

20 (7) A nonresident who receives a refund of sales tax from the  
21 seller for any reason with respect to a purchase made in this state is  
22 not entitled to a remittance for the state sales tax paid on the  
23 purchase. A person who receives both a remittance under this section  
24 and a refund from the seller with respect to the same purchase must  
25 immediately repay the remittance to the department. Interest as  
26 provided in chapter 82.32 RCW applies to amounts due under this section  
27 from the date that the department made the remittance until the amount  
28 due under this subsection is paid to the department. A person who  
29 receives a remittance with respect to a purchase for which the person  
30 had, at the time the person submitted the application for a remittance,  
31 already received a refund of sales tax from the seller is also liable  
32 for the evasion penalty in RCW 82.32.090(7) and is ineligible to  
33 receive any further remittances from the department under this section.

34 **Sec. 108.** RCW 82.08.0293 and 2011 c 2 s 301 are each amended to  
35 read as follows:

36 (1) The tax levied by RCW 82.08.020 does not apply to sales of food  
37 and food ingredients. "Food and food ingredients" means substances,

1 whether in liquid, concentrated, solid, frozen, dried, or dehydrated  
2 form, that are sold for ingestion or chewing by humans and are consumed  
3 for their taste or nutritional value. "Food and food ingredients" does  
4 not include:

5 (a) "Alcoholic beverages," which means beverages that are suitable  
6 for human consumption and contain one-half of one percent or more of  
7 alcohol by volume; and

8 (b) "Tobacco," which means cigarettes, cigars, chewing or pipe  
9 tobacco, or any other item that contains tobacco.

10 (2) The exemption of "food and food ingredients" provided for in  
11 subsection (1) of this section does not apply to prepared food, soft  
12 drinks, bottled water, or dietary supplements. ~~((For purposes of this~~  
13 ~~subsection, the following definitions apply:~~

14 ~~(a))~~ The definitions in this subsection apply throughout this  
15 section unless the context clearly requires otherwise.

16 (a) "Bottled water" means water that is placed in a safety-sealed  
17 container or package for human consumption. Bottled water is calorie  
18 free and does not contain sweeteners or other additives except that it  
19 may contain: (i) Antimicrobial agents; (ii) fluoride; (iii)  
20 carbonation; (iv) vitamins, minerals, and electrolytes; (v) oxygen;  
21 (vi) preservatives; and (vii) only those flavors, extracts, or essences  
22 derived from a spice or fruit. "Bottled water" includes water that is  
23 delivered to the buyer in a reusable container that is not sold with  
24 the water.

25 (b) "Dietary supplement" means any product, other than tobacco,  
26 intended to supplement the diet that:

27 (i) Contains one or more of the following dietary ingredients:

- 28 (A) A vitamin;
- 29 (B) A mineral;
- 30 (C) An herb or other botanical;
- 31 (D) An amino acid;

32 (E) A dietary substance for use by humans to supplement the diet by  
33 increasing the total dietary intake; or

34 (F) A concentrate, metabolite, constituent, extract, or combination  
35 of any ingredient described in this subsection;

36 (ii) Is intended for ingestion in tablet, capsule, powder, softgel,  
37 gelcap, or liquid form, or if not intended for ingestion in such form,

1 is not represented as conventional food and is not represented for use  
2 as a sole item of a meal or of the diet; and

3 (iii) Is required to be labeled as a dietary supplement,  
4 identifiable by the "supplement facts" box found on the label as  
5 required pursuant to 21 C.F.R. Sec. 101.36, as amended or renumbered as  
6 of January 1, 2003.

7 ((~~b~~)) (c)(i) "Prepared food" means:

8 (A) Food sold in a heated state or heated by the seller;

9 (B) Food sold with eating utensils provided by the seller,  
10 including plates, knives, forks, spoons, glasses, cups, napkins, or  
11 straws. A plate does not include a container or packaging used to  
12 transport the food; or

13 (C) Two or more food ingredients mixed or combined by the seller  
14 for sale as a single item, except:

15 (I) Food that is only cut, repackaged, or pasteurized by the  
16 seller; or

17 (II) Raw eggs, fish, meat, poultry, and foods containing these raw  
18 animal foods requiring cooking by the consumer as recommended by the  
19 federal food and drug administration in chapter 3, part 401.11 of The  
20 Food Code, published by the food and drug administration, as amended or  
21 renumbered as of January 1, 2003, so as to prevent foodborne illness.

22 (ii) "Prepared food" does not include the following food or food  
23 ingredients, if the food or food ingredients are sold without eating  
24 utensils provided by the seller:

25 (A) Food sold by a seller whose proper primary North American  
26 industry classification system (NAICS) classification is manufacturing  
27 in sector 311, except subsector 3118 (bakeries), as provided in the  
28 "North American industry classification system--United States, 2002";

29 (B) Food sold in an unheated state by weight or volume as a single  
30 item; or

31 (C) Bakery items. The term "bakery items" includes bread, rolls,  
32 buns, biscuits, bagels, croissants, pastries, donuts, Danish, cakes,  
33 tortes, pies, tarts, muffins, bars, cookies, or tortillas.

34 ((~~e~~)) (d) "Soft drinks" means nonalcoholic beverages that contain  
35 natural or artificial sweeteners. Soft drinks do not include beverages  
36 that contain: Milk or milk products; soy, rice, or similar milk  
37 substitutes; or greater than fifty percent of vegetable or fruit juice  
38 by volume.

1 (3) Notwithstanding anything in this section to the contrary, the  
2 exemption of "food and food ingredients" provided in this section  
3 applies to food and food ingredients that are furnished, prepared, or  
4 served as meals:

5 (a) Under a state administered nutrition program for the aged as  
6 provided for in the older Americans act (P.L. 95-478 Title III) and RCW  
7 74.38.040(6);

8 (b) That are provided to senior citizens, individuals with  
9 disabilities, or low-income persons by a not-for-profit organization  
10 organized under chapter 24.03 or 24.12 RCW; or

11 (c) That are provided to residents, sixty-two years of age or  
12 older, of a qualified low-income senior housing facility by the lessor  
13 or operator of the facility. The sale of a meal that is billed to both  
14 spouses of a marital community or both domestic partners of a domestic  
15 partnership meets the age requirement in this subsection (3)(c) if at  
16 least one of the spouses or domestic partners is at least sixty-two  
17 years of age. For purposes of this subsection, "qualified low-income  
18 senior housing facility" means a facility:

19 (i) That meets the definition of a qualified low-income housing  
20 project under 26 U.S.C. Sec. 42 of the federal internal revenue code,  
21 as existing on August 1, 2009;

22 (ii) That has been partially funded under 42 U.S.C. Sec. 1485; and

23 (iii) For which the lessor or operator has at any time been  
24 entitled to claim a federal income tax credit under 26 U.S.C. Sec. 42  
25 of the federal internal revenue code.

26 (4)(a) Subsection (1) of this section notwithstanding, the retail  
27 sale of food and food ingredients is subject to sales tax under RCW  
28 82.08.020 if the food and food ingredients are sold through a vending  
29 machine. Except as provided in (b) of this subsection, the selling  
30 price of food and food ingredients sold through a vending machine for  
31 purposes of RCW 82.08.020 is fifty-seven percent of the gross receipts.

32 (b) For soft drinks, bottled water, and hot prepared food and food  
33 ingredients, other than food and food ingredients which are heated  
34 after they have been dispensed from the vending machine, the selling  
35 price is the total gross receipts of such sales divided by the sum of  
36 one plus the sales tax rate expressed as a decimal.

37 (c) For tax collected under this subsection (4), the requirements

1 that the tax be collected from the buyer and that the amount of tax be  
2 stated as a separate item are waived.

3 **Sec. 109.** RCW 82.12.0293 and 2011 c 2 s 303 are each amended to  
4 read as follows:

5 (1) The provisions of this chapter do not apply in respect to the  
6 use of food and food ingredients for human consumption. "Food and food  
7 ingredients" has the same meaning as in RCW 82.08.0293.

8 (2) The exemption of "food and food ingredients" provided for in  
9 subsection (1) of this section does not apply to prepared food, soft  
10 drinks, bottled water, or dietary supplements. "Prepared food," "soft  
11 drinks," "bottled water," and "dietary supplements" have the same  
12 meanings as in RCW 82.08.0293.

13 (3) Notwithstanding anything in this section to the contrary, the  
14 exemption of "food and food ingredients" provided in this section  
15 applies to food and food ingredients which are furnished, prepared, or  
16 served as meals:

17 (a) Under a state administered nutrition program for the aged as  
18 provided for in the older Americans act (P.L. 95-478 Title III) and RCW  
19 74.38.040(6);

20 (b) Which are provided to senior citizens, individuals with  
21 disabilities, or low-income persons by a not-for-profit organization  
22 organized under chapter 24.03 or 24.12 RCW; or

23 (c) That are provided to residents, sixty-two years of age or  
24 older, of a qualified low-income senior housing facility by the lessor  
25 or operator of the facility. The sale of a meal that is billed to both  
26 spouses of a marital community or both domestic partners of a domestic  
27 partnership meets the age requirement in this subsection (3)(c) if at  
28 least one of the spouses or domestic partners is at least sixty-two  
29 years of age. For purposes of this subsection, "qualified low-income  
30 senior housing facility" has the same meaning as in RCW 82.08.0293.

31 NEW SECTION. **Sec. 110.** A new section is added to chapter 82.08  
32 RCW to read as follows:

33 (1) Subject to the conditions in this section, the tax levied by  
34 RCW 82.08.020 does not apply to sales of bottled water dispensed or to  
35 be dispensed to patients, pursuant to a prescription for use in the

1 cure, mitigation, treatment, or prevention of a disease or other  
2 medical condition.

3 (2) For purposes of this section, "prescription" means an order,  
4 formula, or recipe issued in any form of oral, written, electronic, or  
5 other means of transmission by a duly licensed practitioner authorized  
6 by the laws of this state to prescribe.

7 (3) Except for sales of bottled water delivered to the buyer in a  
8 reusable container that is not sold with the water, sellers must  
9 collect tax on sales subject to this exemption. Any buyer that has  
10 paid at least twenty-five dollars in state and local sales taxes on  
11 purchases of bottled water subject to this exemption may apply for a  
12 refund of the state and local sales taxes directly from the department  
13 in a form and manner prescribed by the department. The department must  
14 deny any refund application if the amount of the refund requested is  
15 less than twenty-five dollars. No refund may be made for taxes paid  
16 more than four years after the end of the calendar year in which the  
17 tax was paid to the seller.

18 (4) The provisions of RCW 82.32.060 apply to refunds authorized  
19 under this section.

20 (5) With respect to sales of bottled water delivered to the buyer  
21 in a reusable container that is not sold with the water, buyers  
22 claiming the exemption provided in this section must provide the seller  
23 with an exemption certificate in a form and manner prescribed by the  
24 department. The seller must retain a copy of the certificate for the  
25 seller's files. In lieu of an exemption certificate, a seller may  
26 capture the relevant data elements as allowed under the streamlined  
27 sales and use tax agreement.

28 NEW SECTION. **Sec. 111.** A new section is added to chapter 82.12  
29 RCW to read as follows:

30 (1) The provisions of this chapter do not apply in respect to the  
31 use of bottled water dispensed or to be dispensed to patients, pursuant  
32 to a prescription for use in the cure, mitigation, treatment, or  
33 prevention of a disease or medical condition.

34 (2) For the purposes of this section, "prescription" has the same  
35 meaning as provided in section 110 of this act.

1        NEW SECTION.    **Sec. 112.**    A new section is added to chapter 82.08  
2    RCW to read as follows:

3        (1)(a) Subject to the conditions in this section, the tax levied by  
4    RCW 82.08.020 does not apply to sales of bottled water to persons whose  
5    primary source of drinking water is unsafe.

6        (b) For purposes of this subsection and section 113 of this act, a  
7    person's primary source of drinking water is unsafe if:

8        (i) The public water system providing the drinking water has issued  
9    a public notification that the drinking water may pose a health risk,  
10   and the notification is still in effect on the date that the bottled  
11   water was purchased;

12       (ii) Test results on the person's drinking water, which are no more  
13   than twelve months old, from a laboratory certified to perform drinking  
14   water testing show that the person's drinking water does not meet safe  
15   drinking water standards applicable to public water systems; or

16       (iii) The person otherwise establishes, to the department's  
17   satisfaction, that the person's drinking water does not meet safe  
18   drinking water standards applicable to public water systems.

19       (2) Except for sales of bottled water delivered to the buyer in a  
20   reusable container that is not sold with the water, sellers must  
21   collect tax on sales subject to this exemption. Any buyer that has  
22   paid at least twenty-five dollars in state and local sales taxes on  
23   purchases of bottled water subject to this exemption may apply for a  
24   refund of the state and local sales taxes directly from the department  
25   in a form and manner prescribed by the department. The department must  
26   deny any refund application if the amount of the refund requested is  
27   less than twenty-five dollars. No refund may be made for taxes paid  
28   more than four years after the end of the calendar year in which the  
29   tax was paid to the seller.

30       (3) The provisions of RCW 82.32.060 apply to refunds authorized  
31   under this section.

32       (4)(a) With respect to sales of bottled water delivered to the  
33   buyer in a reusable container that is not sold with the water, buyers  
34   claiming the exemption provided in this section must provide the seller  
35   with an exemption certificate in a form and manner prescribed by the  
36   department. The seller must retain a copy of the certificate for the  
37   seller's files. In lieu of an exemption certificate, a seller may

1 capture the relevant data elements as allowed under the streamlined  
2 sales and use tax agreement.

3 (b) The department may waive the requirement for an exemption  
4 certificate in the event of disaster or similar circumstance.

5 NEW SECTION. **Sec. 113.** A new section is added to chapter 82.12  
6 RCW to read as follows:

7 The provisions of this chapter do not apply in respect to the use  
8 of bottled water by persons whose primary source of drinking water is  
9 unsafe as provided in section 112 of this act.

10 **Sec. 114.** RCW 82.12.0263 and 1980 c 37 s 62 are each amended to  
11 read as follows:

12 The provisions of this chapter (~~(shall)~~) do not apply in respect to  
13 the use of biomass fuel by the extractor or manufacturer thereof when  
14 used directly in the operation of the particular extractive operation  
15 or manufacturing plant which produced or manufactured the same. For  
16 purposes of this section, "biomass fuel" means wood waste and other  
17 wood residuals, including forest derived biomass, but does not include  
18 firewood or wood pellets. "Biomass fuel" also includes partially  
19 organic by-products of pulp, paper, and wood manufacturing processes.

20 NEW SECTION. **Sec. 115.** A new section is added to chapter 82.12  
21 RCW to read as follows:

22 (1) The value of the article used with respect to refinery fuel gas  
23 under this chapter is the most recent monthly United States natural gas  
24 wellhead price, as published by the federal energy information  
25 administration.

26 (2) Taxes collected under this chapter on the use of refinery fuel  
27 gas must be deposited in the education legacy trust account. The  
28 department must establish a separate reporting code for taxes collected  
29 under this chapter on the use of refinery fuel gas.

30 (3) This section applies to the use of refinery fuel gas occurring  
31 on or after June 1, 2014.

32 **Sec. 116.** RCW 82.16.050 and 2007 c 330 s 1 are each amended to  
33 read as follows:

1 In computing tax there may be deducted from the gross income the  
2 following items:

3 (1) Amounts derived by municipally owned or operated public service  
4 businesses, directly from taxes levied for the support or maintenance  
5 thereof. This subsection may not be construed to exempt service  
6 charges which are spread on the property tax rolls and collected as  
7 taxes;

8 (2) Amounts derived from the sale of commodities to persons in the  
9 same public service business as the seller, for resale as such within  
10 this state. This deduction is allowed only with respect to water  
11 distribution, gas distribution or other public service businesses which  
12 furnish water, gas or any other commodity in the performance of public  
13 service businesses;

14 (3) Amounts actually paid by a taxpayer to another person taxable  
15 under this chapter as the latter's portion of the consideration due for  
16 services furnished jointly by both, if the total amount has been  
17 credited to and appears in the gross income reported for tax by the  
18 former;

19 (4) The amount of cash discount actually taken by the purchaser or  
20 customer;

21 (5) The amount of bad debts, as that term is used in 26 U.S.C. Sec.  
22 166 of the federal internal revenue code, as amended (~~(or renumbered)~~)  
23 as of January 1, 2003, on which tax was previously paid under this  
24 chapter;

25 (6) Amounts derived from business which the state is prohibited  
26 from taxing under the Constitution of this state or the Constitution or  
27 laws of the United States;

28 (7) Amounts derived from the distribution of water through an  
29 irrigation system, for irrigation purposes;

30 (8) Until June 1, 2014, amounts derived from the transportation of  
31 commodities from points of origin in this state to final destination  
32 outside this state, or from points of origin outside this state to  
33 final destination in this state, with respect to which the carrier  
34 grants to the shipper the privilege of stopping the shipment in transit  
35 at some point in this state for the purpose of storing, manufacturing,  
36 milling, or other processing, and thereafter forwards the same  
37 commodity, or its equivalent, in the same or converted form, under a  
38 through freight rate from point of origin to final destination;

1 (9) Amounts derived from the transportation of commodities from  
2 points of origin in the state to an export elevator, wharf, dock or  
3 ship side on tidewater or its navigable tributaries to be forwarded,  
4 without intervening transportation, by vessel, in their original form,  
5 to interstate or foreign destinations. No deduction is allowed under  
6 this subsection when the point of origin and the point of delivery to  
7 the export elevator, wharf, dock, or ship side are located within the  
8 corporate limits of the same city or town;

9 (10) Amounts derived from the transportation of agricultural  
10 commodities, not including manufactured substances or articles, from  
11 points of origin in the state to interim storage facilities in this  
12 state for transshipment, without intervening transportation, to an  
13 export elevator, wharf, dock, or ship side on tidewater or its  
14 navigable tributaries to be forwarded, without intervening  
15 transportation, by vessel, in their original form, to interstate or  
16 foreign destinations. If agricultural commodities are transshipped  
17 from interim storage facilities in this state to storage facilities at  
18 a port on tidewater or its navigable tributaries, the same agricultural  
19 commodity dealer must operate both the interim storage facilities and  
20 the storage facilities at the port.

21 (a) The deduction under this subsection is available only when the  
22 person claiming the deduction obtains a certificate from the  
23 agricultural commodity dealer operating the interim storage facilities,  
24 in a form and manner prescribed by the department, certifying that:

25 (i) More than ninety-six percent of all of the type of agricultural  
26 commodity delivered by the person claiming the deduction under this  
27 subsection and delivered by all other persons to the dealer's interim  
28 storage facilities during the preceding calendar year was shipped by  
29 vessel in original form to interstate or foreign destinations; and

30 (ii) Any of the agricultural commodity that is transshipped to  
31 ports on tidewater or its navigable tributaries will be received at  
32 storage facilities operated by the same agricultural commodity dealer  
33 and will be shipped from such facilities, without intervening  
34 transportation, by vessel, in their original form, to interstate or  
35 foreign destinations.

36 (b) As used in this subsection, "agricultural commodity" has the  
37 same meaning as agricultural product in RCW 82.04.213;

1 (11) Amounts derived from the production, sale, or transfer of  
2 electrical energy for resale within or outside the state or for  
3 consumption outside the state;

4 (12) Amounts derived from the distribution of water by a nonprofit  
5 water association and used for capital improvements by that nonprofit  
6 water association;

7 (13) Amounts paid by a sewerage collection business taxable under  
8 RCW 82.16.020(1)(a) to a person taxable under chapter 82.04 RCW for the  
9 treatment or disposal of sewage;

10 (14) Amounts derived from fees or charges imposed on persons for  
11 transit services provided by a public transportation agency. For the  
12 purposes of this subsection, "public transportation agency" means a  
13 municipality, as defined in RCW 35.58.272, and urban public  
14 transportation systems, as defined in RCW 47.04.082. Public  
15 transportation agencies shall spend an amount equal to the reduction in  
16 tax provided by this tax deduction solely to adjust routes to improve  
17 access for citizens using food banks and senior citizen services or to  
18 extend or add new routes to assist low-income citizens and seniors;

19 (15) Until June 1, 2014, amounts received from interstate  
20 transportation. For purposes of this subsection, "interstate  
21 transportation" means transporting persons or property between states  
22 or between a state and a foreign country. "State" means a state of the  
23 United States, the District of Columbia, the Commonwealth of Puerto  
24 Rico, and any territory or possession of the United States.

25 NEW SECTION. Sec. 117. A new section is added to chapter 82.16  
26 RCW to read as follows:

27 (1) Persons taxable both within and without this state on the  
28 business of transporting persons or property for hire must apportion to  
29 this state that portion of gross income as provided in this section.

30 (2)(a) Except as otherwise provided in this section, gross income  
31 must be apportioned to this state based on the ratio that revenue miles  
32 of the person in this state during the tax period bear to the revenue  
33 miles of the person everywhere during the tax period.

34 (b)(i) If both property and passengers are transported, a person  
35 must determine the portion of gross income apportioned to this state by  
36 first computing separate percentages as provided in (a) of this  
37 subsection for property transported and for passengers transported.

1 (ii) Then separately divide gross income for each activity by the  
2 total gross income from transporting persons and property for hire.

3 (iii) Then multiply the percentage for property transported as  
4 determined under (a) of this subsection by the percentage of gross  
5 income from transporting property as determined under (b)(ii) of this  
6 subsection, and multiply the percentage for persons transported as  
7 determined under (a) of this subsection by the percentage of gross  
8 income from transporting persons as determined under (b)(ii) of this  
9 subsection.

10 (iv) Then sum the results of both calculations in (b)(iii) of this  
11 subsection and use this percentage to determine the portion of gross  
12 income apportioned to this state from transporting persons and property  
13 for hire.

14 (3) For persons that transport gas, oil, or other petroleum  
15 products, or any other products by pipeline, gross income must be  
16 apportioned to this state based on the ratio that the total number of  
17 traffic units in this state during the tax period bear to the total  
18 number of traffic units everywhere during the tax period.

19 (4) The definitions in this subsection apply throughout this  
20 section unless the context clearly requires otherwise.

21 (a) "Revenue mile" means the transportation of one net ton of  
22 property or one passenger, for the distance of one mile.

23 (b)(i) "Traffic unit" means the movement of one unit of product for  
24 a distance of one mile.

25 (ii) For purposes of this subsection (4)(b), "one unit" means one  
26 barrel consisting of forty-two United States gallons, except that for  
27 natural gas and manufactured gas, "one unit" means one thousand cubic  
28 feet of gas.

29 **PART II: Restoring the Suspended Cost-of-living Increases**  
30 **in Educational Employee Compensation**

31 **Sec. 201.** RCW 28A.400.205 and 2013 2nd sp.s. c 5 s 1 are each  
32 amended to read as follows:

33 (1) School district employees shall be provided an annual salary  
34 cost-of-living increase in accordance with this section.

35 (a) The cost-of-living increase shall be calculated by applying the  
36 rate of the yearly increase in the cost-of-living index to any state-

1 funded salary base used in state funding formulas for teachers and  
2 other school district employees. Beginning with the 2001-02 school  
3 year, and for each subsequent school year, except for the 2013-14 (~~and~~  
4 ~~2014-15~~) school year(~~s~~), each school district shall be provided a  
5 cost-of-living allocation sufficient to grant this cost-of-living  
6 increase.

7 (b) A school district shall distribute its cost-of-living  
8 allocation for salaries and salary-related benefits in accordance with  
9 the district's salary schedules, collective bargaining agreements, and  
10 compensation policies. No later than the end of the school year, each  
11 school district shall certify to the superintendent of public  
12 instruction that it has spent funds provided for cost-of-living  
13 increases on salaries and salary-related benefits.

14 (c) Any funded cost-of-living increase shall be included in the  
15 salary base used to determine cost-of-living increases for school  
16 employees in subsequent years. For teachers and other certificated  
17 instructional staff, the rate of the annual cost-of-living increase  
18 funded for certificated instructional staff shall be applied to the  
19 base salary used with the statewide salary allocation schedule  
20 established under RCW 28A.150.410 and to any other salary models used  
21 to recognize school district personnel costs.

22 (2) For the purposes of this section, "cost-of-living index" means,  
23 for any school year, the previous calendar year's annual average  
24 consumer price index, using the official current base, compiled by the  
25 bureau of labor statistics, United States department of labor for the  
26 state of Washington. If the bureau of labor statistics develops more  
27 than one consumer price index for areas within the state, the index  
28 covering the greatest number of people, covering areas exclusively  
29 within the boundaries of the state, and including all items shall be  
30 used for the cost-of-living index in this section.

31 **Sec. 202.** RCW 28B.50.465 and 2013 2nd sp.s. c 5 s 2 are each  
32 amended to read as follows:

33 (1) Academic employees of community and technical college districts  
34 shall be provided an annual salary cost-of-living increase in  
35 accordance with this section. For purposes of this section, "academic  
36 employee" has the same meaning as defined in RCW 28B.52.020.

1 (a) Beginning with the 2001-2002 fiscal year, and for each  
2 subsequent fiscal year, except as provided in (d) of this subsection,  
3 each college district shall receive a cost-of-living allocation  
4 sufficient to increase academic employee salaries, including mandatory  
5 salary-related benefits, by the rate of the yearly increase in the  
6 cost-of-living index.

7 (b) A college district shall distribute its cost-of-living  
8 allocation for salaries and salary-related benefits in accordance with  
9 the district's salary schedules, collective bargaining agreements, and  
10 other compensation policies. No later than the end of the fiscal year,  
11 each college district shall certify to the college board that it has  
12 spent funds provided for cost-of-living increases on salaries and  
13 salary-related benefits.

14 (c) The college board shall include any funded cost-of-living  
15 increase in the salary base used to determine cost-of-living increases  
16 for academic employees in subsequent years.

17 (d) Beginning with the 2001-2002 fiscal year, and for each  
18 subsequent fiscal year except for the 2013-2014 (~~and 2014-2015~~)  
19 fiscal year(~~s~~), the state shall fully fund the cost-of-living  
20 increase set forth in this section.

21 (2) For the purposes of this section, "cost-of-living index" means,  
22 for any fiscal year, the previous calendar year's annual average  
23 consumer price index, using the official current base, compiled by the  
24 bureau of labor statistics, United States department of labor for the  
25 state of Washington. If the bureau of labor statistics develops more  
26 than one consumer price index for areas within the state, the index  
27 covering the greatest number of people, covering areas exclusively  
28 within the boundaries of the state, and including all items shall be  
29 used for the cost-of-living index in this section.

30 **Sec. 203.** RCW 28B.50.468 and 2013 2nd sp.s. c 5 s 3 are each  
31 amended to read as follows:

32 (1) Classified employees of technical colleges shall be provided an  
33 annual salary cost-of-living increase in accordance with this section.  
34 For purposes of this section, "technical college" has the same meaning  
35 as defined in RCW 28B.50.030. This section applies to only those  
36 classified employees under the jurisdiction of chapter 41.56 RCW.

1 (a) Beginning with the 2001-2002 fiscal year, and for each  
2 subsequent fiscal year, except as provided in (d) of this subsection,  
3 each technical college board of trustees shall receive a cost-of-living  
4 allocation sufficient to increase classified employee salaries,  
5 including mandatory salary-related benefits, by the rate of the yearly  
6 increase in the cost-of-living index.

7 (b) A technical college board of trustees shall distribute its  
8 cost-of-living allocation for salaries and salary-related benefits in  
9 accordance with the technical college's salary schedules, collective  
10 bargaining agreements, and other compensation policies. No later than  
11 the end of the fiscal year, each technical college shall certify to the  
12 college board that it has spent funds provided for cost-of-living  
13 increases on salaries and salary-related benefits.

14 (c) The college board shall include any funded cost-of-living  
15 increase in the salary base used to determine cost-of-living increases  
16 for technical college classified employees in subsequent years.

17 (d) Beginning with the 2001-2002 fiscal year, and for each  
18 subsequent fiscal year except for the 2013-2014 (~~and 2014-2015~~)  
19 fiscal year(~~s~~), the state shall fully fund the cost-of-living  
20 increase set forth in this section.

21 (2) For the purposes of this section, "cost-of-living index" means,  
22 for any fiscal year, the previous calendar year's annual average  
23 consumer price index, using the official current base, compiled by the  
24 bureau of labor statistics, United States department of labor for the  
25 state of Washington. If the bureau of labor statistics develops more  
26 than one consumer price index for areas within the state, the index  
27 covering the greatest number of people, covering areas exclusively  
28 within the boundaries of the state, and including all items shall be  
29 used for the cost-of-living index in this section.

30 **PART III: Funding Suspended Cost-of-living Increases for Educational**  
31 **Employees and Increasing Materials, Supplies, and Operating Cost**  
32 **Allocations to School Districts**

33 **Sec. 301.** 2013 2nd sp.s. c 4 s 502 (uncodified) is amended to read  
34 as follows:

35 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR GENERAL APPORTIONMENT**  
36 **General Fund--State Appropriation (FY 2014) . . . . ((\$5,395,289,000))**

1		<u>\$5,390,386,000</u>
2	General Fund--State Appropriation (FY 2015) . . . . .	(( <del>\$5,581,336,000</del> ))
3		<u>\$5,515,439,000</u>
4	Education Legacy Trust Account--State	
5	Appropriation . . . . .	(( <del>\$328,563,000</del> ))
6		<u>\$516,481,000</u>
7	TOTAL APPROPRIATION . . . . .	(( <del>\$11,305,188,000</del> ))
8		<u>\$11,422,306,000</u>

9       The appropriations in this section are subject to the following  
10 conditions and limitations:

11       (1)(a) Each general fund fiscal year appropriation includes such  
12 funds as are necessary to complete the school year ending in the fiscal  
13 year and for prior fiscal year adjustments.

14       (b) For the 2013-14 and 2014-15 school years, the superintendent  
15 shall allocate general apportionment funding to school districts as  
16 provided in the funding formulas and salary schedules in sections 502  
17 and 503 of this act, excluding (c) of this subsection.

18       (c) From July 1, 2013, to August 31, 2013, the superintendent shall  
19 allocate general apportionment funding to school districts programs as  
20 provided in sections 502 and 503, chapter 50, Laws of 2011 1st sp.  
21 sess., as amended.

22       (d) The enrollment of any district shall be the annual average  
23 number of full-time equivalent students and part-time students as  
24 provided in RCW 28A.150.350, enrolled on the fourth day of school in  
25 September and on the first school day of each month October through  
26 June, including students who are in attendance pursuant to RCW  
27 28A.335.160 and 28A.225.250 who do not reside within the servicing  
28 school district. Any school district concluding its basic education  
29 program in May must report the enrollment of the last school day held  
30 in May in lieu of a June enrollment.

31       (2) CERTIFICATED INSTRUCTIONAL STAFF ALLOCATIONS

32       Allocations for certificated instructional staff salaries for the  
33 2013-14 and 2014-15 school years are determined using formula-generated  
34 staff units calculated pursuant to this subsection.

35       (a) Certificated instructional staff units, as defined in RCW  
36 28A.150.410, shall be allocated to reflect the minimum class size  
37 allocations, requirements, and school prototypes assumptions as  
38 provided in RCW 28A.150.260, except that the allocation for guidance

1 counselors in a middle school shall be 1.216 and the allocation for  
 2 guidance counselors in a high school shall be 2.009, which enhancements  
 3 are within the program of basic education. The superintendent shall  
 4 make allocations to school districts based on the district's annual  
 5 average full-time equivalent student enrollment in each grade.

6 (b) Additional certificated instructional staff units provided in  
 7 this subsection (2) that exceed the minimum requirements in RCW  
 8 28A.150.260 are enhancements outside the program of basic education,  
 9 except as otherwise provided in this section.

10 (c)(i) The superintendent shall base allocations for each level of  
 11 prototypical school on the following regular education average class  
 12 size of full-time equivalent students per teacher, except as provided  
 13 in (c)(ii) of this subsection:

14 General education class size:

15 Grade	RCW 28A.150.260	2013-14 School Year	2014-15 School Year
16 Grades K-3	.....	25.23	25.23
17 Grade 4	.....	27.00	27.00
18 Grades 5-6	.....	27.00	27.00
19 Grades 7-8	.....	28.53	28.53
20 Grades 9-12	.....	28.74	28.74

22 The superintendent shall base allocations for career and technical  
 23 education (CTE) and skill center programs average class size as  
 24 provided in RCW 28A.150.260.

25 (ii) For each level of prototypical school at which more than fifty  
 26 percent of the students were eligible for free and reduced-price meals  
 27 in the prior school year, the superintendent shall allocate funding  
 28 based on the following average class size of full-time equivalent  
 29 students per teacher:

30 (A) General education class size in high poverty schools:

31 Grade	RCW 28A.150.260
32 Grade 2	..... 24.10
33 Grade 3	..... 24.10

1	Grade 4	27.00
2	Grades 5-6	27.00
3	Grades 7-8	28.53
4	Grades 9-12	28.74

5 (B) For grades K-1, class size of 20.85 is provided for high  
6 poverty schools for the 2013-14 school year;

7 (C) For grades K through 1, the superintendent shall, at a minimum,  
8 allocate funding to high-poverty schools for the 2014-15 school year  
9 based on an average class size of 24.10 full-time equivalent students  
10 per teacher. The superintendent shall provide enhanced funding for  
11 class size reduction in grades K through 1 to the extent of, and  
12 proportionate to, the school's demonstrated actual average class size  
13 up to a class size of 20.30 full-time equivalent students per teacher.  
14 The office of the superintendent of public instruction shall develop  
15 rules to implement the enhanced funding authorized under (ii)(C) of  
16 this subsection and shall distribute draft rules for review no later  
17 than December 1, 2013. The office of the superintendent of public  
18 instruction shall report the draft rules and proposed methodology to  
19 the governor and the appropriate policy and fiscal committees of the  
20 legislature by December 1, 2013.

21 (D) The enhancement in this subsection (2)(c)(ii) is within the  
22 program of basic education.

23 (iii) Pursuant to RCW 28A.150.260(4)(a), the assumed teacher  
24 planning period, expressed as a percentage of a teacher work day, is:

25 (A) 13.42 percent in grades K-6 ((7))for the 2013-14 and 2014-15  
26 school years; and

27 (B) 16.67 percent in grades 7-12 for the 2013-14 school year, and  
28 22.24 percent in grades 7-12 for the 2014-15 school year. The  
29 enhancement in this subsection (2)(c)(iii)(B) is within the program of  
30 basic education and is sufficient to fund increased instructional hours  
31 for grades 7-12 provided in subsection (13) of this section; and

32 (iv) Laboratory science, advanced placement, and international  
33 baccalaureate courses are funded at the same class size assumptions as  
34 general education schools in the same grade; and

35 (d)(i) Funding for teacher librarians, school nurses, social  
36 workers, school psychologists, and guidance counselors is allocated

1 based on the school prototypes as provided in RCW 28A.150.260 and (a)  
2 of this subsection and is considered certificated instructional staff,  
3 except as provided in (d)(ii) of this subsection.

4 (ii) Students in approved career and technical education and skill  
5 center programs generate certificated instructional staff units to  
6 provide for the services of teacher librarians, school nurses, social  
7 workers, school psychologists, and guidance counselors at the following  
8 combined rate per 1000 students:

9 Career and Technical Education

10	students . . . . .	2.02 per 1000 student FTE's
11	Skill Center students . . . . .	2.36 per 1000 student FTE's

12 (3) ADMINISTRATIVE STAFF ALLOCATIONS

13 (a) Allocations for school building-level certificated  
14 administrative staff salaries for the 2013-14 and 2014-15 school years  
15 for general education students are determined using the formula  
16 generated staff units calculated pursuant to this subsection. The  
17 superintendent shall make allocations to school districts based on the  
18 district's annual average full-time equivalent enrollment in each  
19 grade. The following prototypical school values shall determine the  
20 allocation for principals, assistance principals, and other  
21 certificated building level administrators:

22 Prototypical School Building:

23	Elementary School	.....	1.253
24	Middle School	.....	1.353
25	High School	.....	1.880

26 (b) Students in approved career and technical education and skill  
27 center programs generate certificated school building-level  
28 administrator staff units at per student rates that are a multiple of  
29 the general education rate in (a) of this subsection by the following  
30 factors: Career and Technical Education students . . . . .1.025  
31 Skill Center students . . . . .1.198

32 (4) CLASSIFIED STAFF ALLOCATIONS

33 Allocations for classified staff units providing school building-  
34 level and district-wide support services for the 2013-14 and 2014-15

1 school years are determined using the formula-generated staff units  
2 provided in RCW 28A.150.260, and adjusted based on each district's  
3 annual average full-time equivalent student enrollment in each grade,  
4 except that the allocation for parent involvement coordinators in an  
5 elementary school shall be 0.0825, which enhancement is within the  
6 program of basic education.

7 (5) CENTRAL OFFICE ALLOCATIONS

8 In addition to classified and administrative staff units allocated  
9 in subsections (3) and (4) of this section, classified and  
10 administrative staff units are provided for the 2013-14 and 2014-15  
11 school year for the central office administrative costs of operating a  
12 school district, at the following rates:

13 (a) The total central office staff units provided in this  
14 subsection (5) are calculated by first multiplying the total number of  
15 eligible certificated instructional, certificated administrative, and  
16 classified staff units providing school-based or district-wide support  
17 services, as identified in RCW 28A.150.260(6)(b), by 5.3 percent.

18 (b) Of the central office staff units calculated in (a) of this  
19 subsection, 74.53 percent are allocated as classified staff units, as  
20 generated in subsection (4) of this section, and 25.47 percent shall be  
21 allocated as administrative staff units, as generated in subsection (3)  
22 of this section.

23 (c) Staff units generated as enhancements outside the program of  
24 basic education to the minimum requirements of RCW 28A.150.260, and  
25 staff units generated by skill center and career-technical students,  
26 are excluded from the total central office staff units calculation in  
27 (a) of this subsection.

28 (d) For students in approved career-technical and skill center  
29 programs, central office classified units are allocated at the same  
30 staff unit per student rate as those generated for general education  
31 students of the same grade in this subsection (5), and central office  
32 administrative staff units are allocated at staff unit per student  
33 rates that exceed the general education rate established for students  
34 in the same grade in this subsection (5) by 1.71 percent in the 2013-14  
35 school year and 2.00 percent in the 2014-15 school year for career and  
36 technical education students, and (~~(21.60)~~) 21.57 percent in the 2013-  
37 14 school year and (~~(15.98)~~) 16.03 percent in the 2014-15 school year  
38 for skill center students.

1 (6) FRINGE BENEFIT ALLOCATIONS

2 Fringe benefit allocations shall be calculated at a rate of 18.68  
3 percent in the 2013-14 school year and 18.68 percent in the 2014-15  
4 school year for certificated salary allocations provided under  
5 subsections (2), (3), and (5) of this section, and a rate of 20.95  
6 percent in the 2013-14 school year and 20.95 percent in the 2014-15  
7 school year for classified salary allocations provided under  
8 subsections (4) and (5) of this section.

9 (7) INSURANCE BENEFIT ALLOCATIONS

10 Insurance benefit allocations shall be calculated at the  
11 maintenance rate specified in section 504 of this act, based on the  
12 number of benefit units determined as follows:

13 (a) The number of certificated staff units determined in  
14 subsections (2), (3), and (5) of this section; and

15 (b) The number of classified staff units determined in subsections  
16 (4) and (5) of this section multiplied by 1.152. This factor is  
17 intended to adjust allocations so that, for the purposes of  
18 distributing insurance benefits, full-time equivalent classified  
19 employees may be calculated on the basis of 1440 hours of work per  
20 year, with no individual employee counted as more than one full-time  
21 equivalent.

22 (8) MATERIALS, SUPPLIES, AND OPERATING COSTS (MSOC) ALLOCATIONS

23 Funding is allocated per annual average full-time equivalent  
24 student for the materials, supplies, and operating costs (MSOC)  
25 incurred by school districts, consistent with the requirements of RCW  
26 28A.150.260.

27 (a) MSOC funding for general education students are allocated at  
28 the following per student rates:

29 MSOC RATES/STUDENT FTE

MSOC Component	2013-14	2014-15
	SCHOOL YEAR	SCHOOL YEAR
Technology	\$77.46	(( <del>\$82.16</del> )) <u>\$94.62</u>

1	Utilities and Insurance	\$210.46	(( <del>\$223.23</del> )) <u>\$257.10</u>
2	Curriculum and Textbooks	\$83.17	(( <del>\$88.21</del> )) <u>\$101.59</u>
3	Other Supplies and Library Materials	\$176.56	(( <del>\$187.27</del> )) <u>\$215.68</u>
4	Instructional Professional Development for Certificated		
5	and Classified Staff	\$12.86	(( <del>\$13.64</del> )) <u>\$15.71</u>
6	Facilities Maintenance	\$104.27	(( <del>\$110.59</del> )) <u>\$127.37</u>
7	Security and Central Office	\$72.24	(( <del>\$76.62</del> )) <u>\$88.23</u>
8	TOTAL BASIC EDUCATION MSOC/STUDENT FTE	\$737.02	(( <del>\$781.72</del> )) <u>\$900.30</u>

9 (b) Students in approved skill center programs generate per student  
10 FTE MSOC allocations of \$1,244.25 for the 2013-14 school year and  
11 ((~~\$1,262.92~~)) \$1,264.15 for the 2014-15 school year.

12 (c) Students in approved exploratory and preparatory career and  
13 technical education programs generate a per student MSOC allocation of  
14 \$1,399.30 for the 2013-14 school year and ((~~\$1,420.29~~)) \$1,421.68 for  
15 the 2014-15 school year.

16 (d) Students in laboratory science courses generate per student FTE  
17 MSOC allocations which equal the per student FTE rate for general  
18 education students established in (a) of this subsection.

19 (9) SUBSTITUTE TEACHER ALLOCATIONS

20 For the 2013-14 and 2014-15 school years, funding for substitute  
21 costs for classroom teachers is based on four (4) funded substitute  
22 days per classroom teacher unit generated under subsection (2) of this  
23 section, at a daily substitute rate of \$151.86.

24 (10) ALTERNATIVE LEARNING EXPERIENCE PROGRAM FUNDING

25 (a) Amounts provided in this section from July 1, 2013, to August  
26 31, 2013, are adjusted to reflect provisions of chapter 34, Laws of  
27 2011 1st sp. sess. (allocation of funding for funding for students  
28 enrolled in alternative learning experiences).

29 (b) Amounts provided in this section beginning September 1, 2013,  
30 are adjusted to reflect modifications to alternative learning  
31 experience courses in Engrossed Substitute Senate Bill No. 5946  
32 (student educational outcomes).

33 (c) The superintendent of public instruction shall require all  
34 districts receiving general apportionment funding for alternative  
35 learning experience (ALE) programs as defined in WAC 392-121-182 to  
36 provide separate financial accounting of expenditures for the ALE

1 programs offered in district or with a provider, including but not  
2 limited to private companies and multidistrict cooperatives, as well as  
3 accurate, monthly headcount and FTE enrollment claimed for basic  
4 education, including separate counts of resident and nonresident  
5 students.

6 (11) DROPOUT REENGAGEMENT PROGRAM FUNDING

7 Starting with the 2014-15 school year, the superintendent of public  
8 instruction shall require all districts claiming general apportionment  
9 funding for dropout reengagement programs authorized under RCW  
10 28A.175.100 through 28A.175.115 to meet minimum weekly instructional  
11 contact requirements. The superintendent shall revise its rules  
12 accordingly to implement this subsection. Districts must also provide  
13 separate financial accounting of expenditures for the open door  
14 programs offered in district or with a provider, as well as accurate,  
15 monthly headcount and FTE enrollment claimed for basic education,  
16 including separate counts of resident and nonresident students.

17 (12) VOLUNTARY FULL DAY KINDERGARTEN PROGRAMS

18 Funding in this section is sufficient to fund voluntary full day  
19 kindergarten programs in qualifying high poverty schools, pursuant to  
20 RCW 28A.150.220 and 28A.150.315. Each kindergarten student who enrolls  
21 for the voluntary full-day program in a qualifying school shall count  
22 as one-half of one full-time equivalent student for purpose of making  
23 allocations under this section. Funding in this section provides full-  
24 day kindergarten programs for 43.75 percent of kindergarten enrollment  
25 in the 2013-14 school year and ((43.75)) 44.22 percent in the 2014-15  
26 school year, which enhancement is within the program of basic  
27 education.

28 ((+12)) (13) INCREASED INSTRUCTIONAL HOURS FOR GRADES SEVEN  
29 THROUGH TWELVE

30 ((+a)) School districts shall implement the increased  
31 instructional hours for the instructional program of basic education  
32 required under the provisions of RCW 28A.150.220(2)(a) beginning with  
33 the 2014-15 school year, which enhancement is within the program of  
34 basic education.

35 ((+b)) Amounts provided in this section are sufficient to fund  
36 increased instructional hours in grades seven through twelve. ((For  
37 the 2014-15 school year, the superintendent shall allocate funding to  
38 school districts for increased instructional hours. In calculating the

1 allocations, the superintendent shall assume the following averages:  
2 (a) Additional instruction of 2.2222 hours per week per full-time  
3 equivalent student in grades seven through twelve in school year 2014-  
4 15; (b) the general education average class sizes specified in section  
5 502(2)(c); (c) 36 instructional weeks per year; (d) 900 instructional  
6 hours per teacher; and (e) the district's average staff mix and  
7 compensation rates as provided in sections 503 and 504 of this act))  
8 Funding to provide for 2.2222 hours additional instructional hours per  
9 week for grades seven to twelve beginning with the 2014-15 school year  
10 is allocated through the percentage in subsection (2)(c)(iii)(B) of  
11 this section.

12 ((+13)) (14) ADDITIONAL FUNDING FOR SMALL SCHOOL DISTRICTS AND  
13 REMOTE AND NECESSARY PLANTS

14 For small school districts and remote and necessary school plants  
15 within any district which have been judged to be remote and necessary  
16 by the superintendent of public instruction, additional staff units are  
17 provided to ensure a minimum level of staffing support. Additional  
18 administrative and certificated instructional staff units provided to  
19 districts in this subsection shall be reduced by the general education  
20 staff units, excluding career and technical education and skills center  
21 enhancement units, otherwise provided in subsections (2) through (5) of  
22 this section on a per district basis.

23 (a) For districts enrolling not more than twenty-five average  
24 annual full-time equivalent students in grades K-8, and for small  
25 school plants within any school district which have been judged to be  
26 remote and necessary by the superintendent of public instruction and  
27 enroll not more than twenty-five average annual full-time equivalent  
28 students in grades K-8:

29 (i) For those enrolling no students in grades 7 and 8, 1.76  
30 certificated instructional staff units and 0.24 certificated  
31 administrative staff units for enrollment of not more than five  
32 students, plus one-twentieth of a certificated instructional staff unit  
33 for each additional student enrolled; and

34 (ii) For those enrolling students in grades 7 or 8, 1.68  
35 certificated instructional staff units and 0.32 certificated  
36 administrative staff units for enrollment of not more than five  
37 students, plus one-tenth of a certificated instructional staff unit for  
38 each additional student enrolled;

1 (b) For specified enrollments in districts enrolling more than  
2 twenty-five but not more than one hundred average annual full-time  
3 equivalent students in grades K-8, and for small school plants within  
4 any school district which enroll more than twenty-five average annual  
5 full-time equivalent students in grades K-8 and have been judged to be  
6 remote and necessary by the superintendent of public instruction:

7 (i) For enrollment of up to sixty annual average full-time  
8 equivalent students in grades K-6, 2.76 certificated instructional  
9 staff units and 0.24 certificated administrative staff units; and

10 (ii) For enrollment of up to twenty annual average full-time  
11 equivalent students in grades 7 and 8, 0.92 certificated instructional  
12 staff units and 0.08 certificated administrative staff units;

13 (c) For districts operating no more than two high schools with  
14 enrollments of less than three hundred average annual full-time  
15 equivalent students, for enrollment in grades 9-12 in each such school,  
16 other than alternative schools, except as noted in this subsection:

17 (i) For remote and necessary schools enrolling students in any  
18 grades 9-12 but no more than twenty-five average annual full-time  
19 equivalent students in grades K-12, four and one-half certificated  
20 instructional staff units and one-quarter of a certificated  
21 administrative staff unit;

22 (ii) For all other small high schools under this subsection, nine  
23 certificated instructional staff units and one-half of a certificated  
24 administrative staff unit for the first sixty average annual full-time  
25 equivalent students, and additional staff units based on a ratio of  
26 0.8732 certificated instructional staff units and 0.1268 certificated  
27 administrative staff units per each additional forty-three and one-half  
28 average annual full-time equivalent students;

29 (iii) Districts receiving staff units under this subsection shall  
30 add students enrolled in a district alternative high school and any  
31 grades nine through twelve alternative learning experience programs  
32 with the small high school enrollment for calculations under this  
33 subsection;

34 (d) For each nonhigh school district having an enrollment of more  
35 than seventy annual average full-time equivalent students and less than  
36 one hundred eighty students, operating a grades K-8 program or a grades  
37 1-8 program, an additional one-half of a certificated instructional  
38 staff unit;

1 (e) For each nonhigh school district having an enrollment of more  
2 than fifty annual average full-time equivalent students and less than  
3 one hundred eighty students, operating a grades K-6 program or a grades  
4 1-6 program, an additional one-half of a certificated instructional  
5 staff unit;

6 (f)(i) For enrollments generating certificated staff unit  
7 allocations under (a) through (e) of this subsection, one classified  
8 staff unit for each 2.94 certificated staff units allocated under such  
9 subsections;

10 (ii) For each nonhigh school district with an enrollment of more  
11 than fifty annual average full-time equivalent students and less than  
12 one hundred eighty students, an additional one-half of a classified  
13 staff unit; and

14 (g) School districts receiving additional staff units to support  
15 small student enrollments and remote and necessary plants under this  
16 subsection (12) shall generate additional MSOC allocations consistent  
17 with the nonemployee related costs (NERC) allocation formula in place  
18 for the 2010-11 school year as provided in section 502, chapter 37,  
19 Laws of 2010 1st sp. sess. (2010 supplemental budget), adjusted  
20 annually for inflation.

21 (~~(14)~~) (15) Any school district board of directors may petition  
22 the superintendent of public instruction by submission of a resolution  
23 adopted in a public meeting to reduce or delay any portion of its basic  
24 education allocation for any school year. The superintendent of public  
25 instruction shall approve such reduction or delay if it does not impair  
26 the district's financial condition. Any delay shall not be for more  
27 than two school years. Any reduction or delay shall have no impact on  
28 levy authority pursuant to RCW 84.52.0531 and local effort assistance  
29 pursuant to chapter 28A.500 RCW.

30 (~~(15)~~) (16) The superintendent may distribute funding for the  
31 following programs outside the basic education formula during fiscal  
32 years 2014 and 2015 as follows:

33 (a) \$605,000 of the general fund--state appropriation for fiscal  
34 year 2014 and \$614,000 of the general fund--state appropriation for  
35 fiscal year 2015 are provided solely for fire protection for school  
36 districts located in a fire protection district as now or hereafter  
37 established pursuant to chapter 52.04 RCW.

1 (b) \$436,000 of the general fund--state appropriation for fiscal  
2 year 2014 and \$436,000 of the general fund--state appropriation for  
3 fiscal year 2015 are provided solely for programs providing skills  
4 training for secondary students who are enrolled in extended day  
5 school-to-work programs, as approved by the superintendent of public  
6 instruction. The funds shall be allocated at a rate not to exceed \$500  
7 per full-time equivalent student enrolled in those programs.

8 ((+16+)) (17) \$214,000 of the general fund--state appropriation for  
9 fiscal year 2014 and \$217,000 of the general fund--state appropriation  
10 for fiscal year 2015 are provided solely for school district  
11 emergencies as certified by the superintendent of public instruction.  
12 At the close of the fiscal year the superintendent of public  
13 instruction shall report to the office of financial management and the  
14 appropriate fiscal committees of the legislature on the allocations  
15 provided to districts and the nature of the emergency.

16 ((+17+)) (18) Funding in this section is sufficient to fund a  
17 maximum of 1.6 FTE enrollment for skills center students pursuant to  
18 chapter 463, Laws of 2007.

19 ((+18+)) (19) Students participating in running start programs may  
20 be funded up to a combined maximum enrollment of 1.2 FTE including  
21 school district and institution of higher education enrollment. In  
22 calculating the combined 1.2 FTE, the office of the superintendent of  
23 public instruction may average the participating student's September  
24 through June enrollment to account for differences in the start and end  
25 dates for courses provided by the high school and higher education  
26 institution. Additionally, the office of the superintendent of public  
27 instruction, in consultation with the state board for community and  
28 technical colleges, the student achievement council, and the education  
29 data center, shall annually track and report to the fiscal committees  
30 of the legislature on the combined FTE experience of students  
31 participating in the running start program, including course load  
32 analyses at both the high school and community and technical college  
33 system.

34 ((+19+)) (20) If two or more school districts consolidate and each  
35 district was receiving additional basic education formula staff units  
36 pursuant to subsection (12) of this section, the following apply:

37 (a) For three school years following consolidation, the number of

1 basic education formula staff units shall not be less than the number  
2 of basic education formula staff units received by the districts in the  
3 school year prior to the consolidation; and

4 (b) For the fourth through eighth school years following  
5 consolidation, the difference between the basic education formula staff  
6 units received by the districts for the school year prior to  
7 consolidation and the basic education formula staff units after  
8 consolidation pursuant to subsection (12) of this section shall be  
9 reduced in increments of twenty percent per year.

10 ~~((+20))~~ (21)(a) Indirect cost charges by a school district to  
11 approved career and technical education middle and secondary programs  
12 shall not exceed 15 percent of the combined basic education and career  
13 and technical education program enhancement allocations of state funds.  
14 Middle and secondary career and technical education programs are  
15 considered separate programs for funding and financial reporting  
16 purposes under this section.

17 (b) Career and technical education program full-time equivalent  
18 enrollment shall be reported on the same monthly basis as the  
19 enrollment for students eligible for basic support, and payments shall  
20 be adjusted for reported career and technical education program  
21 enrollments on the same monthly basis as those adjustments for  
22 enrollment for students eligible for basic support.

23 **Sec. 302.** 2013 2nd sp.s. c 4 s 503 (uncodified) is amended to read  
24 as follows:

25 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--BASIC EDUCATION EMPLOYEE**  
26 **COMPENSATION**

27 (1) The following calculations determine the salaries used in the  
28 state allocations for certificated instructional, certificated  
29 administrative, and classified staff units as provided in RCW  
30 28A.150.280 and under section 502 of this act:

31 (a) Salary allocations for certificated instructional staff units  
32 are determined for each district by multiplying the district's  
33 certificated instructional total base salary shown on LEAP Document 2  
34 by the district's average staff mix factor for certificated  
35 instructional staff in that school year, computed using LEAP document  
36 1; and

(b) Salary allocations for certificated administrative staff units and classified staff units for each district are determined based on the district's certificated administrative and classified salary allocation amounts shown on LEAP Document 2.

(2) For the purposes of this section:

(a) "LEAP Document 1" means the staff mix factors for certificated instructional staff according to education and years of experience, as developed by the legislative evaluation and accountability program committee on (~~June 1, 2013~~) January 14, 2014 at (~~08:06~~) 06:11 hours; and

(b) "LEAP Document 2" means the school year salary allocations for certificated administrative staff and classified staff and derived and total base salaries for certificated instructional staff as developed by the legislative evaluation and accountability program committee on (~~June 1, 2013~~) January 14, 2014 at (~~01:29~~) 06:11 hours.

(3) Incremental fringe benefit factors are applied to salary adjustments at a rate of 18.04 percent for school year 2013-14 and 18.04 percent for school year 2014-15 for certificated instructional and certificated administrative staff and 17.45 percent for school year 2013-14 and 17.45 percent for the 2014-15 school year for classified staff.

(4)(a) Pursuant to RCW 28A.150.410, the following state-wide salary allocation schedules for certificated instructional staff are established for basic education salary allocations:

Table Of Total Base Salaries For Certificated Instructional Staff For School Year 2013-14

\*\*\* Education Experience \*\*\*

Years of Service	BA	BA+15	BA+30	BA+45	BA+90	BA+135	MA	MA+45	MA+90	OR Ph.D.
0	34,048	34,968	35,920	36,875	39,939	41,913	40,820	43,885	45,860	
1	34,506	35,439	36,403	37,400	40,496	42,459	41,274	44,370	46,332	
2	34,943	35,884	36,859	37,933	41,020	43,004	41,731	44,818	46,802	
3	35,393	36,343	37,329	38,437	41,518	43,549	42,164	45,243	47,276	
4	35,834	36,826	37,818	38,964	42,064	44,110	42,618	45,718	47,765	
5	36,290	37,287	38,288	39,498	42,586	44,673	43,080	46,169	48,256	
6	36,759	37,734	38,769	40,039	43,113	45,211	43,552	46,626	48,723	

1	7	37,582	38,572	39,621	40,960	44,079	46,235	44,438	47,556	49,713
2	8	38,787	39,831	40,905	42,355	45,516	47,751	45,832	48,994	51,228
3	9		41,135	42,262	43,765	46,999	49,310	47,241	50,477	52,788
4	10			43,635	45,247	48,524	50,913	48,724	52,003	54,390
5	11				46,772	50,121	52,557	50,249	53,599	56,034
6	12				48,249	51,761	54,269	51,835	55,238	57,748
7	13					53,440	56,024	53,476	56,918	59,501
8	14					55,128	57,844	55,165	58,716	61,322
9	15					56,563	59,349	56,599	60,242	62,917
10	16 or					57,693	60,535	57,731	61,447	64,174
11	more									

Table Of Total Base Salaries For Certificated Instructional Staff For School Year 2014-15

\*\*\* Education Experience \*\*\*

14	((Years									MA+90
15	of									OR
16	Service	—BA	BA+15	BA+30	BA+45	BA+90	BA+135	—MA	MA+45	Ph.D:
17	0	34,048	34,968	35,920	36,875	39,939	41,913	40,820	43,885	45,860
18	1	34,506	35,439	36,403	37,400	40,496	42,459	41,274	44,370	46,332
19	2	34,943	35,884	36,859	37,933	41,020	43,004	41,731	44,818	46,802
20	3	35,393	36,343	37,329	38,437	41,518	43,549	42,164	45,243	47,276
21	4	35,834	36,826	37,818	38,964	42,064	44,110	42,618	45,718	47,765
22	5	36,290	37,287	38,288	39,498	42,586	44,673	43,080	46,169	48,256
23	6	36,759	37,734	38,769	40,039	43,113	45,211	43,552	46,626	48,723
24	7	37,582	38,572	39,621	40,960	44,079	46,235	44,438	47,556	49,713
25	8	38,787	39,831	40,905	42,355	45,516	47,751	45,832	48,994	51,228
26	9		41,135	42,262	43,765	46,999	49,310	47,241	50,477	52,788
27	10			43,635	45,247	48,524	50,913	48,724	52,003	54,390
28	11				46,772	50,121	52,557	50,249	53,599	56,034
29	12				48,249	51,761	54,269	51,835	55,238	57,748
30	13					53,440	56,024	53,476	56,918	59,501
31	14					55,128	57,844	55,165	58,716	61,322
32	15					56,563	59,349	56,599	60,242	62,917
33	16 or					57,693	60,535	57,731	61,447	64,174))
34	more									

1										
2										
3	<u>Years</u>									<u>MA+90</u>
4	<u>of</u>									<u>OR</u>
5	<u>Service</u>	<u>BA</u>	<u>BA+15</u>	<u>BA+30</u>	<u>BA+45</u>	<u>BA+90</u>	<u>BA+135</u>	<u>MA</u>	<u>MA+45</u>	<u>Ph.D.</u>
6	<u>0</u>	<u>34,491</u>	<u>35,422</u>	<u>36,387</u>	<u>37,355</u>	<u>40,459</u>	<u>42,458</u>	<u>41,351</u>	<u>44,455</u>	<u>46,456</u>
7	<u>1</u>	<u>34,955</u>	<u>35,899</u>	<u>36,877</u>	<u>37,887</u>	<u>41,023</u>	<u>43,011</u>	<u>41,811</u>	<u>44,947</u>	<u>46,934</u>
8	<u>2</u>	<u>35,397</u>	<u>36,351</u>	<u>37,339</u>	<u>38,426</u>	<u>41,554</u>	<u>43,563</u>	<u>42,274</u>	<u>45,401</u>	<u>47,410</u>
9	<u>3</u>	<u>35,853</u>	<u>36,816</u>	<u>37,814</u>	<u>38,936</u>	<u>42,058</u>	<u>44,115</u>	<u>42,712</u>	<u>45,831</u>	<u>47,890</u>
10	<u>4</u>	<u>36,300</u>	<u>37,305</u>	<u>38,309</u>	<u>39,471</u>	<u>42,610</u>	<u>44,683</u>	<u>43,172</u>	<u>46,312</u>	<u>48,386</u>
11	<u>5</u>	<u>36,762</u>	<u>37,772</u>	<u>38,786</u>	<u>40,012</u>	<u>43,140</u>	<u>45,254</u>	<u>43,640</u>	<u>46,769</u>	<u>48,883</u>
12	<u>6</u>	<u>37,236</u>	<u>38,224</u>	<u>39,273</u>	<u>40,560</u>	<u>43,673</u>	<u>45,798</u>	<u>44,119</u>	<u>47,232</u>	<u>49,356</u>
13	<u>7</u>	<u>38,070</u>	<u>39,073</u>	<u>40,136</u>	<u>41,493</u>	<u>44,652</u>	<u>46,836</u>	<u>45,016</u>	<u>48,174</u>	<u>50,359</u>
14	<u>8</u>	<u>39,291</u>	<u>40,349</u>	<u>41,436</u>	<u>42,906</u>	<u>46,107</u>	<u>48,372</u>	<u>46,428</u>	<u>49,631</u>	<u>51,894</u>
15	<u>9</u>		<u>41,670</u>	<u>42,811</u>	<u>44,334</u>	<u>47,610</u>	<u>49,951</u>	<u>47,855</u>	<u>51,133</u>	<u>53,475</u>
16	<u>10</u>			<u>44,202</u>	<u>45,835</u>	<u>49,155</u>	<u>51,575</u>	<u>49,357</u>	<u>52,679</u>	<u>55,097</u>
17	<u>11</u>				<u>47,380</u>	<u>50,773</u>	<u>53,240</u>	<u>50,903</u>	<u>54,296</u>	<u>56,763</u>
18	<u>12</u>				<u>48,876</u>	<u>52,434</u>	<u>54,975</u>	<u>52,509</u>	<u>55,956</u>	<u>58,499</u>
19	<u>13</u>					<u>54,135</u>	<u>56,752</u>	<u>54,171</u>	<u>57,658</u>	<u>60,274</u>
20	<u>14</u>					<u>55,845</u>	<u>58,596</u>	<u>55,882</u>	<u>59,479</u>	<u>62,119</u>
21	<u>15</u>					<u>57,298</u>	<u>60,121</u>	<u>57,335</u>	<u>61,026</u>	<u>63,735</u>
22	<u>16 or</u>					<u>58,443</u>	<u>61,322</u>	<u>58,481</u>	<u>62,246</u>	<u>65,009</u>
23	<u>more</u>									

24 (b) As used in this subsection, the column headings "BA+(N)" refer  
 25 to the number of credits earned since receiving the baccalaureate  
 26 degree.

27 (c) For credits earned after the baccalaureate degree but before  
 28 the masters degree, any credits in excess of forty-five credits may be  
 29 counted after the masters degree. Thus, as used in this subsection,  
 30 the column headings "MA+(N)" refer to the total of:

- 31 (i) Credits earned since receiving the masters degree; and
- 32 (ii) Any credits in excess of forty-five credits that were earned  
 33 after the baccalaureate degree but before the masters degree.

34 (5) For the purposes of this section:

- 35 (a) "BA" means a baccalaureate degree.

1 (b) "MA" means a masters degree.

2 (c) "PHD" means a doctorate degree.

3 (d) "Years of service" shall be calculated under the same rules  
4 adopted by the superintendent of public instruction.

5 (e) "Credits" means college quarter hour credits and equivalent in-  
6 service credits computed in accordance with RCW 28A.415.020 and  
7 28A.415.023.

8 (6) No more than ninety college quarter-hour credits received by  
9 any employee after the baccalaureate degree may be used to determine  
10 compensation allocations under the state salary allocation schedule and  
11 LEAP documents referenced in this part V, or any replacement schedules  
12 and documents, unless:

13 (a) The employee has a masters degree; or

14 (b) The credits were used in generating state salary allocations  
15 before January 1, 1992.

16 (7) The salary allocation schedules established in this section are  
17 for allocation purposes only except as provided in RCW 28A.400.200(2).

18 **Sec. 303.** 2013 2nd sp.s. c 4 s 504 (uncodified) is amended to read  
19 as follows:

20 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SCHOOL EMPLOYEE**  
21 **COMPENSATION ADJUSTMENTS**

22 Education Legacy Trust Account--State

23 Appropriation . . . . . \$55,559,000

24 The appropriation in this section is subject to the following  
25 conditions and limitations:

26 (1)((+a)) \$55,559,000 of the education legacy trust account--state  
27 appropriation is provided solely for the following:

28 (a) A cost of living adjustment of 1.3 percent effective September  
29 1, 2014, pursuant to Initiative Measure No. 732.

30 (b) Additional salary adjustments as necessary to fund the base  
31 salaries for certificated instructional staff as listed for each  
32 district in LEAP Document 2, defined in section 503(2)(b) of this act.  
33 Allocations for these salary adjustments shall be provided to all  
34 districts that are not grandfathered to receive salary allocations  
35 above the statewide salary allocation schedule, and to certain  
36 grandfathered districts to the extent necessary to ensure that salary

1 allocations for districts that are currently grandfathered do not fall  
2 below the statewide salary allocation schedule.

3 ~~((b))~~ (c) Additional salary adjustments to certain districts as  
4 necessary to fund the per full-time-equivalent salary allocations for  
5 certificated administrative staff as listed for each district in LEAP  
6 Document 2, defined in section 503(2)(b) of this act.

7 ~~((e))~~ (d) Additional salary adjustments to certain districts as  
8 necessary to fund the per full-time-equivalent salary allocations for  
9 classified staff as listed for each district in LEAP Document 2,  
10 defined in section 503(2)(b) of this act.

11 ~~((d))~~ (e) The appropriations in this subsection (1) include  
12 associated incremental fringe benefit allocations at 18.04 percent for  
13 the 2013-14 school year and 18.04 percent for the 2014-15 school year  
14 for certificated instructional and certificated administrative staff  
15 and 17.45 percent for the 2013-14 school year and 17.45 percent for the  
16 2014-15 school year for classified staff.

17 ~~((e))~~ (f) The appropriations in this section include the  
18 increased or decreased portion of salaries and incremental fringe  
19 benefits for all relevant state-funded school programs in part V of  
20 this act. Changes for general apportionment (basic education) are  
21 based on the salary allocation schedules and methodology in sections  
22 502 and 503 of this act. Changes for special education result from  
23 changes in each district's basic education allocation per student.  
24 Changes for educational service districts and institutional education  
25 programs are determined by the superintendent of public instruction  
26 using the methodology for general apportionment salaries and benefits  
27 in sections 502 and 503 of this act.

28 ~~((f))~~ (g) The appropriations in this section include no salary  
29 adjustments for substitute teachers.

30 (2) The maintenance rate for insurance benefit allocations is  
31 \$768.00 per month for the 2013-14 and 2014-15 school years. The  
32 appropriations in this section reflect the incremental change in cost  
33 of allocating rates of \$768.00 per month for the 2013-14 school year  
34 and \$768.00 per month for the 2014-15 school year.

35 (3) The rates specified in this section are subject to revision  
36 each year by the legislature.

1       **Sec. 304.** 2013 2nd sp.s. c 4 s 507 (uncodified) is amended to read  
2 as follows:

3 **FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SPECIAL EDUCATION**  
4 **PROGRAMS**

5	General Fund--State Appropriation (FY 2014) . . . . .	(( <del>\$702,149,000</del> ))
6		<u>\$699,288,000</u>
7	General Fund--State Appropriation (FY 2015) . . . . .	(( <del>\$738,043,000</del> ))
8		<u>\$726,250,000</u>
9	General Fund--Federal Appropriation . . . . .	(( <del>\$462,022,000</del> ))
10		<u>\$472,906,000</u>
11	Education Legacy Trust Account--State Appropriation . .	(( <del>\$46,151,000</del> ))
12		<u>\$70,086,000</u>
13	TOTAL APPROPRIATION . . . . .	(( <del>\$1,948,365,000</del> ))
14		<u>\$1,968,530,000</u>

15       The appropriations in this section are subject to the following  
16 conditions and limitations:

17       (1) Funding for special education programs is provided on an excess  
18 cost basis, pursuant to RCW 28A.150.390. School districts shall ensure  
19 that special education students as a class receive their full share of  
20 the general apportionment allocation accruing through sections 502 and  
21 504 of this act. To the extent a school district cannot provide an  
22 appropriate education for special education students under chapter  
23 28A.155 RCW through the general apportionment allocation, it shall  
24 provide services through the special education excess cost allocation  
25 funded in this section.

26       (2)(a) The superintendent of public instruction shall ensure that:

27       (i) Special education students are basic education students first;

28       (ii) As a class, special education students are entitled to the  
29 full basic education allocation; and

30       (iii) Special education students are basic education students for  
31 the entire school day.

32       (b) The superintendent of public instruction shall continue to  
33 implement the full cost method of excess cost accounting, as designed  
34 by the committee and recommended by the superintendent, pursuant to  
35 section 501(1)(k), chapter 372, Laws of 2006.

36       (3) Each fiscal year appropriation includes such funds as are  
37 necessary to complete the school year ending in the fiscal year and for  
38 prior fiscal year adjustments.

1 (4)(a) For the 2013-14 and 2014-15 school years, the superintendent  
2 shall allocate funding to school district programs for special  
3 education students as provided in RCW 28A.150.390, (~~except that the~~  
4 ~~calculation of the base allocation also~~) which includes allocations  
5 for increased instructional hours for grades seven through twelve as  
6 provided under section 502(~~(+12)(b))~~) (13) for the 2014-15 school year,  
7 which enhancement is within the program of basic education.

8 (b) From July 1, 2013 to August 31, 2013, the superintendent shall  
9 allocate funding to school district programs for special education  
10 students as provided in section 507, chapter 50, Laws of 2011 1st sp.  
11 sess., as amended.

12 (5) The following applies throughout this section: The definitions  
13 for enrollment and enrollment percent are as specified in RCW  
14 28A.150.390(3). Each district's general fund--state funded special  
15 education enrollment shall be the lesser of the district's actual  
16 enrollment percent or 12.7 percent.

17 (6) At the request of any interdistrict cooperative of at least 15  
18 districts in which all excess cost services for special education  
19 students of the districts are provided by the cooperative, the maximum  
20 enrollment percent shall be calculated in accordance with RCW  
21 28A.150.390(3) (c) and (d), and shall be calculated in the aggregate  
22 rather than individual district units. For purposes of this  
23 subsection, the average basic education allocation per full-time  
24 equivalent student shall be calculated in the aggregate rather than  
25 individual district units.

26 (7) (~~(\$22,263,000)~~) \$17,578,000 of the general fund--state  
27 appropriation for fiscal year 2014, (~~(\$34,392,000)~~) \$29,948,000 of the  
28 general fund--state appropriation for fiscal year 2015, and \$29,574,000  
29 of the general fund--federal appropriation are provided solely for  
30 safety net awards for districts with demonstrated needs for special  
31 education funding beyond the amounts provided in subsection (4) of this  
32 section. If the federal safety net awards based on the federal  
33 eligibility threshold exceed the federal appropriation in this  
34 subsection (7) in any fiscal year, the superintendent shall expend all  
35 available federal discretionary funds necessary to meet this need. At  
36 the conclusion of each school year, the superintendent shall recover  
37 safety net funds that were distributed prospectively but for which  
38 districts were not subsequently eligible.

1 (a) For the 2013-14 and 2014-15 school years, safety net funds  
2 shall be awarded by the state safety net oversight committee as  
3 provided in section 109(1) chapter 548, Laws of 2009 (ESHB 2261).

4 (b) The office of the superintendent of public instruction shall  
5 make award determinations for state safety net funding in August of  
6 each school year. Determinations on school district eligibility for  
7 state safety net awards shall be based on analysis of actual  
8 expenditure data from the current school year.

9 (8) A maximum of \$678,000 may be expended from the general fund--  
10 state appropriations to fund 5.43 full-time equivalent teachers and 2.1  
11 full-time equivalent aides at children's orthopedic hospital and  
12 medical center. This amount is in lieu of money provided through the  
13 home and hospital allocation and the special education program.

14 (9) The superintendent shall maintain the percentage of federal  
15 flow-through to school districts at 85 percent. In addition to other  
16 purposes, school districts may use increased federal funds for high-  
17 cost students, for purchasing regional special education services from  
18 educational service districts, and for staff development activities  
19 particularly relating to inclusion issues.

20 (10) A school district may carry over from one year to the next  
21 year up to 10 percent of the general fund--state funds allocated under  
22 this program; however, carryover funds shall be expended in the special  
23 education program.

24 (11) \$252,000 of the general fund--state appropriation for fiscal  
25 year 2014 and \$252,000 of the general fund--state appropriation for  
26 fiscal year 2015 are provided solely for two additional full-time  
27 equivalent staff to support the work of the safety net committee and to  
28 provide training and support to districts applying for safety net  
29 awards.

30 (12) \$50,000 of the general fund--state appropriation for fiscal  
31 year 2014, \$50,000 of the general fund--state appropriation for fiscal  
32 year 2015, and \$100,000 of the general fund--federal appropriation  
33 shall be expended to support a special education ombudsman program  
34 within the office of superintendent of public instruction.

35 **Sec. 305.** 2013 2nd sp.s. c 4 s 616 (uncodified) is amended to read  
36 as follows:

1 **FOR THE STATE SCHOOL FOR THE BLIND**

2	General Fund--State Appropriation (FY 2014) . . . . .	(( <del>\$6,032,000</del> ))
3		<u>\$5,975,000</u>
4	General Fund--State Appropriation (FY 2015) . . . . .	(( <del>\$5,805,000</del> ))
5		<u>\$5,894,000</u>
6	General Fund--Private/Local Appropriation . . . . .	(( <del>\$15,000</del> ))
7		<u>\$9,000</u>
8	<u>Education Legacy Trust Account--State Appropriation . . . . .</u>	<u>\$17,000</u>
9	TOTAL APPROPRIATION . . . . .	(( <del>\$11,852,000</del> ))
10		<u>\$11,901,000</u>

11 The appropriations in this section are subject to the following  
12 conditions and limitations: \$17,000 of the education legacy trust  
13 account--state appropriation is provided solely for a cost-of-living  
14 adjustment of 1.3 percent for employees subject to the provisions of  
15 Initiative Measure No. 732 effective July 1, 2014.

16 **Sec. 306.** 2013 2nd sp.s. c 4 s 617 (uncodified) is amended to read  
17 as follows:

18	<b>FOR THE WASHINGTON STATE CENTER FOR CHILDHOOD DEAFNESS AND HEARING LOSS</b>	
19	General Fund--State Appropriation (FY 2014) . . . . .	(( <del>\$8,615,000</del> ))
20		<u>\$8,764,000</u>
21	General Fund--State Appropriation (FY 2015) . . . . .	(( <del>\$8,591,000</del> ))
22		<u>\$8,589,000</u>
23	<u>Education Legacy Trust Account--State Appropriation . . . . .</u>	<u>\$26,000</u>
24	TOTAL APPROPRIATION . . . . .	(( <del>\$17,206,000</del> ))
25		<u>\$17,379,000</u>

26 The appropriations in this section are subject to the following  
27 conditions and limitations: \$26,000 of the education legacy trust  
28 account--state appropriation is provided solely for a cost-of-living  
29 adjustment of 1.3 percent for employees subject to the provisions of  
30 Initiative Measure No. 732 effective July 1, 2014.

31 **Sec. 307.** 2013 2nd sp.s. c 4 s 601 (uncodified) is amended to read  
32 as follows:

33 The appropriations in sections 605 through 611 of this act are  
34 subject to the following conditions and limitations:

35 (1) "Institutions" means the institutions of higher education  
36 receiving appropriations under sections 605 through 611 of this act.

1 (2) The legislature, the office of financial management, and other  
2 state agencies need consistent and accurate personnel data from  
3 institutions of higher education for policy planning purposes.  
4 Institutions of higher education shall report personnel data to the  
5 department of personnel for inclusion in the department's data  
6 warehouse. Uniform reporting procedures shall be established by the  
7 office of financial management's office of the state human resources  
8 director for use by the reporting institutions, including provisions  
9 for common job classifications and common definitions of full-time  
10 equivalent staff. Annual contract amounts, number of contract months,  
11 and funding sources shall be consistently reported for employees under  
12 contract.

13 (3) In addition to waivers granted under the authority of RCW  
14 28B.15.910, the governing boards and the state board may waive all or  
15 a portion of operating fees for any student. State general fund  
16 appropriations shall not be provided to replace tuition and fee revenue  
17 foregone as a result of waivers granted under this subsection.

18 (4)(a) For institutions receiving appropriations in section 605 of  
19 this act, the only allowable salary increases provided are those with  
20 normally occurring promotions and increases related to faculty and  
21 staff retention, except as provided in section 604(4) of this act and  
22 for employees subject to the provisions of Initiative Measure No. 732  
23 as provided in section 308(11) of this act. In fiscal year 2014 and  
24 fiscal year 2015, the state board for community and technical colleges  
25 may use salary and benefit savings from faculty turnover to provide  
26 salary increments and associated benefits for faculty who qualify  
27 through professional development and training.

28 (b) For employees under the jurisdiction of chapter 41.56 RCW,  
29 salary increases will be in accordance with the applicable collective  
30 bargaining agreement including adjustments made for employees subject  
31 to the provisions of Initiative Measure No. 732 as provided in section  
32 308(11) of this act. However, an increase shall not be provided to any  
33 classified employee whose salary is above the approved salary range  
34 maximum for the class to which the employee's position is allocated.

35 (c) For each institution of higher education receiving  
36 appropriations under sections 606 through 611 of this act:

37 (i) The only allowable salary increases are those associated with

1 normally occurring promotions and increases related to faculty and  
2 staff retention; and

3 (ii) Institutions may provide salary increases from other sources  
4 to instructional and research faculty at the universities and The  
5 Evergreen State College, exempt professional staff, teaching and  
6 research assistants, as classified by the office of financial  
7 management, and all other nonclassified staff, but not including  
8 employees under chapter 41.80 RCW. Any salary increase granted under  
9 the authority of this subsection (4)(c)(ii) shall not be included in an  
10 institution's salary base for future state funding. It is the intent  
11 of the legislature that state general fund support for an institution  
12 shall not increase during the current or any future biennium as a  
13 result of any salary increases authorized under this subsection  
14 (4)(c)(ii).

15 **Sec. 308.** 2013 2nd sp.s. c 4 s 605 (uncodified) is amended to read  
16 as follows:

17 **FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES**

18	General Fund--State Appropriation (FY 2014) . . . . .	(( <del>\$570,262,000</del> ))
19		<u>\$570,062,000</u>
20	General Fund--State Appropriation (FY 2015) . . . . .	(( <del>\$568,999,000</del> ))
21		<u>\$558,703,000</u>
22	Community/Technical College Capital Projects	
23	Account--State Appropriation . . . . .	\$17,548,000
24	Education Legacy Trust Account--State	
25	Appropriation . . . . .	(( <del>\$95,373,000</del> ))
26		<u>\$99,971,000</u>
27	TOTAL APPROPRIATION . . . . .	(( <del>\$1,252,182,000</del> ))
28		<u>\$1,246,284,000</u>

29  
30 The appropriations in this section are subject to the following  
31 conditions and limitations:

32 (1) \$33,261,000 of the general fund--state appropriation for fiscal  
33 year 2014 and \$33,261,000 of the general fund--state appropriation for  
34 fiscal year 2015 are provided solely as special funds for training and  
35 related support services, including financial aid, as specified in RCW  
36 28C.04.390. Funding is provided to support at least 7,170 full-time  
37 equivalent students in fiscal year 2014 and at least 7,170 full-time  
38 equivalent students in fiscal year 2015.

1 (2) \$5,450,000 of the education legacy trust account--state  
2 appropriation is provided solely for administration and customized  
3 training contracts through the job skills program. The state board  
4 shall make an annual report by January 1st of each year to the governor  
5 and to the appropriate policy and fiscal committees of the legislature  
6 regarding implementation of this section, listing the scope of grant  
7 awards, the distribution of funds by educational sector and region of  
8 the state, and the results of the partnerships supported by these  
9 funds.

10 (3) \$100,000 of the general fund--state appropriation for fiscal  
11 year 2014 and \$100,000 of the general fund--state appropriation for  
12 fiscal year 2015 are provided solely for the aerospace center of  
13 excellence currently hosted by Everett community college to:

14 (a) Increase statewide communications and outreach between industry  
15 sectors, industry organizations, businesses, K-12 schools, colleges,  
16 and universities;

17 (b) Enhance information technology to increase business and student  
18 accessibility and use of the center's web site; and

19 (c) Act as the information entry point for prospective students and  
20 job seekers regarding education, training, and employment in the  
21 industry.

22 (4) \$181,000 of the general fund--state appropriation for fiscal  
23 year 2014 and \$181,000 of the general fund--state appropriation for  
24 fiscal year 2015 are provided solely for the opportunity center for  
25 employment and education internet technology integration project at  
26 north Seattle community college.

27 (5) \$255,000 of the general fund--state appropriation for fiscal  
28 year 2014 and \$255,000 of the general fund--state appropriation for  
29 fiscal year 2015 are provided solely for implementation of a maritime  
30 industries training program at south Seattle community college.

31 (6) \$5,250,000 of the general fund--state appropriation for fiscal  
32 year 2014 and \$5,250,000 of the general fund--state appropriation for  
33 fiscal year 2015 are provided solely for the student achievement  
34 initiative.

35 (7) \$500,000 of the general fund--state appropriation for fiscal  
36 year 2014 is provided solely for implementation of Second Substitute  
37 Senate Bill No. 5624 (STEM or career and tech ed). If the bill is not

1 enacted by June 30, 2013, the amount provided in this subsection shall  
2 lapse.

3 (8) \$410,000 of the general fund--state appropriation for fiscal  
4 year 2015 is provided solely for the mathematics engineering science  
5 achievement community college programs.

6 (9) Community and technical colleges are not required to send mass  
7 mailings of course catalogs to residents of their districts. Community  
8 and technical colleges shall consider lower cost alternatives, such as  
9 mailing postcards or brochures that direct individuals to online  
10 information and other ways of acquiring print catalogs.

11 ~~((+9))~~ (10) The state board for community and technical colleges  
12 shall not use funds appropriated in this section to support  
13 intercollegiate athletics programs.

14 (11) From within the funds appropriated in this section, community  
15 and technical colleges shall increase salaries for employees subject to  
16 the provisions of Initiative Measure No. 732 by an average of 1.3  
17 percent effective July 1, 2014.

18 **PART IV: Transfers to Education Legacy Trust Account**

19 NEW SECTION. Sec. 401. A new section is added to chapter 82.32  
20 RCW to read as follows:

21 (1) By the last workday of the second and fourth calendar quarters,  
22 the state treasurer must transfer the amount specified in subsection  
23 (2) of this section from the general fund to the education legacy trust  
24 account. The first transfer under this subsection (1) must occur by  
25 December 31, 2014.

26 (2) By December 15th and June 15th of each year, the department  
27 must estimate the increase in state general fund revenues from the  
28 changes made under part I of this act for the current and prior  
29 calendar quarters and notify the state treasurer of the increase.

30 NEW SECTION. Sec. 402. A new section is added to chapter 43.135  
31 RCW to read as follows:

32 RCW 43.135.034(4) does not apply to:

33 (1) The transfers under section 401 of this act;

34 (2) The appropriations in sections 303, 305, 306, and 308 of this

1 act necessary to fund a 1.3 percent cost-of-living adjustment pursuant  
2 to Initiative Measure No. 732; and

3 (3) The appropriations in sections 301 and 304 of this act  
4 necessary to fund enhanced materials, supplies, and operating costs  
5 (MSOC) funding rates for the 2014-15 school year as amended in section  
6 301(8)(a) of this act.

7 **PART V: Miscellaneous Provisions**

8 NEW SECTION. **Sec. 501.** Sections 101 through 103 and 105 through  
9 117 of this act are necessary for the immediate preservation of the  
10 public peace, health, or safety, or support of the state government and  
11 its existing public institutions, and take effect June 1, 2014.

12 NEW SECTION. **Sec. 502.** Section 103 of this act expires on the  
13 date that section 104 of this act takes effect.

14 NEW SECTION. **Sec. 503.** Parts II, III, and IV of this act take  
15 effect July 1, 2014.

--- END ---