HOUSE BILL 1437

State of Washington	68th Legislature			2023 Regular	Session
By Representatives Jacobsen, and Ryu	Kloba,	Ybarra,	Leavitt,	McEntire,	Reeves,

1 AN ACT Relating to the interstate massage compact; and adding a 2 new chapter to Title 18 RCW.

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

<u>NEW SECTION.</u> Sec. 1. The purpose of this compact is to reduce 4 5 the burdens on state governments and to facilitate the interstate 6 practice and regulation of massage therapy with the goal of improving public access to, and the safety of, massage therapy services. 7 Through this compact, the member states seek to establish a 8 regulatory framework which provides for a new multistate licensing 9 10 program. Through this additional licensing pathway, the member states 11 seek to provide increased value and mobility to licensed massage therapists in the member states, while ensuring the provision of 12 safe, competent, and reliable services to the public. 13

This compact is designed to achieve the following objectives, and the member states hereby ratify the same intentions by subscribing hereto:

17 (1) Increase public access to massage therapy services by 18 providing for a multistate licensing pathway;

19 (2) Enhance the member states' ability to protect the public's20 health and safety;

(3) Enhance the member states' ability to prevent human
 trafficking and licensure fraud;

3 (4) Encourage the cooperation of member states in regulating the
4 multistate practice of massage therapy;

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(5) Support relocating military members and their spouses;

6 (6) Facilitate and enhance the exchange of licensure,
7 investigative, and disciplinary information between the member
8 states;

9 (7) Create an interstate commission that will exist to implement 10 and administer the compact;

11 (8) Allow a member state to hold a licensee accountable, even 12 where that licensee holds a multistate license;

(9) Create a streamlined pathway for licensees to practice in member states, thus increasing the mobility of duly licensed massage therapists; and

16 (10) Serve the needs of licensed massage therapists and the 17 public receiving their services; however,

18 Nothing in this compact is intended to prevent a state from 19 enforcing its own laws regarding the practice of massage therapy.

20 <u>NEW SECTION.</u> Sec. 2. As used in this compact, except as 21 otherwise provided and subject to clarification by the rules of the 22 commission, the following definitions shall govern the terms herein:

(1) "Active duty military" means any individual in full-time duty
 status in the active uniformed service of the United States including
 members of the national guard and reserve.

(2) "Adverse action" means any administrative, civil, equitable, 26 or criminal action permitted by a member state's laws which is 27 imposed by a licensing authority or other regulatory body against a 28 licensee, including actions against an individual's authorization to 29 30 practice such as revocation, suspension, probation, surrender in lieu 31 of discipline, monitoring of the licensee, limitation of the licensee's practice, or any other encumbrance on licensure affecting 32 an individual's ability to practice massage therapy, including the 33 issuance of a cease and desist order. 34

35 (3) "Alternative program" means a nondisciplinary monitoring or 36 prosecutorial diversion program approved by a member state's 37 licensing authority.

38 (4) "Authorization to practice" means a legal authorization by a 39 remote state pursuant to a multistate license permitting the practice

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1 of massage therapy in that remote state, which shall be subject to 2 the enforcement jurisdiction of the licensing authority in that 3 remote state.

(5) "Background check" means the submission of an applicant's
criminal history record information, as further defined in 28 C.F.R.
Sec. 20.3(d), as amended from the federal bureau of investigation and
the agency responsible for retaining state criminal records in the
applicant's home state.

9 (6) "Charter member states" means member states who have enacted 10 legislation to adopt this compact where such legislation predates the 11 effective date of this compact as defined in section 12 of this act.

12 (7) "Commission" means the government agency whose membership 13 consists of all states that have enacted this compact, which is known 14 as the interstate massage compact commission, as defined in section 8 15 of this act, and which shall operate as an instrumentality of the 16 member states.

(8) "Continuing competence" means a requirement, as a condition of license renewal, to provide evidence of participation in, and completion of, educational or professional activities that maintain, improve, or enhance massage therapy fitness to practice.

(9) "Current significant investigative information" means investigative information that a licensing authority, after an inquiry or investigation that complies with a member state's due process requirements, has reason to believe is not groundless and, if proved true, would indicate a violation of that state's laws regarding the practice of massage therapy.

(10) "Data system" means a repository of information about licensees who hold multistate licenses, which may include but is not limited to license status, investigative information, and adverse actions.

31 (11) "Disqualifying event" means any event which shall disqualify 32 an individual from holding a multistate license under this compact, 33 which the commission may by rule specify.

34 (12) "Encumbrance" means a revocation or suspension of, or any 35 limitation or condition on, the full and unrestricted practice of 36 massage therapy by a licensing authority.

37 (13) "Executive committee" means a group of delegates elected or 38 appointed to act on behalf of, and within the powers granted to them 39 by, the commission. 1 (14) "Home state" means the member state which is a licensee's 2 primary state of residence where the licensee holds an active single-3 state license.

4 (15) "Investigative information" means information, records, or 5 documents received or generated by a licensing authority pursuant to 6 an investigation or other inquiry.

7 (16) "Licensing authority" means a state's regulatory body 8 responsible for issuing massage therapy licenses or otherwise 9 overseeing the practice of massage therapy in that state.

10 (17) "Licensee" means an individual who currently holds a license 11 from a member state to fully practice massage therapy, whose license 12 is not a student, provisional, temporary, inactive, or other similar 13 status.

14 (18) "Massage therapy," "massage therapy services," and the 15 "practice of massage therapy" mean the care and services provided by 16 a licensee as set forth in the member state's statutes and 17 regulations in the state where the services are being provided.

18 (19) "Member state" means any state that has adopted this 19 compact.

20 (20) "Multistate license" means a license that consists of 21 authorizations to practice massage therapy in all remote states 22 pursuant to this compact, which shall be subject to the enforcement 23 jurisdiction of the licensing authority in a licensee's home state.

(21) "National licensing examination" means a national examination developed by a national association of massage therapy regulatory boards, as defined by commission rule, that is derived from a practice analysis and is consistent with generally accepted psychometric principles of fairness, validity and reliability, and is administered under secure and confidential examination protocols.

30 (22) "Remote state" means any member state, other than the 31 licensee's home state.

32 (23) "Rule" means any opinion or regulation promulgated by the 33 commission under this compact, which shall have the force of law.

34 (24) "Single-state license" means a current, valid authorization 35 issued by a member state's licensing authority allowing an individual 36 to fully practice massage therapy, that is not a restricted, student, 37 provisional, temporary, or inactive practice authorization and 38 authorizes practice only within the issuing state.

39 (25) "State" means a state, territory, possession of the United40 States, or the District of Columbia.

<u>NEW SECTION.</u> Sec. 3. (1) To be eligible to join this compact,
 and to maintain eligibility as a member state, a state must:

(a) License and regulate the practice of massage therapy;

4 (b) Have a mechanism or entity in place to receive and 5 investigate complaints from the public, regulatory or law enforcement 6 agencies, or the commission about licensees practicing in that state;

7 (c) Accept passage of a national licensing examination as a 8 criterion for massage therapy licensure in that state;

9 (d) Require that licensees satisfy educational requirements prior 10 to being licensed to provide massage therapy services to the public 11 in that state;

12 (e) Implement procedures for requiring the background check of applicants for a multistate license, and for the reporting of any 13 14 disqualifying events, including but not limited to obtaining and submitting, for each licensee holding a multistate license and each 15 16 applicant for a multistate license, fingerprint or other biometric-17 based information to the federal bureau of investigation for background checks; receiving the results of the federal bureau of 18 19 investigation record search on background checks and considering the results of such a background check in making licensure decisions; 20

21 (f) Have continuing competence requirements as a condition for 22 license renewal;

23 (g) Participate in the data system, including through the use of 24 unique identifying numbers as described herein;

(h) Notify the commission and other member states, in compliance with the terms of the compact and rules of the commission, of any disciplinary action taken by the state against a licensee practicing under a multistate license in that state, or of the existence of investigative information or current significant investigative information regarding a licensee practicing in that state pursuant to a multistate license;

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(i) Comply with the rules of the commission; and

33 (j) Accept licensees with valid multistate licenses from other 34 member states as established herein.

(2) Individuals not residing in a member state shall continue to be able to apply for a member state's single-state license as provided under the laws of each member state. However, the singlestate license granted to those individuals shall not be recognized as granting a multistate license for massage therapy in any other member state.

1 (3) Nothing in this compact shall affect the requirements 2 established by a member state for the issuance of a single-state 3 license.

4 (4) A multistate license issued to a licensee shall be recognized
5 by each remote state as an authorization to practice massage therapy
6 in each remote state.

7 <u>NEW SECTION.</u> Sec. 4. (1) To qualify for a multistate license 8 under this compact, and to maintain eligibility for such a license, 9 an applicant must:

(a) Hold an active single-state license to practice massagetherapy in the applicant's home state;

12 (b) Have completed at least 625 clock hours of massage therapy 13 education or the substantial equivalent which the commission may 14 approve by rule;

15 (c) Have passed a national licensing examination or the 16 substantial equivalent which the commission may approve by rule;

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(d) Submit to a background check;

(e) Have not been convicted or found guilty, or have entered into an agreed disposition, of a felony offense under applicable state or federal criminal law, within five years prior to the date of their application, where such a time period shall not include any time served for the offense, and provided that the applicant has completed any and all requirements arising as a result of any such offense;

(f) Have not been convicted or found guilty, or have entered into an agreed disposition, of a misdemeanor offense related to the practice of massage therapy under applicable state or federal criminal law, within two years prior to the date of their application where such a time period shall not include any time served for the offense, and provided that the applicant has completed any and all requirements arising as a result of any such offense;

31 (g) Have not been convicted or found guilty, or have entered into 32 an agreed disposition, of any offense, whether a misdemeanor or a 33 felony, under state or federal law, at any time, relating to any of 34 the following:

- 35 (i) Kidnapping;
- 36 (ii) Human trafficking;
- 37 (iii) Human smuggling;
- 38 (iv) Sexual battery, sexual assault, or any related offenses; or

(v) Any other category of offense which the commission may by
 rule designate;

3 (h) Have not previously held a massage therapy license which was 4 revoked by, or surrendered in lieu of discipline to, an applicable 5 licensing authority;

6 (i) Have no history of any adverse action on any occupational or 7 professional license within two years prior to the date of their 8 application; and

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(j) Pay all required fees.

10 (2) A multistate license granted pursuant to this compact may be 11 effective for a definite period of time concurrent with the renewal 12 of the home state license.

13 (3) A licensee practicing in a member state is subject to all 14 scope of practice laws governing massage therapy services in that 15 state.

16 (4) The practice of massage therapy under a multistate license 17 granted pursuant to this compact will subject the licensee to the 18 jurisdiction of the licensing authority, the courts, and the laws of 19 the member state in which the massage therapy services are provided.

NEW SECTION. Sec. 5. (1) Nothing in this compact, nor any rule of the commission, shall be construed to limit, restrict, or in any way reduce the ability of a member state to enact and enforce laws, regulations, or other rules related to the practice of massage therapy in that state, where those laws, regulations, or other rules are not inconsistent with the provisions of this compact.

(2) Nothing in this compact, nor any rule of the commission, shall be construed to limit, restrict, or in any way reduce the ability of a member state to take adverse action against a licensee's single-state license to practice massage therapy in that state.

30 (3) Nothing in this compact, nor any rule of the commission, 31 shall be construed to limit, restrict, or in any way reduce the 32 ability of a remote state to take adverse action against a licensee's 33 authorization to practice in that state.

34 (4) Nothing in this compact, nor any rule of the commission, 35 shall be construed to limit, restrict, or in any way reduce the 36 ability of a licensee's home state to take adverse action against a 37 licensee's multistate license based upon information provided by a 38 remote state.

1 (5) Insofar as practical, a member state's licensing authority 2 shall cooperate with the commission and with each entity exercising 3 independent regulatory authority over the practice of massage therapy 4 according to the provisions of this compact.

5 <u>NEW SECTION.</u> Sec. 6. (1) A licensee's home state shall have 6 exclusive power to impose an adverse action against a licensee's 7 multistate license issued by the home state.

8 (2) A home state may take adverse action on a multistate license 9 based on the investigative information, current significant 10 investigative information, or adverse action of a remote state.

(3) A home state shall retain authority to complete any pending investigations of a licensee practicing under a multistate license who changes their home state during the course of such an investigation. The licensing authority shall also be empowered to report the results of such an investigation to the commission through the data system as described herein.

17 (4) Any member state may investigate actual or alleged violations 18 of the scope of practice laws in any other member state for a massage 19 therapist who holds a multistate license.

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(5) A remote state shall have the authority to:

21 (a) Take adverse actions against a licensee's authorization to 22 practice;

(b) Issue cease and desist orders or impose an encumbrance on a
 licensee's authorization to practice in that state;

25 (c) Issue subpoenas for both hearings and investigations that require the attendance and testimony of witnesses, as well as the 26 27 production of evidence. Subpoenas issued by a licensing authority in a member state for the attendance and testimony of witnesses or the 28 production of evidence from another member state shall be enforced in 29 the latter state by any court of competent jurisdiction, according to 30 31 the practice and procedure of that court applicable to subpoenas issued in proceedings before it. The issuing licensing authority 32 shall pay any witness fees, travel expenses, mileage, and other fees 33 required by the service statutes of the state in which the witnesses 34 35 or evidence are located;

36 (d) If otherwise permitted by state law, recover from the 37 affected licensee the costs of investigations and disposition of 38 cases resulting from any adverse action taken against that licensee; 39 or 1 (e) Take adverse action against the licensee's authorization to 2 practice in that state based on the factual findings of another 3 member state.

(6) If an adverse action is taken by the home state against a 4 licensee's multistate license or single-state license to practice in 5 6 the home state, the licensee's authorization to practice in all other member states shall be deactivated until all encumbrances have been 7 removed from such license. All home state disciplinary orders that 8 impose an adverse action against a licensee shall include a statement 9 that the massage therapist's authorization to practice is deactivated 10 11 in all member states during the pendency of the order.

12 (7) If adverse action is taken by a remote state against a licensee's authorization to practice, that adverse action applies to 13 all authorizations to practice in all remote states. A licensee whose 14 authorization to practice in a remote state is removed for a 15 16 specified period of time is not eligible to apply for a new 17 multistate license in any other state until the specific time for 18 removal of the authorization to practice has passed and all 19 encumbrance requirements are satisfied.

(8) Nothing in this compact shall override a member state's authority to accept a licensee's participation in an alternative program in lieu of adverse action. A licensee's multistate license shall be suspended for the duration of the licensee's participation in any alternative program.

(9) (a) In addition to the authority granted to a member state by its respective scope of practice laws or other applicable state law, a member state may participate with other member states in joint investigations of licensees.

(b) Member states shall share any investigative, litigation, or compliance materials in furtherance of any joint or individual investigation initiated under the compact.

32 <u>NEW SECTION.</u> Sec. 7. Active duty military personnel, or their 33 spouses, shall designate a home state where the individual has a 34 current license to practice massage therapy in good standing. The 35 individual may retain their home state designation during any period 36 of service when that individual or their spouse is on active duty 37 assignment.

1 Sec. 8. (1) The compact member states hereby NEW SECTION. create and establish a joint government agency whose membership 2 consists of all member states that have enacted the compact known as 3 the interstate massage compact commission. The commission is 4 an instrumentality of the compact states acting jointly and not an 5 6 instrumentality of any one state. The commission shall come into existence on or after the effective date of the compact as set forth 7 in section 12 of this act. 8

9 (2)(a) Each member state shall have and be limited to one 10 delegate selected by that member state's state licensing authority.

(b) The delegate shall be the primary administrative officer of the state licensing authority or their designee.

13 (c) The commission shall by rule or bylaw establish a term of 14 office for delegates and may by rule or bylaw establish term limits.

15 (d) The commission may recommend removal or suspension of any 16 delegate from office.

17 (e) A member state's state licensing authority shall fill any 18 vacancy of its delegate occurring on the commission within 60 days of 19 the vacancy.

20 (f) Each delegate shall be entitled to one vote on all matters 21 that are voted on by the commission.

(g) The commission shall meet at least once during each calendar year. Additional meetings may be held as set forth in the bylaws. The commission may meet by telecommunication, video conference, or other similar electronic means.

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(3) The commission shall have the following powers:

(a) Establish the fiscal year of the commission;

28 (b) Establish code of conduct and conflict of interest policies;

29 (c) Adopt rules and bylaws;

(d) Maintain its financial records in accordance with the bylaws;

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(e) Meet and take such actions as are consistent with the

32 provisions of this compact, the commission's rules, and the bylaws;

33 (f) Initiate and conclude legal proceedings or actions in the 34 name of the commission, provided that the standing of any state 35 licensing authority to sue or be sued under applicable law shall not 36 be affected;

37 (g) Maintain and certify records and information provided to a 38 member state as the authenticated business records of the commission, 39 and designate an agent to do so on the commission's behalf;

40 (h) Purchase and maintain insurance and bonds;

1 (i) Borrow, accept, or contract for services of personnel 2 including, but not limited to, employees of a member state;

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(j) Conduct an annual financial review;

(k) Hire employees, elect or appoint officers, fix compensation,
define duties, grant such individuals appropriate authority to carry
out the purposes of the compact, and establish the commission's
personnel policies and programs relating to conflicts of interest,
qualifications of personnel, and other related personnel matters;

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(1) Assess and collect fees;

10 (m) Accept any and all appropriate gifts, donations, grants of 11 money, other sources of revenue, equipment, supplies, materials, and 12 services, and receive, utilize, and dispose of the same; provided 13 that at all times the commission shall avoid any appearance of 14 impropriety or conflict of interest;

(n) Lease, purchase, retain, own, hold, improve, or use any property, real, personal, or mixed, or any undivided interest therein;

(o) Sell, convey, mortgage, pledge, lease, exchange, abandon, or
 otherwise dispose of any property real, personal, or mixed;

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(p) Establish a budget and make expenditures;

21 (q) Borrow money;

(r) Appoint committees, including standing committees, composed of members, state regulators, state legislators or their representatives, and consumer representatives, and such other interested persons as may be designated in this compact and the bylaws;

(s) Accept and transmit complaints from the public, regulatory or law enforcement agencies, or the commission, to the relevant member state or states regarding potential misconduct of licensees;

30 (t) Elect a chair, vice chair, secretary, treasurer, and such 31 other officers of the commission as provided in the commission's 32 bylaws;

33 (u) Establish and elect an executive committee, including a chair 34 and a vice chair;

35 (v) Adopt and provide to the member states an annual report;

36 (w) Determine whether a state's adopted language is materially 37 different from the model compact language such that the state would 38 not qualify for participation in the compact; and

39 (x) Perform such other functions as may be necessary or 40 appropriate to achieve the purposes of this compact. 1 (4)(a) The executive committee shall have the power to act on 2 behalf of the commission according to the terms of this compact. The 3 powers, duties, and responsibilities of the executive committee shall 4 include:

5 (i) Overseeing the day-to-day activities of the administration of 6 the compact including compliance with the provisions of the compact, 7 the commission's rules and bylaws, and other such duties as deemed 8 necessary;

9 (ii) Recommending to the commission changes to the rules or 10 bylaws, changes to this compact legislation, fees charged to compact 11 member states, fees charged to licensees, and other fees;

12 (iii) Ensuring compact administration services are appropriately 13 provided, including by contract;

14 (iv) Preparing and recommending the budget;

(v) Maintaining financial records on behalf of the commission;

16 (vi) Monitoring compact compliance of member states and providing 17 compliance reports to the commission;

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(vii) Establishing additional committees as necessary;

(viii) Exercising the powers and duties of the commission during the interim between commission meetings, except for adopting or amending rules, adopting or amending bylaws, and exercising any other powers and duties expressly reserved to the commission by rule or bylaw; and

24 (ix) Other duties as provided in the rules or bylaws of the 25 commission.

26 (b) The executive committee shall be composed of seven voting 27 members and up to two ex officio members as follows:

(i) The chair and vice chair of the commission and any other
members of the commission who serve on the executive committee shall
be voting members of the executive committee;

(ii) Other than the chair, vice-chair, secretary and treasurer, the commission shall elect three voting members from the current membership of the commission; and

34 (iii) The commission may elect ex officio, nonvoting members as 35 necessary as follows:

36 (A) One ex officio member who is a representative of the national
 37 association of state massage therapy regulatory boards; and

38 (B) One ex officio member as specified in the commission's 39 bylaws. 1 (c) The commission may remove any member of the executive 2 committee as provided in the commission's bylaws.

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(d) The executive committee shall meet at least annually.

4 (i) Executive committee meetings shall be open to the public,
5 except that the executive committee may meet in a closed, nonpublic
6 session of a public meeting when dealing with any of the matters
7 covered under subsection (6) (d) of this section.

8 (ii) The executive committee shall give five business days 9 advance notice of its public meetings, posted on its website and as 10 determined to provide notice to persons with an interest in the 11 public matters the executive committee intends to address at those 12 meetings.

13 (e) The executive committee may hold an emergency meeting when 14 acting for the commission to:

15 (i) Meet an imminent threat to public health, safety, or welfare;

16 (ii) Prevent a loss of commission or participating state funds; 17 or

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(iii) Protect public health and safety.

19 (5) The commission shall adopt and provide to the member states 20 an annual report.

(6) (a) All meetings of the commission that are not closed pursuant to this subsection shall be open to the public. Notice of public meetings shall be posted on the commission's website at least 30 days prior to the public meeting.

(b) Notwithstanding (a) of this subsection, the commission may convene an emergency public meeting by providing at least 24 hours prior notice on the commission's website, and any other means as provided in the commission's rules, for any of the reasons it may dispense with notice of proposed rule making under section 10(12) of this act. The commission's legal counsel shall certify that one of the reasons justifying an emergency public meeting has been met.

32 (c) Notice of all commission meetings shall provide the time, 33 date, and location of the meeting, and if the meeting is to be held 34 or accessible via telecommunication, video conference, or other 35 electronic means, the notice shall include the mechanism for access 36 to the meeting.

37 (d) The commission may convene in a closed, nonpublic meeting for 38 the commission to discuss:

39 (i) Noncompliance of a member state with its obligations under 40 the compact; 1 (ii) The employment, compensation, discipline, or other matters, 2 practices or procedures related to specific employees or other 3 matters related to the commission's internal personnel practices and 4 procedures;

5 (iii) Current or threatened discipline of a licensee by the 6 commission or by a member state's licensing authority;

(iv) Current, threatened, or reasonably anticipated litigation;

8 (v) Negotiation of contracts for the purchase, lease, or sale of 9 goods, services, or real estate;

10 (vi) Accusing any person of a crime or formally censuring any 11 person;

12 (vii) Trade secrets or commercial or financial information that 13 is privileged or confidential;

14 (viii) Information of a personal nature where disclosure would 15 constitute a clearly unwarranted invasion of personal privacy;

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(ix) Investigative records compiled for law enforcement purposes;

17 (x) Information related to any investigative reports prepared by 18 or on behalf of or for use of the commission or other committee 19 charged with responsibility of investigation or determination of 20 compliance issues pursuant to the compact;

21 (xi) Legal advice;

(xii) Matters specifically exempted from disclosure to the publicby federal or member state law; or

24 (xiii) Other matters as promulgated by the commission by rule.

25 (e) If a meeting, or portion of a meeting, is closed, the 26 presiding officer shall state that the meeting will be closed and 27 reference each relevant exempting provision, and such reference shall 28 be recorded in the minutes.

29 (f) The commission shall keep minutes that fully and clearly describe all matters discussed in a meeting and shall provide a full 30 31 and accurate summary of actions taken, and the reasons therefore, 32 including a description of the views expressed. All documents considered in connection with an action shall be identified in such 33 minutes. All minutes and documents of a closed meeting shall remain 34 under seal, subject to release only by a majority vote of the 35 36 commission or order of a court of competent jurisdiction.

37 (7)(a) The commission shall pay, or provide for the payment of, 38 the reasonable expenses of its establishment, organization, and 39 ongoing activities. 1 (b) The commission may accept any and all appropriate sources of 2 revenue, donations, and grants of money, equipment, supplies, 3 materials, and services.

(c) The commission may levy on and collect an annual assessment 4 from each member state and impose fees on licensees of member states 5 6 to whom it grants a multistate license to cover the cost of the operations and activities of the commission and its staff, which must 7 be in a total amount sufficient to cover its annual budget as 8 approved each year for which revenue is not provided by other 9 sources. The aggregate annual assessment amount for member states 10 shall be allocated based upon a formula that the commission shall 11 12 promulgate by rule.

13 (d) The commission shall not incur obligations of any kind prior 14 to securing the funds adequate to meet the same; nor shall the 15 commission pledge the credit of any member states, except by and with 16 the authority of the member state.

17 (e) The commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the commission 18 shall be subject to the financial review and accounting procedures 19 established under its bylaws. All receipts and disbursements of funds 20 handled by the commission shall be subject to an annual financial 21 review by a certified or licensed public accountant, and the report 22 23 of the financial review shall be included in and become part of the annual report of the commission. 24

25 (8) (a) The members, officers, executive director, employees, and representatives of the commission shall be immune from suit and 26 liability, both personally and in their official capacity, for any 27 claim for damage to or loss of property or personal injury or other 28 civil liability caused by or arising out of any actual or alleged 29 act, error, or omission that occurred, or that the person against 30 31 whom the claim is made had a reasonable basis for believing occurred 32 within the scope of commission employment, duties, or responsibilities; provided that nothing in this subsection shall be 33 construed to protect any such person from suit or liability for any 34 damage, loss, injury, or liability caused by the intentional or 35 willful or wanton misconduct of that person. The procurement of 36 37 insurance of any type by the commission shall not in any way compromise or limit the immunity granted hereunder. 38

39 (b) The commission shall defend any member, officer, executive 40 director, employee, and representative of the commission in any civil

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action seeking to impose liability arising out of any actual or 1 alleged act, error, or omission that occurred within the scope of 2 commission employment, duties, or responsibilities, or as determined 3 by the commission that the person against whom the claim is made had 4 a reasonable basis for believing occurred within the scope of 5 6 commission employment, duties, or responsibilities; provided that 7 nothing herein shall be construed to prohibit that person from retaining their own counsel at their own expense; and provided 8 further, that the actual or alleged act, error, or omission did not 9 10 result from that person's intentional or willful or wanton 11 misconduct.

(c) The commission shall indemnify and hold harmless any member, 12 officer, executive director, employee, and representative of the 13 14 commission for the amount of any settlement or judgment obtained against that person arising out of any actual or alleged act, error, 15 16 or omission that occurred within the scope of commission employment, 17 duties, or responsibilities, or that such person had a reasonable 18 basis for believing occurred within the scope of commission 19 employment, duties, or responsibilities; provided that the actual or alleged act, error, or omission did not result from the intentional 20 21 or willful or wanton misconduct of that person.

(d) Nothing herein shall be construed as a limitation on the liability of any licensee for professional malpractice or misconduct, which shall be governed solely by any other applicable state laws.

(e) Nothing in this compact shall be interpreted to waive or otherwise abrogate a member state's state action immunity or state action affirmative defense with respect to antitrust claims under the Sherman act, Clayton act, or any other state or federal antitrust or anticompetitive law or regulation.

30 (f) Nothing in this compact shall be construed to be a waiver of 31 sovereign immunity by the member states or by the commission.

32 <u>NEW SECTION.</u> Sec. 9. (1) The commission shall provide for the 33 development, maintenance, operation, and utilization of a coordinated 34 database and reporting system.

35 (2) The commission shall assign each applicant for a multistate 36 license a unique identifier, as determined by the rules of the 37 commission.

38 (3) Notwithstanding any other provision of state law to the 39 contrary, a member state shall submit a uniform data set to the data

system on all individuals to whom this compact is applicable as required by the rules of the commission, including:

3 (a) Identifying information;

4 (b) Licensure data;

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5 (c) Adverse actions against a license and information related 6 thereto;

7 (d) Nonconfidential information related to alternative program
8 participation, the beginning and ending dates of such participation,
9 and other information related to such participation;

10 (e) Any denial of application for licensure, and the reason or 11 reasons for such denial (excluding the reporting of any criminal 12 history record information where prohibited by law);

(f) The existence of investigative information;

14 (g) The existence and presence of current significant 15 investigative information; and

16 (h) Other information that may facilitate the administration of 17 this compact or the protection of the public, as determined by the 18 rules of the commission.

19 (4) The records and information provided to a member state 20 pursuant to this compact or through the data system, when certified 21 by the commission or an agent thereof, shall constitute the 22 authenticated business records of the commission, and shall be 23 entitled to any associated hearsay exception in any relevant 24 judicial, quasi-judicial or administrative proceedings in a member 25 state.

26 (5) The existence of current significant investigative 27 information and the existence of investigative information pertaining 28 to a licensee in any member state will only be available to other 29 member states.

30 (6) It is the responsibility of the member states to report any 31 adverse action against a licensee who holds a multistate license and 32 to monitor the database to determine whether adverse action has been 33 taken against such a licensee or license applicant. Adverse action 34 information pertaining to a licensee or license applicant in any 35 member state will be available to any other member state.

36 (7) Member states contributing information to the data system may 37 designate information that may not be shared with the public without 38 the express permission of the contributing state.

39 (8) Any information submitted to the data system that is 40 subsequently expunded pursuant to federal law or the laws of the

1 member state contributing the information shall be removed from the 2 data system.

Sec. 10. (1) The commission shall promulgate 3 NEW SECTION. reasonable rules in order to effectively and efficiently implement 4 5 and administer the purposes and provisions of the compact. A rule shall be invalid and have no force or effect only if a court of 6 7 competent jurisdiction holds that the rule is invalid because the commission exercised its rule-making authority in a manner that is 8 beyond the scope and purposes of the compact, or the powers granted 9 10 hereunder, or based upon another applicable standard of review.

11 (2) The rules of the commission shall have the force of law in 12 each member state, provided however, that where the rules of the 13 commission conflict with the laws of the member state that establish 14 the member state's scope of practice as held by a court of competent 15 jurisdiction, the rules of the commission shall be ineffective in 16 that state to the extent of the conflict.

17 (3) The commission shall exercise its rule-making powers pursuant 18 to the criteria set forth in this section and the rules adopted 19 thereunder. Rules shall become binding as of the date specified by 20 the commission for each rule.

(4) If a majority of the legislatures of the member states rejects a rule or portion of a rule, by enactment of a statute or resolution in the same manner used to adopt the compact within four years of the date of adoption of the rule, then such rule shall have no further force and effect in any member state or to any state applying to participate in the compact.

(5) Rules shall be adopted at a regular or special meeting of thecommission.

(6) Prior to adoption of a proposed rule, the commission shall
 hold a public hearing and allow persons to provide oral and written
 comments, data, facts, opinions, and arguments.

32 (7) Prior to adoption of a proposed rule by the commission, and 33 at least 30 days in advance of the meeting at which the commission 34 will hold a public hearing on the proposed rule, the commission shall 35 provide a notice of proposed rule making:

36 (a) On the website of the commission or other publicly accessible 37 platform;

38 (b) To persons who have requested notice of the commission's 39 notices of proposed rule making; and

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(c) In such other ways as the commission may by rule specify.

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(8) The notice of proposed rule making shall include:

3 (a) The time, date, and location of the public hearing at which 4 the commission will hear public comments on the proposed rule and, if 5 different, the time, date, and location of the meeting where the 6 commission will consider and vote on the proposed rule;

7 (b) If the hearing is held via telecommunication, video 8 conference, or other electronic means, the commission shall include 9 the mechanism for access to the hearing in the notice of proposed 10 rule making;

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(c) The text of the proposed rule and the reason therefor;

12 (d) A request for comments on the proposed rule from any 13 interested person; and

14 (e) The manner in which interested persons may submit written 15 comments.

16 (9) All hearings will be recorded. A copy of the recording and 17 all written comments and documents received by the commission in 18 response to the proposed rule shall be available to the public.

(10) Nothing in this section shall be construed as requiring a separate hearing on each rule. Rules may be grouped for the convenience of the commission at hearings required by this section.

(11) The commission shall, by majority vote of all commissioners,
 take final action on the proposed rule based on the rule-making
 record.

25 (a) The commission may adopt changes to the proposed rule 26 provided the changes do not enlarge the original purpose of the 27 proposed rule.

(b) The commission shall provide an explanation of the reasons
 for substantive changes made to the proposed rule as well as reasons
 for substantive changes not made that were recommended by commenters.

31 (c) The commission shall determine a reasonable effective date 32 for the rule. Except for an emergency as provided in subsection (12) 33 of this section, the effective date of the rule shall be no sooner 34 than 30 days after the commission issuing the notice that it adopted 35 or amended the rule.

36 (12) Upon determination that an emergency exists, the commission 37 may consider and adopt an emergency rule with 24-hours notice, 38 provided that the usual rule-making procedures provided in the 39 compact and in this section shall be retroactively applied to the 40 rule as soon as reasonably possible, in no event later than 90 days

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1 after the effective date of the rule. For the purposes of this 2 provision, an emergency rule is one that must be adopted immediately 3 to:

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(a) Meet an imminent threat to public health, safety, or welfare;

(b) Prevent a loss of commission or member state funds;

6 (c) Meet a deadline for the promulgation of a rule that is 7 established by federal law or rule; or

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(d) Protect public health and safety.

(13) The commission or an authorized committee of the commission 9 may direct revisions to a previously adopted rule for purposes of 10 11 correcting typographical errors, errors in format, errors in 12 consistency, or grammatical errors. Public notice of any revisions shall be posted on the website of the commission. The revision shall 13 be subject to challenge by any person for a period of 30 days after 14 posting. The revision may be challenged only on grounds that the 15 16 revision results in a material change to a rule. A challenge shall be 17 made in writing and delivered to the commission prior to the end of the notice period. If no challenge is made, the revision will take 18 effect without further action. If the revision is challenged, the 19 revision may not take effect without the approval of the commission. 20

21 (14) No member state's rule-making requirements shall apply under 22 this compact.

23 <u>NEW SECTION.</u> Sec. 11. (1)(a) The executive and judicial 24 branches of state government in each member state shall enforce this 25 compact and take all actions necessary and appropriate to implement 26 the compact.

27 (b) Venue is proper and judicial proceedings by or against the commission shall be brought solely and exclusively in a court of 28 competent jurisdiction where the principal office of the commission 29 30 is located. The commission may waive venue and jurisdictional 31 defenses to the extent it adopts or consents to participate in alternative dispute resolution proceedings. Nothing herein shall 32 affect or limit the selection or propriety of venue in any action 33 against a licensee for professional malpractice, misconduct, or any 34 such similar matter. 35

36 (c) The commission shall be entitled to receive service of 37 process in any proceeding regarding the enforcement or interpretation 38 of the compact and shall have standing to intervene in such a 39 proceeding for all purposes. Failure to provide the commission service of process shall render a judgment or order void as to the
 commission, this compact, or promulgated rules.

3 (2)(a) If the commission determines that a member state has 4 defaulted in the performance of its obligations or responsibilities 5 under this compact or the promulgated rules, the commission shall 6 provide written notice to the defaulting state. The notice of default 7 shall describe the default, the proposed means of curing the default, 8 and any other action that the commission may take, and shall offer 9 training and specific technical assistance regarding the default.

10 (b) The commission shall provide a copy of the notice of default 11 to the other member states.

12 (3) If a state in default fails to cure the default, the 13 defaulting state may be terminated from the compact upon an 14 affirmative vote of a majority of the delegates of the member states, 15 and all rights, privileges, and benefits conferred on that state by 16 this compact may be terminated on the effective date of termination. 17 A cure of the default does not relieve the offending state of 18 obligations or liabilities incurred during the period of default.

(4) Termination of membership in the compact shall be imposed only after all other means of securing compliance have been exhausted. Notice of intent to suspend or terminate shall be given by the commission to the governor, the majority and minority leaders of the defaulting state's legislature, the defaulting state's state licensing authority, and each of the member states' state licensing authority.

(5) A state that has been terminated is responsible for all assessments, obligations, and liabilities incurred through the effective date of termination, including obligations that extend beyond the effective date of termination.

30 (6) Upon the termination of a state's membership from this 31 compact, that state shall immediately provide notice to all licensees 32 who hold a multistate license within that state of such termination. 33 The terminated state shall continue to recognize all licenses granted 34 pursuant to this compact for a minimum of 180 days after the date of 35 said notice of termination.

36 (7) The commission shall not bear any costs related to a state 37 that is found to be in default or that has been terminated from the 38 compact, unless agreed upon in writing between the commission and the 39 defaulting state. 1 (8) The defaulting state may appeal the action of the commission 2 by petitioning the United States district court for the District of 3 Columbia or the federal district where the commission has its 4 principal offices. The prevailing party shall be awarded all costs of 5 such litigation, including reasonable attorneys' fees.

6 (9)(a) Upon request by a member state, the commission shall 7 attempt to resolve disputes related to the compact that arise among 8 member states and between member and nonmember states.

9 (b) The commission shall promulgate a rule providing for both 10 mediation and binding dispute resolution for disputes as appropriate.

(10) (a) The commission, in the reasonable exercise of its discretion, shall enforce the provisions of this compact and the commission's rules.

14 By majority vote as provided by commission rule, the (b) 15 commission may initiate legal action against a member state in default in the United States district court for the District of 16 17 Columbia or the federal district where the commission has its principal offices to enforce compliance with the provisions of the 18 19 compact and its promulgated rules. The relief sought may include both injunctive relief and damages. In the event judicial enforcement is 20 necessary, the prevailing party shall be awarded all costs of such 21 22 litigation, including reasonable attorneys' fees. The remedies herein 23 shall not be the exclusive remedies of the commission. The commission may pursue any other remedies available under federal or the 24 25 defaulting member state's law.

26 (c) A member state may initiate legal action against the 27 commission in the United States district court for the District of 28 Columbia or the federal district where the commission has its principal offices to enforce compliance with the provisions of the 29 compact and its promulgated rules. The relief sought may include both 30 31 injunctive relief and damages. In the event judicial enforcement is 32 necessary, the prevailing party shall be awarded all costs of such 33 litigation, including reasonable attorneys' fees.

34 (d) No individual or entity other than a member state may enforce35 this compact against the commission.

36 <u>NEW SECTION.</u> Sec. 12. (1) The compact shall come into effect on 37 the date on which the compact statute is enacted into law in the 38 seventh member state. 1 (a) On or after the effective date of the compact, the commission shall convene and review the enactment of each of the charter member 2 3 states to determine if the statute enacted by each such charter member state is materially different than the model compact statute. 4

(i) A charter member state whose enactment is found to be 5 6 materially different from the model compact statute shall be entitled to the default process set forth in section 11 of this act. 7

(ii) If any member state is later found to be in default, or is 8 terminated or withdraws from the compact, the commission shall remain 9 in existence and the compact shall remain in effect even if the 10 11 number of member states should be less than seven.

12 (b) Member states enacting the compact subsequent to the charter member states shall be subject to the process set forth in section 13 8(3)(w) of this act to determine if their enactments are materially 14 different from the model compact statute and whether they qualify for 15 16 participation in the compact.

17 (c) All actions taken for the benefit of the commission or in 18 furtherance of the purposes of the administration of the compact prior to the effective date of the compact or the commission coming 19 into existence shall be considered to be actions of the commission 20 21 unless specifically repudiated by the commission.

22 (d) Any state that joins the compact shall be subject to the 23 commission's rules and bylaws as they exist on the date on which the compact becomes law in that state. Any rule that has been previously 24 25 adopted by the commission shall have the full force and effect of law 26 on the day the compact becomes law in that state.

(2) Any member state may withdraw from this compact by enacting a 27 statute repealing that state's enactment of the compact. 28

(a) A member state's withdrawal shall not take effect until 180 29 days after enactment of the repealing statute. 30

31 (b) Withdrawal shall not affect the continuing requirement of the 32 withdrawing state's licensing authority to comply with the investigative and adverse action reporting requirements of this 33 compact prior to the effective date of withdrawal. 34

35 (c) Upon the enactment of a statute withdrawing from this 36 compact, a state shall immediately provide notice of such withdrawal to all licensees within that state. Notwithstanding any subsequent 37 statutory enactment to the contrary, such withdrawing state shall 38 39 continue to recognize all licenses granted pursuant to this compact 1 for a minimum of 180 days after the date of such notice of 2 withdrawal.

3 (3) Nothing contained in this compact shall be construed to 4 invalidate or prevent any licensure agreement or other cooperative 5 arrangement between a member state and a nonmember state that does 6 not conflict with the provisions of this compact.

7 (4) This compact may be amended by the member states. No 8 amendment to this compact shall become effective and binding upon any 9 member state until it is enacted into the laws of all member states.

10 <u>NEW SECTION.</u> Sec. 13. (1) This compact and the commission's 11 rule-making authority shall be liberally construed so as to 12 effectuate the purposes, and the implementation and administration of 13 the compact. Provisions of the compact expressly authorizing or 14 requiring the promulgation of rules shall not be construed to limit 15 the commission's rule-making authority solely for those purposes.

16 (2) The provisions of this compact shall be severable and if any 17 phrase, clause, sentence, or provision of this compact is held by a 18 court of competent jurisdiction to be contrary to the Constitution of any member state, a state seeking participation in the compact, or of 19 20 the United States, or the applicability thereof to any government, 21 agency, person, or circumstance is held to be unconstitutional by a 22 court of competent jurisdiction, the validity of the remainder of this compact and the applicability thereof to any other government, 23 24 agency, person, or circumstance shall not be affected thereby.

(3) Notwithstanding subsection (2) of this 25 section, the commission may deny a state's participation in the compact or, in 26 27 accordance with the requirements of section 11(2) of this act, 28 terminate a member state's participation in the compact, if it determines that a constitutional requirement of a member state is a 29 30 material departure from the compact. Otherwise, if this compact shall 31 be held to be contrary to the Constitution of any member state, the compact shall remain in full force and effect as to the remaining 32 member states and in full force and effect as to the member state 33 34 affected as to all severable matters.

35 <u>NEW SECTION.</u> Sec. 14. Nothing herein shall prevent or inhibit 36 the enforcement of any other law of a member state that is not 37 inconsistent with the compact. 1 Any laws, statutes, regulations, or other legal requirements in a 2 member state in conflict with the compact are superseded to the 3 extent of the conflict.

All permissible agreements between the commission and the member states are binding in accordance with their terms.

6 <u>NEW SECTION.</u> Sec. 15. Sections 1 through 14 of this act 7 constitute a new chapter in Title 18 RCW.

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