SECOND SUBSTITUTE HOUSE BILL 1622

State of Washington	65th Legislature	2018	Regular Session
By House Appropriations Senn, Springer, Tharinger,		by	Representatives

AN ACT Relating to the state building code council; amending RCW 19.27.015, 19.27.035, 19.27.070, 19.27.074, 19.27.085, 19.27A.020, and 18.08.240; reenacting and amending RCW 34.05.328; adding a new section to chapter 19.27 RCW; and adding a new section to chapter 18.08 RCW.

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

7 **Sec. 1.** RCW 19.27.015 and 2009 c 362 s 2 are each amended to 8 read as follows:

9 As used in this chapter:

10 (1) "Agricultural structure" means a structure designed and 11 constructed to house farm implements, hay, grain, poultry, livestock, 12 or other horticultural products. This structure may not be a place of 13 human habitation or a place of employment where agricultural products 14 are processed, treated, or packaged, nor may it be a place used by 15 the public((+)).

16 (2) "City" means a city or $town((\div))$.

17 (3) <u>"Commercial building permit" means a building permit issued</u> 18 <u>by a city or a county to construct, enlarge, alter, repair, move,</u> 19 <u>demolish, or change the occupancy of any building not covered by a</u> 20 residential building permit. 1 <u>(4)</u> "Multifamily residential building" means common wall 2 residential buildings that consist of four or fewer units, that do 3 not exceed two stories in height, that are less than five thousand 4 square feet in area, and that have a one-hour fire-resistive 5 occupancy separation between units((; and)).

6 (((4))) (5) "Residential building permit" means a building permit 7 issued by a city or a county to construct, enlarge, alter, repair, 8 move, demolish, or change the occupancy of any building containing 9 only dwelling units used for independent living of one or more 10 persons including permanent provisions for living, sleeping, eating, 11 cooking, and sanitation, and structures accessory to dwelling units, 12 such as detached garages and storage buildings.

13 (6) "Temporary growing structure" means a structure that has the 14 sides and roof covered with polyethylene, polyvinyl, or similar 15 flexible synthetic material and is used to provide plants with either 16 frost protection or increased heat retention.

17 Sec. 2. RCW 19.27.035 and 1989 c 266 s 6 are each amended to 18 read as follows:

19 The building code council shall((, within one year of July 23, 20 1989,)):

21 (1) By July 1, 2019, adopt a <u>revised</u> process for the review of 22 proposed statewide amendments to the codes enumerated in RCW 23 $19.27.031((_7))$; and

24 (2) Adopt a process for the review of proposed or enacted local 25 amendments to the codes enumerated in RCW 19.27.031 as amended and 26 adopted by the state building code council.

27 **Sec. 3.** RCW 19.27.070 and 2011 1st sp.s. c 43 s 244 are each 28 amended to read as follows:

There is hereby established <u>in the department of enterprise</u> 30 <u>services</u> a state building code council, to be appointed by the 31 governor.

32 (1) The state building code council shall consist of fifteen 33 members:

34 (a) Two members must be county elected legislative body members35 or elected executives;

36 (b) Two members must be city elected legislative body members or 37 mayors;

1 (c) One member must be a local government building code 2 enforcement official; (d) One member must be a local government fire service official; 3 (e) One member must be a person with a physical disability and 4 shall represent the disability community; 5 б (f) One member, who is not eligible for membership on the council 7 in any other capacity, and who has not previously been nominated or appointed to the council to represent any other group, must represent 8 the general public; and 9 (g) Seven members must represent the private sector or 10 professional organizations as follows: 11 12 (i) One member shall represent general construction, specializing in commercial and industrial building construction; 13 14 ((((f))) (ii) One member shall represent general construction, specializing in residential and multifamily building construction; 15 16 (((g))) (<u>iii)</u> One member shall represent the architectural design17 profession; 18 (iv) (((h))) One member shall represent the structural engineering profession; 19 20 (((i))) (v) One member shall represent the mechanical engineering 21 profession; 22 $(((\frac{j})))$ (vi) One member shall represent the construction building 23 trades; 24 (((k))) (vii) One member shall represent manufacturers, 25 installers, or suppliers of building materials and components((+ 26 (1) One member must be a person with a physical disability and 27 shall represent the disability community; and 28 (m) One member shall represent the general public)). 29 (2) At least six of these fifteen members shall reside east of the crest of the Cascade mountains. 30 31 (3) The council shall include: Two members of the house of representatives appointed by the speaker of the house, one from each 32 caucus; two members of the senate appointed by the president of the 33 senate, one from each caucus; and an employee of the electrical 34 division of the department of labor and industries, as ex officio, 35 36 nonvoting members with all other privileges and rights of membership. (4)(a) Terms of office shall be for three years, or for so long 37 as the member remains qualified for the appointment. 38 39 (b) The council shall elect a member to serve as chair of the 40 council for one-year terms of office.

1 (c) Any member who is appointed by virtue of being an elected 2 official or holding public employment shall be removed from the 3 council if he or she ceases being such an elected official or holding 4 such public employment.

5 (d)(i) Any member who is appointed to represent a specific 6 private sector industry must maintain sufficiently similar employment 7 or circumstances throughout the term of office to remain qualified to 8 represent the specified industry. Retirement or unemployment is not 9 cause for termination. However, if a councilmember enters into 10 employment outside of the industry he or she has been appointed to 11 represent, then he or she shall be removed from the council.

12 (ii) Any member who is appointed after the effective date of this section to represent a specific private sector industry must maintain 13 sufficiently similar private sector employment or circumstances 14 15 throughout the term of office to remain qualified to represent the specified industry. Retirement or unemployment is not cause for 16 17 termination. However, if a councilmember appointed after the effective date of this section to represent a specific private sector 18 industry enters into employment outside of the industry, or outside 19 of the private sector, he or she has been appointed to represent, 20 21 then he or she must be removed from the council.

(e) Any member who no longer qualifies for appointment under this section may not vote on council actions, but may participate as an ex officio, nonvoting member until a replacement member is appointed. A member must notify the council staff and the governor's office within thirty days of the date the member no longer qualifies for appointment under this section. The governor shall appoint a qualified replacement for the member within sixty days of notice.

(5) Before making any appointments to the building code council, the governor shall seek nominations from recognized organizations which represent the entities or interests identified in this section. <u>The governor shall select appointees to represent private sector</u> industries from a list of three nominations provided by the largest trade association representing the industry, unless no names are put forth by the trade association.

36 (6) Members shall not be compensated but shall receive 37 reimbursement for travel expenses in accordance with RCW 43.03.050 38 and 43.03.060.

39 (7) ((The department of enterprise services shall provide 40 administrative and clerical assistance to the building code

1	council.)) For purposes of this section, a "professional
2	organization" includes an entity whose members are engaged in a
3	particular lawful vocation, occupation, or field of activity of a
4	specialized nature, including but not limited to associations,
5	boards, educational institutions, and nonprofit organizations.
6	Sec. 4. RCW 19.27.074 and 1989 c 266 s 3 are each amended to

6 **Sec. 4.** RCW 19.27.074 and 1989 c 266 s 3 are each amended to 7 read as follows:

8

(1) The state building code council shall:

9 (a) Adopt and maintain the codes to which reference is made in 10 RCW 19.27.031 in a status which is consistent with the state's 11 interest as set forth in RCW 19.27.020. In maintaining these codes, 12 the council shall regularly review updated versions of the codes 13 referred to in RCW 19.27.031 and other pertinent information and 14 shall amend the codes as deemed appropriate by the council;

(b) Approve or deny all county or city amendments to any code referred to in RCW 19.27.031 to the degree the amendments apply to single-family or multifamily residential buildings;

(c) As required by the legislature, develop and adopt any codesrelating to buildings; and

(d) ((Propose a)) <u>Approve a proposed</u> budget for the operation of the state building code council to be submitted <u>by the department of</u> <u>enterprise services</u> to the office of financial management pursuant to RCW 43.88.090.

24 (2) The state building code council may:

(a) Appoint technical advisory committees which may includemembers of the council;

27 (b) ((Employ permanent and temporary staff and)) Approve 28 contracts for services; and

29 (c) Conduct research into matters relating to any code or codes 30 referred to in RCW 19.27.031 or any related matter.

31 (3) The department of enterprise services, with the advice and 32 input from the members of the building code council, shall:

33 <u>(a) Employ permanent and temporary staff and contract for</u> 34 <u>services;</u>

35 <u>(b) Contract with an independent, third-party entity to perform a</u> 36 <u>Washington energy code baseline economic analysis and economic</u> 37 <u>analysis of code proposals; and</u>

38 (c) Provide all administrative and information technology 39 services required for the building code council.

(4) Rule-making authority as authorized in this chapter resides
 within the building code council.

3 (5)(a) All meetings of the state building code council shall be 4 open to the public under the open public meetings act, chapter 42.30 5 RCW. All actions of the state building code council which adopt or 6 amend any code of statewide applicability shall be pursuant to the 7 administrative procedure act, chapter 34.05 RCW.

8 (b) All council decisions relating to the codes enumerated in RCW 9 19.27.031 shall require approval by at least a majority of the 10 members of the council.

11 (c) All decisions to adopt or amend codes of statewide 12 application shall be made prior to December 1 of any year and shall 13 not take effect before the end of the regular legislative session in 14 the next year.

15 **Sec. 5.** RCW 19.27.085 and 1989 c 256 s 1 are each amended to 16 read as follows:

(1) There is hereby created the building code council account in the state treasury. Moneys deposited into the account shall be used by the building code council, after appropriation, to perform the purposes of the council.

(2) All moneys collected under subsection (3) of this section shall be deposited into the building code council account. Every four years the state treasurer shall report to the legislature on the balances in the account so that the legislature may adjust the charges imposed under subsection (3) of this section.

(3) There is imposed a fee of ((four)) six dollars and fifty 26 27 cents on each residential building permit and a fee of twenty-five dollars for each commercial building permit, issued by a county or a 28 city, plus an additional surcharge of two dollars 29 for each 30 residential unit, but not including the first unit, on each building containing more than one residential unit. Quarterly each county and 31 city shall remit moneys collected under this section to the state 32 treasury; however, no remittance is required until a minimum of fifty 33 34 dollars has accumulated pursuant to this subsection.

35 <u>NEW SECTION.</u> Sec. 6. A new section is added to chapter 19.27 36 RCW to read as follows:

The building code council in consultation with the office of the chief information officer shall assess the costs and benefits of the

potential acquisition and implementation of open public access information technologies to enhance the council's code adoption process and report back to the appropriate committees of the legislature by November 15, 2018.

5 Sec. 7. RCW 19.27A.020 and 2015 c 11 s 3 are each amended to 6 read as follows:

7 (1) The state building code council <u>in the department of</u>
8 <u>enterprise services</u> shall adopt rules to be known as the Washington
9 state energy code as part of the state building code.

10 (2) The council shall follow the legislature's standards set 11 forth in this section to adopt rules to be known as the Washington 12 state energy code. The Washington state energy code shall be designed 13 to:

(a) Construct increasingly energy efficient homes and buildings
that help achieve the broader goal of building zero fossil-fuel
greenhouse gas emission homes and buildings by the year 2031;

(b) Require new buildings to meet a certain level of energy efficiency, but allow flexibility in building design, construction, and heating equipment efficiencies within that framework; and

20 (c) Allow space heating equipment efficiency to offset or 21 substitute for building envelope thermal performance.

(3) The Washington state energy code shall take into account 22 regional climatic conditions. One climate zone includes: Adams, 23 24 Asotin, Benton, Chelan, Columbia, Douglas, Ferry, Franklin, Garfield, 25 Grant, Kittitas, Klickitat, Lincoln, Okanogan, Pend Oreille, Skamania, Spokane, Stevens, Walla Walla, Whitman, and Yakima 26 27 counties. The other climate zone includes all other counties not listed in this subsection (3). The assignment of a county to a 28 climate zone may not be changed by adoption of a model code or rule. 29 30 Nothing in this section prohibits the council from adopting the same 31 rules or standards for each climate zone.

32 (4) The Washington state energy code for residential buildings
 33 shall be the 2006 edition of the Washington state energy code, or as
 34 amended by rule by the council.

35 (5) The minimum state energy code for new nonresidential 36 buildings shall be the Washington state energy code, 2006 edition, or 37 as amended by the council by rule.

38 (6)(a) Except as provided in (b) of this subsection, the39 Washington state energy code for residential structures shall preempt

1 the residential energy code of each city, town, and county in the 2 state of Washington.

3 (b) The state energy code for residential structures does not 4 preempt a city, town, or county's energy code for residential 5 structures which exceeds the requirements of the state energy code 6 and which was adopted by the city, town, or county prior to March 1, 7 1990. Such cities, towns, or counties may not subsequently amend 8 their energy code for residential structures to exceed the 9 requirements adopted prior to March 1, 1990.

10 (7) The state building code council shall consult with the 11 department of enterprise services as provided in RCW 34.05.310 prior 12 to publication of proposed rules. The director of the department of 13 enterprise services shall recommend to the state building code 14 council any changes necessary to conform the proposed rules to the 15 requirements of this section.

16 (8) The state building code council shall evaluate and consider 17 adoption of the international energy conservation code in Washington 18 state in place of the existing state energy code.

19 (9) The definitions in RCW 19.27A.140 apply throughout this 20 section.

21 Sec. 8. RCW 34.05.328 and 2011 c 298 s 21 and 2011 c 149 s 1 are 22 each reenacted and amended to read as follows:

(1) Before adopting a rule described in subsection (5) of thissection, an agency must:

(a) Clearly state in detail the general goals and specificobjectives of the statute that the rule implements;

(b) Determine that the rule is needed to achieve the general goals and specific objectives stated under (a) of this subsection, and analyze alternatives to rule making and the consequences of not adopting the rule;

(c) Provide notification in the notice of proposed rule making 31 under RCW 34.05.320 that a preliminary cost-benefit analysis is 32 available. The preliminary cost-benefit analysis must fulfill the 33 requirements of the cost-benefit analysis under (d) of this 34 35 subsection. If the agency files a supplemental notice under RCW 34.05.340, the supplemental notice must include notification that a 36 revised preliminary cost-benefit analysis is available. A final cost-37 38 benefit analysis must be available when the rule is adopted under RCW 34.05.360; 39

1 (d) Determine that the probable benefits of the rule are greater 2 than its probable costs, taking into account both the qualitative and 3 quantitative benefits and costs and the specific directives of the 4 statute being implemented;

5 (e) Determine, after considering alternative versions of the rule 6 and the analysis required under (b), (c), and (d) of this subsection, 7 that the rule being adopted is the least burdensome alternative for 8 those required to comply with it that will achieve the general goals 9 and specific objectives stated under (a) of this subsection;

10 (f) Determine that the rule does not require those to whom it 11 applies to take an action that violates requirements of another 12 federal or state law;

13 (g) Determine that the rule does not impose more stringent 14 performance requirements on private entities than on public entities 15 unless required to do so by federal or state law;

(h) Determine if the rule differs from any federal regulation or statute applicable to the same activity or subject matter and, if so, determine that the difference is justified by the following:

19 (i) A state statute that explicitly allows the agency to differ 20 from federal standards; or

(ii) Substantial evidence that the difference is necessary to achieve the general goals and specific objectives stated under (a) of this subsection; and

(i) Coordinate the rule, to the maximum extent practicable, with
 other federal, state, and local laws applicable to the same activity
 or subject matter.

(2) In making its determinations pursuant to subsection (1)(b) through (h) of this section, the agency must place in the rule-making file documentation of sufficient quantity and quality so as to persuade a reasonable person that the determinations are justified.

31 (3) Before adopting rules described in subsection (5) of this 32 section, an agency must place in the rule-making file a rule 33 implementation plan for rules filed under each adopting order. The 34 plan must describe how the agency intends to:

(a) Implement and enforce the rule, including a description ofthe resources the agency intends to use;

37 (b) Inform and educate affected persons about the rule;

38

(c) Promote and assist voluntary compliance; and

39 (d) Evaluate whether the rule achieves the purpose for which it40 was adopted, including, to the maximum extent practicable, the use of

interim milestones to assess progress and the use of objectively
 measurable outcomes.

3 (4) After adopting a rule described in subsection (5) of this 4 section regulating the same activity or subject matter as another 5 provision of federal or state law, an agency must do all of the 6 following:

7 (a) Coordinate implementation and enforcement of the rule with 8 the other federal and state entities regulating the same activity or 9 subject matter by making every effort to do one or more of the 10 following:

11 (i) Deferring to the other entity;

12 (ii) Designating a lead agency; or

13 (iii) Entering into an agreement with the other entities 14 specifying how the agency and entities will coordinate implementation 15 and enforcement.

16 If the agency is unable to comply with this subsection (4)(a), 17 the agency must report to the legislature pursuant to (b) of this 18 subsection;

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(b) Report to the joint administrative rules review committee:

(i) The existence of any overlap or duplication of other federal
or state laws, any differences from federal law, and any known
overlap, duplication, or conflict with local laws; and

(ii) Make recommendations for any legislation that may be necessary to eliminate or mitigate any adverse effects of such overlap, duplication, or difference.

26 (5)(a) Except as provided in (b) of this subsection, this section 27 applies to:

(i) Significant legislative rules of the departments of ecology,
labor and industries, health, revenue, social and health services,
and natural resources, the employment security department, the forest
practices board, the office of the insurance commissioner, <u>the state</u>
<u>building code council</u>, and to the legislative rules of the department
of fish and wildlife implementing chapter 77.55 RCW; and

34 (ii) Any rule of any agency, if this section is voluntarily made 35 applicable to the rule by the agency, or is made applicable to the 36 rule by a majority vote of the joint administrative rules review 37 committee within forty-five days of receiving the notice of proposed 38 rule making under RCW 34.05.320.

39 (b) This section does not apply to:

40 (i) Emergency rules adopted under RCW 34.05.350;

(ii) Rules relating only to internal governmental operations that
 are not subject to violation by a nongovernment party;

(iii) Rules adopting or incorporating by reference without 3 material change federal statutes or regulations, Washington state 4 statutes, rules of other Washington state agencies, shoreline master 5 6 programs other than those programs governing shorelines of statewide significance, or, as referenced by Washington state law, national 7 consensus codes that generally establish industry standards, if the 8 9 material adopted or incorporated regulates the same subject matter and conduct as the adopting or incorporating rule; 10

(iv) Rules that only correct typographical errors, make address or name changes, or clarify language of a rule without changing its effect;

14 (v) Rules the content of which is explicitly and specifically 15 dictated by statute;

16 (vi) Rules that set or adjust fees under the authority of RCW 17 19.02.075 or that set or adjust fees or rates pursuant to legislative 18 standards, including fees set or adjusted under the authority of RCW 19 19.80.045;

20 (vii) Rules of the department of social and health services 21 relating only to client medical or financial eligibility and rules 22 concerning liability for care of dependents; or

(viii) Rules of the department of revenue that adopt a uniform expiration date for reseller permits as authorized in RCW 82.32.780 and 82.32.783.

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(c) For purposes of this subsection:

(i) A "procedural rule" is a rule that adopts, amends, or repeals
(A) any procedure, practice, or requirement relating to any agency
hearings; (B) any filing or related process requirement for making
application to an agency for a license or permit; or (C) any policy
statement pertaining to the consistent internal operations of an
agency.

(ii) An "interpretive rule" is a rule, the violation of which
 does not subject a person to a penalty or sanction, that sets forth
 the agency's interpretation of statutory provisions it administers.

36 (iii) A "significant legislative rule" is a rule other than a 37 procedural or interpretive rule that (A) adopts substantive 38 provisions of law pursuant to delegated legislative authority, the 39 violation of which subjects a violator of such rule to a penalty or 40 sanction; (B) establishes, alters, or revokes any qualification or standard for the issuance, suspension, or revocation of a license or permit; or (C) adopts a new, or makes significant amendments to, a policy or regulatory program.

(d) In the notice of proposed rule making under RCW 34.05.320, an
agency must state whether this section applies to the proposed rule
pursuant to (a)(i) of this subsection, or if the agency will apply
this section voluntarily.

8 (6) By January 31, 1996, and by January 31st of each even-9 numbered year thereafter, the office of regulatory assistance, after 10 consulting with state agencies, counties, and cities, and business, 11 labor, and environmental organizations, must report to the governor 12 and the legislature regarding the effects of this section on the 13 regulatory system in this state. The report must document:

(a) The rules proposed to which this section applied and to the
extent possible, how compliance with this section affected the
substance of the rule, if any, that the agency ultimately adopted;

17 (b) The costs incurred by state agencies in complying with this 18 section;

(c) Any legal action maintained based upon the alleged failure of any agency to comply with this section, the costs to the state of such action, and the result;

(d) The extent to which this section has adversely affected the capacity of agencies to fulfill their legislatively prescribed mission;

25 (e) The extent to which this section has improved the 26 acceptability of state rules to those regulated; and

(f) Any other information considered by the office of financialmanagement to be useful in evaluating the effect of this section.

29 Sec. 9. RCW 18.08.240 and 1991 sp.s. c 13 s 2 are each amended 30 to read as follows:

31 There is established in the state treasury the architects' 32 license account, into which all fees paid pursuant to this chapter 33 shall be paid, except as provided in section 10 of this act.

34 <u>NEW SECTION.</u> Sec. 10. A new section is added to chapter 18.08 35 RCW to read as follows:

36 (1) There is imposed a fee of six dollars and fifty cents on each 37 certificate of registration, renewal of a certificate of 38 registration, certificate of authorization, and renewal of a

certificate of authorization, issued by the director. The director
 must collect this fee and must quarterly remit moneys collected under
 this subsection to the state treasury.

4 (2) The fee established by subsection (1) of this section is in 5 addition to other fees authorized by this chapter and prescribed by 6 the director under RCW 43.24.086.

7 (3) All moneys collected under subsection (1) of this section
8 must be deposited into the building code council account in the state
9 treasury.

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