of the state government and its existing institutions, and shall take effect immediately. The remainder of this act shall take effect July 1, 1986.

Passed the Senate February 11, 1986.
Passed the House March 7, 1986.
Approved by the Governor April 4, 1986, with the exception of certain items which were vetoed.
Filed in Office of Secretary of State April 4, 1986.

Note: Governor's explanation of partial veto is as follows:

*I am returning herewith, without my approval as to section 6, Engrossed Senate Bill No. 3636, entitled:

*AN ACT Relating to insurance.*

This legislation accomplishes two things: it equalizes the premium tax rates between domestic and foreign insurers, and it provides a mechanism so that the Office of the Insurance Commissioner is funded by fees collected from the entities regulated by the Commissioner.

Section 6 states the purpose for imposing the fees is to *increase and improve the staff of the insurance commissioner.* While it is certainly a top priority to ensure that the Commissioner has increased staff to properly regulate insurance companies in this time of increasing rates, the move to self-fund the office was not solely for the purposes stated in section 6. The funds provided by the fees imposed on commercial insurers, health care service contractors and health maintenance organizations will be the sole basis of funding the existing staff as well as any new staff authorized by the Legislature. For this reason, I have vetoed section 6 of Engrossed Senate Bill No. 3636.

With the exception of section 6, Engrossed Senate Bill No. 3636 is approved.*

CHAPTER 297
[Engrossed Substitute Senate Bill No. 4790]
SLUDGE

AN ACT Relating to sludge; and adding a new section to chapter 70.95 RCW.

Be it enacted by the Legislature of the State of Washington:

*NEW SECTION. Sec. 1. A new section is added to chapter 70.95 RCW to read as follows:

After January 1, 1988, the department of ecology may prohibit disposal of municipal sewage sludge or septic tank sludge (septage) in landfills for final disposal, except on a temporary, emergency basis, if the jurisdictional health department determines that a potentially unhealthful circumstance exists. Beneficial uses of sludge in landfill reclamation is acceptable utilization and not considered disposal.

The department of ecology shall adopt rules that provide exemptions from this section on a case-by-case basis. Exemptions shall be based on the economic infeasibility of using or disposing of the sludge material other than in a landfill.

The department of ecology, after consulting with representatives from cities, counties, special purpose districts, and operators of septic tank pump—
out services, shall adopt rules for the environmentally safe use of municipal sewage sludge and septage in this state.

The department of ecology, after consulting with representatives from the pulp and paper industry and the food processing industry, may adopt rules for the environmentally safe use of appropriate industrial sludges, such as pulp and paper sludges or food processing wastes, used to improve the texture or nutrient content of soils.

The department of ecology, in conjunction with the department of social and health services and the department of agriculture, shall adopt rules establishing labeling and notification requirements for sludge material sold commercially or given away to the public. The department shall specify mandatory wording for labels and notification to warn the public against improper use of the material. *The department shall submit a report to the appropriate standing committees of the legislature by January 1, 1987, on its implementation of this chapter.*

*Sec. 1 was partially vetoed, see message at end of chapter.*

Passed the Senate March 9, 1986.
Passed the House March 4, 1986.
Approved by the Governor April 4, 1986, with the exception of certain items which were vetoed.
Filed in Office of Secretary of State April 4, 1986.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith, without my approval as to one portion, Engrossed Substitute Senate Bill No. 4790, entitled:

"AN ACT Relating to sludge."

The last sentence of this bill requires the Department of Ecology to submit a report to the Legislature by January 1, 1987, regarding its implementation of "this chapter."

Although it appears that the intent of this language is to require a report on the implementation of this bill, the language legally requires a report on the entire Solid Waste Management chapter of the State Code.

To avoid any confusion, I have vetoed this sentence and have directed the Department to report to the Legislature by next January 1 regarding implementation of the bill.

With the exception of this sentence, Engrossed Substitute Senate Bill No. 4790 is approved.*

CHAPTER 298
[Engrossed Second Substitute Senate Bill No. 4626]
HOUSING TRUST FUND—HOUSING ASSISTANCE FOR LOW-INCOME PERSONS

AN ACT Relating to the housing trust fund; and adding a new chapter to Title 43 RCW.

Be it enacted by the Legislature of the State of Washington: