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CHAPTER 460

[House Bill 1809]

RESOURCE MANAGEMENT COST ACCOUNT—POOLING OF
TRUST MANAGEMENT FUNDS

Effective Date: 7/1/94

AN ACT Relating to authorization of the pooling of trust management accounts; amending RCW 79.64.020 and 79.64.030; and providing an effective date.

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

Sec. 1. RCW 79.64.020 and 1985 c 57 s 80 are each amended to read as follows:

A resource management cost account in the state treasury is hereby created to be used solely for the purpose of defraying the costs and expenses necessarily incurred by the department in managing and administering public lands and the making and administering of leases, sales, contracts, licenses, permits, easements, and rights of way as authorized under the provisions of this title. Appropriations from the account to the department shall be expended for no other purposes. Funds in the account may be appropriated or transferred by the legislature for the benefit of all of the trusts from which the funds were derived.

Sec. 2. RCW 79.64.030 and 1988 c 70 s 4 are each amended to read as follows:

Funds in the account derived from the gross proceeds of leases, sales, contracts, licenses, permits, easements, and rights of way issued by the department and affecting school lands, university lands, agricultural college lands, scientific school lands, normal school lands, capitol building lands, or institutional lands shall be pooled and expended by the department solely for the purpose of defraying the costs and expenses necessarily incurred in managing and administering (~~(public lands of the same trust: PROVIDED, That)~~) all of the trust lands enumerated in this section. Such funds may be used for similar costs and expenses in managing and administering other lands managed by the department (~~(: PROVIDED FURTHER,)~~) provided that such expenditures that have been or may be made on such other lands shall be repaid to the resource management cost account together with interest at a rate determined by the board of natural resources.

An accounting shall be made annually of the accrued expenditures (~~(as regards each)~~) from the pooled trust funds in the account. In the event the accounting determines that expenditures have been made from moneys derived from (~~(one category of)~~) trust lands for the benefit of (~~(another trust or)~~) other lands, such expenditure shall be considered a debt (~~(against the trust benefited)~~) and (~~(shall be considered)~~) an encumbrance against the property (~~(of the trust or trust funds)~~) benefited, including property held under chapter 76.12 RCW. The results of the accounting shall be reported to the legislature at the next regular session. The state treasurer is authorized, upon request of the department, to transfer funds between the forest development account and the resource

management cost account solely for purpose of repaying loans pursuant to this section.

NEW SECTION. Sec. 3. This act shall take effect July 1, 1994.

Passed the House April 22, 1993.

Passed the Senate April 16, 1993.

Approved by the Governor May 17, 1993.

Filed in Office of Secretary of State May 17, 1993.

CHAPTER 461

[Engrossed House Bill 1824]

AFFORDABLE HOUSING—INVENTORY OF SUITABLE PUBLIC PROPERTY

Effective Date: 7/25/93

AN ACT Relating to publicly owned lands and buildings; amending RCW 43.63A.510, 36.34.135, and 47.12.063; adding a new section to chapter 28A.335 RCW; adding a new section to chapter 35.21 RCW; adding a new section to chapter 36.34 RCW; adding a new section to chapter 43.19 RCW; adding a new section to chapter 43.20A RCW; adding a new section to chapter 43.30 RCW; adding a new section to chapter 47.12 RCW; adding a new section to chapter 72.09 RCW; and creating new sections.

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

NEW SECTION. Sec. 1. (1) The legislature finds that:

(a) The lack of affordable housing for very low-income, low-income, or moderate-income households and special needs populations is intensified by the rising cost of land and construction; and

(b) There are publicly owned land and buildings which may be suitable to be marketed, sold, leased, or exchanged for the development of affordable housing.

(2) The legislature declares that the purpose of this act is to:

(a) Provide for an analysis of the inventory of state-owned lands and buildings prepared by the departments of natural resources, transportation, corrections, and general administration;

(b) Identify other publicly owned land and buildings that may be suitable for the development of affordable housing for very-low income, low-income, or moderate-income households and special needs populations;

(c) Provide a central location of inventories of state and publicly owned land and buildings that may be suitable to be marketed, sold, leased, or exchanged for the development of affordable housing; and

(d) Encourage an effective use of publicly owned surplus and underutilized land and buildings suitable for the development of affordable housing for very low-income, low-income, or moderate-income households and special needs populations.

Sec. 2. RCW 43.63A.510 and 1990 c 253 s 6 are each amended to read as follows:

(1) The department shall work with the departments of natural resources, transportation, social and health services, corrections, and general administration to identify and catalog under-utilized, state-owned land and property ((for possible lease)) suitable for the development of affordable housing for very low-income, low-income or moderate-income households. The departments of natural resources, transportation, social and health services, corrections, and general administration shall provide an inventory of real property that is owned or administered by each agency and is available for lease or sale. The inventories shall be provided to the department by November 1, ((1990)) 1993, with inventory revisions provided each November 1 thereafter. ((The department shall assist local governments, public housing authorities, public nonprofit organizations, and private nonprofit organizations in obtaining long-term leases of suitable and available sites. The leases shall be for the purpose of providing sites to be used for affordable housing for farmworkers.))

(2) Upon written request, the department shall provide a copy of the inventory of state-owned and publicly owned lands and buildings to parties interested in developing the sites for affordable housing.

(3) As used in this section:

(a) "Affordable housing" means residential housing that is rented or owned by a person who qualifies as a very low-income, low-income, or moderate-income household or who is from a special needs population, and whose monthly housing costs, including utilities other than telephone, do not exceed thirty percent of the household's monthly income.

(b) "Very low-income household" means a single person, family, or unrelated persons living together whose income is at or below fifty percent of the median income, adjusted for household size, for the county where the affordable housing is located.

(c) "Low-income household" means a single person, family, or unrelated persons living together whose income is more than fifty percent but is at or below eighty percent of the median income where the affordable housing is located.

(d) "Moderate-income household" means a single person, family, or unrelated persons living together whose income is more than eighty percent but is at or below one hundred fifteen percent of the median income where the affordable housing is located.

NEW SECTION. Sec. 3. A new section is added to chapter 28A.335 RCW to read as follows:

(1) Every school district shall identify and catalog real property of the district that is no longer required for school purposes and is suitable for the development of affordable housing for very low-income, low-income, and moderate-income households as defined in RCW 43.63A.510. The inventory shall include the location, approximate size, and current zoning classification of the property. Every school district shall provide a copy of the inventory to the

department of community development by November 1, 1993, with inventory revisions each November 1 thereafter.

(2) By November 1 of each year, beginning in 1994, every school district shall purge the inventory of real property of sites that are no longer available for the development of affordable housing. The inventory revision shall include an updated listing of real property that has become available since the last update. As used in this section, "real property" means buildings, land, or buildings and land.

NEW SECTION. Sec. 4. A new section is added to chapter 35.21 RCW to read as follows:

(1) Every city and town, including every code city operating under Title 35A RCW, shall identify and catalog real property owned by the city or town that is no longer required for its purposes and is suitable for the development of affordable housing for very low-income, low-income, and moderate-income households as defined in RCW 43.63A.510. The inventory shall include the location, approximate size, and current zoning classification of the property. Every city and town shall provide a copy of the inventory to the department of community development by November 1, 1993, with inventory revisions each November 1 thereafter.

(2) By November 1 of each year, beginning in 1994, every city and town, including every code city operating under Title 35A RCW, shall purge the inventory of real property of sites that are no longer available for the development of affordable housing. The inventory revision shall also contain a list of real property that has become available since the last update. As used in this section, "real property" means buildings, land, or buildings and land.

NEW SECTION. Sec. 5. A new section is added to chapter 36.34 RCW to read as follows:

(1) Every county shall identify and catalog real property owned by the county that is no longer required for its purposes and is suitable for the development of affordable housing for very low-income, low-income, and moderate-income households as defined in RCW 43.63A.510. The inventory shall include the location, approximate size, and current zoning classification of the property. Every county shall provide a copy of the inventory to the department of community development by November 1, 1993, with inventory revisions each November 1 thereafter.

(2) By November 1 of each year, beginning in 1994, every county shall purge the inventory of real property of sites that are no longer available for the development of affordable housing. The inventory revision shall include an updated listing of real property that has become available since the last update. As used in this section, "real property" means buildings, land, or buildings and land.

Sec. 6. RCW 36.34.135 and 1990 c 253 s 7 are each amended to read as follows:

If a county owns property that is located anywhere within the county, including within the limits of a city or town, and that is suitable for ~~((seasonal or migrant farmworker))~~ affordable housing, the legislative authority of the county may, by negotiation, lease the property for ~~((seasonal or migrant farmworker))~~ affordable housing for a term not to exceed seventy-five years to any public housing authority or nonprofit organization that has demonstrated its ability to construct or operate housing for ~~((seasonal or migrant farmworkers))~~ very low-income, low-income, or moderate-income households as defined in RCW 43.63A.510 and special needs populations. Leases for housing for ~~((migrant and seasonal farmworkers))~~ very low-income, low-income, or moderate-income households and special needs populations shall not be subject to any requirement of periodic rental adjustments, as provided in RCW 36.34.180, but shall provide for such fixed annual rents as appear reasonable considering the public, social, and health benefits to be derived by providing an adequate supply of safe and sanitary housing for ~~((migrant and seasonal farmworkers))~~ very low-income, low-income, or moderate-income households and special needs populations.

NEW SECTION. **Sec. 7.** A new section is added to chapter 43.19 RCW to read as follows:

(1) The department of general administration shall identify and catalog real property that is no longer required for department purposes and is suitable for the development of affordable housing for very low-income, low-income, and moderate-income households as defined in RCW 43.63A.510. The inventory shall include the location, approximate size, and current zoning classification of the property. The department of general administration shall provide a copy of the inventory to the department of community development by November 1, 1993, and every November 1 thereafter.

(2) By November 1 of each year, beginning in 1994, the department of general administration shall purge the inventory of real property of sites that are no longer available for the development of affordable housing. The department shall include an updated listing of real property that has become available since the last update. As used in this section, "real property" means buildings, land, or buildings and land.

NEW SECTION. **Sec. 8.** A new section is added to chapter 43.20A RCW to read as follows:

(1) The department shall identify and catalog real property that is no longer required for department purposes and is suitable for the development of affordable housing for very low-income, and moderate-income households as defined in RCW 43.63A.510. The inventory shall include the location, approximate size, and current zoning classification of the property. The department shall provide a copy of the inventory to the department of community development by November 1, 1993, and every November 1 thereafter.

(2) By November 1 of each year, beginning in 1994, the department shall purge the inventory of real property of sites that are no longer available for the development of affordable housing. The department shall include an updated listing of real property that has become available since the last update. As used in this section, "real property" means buildings, land, or buildings and land.

NEW SECTION. Sec. 9. A new section is added to chapter 43.30 RCW to read as follows:

(1) The department shall identify and catalog real property that is no longer required for department purposes and is suitable for the development of affordable housing for very low-income, low-income, and moderate-income households as defined in RCW 43.63A.510. The inventory shall include the location, approximate size, and current zoning classification of the property. The department shall provide a copy of the inventory to the department of community development by November 1, 1993, and every November 1 thereafter.

(2) By November 1 of each year, beginning in 1994, the department shall purge the inventory of real property of sites that are no longer available for the development of affordable housing. The department shall include an updated listing of real property that has become available since the last update. As used in this section, "real property" means buildings, land, or buildings and land.

NEW SECTION. Sec. 10. A new section is added to chapter 47.12 RCW to read as follows:

(1) The department shall identify and catalog real property that is no longer required for department purposes and is suitable for the development of affordable housing for very low-income, low-income, and moderate-income households as defined in RCW 43.63A.510. The inventory shall include the location, approximate size, and current zoning classification of the property. The department shall provide a copy of the inventory to the department of community development by November 1, 1993, and every November 1 thereafter.

(2) By November 1 of each year, beginning in 1994, the department shall purge the inventory of real property of sites that are no longer available for the development of affordable housing. The department shall include an updated listing of real property that has become available since the last update. As used in this section, "real property" means buildings, land, or buildings and land.

Sec. 11. RCW 47.12.063 and 1988 c 135 s 1 are each amended to read as follows:

(1) It is the intent of the legislature to continue the department's policy giving priority consideration to abutting property owners in agricultural areas when disposing of property through its surplus property program under this section.

(2) Whenever the department determines that any real property owned by the state of Washington and under the jurisdiction of the department is no longer required for transportation purposes and that it is in the public interest to do so, the department may sell the property or exchange it in full or part consideration

for land or improvements or for construction of improvements at fair market value to any of the following governmental entities or persons:

- (a) Any other state agency;
- (b) The city or county in which the property is situated;
- (c) Any other municipal corporation;
- (d) The former owner of the property from whom the state acquired title;
- (e) In the case of residentially improved property, a tenant of the department who has resided thereon for not less than six months and who is not delinquent in paying rent to the state;

(f) Any abutting private owner but only after each other abutting private owner (if any), as shown in the records of the county assessor, is notified in writing of the proposed sale. If more than one abutting private owner requests in writing the right to purchase the property within fifteen days after receiving notice of the proposed sale, the property shall be sold at public auction in the manner provided in RCW 47.12.283;

(g) To any person through the solicitation of written bids through public advertising in the manner prescribed by RCW 47.28.050; ((e))

(h) To any other owner of real property required for transportation purposes; or

(i) In the case of property suitable for residential use, any nonprofit organization dedicated to providing affordable housing to very low-income, low-income, and moderate-income households as defined in RCW 43.63A.510 and is eligible to receive assistance through the Washington housing trust fund created in chapter 43.185 RCW.

(3) Sales to purchasers may at the department's option be for cash, by real estate contract, or exchange of land or improvements. Transactions involving the construction of improvements must be conducted pursuant to chapter 47.28 RCW or Title 39 RCW, as applicable, and must comply with all other applicable laws and rules.

(4) Conveyances made pursuant to this section shall be by deed executed by the secretary of transportation and shall be duly acknowledged.

(5) All moneys received pursuant to the provisions of this section less any real estate broker commissions paid pursuant to RCW 47.12.320 shall be deposited in the motor vehicle fund.

NEW SECTION. Sec. 12. A new section is added to chapter 72.09 RCW to read as follows:

(1) The department shall identify and catalog real property that is no longer required for department purposes and is suitable for the development of affordable housing for very low-income, low-income, and moderate-income households as defined RCW 43.63A.510. The inventory shall include the location, approximate size, and current zoning classification of the property. The department shall provide a copy of the inventory to the department of community development by November 1, 1993, and every November 1 thereafter.

(2) By November 1 of each year, beginning in 1994, the department shall purge the inventory of real property of sites that are no longer available for the development of affordable housing. The department shall include an updated listing of real property that has become available since the least update. As used in this section, "real property" means buildings, land, or buildings and land.

NEW SECTION. Sec. 13. If specific funding for the purposes of section 9 of this act, referencing section 9 of this act by bill and section number, is not provided by June 30, 1993, in the omnibus appropriations act, section 9 of this act is null and void.

Passed the House March 17, 1993.

Passed the Senate April 16, 1993.

Approved by the Governor May 17, 1993.

Filed in Office of Secretary of State May 17, 1993.

CHAPTER 462

[Substitute House Bill 1855]

ACCREDITATION OF INSURANCE COMMISSIONER AS APPROVED INSURANCE REGULATOR—SUPERVISION AND SOLVENCY OVERSIGHT REVISIONS

Effective Date: 7/25/93

AN ACT Relating to the financial supervision and solvency oversight of insurance companies; amending RCW 48.03.010, 48.03.040, 48.03.050, 48.03.060, 48.05.340, 48.08.030, 48.11.140, 48.12.180, 48.12.190, 48.12.200, 48.14.010, 48.31.030, 48.31.040, 48.31.110, 48.31.160, 48.31.180, 48.31.190, 48.31.280, 48.31.300, 48.74.030, 48.74.040, 48.74.050, 48.74.060, 48.92.010, 48.92.020, 48.92.030, 48.92.040, 48.92.050, 48.92.070, 48.92.080, 48.92.090, 48.92.100, 48.92.120, 48.92.130, and 48.92.140; adding new sections to chapter 48.03 RCW; adding new sections to chapter 48.01 RCW; adding new sections to chapter 48.31 RCW; adding new sections to chapter 48.74 RCW; adding a new section to chapter 48.92 RCW; adding new chapters to Title 48 RCW; recodifying RCW 48.31.110, 48.31.120, 48.31.130, 48.31.140, 48.31.150, 48.31.160, 48.31.170, and 48.31.180; creating a new section; repealing RCW 48.07.090, 48.31A.005, 48.31A.010, 48.31A.020, 48.31A.030, 48.31A.040, 48.31A.050, 48.31A.055, 48.31A.060, 48.31A.070, 48.31A.080, 48.31A.090, 48.31A.100, 48.31A.110, 48.31A.120, 48.31A.130, and 48.31A.900; and prescribing penalties.

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

NEW SECTION. Sec. 1. This chapter may be known and cited as the Insurer Holding Company Act.

NEW SECTION. Sec. 2. As used in this chapter, the following terms have the meanings set forth in this section, unless the context requires otherwise.

(1) An "affiliate" of, or person "affiliated" with, a specific person, is a person who directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified.

(2) The term "control," including the terms "controlling," "controlled by," and "under common control with," means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract other than a commercial contract for goods or nonmanagement services, or otherwise,

unless the power is the result of an official position with or corporate office held by the person. Control is presumed to exist if a person, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing, ten percent or more of the voting securities of any other person. This presumption may be rebutted by a showing made in a manner similar to that provided by section 6(11) of this act that control does not exist in fact. The commissioner may determine, after furnishing all persons in interest notice and opportunity to be heard and making specific findings of fact to support such determination, that control exists in fact, notwithstanding the absence of a presumption to that effect.

(3) An "insurance holding company system" consists of two or more affiliated persons, one or more of which is an insurer.

(4) The term "insurer" has the same meaning as set forth in RCW 48.01.050; it does not include agencies, authorities, or instrumentalities of the United States, its possessions and territories, the commonwealth of Puerto Rico, the District of Columbia, or a state or political subdivision of a state.

(5) A "person" is an individual, a corporation, a partnership, an association, a joint stock company, a trust, an unincorporated organization, a similar entity, or any combination of the foregoing acting in concert, but does not include a joint venture partnership exclusively engaged in owning, managing, leasing, or developing real or tangible personal property.

(6) A "securityholder" of a specified person is one who owns a security of that person, including common stock, preferred stock, debt obligations, and any other security convertible into or evidencing the right to acquire any of the foregoing.

(7) A "subsidiary" of a specified person is an affiliate controlled by that person directly or indirectly through one or more intermediaries.

(8) The term "voting security" includes a security convertible into or evidencing a right to acquire a voting security.

NEW SECTION. Sec. 3. If an insurer ceases to control a subsidiary, it shall dispose of any investment in the subsidiary within three years from the time of the cessation of control or within such further time as the commissioner may prescribe, unless at any time after the investment has been made, the investment meets the requirements for investment under any other section of this Title, and the insurer has notified the commissioner thereof.

NEW SECTION. Sec. 4. (1) No person other than the issuer may make a tender offer for or a request or invitation for tenders of, or enter into an agreement to exchange securities of, seek to acquire, or acquire, in the open market or otherwise, voting security of a domestic insurer if, after the consummation thereof, the person would, directly or indirectly, or by conversion or by exercise of a right to acquire, be in control of the insurer. No person may enter into an agreement to merge with or otherwise to acquire control of a domestic insurer or person controlling a domestic insurer unless, at the time the offer, request, or invitation is made or the agreement is entered into, or before the

acquisition of the securities if no offer or agreement is involved, the person has filed with the commissioner and has sent to the insurer, a statement containing the information required by this section and the offer, request, invitation, agreement, or acquisition has been approved by the commissioner as prescribed in this section.

For purposes of this section a domestic insurer includes a person controlling a domestic insurer unless the person, as determined by the commissioner, is either directly or through its affiliates primarily engaged in business other than the business of insurance. However, the person shall file a preacquisition notification with the commissioner containing the information set forth in section 5(3)(a) of this act sixty days before the proposed effective date of the acquisition. Persons who fail to file the required preacquisition notification with the commissioner are subject to the penalties in section 5(5)(c) of this act. For the purposes of this section, "person" does not include a securities broker holding, in usual and customary broker's function, less than twenty percent of the voting securities of an insurance company or of a person who controls an insurance company.

(2) The statement to be filed with the commissioner under this section must be made under oath or affirmation and must contain the following information:

(a) The name and address of each person by whom or on whose behalf the merger or other acquisition of control referred to in subsection (1) of this section is to be effected, hereinafter called "acquiring party," and:

(i) If that person is an individual, his or her principal occupation and all offices and positions held during the past five years, and any conviction of crimes other than minor traffic violations during the past ten years;

(ii) If that person is not an individual, a report of the nature of its business operations during the past five years or for such lesser period as the person and any predecessors have been in existence; an informative description of the business intended to be done by the person's subsidiaries; any convictions of crimes during the past ten years; and a list of all individuals who are or who have been selected to become directors or executive officers of the person, or who perform or will perform functions appropriate to those positions. The list must include for each such individual the information required by (a)(i) of this subsection.

(b) The source, nature, and amount of the consideration used or to be used in effecting the merger or other acquisition of control, a description of any transaction in which funds were or are to be obtained for any such purpose, including a pledge of the insurer's stock, or the stock of any of its subsidiaries or controlling affiliates, and the identity of persons furnishing the consideration. However, where a source of the consideration is a loan made in the lender's ordinary course of business, the identity of the lender must remain confidential if the person filing the statement so requests.

(c) Fully audited financial information as to the earnings and financial condition of each acquiring party for the preceding five fiscal years of each

acquiring party, or for such lesser period as the acquiring party and any predecessors have been in existence, and similar unaudited information as of a date not earlier than ninety days before the filing of the statement.

(d) Any plans or proposals that each acquiring party may have to liquidate the insurer, to sell its assets or merge or consolidate it with any person, or to make any other material change in its business or corporate structure or management.

(e) The number of shares of any security referred to in subsection (1) of this section that each acquiring party proposes to acquire, the terms of the offer, request, invitation, agreement, or acquisition referred to in subsection (1) of this section, and a statement as to the method by which the fairness of the proposal was arrived at.

(f) The amount of each class of any security referred to in subsection (1) of this section that is beneficially owned or concerning which there is a right to acquire beneficial ownership by each acquiring party.

(g) A full description of any contracts, arrangements, or understandings with respect to any security referred to in subsection (1) of this section in which an acquiring party is involved, including but not limited to transfer of any of the securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss or guarantees of profits, division of losses or profits, or the giving or withholding of proxies. The description must identify the persons with whom the contracts, arrangements, or understandings have been entered into.

(h) A description of the purchase of any security referred to in subsection (1) of this section during the twelve calendar months before the filing of the statement, by an acquiring party, including the dates of purchase, names of the purchasers, and consideration paid or agreed to be paid for the security.

(i) A description of any recommendations to purchase any security referred to in subsection (1) of this section made during the twelve calendar months before the filing of the statement, by an acquiring party, or by anyone based upon interviews or at the suggestion of the acquiring party.

(j) Copies of all tender offers for, requests or invitations for tenders of, exchange offers for, and agreements to acquire or exchange any securities referred to in subsection (1) of this section, and, if distributed, of additional soliciting material relating to the securities.

(k) The term of an agreement, contract, or understanding made with or proposed to be made with a broker-dealer as to solicitation or securities referred to in subsection (1) of this section for tender, and the amount of fees, commissions, or other compensation to be paid to broker-dealers with regard to the securities.

(l) Such additional information as the commissioner may prescribe by rule as necessary or appropriate for the protection of policyholders of the insurer or in the public interest.

If the person required to file the statement referred to in subsection (1) of this section is a partnership, limited partnership, syndicate, or other group, the commissioner may require that the information called for by (a) through (l) of this subsection shall be given with respect to each partner of the partnership or limited partnership, each member of the syndicate or group, and each person who controls a partner or member. If a partner, member, or person is a corporation, or the person required to file the statement referred to in subsection (1) of this section is a corporation, the commissioner may require that the information called for by (a) through (l) of this subsection shall be given with respect to the corporation, each officer and director of the corporation, and each person who is directly or indirectly the beneficial owner of more than ten percent of the outstanding voting securities of the corporation.

If a material change occurs in the facts set forth in the statement filed with the commissioner and sent to the insurer under this section, an amendment setting forth the change, together with copies of all documents and other material relevant to the change, must be filed with the commissioner and sent to the insurer within two business days after the person learns of the change.

(3) If an offer, request, invitation, agreement, or acquisition referred to in subsection (1) of this section is proposed to be made by means of a registration statement under the Securities Act of 1933 or in circumstances requiring the disclosure of similar information under the Securities Exchange Act of 1934, or under a state law requiring similar registration or disclosure, the person required to file the statement referred to in subsection (1) of this section may use those documents in furnishing the information called for by that statement.

(4)(a) The commissioner shall approve a merger or other acquisition of control referred to in subsection (1) of this section unless, after a public hearing thereon, he or she finds that:

(i) After the change of control, the domestic insurer referred to in subsection (1) of this section would not be able to satisfy the requirements for the issuance of a license to write the line or lines of insurance for which it is presently licensed;

(ii) The effect of the merger or other acquisition of control would be substantially to lessen competition in insurance in this state or tend to create a monopoly therein. In applying the competitive standard in (a)(ii) of this subsection:

(A) The informational requirements of section 5(3)(a) of this act and the standards of section 5(4)(b) of this act apply;

(B) The commissioner may not disapprove the merger or other acquisition if the commissioner finds that any of the situations meeting the criteria provided by section 5(4)(c) of this act exist; and

(C) The commissioner may condition the approval of the merger or other acquisition on the removal of the basis of disapproval within a specified period of time;

(iii) The financial condition of an acquiring party is such as might jeopardize the financial stability of the insurer, or prejudice the interest of its policyholders;

(iv) The plans or proposals that the acquiring party has to liquidate the insurer, sell its assets, consolidate or merge it with any person, or to make any other material change in its business or corporate structure or management, are unfair and unreasonable to policyholders of the insurer and not in the public interest;

(v) The competence, experience, and integrity of those persons who would control the operation of the insurer are such that it would not be in the interest of policyholders of the insurer and of the public to permit the merger or other acquisition of control; or

(vi) The acquisition is likely to be hazardous or prejudicial to the insurance-buying public.

(b) The commissioner shall approve an exchange or other acquisition of control referred to in section 4 of this act within sixty days after he or she declares the statement filed under section 4 of this act to be complete and after holding a public hearing. At the hearing, the person filing the statement, the insurer, and any person whose significant interest is determined by the commissioner to be affected may present evidence, examine and cross-examine witnesses, and offer oral and written arguments and in connection therewith may conduct discovery proceedings in the same manner as is allowed in the superior court of this state. All discovery proceedings must be concluded not later than three days before the commencement of the public hearing.

(c) The commissioner may retain at the acquiring person's expense any attorneys, actuaries, accountants, and other experts not otherwise a part of the commissioner's staff as may be reasonably necessary to assist the commissioner in reviewing the proposed acquisition of control. All reasonable costs of a hearing held under this section, as determined by the commissioner, including costs associated with the commissioner's use of investigatory, professional, and other necessary personnel, mailing of required notices and other information, and use of equipment or facilities, must be paid before issuance of the commissioner's order by the acquiring person.

(5) This section does not apply to:

(a) A transaction that is subject to RCW 48.31.010, dealing with the merger or consolidation of two or more insurers;

(b) An offer, request, invitation, agreement, or acquisition that the commissioner by order has exempted from this section as: (i) Not having been made or entered into for the purpose and not having the effect of changing or influencing the control of a domestic insurer, or (ii) otherwise not comprehended within the purposes of this section.

(6) The following are violations of this section:

(a) The failure to file a statement, amendment, or other material required to be filed under subsection (1) or (2) of this section; or

(b) The effectuation or an attempt to effectuate an acquisition of control of, or merger with, a domestic insurer unless the commissioner has given approval thereto.

(7) The courts of this state have jurisdiction over every person not resident, domiciled, or authorized to do business in this state who files a statement with the commissioner under this section, and over all actions involving that person arising out of violations of this section, and each such person is deemed to have performed acts equivalent to and constituting an appointment by that person of the commissioner to be the person's true and lawful attorney upon whom may be served all lawful process in an action, suit, or proceeding arising out of violations of this section. Copies of all such lawful process shall be served on the commissioner and transmitted by registered or certified mail by the commissioner to such person at the person's last known address.

NEW SECTION. Sec. 5. (1) The definitions in this subsection apply only for the purposes of this section.

(a) "Acquisition" means an agreement, arrangement, or activity, the consummation of which results in a person acquiring directly or indirectly the control of another person, and includes but is not limited to the acquisition of voting securities, the acquisition of assets, bulk reinsurance, and mergers.

(b) An "involved insurer" includes an insurer which either acquires or is acquired, is affiliated with an acquirer or acquired, or is the result of a merger.

(2)(a) Except as exempted in (b) of this subsection, this section applies to any acquisition in which there is a change in control of an insurer authorized to do business in this state.

(b) This section does not apply to the following:

(i) An acquisition subject to approval or disapproval by the commissioner under section 4 of this act;

(ii) A purchase of securities solely for investment purposes so long as the securities are not used by voting or otherwise to cause or attempt to cause the substantial lessening of competition in any insurance market in this state. If a purchase of securities results in a presumption of control under section 2(2) of this act, it is not solely for investment purposes unless the commissioner of the insurer's state of domicile accepts a disclaimer of control or affirmatively finds that control does not exist and the disclaimer action or affirmative finding is communicated by the domiciliary commissioner to the commissioner of this state;

(iii) The acquisition of a person by another person when neither person is directly nor through affiliates primarily engaged in the business of insurance, if preacquisition notification is filed with the commissioner in accordance with subsection (3)(a) of this section sixty days before the proposed effective date of the acquisition. However, preacquisition notification is not required for exclusion from this section if the acquisition would otherwise be excluded from this section by this subsection (2)(b);

(iv) The acquisition of already affiliated persons;

(v) An acquisition if, as an immediate result of the acquisition:

(A) In no market would the combined market share of the involved insurers exceed five percent of the total market;

(B) There would be no increase in any market share; or

(C) In no market would:

(I) The combined market share of the involved insurers exceed twelve percent of the total market; and

(II) The market share increase by more than two percent of the total market.

For the purpose of (b)(v) of this subsection, a "market" means direct written insurance premium in this state for a line of business as contained in the annual statement required to be filed by insurers licensed to do business in this state;

(vi) An acquisition for which a preacquisition notification would be required under this section due solely to the resulting effect on the ocean marine insurance line of business;

(vii) An acquisition of an insurer whose domiciliary commissioner affirmatively finds: That the insurer is in failing condition; there is a lack of feasible alternative to improving such condition; and the public benefits of improving the insurer's condition through the acquisition exceed the public benefits that would arise from not lessening competition; and the findings are communicated by the domiciliary commissioner to the commissioner of this state.

(3) An acquisition covered by subsection (2) of this section may be subject to an order under subsection (5) of this section unless the acquiring person files a preacquisition notification and the waiting period has expired. The acquired person may file a preacquisition notification.

(a) The preacquisition notification must be in such form and contain such information as prescribed by the commissioner relating to those markets that, under subsection (2)(b)(v) of this section, cause the acquisition not to be exempted from this section. The commissioner may require such additional material and information as he or she deems necessary to determine whether the proposed acquisition, if consummated, would violate the competitive standard of subsection (4) of this section. The required information may include an opinion of an economist as to the competitive impact of the acquisition in this state accompanied by a summary of the education and experience of the person indicating his or her ability to render an informed opinion.

(b) The waiting period required begins on the date the commissioner declares the preacquisition notification to be complete and ends on the earlier of the sixtieth day after the date of the declaration or the termination of the waiting period by the commissioner. Before the end of the waiting period, the commissioner may require the submission of additional needed information relevant to the proposed acquisition. If additional information is required, the waiting period ends on the earlier of the sixtieth day after the commissioner declares he or she has received the additional information or the termination of the waiting period by the commissioner.

(4)(a) The commissioner may enter an order under subsection (5)(a) of this section with respect to an acquisition if there is substantial evidence that the

effect of the acquisition may be substantially to lessen competition in a line of insurance in this state or tend to create a monopoly therein or if the insurer fails to file adequate information in compliance with subsection (3) of this section.

(b) In determining whether a proposed acquisition would violate the competitive standard of (a) of this subsection, the commissioner shall consider the following:

(i) An acquisition covered under subsection (2) of this section involving two or more insurers competing in the same market is prima facie evidence of violation of the competitive standards:

(A) If the market is highly concentrated and the involved insurers possess the following shares of the market:

Insurer A	Insurer B
4%	4% or more
10%	2% or more
15%	1% or more; or

(B) If the market is not highly concentrated and the involved insurers possess the following shares of the market:

Insurer A	Insurer B
5%	5% or more
10%	4% or more
15%	3% or more
19%	1% or more

A highly concentrated market is one in which the share of the four largest insurers is seventy-five percent or more of the market. Percentages not shown in the tables are interpolated proportionately to the percentages that are shown. If more than two insurers are involved, exceeding the total of the two columns in the table is prima facie evidence of violation of the competitive standard in (a) of this subsection. For the purpose of (b)(i) of this subsection, the insurer with the largest share of the market is Insurer A.

(ii) There is a significant trend toward increased concentration when the aggregate market share of a grouping of the largest insurers in the market, from the two largest to the eight largest, has increased by seven percent or more of the market over a period of time extending from a base year five to ten years before the acquisition up to the time of the acquisition. An acquisition or merger covered under subsection (2) of this section involving two or more insurers competing in the same market is prima facie evidence of violation of the competitive standard in (a) of this subsection if:

(A) There is a significant trend toward increased concentration in the market;

(B) One of the insurers involved is one of the insurers in a grouping of such large insurers showing the requisite increase in the market share; and

(C) Another involved insurer's market is two percent or more.

(iii) For the purposes of (b) of this subsection:

(A) The term "insurer" includes a company or group of companies under common management, ownership, or control;

(B) The term "market" means the relevant product and geographical markets. In determining the relevant product and geographical markets, the commissioner shall give due consideration to, among other things, the definitions or guidelines, if any, adopted by the National Association of Insurance Commissioners and to information, if any, submitted by parties to the acquisition. In the absence of sufficient information to the contrary, the relevant product market is assumed to be the direct written insurance premium for a line of business, such line being that used in the annual statement required to be filed by insurers doing business in this state, and the relevant geographical market is assumed to be this state;

(C) The burden of showing prima facie evidence of violation of the competitive standard rests upon the commissioner.

(iv) Even though an acquisition is not prima facie violative of the competitive standard under (b)(i) and (ii) of this subsection, the commissioner may establish the requisite anticompetitive effect based upon other substantial evidence. Even though an acquisition is prima facie violative of the competitive standard under (b)(i) and (ii) of this subsection, a party may establish the absence of the requisite anticompetitive effect based upon other substantial evidence. Relevant factors in making a determination under (b)(iv) of this subsection include, but are not limited to, the following: Market shares, volatility of ranking of market leaders, number of competitors, concentration, trend of concentration in the industry, and ease of entry and exit into the market.

(c) An order may not be entered under subsection (5)(a) of this section if:

(i) The acquisition will yield substantial economies of scale or economies in resource use that cannot be feasibly achieved in any other way, and the public benefits that would arise from the economies exceed the public benefits that would arise from not lessening competition; or

(ii) The acquisition will substantially increase the availability of insurance, and the public benefits of the increase exceed the public benefits that would arise from not lessening competition.

(5)(a)(i) If an acquisition violates the standards of this section, the commissioner may enter an order:

(A) Requiring an involved insurer to cease and desist from doing business in this state with respect to the line or lines of insurance involved in the violation; or

(B) Denying the application of an acquired or acquiring insurer for a license to do business in this state.

(ii) The commissioner may not enter the order unless: (A) There is a hearing; (B) notice of the hearing is issued before the end of the waiting period and not less than fifteen days before the hearing; and (C) the hearing is concluded and the order is issued no later than sixty days after the end of the

waiting period. Every order must be accompanied by a written decision of the commissioner setting forth his or her findings of fact and conclusions of law.

(iii) An order entered under (a) of this subsection may not become final earlier than thirty days after it is issued, during which time the involved insurer may submit a plan to remedy the anticompetitive impact of the acquisition within a reasonable time. Based upon the plan or other information, the commissioner shall specify the conditions, if any, under the time period during which the aspects of the acquisition causing a violation of the standards of this section would be remedied and the order vacated or modified.

(iv) An order pursuant to (a) of this subsection does not apply if the acquisition is not consummated.

(b) A person who violates a cease and desist order of the commissioner under (a) of this subsection and while the order is in effect, may, after notice and hearing and upon order of the commissioner, be subject at the discretion of the commissioner to one or more of the following:

(i) A monetary penalty of not more than ten thousand dollars for every day of violation; or

(ii) Suspension or revocation of the person's license; or

(iii) Both (b)(i) and (b)(ii) of this subsection.

(c) An insurer or other person who fails to make a filing required by this section and who also fails to demonstrate a good faith effort to comply with the filing requirement, is subject to a civil penalty of not more than fifty thousand dollars.

(6) Sections 10 (2) and (3) and 11 of this act do not apply to acquisitions covered under subsection (2) of this section.

NEW SECTION. Sec. 6. (1) Every insurer authorized to do business in this state that is a member of an insurance holding company system shall register with the commissioner, except a foreign insurer subject to registration requirements and standards adopted by statute or regulation in the jurisdiction of its domicile that are substantially similar to those contained in:

(a) This section;

(b) Section 7 (1)(a), (2), and (3) of this act; and

(c) Either section 7(1)(b) of this act or a provision such as the following: Each registered insurer shall keep current the information required to be disclosed in its registration statement by reporting all material changes or additions within fifteen days after the end of the month in which it learns of each change or addition.

An insurer subject to registration under this section shall register within fifteen days after it becomes subject to registration, and annually thereafter by May 15th of each year for the previous calendar year, unless the commissioner for good cause shown extends the time for registration, and then within the extended time. The commissioner may require an insurer authorized to do business in the state that is a member of a holding company system, but that is not subject to registration under this section, to furnish a copy of the registration

statement, the summary specified in subsection (3) of this section, or other information filed by the insurance company with the insurance regulatory authority of its domiciliary jurisdiction.

(2) An insurer subject to registration shall file the registration statement on a form prescribed by the commissioner, containing the following current information:

(a) The capital structure, general financial condition, ownership, and management of the insurer and any person controlling the insurer;

(b) The identity and relationship of every member of the insurance holding company system;

(c) The following agreements in force, and transactions currently outstanding or that have occurred during the last calendar year between the insurer and its affiliates:

(i) Loans, other investments, or purchases, sales, or exchanges of securities of the affiliates by the insurer or of the insurer by its affiliates;

(ii) Purchases, sales, or exchange of assets;

(iii) Transactions not in the ordinary course of business;

(iv) Guarantees or undertakings for the benefit of an affiliate that result in an actual contingent exposure of the insurer's assets to liability, other than insurance contracts entered into in the ordinary course of the insurer's business;

(v) All management agreements, service contracts, and cost-sharing arrangements;

(vi) Reinsurance agreements;

(vii) Dividends and other distributions to shareholders; and

(viii) Consolidated tax allocation agreements;

(d) Any pledge of the insurer's stock, including stock of subsidiary or controlling affiliate, for a loan made to a member of the insurance holding company system;

(e) Other matters concerning transactions between registered insurers and affiliates as may be included from time to time in registration forms adopted or approved by the commissioner.

(3) Registration statements must contain a summary outlining all items in the current registration statement representing changes from the prior registration statement.

(4) No information need be disclosed on the registration statement filed under subsection (2) of this section if the information is not material for the purposes of this section. Unless the commissioner by rule or order provides otherwise, sales, purchases, exchanges, loans or extensions of credit, investments, or guarantees involving one-half of one percent or less of an insurer's admitted assets as of the 31st day of the previous December are not material for purposes of this section.

(5)(a) Subject to section 7(2) of this act, each registered insurer shall report to the commissioner all dividends and other distributions to shareholders within five business days after their declaration and at least fifteen business days before

payment, and shall provide the commissioner such other information as may be required by rule.

(b) If the commissioner determines that a registered insurer's surplus as regards policyholders is not reasonable in relation to the insurer's outstanding liabilities and adequate to its financial needs, the commissioner may order the registered insurance company to limit or discontinue the payment of stockholder dividends until such time as the surplus is adequate.

(6) A person within an insurance holding company system subject to registration shall provide complete and accurate information to an insurer, where the information is reasonably necessary to enable the insurer to comply with this chapter.

(7) The commissioner shall terminate the registration of an insurer that demonstrates that it no longer is a member of an insurance holding company system.

(8) The commissioner may require or allow two or more affiliated insurers subject to registration under this section to file a consolidated registration statement.

(9) The commissioner may allow an insurer authorized to do business in this state and part of an insurance holding company system to register on behalf of an affiliated insurer that is required to register under section 6(1) of this act and to file all information and material required to be filed under this section.

(10) This section does not apply to an insurer, information, or transaction if and to the extent that the commissioner by rule or order exempts the insurer, information, or transaction from this section.

(11) A person may file with the commissioner a disclaimer of affiliation with an authorized insurer, or an insurer or a member of an insurance holding company system may file the disclaimer. The disclaimer must fully disclose all material relationships and bases for affiliation between the person and the insurer as well as the basis for disclaiming the affiliation. After a disclaimer has been filed, the insurer is relieved of any duty to register or report under this section that may arise out of the insurer's relationship with the person unless and until the commissioner disallows the disclaimer. The commissioner shall disallow the a disclaimer only after furnishing all parties in interest with notice and opportunity to be heard and after making specific findings of fact to support the disallowance.

(12) Failure to file a registration statement or a summary of the registration statement required by this section within the time specified for the filing is a violation of this section.

NEW SECTION. Sec. 7. (1)(a) Transactions within a holding company system to which an insurer subject to registration is a party are subject to the following standards:

- (i) The terms must be fair and reasonable;
- (ii) Charges or fees for services performed must be fair and reasonable;

(iii) Expenses incurred and payment received must be allocated to the insurer in conformity with customary insurance accounting practices consistently applied;

(iv) The books, accounts, and records of each party to all such transactions must be so maintained as to clearly and accurately disclose the nature and details of the transactions, including such accounting information as is necessary to support the reasonableness of the charges or fees to the respective parties; and

(v) The insurer's surplus regarding policyholders after dividends or distributions to shareholders or affiliates must be reasonable in relation to the insurer's outstanding liabilities and adequate to its financial needs.

(b) The following transactions involving a domestic insurer and a person in its holding company system may not be entered into unless the insurer has notified the commissioner in writing of its intention to enter into the transaction and the commissioner declares the notice to be sufficient at least sixty days before, or such shorter period as the commissioner may permit, and the commissioner has not disapproved it within that period:

(i) Sales, purchases, exchanges, loans or extensions of credit, guarantees, or investments if the transactions are equal to or exceed: (A) With respect to nonlife insurers, the lesser of three percent of the insurer's admitted assets or twenty-five percent of surplus as regards policyholders; (B) with respect to life insurers, three percent of the insurer's admitted assets; each as of the 31st day of the previous December;

(ii) Loans or extensions of credit to any person who is not an affiliate, where the insurer makes the loans or extensions of credit with the agreement or understanding that the proceeds of the transactions, in whole or in substantial part, are to be used to make loans or extensions of credit to, to purchase assets of, or to make investments in, an affiliate of the insurer making the loans or extensions of credit if the transactions are equal to or exceed: (A) With respect to nonlife insurers, the lesser of three percent of the insurer's admitted assets or twenty-five percent of surplus as regards policyholders; (B) with respect to life insurers, three percent of the insurer's admitted assets; each as of the 31st day of the previous December;

(iii) Reinsurance agreements or modifications to them in which the reinsurance premium or a change in the insurer's liabilities equals or exceeds five percent of the insurer's surplus as regards policyholders, as of the 31st day of the previous December, including those agreements that may require as consideration the transfer of assets from an insurer to a nonaffiliate, if an agreement or understanding exists between the insurer and nonaffiliate that any portion of the assets will be transferred to one or more affiliates of the insurer;

(iv) Management agreements, service contracts, and cost-sharing arrangements; and

(v) Material transactions, specified by rule, that the commissioner determines may adversely affect the interests of the insurer's policyholders.

Nothing contained in this section authorizes or permits a transaction that, in the case of an insurer not a member of the same holding company system, would be otherwise contrary to law.

(c) A domestic insurer may not enter into transactions that are part of a plan or series of like transactions with persons within the holding company system if the purpose of those separate transactions is to avoid the statutory threshold amount and thus avoid the review that would occur otherwise. If the commissioner determines that the separate transactions were entered into over a twelve-month period for that purpose, the commissioner may apply for an order as described in section 10(1) of this act.

(d) The commissioner, in reviewing transactions under (b) of this subsection, shall consider whether the transactions comply with the standards set forth in (a) of this subsection and whether they may adversely affect the interests of policyholders.

(e) The commissioner shall be notified within thirty days of an investment of the domestic insurer in any one corporation if the total investment in the corporation by the insurance holding company system exceeds ten percent of the corporation's voting securities.

(2)(a) No domestic insurer may pay an extraordinary dividend or make any other extraordinary distribution to its shareholders until: (i) Thirty days after the commissioner declares that he or she has received sufficient notice of the declaration thereof and has not within that period disapproved the payment; or (ii) the commissioner has approved the payment within the thirty-day period.

(b) For purposes of this section, an extraordinary dividend or distribution is a dividend or distribution of cash or other property whose fair market value, together with that of other dividends or distributions made within the period of twelve consecutive months ending on the date on which the proposed dividend is scheduled for payment or distribution, exceeds the greater of: (i) Ten percent of the company's surplus as regards policyholders as of the 31st day of the previous December; or (ii) the net gain from operations of the company if the company is a life insurance company, or the net income if the company is not a life insurance company, for the twelve month period ending the 31st day of the previous December, but does not include pro rata distributions of any class of the company's own securities.

(c) Notwithstanding any other provision of law, an insurer may declare an extraordinary dividend or distribution that is conditional upon the commissioner's approval. The declaration confers no rights upon shareholders until: (i) The commissioner has approved the payment of the dividend or distribution; or (ii) the commissioner has not disapproved the payment within the thirty-day period referred to in (a) of this subsection.

(3) For purposes of this chapter, in determining whether an insurer's surplus as regards policyholders is reasonable in relation to the insurer's outstanding liabilities and adequate to its financial needs, the following factors, among others, may be considered:

- (a) The size of the insurer as measured by its assets, capital and surplus, reserves, premium writings, insurance in force, and other appropriate criteria;
- (b) The extent to which the insurer's business is diversified among the several lines of insurance;
- (c) The number and size of risks insured in each line of business;
- (d) The extent of the geographical dispersion of the insurer's insured risks;
- (e) The nature and extent of the insurer's reinsurance program;
- (f) The quality, diversification, and liquidity of the insurer's investment portfolio;
- (g) The recent past and projected future trend in the size of the insurer's surplus as regards policyholders;
- (h) The surplus as regards policyholders maintained by other comparable insurers;
- (i) The adequacy of the insurer's reserves;
- (j) The quality and liquidity of investments in affiliates. The commissioner may discount any such investment or may treat any such investment as a disallowed asset for purposes of determining the adequacy of surplus as regards policyholders whenever in his or her judgment the investment so warrants; and
- (k) The quality of the insurer's earnings and the extent to which the reported earnings include extraordinary items.

NEW SECTION. Sec. 8. (1) Subject to the limitation contained in this section and in addition to the powers that the commissioner has under chapter 48.03 RCW relating to the examination of insurers, the commissioner also may order an insurer registered under section 6 of this act to produce such records, books, or other information papers in the possession of the insurer or its affiliates as are reasonably necessary to ascertain the financial condition of the insurer or to determine compliance with this title. If the insurer fails to comply with the order, the commissioner may examine the affiliates to obtain the information.

(2) The commissioner may retain at the registered insurer's expense such attorneys, actuaries, accountants, and other experts not otherwise a part of the commissioner's staff as are reasonably necessary to assist in the conduct of the examination under subsection (1) of this section. Persons so retained are under the direction and control of the commissioner and shall act in a purely advisory capacity.

(3) Each registered insurer producing for examination records, books, and papers under subsection (1) of this section are liable for and shall pay the expense of the examination in accordance with RCW 48.03.060.

NEW SECTION. Sec. 9. The commissioner may, upon notice and opportunity for all interested persons to be heard, adopt rules and issue orders that are necessary to carry out this chapter.

NEW SECTION. Sec. 10. (1) Whenever it appears to the commissioner that an insurer or a director, officer, employee, or agent of the insurer has committed or is about to commit a violation of this chapter or any rule or order

of the commissioner under this chapter, the commissioner may apply to the superior court for Thurston county or to the court for the county in which the principal office of the insurer is located for an order enjoining the insurer or the director, officer, employee, or agent from violating or continuing to violate this chapter or any such rule or order, and for such other equitable relief as the nature of the case and the interest of the insurer's policyholders, creditors, and shareholders or the public may require.

(2) No security that is the subject of an agreement or arrangement regarding acquisition, or that is acquired or to be acquired, in contravention of this chapter or of a rule or order of the commissioner under this chapter may be voted at a shareholders' meeting, or may be counted for quorum purposes. Any action of shareholders requiring the affirmative vote of a percentage of shares may be taken as though the securities were not issued and outstanding, but no action taken at any such meeting may be invalidated by the voting of the securities, unless the action would materially affect control of the insurer or unless the courts of this state have so ordered. If an insurer or the commissioner has reason to believe that a security of the insurer has been or is about to be acquired in contravention of this chapter or of a rule or order of the commissioner under this chapter, the insurer or the commissioner may apply to the superior court for Thurston county or to the court for the county in which the insurer has its principal place of business to enjoin an offer, request, invitation, agreement, or acquisition made in contravention of section 4 of this act or a rule or order of the commissioner under that section to enjoin the voting of a security so acquired, to void a vote of the security already cast at a meeting of shareholders, and for such other relief as the nature of the case and the interest of the insurer's policyholders, creditors, and shareholders or the public may require.

(3) If a person has acquired or is proposing to acquire voting securities in violation of this chapter or a rule or order of the commissioner under this chapter, the superior court for Thurston county or the court for the county in which the insurer has its principal place of business may, on such notice as the court deems appropriate, upon the application of the insurer or the commissioner seize or sequester voting securities of the insurer owned directly or indirectly by the person, and issue such order with respect to the securities as may be appropriate to carry out this chapter.

Notwithstanding any other provisions of law, for the purposes of this chapter, the situs of the ownership of the securities of domestic insurers is in this state.

NEW SECTION. Sec. 11. (1) The commissioner shall require, after notice and hearing, an insurer failing, without just cause, to file a registration statement as required in this chapter, to pay a penalty of not more than ten thousand dollars per day. The maximum penalty under this section is one million dollars. The commissioner may reduce the penalty if the insurer demonstrates to the commissioner that the imposition of the penalty would constitute a financial

hardship to the insurer. The commissioner shall pay a fine collected under this section to the state treasurer for the account of the general fund.

(2) Every director or officer of an insurance holding company system who knowingly violates this chapter, or participates in, or assents to, or who knowingly permits an officer or agent of the insurer to engage in transactions or make investments that have not been properly reported or submitted under section 6(1) or 7 (1)(b) or (2) of this act, or that violate this chapter, shall pay, in their individual capacity, a civil forfeiture of not more than ten thousand dollars per violation, after notice and hearing before the commissioner. In determining the amount of the civil forfeiture, the commissioner shall take into account the appropriateness of the forfeiture with respect to the gravity of the violation, the history of previous violations, and such other matters as justice may require.

(3) Whenever it appears to the commissioner that an insurer subject to this chapter or a director, officer, employee, or agent of the insurer has engaged in a transaction or entered into a contract that is subject to section 7 of this act and that would not have been approved had approval been requested, the commissioner may order the insurer to cease and desist immediately any further activity under that transaction or contract. After notice and hearing the commissioner may also order the insurer to void any such contracts and restore the status quo if that action is in the best interest of the policyholders, creditors, or the public.

(4) Whenever it appears to the commissioner that an insurer or a director, officer, employee, or agent of the insurer has committed a willful violation of this chapter, the commissioner may refer the matter to the prosecuting attorney of Thurston county or the county in which the principal office of the insurer is located. An insurer that willfully violates this chapter may be fined not more than one million dollars. Any individual who willfully violates this chapter may be fined in his or her individual capacity not more than ten thousand dollars, or be imprisoned for not more than three years, or both.

(5) An officer, director, or employee of an insurance holding company system who willfully and knowingly subscribes to or makes or causes to be made a false statement or false report or false filing with the intent to deceive the commissioner in the performance of his or her duties under this chapter, upon conviction thereof, shall be imprisoned for not more than three years or fined not more than ten thousand dollars or both. The officer, director, or employee upon whom the fine is imposed shall pay the fine in his or her individual capacity.

NEW SECTION. **Sec. 12.** Whenever it appears to the commissioner that a person has committed a violation of this chapter that so impairs the financial condition of a domestic insurer as to threaten insolvency or make the further transaction of business by it hazardous to its policyholders, creditors, shareholders, or the public, the commissioner may proceed as provided in RCW 48.31.030 and 48.31.040 to take possession of the property of the domestic insurer and to conduct the business of the insurer.

NEW SECTION. **Sec. 13.** (1) If an order for liquidation or rehabilitation of a domestic insurer has been entered, the receiver appointed under the order may recover on behalf of the insurer: (a) From a parent corporation or holding company or person or affiliate who otherwise controlled the insurer, the amount of distributions, other than distributions of shares of the same class of stock, paid by the insurer on its capital stock; or (b) a payment in the form of a bonus, termination settlement, or extraordinary lump sum salary adjustment made by the insurer or its subsidiary to a director, officer, or employee, where the distribution or payment under (a) or (b) of this subsection is made at any time during the one year before the petition for liquidation, conservation, or rehabilitation, as the case may be, subject to the limitations of subsections (2), (3), and (4) of this section.

(2) No such distribution is recoverable if it is shown that when paid, the distribution was lawful and reasonable, and that the insurer did not know and could not reasonably have known that the distribution might adversely affect the ability of the insurer to fulfill its contractual obligations.

(3) A person who was a parent corporation or holding company or a person who otherwise controlled the insurer or affiliate when the distributions were paid is liable up to the amount of distributions or payments under subsection (1) of this section the person received. A person who controlled the insurer at the time the distributions were declared is liable up to the amount of distributions he or she would have received if they had been paid immediately. If two or more persons are liable with respect to the same distributions, they are jointly and severally liable.

(4) The maximum amount recoverable under this section is the amount needed in excess of all other available assets of the impaired or insolvent insurer to pay the contractual obligations of the impaired or insolvent insurer and to reimburse any guaranty funds.

(5) To the extent that a person liable under subsection (3) of this section is insolvent or otherwise fails to pay claims due from it under those provisions, its parent corporation or holding company or person who otherwise controlled it at the time the distribution was paid, is jointly and severally liable for a resulting deficiency in the amount recovered from the parent corporation or holding company or person who otherwise controlled it.

NEW SECTION. **Sec. 14.** Whenever it appears to the commissioner that a person has committed a violation of this chapter that makes the continued operation of an insurer contrary to the interests of policyholders or the public, the commissioner may, after giving notice and an opportunity to be heard, determine to suspend, revoke, or refuse to renew the insurer's license or authority to do business in this state for such period as he or she finds is required for the protection of policyholders or the public. Such a determination must be accompanied by specific findings of fact and conclusions of law.

NEW SECTION. **Sec. 15.** (1) A person aggrieved by an act, determination, rule, order, or any other action of the commissioner under this chapter may

proceed in accordance with the Administrative Procedure Act, chapter 34.05 RCW.

(2) A person aggrieved by a failure of the commissioner to act or make a determination required by this chapter may petition the commissioner under the procedure described in RCW 34.05.330.

NEW SECTION. Sec. 16. This chapter may be known and cited as the Business Transacted with Broker-controlled Property and Casualty Insurer Act.

NEW SECTION. Sec. 17. Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Accredited state" means a state in which the insurance department or regulatory agency has qualified as meeting the minimum financial regulatory standards promulgated and established from time to time by the National Association of Insurance Commissioners.

(2) "Broker" means an insurance broker or brokers or any other person, firm, association, or corporation, when, for compensation, commission, or other thing of value, the person, firm, association, or corporation acts or aids in any manner in soliciting, negotiating, or procuring the making of an insurance contract on behalf of an insured other than the person, firm, association, or corporation.

(3) "Control" or "controlled by" has the meaning ascribed in section 2(2) of this act.

(4) "Controlled insurer" means a licensed insurer that is controlled, directly or indirectly, by a broker.

(5) "Controlling producer" means a broker who, directly or indirectly, controls an insurer.

(6) "Licensed insurer" or "insurer" means a person, firm, association, or corporation licensed to transact property and casualty insurance business in this state. The following, among others, are not licensed insurers for purposes of this chapter:

(a) Risk retention groups as defined in the Superfund Amendments Reauthorization Act of 1986, P.L. 99-499, 100 Stat. 1613 (1986), the Risk Retention Act, 15 U.S.C. Sec. 3901 et seq. (1982 & Supp. 1986), and chapter 48.92 RCW;

(b) Residual market pools and joint underwriting associations; and

(c) Captive insurers. For the purposes of this chapter, captive insurers are insurance companies owned by another organization, whose exclusive purpose is to insure risks of the parent organization and affiliated companies or, in the case of groups and associations, insurance organizations owned by the insureds whose exclusive purpose is to insure risks to member organizations or group members, or both, and their affiliates.

NEW SECTION. Sec. 18. This chapter applies to licensed insurers either domiciled in this state or domiciled in a state that is not an accredited state having in effect a substantially similar law. All provisions of the Insurer

Holding Company Act, chapter 48.— RCW (sections 1 through 15 of this act), or its successor act, to the extent they are not superseded by this chapter, continue to apply to all parties within the holding company systems subject to this chapter.

NEW SECTION. Sec. 19. (1)(a) This section applies in a particular calendar year if in that calendar year the aggregate amount of gross written premium on business placed with a controlled insurer by a controlling broker is equal to or greater than five percent of the admitted assets of the controlled insurer, as reported in the controlled insurer's quarterly statement filed as of September 30th of the prior year.

(b) Notwithstanding (a) of this subsection, this section does not apply if:

(i) The controlling producer:

(A) Places insurance only with the controlled insurer; or only with the controlled insurer and a member or members of the controlled insurer's holding company system, or the controlled insurer's parent, affiliate, or subsidiary and receives no compensation based upon the amount of premiums written in connection with the insurance; and

(B) Accepts insurance placements only from nonaffiliated subbrokers, and not directly from insureds; and

(ii) The controlled insurer, except for business written through a residual market facility such as the assigned risk plan, fair plans, or other such plans, accepts insurance business only from a controlling broker, a broker controlled by the controlled insurer, or a broker that is a subsidiary of the controlled insurer.

(2) A controlled insurer may not accept business from a controlling broker and a controlling broker may not place business with a controlled insurer unless there is a written contract between the controlling broker and the insurer specifying the responsibilities of each party, which contract has been approved by the board of directors of the insurer and contains the following minimum provisions:

(a) The controlled insurer may terminate the contract for cause, upon written notice to the controlling broker. The controlled insurer shall suspend the authority of the controlling broker to write business during the pendency of a dispute regarding the cause for the termination;

(b) The controlling broker shall render accounts to the controlling insurer detailing all material transactions, including information necessary to support all commissions, charges, and other fees received by, or owing to, the controlling broker;

(c) The controlling broker shall remit all funds due under the terms of the contract to the controlling insurer on at least a monthly basis. The due date must be fixed so that premiums or installments collected are remitted no later than ninety days after the effective date of a policy placed with the controlling insurer under this contract;

(d) The controlling broker shall hold all funds collected for the controlled insurer's account in a fiduciary capacity, in one or more appropriately identified

bank accounts in banks that are members of the federal reserve system, in accordance with the applicable provisions of this title. However, funds of a controlling broker not required to be licensed in this state must be maintained in compliance with the requirements of the controlling broker's domiciliary jurisdiction;

(e) The controlling broker shall maintain separately identifiable records of business written for the controlled insurer;

(f) The contract shall not be assigned in whole or in part by the controlling broker;

(g) The controlled insurer shall provide the controlling broker with its underwriting standards, rules, and procedures, manuals setting forth the rates to be charged, and the conditions for the acceptance or rejection of risks. The controlling broker shall adhere to the standards, rules, procedures, rates, and conditions that are the same as those applicable to comparable business placed with the controlled insurer by a broker other than the controlling broker;

(h) The rates of the controlling broker's commissions, charges, and other fees must be no greater than those applicable to comparable business placed with the controlled insurer by brokers other than controlling brokers. For purposes of (g) and (h) of this subsection, examples of comparable business include the same lines of insurance, same kinds of insurance, same kinds of risks, similar policy limits, and similar quality of business;

(i) If the contract provides that the controlling broker, on insurance business placed with the insurer, is to be compensated contingent upon the insurer's profits on that business, then the compensation shall not be determined and paid until at least five years after the premiums on liability insurance are earned and at least one year after the premiums are earned on any other insurance. In no event may the commissions be paid until the adequacy of the controlled insurer's reserves on remaining claims has been independently verified under subsection (3) of this section;

(j) The insurer may establish a different limit on the controlling broker's writings in relation to the controlled insurer's surplus and total writings for each line or subline of business. The controlled insurer shall notify the controlling broker when the applicable limit is approached and may not accept business from the controlling broker if the limit is reached. The controlling broker may not place business with the controlled insurer if it has been notified by the controlled insurer that the limit has been reached; and

(k) The controlling broker may negotiate but may not bind reinsurance on behalf of the controlled insurer on business the controlling broker places with the controlled insurer, except that the controlling broker may bind facultative reinsurance contracts under obligatory facultative agreements if the contract with the controlled insurer contains underwriting guidelines including, for both reinsurance assumed and ceded, a list of reinsurers with which the automatic agreements are in effect, the coverages and amounts of percentages that may be reinsured, and commission schedules.

(3) Every controlled insurer shall have an audit committee of the board of directors composed of independent directors. The audit committee shall annually meet with management, the insurer's independent certified public accountants, and an independent casualty actuary or other independent loss reserve specialist acceptable to the commissioner to review the adequacy of the insurer's loss reserves.

(4)(a) In addition to any other required loss reserve certification, the controlled insurer shall, annually, on April 1st of each year, file with the commissioner an opinion of an independent casualty actuary, or such other independent loss reserve specialist acceptable to the commissioner, reporting loss ratios for each line of business written and attesting to the adequacy of loss reserves established for losses incurred and outstanding as of year-end, including losses incurred but not reported, on business placed by the broker; and

(b) The controlled insurer shall annually report to the commissioner the amount of commissions paid to the producer, the percentage that amount represents of the net premiums written, and comparable amounts and percentages paid to noncontrolling brokers for placements of the same kinds of insurance.

NEW SECTION. **Sec. 20.** The broker, before the effective date of the policy, shall deliver written notice to the prospective insured disclosing the relationship between the broker and the controlled insurer, except that, if the business is placed through a subbroker who is not a controlling broker, the controlling broker shall retain in his or her records a signed commitment from the subbroker that the subbroker is aware of the relationship between the insurer and the broker and that the subbroker has notified or will notify the insured.

NEW SECTION. **Sec. 21.** (1)(a) If the commissioner believes that the controlling broker has not materially complied with this chapter, or a rule adopted or order issued under this chapter, the commissioner may after notice and opportunity to be heard, order the controlling broker to cease placing business with the controlled insurer; and

(b) If it is found that because of material noncompliance that the controlled insurer or any policyholder thereof has suffered loss or damage, the commissioner may maintain a civil action or intervene in an action brought by or on behalf of the insurer or policyholder for recovery of compensatory damages for the benefit of the insurer or policyholder or other appropriate relief.

(2) If an order for liquidation or rehabilitation of the controlled insurer has been entered under chapter 48.31 RCW, and the receiver appointed under that order believes that the controlling broker or any other person has not materially complied with this chapter, or a rule adopted or order issued under this chapter, and the insurer suffered any loss or damage from the noncompliance, the receiver may maintain a civil action for recovery of damages or other appropriate sanctions for the benefit of the insurer.

(3) Nothing contained in this section alters or affects the right of the commissioner to impose other penalties provided for in this title.

(4) Nothing contained in this section alters or affects the rights of policyholders, claimants, creditors, or other third parties.

NEW SECTION. Sec. 22. This chapter may be known and cited as the Reinsurance Intermediary Act.

NEW SECTION. Sec. 23. The definitions set forth in this section apply throughout this chapter:

(1) "Actuary" means a person who is a member in good standing of the American Academy of Actuaries.

(2) "Controlling person" means a person, firm, association, or corporation who directly or indirectly has the power to direct or cause to be directed, the management, control, or activities of the reinsurance intermediary.

(3) "Insurer" means insurer as defined in RCW 48.01.050.

(4) "Licensed producer" means an agent, broker, or reinsurance intermediary licensed under the applicable provisions of this title.

(5) "Reinsurance intermediary" means a reinsurance intermediary- broker or a reinsurance intermediary-manager as these terms are defined in subsections (6) and (7) of this section.

(6) "Reinsurance intermediary-broker" means a person, other than an officer or employee of the ceding insurer, firm, association, or corporation who solicits, negotiates, or places reinsurance cessions or retrocessions on behalf of a ceding insurer without the authority or power to bind reinsurance on behalf of the insurer.

(7) "Reinsurance intermediary-manager" means a person, firm, association, or corporation who has authority to bind or manages all or part of the assumed reinsurance business of a reinsurer, including the management of a separate division, department, or underwriting office, and acts as an agent for the reinsurer whether known as a reinsurance intermediary-manager, manager, or other similar term. Notwithstanding this subsection, the following persons are not considered a reinsurance intermediary-manager, with respect to such reinsurer, for the purposes of this chapter:

(a) An employee of the reinsurer;

(b) A United States manager of the United States branch of an alien reinsurer;

(c) An underwriting manager who, pursuant to contract, manages all the reinsurance operations of the reinsurer, is under common control with the reinsurer, subject to the Insurer Holding Company Act, chapter 48.— RCW (sections 1 through 15 of this act), and whose compensation is not based on the volume of premiums written;

(d) The manager of a group, association, pool, or organization of insurers that engages in joint underwriting or joint reinsurance and that are subject to examination by the insurance commissioner of the state in which the manager's principal business office is located.

(8) "Reinsurer" means a person, firm, association, or corporation licensed in this state under this title as an insurer with the authority to assume reinsurance.

(9) "To be in violation" means that the reinsurance intermediary, insurer, or reinsurer for whom the reinsurance intermediary was acting failed to substantially comply with this chapter.

(10) "Qualified United States financial institution" means an institution that:

(a) Is organized or, in the case of a United States office of a foreign banking organization, licensed, under the laws of the United States or any state thereof;

(b) Is regulated, supervised, and examined by United States federal or state authorities having regulatory authority over banks and trust companies; and

(c) Has been determined by either the commissioner, or the securities valuation office of the National Association of Insurance Commissioners, to meet such standards of financial condition and standing as are considered necessary and appropriate to regulate the quality of financial institutions whose letters of credit will be acceptable to the commissioner.

NEW SECTION. Sec. 24. (1) No person, firm, association, or corporation may act as a reinsurance intermediary-broker in this state if the person, firm, association, or corporation maintains an office either directly or as a member or employee of a firm or association, or an officer, director, or employee of a corporation:

(a) In this state, unless the person, firm, association, or corporation is a licensed reinsurance intermediary-broker in this state; or

(b) In another state, unless the person, firm, association, or corporation is a licensed reinsurance intermediary-broker in this state or another state having a regulatory scheme substantially similar to this chapter.

(2) No person, firm, association, or corporation may act as a reinsurance intermediary-manager:

(a) For a reinsurer domiciled in this state, unless the person, firm, association, or corporation is a licensed reinsurance intermediary-manager in this state;

(b) In this state, if the person, firm, association, or corporation maintains an office either directly or as a member or employee of a firm or association, or an officer, director, or employee of a corporation in this state, unless the person, firm, association, or corporation is a licensed reinsurance intermediary-manager in this state;

(c) In another state for a nondomestic reinsurer, unless the person, firm, association, or corporation is a licensed reinsurance intermediary-manager in this state or another state having a substantially similar regulatory scheme.

(3) The commissioner may require a reinsurance intermediary-manager subject to subsection (2) of this section to:

(a) File a bond in an amount and from an insurer acceptable to the commissioner for the protection of the reinsurer; and

(b) Maintain an errors and omissions policy in an amount acceptable to the commissioner.

(4)(a) The commissioner may issue a reinsurance intermediary license to a person, firm, association, or corporation who has complied with the requirements of this chapter. Any such license issued to a firm or association authorizes all the members of the firm or association and any designated employees to act as reinsurance intermediaries under the license, and all such persons may be named in the application and any supplements to it. Any such license issued to a corporation authorizes all of the officers, and any designated employees and directors of it, to act as reinsurance intermediaries on behalf of the corporation, and all such persons must be named in the application and any supplements to it.

(b) If the applicant for a reinsurance intermediary license is a nonresident, the applicant, as a condition precedent to receiving or holding a license, shall designate the commissioner as agent for service of process in the manner, and with the same legal effect, provided for by this title for designation of service of process upon unauthorized insurers, and also shall furnish the commissioner with the name and address of a resident of this state upon whom notices or orders of the commissioner or process affecting the nonresident reinsurance intermediary may be served. The licensee shall promptly notify the commissioner in writing of every change in its designated agent for service of process, but the change does not become effective until acknowledged by the commissioner.

(5) The commissioner may refuse to issue a reinsurance intermediary license if, in his or her judgment, the applicant, anyone named on the application, or a member, principal, officer, or director of the applicant, is not trustworthy, or that a controlling person of the applicant is not trustworthy to act as a reinsurance intermediary, or that any of the foregoing has given cause for revocation or suspension of the license, or has failed to comply with a prerequisite for the issuance of such license. Upon written request, the commissioner will furnish a summary of the basis for refusal to issue a license, which document is privileged and not subject to chapter 42.17 RCW.

(6) Licensed attorneys at law of this state when acting in their professional capacity as such are exempt from this section.

NEW SECTION. Sec. 25. Brokers transactions between a reinsurance intermediary-broker and the insurer it represents in such capacity may be entered into only under a written authorization, specifying the responsibilities of each party. The authorization must, at a minimum, provide that:

(1) The insurer may terminate the reinsurance intermediary-broker's authority at any time.

(2) The reinsurance intermediary-broker shall render accounts to the insurer accurately detailing all material transactions, including information necessary to support all commissions, charges, and other fees received by, or owing, to the reinsurance intermediary-broker, and remit all funds due to the insurer within thirty days of receipt.

(3) All funds collected for the insurer's account must be held by the reinsurance intermediary-broker in a fiduciary capacity in a bank that is a qualified United States financial institution as defined in this chapter.

(4) The reinsurance intermediary-broker will comply with section 26 of this act.

(5) The reinsurance intermediary-broker will comply with the written standards established by the insurer for the cession or retrocession of all risks.

(6) The reinsurance intermediary-broker will disclose to the insurer any relationship with any reinsurer to which business will be ceded or retroceded.

NEW SECTION. Sec. 26. (1) For at least ten years after expiration of each contract of reinsurance transacted by the reinsurance intermediary-broker, the reinsurance intermediary-broker shall keep a complete record for each transaction showing:

(a) The type of contract, limits, underwriting restrictions, classes, or risks and territory;

(b) Period of coverage, including effective and expiration dates, cancellation provisions, and notice required of cancellation;

(c) Reporting and settlement requirements of balances;

(d) Rate used to compute the reinsurance premium;

(e) Names and addresses of assuming reinsurers;

(f) Rates of all reinsurance commissions, including the commissions on any retrocessions handled by the reinsurance intermediary-broker;

(g) Related correspondence and memoranda;

(h) Proof of placement;

(i) Details regarding retrocessions handled by the reinsurance intermediary-broker including the identity of retrocessionaires and percentage of each contract assumed or ceded;

(j) Financial records, including but not limited to, premium and loss accounts; and

(k) When the reinsurance intermediary-broker procures a reinsurance contract on behalf of a licensed ceding insurer:

(i) Directly from any assuming reinsurer, written evidence that the assuming reinsurer has agreed to assume the risk; or

(ii) If placed through a representative of the assuming reinsurer, other than an employee, written evidence that the reinsurer has delegated binding authority to the representative.

(2) The insurer has access and the right to copy and audit all accounts and records maintained by the reinsurance intermediary-broker related to its business in a form usable by the insurer.

NEW SECTION. Sec. 27. (1) An insurer may not engage the services of a person, firm, association, or corporation to act as a reinsurance intermediary-broker on its behalf unless the person is licensed as required by section 24(1) of this act.

(2) An insurer may not employ an individual who is employed by a reinsurance intermediary-broker with which it transacts business, unless the reinsurance intermediary-broker is under common control with the insurer and subject to the Insurer Holding Company Act, chapter 48.— RCW (sections 1 through 15 of this act).

(3) The insurer shall annually obtain a copy of statements of the financial condition of each reinsurance intermediary-broker with which it transacts business.

NEW SECTION. Sec. 28. Transactions between a reinsurance intermediary manager and the reinsurer it represents in such capacity may be entered into only under a written contract, specifying the responsibilities of each party, which shall be approved by the reinsurer's board of directors. At least thirty days before the reinsurer assumes or cedes business through the reinsurance intermediary-manager, a true copy of the approved contract must be filed with the commissioner for approval. The contract must, at a minimum, provide that:

(1) The reinsurer may terminate the contract for cause upon written notice to the reinsurance intermediary-manager. The reinsurer may immediately suspend the authority of the reinsurance intermediary-manager to assume or cede business during the pendency of a dispute regarding the cause for termination.

(2) The reinsurance intermediary-manager shall render accounts to the reinsurer accurately detailing all material transactions, including information necessary to support all commissions, charges, and other fees received by, or owing to, the reinsurance intermediary-manager, and remit all funds due under the contract to the reinsurer on not less than a monthly basis.

(3) All funds collected for the reinsurer's account must be held by the reinsurance intermediary-manager in a fiduciary capacity in a bank that is a qualified United States financial institution. The reinsurance intermediary-manager may retain no more than three months' estimated claims payments and allocated loss adjustment expenses. The reinsurance intermediary-manager shall maintain a separate bank account for each reinsurer that it represents.

(4) For at least ten years after expiration of each contract of reinsurance transacted by the reinsurance intermediary-manager, the reinsurance intermediary-manager shall keep a complete record for each transaction showing:

(a) The type of contract, limits, underwriting restrictions, classes, or risks and territory;

(b) Period of coverage, including effective and expiration dates, cancellation provisions, and notice required of cancellation, and disposition of outstanding reserves on covered risks;

(c) Reporting and settlement requirements of balances;

(d) Rate used to compute the reinsurance premium;

(e) Names and addresses of reinsurers;

(f) Rates of all reinsurance commissions, including the commissions on any retrocessions handled by the reinsurance intermediary-manager;

(g) Related correspondence and memoranda;

- (h) Proof of placement;
- (i) Details regarding retrocessions handled by the reinsurance intermediary-manager, as permitted by section 30(4) of this act, including the identity of retrocessionaires and percentage of each contract assumed or ceded;
- (j) Financial records, including but not limited to, premium and loss accounts; and
- (k) When the reinsurance intermediary-manager places a reinsurance contract on behalf of a ceding insurer:
 - (i) Directly from an assuming reinsurer, written evidence that the assuming reinsurer has agreed to assume the risk; or
 - (ii) If placed through a representative of the assuming reinsurer, other than an employee, written evidence that the reinsurer has delegated binding authority to the representative.
- (5) The reinsurer has access and the right to copy all accounts and records maintained by the reinsurance intermediary-manager related to its business in a form usable by the reinsurer.
- (6) The reinsurance intermediary-manager may not assign the contract in whole or in part.
- (7) The reinsurance intermediary-manager shall comply with the written underwriting and rating standards established by the insurer for the acceptance, rejection, or cession of all risks.
- (8) The rates, terms, and purposes of commissions, charges, and other fees that the reinsurance intermediary-manager may levy against the reinsurer are clearly specified.
- (9) If the contract permits the reinsurance intermediary-manager to settle claims on behalf of the reinsurer:
 - (a) All claims will be reported to the reinsurer in a timely manner;
 - (b) A copy of the claim file will be sent to the reinsurer at its request or as soon as it becomes known that the claim:
 - (i) Has the potential to exceed the lesser of an amount determined by the commissioner or the limit set by the reinsurer;
 - (ii) Involves a coverage dispute;
 - (iii) May exceed the reinsurance intermediary-manager's claims settlement authority;
 - (iv) Is open for more than six months; or
 - (v) Is closed by payment of the lesser of an amount set by the commissioner or an amount set by the reinsurer;
 - (c) All claim files are the joint property of the reinsurer and reinsurance intermediary-manager. However, upon an order of liquidation of the reinsurer, the files become the sole property of the reinsurer or its estate; the reinsurance intermediary-manager has reasonable access to and the right to copy the files on a timely basis;
 - (d) Settlement authority granted to the reinsurance intermediary-manager may be terminated for cause upon the reinsurer's written notice to the reinsur-

ance intermediary-manager or upon the termination of the contract. The reinsurer may suspend the settlement authority during the pendency of a dispute regarding the cause of termination.

(10) If the contract provides for a sharing of interim profits by the reinsurance intermediary-manager, such interim profits will not be paid until one year after the end of each underwriting period for property business and five years after the end of each underwriting period for casualty business, or a later period set by the commissioner for specified lines of insurance, and not until the adequacy of reserves on remaining claims has been verified under section 30(3) of this act.

(11) The reinsurance intermediary-manager shall annually provide the reinsurer with a statement of its financial condition prepared by an independent certified accountant.

(12) The reinsurer shall periodically, at least semiannually, conduct an on-site review of the underwriting and claims processing operations of the reinsurance intermediary-manager.

(13) The reinsurance intermediary-manager shall disclose to the reinsurer any relationship it has with an insurer before ceding or assuming any business with the insurer under this contract.

(14) Within the scope of its actual or apparent authority the acts of the reinsurance intermediary-manager are deemed to be the acts of the reinsurer on whose behalf it is acting.

NEW SECTION. Sec. 29. The reinsurance intermediary-manager may not:

(1) Cede retrocessions on behalf of the reinsurer, except that the reinsurance intermediary-manager may cede facultative retrocessions under obligatory automatic agreements if the contract with the reinsurer contains reinsurance underwriting guidelines for the retrocessions. The guidelines must include a list of reinsurers with which the automatic agreements are in effect, and for each such reinsurer, the coverages and amounts or percentages that may be reinsured, and commission schedules.

(2) Commit the reinsurer to participate in reinsurance syndicates.

(3) Appoint a reinsurance intermediary without assuring that the reinsurance intermediary is lawfully licensed to transact the type of reinsurance for which he or she is appointed.

(4) Without prior approval of the reinsurer, pay or commit the reinsurer to pay a claim, net of retrocessions, that exceeds the lesser of an amount specified by the reinsurer or one percent of the reinsurer's policyholder's surplus as of December 31st of the last complete calendar year.

(5) Collect a payment from a retrocessionaire or commit the reinsurer to a claim settlement with a retrocessionaire, without prior approval of the reinsurer. If prior approval is given, a report must be promptly forwarded to the reinsurer.

(6) Jointly employ an individual who is employed by the reinsurer unless the reinsurance intermediary-manager is under common control with the reinsurer

subject to the Insurer Holding Company Act, chapter 48.— RCW (sections 1 through 15 of this act).

(7) Appoint a subreinsurance intermediary-manager.

NEW SECTION. Sec. 30. (1) A reinsurer may not engage the services of a person, firm, association, or corporation to act as a reinsurance intermediary-manager on its behalf unless the person is licensed as required by section 24(2) of this act.

(2) The reinsurer shall annually obtain a copy of statements of the financial condition of each reinsurance intermediary-manager that the reinsurer has had prepared by an independent certified accountant in a form acceptable to the commissioner.

(3) If a reinsurance intermediary-manager establishes loss reserves, the reinsurer shall annually obtain the opinion of an actuary attesting to the adequacy of loss reserves established for losses incurred and outstanding on business produced by the reinsurance intermediary-manager. This opinion is in addition to any other required loss reserve certification.

(4) Binding authority for all retrocessional contracts or participation in reinsurance syndicates must rest with an officer of the reinsurer who is not affiliated with the reinsurance intermediary-manager.

(5) Within thirty days of termination of a contract with a reinsurance intermediary-manager, the reinsurer shall provide written notification of the termination to the commissioner.

(6) A reinsurer may not appoint to its board of directors an officer, director, employee, controlling shareholder, or subproducer of its reinsurance intermediary-manager. This subsection does not apply to relationships governed by the Insurer Holding Company Act, chapter 48.— RCW (sections 1 through 15 of this act), or, if applicable, the Broker-controlled Property and Casualty Insurer Act, chapter 48.— RCW (sections 16 through 21 of this act).

NEW SECTION. Sec. 31. (1) A reinsurance intermediary is subject to examination by the commissioner. The commissioner has access to all books, bank accounts, and records of the reinsurance intermediary in a form usable to the commissioner.

(2) A reinsurance intermediary-manager may be examined as if it were the reinsurer.

NEW SECTION. Sec. 32. (1) A reinsurance intermediary, insurer, or reinsurer found by the commissioner, after a hearing conducted in accordance with chapters 48.17 and 34.05 RCW, to be in violation of any provision of this chapter, shall:

(a) For each separate violation, pay a penalty in an amount not exceeding five thousand dollars;

(b) Be subject to revocation or suspension of its license; and

(c) If a violation was committed by the reinsurance intermediary, make restitution to the insurer, reinsurer, rehabilitator, or liquidator of the insurer or

reinsurer for the net losses incurred by the insurer or reinsurer attributable to the violation.

(2) The decision, determination, or order of the commissioner under subsection (1) of this section is subject to judicial review under this title and chapter 34.05 RCW.

(3) Nothing contained in this section affects the right of the commissioner to impose any other penalties provided in this title.

(4) Nothing contained in this chapter is intended to or in any manner limits or restricts the rights of policyholders, claimants, creditors, or other third parties or confer any rights to those persons.

NEW SECTION. Sec. 33. The commissioner may adopt reasonable rules for the implementation and administration of this chapter.

NEW SECTION. Sec. 34. This chapter may be known and cited as the Managing General Agents Act.

NEW SECTION. Sec. 35. Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Actuary" means a person who is a member in good standing of the American Academy of Actuaries.

(2) "Insurer" means a person having a certificate of authority in this state as an insurance company under RCW 48.01.050.

(3) "Managing general agent" means:

(a) A person who manages all or part of the insurance business of an insurer, including the management of a separate division, department, or underwriting office, and acts as a representative of the insurer whether known as a managing general agent, manager, or other similar term, and who, with or without the authority, either separately or together with affiliates, produces, directly or indirectly, and underwrites an amount of gross direct written premium equal to or more than five percent of the policyholder surplus as reported in the last annual statement of the insurer in any one quarter or year together with one or more of the following activities related to the business produced:

(i) Adjusts or pays claims in excess of an amount to be determined by the commissioner; or

(ii) Negotiates reinsurance on behalf of the insurer.

(b) Notwithstanding (a) of this subsection, the following persons may not be managing general agents for purposes of this chapter:

(i) An employee of the insurer;

(ii) A United States manager of the United States branch of an alien insurer;

(iii) An underwriting manager who, under a contract, manages all of the insurance operations of the insurer, is under common control with the insurer, subject to the Insurer Holding Company Act, chapter 48.— RCW (sections 1 through 15 of this act), and whose compensation is not based on the volume of premiums written; or

(iv) The attorney-in-fact authorized by and acting for the subscribers of a reciprocal insurer or interinsurance exchange under powers of attorney.

(4) "Underwrite" means to accept or reject risks on behalf of the insurer.

NEW SECTION. Sec. 36. (1) No person may act in the capacity of a managing general agent with respect to risks located in this state, for an insurer authorized by this state, unless that person is licensed in this state as an agent, under chapter 48.17 RCW, for the lines of insurance involved and is designated as a managing general agent and appointed as such by the insurer.

(2) No person may act in the capacity of a managing general agent representing an insurer domiciled in this state with respect to risks located outside this state unless that person is licensed as an agent in this state, under chapter 48.17 RCW, for the lines of insurance involved and is designated as a managing general agent and appointed as such by the insurer.

(3) The commissioner may require a bond for the protection of each insurer.

(4) The commissioner may require the managing general agent to maintain an errors and omissions policy.

NEW SECTION. Sec. 37. No managing general agent may place business with an insurer unless there is in force a written contract between the managing general agent and the insurer that sets forth the responsibilities of each party and, where both parties share responsibility for a particular function, specifies the division of the responsibilities, and that contains the following minimum provisions:

(1) The insurer may terminate the contract for cause upon written notice to the managing general agent. The insurer may suspend the underwriting authority of the managing general agent during the pendency of a dispute regarding the cause for termination.

(2) The managing general agent shall render accounts to the insurer detailing all transactions and remit all funds due under the contract to the insurer on not less than a monthly basis.

(3) The managing general agent shall hold funds collected for the account of an insurer in a fiduciary capacity in a financial institution located in this state that is a member of the federal reserve system. This account must be used for all payments on behalf of the insurer. The managing general agent may retain no more than three months' estimated claims payments and allocated loss adjustment expenses.

(4) The managing general agent shall maintain separate records of business written for each insurer. The insurer has access to and the right to copy all accounts and records related to its business in a form usable by the insurer, and the commissioner has access to all books, bank accounts, and records of the managing general agent in a form usable to the commissioner. Those records shall be retained according to the requirements of this title and rules adopted under it.

(5) The managing general agent may not assign the contract in whole or part.

(6)(a) Appropriate underwriting guidelines must include at least the following: The maximum annual premium volume; the basis of the rates to be charged; the types of risks that may be written; maximum limits of liability; applicable exclusions; territorial limitations; policy cancellation provisions; and the maximum policy period.

(b) The insurer has the right to cancel or not renew any policy of insurance, subject to the applicable laws and rules, including those in chapter 48.18 RCW.

(7) If the contract permits the managing general agent to settle claims on behalf of the insurer:

(a) All claims must be reported to the insurer in a timely manner.

(b) A copy of the claim file must be sent to the insurer at its request or as soon as it becomes known that the claim:

(i) Has the potential to exceed an amount determined by the commissioner, or exceeds the limit set by the insurer, whichever is less;

(ii) Involves a coverage dispute;

(iii) May exceed the managing general agent's claims settlement authority;

(iv) Is open for more than six months; or

(v) Is closed by payment in excess of an amount set by the commissioner or an amount set by the insurer, whichever is less.

(c) All claim files are the joint property of the insurer and the managing general agent. However, upon an order of liquidation of the insurer, those files become the sole property of the insurer or its liquidator or successor. The managing general agent has reasonable access to and the right to copy the files on a timely basis.

(d) Settlement authority granted to the managing general agent may be terminated for cause upon the insurer's written notice to the managing general agent or upon the termination of the contract. The insurer may suspend the managing general agent's settlement authority during the pendency of a dispute regarding the cause for termination.

(8) Where electronic claims files are in existence, the contract must address the timely transmission of the data.

(9) If the contract provides for a sharing of interim profits by the managing general agent, and the managing general agent has the authority to determine the amount of the interim profits by establishing loss reserves or controlling claim payments or in any other manner, interim profits shall not be paid to the managing general agent until one year after they are earned for property insurance business and five years after they are earned on casualty business and not until the profits have been verified under section 38 of this act.

(10) The managing general agent may not:

(a) Bind reinsurance or retrocessions on behalf of the insurer, except that the managing general agent may bind automatic reinsurance contracts under obligatory automatic agreements if the contract with the insurer contains

reinsurance underwriting guidelines including, for both reinsurance assumed and ceded, a list of reinsurers with which the automatic agreements are in effect, the coverages and amounts or percentages that may be reinsured, and commission schedules;

(b) Commit the insurer to participate in insurance or reinsurance syndicates;

(c) Use an agent that is not appointed to represent the insurer in accordance with the requirements of chapter 48.17 RCW;

(d) Without prior approval of the insurer, pay or commit the insurer to pay a claim over a specified amount, net of reinsurance, that shall not exceed one percent of the insurer's policyholder surplus as of December 31st of the last-completed calendar year;

(e) Collect a payment from a reinsurer or commit the insurer to a claim settlement with a reinsurer, without prior approval of the insurer. If prior approval is given, a report shall be promptly forwarded to the insurer;

(f) Permit an agent appointed by it to serve on the insurer's board of directors;

(g) Jointly employ an individual who is employed by the insurer; or

(h) Appoint a submanaging general agent.

NEW SECTION. Sec. 38. (1) The insurer shall have on file an independent audited financial statement, in a form acceptable to the commissioner, of each managing general agent with which it is doing or has done business.

(2) If a managing general agent establishes loss reserves, the insurer shall annually obtain the opinion of an actuary attesting to the adequacy of loss reserves established for losses incurred and outstanding on business produced by the managing general agent. This is in addition to any other required loss reserve certification.

(3) The insurer shall periodically, and no less frequently than semiannually, conduct an on-site review of the underwriting and claims processing operations of the managing general agent.

(4) Binding authority for all reinsurance contracts or participation in insurance or reinsurance syndicates must rest with an officer of the insurer, who may not be affiliated with the managing general agent.

(5) Within thirty days of entering into or terminating a contract with a managing general agent, the insurer shall provide written notification of that appointment or termination to the commissioner. Notices of appointment of a managing general agent must include a statement of duties that the managing general agent is expected to perform on behalf of the insurer, the lines of insurance for which the managing general agent is to be authorized to act, and any other information the commissioner may request. This subsection applies to managing general agents operating in this state.

(6) An insurer shall review its books and records each calendar quarter to determine if any agent has become a managing general agent. If the insurer determines that an agent has become a managing general agent under section 35 of this act, the insurer shall promptly notify the agent and the commissioner of

that determination, and the insurer and agent shall fully comply with this chapter within thirty days.

(7) An insurer may not appoint to its board of directors an officer, director, employee, subagent, or controlling shareholder of its managing general agents. This subsection does not apply to relationships governed by the Insurer Holding Company Act, chapter 48.— RCW (sections 1 through 15 of this act), or, if applicable, the business transacted with Broker-controlled Property and Casualty Insurer Act, chapter 48.— RCW (sections 16 through 21 of this act).

NEW SECTION. **Sec. 39.** The acts of the managing general agent are considered to be the acts of the insurer on whose behalf it is acting. A managing general agent may be examined as if it were the insurer, as provided in chapter 48.03 RCW.

NEW SECTION. **Sec. 40.** (1) Subject to a hearing in accordance with chapters 34.05 and 48.04 RCW, upon a finding by the commissioner that any person has violated any provision of this chapter, the commissioner may order:

(a) For each separate violation, a penalty in an amount of not more than one thousand dollars;

(b) Revocation, or suspension for up to one year, of the agent's license; and

(c) The managing general agent to reimburse the insurer, the rehabilitator, or liquidator of the insurer for losses incurred by the insurer caused by a violation of this chapter committed by the managing general agent.

(2) The decision, determination, or order of the commissioner under this section is subject to judicial review under chapters 34.05 and 48.04 RCW.

(3) Nothing contained in this section affects the right of the commissioner to impose any other penalties provided for in this title.

(4) Nothing contained in this chapter is intended to or in any manner limits or restricts the rights of policyholders, claimants, and auditors.

NEW SECTION. **Sec. 41.** The commissioner may adopt rules for the implementation and administration of this chapter, that shall include but are not limited to licensure of managing general agents.

NEW SECTION. **Sec. 42.** No insurer may continue to use the services of a managing general agent on and after January 1, 1994, unless that use complies with this chapter.

Sec. 43. RCW 48.03.010 and 1982 c 181 s 1 are each amended to read as follows:

(1) The commissioner shall examine the affairs, transactions, accounts, records, documents, and assets of each authorized insurer as often as he or she deems advisable. ~~((He))~~ The commissioner shall so examine each ((domestic)) insurer holding a certificate of authority or certificate of registration not less frequently than every five years. Examination of an alien insurer may be limited to its insurance transactions in the United States. In scheduling and determining the nature, scope, and frequency of an examination, the commissioner shall

consider such matters as the results of financial statement analyses and ratios, changes in management or ownership, actuarial opinions, reports of independent certified public accountants, and other criteria as set forth in the examiner's handbook adopted by the National Association of Insurance Commissioners and in effect when the commissioner exercises discretion under this section.

(2) As often as ~~((he))~~ the commissioner deems advisable and at least once in five years, the commissioner shall fully examine each rating organization and examining bureau licensed in this state. As often as he or she deems it advisable ~~((he))~~ the commissioner may examine each advisory organization and each joint underwriting or joint reinsurance group, association, or organization.

(3) The commissioner shall in like manner examine each insurer or rating organization applying for authority to do business in this state.

(4) In lieu of making ~~((his own))~~ an examination under this chapter, the commissioner may accept a full report of the last recent examination of a nondomestic ~~((insurer or))~~ rating or advisory organization, or joint underwriting or joint reinsurance group, association or organization, ~~((certified to))~~ as prepared by the insurance supervisory official of the state of domicile or of entry. In lieu of an examination under this chapter of a foreign or alien insurer licensed in this state, the commissioner may accept an examination report on the company as prepared by the insurance department for the company's state of domicile or port-of-entry state until January 1, 1994. Thereafter, an examination report may be accepted only if: (a) That insurance department was at the time of the examination accredited under the National Association of Insurance Commissioners' financial regulation standards and accreditation program; or (b) the examination was performed either under the supervision of an accredited insurance department or with the participation of one or more examiners employed by an accredited state insurance department who, after a review of the examination work papers and report, state under oath that the examination was performed in a manner consistent with the standards and procedures required by their insurance department.

(5) The commissioner may elect to accept and rely on an audit report made by an independent certified public accountant for the insurer in the course of that part of the commissioner's examination covering the same general subject matter as the audit. The commissioner may incorporate the audit report in his or her report of the examination.

(6) For the purposes of completing an examination of any company under this chapter, the commissioner may examine or investigate any managing general agent or any other person, or the business of any managing general agent or other person, insofar as that examination or investigation is, in the sole discretion of the commissioner, necessary or material to the examination of the company.

NEW SECTION. Sec. 44. A new section is added to chapter 48.03 RCW to read as follows:

Upon determining that an examination should be conducted, the commissioner or the commissioner's designee shall appoint one or more examiners to

perform the examination and instruct them as to the scope of the examination. In conducting the examination, the examiner shall observe those guidelines and procedures set forth in the examiners' handbook adopted by the National Association of Insurance Commissioners. The commissioner may also employ such other guidelines or procedures as the commissioner may deem appropriate.

Sec. 45. RCW 48.03.040 and 1965 ex.s. c 70 s 1 are each amended to read as follows:

(1) No later than sixty days after completion of each examination, the commissioner shall make a full written report of each examination made by him or her containing only facts ascertained from the accounts, records, and documents examined and from the sworn testimony of individuals, and such conclusions and recommendations as may reasonably be warranted from such facts.

(2) The report shall be certified by the commissioner or by his or her examiner in charge of the examination, and shall be filed in the commissioner's office subject to subsection (3) of this section.

(3) The commissioner shall furnish a copy of the examination report to the person examined not less than ten days and, unless the time is extended by the commissioner, not more than thirty days prior to the filing of the report for public inspection in the commissioner's office. If such person so requests in writing within such ~~((ten-day))~~ period, the commissioner shall hold a hearing to consider objections of such person to the report as proposed, and shall not so file the report until after such hearing and until after any modifications in the report deemed necessary by the commissioner have been made.

(4) Within thirty days of the end of the period described in subsection (3) of this section, unless extended by order of the commissioner, the commissioner shall consider the report, together with any written submissions or rebuttals and any relevant portions of the examiner's workpapers and enter an order:

(a) Adopting the examination report as filed or with modification or corrections. If the examination report reveals that the company is operating in violation of any law, rule, or order of the commissioner, the commissioner may order the company to take any action the commissioner considers necessary and appropriate to cure that violation;

(b) Rejecting the examination report with directions to the examiners to reopen the examination for purposes of obtaining additional data, documentation, or information, and refile under this section; or

(c) Calling for an investigatory hearing with no less than twenty days' notice to the company for purposes of obtaining additional documentation, data, information, and testimony.

(5) All orders entered under subsection (4) of this section must be accompanied by findings and conclusions resulting from the commissioner's consideration and review of the examination report, relevant examiner workpapers, and any written submissions or rebuttals. Such an order is considered a final administrative decision and may be appealed under the

Administrative Procedure Act, chapter 34.05 RCW, and must be served upon the company by certified mail, together with a copy of the adopted examination report. A copy of the adopted examination report must be sent by certified mail to each director at the director's residence address.

(6)(a) Upon the adoption of the examination report under subsection (4) of this section, the commissioner shall continue to hold the content of the examination report as private and confidential information for a period of five days except that the order may be disclosed to the person examined. Thereafter, the commissioner may open the report for public inspection so long as no court of competent jurisdiction has stayed its publication.

(b) Nothing in this title prohibits the commissioner from disclosing the content of an examination report, preliminary examination report or results, or any matter relating thereto, to the insurance department of any other state or country, or to law enforcement officials of this or any other state or agency of the federal government at any time, so long as the agency or office receiving the report or matters relating thereto agrees in writing to hold it confidential and in a manner consistent with this chapter.

(c) If the commissioner determines that regulatory action is appropriate as a result of any examination, he or she may initiate any proceedings or actions as provided by law.

(d) Nothing contained in this section requires the commissioner to disclose any information or records that would indicate or show the existence or content of any investigation or activity of a criminal justice agency.

Sec. 46. RCW 48.03.050 and 1947 c 79 s .03.05 are each amended to read as follows:

The commissioner may withhold from public inspection any examination or investigation report for so long as he or she deems it advisable, subject to RCW 48.32.080.

Sec. 47. RCW 48.03.060 and 1981 c 339 s 2 are each amended to read as follows:

(1) Examinations within this state of any insurer domiciled or having its home offices in this state, other than a title insurer, made by the commissioner or his or her examiners and employees shall, except as to fees, mileage, and expense incurred as to witnesses, be at the expense of the state.

(2) Every other examination, whatsoever, or any part of the examination of any person domiciled or having its home offices in this state requiring travel and services outside this state, shall be made by the commissioner or by examiners designated by ~~((him))~~ the commissioner and shall be at the expense of the person examined; but a domestic insurer shall not be liable for the compensation of examiners employed by the commissioner for such services outside this state.

(3) When making an examination under this chapter, the commissioner may retain attorneys, appraisers, independent actuaries, independent certified public accountants, or other professionals and specialists as examiners, the cost of which

shall be borne by the person who is the subject of the examination, except as provided in subsection (1) of this section.

(4) The person examined and liable therefor shall reimburse the state upon presentation of an itemized statement thereof, for the actual travel expenses of the commissioner's examiners, their reasonable living expense allowance, and their per diem compensation, including salary and the employer's cost of employee benefits, at a reasonable rate approved by the commissioner, incurred on account of the examination. Per diem salary and expenses for employees examining insurers domiciled outside the state of Washington shall be established by the commissioner on the basis of the National Association of Insurance Commissioner's recommended salary and expense schedule for zone examiners, or the salary schedule established by the state personnel board and the expense schedule established by the office of financial management, whichever is higher. Domestic title insurer shall pay the examination expense and costs to the commissioner as itemized and billed by him or her.

The commissioner or his or her examiners shall not receive or accept any additional emolument on account of any examination.

(5) Nothing contained in this chapter limits the commissioner's authority to terminate or suspend any examination in order to pursue other legal or regulatory action under the insurance laws of this state. Findings of fact and conclusions made pursuant to any examination are prima facie evidence in any legal or regulatory action.

NEW SECTION. Sec. 48. A new section is added to chapter 48.03 RCW to read as follows:

(1) No examiner may be appointed by the commissioner if the examiner, either directly or indirectly, has a conflict of interest or is affiliated with the management of or owns a pecuniary interest in a person subject to examination under this chapter. This section does not automatically preclude an examiner from being:

- (a) A policyholder or claimant under an insurance policy;
- (b) A grantor of a mortgage or similar instrument on the examiner's residence to a regulated entity if done under customary terms and in the ordinary course of business;
- (c) An investment owner in shares of regulated diversified investment companies; or
- (d) A settlor or beneficiary of a blind trust into which any otherwise impermissible holdings have been placed.

(2) Notwithstanding the requirements of subsection (1) of this section, the commissioner may retain from time to time, on an individual basis, qualified actuaries, certified public accountants, or other similar individuals who are independently practicing their professions, even though those persons may from time to time be similarly employed or retained by persons subject to examination under this chapter.

NEW SECTION. Sec. 49. A new section is added to chapter 48.03 RCW to read as follows:

(1) No cause of action may arise nor may any liability be imposed against the commissioner, the commissioner's authorized representatives, or an examiner appointed by the commissioner for statements made or conduct performed in good faith while carrying out this chapter.

(2) No cause of action may arise nor may any liability be imposed against any person for the act of communicating or delivering information or data to the commissioner or the commissioner's authorized representative or examiner pursuant to an examination made under this chapter, if that act of communication or delivery was performed in good faith and without fraudulent intent or the intent to deceive.

(3) This section does not modify a privilege or immunity previously enjoyed by a person identified in subsection (1) of this section.

(4) A person identified in subsection (1) of this section is entitled to an award of attorneys' fees and costs if he or she is the prevailing party in a civil cause of action for libel, slander, or any other tort arising out of activities in carrying out this chapter and the party bringing the action was not substantially justified in doing so. For purposes of this section a proceeding is "substantially justified" if it had a reasonable basis in law or fact at the time that it was initiated.

(5) If a claim is made or threatened of the sort described in subsection (1) of this section, the commissioner shall provide or pay for the defense of himself or herself, the examiner or representative, and shall pay a judgment or settlement, until it is determined that the person did not act in good faith or did act with fraudulent intent or the intent to deceive.

(6) The immunity, indemnification, and other protections under this section are in addition to those now or hereafter existing under other law.

Sec. 50. RCW 48.05.340 and 1991 sp.s. c 5 s 1 are each amended to read as follows:

(1) Subject to RCW 48.05.350 and 48.05.360 to qualify for authority to transact any one kind of insurance as defined in chapter 48.11 RCW or combination of kinds of insurance as shown below, a foreign or alien insurer, whether stock or mutual, or a domestic insurer hereafter formed shall possess and thereafter maintain unimpaired paid-in capital stock, if a stock insurer, or unimpaired surplus if a mutual insurer, and shall possess when first so authorized additional funds in surplus as follows:

Kind or kinds of insurance	Paid-in capital stock or basic surplus	Additional surplus
Life	\$2,000,000	\$2,000,000
Disability	2,000,000	2,000,000
Life and disability	2,400,000	2,400,000

Property	2,000,000	2,000,000
Marine & transportation	2,000,000	2,000,000
General casualty	2,400,000	2,400,000
Vehicle	2,000,000	2,000,000
Surety	2,000,000	2,000,000
Any two of the following		
kinds of insurance:		
Property, marine &		
transportation, general		
casualty, vehicle,		
surety, disability	3,000,000	3,000,000
Multiple lines (all insurances		
except life and title		
insurance)	3,000,000	3,000,000
Title (in accordance with the		
provisions of chapter 48.29		
RCW)		

(2) Capital and surplus requirements are based upon all the kinds of insurance transacted by the insurer wherever it may operate or propose to operate, whether or not only a portion of such kinds are to be transacted in this state.

(3) An insurer holding a certificate of authority to transact insurance in this state immediately prior to July 1, 1991, may continue to be authorized to transact the same kinds of insurance as long as it is otherwise qualified for such authority and thereafter maintains unimpaired the amount of paid-in capital stock, if a stock insurer, or basic surplus, if a mutual or reciprocal insurer, and special surplus as required of it under laws in force immediately prior to such effective date; and any proposed domestic insurer which is in process of formation or financing under a solicitation permit which is outstanding immediately prior to July 1, 1991, shall, if otherwise qualified therefor, be authorized to transact any kind or kinds of insurance upon the basis of the capital and surplus requirements of such an insurer under the laws in force immediately prior to such effective date. The requirements for paid-in capital stock, basic surplus, and special surplus that were in effect immediately before July 1, 1991, apply to any completed application for a certificate of authority from a foreign or alien insurer that is on file with the commissioner on July 1, 1991.

(4) The commissioner may, by rule, require insurers to maintain additional capital and surplus based upon the type, volume, and nature of insurance business transacted consistent with the methods then adopted by the National Association of Insurance Commissioners for determining the appropriate amount of additional capital and surplus to be required. In the absence of an applicable rule, the commissioner may, after a hearing or with the consent of the insurer, require an insurer to have and maintain a larger amount of capital or surplus than prescribed under this section or the rules under this section, based upon the

volume and kinds of insurance transacted by the insurer and on the principles of risk-based capital as determined by the National Association of Insurance Commissioners. This subsection applies only to insurers authorized to write life insurance, disability insurance, or both.

NEW SECTION. Sec. 51. A new section is added to chapter 48.01 RCW to read as follows:

(1) An insurer, health care service contractor, or health maintenance organization that offers coverage for dental services and is in full compliance with all applicable laws under chapter 48.05, 48.44, or 48.46 RCW governing the financial supervision and solvency of such organizations, including but not limited to laws concerning capital and surplus requirements, reserves, deposits, bonds, and indemnities, may provide coverage for dental services, to individuals and to employers for the benefit of employees or for the benefit of employees and their dependents, by separate policy, contract, or rider. If an individual or an employer purchases coverage for dental services from such a company and the coverage is part of the uniform benefits package designed by the Washington health services commission, the certified health plan covering the individual, employees, or employees and dependents need not provide dental services under the uniform benefits package. A certified health plan may subcontract with such a company to provide any dental services required under the uniform benefits package.

(2) An insurer, health care service contractor, or health maintenance organization described in subsection (1) of this section is deemed certified and registered as a certified health plan under sections 427 and 432 of chapter . . . , Laws of 1993 (Engrossed Second Substitute Senate Bill No. 5304) for the delivery of coverage for dental services. The Washington health services commission and the commissioner shall adopt standards and procedures to permit, upon request, the prompt certification and registration of such a company. Such a company may offer coverage for dental services supplemental to the uniform benefits package, but the supplemental benefits are not subject to sections 428, 452, and 453 of chapter . . . , Laws of 1993 (Engrossed Second Substitute Senate Bill No. 5304).

Sec. 52. RCW 48.08.030 and 1947 c 79 s .08.03 are each amended to read as follows:

(1) No domestic stock insurer shall pay any cash dividend to stockholders except out of earned surplus. For the purpose of this section, "earned surplus" means that part of its available surplus funds which is derived from any realized net profits on its business, and does not include unrealized capital gains or reevaluation of assets.

(2) Such an insurer may pay a stock dividend out of any available surplus funds.

(3) Payment of any dividend to stockholders of a domestic stock insurer shall also be subject to all the limitations and requirements governing the payment of dividends by other private corporations.

(4) No dividend shall be declared or paid which would reduce the insurer's surplus to an amount less than the minimum required for the kinds of insurance thereafter to be transacted.

(5) For the purposes of this chapter "surplus funds" means the excess of the insurer's assets over its liabilities, including its capital stock as a liability.

(6) Available surplus means the excess over the minimum amount of surplus required for the kinds of insurance the insurer is authorized to transact.

Sec. 53. RCW 48.11.140 and 1983 c 3 s 149 are each amended to read as follows:

(1) No insurer shall retain any (~~fire or surety~~) risk on any one subject of insurance, whether located or to be performed in this state or elsewhere, in an amount exceeding ten percent of its surplus to policyholders (~~(, except that:~~

~~(a) Domestic mutual insurers may insure up to the applicable limits provided by RCW 48.05.340, if greater.~~

~~(b) In the case of fire risks adequately protected by automatic sprinklers or fire risks principally of noncombustible construction and occupancy, an insurer may retain fire risks as to any one subject in an amount not exceeding twenty five percent of the sum of (i) its unearned premium reserve and (ii) its surplus to policyholders).~~

(2) For the purposes of this section, a 'subject of insurance' as to insurance against fire includes all properties insured by the same insurer which are reasonably subject to loss or damage from the same fire.

(3) Reinsurance in an alien reinsurer not qualified under RCW 48.05.300 may not be deducted in determining risk retained for the purposes of this section.

(4) In the case of surety insurance, the net retention shall be computed after deduction of reinsurances, the amount assumed by any co-surety, the value of any security deposited, pledged, or held subject to the consent of the surety and for the protection of the surety.

(5) This section (~~shall~~) does not apply to life insurance, disability insurance, title insurance, or insurance of marine risks or marine protection and indemnity risks.

Sec. 54. RCW 48.12.180 and 1973 c 151 s 1 are each amended to read as follows:

(1) Securities, other than those referred to in RCW 48.12.170, held by an insurer shall be valued, in the discretion of the commissioner, at their market value, or at their appraised value, or at prices determined by him or her as representing their fair market value (~~(, all consistent with any current method for the valuation of any such security formulated or approved by the National Association of Insurance Commissioners).~~

(2) Preferred or guaranteed stocks or shares while paying full dividends may be carried at a fixed value in lieu of market value, at the discretion of the commissioner and in accordance with such method of computation as he or she may approve.

(3) The stock of a subsidiary of an insurer shall be valued on the basis of the greater of (a) the value of only such of the assets of such subsidiary as would constitute lawful investments for the insurer if acquired or held directly by the insurer or (b) such other value determined pursuant to rules and cumulative limitations which shall be promulgated by the commissioner to effectuate the purposes of this chapter.

(4) The commissioner has full discretion in determining the method of calculating values according to the rules set forth in this section, and consistent with such methods as then adopted by the National Association of Insurance Commissioners.

Sec. 55. RCW 48.12.190 and 1967 ex.s. c 95 s 10 are each amended to read as follows:

(1) Real property acquired pursuant to a mortgage loan or a contract for a deed, in the absence of a recent appraisal deemed by the commissioner to be reliable, shall not be valued at an amount greater than the unpaid principal of the defaulted loan or contract at the date of such acquisition, together with any taxes and expenses paid or incurred in connection with such acquisition, and the cost of improvements thereafter made by the insurer and any amounts thereafter paid by the insurer on assessments levied for improvements in connection with the property.

(2) Other real property held by an insurer shall not be valued at any amount in excess of fair value, less reasonable depreciation based on the estimated life of the improvements.

(3) Personal property acquired pursuant to chattel mortgages made under RCW 48.13.150 shall not be valued at an amount greater than the unpaid balance of principal on the defaulted loan at date of acquisition together with taxes and expenses incurred in connection with such acquisition, or the fair value of such property, whichever amount is the lesser.

(4) The commissioner has full discretion in determining the method of calculating values according to the rules set forth in this section, and consistent with such methods as then adopted by the National Association of Insurance Commissioners.

Sec. 56. RCW 48.12.200 and 1947 c 79 s .12.20 are each amended to read as follows:

(1) Purchase money mortgages shall be valued in an amount not exceeding the acquisition cost of the real property covered thereby or ninety percent of the fair value of such real property, whichever is less.

(2) The commissioner has full discretion in determining the method of calculating values according to the rules set forth in this section, and consistent

with such methods as then adopted by the National Association of Insurance Commissioners.

Sec. 57. RCW 48.14.010 and 1988 c 248 s 7 are each amended to read as follows:

- (1) The commissioner shall collect in advance the following fees:
 - (a) **For filing charter documents:**
 - (i) Original charter documents, bylaws or record of organization of insurers, or certified copies thereof, required to be filed \$250.00
 - (ii) Amended charter documents, or certified copy thereof, other than amendments of bylaws \$ 10.00
 - (iii) No additional charge or fee shall be required for filing any of such documents in the office of the secretary of state.
 - (b) **Certificate of authority:**
 - (i) Issuance \$ 25.00
 - (ii) Renewal \$ 25.00
 - (c) **Annual statement of insurer, filing \$ 20.00**
 - (d) **Organization or financing of domestic insurers and affiliated corporations:**
 - (i) Application for solicitation permit, filing \$100.00
 - (ii) Issuance of solicitation permit \$ 25.00
 - (e) **Agents' licenses:**
 - (i) Agent's qualification licenses each year \$ 25.00
 - (ii) Filing of appointment of each such agent, each year \$ 10.00
 - (iii) Limited license issued pursuant to RCW 48.17.190, each year \$ 10.00
 - (f) **Reinsurance intermediary licenses:**
 - (i) Reinsurance intermediary-broker, each year \$ 50.00
 - (ii) Reinsurance intermediary-manager, each year \$100.00
 - (g) **Brokers' licenses:**
 - (i) Broker's license, each year \$ 50.00
 - (ii) Surplus line broker, each year \$100.00
 - ~~((g))~~ **(h) Solicitors' license, each year \$ 10.00**
 - ~~((h))~~ **(i) Adjusters' licenses:**
 - (i) Independent adjuster, each year \$ 25.00
 - (ii) Public adjuster, each year \$ 25.00
 - ~~((i))~~ **(j) Resident general agent's license, each year \$ 25.00**

~~((j))~~ **(k) Managing general agent appointment, each year \$100.00**

(l) Examination for license, each examination:

All examinations, except examinations administered by an independent testing service, the fees for which are to be approved by the commissioner and collected directly by and retained by such independent testing service \$ 10.00

~~((k))~~ **(m) Miscellaneous services:**

- (i) Filing other documents \$ 5.00
- (ii) Commissioner's certificate under seal \$ 5.00
- (iii) Copy of documents filed in the commissioner's office, reasonable charge therefor as determined by the commissioner.

(2) All fees so collected shall be remitted by the commissioner to the state treasurer not later than the first business day following, and shall be placed to the credit of the general fund: PROVIDED, That fees for examinations administered by an independent testing service which are approved by the commissioner pursuant to subsection (1)~~((j))~~ (l) of this section shall be collected directly by such independent testing service and retained by it.

NEW SECTION. Sec. 58. (1) An officer, manager, director, trustee, owner, employee, or agent of an insurer or other person with authority over or in charge of a segment of the insurer's affairs shall cooperate with the commissioner in a proceeding under this chapter or an investigation preliminary to the proceeding. The term "person" as used in this section includes a person who exercises control directly or indirectly over activities of the insurer through a holding company or other affiliate of the insurer. "To cooperate" as used in this section includes the following:

- (a) To reply promptly in writing to an inquiry from the commissioner requesting such a reply; and
- (b) To make available to the commissioner books, accounts, documents, or other records or information or property of or pertaining to the insurer and in his or her possession, custody, or control.

(2) A person may not obstruct or interfere with the commissioner in the conduct of a delinquency proceeding or an investigation preliminary or incidental thereto.

(3) This section does not abridge existing legal rights, including the right to resist a petition for liquidation or other delinquency proceedings, or other orders.

(4) A person included within subsection (1) of this section who fails to cooperate with the commissioner, or a person who obstructs or interferes with the commissioner in the conduct of a delinquency proceeding or an investigation preliminary or incidental thereto, or who violates an order the commissioner issued validly under this chapter may:

(a) Be sentenced to pay a fine not exceeding ten thousand dollars or to undergo imprisonment for a term of not more than one year, or both; or

(b) After a hearing, be subject to the imposition by the commissioner of a civil penalty not to exceed ten thousand dollars and be subject further to the revocation or suspension of insurance licenses issued by the commissioner.

NEW SECTION. Sec. 59. (1) Except as provided in RCW 48.32A.060, no delinquency proceeding may be commenced under this chapter by anyone other than the commissioner of this state, and no court has jurisdiction to entertain a proceeding commenced by another person.

(2) No court of this state has jurisdiction to entertain a complaint praying for the dissolution, liquidation, rehabilitation, sequestration, conservation, or receivership of an insurer, or praying for an injunction or restraining order or other relief preliminary to, incidental to, or relating to the proceedings, other than in accordance with this chapter.

(3) In addition to other grounds for jurisdiction provided by the law of this state, a court of this state having jurisdiction of the subject matter has jurisdiction over a person served under the rules of civil procedure or other applicable provisions of law in an action brought by the receiver of a domestic insurer or an alien insurer domiciled in this state:

(a) If the person served is an agent, broker, or other person who has written policies of insurance for or has acted in any manner on behalf of an insurer against which a delinquency proceeding has been instituted, in an action resulting from or incident to such a relationship with the insurer; or

(b) If the person served is a reinsurer who has entered into a contract of reinsurance with an insurer against which a delinquency proceeding has been instituted, or is an agent or broker of or for the reinsurer, in an action on or incident to the reinsurance contract; or

(c) If the person served is or has been an officer, director, manager, trustee, organizer, promoter, or other person in a position of comparable authority or influence over an insurer against which a delinquency proceeding has been instituted, in an action resulting from or incident to such a relationship with the insurer; or

(d) If the person served is or was at the time of the institution of the delinquency proceeding against the insurer holding assets in which the receiver claims an interest on behalf of the insurer, in an action concerning the assets; or

(e) If the person served is obligated to the insurer in any way, in an action on or incident to the obligation.

(4) If the court on motion of a party finds that an action should as a matter of substantial justice be tried in a forum outside this state, the court may enter an appropriate order to stay further proceedings on the action in this state.

NEW SECTION. Sec. 60. (1) The persons entitled to protection under this section are:

(a) The commissioner and any other receiver responsible for conducting a delinquency proceeding under this chapter, including present and former commissioners and receivers; and

(b) The commissioner's employees, meaning all present and former special deputies and assistant special deputies and special receivers appointed by the commissioner and all persons whom the commissioner, special deputies, or assistant special deputies have employed to assist in a delinquency proceeding under this chapter. Attorneys, accountants, auditors, and other professional persons or firms who are retained as independent contractors, and their employees, are not considered employees of the commissioner for purposes of this section.

(2) The commissioner and the commissioner's employees are immune from suit and liability, both personally and in their official capacities, for a claim for damage to or loss of property or personal injury or other civil liability caused by or resulting from an alleged act or omission of the commissioner or an employee arising out of or by reason of his or her duties or employment. However, nothing in this subsection may be construed to hold the commissioner or an employee immune from suit or liability for any damage, loss, injury, or liability caused by the intentional or willful and wanton misconduct of the commissioner or an employee.

(3) If a legal action is commenced against the commissioner or an employee, whether against him or her personally or in his or her official capacity, alleging property damage, property loss, personal injury, or other civil liability caused by or resulting from an alleged act or omission of the commissioner or an employee arising out of or by reason of his or her duties or employment, the commissioner and any employee shall be indemnified from the assets of the insurer for all expenses, attorneys' fees, judgments, settlements, decrees, or amounts due and owing or paid in satisfaction of or incurred in the defense of the legal action unless it is determined upon a final adjudication on the merits that the alleged act or omission of the commissioner or employee giving rise to the claim did not arise out of or by reason of his or her duties or employment, or was caused by intentional or willful and wanton misconduct.

(a) Attorneys' fees and related expenses incurred in defending a legal action for which immunity or indemnity is available under this section shall be paid from the assets of the insurer, as they are incurred, in advance of the final disposition of such action upon receipt of an undertaking by or on behalf of the commissioner or employee to repay the attorneys' fees and expenses if it is ultimately determined upon a final adjudication on the merits and that the commissioner or employee is not entitled to immunity or indemnity under this section.

(b) Any indemnification under this section is an administrative expense of the insurer.

(c) In the event of an actual or threatened litigation against the commissioner or an employee for which immunity or indemnity may be available under this

section, a reasonable amount of funds that in the judgment of the commissioner may be needed to provide immunity or indemnity shall be segregated and reserved from the assets of the insurer as security for the payment of indemnity until all applicable statutes of limitation have run or all actual or threatened actions against the commissioner or an employee have been completely and finally resolved, and all obligations of the insurer and the commissioner under this section have been satisfied.

(d) In lieu of segregation and reserving of funds, the commissioner may obtain a surety bond or make other arrangements that will enable the commissioner to secure fully the payment of all obligations under this section.

(4) If a legal action against an employee for which indemnity may be available under this section is settled before final adjudication on the merits, the insurer shall pay the settlement amount on behalf of the employee, or indemnify the employee for the settlement amount, unless the commissioner determines:

(a) That the claim did not arise out of or by reason of the employee's duties or employment; or

(b) That the claim was caused by the intentional or willful and wanton misconduct of the employee.

(5) In a legal action in which the commissioner is a defendant, that portion of a settlement relating to the alleged act or omission of the commissioner is subject to the approval of the court before which the delinquency proceeding is pending. The court may not approve that portion of the settlement if it determines:

(a) That the claim did not arise out of or by reason of the commissioner's duties or employment; or

(b) That the claim was caused by the intentional or willful and wanton misconduct of the commissioner.

(6) Nothing in this section removes or limits an immunity, indemnity, benefit of law, right, or defense otherwise available to the commissioner, an employee, or any other person, not an employee under subsection (1)(b) of this section, who is employed by or in the office of the commissioner or otherwise employed by the state.

(7)(a) Subsection (2) of this section applies to any suit based in whole or in part on an alleged act or omission that takes place on or after the effective date of this act.

(b) No legal action lies against the commissioner or an employee based in whole or in part on an alleged act or omission that took place before the effective date of this act, unless suit is filed and valid service of process is obtained within twelve months after the effective date of this act.

(c) Subsections (3), (4), and (5) of this section apply to a suit that is pending on or filed after the effective date of this act without regard to when the alleged act or omission took place.

NEW SECTION. Sec. 61. (1) The commissioner may petition the court alleging, with respect to a domestic insurer:

(a) That there exists a ground that would justify a court order for a formal delinquency proceeding against an insurer under this chapter;

(b) That the interests of policyholders, creditors, or the public will be endangered by delay; and

(c) The contents of an order deemed necessary by the commissioner.

(2) Upon a filing under subsection (1) of this section, the court may issue forthwith, *ex parte* and without a hearing, the requested order that shall: Direct the commissioner to take possession and control of all or a part of the property, books, accounts, documents, and other records of an insurer, and of the premises occupied by it for transaction of its business; and until further order of the court enjoin the insurer and its officers, managers, agents, and employees from disposition of its property and from the transaction of its business except with the written consent of the commissioner.

(3) The court shall specify in the order what the order's duration shall be, which shall be such time as the court deems necessary for the commissioner to ascertain the condition of the insurer. On motion of either party or on its own motion, the court may from time to time hold hearings it deems desirable after such notice as it deems appropriate, and may extend, shorten, or modify the terms of the seizure order. The court shall vacate the seizure order if the commissioner fails to commence a formal proceeding under this chapter after having had a reasonable opportunity to do so. An order of the court pursuant to a formal proceeding under this chapter vacates the seizure order.

(4) Entry of a seizure order under this section does not constitute an anticipatory breach of a contract of the insurer.

(5) An insurer subject to an *ex parte* order under this section may petition the court at any time after the issuance of an order under this section for a hearing and review of the order. The court shall hold the hearing and review not more than fifteen days after the request. A hearing under this subsection may be held privately in chambers, and it must be so held if the insurer proceeded against so requests.

(6) If, at any time after the issuance of an order under this section, it appears to the court that a person whose interest is or will be substantially affected by the order did not appear at the hearing and has not been served, the court may order that notice be given. An order that notice be given does not stay the effect of an order previously issued by the court.

NEW SECTION. **Sec. 62.** (1) All policies, including bonds and other noncancellable business, other than life or health insurance or annuities, in effect at the time of issuance of an order of liquidation continue in force only until the earliest of:

(a) The end of a period of thirty days from the date of entry of the liquidation order;

(b) The expiration of the policy coverage;

(c) The date when the insured has replaced the insurance coverage with equivalent insurance in another insurer or otherwise terminated the policy;

(d) The liquidator has effected a transfer of the policy obligation; or

(e) The date proposed by the liquidator and approved by the court to cancel coverage.

(2) An order of liquidation terminates coverages at the time specified in subsection (1) of this section for purposes of any other statute.

(3) Policies of life or health insurance or annuities shall continue in force for the period and under the terms provided by an applicable guaranty association or foreign guaranty association.

(4) Policies of life or health insurance or annuities or a period or coverage of the policies not covered by a guaranty association or foreign guaranty association shall terminate under subsections (1) and (2) of this section.

NEW SECTION. Sec. 63. (1) Upon issuance of an order appointing a liquidator of a domestic insurer or of an alien insurer domiciled in this state, an action at law or equity or in arbitration may not be brought against the insurer or liquidator, whether in this state or elsewhere, nor may such an existing action be maintained or further presented after issuance of the order. The courts of this state shall give full faith and credit to injunctions against the liquidator or the company when the injunctions are included in an order to liquidate an insurer issued under laws in other states corresponding to this subsection. Whenever, in the liquidator's judgment, protection of the estate of the insurer necessitates intervention in an action against the insurer that is pending outside this state, the liquidator may intervene in the action. The liquidator may defend an action in which he or she intervenes under this section at the expense of the estate of the insurer.

(2) The liquidator may, upon or after an order for liquidation, within two years or such other longer time as applicable law may permit, institute an action or proceeding on behalf of the estate of the insurer upon a cause of action against which the period of limitation fixed by applicable law has not expired at the time of the filing of the petition upon which the order is entered. Where, by an agreement, a period of limitation is fixed for instituting a suit or proceeding upon a claim, or for filing a claim, proof of claim, proof of loss, demand, notice, or the like, or where in a proceeding, judicial or otherwise, a period of limitation is fixed, either in the proceeding or by applicable law, for taking an action, filing a claim or pleading, or doing an act, and where in such a case the period had not expired at the date of the filing of the petition, the liquidator may, for the benefit of the estate, take such an action or do such an act, required of or permitted to the insurer, within a period of one hundred eighty days after the entry of an order for liquidation, or within such further period as is shown to the satisfaction of the court not to be unfairly prejudicial to the other party.

(3) A statute of limitation or defense of laches does not run with respect to an action against an insurer between the filing of a petition for liquidation against an insurer and the denial of the petition. An action against the insurer that might have been commenced when the petition was filed may be commenced for at least sixty days after the petition is denied.

(4) A guaranty association or foreign guaranty association has standing to appear in a court proceeding concerning the liquidation of an insurer if the association is or may become liable to act as a result of the liquidation.

NEW SECTION. Sec. 64. The amount recoverable by the commissioner from reinsurers may not be reduced as a result of the delinquency proceedings, regardless of any provision in the reinsurance contract or other agreement except as provided in RCW 48.31.290. Payment made directly to an insured or other creditor does not diminish the reinsurer's obligation to the insurer's estate except when the reinsurance contract provided for direct coverage of a named insured and the payment was made in discharge of that obligation.

NEW SECTION. Sec. 65. (1)(a) An agent, broker, premium finance company, or any other person, other than the policy owner or the insured, responsible for the payment of a premium is obligated to pay any unpaid premium for the full policy term due the insurer at the time of the declaration of insolvency, whether earned or unearned, as shown on the records of the insurer. The liquidator also has the right to recover from the person a part of an unearned premium that represents commission of the person. Credits or setoffs or both may not be allowed to an agent, broker, or premium finance company for amounts advanced to the insurer by the agent, broker, or premium finance company on behalf of, but in the absence of a payment by, the policy owner or the insured.

(b) Notwithstanding (a) of this subsection, the agent, broker, premium finance company, or other person is not liable for uncollected unearned premium of the insurer. A presumption exists that the premium as shown on the books of the insurer is collected, and the burden is upon the agent, broker, premium finance company, or other person to demonstrate by a preponderance of the evidence that the unearned premium was not actually collected. For purposes of this subsection, "unearned premium" means that portion of an insurance premium covering the unexpired term of the policy or the unexpired period of the policy period.

(c) An insured is obligated to pay any unpaid earned premium due the insurer at the time of the declaration of insolvency, as shown on the records of the insurer.

(2) Upon a violation of this section, the commissioner may pursue either one or both of the following courses of action:

(a) Suspend or revoke or refuse to renew the licenses of the offending party or parties;

(b) Impose a penalty of not more than one thousand dollars for each violation.

(3) Before the commissioner may take an action as set forth in subsection (2) of this section, he or she shall give written notice to the person accused of violating the law, stating specifically the nature of the alleged violation, and fixing a time and place, at least ten days thereafter, when a hearing on the matter

shall be held. After the hearing, or upon failure of the accused to appear at the hearing, the commissioner, if he or she finds a violation, shall impose those penalties under subsection (2) of this section that he or she deems advisable.

(4) When the commissioner takes action in any or all of the ways set out in subsection (2) of this section, the party aggrieved has the rights granted under the Administrative Procedure Act, chapter 34.05 RCW.

NEW SECTION. Sec. 66. (1) When the liquidator denies a claim in whole or in part, the liquidator shall give written notice of the determination to the claimant or the claimant's attorney by first class mail at the address shown in the proof of claim. Within sixty days from the mailing of the notice, the claimant may file his or her objections with the liquidator. If no such a filing is made, the claimant may not further object to the determination.

(2) Whenever the claimant files objections with the liquidator and the liquidator does not alter his or her denial of the claim as a result of the objections, the liquidator shall ask the court for a hearing as soon as practicable and give notice of the hearing by first class mail to the claimant or the claimant's attorney and to other persons directly affected, not less than ten nor more than thirty days before the date of the hearing. The matter may be heard by the court or by a court-appointed referee who shall submit findings of fact along with his or her recommendation.

NEW SECTION. Sec. 67. Whenever a creditor whose claim against an insurer is secured, in whole or in part, by the undertaking of another person, fails to prove and file that claim, the other person may do so in the creditor's name, and is subrogated to the rights of the creditor, whether the claim has been filed by the creditor or by the other person in the creditor's name, to the extent that he or she discharges the undertaking. In the absence of an agreement with the creditor to the contrary, the other person is not entitled to a distribution until the amount paid to the creditor on the undertaking plus the distributions paid on the claim from the insurer's estate to the creditor equals the amount of the entire claim of the creditor. The creditor shall hold any excess received by him or her in trust for the other person. The term "other person" as used in this section does not apply to a guaranty association or foreign guaranty association.

NEW SECTION. Sec. 68. Unclaimed funds subject to distribution remaining in the liquidator's hands when he or she is ready to apply to the court for discharge, including the amount distributable to a person who is unknown or cannot be found, shall be deposited with the state treasurer, and shall be paid without interest to the person entitled to them or his or her legal representative upon proof satisfactory to the state treasurer of his or her right to them. An amount on deposit not claimed within six years from the discharge of the liquidator is deemed to have been abandoned and shall be escheated without formal escheat proceedings and be deposited with the state treasurer.

NEW SECTION. Sec. 69. After the liquidation proceeding has been terminated and the liquidator discharged, the commissioner or other interested

party may at any time petition the court to reopen the proceedings for good cause, including the discovery of additional assets. If the court is satisfied that there is justification for reopening, it shall so order.

NEW SECTION. Sec. 70. (1) If no domiciliary receiver has been appointed, the commissioner may apply to the court for an order directing him or her to liquidate the assets found in this state of a foreign insurer or an alien insurer not domiciled in this state, on any of the grounds stated in: RCW 48.31.030, except subsection (10) of that section; 48.31.050(2); or 48.31.080.

(2) When an order is sought under subsection (1) of this section, the court shall cause the insurer to be given thirty days' notice and time to respond, or a lesser period reasonable under the circumstances.

(3) If it appears to the court that the best interests of creditors, policyholders, and the public require, the court may issue an order to liquidate in whatever terms it deems appropriate. The filing or recording of the order with the recorder of deeds of the county in which the principal business of the company in this state is located or the county in which its principal office or place of business in this state is located, imparts the same notice as a deed or other evidence of title duly filed or recorded with that recorder of deeds would have imparted.

(4) If a domiciliary liquidator is appointed in a reciprocal state while a liquidation is proceeding under this section, the liquidator under this section shall thereafter act as ancillary receiver under RCW 48.31.130 (as recodified by this act). If a domiciliary liquidator is appointed in a nonreciprocal state while a liquidation is proceeding under this section, the liquidator under this section may petition the court for permission to act as ancillary receiver under RCW 48.31.130 (as recodified by this act).

(5) On the same grounds as are specified in subsection (1) of this section, the commissioner may petition an appropriate federal court to be appointed receiver to liquidate that portion of the insurer's assets and business over which the court will exercise jurisdiction, or any lesser part thereof that the commissioner deems desirable for the protection of policyholders, creditors, and the public in this state.

(6) The court may order the commissioner, when he or she has liquidated the assets of a foreign or alien insurer under this section, to pay claims of residents of this state against the insurer under those rules on the liquidation of insurers under this chapter that are otherwise compatible with this section.

NEW SECTION. Sec. 71. (1) Except as to special deposits and security on secured claims under RCW 48.31.130(2) (as recodified by this act), the domiciliary liquidator of an insurer domiciled in a reciprocal state is vested by operation of law with the title to all of the assets, property, contracts, and rights of action, agents' balances, and all the books, accounts, and other records of the insurer located in this state. The date of vesting is the date of the filing of the petition, if that date is specified by the domiciliary law for the vesting of

property in the domiciliary state. Otherwise, the date of vesting is the date of entry of the order directing possession to be taken. The domiciliary liquidator has the immediate right to recover balances due from agents and to obtain possession of the books, accounts, and other records of the insurer located in this state. The domiciliary liquidator also has the right to recover all other assets of the insurer located in this state, subject to RCW 48.31.130 (as recodified by this act).

(2) If a domiciliary liquidator is appointed for an insurer not domiciled in a reciprocal state, the commissioner of this state is vested by operation of law with the title to all of the property, contracts, and rights of action, and all the books, accounts, and other records of the insurer located in this state, at the same time that the domiciliary liquidator is vested with title in the domicile. The commissioner of this state may petition for a conservation or liquidation order under RCW 48.31.100 or 48.31.130 (as recodified by this act), or for an ancillary receivership under RCW 48.31.130 (as recodified by this act), or after approval by the court may transfer title to the domiciliary liquidator, as the interests of justice and the equitable distribution of the assets require.

(3) Claimants residing in this state may file claims with the liquidator or ancillary receiver, if any, in this state or with the domiciliary liquidator, if the domiciliary law permits. The claims must be filed on or before the last date fixed for the filing of claims in the domiciliary liquidation proceedings.

NEW SECTION. Sec. 72. The commissioner in his or her sole discretion may institute proceedings under section 61 of this act at the request of the commissioner or other appropriate insurance official of the domiciliary state of a foreign or alien insurer having property located in this state.

NEW SECTION. Sec. 73. (1) In a liquidation proceeding in this state involving one or more reciprocal states, the order of distribution of the domiciliary state controls as to claims of residents of this and reciprocal states. Claims of residents of reciprocal states shall be given equal priority of payment from general assets regardless of where the assets are located.

(2) The owners of special deposit claims against an insurer for which a liquidator is appointed in this or any other state shall be given priority against the special deposits in accordance with the statutes governing the creation and maintenance of the deposits. If there is a deficiency in a deposit, so that the claims secured by it are not fully discharged from it, the claimants may share in the general assets, but the sharing shall be deferred until general creditors, and also claimants against other special deposits who have received smaller percentages from their respective special deposits, have been paid percentages of their claims equal to the percentage paid from the special deposit.

(3) The owner of a secured claim against an insurer for which a liquidator has been appointed in this or another state may surrender his or her security and file his or her claim as a general creditor, or the claim may be discharged by resort to the security, in which case the deficiency, if any, shall be treated as a

claim against the general assets of the insurer on the same basis as claims of unsecured creditors.

NEW SECTION. Sec. 74. If an ancillary receiver in another state or foreign country, whether called by that name or not, fails to transfer to the domiciliary liquidator in this state assets within his or her control other than special deposits, diminished only by the expenses of the ancillary receivership, if any, then the claims filed in the ancillary receivership, other than special deposit claims or secured claims, shall be placed in the class of claims under RCW 48.31.280(7).

Sec. 75. RCW 48.31.030 and 1949 c 190 s 28 are each amended to read as follows:

The commissioner may apply for an order directing him or her to rehabilitate a domestic insurer upon one or more of the following grounds: That the insurer

- (1) Is insolvent; or
- (2) Has refused to submit its books, records, accounts, or affairs to the reasonable examination of the commissioner; or
- (3) Has failed to comply with the commissioner's order, made pursuant to law, to make good an impairment of capital (if a stock insurer) or an impairment of assets (if a mutual or reciprocal insurer) within the time prescribed by law; or
- (4) Has transferred or attempted to transfer substantially its entire property or business, or has entered into any transaction the effect of which is to merge substantially its entire property or business in that of any other insurer without first having obtained the written approval of the commissioner; or
- (5) Is found, after examination, to be in such condition that its further transaction of business will be hazardous to its policyholders, or to its creditors, or to its members, subscribers, or stockholders, or to the public; or
- (6) Has willfully violated its charter or any law of this state; or
- (7) Has an officer, director, or manager who has refused to be examined under oath, concerning its affairs, for which purpose the commissioner is authorized to conduct and to enforce by all appropriate and available means any such examination under oath in any other state or territory of the United States, in which any such officer, director, or manager may then presently be, to the full extent permitted by the laws of any such other state or territory, this special authorization considered; or
- (8) Has been the subject of an application for the appointment of a receiver, trustee, custodian, or sequestrator of the insurer or of its property, or if a receiver, trustee, custodian, or sequestrator is appointed by a federal court or if such appointment is imminent; or
- (9) Has consented to such an order through a majority of its directors, stockholders, members, or subscribers; or
- (10) Has failed to pay a final judgment rendered against it in any state upon any insurance contract issued or assumed by it, within thirty days after the

judgment became final or within thirty days after time for taking an appeal has expired, or within thirty days after dismissal of an appeal before final determination, whichever date is the later; or

(11) There is reasonable cause to believe that there has been embezzlement from the insurer, wrongful sequestration or diversion of the insurer's assets, forgery or fraud affecting the insurer, or other illegal conduct in, by, or with respect to the insurer that, if established, would endanger assets in an amount threatening the solvency of the insurer; or

(12) The insurer has failed to remove a person who in fact has executive authority in the insurer, whether an officer, manager, general agent, employee, or other person, if the person has been found after notice and hearing by the commissioner to be dishonest or untrustworthy in a way affecting the insurer's business; or

(13) Control of the insurer, whether by stock ownership or ownership or otherwise, and whether direct or indirect, is in a person or persons found after notice and hearing to be untrustworthy; or

(14) The insurer has failed to file its annual report or other financial report required by statute within the time allowed by law and, after written demand by the commissioner, has failed to give an adequate explanation immediately; or

(15) The board of directors or the holders of a majority of the shares entitled to vote, request, or consent to rehabilitation under this chapter.

Sec. 76. RCW 48.31.040 and 1947 c 79 s .31.04 are each amended to read as follows:

(1) An order to rehabilitate a domestic insurer shall direct the commissioner forthwith to take possession of the property of the insurer and to conduct the business thereof, and to take such steps toward removal of the causes and conditions which have made rehabilitation necessary as the court may direct.

(2) If at any time the commissioner deems that further efforts to rehabilitate the insurer would be useless, he or she may apply to the court for an order of liquidation.

(3) The commissioner, or any interested person upon due notice to the commissioner, at any time may apply for an order terminating the rehabilitation proceeding and permitting the insurer to resume possession of its property and the conduct of its business, but no such order shall be granted except when, after a full hearing, the court has determined that the purposes of the proceedings have been fully accomplished.

(4) An order to rehabilitate the business of a domestic insurer, or an alien insurer domiciled in this state, shall appoint the commissioner and his or her successors in office as the rehabilitator, and shall direct the rehabilitator to immediately take possession of the assets of the insurer, and to administer them under the general supervision of the court. The filing or recording of the order with the recorder of deeds of the county in this state in which the principal business of the company is conducted, or the county in this state in which the company's principal office or place of business is located, imparts the same

notice as a deed or other evidence of title duly filed or recorded with that recorder of deeds would have imparted. The order to rehabilitate the insurer by operation of law vests title to all assets of the insurer in the rehabilitator.

(5) An order issued under this section requires accountings to the court by the rehabilitator. Accountings must be done at such intervals as the court specifies in its order, but no less frequently than semiannually.

(6) Entry of an order of rehabilitation does not constitute an anticipatory breach of contracts of the insurer nor may it be grounds for retroactive revocation or retroactive cancellation of contracts of the insurer, unless the revocation or cancellation is done by the rehabilitator.

NEW SECTION. Sec. 77. A new section is added to chapter 48.31 RCW to read as follows:

(1) A court in this state before which an action or proceeding in which the insurer is a party, or is obligated to defend a party, is pending when a rehabilitation order against the insurer is entered shall stay the action or proceeding for ninety days and such additional time as is necessary for the rehabilitator to obtain proper representation and prepare for further proceedings. The rehabilitator shall take such action respecting the pending litigation as he or she deems necessary in the interests of justice and for the protection of creditors, policyholders, and the public. The rehabilitator shall immediately consider all litigation pending outside this state and shall petition the courts having jurisdiction over that litigation for stays whenever necessary to protect the estate of the insurer.

(2) A statute of limitations or defense of laches does not run with respect to an action by or against an insurer between the filing of a petition for appointment of a rehabilitator for that insurer and the order granting or denying that petition. An action against the insurer that might have been commenced when the petition was filed may be commenced for at least sixty days after the order of rehabilitation is entered or the petition is denied. The rehabilitator may, upon an order for rehabilitation, within one year or such other longer time as applicable law may permit, institute an action or proceeding on behalf of the insurer upon a cause of action against which the period of limitation fixed by applicable law has not expired at the time of the filing of the petition upon which the order is entered.

(3) A guaranty association or foreign guaranty association covering life or health insurance or annuities has standing to appear in a court proceeding concerning the rehabilitation of a life or health insurer if the association is or may become liable to act as a result of the rehabilitation.

Sec. 78. RCW 48.31.110 and 1961 c 194 s 12 are each amended to read as follows:

This (~~section and RCW 48.31.120 to 48.31.180, inclusive, comprise and~~) chapter may be known and cited as the Uniform Insurers Liquidation Act. For the purposes of this (~~act~~) chapter:

(1) "Insurer" means any person, firm, corporation, association, or aggregation of persons doing an insurance business and subject to the insurance supervisory authority of, or to liquidation, rehabilitation, reorganization, or conservation by, the commissioner, or the equivalent insurance supervisory official of another state.

(2) "Delinquency proceeding" means any proceeding commenced against an insurer for the purpose of liquidating, rehabilitating, reorganizing, or conserving such insurer.

(3) "State" means any state of the United States, and also the District of Columbia and Puerto Rico.

(4) "Foreign country" means territory not in any state.

(5) "Domiciliary state" means the state in which an insurer is incorporated or organized, or, in the case of an insurer incorporated or organized in a foreign country, the state in which such insurer, having become authorized to do business in such state, has, at the commencement of delinquency proceedings, the largest amount of its assets held in trust and assets held on deposit for the benefit of its policyholders or policyholders and creditors in the United States; and any such insurer is deemed to be domiciled in such state.

(6) "Ancillary state" means any state other than a domiciliary state.

(7) "Reciprocal state" means any state other than this state in which in substance and effect the provisions of this ((æet)) chapter are in force, including the provisions requiring that the insurance commissioner or equivalent insurance supervisory official be the receiver of a delinquent insurer.

(8) "General assets" means all property, real, personal, or otherwise, not specifically mortgaged, pledged, deposited, or otherwise encumbered for the security or benefit of specified persons or a limited class or classes of persons, and as to such specifically encumbered property the term includes all such property or its proceeds in excess of the amount necessary to discharge the sum or sums secured thereby. Assets held in trust and assets held on deposit for the security or benefit of all policyholders, or all policyholders and creditors in the United States, shall be deemed general assets.

(9) "Preferred claim" means any claim with respect to which the law of a state or of the United States accords priority of payment from the general assets of the insurer.

(10) "Special deposit claim" means any claim secured by a deposit made pursuant to statute for the security or benefit of a limited class or classes of persons, but not including any general assets.

(11) "Secured claim" means any claim secured by mortgage, trust, deed, pledge, deposit as security, escrow, or otherwise, but not including special deposit claims or claims against general assets. The term also includes claims which more than four months prior to the commencement of delinquency proceedings in the state of the insurer's domicile have become liens upon specific assets by reason of judicial process.

(12) "Receiver" means receiver, liquidator, rehabilitator, or conservator as the context may require.

Sec. 79. RCW 48.31.160 and 1947 c 79 s .31.16 are each amended to read as follows:

(1) In a delinquency proceeding against an insurer domiciled in this state, claims owing to residents of ancillary states shall be preferred claims if like claims are preferred under the laws of this state. All such claims whether owing to residents or nonresidents shall be given equal priority of payment from general assets regardless of where such assets are located.

(2) In a delinquency proceeding against an insurer domiciled in a reciprocal state, claims owing to residents of this state shall be preferred if like claims are preferred by the laws of that state.

(3) The owners of special deposit claims against an insurer for which a receiver is appointed in this or any other state shall be given priority against their several special deposits in accordance with the provisions of the statutes governing the creation and maintenance of such deposits. If there is a deficiency in any such deposit so that the claims secured thereby are not fully discharged therefrom, the claimants may share in the general assets, but such sharing shall be deferred until general creditors, and also claimants against other special deposits who have received smaller percentages from their respective special deposits, have been paid percentages of their claims equal to the percentage paid from the special deposit.

(4) The owner of a secured claim against an insurer for which a receiver has been appointed in this or any other state may surrender his security and file his claim as a general creditor, or the claim may be discharged by resort to the security, in which case the deficiency, if any, shall be treated as a claim against the general assets of the insurer on the same basis as claims of unsecured creditors. If the amount of the deficiency has been adjudicated in ancillary proceedings as provided in this ~~((æ))~~ chapter, or if it has been adjudicated by a court of competent jurisdiction in proceedings in which the domiciliary receiver has had notice and opportunity to be heard, such amount shall be conclusive; otherwise the amount shall be determined in the delinquency proceeding in the domiciliary state.

Sec. 80. RCW 48.31.180 and 1947 c 79 s .31.18 are each amended to read as follows:

(1) If any provision of this ~~((æ))~~ chapter or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the ~~((æ))~~ chapter which can be given effect without the invalid provision or application, and to this end the provisions of this ~~((æ))~~ chapter are declared to be severable.

(2) This Uniform Insurers Liquidation Act shall be so interpreted and construed as to effectuate its general purpose to make uniform the law of those states that enact it. To the extent that its provisions, when applicable, conflict

with ~~((other))~~ provisions of ~~((this))~~ chapter 48.31 RCW, the provisions of this ~~((et))~~ chapter shall control.

NEW SECTION. Sec. 81. RCW 48.31.110, 48.31.120, 48.31.130, 48.31.140, 48.31.150, 48.31.160, 48.31.170, and 48.31.180 are recodified to constitute a new chapter in Title 48 RCW.

Sec. 82. RCW 48.31.190 and 1988 c 202 s 46 are each amended to read as follows:

(1) Proceedings under this chapter involving a domestic insurer shall be commenced in the superior court for the county in which is located the insurer's home office or, at the election of the commissioner, in the superior court for Thurston county. Proceedings under this chapter involving other insurers shall be commenced in the superior court for Thurston county.

(2) The commissioner shall commence any such proceeding, the attorney general representing him, by an application to the court or to any judge thereof, for an order directing the insurer to show cause why the commissioner should not have the relief prayed for.

(3) Upon a showing of an emergency or threat of imminent loss to policyholders of the insurer the court may issue an ex parte order authorizing the commissioner immediately to take over the premises and assets of the insurer, the commissioner then to preserve the status quo, pending a hearing on the order to show cause, which shall be heard as soon as the court calendar permits in preference to other civil cases.

(4) In response to any order to show cause issued under this chapter the insurer shall have the burden of going forward with and producing evidence to show why the relief prayed for by the commissioner is not required.

(5) On the return of such order to show cause, and after a full hearing, the court shall either deny the relief sought in the application or grant the relief sought in the application together with such other relief as the nature of the case and the interest of policyholders, creditors, stockholders, members, subscribers, or the public may require.

(6) No appellate review of a superior court order, entered after a hearing, granting the commissioner's petition to rehabilitate an insurer or to carry out an insolvency proceeding under this chapter, shall stay the action of the commissioner in the discharge of his responsibilities under this chapter, pending a decision by the appellate court in the matter.

(7) In any proceeding under this chapter the commissioner and his deputies shall be responsible on their official bonds for the faithful performance of their duties. If the court deems it desirable for the protection of the assets, it may at any time require an additional bond from the commissioner or his deputies.

Sec. 83. RCW 48.31.280 and 1975-'76 2nd ex.s. c 109 s 1 are each amended to read as follows:

~~((1)) Compensation actually owing to employees other than officers of an insurer, for services rendered within three months prior to the commencement of~~

~~a proceeding against the insurer under this chapter, but not exceeding three hundred dollars for each such employee, shall be paid prior to the payment of any other debt or claim, and in the discretion of the commissioner may be paid as soon as practicable after the proceeding has been commenced; except, that at all times the commissioner shall reserve such funds as will in his opinion be sufficient for the expenses of administration. Such priority shall be in lieu of any other similar priority which may be authorized by law as to the wages or compensation of such employees.~~

~~(2) The priorities of distribution in a liquidation proceeding shall be in the following order:~~

- ~~(a) Expenses of administration;~~
- ~~(b) Compensation of employees as provided in subsection (1) of this section;~~
- ~~(c) Federal, state, and local taxes;~~
- ~~(d) Claims arising out of and within the coverages of insurance policies issued by the insurer being liquidated for losses incurred, including:

 - ~~(i) Third party claims and claims for unearned premiums;~~
 - ~~(ii) Claims presented by the Washington Insurance Guaranty Association which represent "covered claims" as defined in RCW 48.32.030(4) and which have been paid by such association;~~
 - ~~(iii) Claims to which the Washington life and disability insurance guaranty association shall have become subrogated under the provisions of RCW 48.32A.060; and~~~~

~~(iv) Claims similar to those described in parts (ii) and (iii) of this subsection as presented by similar guaranty associations of other states; and~~

~~(e) All other claims.)) The priority of distribution of claims from the insurer's estate is as follows: Every claim in a class must be paid in full or adequate funds retained for payment before the members of the next class receive any payment; no subclasses may be established within a class; and no claim by a shareholder, policyholder, or other creditor may circumvent the priority classes through the use of equitable remedies. The order of distribution of claims is:~~

~~(1) Class 1. The costs and expenses of administration during rehabilitation and liquidation, including but not limited to the following:~~

~~(a) The actual and necessary costs of preserving or recovering the assets of the insurer;~~

~~(b) Compensation for all authorized services rendered in the rehabilitation and liquidation;~~

~~(c) Necessary filing fees;~~

~~(d) The fees and mileage payable to witnesses;~~

~~(e) Authorized reasonable attorneys' fees and other professional services rendered in the rehabilitation and liquidation;~~

~~(f) The reasonable expenses of a guaranty association or foreign guaranty association for unallocated loss adjustment expenses.~~

(2) Class 2. Reasonable compensation to employees for services performed to the extent that they do not exceed two months of monetary compensation and represent payment for services performed within one year before the filing of the petition for liquidation or, if rehabilitation preceded liquidation, within one year before the filing of the petition for rehabilitation. Principal officers and directors are not entitled to the benefit of this priority except as otherwise approved by the liquidator and the court. The priority is in lieu of any other similar priority that may be authorized by law as to wages or compensation of employees.

(3) Class 3. Loss claims. For purposes of this section, "loss claims" are all claims under policies, including claims of the federal or a state or local government, for losses incurred, including third-party claims and all claims of a guaranty association or foreign guaranty association. All claims under life insurance and annuity policies, whether for death proceeds, annuity proceeds, or investment values, are loss claims. That portion of any loss indemnification that is provided for by other benefits or advantages recovered by the claimant, is not included in this class, other than benefits or advantages recovered or recoverable in discharge of familial obligation of support or by way of succession at death or a proceeds of life insurance, or as gratuities. No payment by an employer to his or her employee may be treated as a gratuity.

(4) Class 4. Claims under nonassessable policies for unearned premium or other premium refunds and claims of general creditors including claims of ceding and assuming companies in their capacity as such.

(5) Class 5. Claims of the federal or any state or local government except those under subsection (3) of this section. Claims, including those of any governmental body for a penalty or forfeiture, are allowed in this class only to the extent of the pecuniary loss sustained from the act, transaction, or proceeding out of which the penalty or forfeiture arose, with reasonable and actual costs occasioned thereby. The remainder of such claims are postponed to the class of claims under subsection (8) of this section.

(6) Class 6. Claims filed late or any other claims other than claims under subsections (7) and (8) of this section.

(7) Class 7. Surplus or contribution notes, or similar obligations, and premium refunds on assessable policies. Payments to members of domestic mutual insurance companies are limited in accordance with law.

(8) Class 8. The claims of shareholders or other owners in their capacity as shareholders.

Sec. 84. RCW 48.31.300 and 1947 c 79 s .31.30 are each amended to read as follows:

(1) No contingent claim shall share in a distribution of the assets of an insurer which has been adjudicated to be insolvent by an order made pursuant to RCW 48.31.310, except that such claims shall be considered, if properly presented, and may be allowed to share where:

(a) Such claim becomes absolute against the insurer on or before the last day fixed for filing of proofs of claim against the assets of such insurer, or

(b) There is a surplus and the liquidation is thereafter conducted upon the basis that such insurer is solvent.

(2) Where an insurer has been so adjudicated to be insolvent any person who has a cause of action against an insured of such insurer under a liability insurance policy issued by such insurer, shall have the right to file a claim in the liquidation proceeding, regardless of the fact that such claim may be contingent, and such claim may be allowed

(a) If it may be reasonably inferred from the proof presented upon such claim that such person would be able to obtain a judgment upon such cause of action against such insured; and

(b) If such person shall furnish suitable proof, unless the court for good cause shown shall otherwise direct, that no further valid claims against such insurer arising out of his or her cause of action other than those already presented can be made; and

(c) If the total liability of such insurer to all claimants arising out of the same act of its insured shall be no greater than its maximum liability would be were it not in liquidation.

No judgment against such an insured taken after the date of the entry of the liquidation order shall be considered in the liquidation proceedings as evidence of liability, or of the amount of damages, and no judgment against an insured taken by default, inquest or by collusion prior to the entry of the liquidation order shall be considered as conclusive evidence in the liquidation proceeding either of the liability of such insured to such person upon such cause of action or of the amount of damages to which such person is therein entitled.

(3) No claim of any secured claimant shall be allowed at a sum greater than the difference between the value of the claim without security and the value of the security itself as of the date of the entry of the order of liquidation or such other date set by the court for fixation of rights and liabilities as provided in RCW 48.31.260 unless the claimant shall surrender his or her security to the commissioner in which event the claim shall be allowed in the full amount for which it is valued.

(4) Whether or not the third party files a claim, the insured may file a claim on his or her own behalf in the liquidation.

(5) No claim may be presented under this section if it is or may be covered by a guaranty association or foreign guaranty association.

NEW SECTION. Sec. 85. A new section is added to chapter 48.74 RCW to read as follows:

(1) Every life insurance company doing business in this state shall annually submit the opinion of a qualified actuary as to whether the reserves and related actuarial items held in support of the policies and contracts specified by the commissioner by rule are computed appropriately, are based on assumptions that satisfy contractual provisions, are consistent with prior reported amounts, and comply with applicable laws of this state. The commissioner by rule shall define

the specifics of this opinion and add any other items deemed to be necessary to its scope.

(2)(a) Every life insurance company, except as exempted by rule, shall also include in the opinion required under subsection (1) of this section an opinion as to whether the reserves and related actuarial items held in support of the policies and contracts specified by the commissioner by rule, when considered in light of the assets held by the company with respect to the reserves and related actuarial items, including but not limited to the investment earnings on the assets and the considerations anticipated to be received and retained under the policies and contracts, make adequate provision for the company's obligations under the policies and contracts, including but not limited to the benefits under and expenses associated with the policies and contracts.

(b) The commissioner may provide by rule for a transition period for establishing higher reserves that the qualified actuary may deem necessary in order to render the opinion required by this section.

(3) Each opinion required under subsection (2) of this section is governed by the following provisions:

(a) A memorandum, in form and substance acceptable to the commissioner as specified by rule, must be prepared to support each actuarial opinion.

(b) If the insurance company fails to provide a supporting memorandum at the request of the commissioner within a period specified by rule or if the commissioner determines that the supporting memorandum provided by the insurance company fails to meet the standards prescribed by the rules or is otherwise unacceptable to the commissioner, the commissioner may engage a qualified actuary at the expense of the company to review the opinion and the basis for the opinion and prepare such supporting memorandum as is required by the commissioner.

(4) A memorandum in support of the opinion, and other material provided by the company to the commissioner in connection with it, must be kept confidential by the commissioner and may not be made public and is not subject to subpoena, other than for the purpose of defending an action seeking damages from any person by reason of an action required by this section or by rules adopted under it. However, the commissioner may otherwise release the memorandum or other material (a) with the written consent of the company or (b) to the American Academy of Actuaries upon request stating that the memorandum or other material is required for the purpose of professional disciplinary proceedings and setting forth procedures satisfactory to the commissioner for preserving the confidentiality of the memorandum or other material. Once any portion of the confidential memorandum is cited by the company in its marketing or is cited before any governmental agency other than a state insurance department or is released by the company to the news media, all portions of the confidential memorandum are no longer confidential.

(5) Each opinion required under this section is governed by the following provisions:

(a) The opinion must be submitted with the annual statement reflecting the valuation of the reserve liabilities for each year ending on or after December 31, 1994.

(b) The opinion applies to all business in force, including individual and group disability insurance, in form and substance acceptable to the commissioner as specified by rule.

(c) The opinion must be based on standards adopted by the commissioner, who in setting the standards shall give due regard to the standards established by the actuarial standards board or its successors.

(d) In the case of an opinion required to be submitted by a foreign or alien company, the commissioner may accept the opinion filed by that company with the insurance supervisory official of another state if the commissioner determines that the opinion reasonably meets the requirements applicable to a company domiciled in this state.

(e) For purposes of this section, "qualified actuary" means a person who meets qualifications set by the commissioner with due regard to the qualifications established for membership in the American Academy of Actuaries or its successors.

(f) Except in cases of fraud or willful misconduct, the qualified actuary is not liable for damages to any person, other than the insurance company and the commissioner, for any act, error, omission, decision, or conduct with respect to the actuary's opinion.

(g) Rules adopted by the commissioner shall define disciplinary action by the commissioner against the company or the qualified actuary.

Sec. 86. RCW 48.74.030 and 1982 1st ex.s. c 9 s 3 are each amended to read as follows:

(1) Except as otherwise provided in subsections (2) and (3) of this section, or in section 90 of this act, the minimum standard for the valuation of all such policies and contracts issued prior to July 10, 1982, shall be that provided by the laws in effect immediately prior to such date. Except as otherwise provided in subsections (2) and (3) of this section, or in section 90 of this act, the minimum standard for the valuation of all such policies and contracts issued on or after July 10, 1982, shall be the commissioner's reserve valuation methods defined in RCW 48.74.040 ~~(and)~~, 48.74.070, and section 90 of this act, three and one-half percent interest, or in the case of life insurance policies and contracts, other than annuity and pure endowment contracts, issued on or after July 16, 1973, four percent interest for such policies issued prior to September 1, 1979, five and one-half percent interest for single premium life insurance policies and four and one-half percent interest for all other such policies issued on and after September 1, 1979, and the following tables:

(a) For all ordinary policies of life insurance issued on the standard basis, excluding any disability and accidental death benefits in such policies—the commissioner's 1941 standard ordinary mortality table for such policies issued prior to the operative date of RCW 48.23.350(5a) and the commissioner's 1958

standard ordinary mortality table for such policies issued on or after such operative date and prior to the operative date of RCW 48.76.050(4), except that for any category of such policies issued on female risks, all modified net premiums and present values referred to in this chapter may be calculated according to an age not more than six years younger than the actual age of the insured; and for such policies issued on or after the operative date of RCW 48.76.050(4): (i) The commissioner's 1980 standard ordinary mortality table; or (ii) at the election of the company for any one or more specified plans of life insurance, the commissioner's 1980 standard ordinary mortality table with ten-year select mortality factors; or (iii) any ordinary mortality table, adopted after 1980 by the National Association of Insurance Commissioners, that is approved by regulation promulgated by the commissioner for use in determining the minimum standard of valuation for such policies.

(b) For all industrial life insurance policies issued on the standard basis, excluding any disability and accidental death benefits in such policies—the 1941 standard industrial mortality table for such policies issued prior to the operative date of RCW 48.23.350(5b), and for such policies issued on or after such operative date the commissioner's 1961 standard industrial mortality table or any industrial mortality table, adopted after 1980 by the National Association of Insurance Commissioners, that is approved by rule of the commissioner for use in determining the minimum standard of valuation for such policies.

(c) For individual annuity and pure endowment contracts, excluding any disability and accidental death benefits in such policies—the 1937 standard annuity mortality table or, at the option of the company, the annuity mortality table for 1949, ultimate, or any modification of either of these tables approved by the commissioner.

(d) For group annuity and pure endowment contracts, excluding any disability and accidental death benefits in such policies—the group annuity mortality table for 1951, any modification of such table approved by the commissioner, or, at the option of the company, any of the tables or modifications of ~~((table[s]))~~ tables specified for individual annuity and pure endowment contracts.

(e) For total and permanent disability benefits in or supplementary to ordinary policies or contracts—for policies or contracts issued on or after January 1, 1966, the tables of period 2 disablement rates and the 1930 to 1950 termination rates of the 1952 disability study of the Society of Actuaries, with due regard to the type of benefit or any tables of disablement rates and termination rates, adopted after 1980 by the National Association of Insurance Commissioners, that are approved by regulation promulgated by the commissioner for use in determining the minimum standard of valuation for such policies; for policies or contracts issued on or after January 1, 1961, and prior to January 1, 1966, either such tables or, at the option of the company, the class (3) disability table (1926); and for policies issued prior to January 1, 1961, the class (3) disability table (1926). Any such table shall, for active lives, be combined

with a mortality table permitted for calculating the reserves for life insurance policies.

(f) For accidental death benefits in or supplementary to policies—for policies issued on or after January 1, 1966, the 1959 accidental death benefits table or any accidental death benefits table, adopted after 1980 by the National Association of Insurance Commissioners, that is approved by regulation promulgated by the commissioner for use in determining the minimum standard of valuation for such policies; for policies issued on or after January 1, 1961, and prior to January 1, 1966, either such table or, at the option of the company, the intercompany double indemnity mortality table; and for policies issued prior to January 1, 1961, the intercompany double indemnity mortality table. Either table shall be combined with a mortality table permitted for calculating the reserves for life insurance policies.

(g) For group life insurance, life insurance issued on the substandard basis and other special benefits—such tables as may be approved by the commissioner.

(2) Except as provided in subsection (3) of this section, the minimum standard for the valuation of all individual annuity and pure endowment contracts issued on or after July 10, 1982, and for all annuities and pure endowments purchased on or after such effective date under group annuity and pure endowment contracts, shall be the commissioner's reserve valuation methods defined in RCW 48.74.040 and the following tables and interest rates:

(a) For individual annuity and pure endowment contracts issued before September 1, 1979, excluding any disability and accidental death benefit in such contracts—the 1971 individual annuity mortality table, or any modification of this table approved by the commissioner, and six percent interest for single premium immediate annuity contracts, and four percent interest for all other individual annuity and pure endowment contracts.

(b) For individual single premium immediate annuity contracts issued on or after September 1, 1979, excluding any disability and accidental death benefits in such contracts—the 1971 individual annuity mortality table or any individual annuity mortality table, adopted after 1980 by the National Association of Insurance Commissioners, that is approved by regulation promulgated by the commissioner for use in determining the minimum standard of valuation for such contracts, or any modification of these tables approved by the commissioner, and seven and one-half percent interest.

(c) For individual annuity and pure endowment contracts issued on or after September 1, 1979, other than single premium immediate annuity contracts, excluding any disability and accidental death benefits in such contracts—the 1971 individual annuity mortality table or any individual annuity mortality table, adopted after 1980 by the National Association of Insurance Commissioners, that is approved by regulation promulgated by the commissioner for use in determining the minimum standard of valuation for such contracts, or any modification of these tables approved by the commissioner, and five and one-half percent interest for single premium deferred annuity and pure endowment

contracts and four and one-half percent interest for all other such individual annuity and pure endowment contracts.

(d) For all annuities and pure endowments purchased prior to September 1, 1979, under group annuity and pure endowment contracts, excluding any disability and accidental death benefits purchased under such contracts—the 1971 group annuity mortality table, or any modification of this table approved by the commissioner, and six percent interest.

(e) For all annuities and pure endowments purchased on or after September 1, 1979, under group annuity and pure endowment contracts, excluding any disability and accidental death benefits purchased under such contracts—the 1971 group annuity mortality table or any group annuity mortality table, adopted after 1980 by the National Association of Insurance Commissioners, that is approved by regulation promulgated by the commissioner for use in determining the minimum standard of valuation for such annuities and pure endowments, or any modification of these tables approved by the commissioner, and seven and one-half percent interest.

After July 16, 1973, any company may file with the commissioner a written notice of its election to comply with the provisions of this section after a specified date before January 1, 1979, which shall be the operative date of this section for such company(~~(- PROVIDED, That a company may elect a different operative date for individual annuity and pure endowment contracts from that elected for group annuity and pure endowment contracts)~~). If a company makes no such election, the operative date of this section for such company shall be January 1, 1979.

(3)(a) The interest rates used in determining the minimum standard for the valuation of:

(i) All life insurance policies issued in a particular calendar year, on or after the operative date of RCW 48.76.050(4);

(ii) All individual annuity and pure endowment contracts issued in a particular calendar year on or after January 1, 1982;

(iii) All annuities and pure endowments purchased in a particular calendar year on or after January 1, 1982, under group annuity and pure endowment contracts; and

(iv) The net increase, if any, in a particular calendar year after January 1, 1982, in amounts held under guaranteed interest contracts shall be the calendar year statutory valuation interest rates as defined in this section.

(b) The calendar year statutory valuation interest rates, I, shall be determined as follows and the results rounded to the nearer one-quarter of one percent:

(i) For life insurance:

$$I = .03 + W (R_1 - .03) + W/2 (R_2 - .09);$$

(ii) For single premium immediate annuities and for annuity benefits involving life contingencies arising from other annuities with cash settlement options and from guaranteed interest contracts with cash settlement options:

$$I = .03 + W (R - .03)$$

where R_1 is the lesser of R and $.09$,

R_2 is the greater of R and $.09$,

R is the reference interest rate defined in this section, and

W is the weighting factor defined in this section;

(iii) For other annuities with cash settlement options and guaranteed interest contracts with cash settlement options, valued on an issue year basis, except as stated in (ii) of this subparagraph, the formula for life insurance stated in (i) of this subparagraph shall apply to annuities and guaranteed interest contracts with guarantee durations in excess of ten years and the formula for single premium immediate annuities stated in (ii) of this subparagraph shall apply to annuities and guaranteed interest contracts with guarantee duration of ten years or less;

(iv) For other annuities with no cash settlement options and for guaranteed interest contracts with no cash settlement options, the formula for single premium immediate annuities stated in (ii) of this subparagraph shall apply;

(v) For other annuities with cash settlement options and guaranteed interest contracts with cash settlement options, valued on a change in fund basis, the formula for single premium immediate annuities stated in (ii) of this subparagraph shall apply.

(c) However, if the calendar year statutory valuation interest rate for any life insurance policies issued in any calendar year determined without reference to this sentence differs from the corresponding actual rate for similar policies issued in the immediately preceding calendar year by less than one-half of one percent, the calendar year statutory valuation interest rate for such life insurance policies shall be equal to the corresponding actual rate for the immediately preceding calendar year. For purposes of applying the immediately preceding sentence, the calendar year statutory valuation interest rate for life insurance policies issued in a calendar year shall be determined for 1983 using the reference interest rate defined for 1982 and shall be determined for each subsequent calendar year regardless of when RCW 48.76.050(4) becomes operative.

(d) The weighting factors referred to in the formulas stated in subparagraph (b) of this subsection are given in the following tables:

(i) Weighting Factors for Life Insurance:

Guarantee Duration (Years)	Weighting Factors
10 or less	.50
More than 10, but not more than 20	.45
More than 20	.35

For life insurance, the guarantee duration is the maximum number of years the life insurance can remain in force on a basis guaranteed in the policy or under options to convert to plans of life insurance with premium rates or nonforfeiture values or both which are guaranteed in the original policy;

(ii) Weighting factor for single premium immediate annuities and for annuity benefits involving life contingencies arising from other annuities with cash

settlement options and guaranteed interest contracts with cash settlement options: .80;

(iii) Weighting factors for other annuities and for guaranteed interest contracts, except as stated in (ii) of this subparagraph, shall be as specified in (d)(iii) (A), (B), and (C) of this subsection, according to the rules and definitions in (d)(iii) (D), (E), and (F) of this subsection:

(A) For annuities and guaranteed interest contracts valued on an issue year basis:

Guarantee Duration (Years)	Weighting Factor for Plan Type		
	A	B	C
5 or less:	.80	.60	.50
More than 5, but not more than 10:	.75	.60	.50
More than 10, but not more than 20:	.65	.50	.45
More than 20:	.45	.35	.35

(B) For annuities and guaranteed interest contracts valued on a change in fund basis, the factors shown in (d)(iii) (A) of this subsection increased by:

Plan Type		
A	B	C
.15	.25	.05

(C) For annuities and guaranteed interest contracts valued on an issue year basis other than those with no cash settlement options which do not guarantee interest on considerations received more than one year after issue or purchase and for annuities and guaranteed interest contracts valued on a change in fund basis which do not guarantee interest rates on considerations received more than twelve months beyond the valuation date, the factors shown in (d)(iii) (A) of this subsection or derived in (d)(iii) (B) of this subsection increased by:

Plan Type		
A	B	C
.05	.05	.05

(D) For other annuities with cash settlement options and guaranteed interest contracts with cash settlement options, the guarantee duration is the number of years for which the contract guarantees interest rates in excess of the calendar year statutory valuation interest rate for life insurance policies with guarantee duration in excess of twenty years. For other annuities with no cash settlement options and for guaranteed interest contracts with no cash settlement options, the guarantee duration is the number of years from the date of issue or date of purchase to the date annuity benefits are scheduled to commence.

(E) Plan type as used in the tables in (d)(iii) (A), (B), and (C) of this subsection is defined as follows:

Plan Type A: At any time a policyholder may withdraw funds only: (1) With an adjustment to reflect changes in interest rates or asset values since receipt of the funds by the insurance company; or (2) without such adjustment but in installments over five years or more; or (3) as an immediate life annuity; or (4) no withdrawal permitted.

Plan Type B: Before expiration of the interest rate guarantee, a policyholder may withdraw funds only: (1) With adjustment to reflect changes in interest rates or asset values since receipt of the funds by the insurance company; or (2) without such adjustment but in installments over five years or more; or (3) no withdrawal permitted. At the end of the interest rate guarantee, funds may be withdrawn without such adjustment in a single sum or installments over less than five years.

Plan Type C: A policyholder may withdraw funds before expiration of the interest rate guarantee in a single sum or installments over less than five years either: (1) Without adjustment to reflect changes in interest rates or asset values since receipt of the funds by the insurance company; or (2) subject only to a fixed surrender charge stipulated in the contract as a percentage of the fund.

(F) A company may elect to value guaranteed interest contracts with cash settlement options and annuities with cash settlement options on either an issue year basis or on a change in fund basis. Guaranteed interest contracts with no cash settlement options and other annuities with no cash settlement options must be valued on an issue year basis. As used in this section, an issue year basis of valuation refers to a valuation basis under which the interest rate used to determine the minimum valuation standard for the entire duration of the annuity or guaranteed interest contract is the calendar year valuation interest rate for the year of issue or year of purchase of the annuity or guaranteed interest contract. The change in fund basis of valuation refers to a valuation basis under which the interest rate used to determine the minimum valuation standard applicable to each change in the fund held under the annuity or guaranteed interest contract is the calendar year valuation interest rate for the year of the change in the fund.

(e) The reference interest rate referred to in subparagraphs (b) and (c) of this subsection is defined as follows:

(i) For all life insurance, the lesser of the average over a period of thirty-six months and the average over a period of twelve months, ending on June 30th of the calendar year next preceding the year of issue, of Moody's corporate bond yield average—monthly average corporates, as published by Moody's Investors Service, Inc.

(ii) For single premium immediate annuities and for annuity benefits involving life contingencies arising from other annuities with cash settlement options and guaranteed interest contracts with cash settlement options, the average over a period of twelve months, ending on June 30th of the calendar year of issue or year of purchase of Moody's corporate bond yield average—monthly average corporates, as published by Moody's Investors Service, Inc.

(iii) For other annuities with cash settlement options and guaranteed interest contracts with cash settlement options, valued on a year of issue basis, except as stated in (ii) of this subparagraph, with guarantee duration in excess of ten years, the lesser of the average over a period of thirty-six months and the average over a period of twelve months, ending on June 30th of the calendar year of issue or purchase, of Moody's corporate bond yield average—monthly average corporates, as published by Moody's Investors Service, Inc.

(iv) For other annuities with cash settlement options and guaranteed interest contracts with cash settlement options, valued on a year of issue basis, except as stated in (ii) of this subparagraph, with guarantee duration of ten years or less, the average over a period of twelve months, ending on June 30th of the calendar year of issue or purchase, of Moody's corporate bond yield average—monthly average corporates, as published by Moody's Investors Service, Inc.

(v) For other annuities with no cash settlement options and for guaranteed interest contracts with no cash settlement options, the average over a period of twelve months, ending on June 30th of the calendar year of issue or purchase, of Moody's corporate bond yield average—monthly average corporates, as published by Moody's Investors Service, Inc.

(vi) For other annuities with cash settlement options and guaranteed interest contracts with cash settlement options, valued on a change in fund basis, except as stated in (ii) of this subparagraph, the average over a period of twelve months, ending on June 30th of the calendar year of the change in the fund, of Moody's corporate bond yield average—monthly average corporates, as published by Moody's Investors Service, Inc.

~~((g))~~ (f) If Moody's corporate bond yield average—monthly average corporates is no longer published by Moody's Investors Service, Inc., or if the National Association of Insurance Commissioners determines that Moody's corporate bond yield average—monthly average corporates as published by Moody's Investors Service, Inc. is no longer appropriate for the determination of the reference interest rate, then an alternative method for determination of the reference interest rate, which is adopted by the National Association of Insurance Commissioners and approved by rule adopted by the commissioner, may be substituted.

Sec. 87. RCW 48.74.040 and 1982 1st ex.s. c 9 s 4 are each amended to read as follows:

(1) Except as otherwise provided in RCW 48.74.040(2) ~~((and))~~, 48.74.070, and section 90 of this act, reserves according to the commissioner's reserve valuation method, for the life insurance and endowment benefits of policies providing for a uniform amount of insurance and requiring the payment of uniform premiums, shall be the excess, if any, of the present value, at the date of valuation, of such future guaranteed benefits provided for by such policies, over the then present value of any future modified net premiums therefor. The modified net premiums for any such policy shall be such uniform percentage of the respective contract premiums for such benefits that the present value, at the

date of issue of the policy, of all such modified net premiums shall be equal to the sum of the then present value of such benefits provided for by the policy and the excess of (a) over (b), as follows:

(a) A net level annual premium equal to the present value, at the date of issue, of such benefits provided for after the first policy year, divided by the present value, at the date of issue, of an annuity of one per annum payable on the first and each subsequent anniversary of such policy on which a premium falls due: PROVIDED HOWEVER, That such net level annual premium shall not exceed the net level annual premium on the nineteen year premium whole life plan for insurance of the same amount at an age one year higher than the age at issue of such policy.

(b) A net one year term premium for such benefits provided for in the first policy year: PROVIDED, That for any life insurance policy issued on or after January 1, 1986, for which the contract premium in the first policy year exceeds that of the second year and for which no comparable additional benefit is provided in the first year for such excess and which provides an endowment benefit or a cash surrender value or a combination thereof in an amount greater than such excess premium, the reserve according to the commissioner's reserve valuation method as of any policy anniversary occurring on or before the assumed ending date defined herein as the first policy anniversary on which the sum of any endowment benefit and any cash surrender value then available is greater than such excess premium shall, except as otherwise provided in RCW 48.74.070, be the greater of the reserve as of such policy anniversary calculated as described in the preceding paragraph of this subsection and the reserve as of such policy anniversary calculated as described in that paragraph, but with: (i) The value defined in subparagraph (a) of that paragraph being reduced by fifteen percent of the amount of such excess first year premium; (ii) all present values of benefits and premiums being determined without reference to premiums or benefits provided for by the policy after the assumed ending date; (iii) the policy being assumed to mature on such date as an endowment; and (iv) the cash surrender value provided on such date being considered as an endowment benefit. In making the above comparison the mortality and interest bases stated in RCW 48.74.030(1) and (3) shall be used.

Reserves according to the commissioner's reserve valuation method for life insurance policies providing for a varying amount of insurance or requiring the payment of varying premiums, group annuity and pure endowment contracts purchased under a retirement plan or plan of deferred compensation established or maintained by an employer, including a partnership or sole proprietorship, or by an employee organization, or by both, other than a plan providing individual retirement accounts or individual retirement annuities under section 408 of the Internal Revenue Code, as now or hereafter amended, disability and accidental death benefits in all policies and contracts, and all other benefits, except life insurance and endowment benefits in life insurance policies and benefits provided by all other annuity and pure endowment contracts, shall be calculated by a

method consistent with the principles of the preceding paragraphs of this subsection.

(2) This section shall apply to all annuity and pure endowment contracts other than group annuity and pure endowment contracts purchased under a retirement plan or plan of deferred compensation, established or maintained by an employer, including a partnership or sole proprietorship, or by an employee organization, or by both, other than a plan providing individual retirement accounts or individual retirement annuities under section 408 of the Internal Revenue Code, as now or hereafter amended.

Reserves according to the commissioner's annuity reserve method for benefits under annuity or pure endowment contracts, excluding any disability and accidental death benefits in such contracts, shall be the greatest of the respective excesses of the present values, at the date of valuation, of the future guaranteed benefits, including guaranteed nonforfeiture benefits, provided for by such contracts at the end of each respective contract year, over the present value, at the date of valuation, of any future valuation considerations derived from future gross considerations, required by the terms of such contract, that become payable prior to the end of such respective contract year. The future guaranteed benefits shall be determined by using the mortality table, if any, and the interest rate, or rates, specified in such contracts for determining guaranteed benefits. The valuation considerations are the portions of the respective gross considerations applied under the terms of such contracts to determine nonforfeiture values.

Sec. 88. RCW 48.74.050 and 1982 1st ex.s. c 9 s 5 are each amended to read as follows:

(1) In no event may a company's aggregate reserves for all life insurance policies, excluding disability and accidental death benefits, issued on or after July 10, 1982, be less than the aggregate reserves calculated in accordance with the methods set forth in RCW 48.74.040, 48.74.070, and 48.74.080 and the mortality table or tables and rate or rates of interest used in calculating nonforfeiture benefits for such policies.

(2) In no event may the aggregate reserves for all policies, contracts, and benefits be less than the aggregate reserves determined by the qualified actuary to be necessary to render the opinion required under section 85 of this act.

Sec. 89. RCW 48.74.060 and 1982 1st ex.s. c 9 s 6 are each amended to read as follows:

Reserves for all policies and contracts issued prior to the operative date of this chapter, may be calculated, at the option of the company, according to any standards which produce greater aggregate reserves for all such policies and contracts than the minimum reserves required by the laws in effect immediately prior to such date.

Reserves for any category of policies, contracts, or benefits as established by the commissioner, issued on or after July 10, 1982, may be calculated, at the option of the company, according to any standards which produce greater

aggregate reserves for such category than those calculated according to the minimum standard herein provided, but the rate or rates of interest used for policies and contracts, other than annuity and pure endowment contracts, shall not be higher than the corresponding rate or rates of interest used in calculating any nonforfeiture benefits provided therein.

Any such company which at any time has adopted any standard of valuation producing greater aggregate reserves than those calculated according to the minimum standard herein provided may, with the approval of the commissioner, adopt any lower standard of valuation, but not lower than the minimum herein provided. For the purposes of this section, the holding of additional reserves previously determined by a qualified actuary to be necessary to render the opinion required under section 85 of this act is not to be the adoption of a higher standard of valuation.

NEW SECTION. Sec. 90. A new section is added to chapter 48.74 RCW to read as follows:

The commissioner shall adopt rules containing the minimum standards applicable to the valuation of disability insurance.

Sec. 91. RCW 48.92.010 and 1987 c 306 s 1 are each amended to read as follows:

The purpose of this chapter is to regulate the formation and operation of risk retention groups and purchasing groups in this state formed pursuant to the provisions of the federal Liability Risk Retention Act of 1986.

Sec. 92. RCW 48.92.020 and 1987 c 306 s 2 are each amended to read as follows:

As used in this chapter, the following terms have the meanings indicated unless the context clearly requires otherwise:

(1) "Commissioner" means the insurance commissioner of Washington state or the commissioner, director, or superintendent of insurance in any other state.

(2) "Completed operations liability" means liability arising out of the installation, maintenance, or repair of any product at a site which is not owned or controlled by:

(a) Any person who performs that work; or

(b) Any person who hires an independent contractor to perform that work; but shall include liability for activities which are completed or abandoned before the date of the occurrence giving rise to the liability.

(3) "Domicile," for purposes of determining the state in which a purchasing group is domiciled, means:

(a) For a corporation, the state in which the purchasing group is incorporated; and

(b) For an unincorporated entity, the state of its principal place of business.

(4) "Hazardous financial condition" means that, based on its present or reasonably anticipated financial condition, a risk retention group, although not yet financially impaired or insolvent, is unlikely to be able:

(a) To meet obligations to policyholders with respect to known claims and reasonably anticipated claims; or

(b) To pay other obligations in the normal course of business.

(5) "Insurance" means primary insurance, excess insurance, reinsurance, surplus lines insurance, and any other arrangement for shifting and distributing risk which is determined to be insurance under the laws of this state.

(6) "Liability" means legal liability for damages including costs of defense, legal costs and fees, and other claims expenses because of injuries to other persons, damage to their property, or other damage or loss to such other persons resulting from or arising out of:

(a) Any business, whether profit or nonprofit, trade, product, services, including professional services, premises, or operations; or

(b) Any activity of any state or local government, or any agency or political subdivision thereof.

"Liability" does not include personal risk liability and an employer's liability with respect to its employees other than legal liability under the federal Employers' Liability Act 45 U.S.C. 51 et seq.

(7) "Personal risk liability" means liability for damages because of injury to any person, damage to property, or other loss or damage resulting from any personal, familial, or household responsibilities or activities, rather than from responsibilities or activities referred to in subsection (6) of this section.

(8) "Plan of operation or a feasibility study" means an analysis which presents the expected activities and results of a risk retention group including, at a minimum:

(a) Information sufficient to verify that its members are engaged in businesses or activities similar or related with respect to the liability to which the members are exposed by virtue of any related, similar, or common business, trade, product, services, premises, or operations;

(b) For each state in which it intends to operate, the coverages, deductibles, coverage limits, rates, and rating classification systems for each line of insurance the group intends to offer;

~~((b))~~ (c) Historical and expected loss experience of the proposed members and national experience of similar exposures;

~~((c))~~ (d) Pro forma financial statements and projections;

~~((d))~~ (e) Appropriate opinions by a qualified, independent, casualty actuary, including a determination of minimum premium or participation levels required to commence operations and to prevent a hazardous financial condition;

~~((e))~~ (f) Identification of management, underwriting and claims procedures, marketing methods, managerial oversight methods, ~~((and))~~ investment policies, and reinsurance agreements; ~~((and))~~

~~((f))~~ (g) Identification of each state in which the risk retention group has obtained, or sought to obtain, a charter and license, and a description of its status in each of those states; and

(h) Such other matters as may be prescribed by the commissioner for liability insurance companies authorized by the insurance laws of the state.

(9) "Product liability" means liability for damages because of any personal injury, death, emotional harm, consequential economic damage, or property damage including damages resulting from the loss of use of property arising out of the manufacture, design, importation, distribution, packaging, labeling, lease, or sale of a product, but does not include the liability of any person for those damages if the product involved was in the possession of such a person when the incident giving rise to the claim occurred.

(10) "Purchasing group" means any group which:

(a) Has as one of its purposes the purchase of liability insurance on a group basis;

(b) Purchases the insurance only for its group members and only to cover their similar or related liability exposure, as described in (c) of this subsection;

(c) Is composed of members whose businesses or activities are similar or related with respect to the liability to which members are exposed by virtue of any related, similar, or common business, trade, product, services, premises, or operations; and

(d) Is domiciled in any state.

(11) "Risk retention group" means any corporation or other limited liability association (~~formed under the laws of any state, Bermuda, or the Cayman Islands~~):

(a) Whose primary activity consists of assuming and spreading all, or any portion, of the liability exposure of its group members;

(b) Which is organized for the primary purpose of conducting the activity described under (a) of this subsection;

(c) Which:

(i) Is chartered and licensed as a liability insurance company and authorized to engage in the business of insurance under the laws of any state; or

(ii) Before January 1, 1985, was chartered or licensed and authorized to engage in the business of insurance under the laws of Bermuda or the Cayman Islands and, before such date, had certified to the insurance commissioner of at least one state that it satisfied the capitalization requirements of such state, except that any such group shall be considered to be a risk retention group only if it has been engaged in business continuously since that date and only for the purpose of continuing to provide insurance to cover product liability or completed operations liability as the terms were defined in the federal Product Liability Risk Retention Act of 1981 before the date of the enactment of the federal Risk Retention Act of 1986;

(d) Which does not exclude any person from membership in the group solely to provide for members of such a group a competitive advantage over such a person;

(e) Which:

(i) Has as its ~~((members))~~ owners only persons who ~~((have an ownership interest in the group and which has as its owners only persons who are members))~~ comprise the membership of the risk retention group and who are provided insurance by the risk retention group; or

(ii) Has as its sole ~~((member and sole))~~ owner an organization ~~((which is owned by persons who are provided insurance by the risk retention group))~~ that has:

(A) As its members only persons who comprise the membership of the risk retention group; and

(B) As its owners only persons who comprise the membership of the risk retention group and who are provided insurance by the group;

(f) Whose members are engaged in businesses or activities similar or related with respect to the liability of which such members are exposed by virtue of any related, similar, or common business trade, product, services, premises, or operations;

(g) Whose activities do not include the provision of insurance other than:

(i) Liability insurance for assuming and spreading all or any portion of the liability of its group members; and

(ii) Reinsurance with respect to the liability of any other risk retention group or any members of such other group which is engaged in businesses or activities so that the group or member meets the requirement described in (f) of this subsection from membership in the risk retention group which provides such reinsurance; and

(h) The name of which includes the phrase "risk retention group."

(12) "State" means any state of the United States or the District of Columbia.

Sec. 93. RCW 48.92.030 and 1987 c 306 s 3 are each amended to read as follows:

(1) A risk retention group seeking to be chartered in this state must be chartered and licensed as a liability insurance company authorized by the insurance laws of this state and, except as provided elsewhere in this chapter, must comply with all of the laws, rules, regulations, and requirements applicable to the insurers chartered and licensed in this state and with RCW 48.92.040 to the extent the requirements are not a limitation on laws, rules, regulations, or requirements of this state.

(2) A risk retention group chartered in this state shall file with the department and the National Association of Insurance Commissioners an annual statement in a form prescribed by the National Association of Insurance Commissioners, and in electronic form if required by the commissioner, and completed in accordance with its instructions and the National Association of Insurance Commissioners accounting practices and procedures manual.

(3) Before it may offer insurance in any state, each domestic risk retention group shall also submit for approval to the insurance commissioner of this state a plan of operation or a feasibility study ((and revisions of the plan or study if

~~the group intends to offer any additional lines of liability insurance)).~~ The risk retention group shall submit an appropriate revision in the event of a subsequent material change in an item of the plan of operation or feasibility study, within ten days of the change. The group may not offer any additional kinds of liability insurance, in this state or in any other state, until a revision of the plan or study is approved by the commissioner.

(4) At the time of filing its application for charter, the risk retention group shall provide to the commissioner in summary form the following information: The identity of the initial members of the group; the identify of those individuals who organized the group or who will provide administrative services or otherwise influence or control the activities of the group; the amount and nature of the initial capitalization; the coverages to be afforded; and the states in which the group intends to operate. Upon receipt of this information, the commissioner shall forward the information to the National Association of Insurance Commissioners. Providing notification to the National Association of Insurance Commissioners is in addition to and is not sufficient to satisfy the requirements of RCW 48.92.040 or this chapter.

Sec. 94. RCW 48.92.040 and 1987 c 306 s 4 are each amended to read as follows:

Risk retention groups chartered and licensed in states other than this state and seeking to do business as a risk retention group in this state (~~must observe and abide by~~) shall comply with the laws of this state as follows:

(1) Before offering insurance in this state, a risk retention group shall submit to the commissioner on a form prescribed by the National Association of Insurance Commissioners:

(a) A statement identifying the state or states in which the risk retention group is chartered and licensed as a liability insurance company, date of chartering, its principal place of business, and any other information including information on its membership, as the commissioner of this state may require to verify that the risk retention group is qualified under RCW 48.92.020(11);

(b) A copy of its plan of operations or a feasibility study and revisions of the plan or study submitted to its state of domicile: PROVIDED, HOWEVER, That the provision relating to the submission of a plan of operation or a feasibility study shall not apply with respect to any line or classification of liability insurance which: (i) Was defined in the federal Product Liability Risk Retention Act of 1981 before October 27, 1986; and (ii) was offered before that date by any risk retention group which had been chartered and operating for not less than three years before that date; (~~and~~)

(c) The risk retention group shall submit a copy of any revision to its plan of operation or feasibility study required under RCW 48.92.030(3) at the same time that the revision is submitted to the commissioner of its chartering state; and

(d) A statement of registration which designates the commissioner as its agent for the purpose of receiving service of legal documents or process.

(2) Any risk retention group doing business in this state shall submit to the commissioner:

(a) A copy of the group's financial statement submitted to its state of domicile, which shall be certified by an independent public accountant and contain a statement of opinion on loss and loss adjustment expense reserves made by a member of the American academy of actuaries or a qualified loss reserve specialist under criteria established by the National Association of Insurance Commissioners;

(b) A copy of each examination of the risk retention group as certified by the commissioner or public official conducting the examination;

(c) Upon request by the commissioner, a copy of any information or document pertaining to an outside audit performed with respect to the risk retention group; and

(d) Any information as may be required to verify its continuing qualification as a risk retention group under RCW 48.92.020(11).

~~(3)(a) ((All premiums paid for coverages within this state to risk retention groups shall be subject to taxation at the same rate and subject to the same interest, fines, and penalties for nonpayment as that applicable to foreign admitted insurers))~~ A risk retention group is liable for the payment of premium taxes and taxes on premiums of direct business for risks resident or located within this state, and shall report on or before March 1st of each year to the commissioner the direct premiums written for risks resident or located within this state. The risk retention group is subject to taxation, and applicable fines and penalties related thereto, on the same basis as a foreign admitted insurer.

(b) ~~To the extent agents or brokers are utilized under RCW 48.92.120 or otherwise, they shall report ((and pay the taxes for the premiums for risks which they)) to the commissioner the premiums for direct business for risks resident or located within this state that the licensees have placed with or on behalf of a risk retention group not chartered in this state.~~

(c) ~~To the extent agents or brokers are ((not utilized or fail to pay the tax, each risk retention group shall pay the tax for risks insured within the state. Each risk retention group shall report all premiums paid to it for risks insured within the state))~~ used under RCW 48.92.120 or otherwise, an agent or broker shall keep a complete and separate record of all policies procured from each risk retention group. The record is open to examination by the commissioner, as provided in chapter 48.03 RCW. These records must include, for each policy and each kind of insurance provided thereunder, the following:

(i) The limit of liability;

(ii) The time period covered;

(iii) The effective date;

(iv) The name of the risk retention group that issued the policy;

(v) The gross premium charged; and

(vi) The amount of return premiums, if any.

(4) Any risk retention group, its agents and representatives, shall be subject to any and all unfair claims settlement practices statutes and regulations specifically denominated by the commissioner as unfair claims settlement practices regulations.

(5) Any risk retention group, its agents and representatives, shall be subject to the provisions of chapter 48.30 RCW pertaining to deceptive, false, or fraudulent acts or practices. However, if the commissioner seeks an injunction regarding such conduct, the injunction must be obtained from a court of competent jurisdiction.

(6) Any risk retention group must submit to an examination by the commissioner to determine its financial condition if the commissioner of the jurisdiction in which the group is chartered has not initiated an examination or does not initiate an examination within sixty days after a request by the commissioner of this state. The examination shall be coordinated to avoid unjustified repetition and conducted in an expeditious manner and in accordance with the National Association of Insurance Commissioners' examiner handbook.

(7) ~~((Any))~~ Every application form for insurance from a risk retention group and every policy issued by a risk retention group shall contain in ten-point type on the front page and the declaration page, the following notice:

NOTICE

This policy is issued by your risk retention group. Your risk retention group may not be subject to all of the insurance laws and regulations of your state. State insurance insolvency guaranty funds are not available for your risk retention group.

(8) The following acts by a risk retention group are hereby prohibited:

(a) The solicitation or sale of insurance by a risk retention group to any person who is not eligible for membership in that group; and

(b) The solicitation or sale of insurance by, or operation of, a risk retention group that is in a hazardous financial condition or is financially impaired.

(9) No risk retention group shall be allowed to do business in this state if an insurance company is directly or indirectly a member or owner of the risk retention group, other than in the case of a risk retention group all of whose members are insurance companies.

~~(10) ((No risk retention group may offer insurance policy coverage prohibited by Title 48 RCW or declared unlawful by the highest court of this state))~~ The terms of an insurance policy issued by a risk retention group may not provide, or be construed to provide, coverage prohibited generally by statute of this state or declared unlawful by the highest court of this state.

(11) A risk retention group not chartered in this state and doing business in this state shall comply with a lawful order issued in a voluntary dissolution proceeding or in a delinquency proceeding commenced by a state insurance commissioner if there has been a finding of financial impairment after an examination under ~~((RCW 48.92.040(6))~~ subsection (6) of this section.

Sec. 95. RCW 48.92.050 and 1987 c 306 s 5 are each amended to read as follows:

(1) No risk retention group shall be permitted to join or contribute financially to any insurance insolvency guaranty fund, or similar mechanism, in this state, nor shall any risk retention group, or its insureds or claimants against its insureds, receive any benefit from any such fund for claims arising ((out of the operations of the)) under the insurance policies issued by a risk retention group.

(2) A risk retention group shall participate in this state's joint underwriting associations and mandatory liability pools or plans required by the commissioners.

(3) When a purchasing group obtains insurance covering its members' risks from an insurer not authorized in this state or a risk retention group, no such risks, wherever resident or located, are covered by an insurance guaranty fund or similar mechanism in this state.

(4) When a purchasing group obtains insurance covering its members' risks from an authorized insurer, only risks resident or located in this state are covered by the state guaranty fund established in chapter 48.32 RCW.

Sec. 96. RCW 48.92.070 and 1987 c 306 s 7 are each amended to read as follows:

~~((Any purchasing group meeting the criteria established under the provisions of the federal Liability Risk Retention Act of 1986 shall be exempt from any law of this state relating to the creation of groups for the purchase of insurance, prohibition of group purchasing, or any law that would discriminate against a purchasing group or its members. In addition, an insurer shall be exempt from any law of this state which prohibits providing, or offering to provide, to a purchasing group or its members advantages based on their loss and expense experience not afforded to other persons with respect to rates, policy forms, coverages, or other matters. A purchasing group shall be subject to all other applicable laws of this state.))~~ A purchasing group and its insurer or insurers are subject to all applicable laws of this state, except that a purchasing group and its insurer or insurers are exempt, in regard to liability insurance for the purchasing group, from any law that:

(1) Prohibits the establishment of a purchasing group;

(2) Makes it unlawful for an insurer to provide or offer to provide insurance on a basis providing, to a purchasing group or its members, advantages based on their loss and expense experience not afforded to other persons with respect to rates, policy forms, coverages, or other matters;

(3) Prohibits a purchasing group or its members from purchasing insurance on a group basis described in subsection (2) of this section;

(4) Prohibits a purchasing group from obtaining insurance on a group basis because the group has not been in existence for a minimum period of time or because any member has not belonged to the group for a minimum period of time;

(5) Requires that a purchasing group must have a minimum number of members, common ownership or affiliation, or certain legal form;

(6) Requires that a certain percentage of a purchasing group must obtain insurance on a group basis;

(7) Otherwise discriminates against a purchasing group or any of its members.

Sec. 97. RCW 48.92.080 and 1987 c 306 s 8 are each amended to read as follows:

(1) A purchasing group which intends to do business in this state shall furnish, before doing business, notice to the commissioner, on forms prescribed by the National Association of Insurance Commissioners which shall:

(a) Identify the state in which the group is domiciled;

(b) Identify all other states in which the group intends to do business;

(c) Specify the lines and classifications of liability insurance which the purchasing group intends to purchase;

~~((e))~~ (d) Identify the insurance company or companies from which the group intends to purchase its insurance and the domicile of that company or companies;

~~((d))~~ (e) Specify the method by which, and the person or persons, if any, through whom insurance will be offered to its members whose risks are resident or located in this state;

(f) Identify the principal place of business of the group; and

~~((e))~~ (g) Provide any other information as may be required by the commissioner to verify that the purchasing group is qualified under RCW 48.92.020(10).

(2) A purchasing group shall, within ten days, notify the commissioner of any changes in any of the items set forth in subsection (1) of this section.

(3) The purchasing group shall register with and designate the commissioner as its agent solely for the purpose of receiving service of legal documents or process, except that this requirement shall not apply in the case of a purchasing group that only purchases insurance that was authorized under the federal Product Liability Risk Retention Act of 1981 and:

(a) Which in any state of the United States:

(i) Was domiciled before April ~~((2))~~ 1, 1986; and

(ii) Is domiciled on and after October 27, 1986~~((in any state of the United States));~~

(b) Which:

(i) Before October 27, 1986, purchased insurance from an insurance carrier licensed in any state;

(ii) Since October 27, 1986, purchased its insurance from an insurance carrier licensed in any state; or

(c) Which was a purchasing group under the requirements of the federal Product Liability Risk Retention Act of 1981 before October 27, 1986~~((and~~

~~(d) Which does not purchase insurance that was not authorized for purposes of an exemption under that act, as in effect before October 27, 1986).~~

(4) A purchasing group that is required to give notice under subsection (1) of this section shall also furnish such information as may be required by the commissioner to:

- (a) Verify that the entity qualifies as a purchasing group;
- (b) Determine where the purchasing group is located; and
- (c) Determine appropriate tax treatment.

Sec. 98. RCW 48.92.090 and 1987 c 306 s 9 are each amended to read as follows:

(1) A purchasing group may not purchase insurance from a risk retention group that is not chartered in a state or from an insurer not admitted in the state in which the purchasing group is located, unless the purchase is effected through a licensed agent or broker acting pursuant to the surplus lines laws and regulations of that state.

(2) A purchasing group that obtains liability insurance from an insurer not admitted in this state or a risk retention group shall inform each of the members of the group that have a risk resident or located in this state that the risk is not protected by an insurance insolvency guaranty fund in this state, and that the risk retention group or insurer may not be subject to all insurance laws and rules of this state.

(3) No purchasing group may purchase insurance providing for a deductible or self-insured retention applicable to the group as a whole; however, coverage may provide for a deductible or self-insured retention applicable to individual members.

(4) Purchases of insurance by purchasing groups are subject to the same standards regarding aggregate limits that are applicable to all purchases of group insurance.

NEW SECTION. Sec. 99. A new section is added to chapter 48.92 RCW to read as follows:

Premium taxes and taxes on premiums paid for coverage of risks resident or located in this state by a purchasing group or any members of the purchasing groups must be:

(1) Imposed at the same rate and subject to the same interest, fines, and penalties as those applicable to premium taxes and taxes on premiums paid for similar coverage from authorized insurers, as defined under chapter 48.05 RCW, or unauthorized insurers, as defined and provided for under chapter 48.15 RCW, by other insurers; and

(2) The obligation of the insurer; and if not paid by the insurer, then the obligation of the purchasing group; and if not paid by the purchasing group, then the obligation of the agent or broker for the purchasing group; and if not paid by the agent or broker for the purchasing group, then the obligation of each of the purchasing group's members. The liability of each member of the purchasing

group is several, not joint, and is limited to the tax due in relation to the premiums paid by that member.

Sec. 100. RCW 48.92.100 and 1987 c 306 s 10 are each amended to read as follows:

The commissioner is authorized to make use of any of the powers established under Title 48 RCW to enforce the laws of this state so long as those powers are not specifically preempted by the federal Product Liability Risk Retention Act of 1981, as amended by the federal Risk Retention Amendments of 1986. This includes, but is not limited to, the commissioner's administrative authority to investigate, issue subpoenas, conduct depositions and hearings, issue orders, ~~((and))~~ impose penalties, and seek injunctive relief. With regard to any investigation, administrative proceedings, or litigation, the commissioner can rely on the procedural law and regulations of the state. The injunctive authority of the commissioner in regard to risk retention groups is restricted by the requirement that any injunction be issued by a court of competent jurisdiction.

Sec. 101. RCW 48.92.120 and 1987 c 306 s 12 are each amended to read as follows:

~~((Any person acting, or offering to act, as an agent or broker for a risk retention group or purchasing group, which solicits members, sells insurance coverage, purchases coverage for its members located within the state or otherwise does business in this state shall be subject to the provisions of chapter 48.17 RCW and before commencing any such activity, obtain a license and pay the fees designated for the license under RCW 48.14.010.))~~ (1) No person may act or aid in any manner in soliciting, negotiating, or procuring liability insurance in this state from a risk retention group unless the person is licensed as an insurance agent or broker for casualty insurance in accordance with chapter 48.17 RCW and pays the fees designated for the license under RCW 48.14.010.

(2)(a) No person may act or aid in any manner in soliciting, negotiating, or procuring liability insurance in this state for a purchasing group from an authorized insurer or a risk retention group chartered in a state unless the person is licensed as an insurance agent or broker for casualty insurance in accordance with chapter 48.17 RCW and pays the fees designated for the license under RCW 48.14.010.

(b) No person may act or aid in any manner in soliciting, negotiating, or procuring liability insurance coverage in this state for a member of a purchasing group under a purchasing group's policy unless the person is licensed as an insurance agent or broker for casualty insurance in accordance with chapter 48.17 RCW and pays the fees designated for the license under RCW 48.14.010.

(c) No person may act or aid in any manner in soliciting, negotiating, or procuring liability insurance from an insurer not authorized to do business in this state on behalf of a purchasing group located in this state unless the person is licensed as a surplus lines broker in accordance with chapter 48.15 RCW and pays the fees designated for the license under RCW 48.14.010.

(3) For purposes of acting as an agent or broker for a risk retention group or purchasing group under subsections (1) and (2) of this section, the requirement of residence in this state does not apply.

(4) Every person licensed under chapters 48.15 and 48.17 RCW, on business placed with risk retention groups or written through a purchasing group, shall inform each prospective insured of the provisions of the notice required under RCW 48.92.040(7) in the case of a risk retention group and RCW 48.92.090(3) in the case of a purchasing group.

Sec. 102. RCW 48.92.130 and 1987 c 306 s 13 are each amended to read as follows:

An order issued by any district court of the United States enjoining a risk retention group from soliciting or selling insurance, or operating, in any state or in all states or in any territory or possession of the United States, upon a finding that the group is in a hazardous financial or financially impaired condition, shall be enforceable in the courts of the state.

Sec. 103. RCW 48.92.140 and 1987 c 306 s 14 are each amended to read as follows:

The commissioner may establish and from time to time amend the rules relating to risk retention or purchasing groups as may be necessary or desirable to carry out the provisions of this chapter.

NEW SECTION. Sec. 104. A new section is added to chapter 48.01 RCW to read as follows:

The activities and operations of mental health regional support networks, to the extent they pertain to the operation of a medical assistance managed care system in accordance with chapters 71.24 and 74.09 RCW, are exempt from the requirements of this title.

NEW SECTION. Sec. 105. The following acts or parts of acts are each repealed:

(1) RCW 48.07.090 and 1975 1st ex.s. c 266 s 4, 1953 c 197 s 3, & 1947 c 79 s .07.09;

(2) RCW 48.31A.005 and 1983 c 46 s 1;

(3) RCW 48.31A.010 and 1971 ex.s. c 13 s 3;

(4) RCW 48.31A.020 and 1985 c 55 s 1, 1983 c 46 s 2, & 1971 ex.s. c 13 s 4;

(5) RCW 48.31A.030 and 1983 c 46 s 3 & 1971 ex.s. c 13 s 5;

(6) RCW 48.31A.040 and 1971 ex.s. c 13 s 6;

(7) RCW 48.31A.050 and 1985 c 55 s 2, 1983 c 46 s 4, & 1971 ex.s. c 13 s 7;

(8) RCW 48.31A.055 and 1985 c 55 s 3;

(9) RCW 48.31A.060 and 1971 ex.s. c 13 s 8;

(10) RCW 48.31A.070 and 1971 ex.s. c 13 s 9;

(11) RCW 48.31A.080 and 1971 ex.s. c 13 s 10;

(12) RCW 48.31A.090 and 1971 ex.s. c 13 s 11;

- (13) RCW 48.31A.100 and 1971 ex.s. c 13 s 12;
- (14) RCW 48.31A.110 and 1971 ex.s. c 13 s 13;
- (15) RCW 48.31A.120 and 1971 ex.s. c 13 s 14;
- (16) RCW 48.31A.130 and 1971 ex.s. c 13 s 15; and
- (17) RCW 48.31A.900 and 1971 ex.s. c 13 s 17.

NEW SECTION. **Sec. 106.** The insurance commissioner may take such steps as are necessary to ensure that this act is implemented on its effective date.

NEW SECTION. **Sec. 107.** Sections 1 through 15 of this act shall constitute a new chapter in Title 48 RCW.

NEW SECTION. **Sec. 108.** Sections 16 through 21 of this act shall constitute a new chapter in Title 48 RCW.

NEW SECTION. **Sec. 109.** Sections 22 through 33 of this act shall constitute a new chapter in Title 48 RCW.

NEW SECTION. **Sec. 110.** Sections 34 through 42 of this act shall constitute a new chapter in Title 48 RCW.

NEW SECTION. **Sec. 111.** Sections 58 through 74 of this act are each added to chapter 48.31 RCW.

NEW SECTION. **Sec. 112.** If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

Passed the House April 25, 1993.

Passed the Senate April 24, 1993.

Approved by the Governor May 17, 1993.

Filed in Office of Secretary of State May 17, 1993.

CHAPTER 463

[Substitute House Bill 1912]

WITNESSES AT EXECUTIONS

Effective Date: 7/25/93

AN ACT Relating to the department of corrections establishing guidelines for allowing witnesses at an execution; adding a new section to chapter 10.95 RCW; and creating a new section. Be it enacted by the Legislature of the State of Washington:

NEW SECTION. **Sec. 1.** The legislature declares that, to the extent that the attendance of witnesses can be accommodated without compromising the security or the orderly operation of the Washington state penitentiary, it is the policy of the state of Washington to provide authorized individuals the opportunity to attend and witness the execution of an individual sentenced to death pursuant to chapter 10.95 RCW. Further, it is the policy of the state of Washington to provide for access to the execution to credentialed members of the media.

NEW SECTION. Sec. 2. A new section is added to chapter 10.95 RCW to read as follows:

(1) Not less than twenty days prior to a scheduled execution, judicial officers, media representatives, representatives from the families of the victims, and representatives from the family of the defendant who wish to attend and witness the execution, must submit an application to the superintendent. Such application must designate the relationship and reason for wishing to attend.

(2) Not less than fifteen days prior to the scheduled execution, the superintendent shall designate the total number of individuals who will be allowed to attend and witness the planned execution. The superintendent shall determine the number of witnesses that will be allowed in each of the following categories:

- (a) Media representatives.
- (b) Judicial officers.
- (c) Representatives from the families of victims.
- (d) Representatives from the family of the defendant.

After the list is composed, the superintendent shall serve this list on all parties who have submitted an application pursuant to this section. The superintendent shall develop and implement procedures to determine the persons within each of the categories listed in this subsection who will be allowed to attend and witness the execution.

(3) Not less than ten days prior to the scheduled execution, the superintendent shall file the witness list with the superior court from which the conviction and death warrant was issued with a petition asking that the court enter an order certifying this list as a final order identifying the witnesses to attend the execution. The final order of the court certifying the witness list shall not be entered less than five days after the filing of the petition.

(4) Unless a show cause petition is filed with the superior court from which the conviction and death warrant was issued within five days of the filing of the superintendent's petition, the superintendent's list, by order of the superior court, becomes final, and no other party has standing to challenge its appropriateness.

(5) In no case may the superintendent or the superior court order or allow more than seventeen individuals other than required staff to witness a planned execution.

(6) All witnesses must adhere to the search and security provisions of the department of corrections' policy regarding the witnessing of an execution.

(7) The superior court from which the conviction and death warrant was issued is the exclusive court for seeking judicial process for the privilege of attending and witnessing an execution.

(8) For purposes of this section:

(a) "Judicial officer" means: (i) The superior court judge who signed the death warrant issued pursuant to RCW 10.95.160 for the execution of the individual, (ii) the current prosecuting attorney of the county from which the

final judgment and sentence and death warrant were issued, and (iii) the most recent attorney of record representing the individual sentenced to death.

(b) "Media representatives" means representative members of all forms of media.

(c) "Representative from the family of the victim" means a representative from the immediate family of a victim of the individual sentenced to death.

(d) "Representative from the family of the defendant" means a representative from the immediate family of the individual sentenced to death.

(e) "Superintendent" means the superintendent of the Washington state penitentiary.

NEW SECTION. Sec. 3. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

Passed the House April 21, 1993.

Passed the Senate April 16, 1993.

Approved by the Governor May 17, 1993.

Filed in Office of Secretary of State May 17, 1993.

CHAPTER 464

[House Bill 2008]

SPECIAL DISTRICTS—WITHDRAWAL OF AREAS WITHIN CITY OR TOWN

Effective Date: 7/25/93

AN ACT Relating to special districts; amending RCW 85.22.010 and 85.38.140; adding new sections to chapter 85.38 RCW; and repealing RCW 85.07.080.

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

Sec. 1. RCW 85.22.010 and 1933 c 182 s 1 are each amended to read as follows:

Any diking district (~~((organized under the provisions of chapter CXVII (117) of the Laws of 1895, and the acts amendatory thereof, which has been reorganized under the provisions of chapter 131 of the Laws of 1917, and the acts amendatory thereof, and any))~~); drainage district (~~((organized under the provisions of chapter CXV (115) of the Laws of 1895, and the acts amendatory thereof, whether the same has been organized as a drainage and irrigation improvement district or as a drainage district))~~); irrigation improvement district; intercounty diking and drainage district; diking, drainage, and/or sewerage improvement district; consolidated diking district, drainage district, diking improvement district, and/or drainage improvement district; or flood control district may reorganize as a drainage and irrigation improvement district or as a diking, drainage and irrigation improvement district in the manner provided in this chapter.

NEW SECTION. **Sec. 2.** A new section is added to chapter 85.38 RCW to read as follows:

A special district may withdraw area from its boundaries that is located within the boundaries of a city or town, or area that includes area both within and adjacent to the boundaries of any city or town, under this section.

(1) The withdrawal of area is authorized upon the following conditions being met: (a) Adoption of a resolution by the special district requesting withdrawal of the area from the district; (b) adoption of a resolution by the city or town council approving the withdrawal of the special district from the area; (c) assumption by the city or town of full responsibility for the maintenance, improvements, and collection of payment for the operation of the system previously operated by the special district in the area; (d) transfer by the special district of all rights-of-way or easements in the area to the city or town by quit claim or deed; and (e) adoption of an interlocal agreement between the special district and the city or town that reimburses the special district for lost assessment revenue from the withdrawn area, that transfers any facilities or improvements owned by the special district to the city or town as agreed between the parties, and that requires the city or town to maintain existing water run-off and water quality levels in the area.

(2) Property in the territory withdrawn from the boundaries of a special district under this section shall remain liable for any special assessments of the special district from which it was withdrawn, if the special assessments are associated with bonds or notes used to finance facilities serving the property, to the same extent as if the withdrawal of property had not occurred.

Sec. 3. RCW 85.38.140 and 1985 c 396 s 15 are each amended to read as follows:

The process by which budgets are adopted, special assessments are measured and imposed, rates and charges are fixed, and assessment zones are established, as provided in RCW 85.38.140 through 85.38.170, shall constitute an alternative optional method of financing special districts. A special district in existence prior to July 28, 1985, may conform with RCW 85.38.140 through 85.38.170 when its governing body adopts a resolution indicating its intention to conform with such laws. Whenever such a resolution is adopted, or a new special district is created on or after July 28, 1985, RCW 85.38.140 through 85.38.170 shall be the exclusive method by which the special district measures and imposes special assessments and adopts its budget. The governing body of a special district that was created before July 28, 1985, and which operates under RCW 85.38.140 through 85.38.170, may adopt a resolution removing the special district from operating under RCW 85.38.140 through 85.38.170, and operate under alternative procedures available to the special district. A county may charge a special district for costs the county incurs in establishing a system or systems of assessment for the special district pursuant to RCW 85.38.140 through 85.38.170.

NEW SECTION. **Sec. 4.** A new section is added to chapter 85.38 RCW to read as follows:

Regardless of whether any special assessments have been or may be imposed on a particular parcel of real property pursuant to this chapter, in order to implement the authority granted under RCW 85.38.180(3), a special district may fix rates and charges payable by owners or occupiers of real estate within the special district. When fixing rates and charges, the district may consider the degree to which activities on a parcel of real property, including on-site septic systems, contribute to the problems that the special district is authorized to address under RCW 85.38.180(3).

NEW SECTION. **Sec. 5.** RCW 85.07.080 and 1983 c 167 s 191 & 1935 c 103 s 3 are each repealed.

Passed the House April 20, 1993.
Passed the Senate April 8, 1993.
Approved by the Governor May 17, 1993.
Filed in Office of Secretary of State May 17, 1993.

CHAPTER 465

[House Bill 2066]

SCHOOL DISTRICT LEVY EQUALIZATION—MAXIMUM PAYMENT RATE

Effective Date: 7/25/93

AN ACT Relating to school district excess levies; amending RCW 84.52.0531 and 28A.500.010; and providing an expiration date.

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

Sec. 1. RCW 84.52.0531 and 1992 c 49 s 1 are each amended to read as follows:

The maximum dollar amount which may be levied by or for any school district for maintenance and operation support under the provisions of RCW 84.52.053 shall be determined as follows:

(1) For excess levies for collection in calendar year 1992, the maximum dollar amount shall be calculated pursuant to the laws and rules in effect in November 1991.

(2) For the purpose of this section, the basic education allocation shall be determined pursuant to RCW 28A.150.250, 28A.150.260, and 28A.150.350: PROVIDED, That when determining the basic education allocation under subsection (4) of this section, nonresident full time equivalent pupils who are participating in a program provided for in chapter 28A.545 RCW or in any other program pursuant to an interdistrict agreement shall be included in the enrollment of the resident district and excluded from the enrollment of the serving district.

(3) For excess levies for collection in calendar year 1993 and thereafter, the maximum dollar amount shall be the sum of (a) and (b) of this subsection minus (c) of this subsection:

(a) The district's levy base as defined in subsection (4) of this section multiplied by the district's maximum levy percentage as defined in subsection (5) of this section;

(b) In the case of nonhigh school districts only, an amount equal to the total estimated amount due by the nonhigh school district to high school districts pursuant to chapter 28A.545 RCW for the school year during which collection of the levy is to commence, less the increase in the nonhigh school district's basic education allocation as computed pursuant to subsection (1) of this section due to the inclusion of pupils participating in a program provided for in chapter 28A.545 RCW in such computation;

(c) The maximum amount of state matching funds under RCW 28A.500.010 for which the district is eligible in that tax collection year.

(4) For excess levies for collection in calendar year 1993 and thereafter, a district's levy base shall be the sum of allocations in (a) through (c) of this subsection received by the district for the prior school year, including allocations for compensation increases, plus the sum of such allocations multiplied by the percent increase per full time equivalent student as stated in the state basic education appropriation section of the biennial budget between the prior school year and the current school year and divided by fifty-five percent. A district's levy base shall not include local school district property tax levies or other local revenues, or state and federal allocations not identified in (a) through (c) of this subsection.

(a) The district's basic education allocation as determined pursuant to RCW 28A.150.250, 28A.150.260, and 28A.150.350;

(b) State and federal categorical allocations for the following programs:

(i) Pupil transportation;

(ii) Handicapped education;

(iii) Education of highly capable students;

(iv) Compensatory education, including but not limited to learning assistance, migrant education, Indian education, refugee programs, and bilingual education;

(v) Food services; and

(vi) State-wide block grant programs; and

(c) Any other federal allocations for elementary and secondary school programs, including direct grants, other than federal impact aid funds and allocations in lieu of taxes.

(5) For excess levies for collection in calendar year 1993 and thereafter, a district's maximum levy percentage shall be determined as follows:

(a) Multiply the district's maximum levy percentage for the prior year by the district's levy base as determined in subsection (4) of this section;

(b) Reduce the amount in (a) of this subsection by the total estimated amount of any levy reduction funds as defined in subsection (6) of this section which are to be allocated to the district for the current school year;

(c) Divide the amount in (b) of this subsection by the district's levy base to compute a new percentage; ~~(and)~~

(d) The percentage in (c) of this subsection or twenty percent, whichever is greater, shall be the district's maximum levy percentage for levies collected in that calendar year; and

(e) For levies to be collected in calendar years 1994 and 1995 the maximum levy rate shall be the district's maximum levy percentage for 1993 plus four percent reduced by any levy reduction funds. For levies collected in 1996, the prior year shall mean 1993.

(6) "Levy reduction funds" shall mean increases in state funds from the prior school year for programs included under subsection (4) of this section: (a) That are not attributable to enrollment changes, compensation increases, or inflationary adjustments; and (b) that are or were specifically identified as levy reduction funds in the appropriations act. If levy reduction funds are dependent on formula factors which would not be finalized until after the start of the current school year, the superintendent of public instruction shall estimate the total amount of levy reduction funds by using prior school year data in place of current school year data. Levy reduction funds shall not include moneys received by school districts from cities or counties.

(7) For the purposes of this section, "prior school year" shall mean the most recent school year completed prior to the year in which the levies are to be collected.

(8) For the purposes of this section, "current school year" shall mean the year immediately following the prior school year.

(9) The superintendent of public instruction shall develop rules and regulations and inform school districts of the pertinent data necessary to carry out the provisions of this section.

Sec. 2. RCW 28A.500.010 and 1992 c 49 s 2 are each amended to read as follows:

(1) Commencing with taxes assessed in ~~((1988))~~ 1993 to be collected in calendar year ~~((1989))~~ 1994 and thereafter, in addition to a school district's other general fund allocations, each eligible district shall be provided local effort assistance funds as provided in this section. Such funds are not part of the district's basic education allocation. For ~~((the first))~~ distribution of local effort assistance funds provided under this section in calendar years ~~((1989))~~ 1994 and 1995, state funds may be prorated ~~((according to the formula in this section))~~ as provided in the omnibus appropriations act.

(2)(a) "Prior tax collection year" shall mean the year immediately preceding the year in which the local effort assistance shall be allocated.

(b) The "state-wide average ~~((ten))~~ twelve percent levy rate" shall mean ~~((ten))~~ twelve percent of the total levy bases as defined in RCW 84.52.0531(4)

summed for all school districts, and divided by the total assessed valuation for excess levy purposes in the prior tax collection year for all districts as adjusted to one hundred percent by the county indicated ratio established in RCW 84.48.075.

(c) The "~~((ten))~~ twelve percent levy rate" of a district shall mean:

(i) ~~((Ten))~~ Twelve percent of the district's levy base as defined in RCW 84.52.0531(4), plus one-half of any amount computed under RCW 84.52.0531(3)(b) in the case of nonhigh school districts; divided by

(ii) The district's assessed valuation for excess levy purposes for the prior tax collection year as adjusted to one hundred percent by the county indicated ratio.

(d) "Eligible districts" shall mean those districts with a ~~((ten))~~ twelve percent levy rate which exceeds the state-wide average ~~((ten))~~ twelve percent levy rate.

(3) Allocation of state matching funds to eligible districts for local effort assistance shall be determined as follows:

(a) Funds raised by the district through maintenance and operation levies during that tax collection year shall be matched with state funds using the following ratio of state funds to levy funds: (i) The difference between the district's ~~((ten))~~ twelve percent levy rate and the state-wide average ~~((ten))~~ twelve percent levy rate; to (ii) the state-wide average ~~((ten))~~ twelve percent levy rate.

(b) The maximum amount of state matching funds for which a district may be eligible in any tax collection year shall be ~~((ten))~~ twelve percent of the district's levy base as defined in RCW 84.52.0531(4), multiplied by the following percentage: (i) The difference between the district's ~~((ten))~~ twelve percent levy rate and the state-wide average ~~((ten))~~ twelve percent levy rate; divided by (ii) the district's ~~((ten))~~ twelve percent levy rate.

~~(4)((a) Through tax collection year 1992, fifty five percent of local effort assistance funds shall be distributed to qualifying districts during the applicable tax collection year on or before June 30 and forty five percent shall be distributed on or before December 31 of any year.~~

~~(b))~~ In tax collection year 1993 and thereafter, local effort assistance funds shall be distributed to qualifying districts as follows:

~~((i))~~ (a) Thirty percent in April;

~~((ii))~~ (b) Twenty-three percent in May;

~~((iii))~~ (c) Two percent in June;

~~((iv) Twenty six))~~ (d) Seventeen percent in August;

(e) Nine percent in October;

~~((v))~~ (f) Seventeen percent in November; and

~~((vi))~~ (g) Two percent in December.

NEW SECTION. Sec. 3. Section 2 of this act shall expire December 31, 1995.

Passed the House April 22, 1993.
Passed the Senate April 15, 1993.
Approved by the Governor May 17, 1993.
Filed in Office of Secretary of State May 17, 1993.

CHAPTER 466

[Substitute House Bill 2070]

JUVENILE OFFENDERS—SUPPORT OF—ENTRY AND ENFORCEMENT OF ORDER**Effective Date: 7/25/93**

AN ACT Relating to financial responsibility for juvenile offenders; and amending RCW 13.40.220.

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

Sec. 1. RCW 13.40.220 and 1977 ex.s. c 291 s 76 are each amended to read as follows:

(1) Whenever legal custody of a child is vested in someone other than his or her parents, after due notice to the parents or other persons legally obligated to care for and support the child, and after a hearing, the court may order and decree that the parent or other legally obligated person shall pay in such a manner as the court may direct a reasonable sum representing in whole or in part the costs of support, treatment, and confinement of the child after the decree is entered.

(2) Whenever legal custody of a child is vested in the department of social and health services, after due notice to the parents or other persons legally obligated to care for and support the child, and after a hearing, the court shall order and decree that the parent or other legally obligated person shall pay for support, treatment, and confinement of the child after the decree is entered, following the department of social and health services reimbursement of cost schedule. The department of social and health services shall collect the debt in accordance with chapter 43.20B RCW. The department shall exempt from payment parents receiving adoption support under RCW 74.13.100 through 74.13.145, and parents eligible to receive adoption support under RCW 74.13.150.

(3) If the parent or other legally obligated person willfully fails or refuses to pay such sum, the court may proceed against such person for contempt.

Passed the House April 25, 1993.
Passed the Senate April 24, 1993.
Approved by the Governor May 17, 1993.
Filed in Office of Secretary of State May 17, 1993.

CHAPTER 467

[Substitute House Bill 1733]

PRODUCTIVITY AWARDS PROGRAMS—REVISIONS

Effective Date: 7/1/93

AN ACT Relating to productivity awards programs; amending RCW 41.60.010, 41.60.015, 41.60.020, 41.60.100, 41.60.110, 41.60.120, and 41.60.160; providing an effective date; and declaring an emergency.

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

Sec. 1. RCW 41.60.010 and 1987 c 387 s 1 are each amended to read as follows:

As used in this chapter:

(1) "Board" means the productivity board.

(2) "Employee suggestion program" means the program developed by the board under RCW 41.60.020.

(3) "Teamwork incentive program" means the program developed by the board under RCW 41.60.100 through 41.60.120.

(4) "State employees" means present employees in state agencies and institutions of higher education except for elected officials, directors of such agencies and institutions, and their confidential secretaries and administrative assistants and others specifically ruled ineligible by the rules of the productivity board.

Sec. 2. RCW 41.60.015 and 1987 c 387 s 2 are each amended to read as follows:

(1) There is hereby created the productivity board. The board shall administer the employee suggestion program and the teamwork incentive program under this chapter (~~and shall review applications for teamwork incentive pay for state employees under RCW 41.60.100, 41.60.110, and 41.60.120~~).

(2) The board shall be composed of:

(a) The secretary of state who shall act as chairperson;

(b) The director of personnel appointed under the provisions of RCW 41.06.130 or the director's designee;

(c) The director of financial management or the director's designee;

(d) The personnel director appointed under the provisions of RCW 28B.16.060 or the director's designee;

(e) The director of general administration or the director's designee;

(f) Three persons with experience in administering incentives such as those used by industry, with the governor, lieutenant governor, and speaker of the house of representatives each appointing one person. The governor's appointee shall be a representative of an employee organization certified as an exclusive representative of at least one bargaining unit of classified employees, but no one organization may be represented for two consecutive terms;

(g) One person representing state agencies and institutions with employees subject to chapter 41.06 RCW, and one person representing those subject to chapter 28B.16 RCW, both to be appointed by the governor; and

(h) In addition, the governor and board chairperson may jointly appoint persons to the board on an ad hoc basis. Ad hoc members shall serve in an advisory capacity and shall not have the right to vote

Members under subsection (2) (f) and (g) of this section shall be appointed to serve three-year terms.

Members of the board appointed pursuant to subsection (2)(f) of this section may be compensated in accordance with RCW 43.03.240. Any board member who is not a state employee may be reimbursed for travel expenses under RCW 43.03.050 and 43.03.060.

Sec. 3. RCW 41.60.020 and 1982 c 167 s 7 are each amended to read as follows:

(1) The board shall formulate, establish, and maintain an employee suggestion program to encourage and reward meritorious suggestions by state employees that will promote efficiency and economy in the performance of any function of state government: PROVIDED, That the program shall include provisions for the processing of suggestions having multi-agency impact and post-implementation auditing of suggestions for fiscal accountability.

(2) The board shall prepare, at least annually, a topical list of all the productivity awards granted and disseminate this information to all the state government agencies that may be able to adapt them to their procedures.

(3) The board shall adopt rules and regulations necessary or appropriate for the proper administration and for the accomplishment of the purposes of this chapter.

Sec. 4. RCW 41.60.100 and 1989 c 56 s 2 are each amended to read as follows:

With the exception of agencies of the legislative and judicial branches, any organizational unit composed of employees in any agency or group of agencies of state government (~~((having an identifiable budget or having its financial records maintained according to an accounting system which identifies the expenditures and receipts properly attributable to that unit))~~) with the ability to identify costs, revenues, or both may apply to the board (~~((for selection as a candidate for the award of))~~) to participate in the teamwork incentive ((pay to its employees)) program. The application shall (~~(be submitted prior to the beginning of any year and shall)~~) have the approval of the heads of the agency or agencies within which the unit is located.

Applications shall be in the form specified by the board and contain such information as the board requires. This may include, but is not limited to, quantitative measures which establish a data base of program output or performance expectations, or both. This data base is used to evaluate savings in accordance with RCW 41.60.110(1).

The board shall evaluate the applications submitted. From those proposals which are considered to be reasonable and practical and which are found to include developed performance indicators which lend themselves to a judgment of success or failure, the board shall select the units to participate in the teamwork incentive (~~(pay)~~) program.

Sec. 5. RCW 41.60.110 and 1989 c 56 s 3 are each amended to read as follows:

(1) To qualify for (~~(the award of)~~) a teamwork incentive (~~(pay to)~~ program award for its employees, a unit selected shall demonstrate to the satisfaction of the board that it has operated during the (~~(year)~~) period of participation at a lower cost or with an increase in revenue with (~~(either an increase in the level of services rendered or with)~~) no decrease in the level of services rendered.

(a) A unit completing its (~~(first year)~~) period of participation shall compare costs or revenues during that (~~(year)~~) period of participation to (i) the (~~(fiscal year)~~) expenditures or revenues for (~~(the year)~~) a comparable span of time immediately preceding the first (~~(year)~~) period of participation, or (ii) an average derived from the unit's historical data, or (iii) engineered standards used in conjunction with an average derived from the unit's historical data, or (iv) anticipated revenue as based on statistical projections or historical data;

(b) A unit participating in the teamwork incentive (~~(pay)~~) program for two or more consecutive (~~(years)~~) times may choose to compare its costs during the current (~~(year)~~) period of participation with (i) its costs or revenues for the immediately preceding (~~(year)~~) period, or (ii) (~~(a yearly)~~) an average of its costs or revenues for the preceding two or three (~~(years)~~) comparable spans of time in the teamwork incentive program;

(c) For the purposes of (a) of this subsection, a unit's historical data shall be restricted to data generated during the period of three years or less immediately preceding the unit's first (~~(year of)~~) participation in the teamwork incentive (~~(pay)~~) program; and

(d) For the purposes of (b) of this subsection, a unit's costs or revenues for preceding (~~(years)~~) periods of time may include the costs or revenues calculated under (a) (i), (ii), or (iii) of this subsection for (~~(years)~~) the periods of time the unit participated in the teamwork incentive (~~(pay)~~) program.

(2) The board shall satisfy itself from documentation submitted by the organizational unit that the claimed cost of operation or level of higher revenue is real and not merely apparent and that it is not, in whole or in part, the result of:

- (a) Chance;
- (b) A lowering of the quality of the service rendered;
- (c) Nonrecurrence of expenditures which were single outlay, or one-time expenditures, in the preceding (~~(year)~~) comparable period of time;
- (d) Stockpiling inventories in the immediately preceding (~~(year)~~) period so as to reduce requirements in the eligible (~~(year)~~) time period;

(e) Substitution of federal funds, other receipts, or nonstate funds for programs currently receiving state appropriations;

(f) Unreasonable postponement of payments of accounts payable until the ~~((year))~~ period immediately following the eligible ~~((year))~~ period of participation;

(g) Shifting of expenses to another unit of government; or

(h) Any other practice, event, or device which the board decides has caused a distortion which makes it falsely appear that a savings or increase in revenue gains or an increase in level of services has occurred.

(3) The board shall consider as legitimate ~~((savings))~~ efficiencies those reductions in expenditures or increases in revenue made possible by such items as the following:

(a) Reductions in overtime;

(b) Elimination of consultant fees;

(c) Less temporary help;

(d) Improved systems and procedures;

(e) Better deployment and utilization of personnel;

(f) Elimination of unnecessary travel;

(g) Elimination of unnecessary printing and mailing;

(h) Elimination of unnecessary payments for items such as advertising;

(i) Elimination of waste, duplication, and operations of doubtful value;

(j) Improved space utilization; ~~((and))~~

(k) Improved methods of collecting revenue or recovering money owed to the state; and

(l) Any other items determined by the board to represent cost savings or increased revenue.

Sec. 6. RCW 41.60.120 and 1989 c 56 s 4 are each amended to read as follows:

At the conclusion of the eligible ~~((year))~~ period, the board shall compare the expenditures or revenues for that ~~((year))~~ period of each unit selected against the expenditures or revenues of that unit for the immediately preceding ~~((year))~~ period or expenditures or revenues determined in accordance with RCW 41.60.110(1) (a) and (b) and, after making such adjustments as in the board's judgment are required to eliminate distortions, shall determine the amount, if any, that the unit has reduced the unit's cost of operations or increased its level of services or generated additional revenues to the state in the eligible ~~((year))~~ period. Adjustments to eliminate distortions may include any legislative increases in employee compensation and inflationary increases in the cost of services, materials, and supplies. Adjustments to additional revenue may include changes in client populations and the effects of legal changes. If the board also determines that ~~((in the board's judgment))~~ a unit qualifies for an award, the board shall award to the employees of that unit a sum ~~((equal))~~ up to twenty-five percent of the amount determined to be the savings or revenue increases to the state for the level of services rendered. The amount awarded shall be divided and distributed in ~~((equal shares))~~ accordance with board rules to the employees

of the unit, except that employees who worked for that unit less than the ~~((twelve months of the year))~~ full period during which the unit conducted a teamwork incentive program shall receive only a pro rata share based on the fraction of the ~~((year))~~ period worked for that unit. No individual share of the unit award may exceed the maximum award established by rule adopted by the board. Funds for this teamwork incentive ~~((pay))~~ award shall be drawn from the ~~((agency))~~ agencies in which the unit is located or from the benefiting fund or account without appropriation when additional revenue is generated to the fund or account.

Awards may be paid to teams for process changes which generate new or additional money for the general fund or any other funds of the state. The director of the office of financial management shall distribute moneys appropriated for this purpose with the concurrence of the productivity board. Transfers shall be made from other funds of the state to the general fund in amounts equal to award payments made by the general fund, for innovations generating new or additional money for those other funds.

Sec. 7. RCW 41.60.160 and 1987 c 387 s 8 are each amended to read as follows:

No award may be made under this chapter to any elected state official or state agency director. ~~((No monetary award may be made to persons exempt from the state civil service law under RCW 41.06.070 (5) or (9).))~~

NEW SECTION. Sec. 8. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect July 1, 1993.

Passed the House April 20, 1993.

Passed the Senate April 15, 1993.

Approved by the Governor May 17, 1993.

Filed in Office of Secretary of State May 17, 1993.

CHAPTER 468

[Substitute Senate Bill 5829]

MORTGAGE BROKERS AND LOAN ORIGINATORS—LICENSING

Effective Date: 7/25/93 - Except Sections 2 through 4, 9, 13, & 21 through 23 which take effect on 5/17/93; Sections 6 through 8, 10, 18, & 19 which take effect on 9/1/93; & Sections 1, 5, 11, 12, 14 through 17, & 20 which take effect on 10/31/93 (possible further exception for section 5)

AN ACT Relating to mortgage brokers and loan originators; amending RCW 19.146.005, 19.146.010, 19.146.020, 19.146.030, 19.146.070, and 19.146.110; adding new sections to chapter 19.146 RCW; creating new sections; prescribing penalties; providing effective dates; providing a contingent effective date; providing an expiration date; and declaring an emergency.

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

Sec. 1. RCW 19.146.005 and 1987 c 391 s 1 are each amended to read as follows:

The legislature finds and declares that the brokering of residential real estate loans substantially affects the public interest. The practices of mortgage brokers have had significant impact on the citizens of the state and the banking and real estate industries. It is the intent of the legislature to establish a temporary state system of licensure in addition to rules of practice and conduct of mortgage brokers to promote honesty and fair dealing with citizens and to preserve public confidence in the lending and real estate community.

Sec. 2. RCW 19.146.010 and 1987 c 391 s 3 are each amended to read as follows:

Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Affiliate" means any person who directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with another person.

(2) "Computer loan origination systems" or "CLO system" means the real estate mortgage financing information system defined by rule of the director.

(3) "Department" means the department of licensing.

(4) "Director" means the director of licensing.

(5) "Loan originator" means a natural person employed, either directly or indirectly, by a licensed mortgage broker, or a natural person who represents a licensed mortgage broker, in the performance of any acts specified in subsection (7) of this section.

(6) "Lock-in agreement" means an agreement with a borrower made by a mortgage broker or loan originator, in which the mortgage broker agrees that, for a period of time, a specific interest rate or other financing terms will be the rate or terms at which it will make a loan available to that borrower.

(7) "Mortgage broker" means ~~((every))~~ any person who for compensation or gain, or in the expectation of compensation ~~((either directly or indirectly makes, negotiates, or offers to make or negotiate a residential mortgage loan))~~ or gain, directly or indirectly negotiates, places, assists in placement, finds, or offers to negotiate, place, assist in placement, or find residential mortgage loans for others.

~~((3))~~ (8) "Person" means a natural person, corporation, company, partnership, or association.

~~((4))~~ (9) "Residential mortgage loan" means any loan primarily for personal, family, or household use secured by a mortgage or deed of trust on residential real estate upon which is constructed or intended to be constructed a single family dwelling or multiple family dwelling of four or less units.

~~((5))~~ (10) "Third-party provider" means any person other than a mortgage broker or lender who provides goods or services to the mortgage broker in connection with the preparation of the borrower's loan and includes, but is not limited to, credit reporting agencies, title companies, appraisers, structural and pest inspectors, or escrow companies.

Sec. 3. RCW 19.146.020 and 1987 c 391 s 4 are each amended to read as follows:

(1) Except as provided under subsection (2) of this section, the following are exempt from all provisions of this chapter:

~~((3))~~ (a) Any person doing business under the laws of this state or the United States relating to commercial banks, bank holding companies, ~~((mutual))~~ savings banks, trust companies, savings and loan associations, credit unions, consumer ~~((finance companies, industrial))~~ loan companies, insurance companies, or real estate investment trusts as defined in 26 U.S.C. Sec. 856 and the affiliates, subsidiaries, and service corporations thereof;

~~((2))~~ (b) An attorney licensed to practice law in this state who is not principally engaged in the business of negotiating residential mortgage loans when such attorney renders services in the course of his or her practice as an attorney;

~~((3))~~ (c) Any person doing any act under order of any court;

~~((4))~~ (d) Any person making or acquiring a residential mortgage loan solely with his or her own funds for his or her own investment without intending to resell the residential mortgage loans;

~~((5))~~ (e) A real estate broker or salesperson licensed by the state who obtains financing for a real estate transaction involving a bona fide sale of real estate in the performance of his or her duties as a real estate broker and who receives only the customary real estate broker's or salesperson's commission in connection with the transaction;

~~((6))~~ (f) Any mortgage broker approved and subject to auditing by the federal national mortgage association, the government national mortgage association, or the federal home loan mortgage corporation;

~~((7))~~ (g) Any mortgage broker approved by the United States secretary of housing and urban development for participation in any mortgage insurance program under the National Housing Act, 12 U.S.C. Sec. 1701, as now or hereafter amended; ~~((and~~

~~(8))~~ (h) The United States of America, the state of Washington, any other state, and any Washington city, county, or other political subdivision, and any agency, division, or corporate instrumentality of any of the entities in this subsection (1)(h); and

(i) A real estate broker who provides information only in connection with a CLO system, who may receive a fee for such information in an amount approved by the director and who conforms to all rules of the director with respect to the providing of such service.

(2) Those persons otherwise exempt under subsection (1) (f), (g), and (i) of this section must comply with section 4 of this act.

NEW SECTION. Sec. 4. It is unlawful for a loan originator, mortgage broker required to be licensed under this chapter, or mortgage broker otherwise exempted from this chapter under RCW 19.146.020(1) (f), (g), or (i) in connection with a residential mortgage loan to:

- (1) Directly or indirectly employ any scheme, device, or artifice to defraud or mislead borrowers or lenders;
- (2) Engage in any conduct that operates as a fraud upon or unfair or deceptive practice toward any person;
- (3) Obtain property by fraud or misrepresentation;
- (4) Solicit or enter into a contract with a borrower that provides in substance that the mortgage broker may earn a fee or commission through the mortgage broker's "best efforts" to obtain a loan even though no loan is actually obtained for the borrower;
- (5) Solicit, advertise, or enter into a contract for specific interest rates, points, or other financing terms unless the terms are actually available at the time of soliciting, advertising, or contracting from a person exempt from licensing under RCW 19.146.020(1) (f) or (g) or a lender with whom the mortgage broker maintains a written correspondent or loan brokerage agreement under RCW 19.146.040;
- (6) Fail to make disclosures to loan applicants and noninstitutional investors as required by RCW 19.146.030 and any other applicable state or federal law;
- (7) Make, in any manner, any false or deceptive statement or representation with regard to the rates, points, or other financing terms or conditions for a residential mortgage loan;
- (8) Make any false statement in connection with any reports filed by a licensee, or in connection with any examination of the licensee's business;
- (9) Make any payment, directly or indirectly, to any fee appraiser third party of a property, for the purposes of influencing the independent judgment of the appraiser with respect to the value of the property;
- (10) Fail to include the words "licensed mortgage broker" in all advertising for the broker's services that are directed at the general public if the person is required to be licensed under this chapter;
- (11) Fail to comply with the requirements of the truth-in-lending act, 15 U.S.C. Sec. 1601 and Regulation Z, 12 C.F.R. Sec. 226, as now or hereafter amended, in all advertising of residential mortgage loans.

NEW SECTION. Sec. 5. (1) A person may not engage in the business of a mortgage broker, except as an employee of a person licensed or exempt from licensing, without first obtaining and maintaining a license under this chapter.

(2) A person may not bring a suit or action for the collection of compensation as a mortgage broker unless the plaintiff alleges and proves that he or she was a duly licensed mortgage broker, or exempt from the license requirement of this chapter, at the time of offering to perform or performing any such an act or service regulated by this chapter. This subsection does not apply to suits or actions for the collection or compensation for services performed prior to the effective date of this section.

NEW SECTION. Sec. 6. (1) Application for a mortgage broker license under this chapter shall be in writing and in the form prescribed by the director.

Unless waived by the director, the application shall contain at least the following information:

(a) The name, address, date of birth, and social security number of the applicant, and any other names, dates of birth, or social security numbers previously used by the applicant;

(b) If the applicant is a partnership or association, the name, address, date of birth, and social security number of each general partner or principal of the association, and any other names, dates of birth, or social security numbers previously used by the members;

(c) If the applicant is a corporation, the name, address, date of birth, and social security number of each officer, director, registered agent, and each principal stockholder, and any other names, dates of birth, or social security numbers previously used by the officers, directors, registered agents, and principal stockholders;

(d) The street address, county, and municipality where the principal business office is to be located;

(e) Submission of a complete set of fingerprints taken by an authorized law enforcement officer; and

(f) Such other information regarding the applicant's background, financial responsibility, experience, character, and general fitness as the director may require by rule.

(2) At the time of filing an application for a license under this chapter, each applicant shall pay to the director the appropriate license fee in an amount determined by rule of the director in accordance with RCW 43.24.086 to be sufficient to cover, but not exceed, the department's costs in administering this chapter. The director shall deposit the moneys in the mortgage broker fund created under section 19 of this act.

(3)(a) Each applicant for a mortgage broker's license shall file and maintain a surety bond, in an amount of forty thousand dollars or such lower amount the director deems adequate to protect the public interest, executed by the applicant as obligor and by a surety company authorized to do a surety business in this state as surety. The bond shall run to the state of Washington as obligee, and shall run to the benefit of the state and any person or persons who suffer loss by reason of the applicant's violation of any provision of this chapter or rules adopted under this chapter. The bond shall be conditioned that the obligor as licensee will faithfully conform to and abide by this chapter and all rules adopted under this chapter, and shall reimburse all persons who suffer loss by reason of a violation of this chapter or rules adopted under this chapter. The bond shall be continuous and may be canceled by the surety upon the surety giving written notice to the director of its intent to cancel the bond. The cancellation shall be effective thirty days after the notice is received by the director. Whether or not the bond is renewed, continued, reinstated, reissued, or otherwise extended, replaced, or modified, including increases or decreases in the penal sum, it shall be considered one continuous obligation, and the surety upon the bond shall not

be liable in an aggregate or cumulative amount exceeding the penal sum set forth on the face of the bond. In no event shall the penal sum, or any portion thereof, at two or more points in time be added together in determining the surety's liability. The bond shall not be liable for any penalties imposed on the licensee, including, but not limited to, any increased damages or attorneys' fees, or both, awarded under RCW 19.86.090. The applicant may obtain the bond directly from the surety or through a group bonding arrangement involving a professional organization comprised of mortgage brokers if the arrangement provides at least as much coverage as is required under this subsection.

(b) In lieu of a surety bond, the applicant may, upon approval by the director, file with the director a certificate of deposit, an irrevocable letter of credit, or such other instrument as approved by the director by rule, drawn in favor of the director for an amount equal to the required bond.

(c) In lieu of the surety bond or compliance with (b) of this subsection, an applicant may obtain insurance or coverage from an association comprised of mortgage brokers that is organized as a mutual corporation for the sole purpose of insuring or self-insuring claims that may arise from a violation of this chapter. An applicant may only substitute coverage under this subsection for the requirements of (a) or (b) of this subsection if the director, with the consent of the insurance commissioner, has authorized such association to organize a mutual corporation under such terms and conditions as may be imposed by the director to ensure that the corporation is operated in a financially responsible manner to pay any claims within the financial responsibility limits specified in (a) of this subsection.

NEW SECTION. Sec. 7. (1) The director shall issue and deliver a mortgage broker license to an applicant if, after investigation, the director makes the following findings:

- (a) The applicant has paid the required license fees;
- (b) The applicant has complied with section 6 of this act;
- (c) The applicant has not had a license issued under this chapter or any similar state statute suspended or revoked within five years of the filing of the present application;
- (d) The applicant has not been convicted of a felony within seven years of the filing of the present application;
- (e) The applicant has at least two years of experience in the residential mortgage loan industry; and
- (f) The applicant has demonstrated financial responsibility, character, and general fitness such as to command the confidence of the community and to warrant a belief that the business will be operated honestly, fairly, and efficiently within the purposes of this chapter.

(2) If the director does not find the conditions of subsection (1) of this section have been met, the director shall not issue the license. The director shall notify the applicant of the denial and return to the applicant the bond or

approved alternative and any remaining portion of the license fee that exceeds the departments actual cost to investigate the license.

(3) The director may delay the effective date of section 5 of this act for an additional thirty days with respect to an applicant for a mortgage broker license for the purpose of processing the application when the applicant has filed a completed application by October 31, 1993.

(4) A license issued pursuant to this chapter is valid from the date of issuance.

(5) A licensee may surrender a license by delivering to the director written notice of surrender, but the surrender does not affect the licensee's civil or criminal liability arising from acts or omissions occurring before such surrender.

NEW SECTION. Sec. 8. (1) The director shall enforce all laws and rules relating to the licensing of mortgage brokers, grant or deny licenses to mortgage brokers, and hold hearings. The director may impose any one or more of the following sanctions: Suspend or revoke licenses, deny applications for licenses, or fine violators under this chapter. In addition, the director may issue an order directing a licensee or person subject to this chapter to cease and desist from conducting business in a manner that is injurious to the public or violates any provision of this chapter.

(2) The director may take those actions specified in subsection (1) of this section if the director finds any of the following:

(a) The licensee has failed to pay a fee due the state of Washington, to maintain in effect the bond or approved alternative required under this chapter, or to comply with any specific order or demand of the director lawfully made and directed to the licensee in accordance with this chapter; or

(b) The licensee or person subject to this chapter has violated any provision of this chapter or a rule adopted under this chapter; or

(c) The licensee made false statements on the application or omitted material information that, if known, would have allowed the director to deny the application for the original license.

(3) The director shall establish by rule standards for licensure of applicants licensed in other jurisdictions.

NEW SECTION. Sec. 9. In accordance with the administrative procedure act, chapter 34.05 RCW, the director may issue rules to govern the activities of licensed mortgage brokers consistent with this chapter.

NEW SECTION. Sec. 10. The proceedings for denying license applications, issuing cease and desist orders, and suspending or revoking licenses issued pursuant to this chapter and any appeal therefrom or review thereof shall be governed by the provisions of the administrative procedure act, chapter 34.05 RCW.

NEW SECTION. Sec. 11. For the purposes of investigating complaints arising under this chapter, the director may at any time, either personally or by a designee, examine the business, including but not limited to the books,

accounts, records, and files used therein, of every licensee and of every person engaged in the business of mortgage brokering, whether such a person shall act or claim to act under or without the authority of this chapter. For that purpose the director and designated representatives shall have free access to the offices and places of business, books, accounts, papers, records, files, safes, and vaults of all such persons. The director or designated person may require the attendance of and examine under oath all persons whose testimony may be required about the loans or the business or subject matter of any such investigation.

Sec. 12. RCW 19.146.030 and 1987 c 391 s 5 are each amended to read as follows:

(1) Upon receipt of a loan application and before the receipt of any moneys from a borrower, a mortgage broker shall provide to each borrower a written notice indicating the number of the lenders with whom it maintains a written correspondent or loan brokerage agreement, unless exempt from licensing under this chapter, and make a full written disclosure to each borrower containing an itemization and explanation of all fees and costs that the borrower is required to pay in connection with obtaining a residential mortgage loan. A good faith estimate of a fee or cost shall be provided if the exact amount of the fee or cost is not determinable.

(2) The written disclosure shall contain the following information:

~~((1))~~ (a) The annual percentage rate, finance charge, amount financed, total amount of all payments, number of payments, amount of each payment, amount of points or prepaid interest and the conditions and terms under which any loan terms may change between the time of disclosure and closing of the loan; and if a variable rate, the circumstances under which the rate may increase, any limitation on the increase, the effect of an increase, and an example of the payment terms resulting from an increase. Disclosure in compliance with the requirements of the Truth-in-Lending Act, 15 U.S.C. Sec. 1601 and Regulation Z, 12 C.F.R. Sec. 226, as now or hereafter amended, shall be deemed to comply with the disclosure requirements of this subsection;

~~((2))~~ (b) The itemized costs of any credit report, appraisal, title report, title insurance policy, mortgage insurance, escrow fee, property tax, insurance, structural or pest inspection, and any other third-party provider's costs associated with the residential mortgage loan. Disclosure through good faith estimates of settlement services and special information booklets in compliance with the requirements of the Real Estate Settlement Procedures Act, 12 U.S.C. Sec. 2601, and Regulation X, 24 C.F.R. Sec. 3500, as now or hereafter amended, shall be deemed to comply with the disclosure requirements of this subsection;

~~((3))~~ (c) If applicable, the cost, terms, duration, and conditions of ~~((an agreement to lock in or commit the mortgage broker or lender to a specific interest rate or other financing term for any period of time up to and including the time the loan is closed))~~ a lock-in agreement and whether a lock-in agreement has been entered;

~~((4))~~ (d) A statement that if the borrower is unable to obtain a loan for any reason, the mortgage broker must, within five days of a written request by the borrower, give copies of any appraisal, title report, or credit report paid for by the borrower to the borrower, and transmit the appraisal, title report, or credit report to any other mortgage broker or lender to whom the borrower directs the documents to be sent;

~~((5))~~ (e) The name of the lender and the nature of the business relationship between the lender providing the residential mortgage loan and the mortgage broker, if any: PROVIDED, That this disclosure may be made at any time up to the time the borrower accepts the lender's commitment; and

~~((6))~~ (f) A statement providing that moneys paid by the borrower to the mortgage broker for third-party provider services are held in a trust account and any moneys remaining after payment to third-party providers will be refunded.

A violation of the Truth-in-Lending Act, Regulation Z, the Real Estate Settlement Procedures Act, and Regulation X is a violation of this section for purposes of this chapter.

Sec. 13. RCW 19.146.070 and 1987 c 391 s 9 are each amended to read as follows:

(1) Except as otherwise permitted by this section, a mortgage broker shall not receive a fee, commission, or compensation of any kind in connection with the preparation, negotiation, and brokering of a residential mortgage loan unless a borrower actually obtains a loan from a lender on the terms and conditions agreed upon by the borrower and mortgage broker.

(2) A mortgage broker may:

(a) If the mortgage broker has obtained for the borrower a written commitment from a lender for a loan on the terms and conditions agreed upon by the borrower and the mortgage broker, and the borrower fails to close on the loan through no fault of the mortgage broker, charge a fee not to exceed three hundred dollars for services rendered, preparation of documents, or transfer of documents in the borrower's file which were prepared or paid for by the borrower if the fee is not otherwise prohibited by the Truth-in-Lending Act, 15 U.S.C. Sec. 1601, and Regulation Z, 12 C.F.R. Sec. 226, as now or hereafter amended; or

(b) Solicit or receive fees for third party provider goods or services in advance. Fees for any goods or services not provided must be refunded to the borrower and the mortgage broker may not charge more for the goods and services than the actual costs of the goods or services charged by the third party provider.

~~((3)) A mortgage broker may not:~~

~~(a) Solicit or enter into a contract with a borrower that provides in substance that the mortgage broker may earn a fee or commission through the mortgage broker's "best efforts" to obtain a loan even though no loan is actually obtained for the borrower; or~~

~~(b) Solicit, advertise, or enter into a contract for specific interest rates, points, or other financing terms unless the terms are actually available at the time of soliciting, advertising, or contracting.)~~

NEW SECTION. Sec. 14. (1) Any person injured by a violation of this chapter may bring an action against the surety bond or approved alternative of the licensed mortgage broker who committed the violation or who employed the loan originator committing the violation.

(2) A person who is damaged by the licensee's violation of this chapter, or rules adopted under this chapter, may bring suit upon the surety bond or approved alternative in the superior court of any county in which jurisdiction over the licensee may be obtained. Jurisdiction shall be exclusively in the superior court. Any such action must be brought not later than one year after the alleged violation of this chapter or rules adopted under this chapter. In the event valid claims against a bond or deposit exceed the amount of the bond or deposit, each claimant shall only be entitled to a pro rata amount, based on the amount of the claim as it is valid against the bond or deposit, without regard to the date of filing of any claim or action. A judgment arising from a violation of this chapter or rule adopted under this chapter shall be entered for actual damages and in no case be less than the amount paid by the borrower to the licensed mortgage broker plus reasonable attorneys' fees and costs. In no event shall the surety bond or approved alternative provide payment for any trebled or punitive damages.

(3) The remedies provided under this section are cumulative and nonexclusive and do not affect any other remedy available at law.

NEW SECTION. Sec. 15. A licensed mortgage broker is liable for any conduct violating this chapter by a loan originator or other licensed mortgage broker while employed by the broker. In addition, a branch office manager is liable for any conduct violating this chapter by a loan originator or other licensed mortgage broker employed at the branch office.

NEW SECTION. Sec. 16. No license issued under the provisions of this chapter shall authorize any person other than the person to whom it is issued to do any act by virtue thereof nor to operate in any other manner than under his or her own name except:

(1) A licensed mortgage broker may operate or advertise under a name other than the one under which the license is issued by obtaining the written consent of the director to do so; and

(2) A broker may establish one or more branch offices under a name or names different from that of the main office if the name or names are approved by the director, so long as each branch office is clearly identified as a branch or division of the main office. No broker may establish branch offices under more than three names. Both the name of the branch office and of the main office must clearly appear on the sign identifying the office, if any, and in any advertisement or on any letterhead of any stationery or any forms, or signs used

by the mortgage firm on which either the name of the main or branch offices appears.

NEW SECTION. Sec. 17. Every licensed mortgage broker must have and maintain an office in this state accessible to the public which shall serve as his or her office for the transaction of business. Any office so established must comply with the zoning requirements of city or county ordinances and the broker's license must be prominently displayed therein. In addition, any branch office must comply with the zoning requirements of city or county ordinances.

NEW SECTION. Sec. 18. A licensed mortgage broker may apply to the director for authority to establish one or more branch offices under the same or different name as the main office upon the payment of a fee as prescribed by the director by rule. The director shall issue a duplicate license for each of the branch offices showing the location of the main office and the particular branch. Each duplicate license shall be prominently displayed in the office for which it is issued. Each branch office shall be required to have a branch manager who shall be a licensed mortgage broker authorized by the mortgage broker to perform the duties of a branch manager.

NEW SECTION. Sec. 19. All moneys collected under this chapter shall be deposited in the mortgage brokers' licensing account hereby created in the state treasury. Expenditures from the account, subject to appropriation, may be used solely for department costs in administering this chapter.

Sec. 20. RCW 19.146.110 and 1987 c 391 s 13 are each amended to read as follows:

Any person who violates any provision of (~~RCW 19.146.005 through 19.146.040 or 19.146.060 through 19.146.100~~) this chapter other than RCW 19.146.050 or any rule or order of the director shall be guilty of a misdemeanor punishable under chapter 9A.20 RCW. Any person who violates RCW 19.146.050 shall be guilty of a class C felony under chapter 9A.20 RCW.

NEW SECTION. Sec. 21. (1) There is established the mortgage brokerage commission consisting of five commission members who shall act in an advisory capacity to the director on mortgage brokerage issues.

(2) The director shall appoint the members of the commission, weighing the recommendations from professional organizations representing mortgage brokers. At least three of the commission members shall be mortgage brokers required to apply for a mortgage brokers license under this chapter and at least one shall be exempt from licensure under RCW 19.146.020(1) (f) or (g). No commission member shall be appointed who has had less than five years' experience in the business of residential mortgage lending. In addition, the attorney general, or a designee, and the director, or a designee, shall serve as ex officio, nonvoting members of the commission. Voting members of the commission shall serve for two-year terms with three of the initial commission members serving one-year terms. The department shall provide staff support to the commission.

(3) Members of the commission shall be reimbursed for their travel expenses incurred in carrying out the provisions of this chapter in accordance with RCW 43.03.050 and 43.03.060. All costs and expenses associated with the commission shall be paid from the mortgage brokers' licensing account created in section 19 of this act.

(4)(a) The commission shall advise the director on the characteristics and needs of the mortgage brokerage profession. In addition to its advisory capacity, the commission shall review all state and federal provisions governing mortgage brokers and shall prepare a report:

(i) Summarizing state and federal statutes and regulations governing mortgage brokers;

(ii) Identifying the type and magnitude of complaints arising with regard to the practices of mortgage brokers operating in this state;

(iii) Reviewing the detrimental and beneficial effects of state licensing, bonding, training, experience, and educational requirements for mortgage brokers;

(iv) Considering the appropriate location within state government to exercise regulatory authority and administer a licensing program; and

(v) Containing recommended legislation that adopts ongoing state licensing requirements for mortgage brokers.

(b) In preparing its report, the commission shall solicit comments from the mortgage broker industry, the department of licensing, the attorney general's office, other state regulators, and residential mortgage loan consumers. The committee shall submit its report to the labor and commerce committee of the senate and the financial institutions and insurance committee of the house of representatives by December 1, 1993.

NEW SECTION. Sec. 22. The director shall take steps and adopt rules necessary to implement the sections of this act by their effective dates.

NEW SECTION. Sec. 23. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 24. Sections 4 through 11, 14 through 19, and 21 of this act are each added to chapter 19.146 RCW.

NEW SECTION. Sec. 25. (1) If the powers, duties, and functions of the division of banking and the division of savings and loan are transferred into a new department, the powers, duties, and functions of the department relating to the administration of chapter 19.146 RCW shall be transferred to the new department. In such event, all references to the director or the department of licensing shall be construed to mean the new department or its director.

(2) In the event that the new department is created, all reports, documents, surveys, books, records, files, papers, or other written or electronically stored material in the possession of the department of licensing pertaining to the powers, functions, and duties transferred under subsection (1) of this section shall be delivered to the custody of the new department. All cabinets, furniture, office

equipment, motor vehicles, and other tangible property employed by the department of licensing in carrying out the powers, functions, and duties transferred by subsection (1) of this section shall be made available to the new department if such property was purchased from funds deposited in the mortgage brokers' licensing account. All funds contained in the mortgage brokers' licensing account shall be transferred to the appropriate account of the new department for administration of chapter 19.146 RCW and shall be used solely for the costs of administering this chapter. In the event any dispute arises as to the transfer of any personnel, funds, books, documents, records, papers, files, equipment, or other tangible property used or held in the exercise of the powers and the performance of the duties and powers transferred under subsection (1) of this section, the director of financial management shall make a determination as to the proper allocation and certify the same to the state agencies concerned.

NEW SECTION. **Sec. 26.** (1) Sections 2 through 4, 9, 13, and 21 through 23 of this act are necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect immediately.

(2) Sections 6 through 8, 10, 18, and 19 of this act shall take effect September 1, 1993.

(3) Sections 1, 5, 11, 12, 14 through 17, and 20 of this act shall take effect October 31, 1993. However, the effective date of section 5 of this act may be delayed thirty days upon an order of the director of licensing under section 7(3) of this act.

NEW SECTION. **Sec. 27.** This act shall expire October 31, 1994, except for section 21 of this act. However, if a licensing program for mortgage brokers is not extended past October 31, 1994, section 21 of this act also shall expire on October 31, 1994.

Passed the Senate April 20, 1993.

Passed the House April 15, 1993.

Approved by the Governor May 17, 1993.

Filed in Office of Secretary of State May 17, 1993.

CHAPTER 469

[Substitute Senate Bill 5179]

VESSELS—LIQUID PETROLEUM GAS—VAPOR SENSOR AND
WARNING DEVICE REQUIREMENTS

Effective Date: 5/17/93

AN ACT Relating to vessel safety; adding new sections to chapter 88.12 RCW; prescribing penalties; and declaring an emergency.

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

NEW SECTION. Sec. 1. (1) The legislature finds that:

(a) Washington state has the greatest length of marine shoreline miles of the lower forty-eight states;

(b) Such marine waters and the extensive freshwater lakes and rivers of the state provide innumerable recreational opportunities, and support a state recreational vessel population that is one of the largest in the country;

(c) Many of Washington's popular recreational waters are remote from population centers and thus remote from emergency health care facilities;

(d) Washington's climate in the western portion of the state, in which its marine recreational waters lie, is cool and wet for much of the year. Much of the state's recreational vessel activity is conducted in the late fall and winter months in connection with fishing activities. For these reasons the great majority of Washington vessels are equipped with heating devices. These appliances are in use for a much greater portion of the boating season than in other states, and are predominantly fueled by liquid petroleum gas;

(e) Current state and federal standards governing heating and cooking appliances on vessels that are fueled by liquid petroleum gas do not adequately protect against undetected gas leaks. Such gas leaks have led to explosions on Washington waters, causing loss of life and property damage;

(f) A vessel equipped with leak detection and warning devices will greatly reduce the potential for the ignition of liquid petroleum gas which may have escaped into the hold of the vessel, yet such devices are not currently required either by federal standards or Washington law.

(2) It is the intent of the legislature to address the state's unique local circumstances regarding inadequate protection of Washington's boaters from undetected leaks of liquid petroleum gas-fueled appliances by requiring leak detection and warning devices to be placed on those vessels most at risk. It is further the intent of the legislature in this action to exercise the authority to address such local circumstances recognized in federal laws which otherwise preempt the field of establishing safety standards for vessels.

NEW SECTION. Sec. 2. (1) Effective July 1, 1994, the owner of any vessel that is equipped with a liquid petroleum gas system shall ensure that such vessel is equipped with one or more sensors and warning devices capable of sensing vapors at a level of concentration below the threshold which presents a danger of explosion. The devices shall be capable of providing a continuous warning audible to anyone on board or boarding the vessel.

(2) As used in sections 1 through 5 of this act, "vessel" includes any vessel used primarily for recreation or chartered primarily for recreational purposes that is required under RCW 88.02.020 to display a decal or that is exempt from registration pursuant to RCW 88.02.030(10). On or before April 1, 1994, the commission shall adopt rules defining vessels of open-air construction which are excluded from this definition.

(3) A violation of subsection (1) of this section is a civil infraction punishable under RCW 7.84.100. During the period from July 1, 1994, to September 1, 1994, a person violating this section may be issued a written warning of the violation only.

NEW SECTION. Sec. 3. The sensors and warning devices required by section 2 of this act shall comply with all applicable standards adopted by the United States coast guard or the commission. Within thirty days following the effective date of this act, the commission shall request the coast guard to adopt standards requiring and governing the installation of such devices. If the commission determines that such federal standards are not reasonably likely to be adopted by April 1, 1994, the commission shall adopt such standards on or before such date. The rules shall provide that more than one sensor shall be required on vessels which due to their size or design cannot be adequately serviced by a single sensor.

NEW SECTION. Sec. 4. (1) On or after July 1, 1994, it shall be unlawful for any person or vessel dealer to offer for sale within this state a vessel that is not equipped with the warning device required by section 2 of this act.

(2) On or after July 1, 1994, it shall be unlawful to manufacture a vessel which does not meet the requirements of section 2 of this act, or to modify a vessel in any way that causes a vessel to be out of compliance with section 2 of this act.

(3) A violation of this section shall be a misdemeanor punishable as provided by RCW 9A.20.021(2).

NEW SECTION. Sec. 5. In the event that a court of competent jurisdiction rules that any provision of sections 1 through 4 of this act is invalid as preempted by federal law or regulations, the commission shall submit to the appropriate federal official an application for exemption from such preemption as provided by 46 U.S.C. Sec. 4305.

NEW SECTION. Sec. 6. Sections 1 through 5 of this act are each added to chapter 88.12 RCW.

NEW SECTION. Sec. 7. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 8. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect immediately.

Passed the Senate April 19, 1993.
Passed the House April 9, 1993.
Approved by the Governor May 17, 1993.
Filed in Office of Secretary of State May 17, 1993.

CHAPTER 470

[Substitute Senate Bill 5195]

EXCESSIVE SECURITIES TRANSACTIONS PROHIBITED

Effective Date: 7/25/93

AN ACT Relating to excessive securities transactions; amending RCW 21.20.110 and 21.20.005; and adding new sections to chapter 21.20 RCW.

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

NEW SECTION. Sec. 1. A new section is added to chapter 21.20 RCW to read as follows:

It is unlawful for a broker-dealer, salesperson, investment adviser, or investment adviser salesperson knowingly to effect or cause to be effected, with or for a customer's account, transactions of purchase or sale (1) that are excessive in size or frequency in view of the financial resources and character of the account and (2) that are effected because the broker-dealer, salesperson, investment adviser, or investment adviser salesperson is vested with discretionary power or is able by reason of the customer's trust and confidence to influence the volume and frequency of the trades.

NEW SECTION. Sec. 2. A new section is added to chapter 21.20 RCW to read as follows:

(1) In recommending to a customer the purchase, sale, or exchange of a security, a broker-dealer, salesperson, investment adviser, or investment adviser salesperson must have reasonable grounds for believing that the recommendation is suitable for the customer upon the basis of the facts, if any, disclosed by the customer as to his or her other security holdings and as to his or her financial situation and needs.

(2) Before the execution of a transaction recommended to a noninstitutional customer, other than transactions with customers where investments are limited to money market mutual funds, a broker-dealer, salesperson, investment adviser, or investment adviser salesperson shall make reasonable efforts to obtain information concerning:

- (a) The customer's financial status;
- (b) The customer's tax status;
- (c) The customer's investment objectives; and

(d) Such other information used or considered to be reasonable by the broker-dealer, salesperson, investment adviser, or investment adviser salesperson or registered representative in making recommendations to the customer.

Sec. 3. RCW 21.20.110 and 1986 c 14 s 45 are each amended to read as follows:

The director may by order deny, suspend, or revoke registration of any broker-dealer, salesperson, investment adviser salesperson, or investment adviser; censure or fine the registrant or an officer, director, partner, or person occupying similar functions for a registrant; or restrict or limit a registrant's function or activity of business for which registration is required in this state; if the director finds that the order is in the public interest and that the applicant or registrant or, in the case of a broker-dealer or investment adviser, any partner, officer, or director:

(1) Has filed an application for registration under this section which, as of its effective date, or as of any date after filing in the case of an order denying effectiveness, was incomplete in any material respect or contained any statement which was, in the light of the circumstances under which it was made, false, or misleading with respect to any material fact;

(2) Has willfully violated or willfully failed to comply with any provision of this chapter or a predecessor act or any rule or order under this chapter or a predecessor act, or any provision of chapter 21.30 RCW or any rule or order thereunder;

(3) Has been convicted, within the past five years, of any misdemeanor involving a security, or a commodity contract or commodity option as defined in RCW 21.30.010, or any aspect of the securities or investment commodities business, or any felony involving moral turpitude;

(4) Is permanently or temporarily enjoined by any court of competent jurisdiction from engaging in or continuing any conduct or practice involving any aspect of the securities or investment commodities business;

(5) Is the subject of an order of the director denying, suspending, or revoking registration as a broker-dealer, salesperson, investment adviser, or investment adviser salesperson;

(6) Is the subject of an order entered within the past five years by the securities administrator of any other state or by the federal securities and exchange commission denying or revoking registration as a broker-dealer or salesperson, or a commodity broker-dealer or sales representative, or the substantial equivalent of those terms as defined in this chapter or by the commodity futures trading commission denying or revoking registration as a commodity merchant as defined in RCW 21.30.010, or is the subject of an order of suspension or expulsion from membership in or association with a self-regulatory organization registered under the securities exchange act of 1934 or the federal commodity exchange act, or is the subject of a United States post office fraud order; but (a) the director may not institute a revocation or suspension proceeding under this clause more than one year from the date of the order relied on, and (b) the director may not enter any order under this clause on the basis of an order unless that order was based on facts which would currently constitute a ground for an order under this section;

(7) Has engaged in dishonest or unethical practices in the securities or investment commodities business;

(8) Is insolvent, either in the sense that his or her liabilities exceed his or her assets or in the sense that he or she cannot meet his or her obligations as they mature; but the director may not enter an order against a broker-dealer or investment adviser under this clause without a finding of insolvency as to the broker-dealer or investment adviser;

(9) Has not complied with a condition imposed by the director under RCW 21.20.100, or is not qualified on the basis of such factors as training, experience, or knowledge of the securities business; or

(10)(a) Has failed to supervise reasonably (~~his or her~~) a salesperson(~~(if he or she is a broker-dealer)~~) or (~~his or her~~) an investment adviser salesperson (~~(if he or she is an investment adviser.~~

The director may by order summarily postpone or suspend registration pending final determination of any proceeding under this section). For the purposes of this subsection, no person fails to supervise reasonably another person, if:

(i) There are established procedures, and a system for applying those procedures, that would reasonably be expected to prevent and detect, insofar as practicable, any violation by another person of this chapter, or a rule or order under this chapter; and

(ii) The supervising person has reasonably discharged the duties and obligations required by these procedures and system without reasonable cause to believe that another person was violating this chapter or rules or orders under this chapter.

(b) The director may issue a summary order pending final determination of a proceeding under this section upon a finding that it is in the public interest and necessary or appropriate for the protection of investors. The director may not impose a fine under this section except after notice and opportunity for hearing. The fine imposed under this section may not exceed five thousand dollars for each act or omission that constitutes the basis for issuing the order.

Sec. 4. RCW 21.20.005 and 1989 c 391 s 1 are each amended to read as follows:

The definitions set forth in this section shall apply throughout this chapter, unless the context otherwise requires:

(1) "Director" means the director of licensing of this state.

(2) "Salesperson" means any individual other than a broker-dealer who represents a broker-dealer or issuer in effecting or attempting to effect sales of securities, but "salesperson" does not include an individual who represents an issuer in (a) effecting a transaction in a security exempted by RCW 21.20.310 (1), (2), (3), (4), (9), (10), (11), (12), or (13), as now or hereafter amended, (b) effecting transactions exempted by RCW 21.20.320, or (c) effecting transactions with existing employees, partners, or directors of the issuer if no commission or

other remuneration is paid or given directly or indirectly for soliciting any person in this state.

(3) "Broker-dealer" means any person engaged in the business of effecting transactions in securities for the account of others or for that person's own account. "Broker-dealer" does not include (a) a salesperson, issuer, bank, savings institution, or trust company, (b) a person who has no place of business in this state if the person effects transactions in this state exclusively with or through the issuers of the securities involved in the transactions, other broker-dealers, or banks, savings institutions, trust companies, insurance companies, investment companies as defined in the investment company act of 1940, pension or profit-sharing trusts, or other financial institutions or institutional buyers, whether acting for themselves or as trustees, or (c) a person who has no place of business in this state if during any period of twelve consecutive months that person does not direct more than fifteen offers to sell or to buy into this state in any manner to persons other than those specified in subsection (b) above.

(4) "Guaranteed" means guaranteed as to payment of principal, interest, or dividends.

(5) "Full business day" means all calendar days, excluding therefrom Saturdays, Sundays, and all legal holidays, as defined by statute.

(6) "Investment adviser" means any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who, for compensation and as a part of a regular business, issues or promulgates analyses or reports concerning securities. "Investment adviser" also includes financial planners and other persons who, as an integral component of other financially related services, (a) provide the foregoing investment advisory services to others for compensation as part of a business or (b) hold themselves out as providing the foregoing investment advisory services to others for compensation. Investment adviser shall also include any person who holds himself out as a financial planner.

"Investment adviser" does not include (a) a bank, savings institution, or trust company, (b) a lawyer, accountant, certified public accountant licensed under chapter 18.04 RCW, engineer, or teacher whose performance of these services is solely incidental to the practice of his or her profession, (c) a broker-dealer, (d) a publisher of any bona fide newspaper, news magazine, or business or financial publication of general, regular, and paid circulation, (e) a radio or television station, (f) a person whose advice, analyses, or reports relate only to securities exempted by RCW 21.20.310(1), (g) a person who has no place of business in this state if (i) that person's only clients in this state are other investment advisers, broker-dealers, banks, savings institutions, trust companies, insurance companies, investment companies as defined in the investment company act of 1940, pension or profit-sharing trust, or other financial institutions or institutional buyers, whether acting for themselves or as trustees, or (ii) during any period of twelve consecutive months that person does not

direct business communications into this state in any manner to more than five clients other than those specified in clause (i) above, or (h) such other persons not within the intent of this paragraph as the director may by rule or order designate.

(7) "Issuer" means any person who issues or proposes to issue any security, except that with respect to certificates of deposit, voting trust certificates, or collateral-trust certificates, or with respect to certificates of interest or shares in an unincorporated investment trust not having a board of directors (or persons performing similar functions) or of the fixed, restricted management, or unit type; the term "issuer" means the person or persons performing the acts and assuming the duties of depositor or manager pursuant to the provisions of the trust or other agreement or instrument under which the security is issued.

(8) "Nonissuer" means not directly or indirectly for the benefit of the issuer.

(9) "Person" means an individual, a corporation, a partnership, an association, a joint-stock company, a trust where the interest of the beneficiaries are evidenced by a security, an unincorporated organization, a government, or a political subdivision of a government.

(10) "Sale" or "sell" includes every contract of sale of, contract to sell, or disposition of, a security or interest in a security for value. "Offer" or "offer to sell" includes every attempt or offer to dispose of, or solicitation of an offer to buy, a security or interest in a security for value.

Any security given or delivered with, or as a bonus on account of, any purchase of securities or any other thing is considered to constitute part of the subject of the purchase and to have been offered and sold for value. A purported gift of assessable stock is considered to involve an offer and sale. Every sale or offer of a warrant or right to purchase or subscribe to another security of the same or another issuer, as well as every sale or offer of a security which gives the holder a present or future right or privilege to convert into another security of the same or another issuer, is considered to include an offer of the other security.

(11) "Securities Act of 1933", "Securities Exchange Act of 1934", "Public Utility Holding Company Act of 1935", and "Investment Company Act of 1940" means the federal statutes of those names as amended before or after June 10, 1959.

(12) "Security" means any note; stock; treasury stock; bond; debenture; evidence of indebtedness; certificate of interest or participation in any profit-sharing agreement; collateral-trust certificate; preorganization certificate or subscription; transferable share; investment contract; investment of money or other consideration in the risk capital of a venture with the expectation of some valuable benefit to the investor where the investor does not receive the right to exercise practical and actual control over the managerial decisions of the venture; voting-trust certificate; certificate of deposit for a security; certificate of interest or participation in an oil, gas or mining title or lease or in payments out of production under such a title or lease; charitable gift annuity; or, in general, any

interest or instrument commonly known as a "security", or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing; or any sale of or indenture, bond or contract for the conveyance of land or any interest therein where such land is situated outside of the state of Washington and such sale or its offering is not conducted by a real estate broker licensed by the state of Washington. "Security" does not include any insurance or endowment policy or annuity contract under which an insurance company promises to pay money either in a lump sum or periodically for life or some other specified period.

(13) "State" means any state, territory, or possession of the United States, as well as the District of Columbia and Puerto Rico.

(14) "Investment adviser salesperson" means a person retained or employed by an investment adviser to solicit clients or offer the services of the investment adviser or manage the accounts of said clients.

(15) "Relatives", as used in RCW 21.20.310(11) as now or hereafter amended, shall include:

- (a) A member's spouse;
- (b) Parents of the member or the member's spouse;
- (c) Grandparents of the member or the member's spouse;
- (d) Natural or adopted children of the member or the member's spouse;
- (e) Aunts and uncles of the member or the member's spouse; and
- (f) First cousins of the member or the member's spouse.

(16) "Customer" means a person other than a broker-dealer or investment adviser.

Passed the Senate April 22, 1993.

Passed the House April 8, 1993.

Approved by the Governor May 17, 1993.

Filed in Office of Secretary of State May 17, 1993.

CHAPTER 471

[Second Substitute Senate Bill 5237]

CHARITABLE SOLICITATIONS AND TRUSTS—REVISIONS

Effective Date: 7/1/93

AN ACT Relating to charitable solicitations; amending RCW 19.09.020, 19.09.065, 19.09.075, 19.09.076, 19.09.079, 19.09.085, 19.09.097, 19.09.271, 19.09.100, 19.09.190, 19.09.200, 19.09.210, 19.09.230, 19.09.240, 19.09.275, 19.09.305, 19.09.315, 11.110.010, 11.110.040, 11.110.050, 11.110.060, 11.110.070, 11.110.075, 11.110.080, 11.110.125, and 11.110.130; adding a new section to chapter 43.07 RCW; adding new sections to chapter 19.09 RCW; creating new sections; repealing RCW 19.09.078; prescribing penalties; providing an effective date; and declaring an emergency.

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

Sec. 1. RCW 19.09.020 and 1986 c 230 s 2 are each amended to read as follows:

When used in this chapter, unless the context otherwise requires:

(1) A "bona fide officer or employee" of a charitable organization is one (a) whose conduct is subject to direct control by such organization; (b) who does not act in the manner of an independent contractor in his or her relation with the organization; and (c) whose compensation is not computed on funds raised or to be raised.

(2) "Charitable organization" means any entity that solicits or collects contributions from the general public where the contribution is or is purported to be used to support a charitable activity, but does not include any commercial fund raiser or commercial fund-raising entity as defined in this section. "Charitable" (a) is not limited to its common law meaning unless the context clearly requires a narrower meaning; (b) does not include religious or political activities; and (c) includes, but is not limited to, educational, recreational, social, patriotic, legal defense, benevolent, ~~((or))~~ and health causes.

(3) "Compensation" means salaries, wages, fees, commissions, or any other remuneration or valuable consideration.

(4) "Contribution" means the payment, donation, promise or grant, for consideration or otherwise, of any money or property of any kind or value which contribution is wholly or partly induced by a solicitation. Reference to dollar amounts of "contributions" or "solicitations" in this chapter means in the case of payments or promises to pay for merchandise or rights of any description, the value of the total amount paid or promised to be paid for such merchandise or rights less the reasonable purchase price to the charitable organization of any such tangible merchandise, rights, or services resold by the organization, and not merely that portion of the purchase price to be applied to a charitable purpose.

(5) "Cost of solicitation" means and includes all direct and indirect costs, expenditures, debts, obligations, salaries, wages, commissions, fees, or other money or thing of value paid or incurred in making a solicitation. Cost of solicitation does not include the reasonable purchase price to the charitable organization of any tangible goods or services resold by the organization as a part of its fund raising activities.

(6) "Entity" means an individual, organization, group, association, partnership, corporation, agency or unit of state government, or any combination thereof.

(7) "General public" or "public" means any individual located in Washington state without a membership or other official relationship with a charitable organization before a solicitation by the charitable organization.

(8) "~~((Independent))~~ Commercial fund raiser" or "~~((independent))~~ commercial fund-raising entity" means any entity that for compensation or other consideration ~~((, plans, conducts, manages, or administers any drive or campaign in this state for the purpose of soliciting))~~ within this state directly or indirectly solicits or receives contributions for or on behalf of any charitable organization or charitable ~~((or religious))~~ purpose, or that is engaged in the business of or is held out to persons in this state as independently engaged in the business of

soliciting or receiving contributions for such purposes ~~((, or the business of planning, conducting, managing, or carrying on any drive or campaign in this state for such solicitations))~~. However, ~~((a nonprofit fund raiser or bona fide officer or other employee of a charitable organization))~~ the following shall not be deemed ((an independent)) a commercial fund raiser or "commercial fund-raising entity": (a) Any entity that provides fund-raising advice or consultation to a charitable organization within this state but neither directly nor indirectly solicits or receives any contribution for or on behalf of any such charitable organization; and (b) a bona fide officer or other employee of a charitable organization.

(9) "Membership" means that for the payment of fees, dues, assessments, etc., an organization provides services and confers a bona fide right, privilege, professional standing, honor, or other direct benefit, in addition to the right to vote, elect officers, or hold office. The term "membership" does not include those persons who are granted a membership upon making a contribution as the result of solicitation.

~~((10))~~ ~~((("Nonprofit fund raiser" means an entity registered as a nonprofit corporation under Title 24 RCW, or any entity exempt from federal income tax under section 501(c) of the Internal Revenue Code, that solicits and receives contributions exceeding five thousand dollars in any accounting year on behalf of a charitable or religious organization other than the nonprofit corporation.~~

~~((11))~~ "Other employee" of a charitable organization means any person (a) whose conduct is subject to direct control by such organization; (b) who does not act in the manner of any independent contractor in his or her relation with the organization; and (c) who is not engaged in the business of or held out to persons in this state as independently engaged in the business of soliciting contributions for charitable or religious purposes.

~~((12))~~ ((11)) "Parent organization" means that part of a charitable organization that coordinates, supervises, or exercises control over policy, fund raising, or expenditures, or assists or advises one or more related foundations, supporting organizations, chapters, branches, or affiliates of such organization in the state of Washington.

~~((13))~~ ((12)) "Political activities" means those activities subject to chapter 42.17 RCW or the Federal Elections Campaign Act of 1971, as amended.

~~((14))~~ ((13)) "Religious activities" means those religious, evangelical, or missionary activities under the direction of a religious organization duly organized and operating in good faith that are entitled to receive a declaration of current tax exempt status for religious purposes from the United States government and the duly organized branches or chapters of those organizations.

~~((15))~~ ((14)) "Secretary" means the secretary of state.

~~((16))~~ ((15)) "Solicitation" means any oral or written request for a contribution, including the solicitor's offer or attempt to sell any property, rights, services, or other thing in connection with which:

(a) Any appeal is made for any charitable purpose; or

(b) The name of any charitable organization is used as an inducement for consummating the sale; or

(c) Any statement is made that implies that the whole or any part of the proceeds from the sale will be applied toward any charitable purpose or donated to any charitable organization.

The solicitation shall be deemed completed when made, whether or not the person making it receives any contribution or makes any sale.

Bingo activities, raffles, and amusement games conducted under chapter 9.46 RCW and applicable rules of the Washington state gambling commission are specifically excluded and shall not be deemed a solicitation under this chapter.

Sec. 2. RCW 19.09.065 and 1986 c 230 s 3 are each amended to read as follows:

(1) All charitable organizations(~~(, independent))~~ and commercial fund raisers(~~(, and nonprofit fund raisers, as defined in RCW 19.09.020,))~~ shall register with the secretary prior to conducting any solicitations.

(2) Failure to register as required by this chapter is a violation of this chapter.

(3) Information provided to the secretary pursuant to this chapter shall be a public record except as otherwise stated in this chapter.

(4) Registration shall not be considered or be represented as an endorsement by the secretary or the state of Washington.

Sec. 3. RCW 19.09.075 and 1986 c 230 s 4 are each amended to read as follows:

An application for registration as a charitable organization shall be submitted in the form prescribed by rule by the secretary, containing, but not limited to, the following:

(1) The name, address, and telephone number of the charitable organization;

(2) The name(s) under which the organization will solicit contributions;

(3) The name, address, and telephone number of the officers of or persons accepting responsibility for the organization;

(4) The names of the three officers or employees receiving the greatest amount of compensation from the organization;

(5) The purpose of the organization;

(6)(a) Whether the organization is exempt from federal income tax; and if so the organization shall attach to its application a copy of the letter by which the internal revenue service granted such status; and

(b) (~~Whether the financial affairs of the organization are audited by an independent entity and, if so,))~~ The name and address of the entity that prepares, reviews, or audits the financial statement of the organization;

(7) A solicitation report of the organization for the preceding accounting year including:

(a) The number and types of solicitations conducted;

(b) The total dollar value of support received from solicitations and from all other sources received on behalf of the charitable purpose of the charitable organization;

(c) The total amount of money applied to charitable purposes, fund raising costs, and other expenses;

(d) The name, address, and telephone number of any ~~((independent))~~ commercial fund raiser used by the organization; ~~((and))~~

(8) An irrevocable appointment of the secretary to receive service of process in noncriminal proceedings as provided in RCW 19.09.305; and

(9) The total revenue of the preceding fiscal year.

~~((The requirements of subsection (7) (b) and (c) of this section may be satisfied by the submission of such federal tax forms as may be approved by rule of the secretary.))~~ The solicitation report required to be submitted under subsection (7) of this section shall be in the form prescribed by rule by the secretary, or as agreed to by the secretary and a charitable organization or a group of charitable organizations. A consolidated application for registration may, at the option of the charitable organization, be submitted by a parent organization for itself and any or all of its related foundations, supporting organizations, chapters, branches, or affiliates in the state of Washington.

The application shall be signed by the president, treasurer, or comparable officer of the organization ~~((and))~~ whose signature shall be notarized. The application shall be submitted with a nonrefundable~~((, ten dollar))~~ filing fee which shall be in an amount to be established by the secretary by rule. In determining the amount of this application fee, the secretary may consider factors such as the entity's annual budget and its federal income tax status. If the secretary determines that the application is complete, the application shall be filed and the applicant deemed registered.

The secretary shall notify the director of veterans' affairs upon receipt of an application for registration as a charitable organization from an entity that purports to raise funds to benefit veterans of the United States military services. The director of veterans' affairs may advise the secretary and the attorney general of any information, reports, or complaints regarding such an organization.

Sec. 4. RCW 19.09.076 and 1986 c 230 s 5 are each amended to read as follows:

The application requirements of RCW 19.09.075 do not apply to the following:

(1) Any charitable organization raising less than five thousand dollars in any accounting year when all the activities of the organization, including all fund raising activities, are carried on by persons who are unpaid for their services and no part of the charitable organization's assets or income inures to the benefit of or is paid to any officer or member of the organization;

(2) Any charitable organization located outside of the state of Washington if the organization files the following with the secretary:

(a) The registration documents required under the charitable solicitation laws of the state in which the charitable organization is located;

(b) The registration required under the charitable solicitation laws of the state of California and the state of New York; and

(c) Such federal income tax forms as may be required by rule of the secretary.

All entities soliciting charitable donations shall comply with the requirements of RCW 19.09.100.

Sec. 5. RCW 19.09.079 and 1986 c 230 s 7 are each amended to read as follows:

An application for registration as ~~((an independent))~~ a commercial fund raiser shall be submitted in the form prescribed by the secretary, containing, but not limited to, the following:

(1) The name, address, and telephone number of the ~~((independent))~~ commercial fund-raising entity;

(2) The name(s), address(es), and telephone number(s) of the owner(s) and principal officer(s) of the ~~((independent))~~ commercial fund-raising entity;

(3) The name, address, and telephone number of the individual responsible for the activities of the ~~((independent))~~ commercial fund-raising entity in Washington;

(4) A list of states and Canadian provinces in which fund raising has been performed;

(5) The names of the three officers or employees receiving the greatest amount of compensation from the ~~((independent))~~ commercial fund-raising entity;

(6) ~~((Whether the financial affairs of the independent fund-raiser are audited by an independent entity, and, if so,))~~ The name and address of the entity that prepares, reviews, or audits the financial statement of the organization;

(7) A solicitation report of the ~~((independent))~~ commercial fund-raising entity for the preceding accounting year, including:

(a) The number and types of fund raising services conducted;

(b) The names of charitable organizations required to register under RCW 19.09.065 for whom fund raising services have been performed;

(c) The total value of contributions received on behalf of charitable organizations required to register under RCW 19.09.065 by the ~~((independent))~~ commercial fund raiser, affiliate of the ~~((independent))~~ commercial fund raiser, or any entity retained by the ~~((independent))~~ commercial fund raiser; and

(d) The amount of money disbursed to charitable organizations for charitable purposes, net of fund raising costs paid by the charitable organization as stipulated in any agreement between charitable organizations and the ~~((independent))~~ commercial fund raiser;

(8) The name, address, and telephone number of any ~~((independent))~~ commercial fund raiser that was retained in the conduct of providing fund raising services; and

(9) An irrevocable appointment of the secretary to receive service of process in noncriminal proceedings as provided in RCW 19.09.305.

The application shall be signed by an officer or owner of the ~~((independent)) commercial~~ fund raiser and shall be submitted with a nonrefundable ~~((, fifty-dollar filing))~~ fee in an amount to be established by rule of the secretary. If the secretary determines that the application is complete, the application shall be filed and the applicant deemed registered.

Sec. 6. RCW 19.09.085 and 1986 c 230 s 8 are each amended to read as follows:

(1) Registration under this chapter shall be effective for one year ~~((, or the end of the organization's accounting year, whichever comes first))~~ or longer, as established by the secretary.

(2) Reregistration required under RCW 19.09.075 ~~((and 19.09.078))~~ or 19.09.079 shall be ~~((received by))~~ submitted to the secretary no later than the ~~((fifteenth day of the fifth month after the organization's accounting period ends))~~ date established by the secretary by rule.

(3) ~~((Reregistration required under RCW 19.09.079 shall be received by the secretary no later than the fifteenth day of the third month after the organization's accounting period ends.~~

~~((4))~~ Entities required to register under this chapter shall file a notice of change of information within thirty days of any change in the information contained in RCW 19.09.075 (1) through (6) ~~((;))~~ or 19.09.079 (1) through (6) ~~((; or 19.09.078 (1) through (4)))~~.

~~((5))~~ (4) The secretary ~~((may))~~ shall notify entities registered under this chapter of the need to reregister upon the expiration of their current registration. The notification shall be by mail, sent at least sixty days prior to the expiration of their current registration. Failure to register shall not be excused by a failure of the secretary to mail the notice or by an entity's failure to receive the notice.

Sec. 7. RCW 19.09.097 and 1986 c 230 s 10 are each amended to read as follows:

(1) No charitable organization may contract with a commercial fund raiser for any fund raising service or activity unless its contract requires that both parties comply with the law and permits officers of the charity reasonable access to: (a) The fund raisers' financial records relating to that charitable organization; and (b) the fund raisers' operations including without limitation the right to be present during any telephone solicitation. In addition, the contract shall specify the amount of raised funds that the charitable organization will receive or the method of computing that amount, the amount of compensation of the commercial fund raiser or the method of computing that amount, and whether the compensation is fixed or contingent.

(2) Before ~~((contracting))~~ a charitable organization may contract with a commercial fund raiser for any fund raising service or activity, the charitable organization and ((independent)) commercial fund raiser shall complete a

registration form. The registration shall be filed by the charitable organization with the secretary, in the form prescribed by the secretary, within five working days of the execution of the contract containing, but not limited to the following information:

~~((1))~~ (a) The name and registration number of the ~~((independent))~~ commercial fund raiser;

~~((2))~~ (b) The name of the surety or sureties issuing the bond required by RCW 19.09.190, the aggregate amount of such bond or bonds, the bond number(s), original effective date(s), and termination date(s);

~~((3))~~ (c) The name and registration number of the charitable organization;

~~((4))~~ (d) The name of the representative of the ~~((independent))~~ commercial fund raiser who will be responsible for the conduct of the fund raising;

~~((5))~~ (e) The type(s) of service(s) to be provided by the ~~((independent))~~ commercial fund raiser;

~~((6))~~ (f) The dates such service(s) will begin and end;

~~((7))~~ (g) The terms of the agreement between the charitable organization and ~~((independent))~~ commercial fund raiser relating to:

~~((8))~~ (i) Amount or percentages of amounts to inure to the charitable organization;

~~((9))~~ (ii) Limitations placed on the maximum amount to be raised by the fund raiser, if the amount to inure to the charitable organization is not stated as a percentage of the amount raised;

~~((10))~~ (iii) Costs of fund raising that will be the responsibility of the charitable organization, regardless of whether paid as a direct expense, deducted from the amounts disbursed, or otherwise; and

~~((11))~~ (iv) The manner in which contributions received directly by the charitable organization, not the result of services provided by the ~~((independent))~~ commercial fund raiser, will be identified and used in computing the fee owed to the ~~((independent))~~ commercial fund raiser; and

~~((12))~~ (h) The names of any entity to which more than ten percent of the total anticipated fund raising cost is to be paid, and whether any principal officer or owner of the ~~((independent))~~ commercial fund raiser or relative by blood or marriage thereof is an owner or officer of any such entity.

(3) A correct copy of the contract shall be filed with the secretary before the commencement of any campaign.

(4) The registration form shall be submitted with a nonrefundable(~~(five-dollar))~~ filing fee in an amount to be established by rule of the secretary and shall be signed by an owner or principal officer of the ~~((independent))~~ commercial fund raiser and the president, treasurer, or comparable officer of the charitable organization.

Sec. 8. RCW 19.09.271 and 1986 c 230 s 17 are each amended to read as follows:

(1) Any charitable organization(~~(nonprofit fund raiser,))~~ or ~~((independent))~~ commercial fund raiser who, after notification by the secretary, fails to properly

register under this chapter by the end of the first business day following the issuance of the notice, is liable for a late filing fee (~~(of five dollars per day from the date of the notice until the registration is properly completed and filed))~~ in an amount to be established by rule of the secretary. The late filing fee is in addition to any other filing fee provided by this chapter.

(2) The secretary shall notify the attorney general of any entity liable for late filing fees under subsection (1) of this section.

Sec. 9. RCW 19.09.100 and 1986 c 230 s 11 are each amended to read as follows:

The following conditions apply to solicitations as defined by RCW 19.09.020:

(1) ~~(Each person or organization soliciting charitable contributions shall disclose orally or in writing to each person or organization solicited:~~

~~(a) The name of the individual making the solicitation;~~

~~(b) The name of the charitable organization;~~

~~(c) The purpose of the solicitation, and the name of the organization that will receive the funds contributed; and~~

~~(d) Whether the charitable organization is or is not properly registered under this chapter, and if registered, that information relating to its financial affairs is available by contacting the office of the secretary of state, giving the secretary's toll free telephone number, if available.~~

~~(2) Each person or organization soliciting charitable contributions shall conspicuously disclose in writing to each person or organization solicited:~~

~~(a) If the solicitation is conducted by a charitable organization, the percentage relationship between (i) the total amount of money applied to charitable purposes; and (ii) the dollar value of support received from solicitations and from all other sources received on behalf of the charitable purpose of the organization, as contained in the organization's most recent solicitation report filed in accordance with RCW 19.09.075(7);~~

~~(b) If the solicitation is conducted by an independent or nonprofit fund raiser, the percentage relationship between (i) the amount of money disbursed to charitable organizations for charitable purposes; and (ii) the total value of contributions received on behalf of charitable organizations by the independent or nonprofit fund raiser, as contained in the fund raiser's most recent solicitation report filed in accordance with RCW 19.09.079(7) or 19.09.078.~~

~~(3) Each person or organization soliciting charitable contributions by telephone shall make the disclosures required by RCW 19.09.100(2) (a) or (b) in writing within five days of the receipt of any contribution. If the person or organization sends any materials to the person or organization solicited before the receipt of any contribution, those materials shall include the disclosures required in RCW 19.09.100(1)(d), and 19.09.100 (2) (a) or (b), whichever is applicable.~~

~~(4))~~ A charitable organization, whether or not required to register pursuant to this chapter, that directly solicits contributions from the public in this state

shall make the following clear and conspicuous disclosures at the point of solicitation:

(a) The name of the individual making the solicitation;

(b) The identity of the charitable organization and the city of the principal place of business of the charitable organization;

(c) If requested by the solicitee, the toll-free number for the donor to obtain additional financial disclosure information on file with the secretary.

(2) A commercial fund raiser shall clearly and conspicuously disclose at the point of solicitation:

(a) The name of the individual making the solicitation;

(b) The name of the entity for which the fund raiser is an agent or employee and the name and city of the charitable organization for which the solicitation is being conducted; and

(c) If requested by the solicitee, the toll-free number for the donor to obtain additional financial disclosure information on file with the secretary. The disclosure must be made during an oral solicitation of a contribution, and at the same time at which a written request for a contribution is made.

(3) A person or organization soliciting charitable contributions by telephone shall make the disclosures required under subsection (1) or (2) of this section in the course of the solicitation but prior to asking for a commitment for a contribution from the solicitee, and in writing to any solicitee that makes a pledge within five days of making the pledge. If the person or organization sends any materials to the person or organization solicited before the receipt of any contribution, those materials shall include the disclosures required in subsection (1) or (2) of this section, whichever is applicable.

(4) In the case of a solicitation by advertisement or mass distribution, including posters, leaflets, automatic dialing machines, publication, and audio or video broadcasts, it shall be clearly and conspicuously disclosed in the body of the solicitation material that:

(a) The solicitation is conducted by a named commercial fund raiser, if it is;

(b) The notice of solicitation required by the charitable solicitation act is on file with the secretary's office; and

(c) The potential donor can obtain additional information at a toll-free number.

(5) A container or vending machine displaying a solicitation must also display in a clear and conspicuous manner the name of the charitable organization for which funds are solicited, the name, residence address, and telephone number of the individual and any commercial fund raiser responsible for collecting funds placed in the containers or vending machines, and the following statement: "This charity is registered with the secretary's office under the charitable solicitation act, registration number"

(6) A commercial fund raiser shall not represent that tickets to any fund raising event will be donated for use by another person unless all the following requirements are met:

(a) The commercial fund raiser prior to conducting a solicitation has written commitments from persons stating that they will accept donated tickets and specifying the number of tickets they will accept;

(b) The written commitments are kept on file by the commercial fund raiser for three years and are made available to the attorney general on demand;

(c) The contributions solicited for donated tickets may not be more than the amount representing the number of ticket commitments received from persons and kept on file under (a) of this subsection; and

(d) Not later than seven calendar days prior to the date of the event for which ticket donations are solicited, the commercial fund raiser shall give all donated tickets to the persons who made the written commitments to accept them.

(7) Each person or organization soliciting charitable contributions shall not represent orally or in writing that:

(a) The charitable contribution is tax deductible unless the charitable organization for which charitable contributions are being solicited or to which tickets for fund raising events or other services or goods will be donated, has applied for and received from the internal revenue service a letter of determination granting tax deductible status to the charitable organization;

(b) The person soliciting the charitable contribution is a volunteer or words of similar meaning or effect that create the impression that the person soliciting is not a paid solicitor unless such person is unpaid for his or her services;

(c) The person soliciting the charitable contribution is a member, staffer, helper, or employee of the charitable organization or words of similar meaning or effect that create the impression that the person soliciting is not a paid solicitor if the person soliciting is employed, contracted, or paid by (~~an~~ independent) a commercial fund raiser.

~~((5))~~ (8) If the charitable organization is associated with, or has a name that is similar to, any unit of government each person or organization soliciting contributions shall disclose to each person solicited whether the charitable organization is or is not part of any unit of government and the true nature of its relationship to the unit of government. This subsection does not apply to a foundation or other charitable organization that is organized, operated, or controlled by or in connection with a registered public charity, including any governmental agency or unit, from which it derives its name.

~~((6))~~ (9) No person may, in conducting any solicitation, use the name "police," "sheriff," "fire fighter," "firemen," or a similar name unless properly authorized by a bona fide police, sheriff, or fire fighter organization or police, sheriff, or fire department. A proper authorization shall be in writing and signed by two authorized officials of the organization or department and shall be filed with the secretary.

(10) A person may not, in conducting any solicitation, use the name of a federally chartered military veterans' service organization unless authorized in writing by the highest ranking official of that organization in this state.

(11) A charitable organization shall comply with all local governmental regulations that apply to soliciting for or on behalf of charitable organizations.

~~((7))~~ (12) The advertising material and the general promotional plan for a solicitation shall not be false, misleading, or deceptive, and shall afford full and fair disclosure.

~~((8))~~ (13) Solicitations shall not be conducted by a charitable organization or ~~(independent))~~ commercial fund raiser that has, or if a corporation, its officers, directors, or principals have, been convicted of a crime involving solicitations for or on behalf of a charitable organization in this state, the United States, or any other state or foreign country within the past ten years or has been subject to any permanent injunction or administrative order or judgment under RCW 19.86.080 or 19.86.090, involving a violation or violations of RCW 19.86.020, within the past ten years, or of restraining a false or misleading promotional plan involving solicitations for charitable organizations.

(14) No charitable organization or commercial fund raiser subject to this chapter may use or exploit the fact of registration under this chapter so as to lead the public to believe that registration constitutes an endorsement or approval by the state, but the use of the following is not deemed prohibited: "Registered with the Washington state secretary of state as required by law. Registration number"

(15) No entity may engage in any solicitation for contributions for or on behalf of any charitable organization or commercial fund raiser unless the charitable organization or commercial fund raiser is registered with the secretary.

(16) No entity may engage in any solicitation for contributions unless it complies with all provisions of this chapter.

(17)(a) No entity may place a telephone call for the purpose of charitable solicitation that will be received by the solicitee before eight o'clock a.m. or after nine o'clock p.m.

(b) No entity may, while placing a telephone call for the purpose of charitable solicitation, engage in any conduct the natural consequence of which is to harass, intimidate, or torment any person in connection with the telephone call.

(18) Failure to comply with subsections (1) through ~~((8))~~ (17) of this section is a violation of this chapter.

Sec. 10. RCW 19.09.190 and 1986 c 230 s 16 are each amended to read as follows:

Every ~~(independent))~~ commercial fund raiser who (1) directly or indirectly receives contributions from the public on behalf of any charitable organization; or (2) is compensated based upon funds raised or to be raised, number of solicitations made or to be made, or any other similar method; or (3) incurs or is authorized to incur expenses on behalf of the charitable organization; or (4)

has not been registered with the secretary as ~~((an independent))~~ a commercial fund raiser for the preceding accounting year shall execute a surety bond as principal with one or more sureties whose liability in the aggregate as such sureties will equal at least fifteen thousand dollars. The secretary may, by rule, provide for the reduction and reinstatement of the bond required by this section.

The issuer of the surety bond shall be licensed to do business in this state, and shall promptly notify the secretary when claims or payments are made against the bond or when the bond is canceled. The bond shall be filed with the secretary in the form prescribed by the secretary. The bond shall run to the state and to any person who may have a cause of action against the obligor of said bond for any malfeasance, misfeasance, or deceptive practice in the conduct of such solicitation.

Sec. 11. RCW 19.09.200 and 1986 c 230 s 12 are each amended to read as follows:

(1) Charitable organizations and ~~((independent))~~ commercial fund raisers shall maintain accurate, current, and readily available books and records at their usual business locations until at least three years have elapsed following the effective period to which they relate.

(2) All contracts between ~~((independent))~~ commercial fund raisers and charitable organizations shall be in writing, and true and correct copies of such contracts or records thereof shall be kept on file in the various offices of the charitable organization and the ~~((independent))~~ commercial fund raiser for a three-year period. Such records and contracts shall be available for inspection and examination by the attorney general or by the county prosecuting attorney. A copy of such contract or record shall be submitted by the charitable organization or ~~((independent))~~ commercial fund raiser, within ten days, following receipt of a written demand therefor from the attorney general or county prosecutor.

Sec. 12. RCW 19.09.210 and 1986 c 230 s 13 are each amended to read as follows:

Upon the request of the attorney general or the county prosecutor, a charitable organization or commercial fund raiser shall submit a financial statement containing, but not limited to, the following information:

(1) The gross amount of the contributions pledged and the gross amount collected.

(2) The amount thereof, given or to be given to charitable purposes represented together with details as to the manner of distribution as may be required.

(3) The aggregate amount paid and to be paid for the expenses of such solicitation.

(4) The amounts paid to and to be paid to ~~((independent))~~ commercial fund raisers or charitable organizations.

(5) Copies of any annual or periodic reports furnished by the charitable organization, of its activities during or for the same fiscal period, to its parent organization, subsidiaries, or affiliates, if any.

Sec. 13. RCW 19.09.230 and 1986 c 230 s 14 are each amended to read as follows:

No charitable organization, (~~independent~~) commercial fund raiser, or other entity may knowingly use the name, symbol, or emblem of any other (~~person~~) entity for the purpose of soliciting contributions from persons in this state without the written consent of such other (~~person~~) entity. Such consent may be deemed to have been given by anyone who is a director, trustee, or other authorized officer, employee, agent, or (~~independent~~) commercial fund raiser of the charitable organization, and a copy of the written consent must be kept on file by the charitable organization or commercial fund raiser and made available to the attorney general upon demand.

A person may be deemed to have used the name of another person for the purpose of soliciting contributions if such latter person's name is listed on any stationery, advertisement, brochure, or correspondence of the charitable organization or person or if such name is listed or represented to any one who has contributed to, sponsored, or endorsed the charitable organization or person, or its or his activities.

The secretary may revoke or deny any application for registration that violates this section.

Sec. 14. RCW 19.09.240 and 1986 c 230 s 15 are each amended to read as follows:

No charitable organization, (~~independent~~) commercial fund raiser, or other person soliciting contributions for or on behalf of a charitable organization may use a name, symbol, emblem, or statement so closely related or similar to that used by another charitable organization or governmental agency that the use thereof would tend to confuse or mislead the public. The secretary may revoke or deny any application for registration that violates this section.

This section does not apply to a foundation or other charitable organization that is organized, operated, or controlled by or in connection with a registered public charity, including any governmental agency or unit, from which it derives its name.

Sec. 15. RCW 19.09.275 and 1986 c 230 s 18 are each amended to read as follows:

Any person who (~~wilfully and~~) knowingly violates any provision of this chapter or who (~~wilfully and~~) knowingly gives false or incorrect information to the secretary, attorney general, or county prosecuting attorney in filing statements required by this chapter, whether or not such statement or report is verified is guilty of a gross misdemeanor punishable under chapter 9A.20 RCW.

Any person who violates any provisions of this chapter or who gives false or incorrect information to the secretary, attorney general, or county prosecuting

attorney in filing statements required by this chapter, whether or not such statement or report is verified, is guilty of a misdemeanor punishable under chapter 9A.20 RCW.

Sec. 16. RCW 19.09.305 and 1983 c 265 s 7 are each amended to read as follows:

When a person or an organization registered under this chapter, or its president, treasurer, or comparable officers, cannot be found after reasonably diligent effort, the secretary of state shall be an agent of such person or organization upon whom process may be served. Service on the secretary shall be made by delivering to the secretary or the secretary's designee duplicate copies of such process, and a ~~((twenty-five dollar))~~ filing fee to be established by rule of the secretary. Thereupon, the secretary shall immediately cause one of the copies thereof to be forwarded to the registrant at the most current address shown in the secretary's files. Any service so had on the secretary shall be returnable in not less than thirty days.

Any fee under this section shall be taxable as costs in the action.

The secretary shall maintain a record of all process served on the secretary under this section, and shall record the date of service and the secretary's action with reference thereto.

Nothing in this section limits or affects the right to serve process required or permitted to be served on a registrant in any other manner now or hereafter permitted by law.

Sec. 17. RCW 19.09.315 and 1983 c 265 s 17 are each amended to read as follows:

(1) The secretary may establish, by rule, standard forms and procedures for the efficient administration of this chapter.

(2) The secretary may provide by rule for the filing of a financial statement by registered entities.

(3) The secretary may issue such publications, reports, or information from the records as may be useful to the solicited public and charitable organizations. To defray the costs of any such publication, the secretary is authorized to charge a reasonable fee to cover the costs of preparing, printing, and distributing such publications.

NEW SECTION. **Sec. 18.** The attorney general, in the attorney general's discretion, may:

(1) Annually, or more frequently, make such public or private investigations within or without this state as the attorney general deems necessary to determine whether any registration should be granted, denied, revoked, or suspended, or whether any person has violated or is about to violate a provision of this chapter or any rule adopted or order issued under this chapter, or to aid in the enforcement of this chapter or in the prescribing of rules and forms under this chapter; and

(2) Publish information concerning a violation of this chapter or a rule adopted or order issued under this chapter.

NEW SECTION. **Sec. 19.** For the purpose of any investigation or proceeding under this chapter, the attorney general or any officer designated by the attorney general may administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, agreements, or other documents or records which the attorney general deems relevant or material to the inquiry.

In case of willful failure on the part of a person to comply with a subpoena lawfully issued by the attorney general or on the refusal of a witness to testify to matters regarding which the witness may be lawfully interrogated, the superior court of a county, on application of the attorney general and after satisfactory evidence of willful disobedience, may compel obedience by proceedings for contempt, as in the case of disobedience of a subpoena issued from the court or a refusal to testify therein.

NEW SECTION. **Sec. 20.** If it appears to the attorney general that a person has engaged or is about to engage in an act or practice constituting a violation of a provision of this chapter or a rule adopted or order issued under this chapter, the attorney general may, in the attorney general's discretion, issue an order directing the person to cease and desist from continuing the act or practice. Reasonable notice of and opportunity for a hearing shall be given. The attorney general may issue a temporary order pending the hearing, which shall remain in effect until ten days after the hearing is held and which shall become final if the person to whom the notice is addressed does not request a hearing within fifteen days after the receipt of the notice.

NEW SECTION. **Sec. 21.** (1) The attorney general may assess against any person or organization who violates this chapter, or any rule adopted under this chapter, a civil penalty of not more than one thousand dollars for each violation.

(2) Such person or organization shall be afforded the opportunity for a hearing, upon request made to the attorney general within thirty days after the date of issuance of the notice of assessment. The hearing shall be conducted in accordance with chapter 34.05 RCW.

(3) If any person fails to pay an assessment after it has become a final and unappealable order, or after the court has entered final judgment in favor of the state, the attorney general may recover the amount assessed by action in the appropriate superior court. In such action, the validity and appropriateness of the final order imposing the penalty shall not be subject to review.

NEW SECTION. **Sec. 22.** The administrative procedure act, chapter 34.05 RCW, shall wherever applicable govern the rights, remedies, and procedures respecting the administration of this chapter.

NEW SECTION. Sec. 23. The secretary shall provide the attorney general with copies of or direct electronic access to all registrations, reports, or other information filed under this chapter.

NEW SECTION. Sec. 24. A new section is added to chapter 43.07 RCW to read as follows:

The secretary of state may adopt rules under chapter 34.05 RCW establishing reasonable fees for the following services rendered under chapter 11.110 or 19.09 RCW:

- (1) Any service rendered in-person at the secretary of state's office;
- (2) Any expedited service;
- (3) The electronic transmittal of documents;
- (4) The providing of information by microfiche or other reduced-format compilation;
- (5) The handling of checks or drafts for which sufficient funds are not on deposit;
- (6) The resubmission of documents previously submitted to the secretary of state where the documents have been returned to the submitter to make such documents conform to the requirements of the applicable statute;
- (7) The handling of telephone requests for information; and
- (8) Special search charges.

Sec. 25. RCW 11.110.010 and 1985 c 30 s 113 are each amended to read as follows:

The purpose of this chapter is to facilitate public supervision over the administration of public charitable trusts and similar relationships and to clarify and implement the powers and duties of the attorney general and the secretary of state with relation thereto.

Sec. 26. RCW 11.110.040 and 1985 c 30 s 115 are each amended to read as follows:

All information, documents, and reports filed with the ~~((attorney general))~~ secretary of state under this chapter are matters of public record and shall be open to public inspection, subject to reasonable regulation: PROVIDED, That the ~~((attorney general))~~ secretary of state shall withhold from public inspection any trust instrument so filed whose content is not exclusively for charitable purposes. The ~~((attorney general))~~ secretary of state may publish, on a periodic or other basis, such information as may be necessary or appropriate in the public interest concerning the registration, reports, and information filed with ~~((him))~~ the secretary of state or any other matters relevant to the administration and enforcement of this chapter.

Sec. 27. RCW 11.110.050 and 1985 c 30 s 116 are each amended to read as follows:

The ~~((attorney general))~~ secretary of state shall establish and maintain a register of trustees as defined in RCW 11.110.020 and, to that end, shall conduct whatever investigation is necessary, and shall obtain from public records, court

officers, taxing authorities, trustees, and other sources whatever information, copies of instruments, reports, and records are needed, for the establishment and maintenance of the register.

Sec. 28. RCW 11.110.060 and 1985 c 30 s 117 are each amended to read as follows:

Every trustee shall file with the ~~((attorney-general))~~ secretary of state within two months after receiving possession or control of the trust corpus a copy of the instrument establishing his or her title, powers, or duties, and an inventory of the assets of such charitable trust. In addition, trustees exempted from the provisions of RCW 11.110.070 by RCW 11.110.073 shall file with the ~~((attorney-general))~~ secretary of state a copy of the declaration of the tax-exempt status or other basis of the claim for such exemption; a copy of the instrument establishing the trustee's title, powers or duties; an inventory of the assets of such trust; and, annually, a copy of each publicly available United States tax or information return or report of the trust which the trustee files with the internal revenue service. The trustees of charitable trusts existing at the time this chapter takes effect or on August 9, 1971, shall comply with this section within six months thereafter.

Sec. 29. RCW 11.110.070 and 1985 c 30 s 118 are each amended to read as follows:

Except as otherwise provided every trustee subject to this chapter shall file with the ~~((attorney-general))~~ secretary of state annual reports, under oath, setting forth information as to the nature of the assets held for charitable purposes and the administration thereof by the trustee, in accordance with rules ~~((and regulations))~~ of the ~~((attorney-general))~~ secretary of state.

The ~~((attorney-general))~~ secretary of state shall make rules ~~((and regulations))~~ as to the time for filing reports, the contents thereof, and the manner of executing and filing them. ~~((He))~~ The secretary of state may classify trusts and other relationships concerning property held for a charitable purpose as to purpose, nature of assets, duration of the trust or other relationship, amount of assets, amounts to be devoted to charitable purposes, nature of trustee, or otherwise, and may establish different rules for the different classes as to time and nature of the reports required, to the ends (1) that ~~((he))~~ the secretary of state shall receive reasonably current, periodic reports as to all charitable trusts or other relationships of a similar nature which will enable ~~((him))~~ the secretary of state to ascertain whether they are being properly administered, and (2) that periodic reports shall not unreasonably add to the expense of the administration of charitable trusts and similar relationships. The ~~((attorney-general))~~ secretary of state may suspend the filing of reports as to a particular charitable trust or relationship for a reasonable, specifically designated time upon written application of the trustee filed with the ~~((attorney-general))~~ secretary of state after the ~~((attorney-general))~~ secretary of state has filed in the register of charitable trusts a written statement that the interests of the beneficiaries will not be

prejudiced thereby and that periodic reports are not required for proper supervision by ~~((his))~~ the secretary of state's office.

A copy of an account filed by the trustee in any court having jurisdiction of the trust or other relationship, if the account substantially complies with the rules ~~((and regulations))~~ of the ~~((attorney general))~~ secretary of state, may be filed as a report required by this section.

The first report for a trust or similar relationship hereafter established, unless the filing thereof is suspended as herein provided, shall be filed not later than one year after any part of the income or principal is authorized or required to be applied to a charitable purpose. If any part of the income or principal of a trust previously established is authorized or required to be applied to a charitable purpose at the time this act takes effect, the first report, unless the filing thereof is suspended, shall be filed within six months after July 30, 1967.

Sec. 30. RCW 11.110.075 and 1985 c 30 s 120 are each amended to read as follows:

A trust is not exclusively for charitable purposes, within the meaning of RCW 11.110.040, when the instrument creating it contains a trust for several or mixed purposes, and any one or more of such purposes is not charitable within the meaning of RCW 11.110.020, as enacted or hereafter amended. Such instrument shall be withheld from public inspection by the ~~((attorney general))~~ secretary of state and no information as to such noncharitable purpose shall be made public. The attorney general shall have free access to such information.

Annual reporting of such trusts to the ~~((attorney general))~~ secretary of state, as required by RCW 11.110.060 or 11.110.070, shall commence within one year after trust income or principal is authorized or required to be used for a charitable purpose

When a trust consists of a vested charitable remainder preceded by a life estate, a copy of the instrument shall be filed by the trustee or by the life tenant, within two months after commencement of the life estate.

If the trust instrument contains only contingent gifts or remainders to charitable purposes, no charitable trust shall be deemed created until a charitable gift or remainder is legally vested. The first registration or report of such trust shall be filed within two months after trust income or principal is authorized or required to be used for a charitable purpose.

Sec. 31. RCW 11.110.080 and 1985 c 30 s 121 are each amended to read as follows:

The custodian of the records of a court having jurisdiction of probate matters or of charitable trusts shall furnish within two months after receiving possession or control thereof such copies of papers, records, and files of ~~((his))~~ the custodian's office relating to the subject of this chapter as the ~~((attorney general))~~ secretary of state shall require.

Every officer, agency, board or commission of this state receiving applications for exemption from taxation of any charitable trust or similar

relationship in which the trustee is subject to this chapter shall annually file with the ~~((attorney general))~~ secretary of state a list of all applications received during the year.

Sec. 32. RCW 11.110.125 and 1985 c 30 s 126 are each amended to read as follows:

The willful refusal by a trustee to make or file any report or to perform any other duties expressly required by this chapter, or to comply with any valid rule ~~((or regulation promulgated))~~ adopted by the ~~((attorney general))~~ secretary of state under this chapter, shall constitute a breach of trust and a violation of this chapter.

Sec. 33. RCW 11.110.130 and 1985 c 30 s 127 are each amended to read as follows:

A civil action for a violation of this chapter may be prosecuted by the attorney general or by a prosecuting attorney ~~((designated by the attorney general))~~.

NEW SECTION. Sec. 34. All reports, documents, surveys, books, records, files, papers, or written material in the possession of the attorney general pertaining to the powers, functions, and duties transferred by sections 25 through 33 of this act shall be delivered to the custody of the secretary of state. All cabinets, furniture, office equipment, motor vehicles, and other tangible property employed by the attorney general in carrying out the powers, functions, and duties transferred shall be made available to the secretary of state. All funds, credits, or other assets held in connection with the powers, functions, and duties transferred shall be assigned to the secretary of state.

Any appropriations made to the attorney general for carrying out the powers, functions, and duties transferred shall, on the effective date of this section, be transferred and credited to the secretary of state.

Whenever any question arises as to the transfer of any personnel, funds, books, documents, records, papers, files, equipment, or other tangible property used or held in the exercise of the powers and the performance of the duties and functions transferred, the director of financial management shall make a determination as to the proper allocation and certify the same to the state agencies concerned.

NEW SECTION. Sec. 35. All employees of the attorney general engaged in performing the powers, functions, and duties transferred by sections 25 through 33 of this act are transferred to the jurisdiction of the secretary of state. All employees classified under chapter 41.06 RCW, the state civil service law, are assigned to the secretary of state to perform their usual duties upon the same terms as formerly, without any loss of rights, subject to any action that may be appropriate thereafter in accordance with the laws and rules governing state civil service.

NEW SECTION. Sec. 36. All rules and all pending business before the attorney general pertaining to the powers, functions, and duties transferred by sections 25 through 33 of this act shall be continued and acted upon by the secretary of state. All existing contracts and obligations shall remain in full force and shall be performed by the secretary of state.

NEW SECTION. Sec. 37. The transfer of the powers, duties, functions, and personnel of the attorney general shall not affect the validity of any act performed prior to the effective date of this section.

NEW SECTION. Sec. 38. If apportionments of budgeted funds are required because of the transfers directed by sections 34 through 37 of this act, the director of financial management shall certify the apportionments to the agencies affected, the state auditor, and the state treasurer. Each of these shall make the appropriate transfer and adjustments in funds and appropriation accounts and equipment records in accordance with the certification.

NEW SECTION. Sec. 39. Nothing contained in sections 34 through 38 of this act may be construed to alter any existing collective bargaining unit or the provisions of any existing collective bargaining agreement until the agreement has expired or until the bargaining unit has been modified by action of the personnel board as provided by law.

NEW SECTION. Sec. 40. RCW 19.09.078 and 1986 c 230 s 6 are each repealed.

NEW SECTION. Sec. 41. Sections 18 through 23 of this act are each added to chapter 19.09 RCW.

NEW SECTION. Sec. 42. (1) Annually, the secretary of state shall publish a report indicating:

(a) For each charitable organization registered under RCW 19.09.065 the percentage relationship between (i) the total amount of money applied to charitable purposes; and (ii) the dollar value of support received from solicitations and received from all other sources on behalf of the charitable purpose of the organization;

(b) For each commercial fund raiser registered under RCW 19.09.065 the percentage relationship between (i) the amount of money disbursed to charitable organizations for charitable purposes; and (ii) the total value of contributions received on behalf of charitable organizations by the commercial fund raiser; and

(c) Such other information as the secretary of state deems appropriate.

(2) The secretary of state may use the latest information obtained pursuant to RCW 19.09.075 or otherwise under chapter 19.09 RCW to prepare the report.

NEW SECTION. Sec. 43. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 44. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect July 1, 1993.

Passed the Senate April 17, 1993.

Passed the House April 7, 1993.

Approved by the Governor May 17, 1993.

Filed in Office of Secretary of State May 17, 1993.

CHAPTER 472

[Substitute Senate Bill 5270]

DEPARTMENT OF FINANCIAL INSTITUTIONS

Effective Date: 10/1/93

AN ACT Relating to the creation of the department of financial institutions; amending RCW 21.20.005, 21.20.450, 21.20.720, 43.17.010, 43.17.020, 43.19.010, 43.19.020, 43.19.030, 43.19.050, 43.19.080, 43.19.090, 43.19.095, and 43.19.112; adding a new chapter to Title 43 RCW; creating new sections; recodifying RCW 43.19.020, 43.19.030, 43.19.050, 43.19.080, 43.19.090, 43.19.095, and 43.19.112; repealing RCW 43.19.040, 43.19.100, and 43.19.110; and providing an effective date.

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

NEW SECTION. Sec. 1. The legislature finds that, given the overlap of powers and products in the companies regulated, the consolidation of the agencies regulating financial institutions and securities into one department will better serve the public interest through more effective use of staff expertise. Therefore, for the convenience of administration and the centralization of control and the more effective use of state resources and expertise, the state desires to combine the regulation of financial institutions and securities into one department.

NEW SECTION. Sec. 2. A state department of financial institutions, headed by the director of financial institutions, is created. The department shall be organized and operated in a manner that to the fullest extent permissible under applicable law protects the public interest, protects the safety and soundness of depository institutions and entities under the jurisdiction of the department, ensures access to the regulatory process for all concerned parties, and protects the interests of investors. The department of financial institutions shall be structured to reflect the unique differences in the types of institutions and areas it regulates.

NEW SECTION. Sec. 3. The director of financial institutions shall be appointed by the governor and shall exercise all powers and perform all of the duties and functions transferred under section 6 of this act, and such other powers and duties as may be authorized by law. The director may deputize, appoint, and employ examiners and other such assistants and personnel as may be necessary to carry on the work of the department. The director of financial institutions shall receive a salary in an amount fixed by the governor.

NEW SECTION. Sec. 4. A person is not eligible for appointment as director of financial institutions unless he or she is, and for the last two years before his or her appointment has been, a citizen of the United States. A person is not eligible for appointment as director of financial institutions if he or she has an interest at the time of appointment, as a director, trustee, officer, or stockholder in any bank, savings bank, savings and loan association, credit union, consumer loan company, trust company, securities broker-dealer or investment advisor, or other institution regulated by the department.

NEW SECTION. Sec. 5. The director of financial institutions may adopt any rules, under chapter 34.05 RCW, necessary to implement the powers and duties of the director under this chapter.

NEW SECTION. Sec. 6. (1) All powers, duties, and functions of the department of general administration under Titles 30, 31, 32, 33, and 43 RCW and any other title pertaining to duties relating to banks, savings banks, foreign bank branches, savings and loan associations, credit unions, consumer loan companies, check cashers and sellers, trust companies and departments, and other similar institutions are transferred to the department of financial institutions. All references to the director of general administration, supervisor of banking, or the supervisor of savings and loan associations in the Revised Code of Washington are construed to mean the director of the department of financial institutions when referring to the functions transferred in this section. All references to the department of general administration in the Revised Code of Washington are construed to mean the department of financial institutions when referring to the functions transferred in this subsection.

(2) All powers, duties, and functions of the department of licensing under chapters 19.100, 19.110, 21.20, 21.30, and 48.18A RCW and any other statute pertaining to the regulation of securities, franchises, business opportunities, commodities, and any other speculative investments are transferred to the department of financial institutions. All references to the director or department of licensing in the Revised Code of Washington are construed to mean the director or department of financial institutions when referring to the functions transferred in this subsection.

NEW SECTION. Sec. 7. All reports, documents, surveys, books, records, files, papers, or other written or electronically stored material in the possession of the department of general administration or the department of licensing and pertaining to the powers, functions, and duties transferred by section 6 of this act shall be delivered to the custody of the department of financial institutions. All cabinets, furniture, office equipment, motor vehicles, and other tangible property purchased by the division of banking and the division of savings and loan in carrying out the powers, functions, and duties transferred by section 6 of this act shall be transferred to the department of financial institutions. All cabinets, furniture, office equipment, motor vehicles, and other tangible property employed by the department of licensing in carrying out the powers, functions, and duties

transferred by section 6 of this act shall be made available to the department of financial institutions. All funds, credits, or other assets held by the department of general administration or the department of licensing in connection with the powers, functions, and duties transferred by section 6 of this act shall be assigned to the department of financial institutions.

Any appropriations made to the department of general administration or the department of licensing for carrying out the powers, functions, and duties transferred by section 6 of this act shall, on the effective date of this act, be transferred and credited to the department of financial institutions.

If a dispute arises as to the transfer of any personnel, funds, books, documents, records, papers, files, equipment, or other tangible property used or held in the exercise of the powers and the performance of the duties and functions transferred, the director of financial management shall make a determination as to the proper allocation and certify the same to the state agencies concerned.

NEW SECTION. Sec. 8. The director of financial institutions may appoint assistant directors for each of the divisions of the department and delegate to them the power to perform any act or duty conferred upon the director. The director is responsible for the official acts of these assistant directors.

The department of financial institutions shall consist of at least the following four divisions: The division of FDIC insured institutions, with regulatory authority over all state-chartered FDIC insured institutions; the division of credit unions, with regulatory authority over all state-chartered credit unions; the division of consumer affairs, with regulatory authority over state-licensed nondepository lending institutions and other regulated entities; and the division of securities, with regulatory authority over securities, franchises, business opportunities, and commodities. The director of financial institutions is granted broad administrative authority to add additional responsibilities to these divisions as necessary and consistent with applicable law.

For purposes of this section, "FDIC" means the Federal Deposit Insurance Corporation.

NEW SECTION. Sec. 9. All employees classified under chapter 41.06 RCW, the state civil service law, who are employees of the department of general administration or the department of licensing engaged in performing the powers, functions, and duties transferred by section 6 of this act are transferred to the department of financial institutions. All such employees are assigned to the department of financial institutions to perform their usual duties upon the same terms as formerly, without any loss of rights, subject to any action that may be appropriate thereafter in accordance with the laws and rules governing state civil service.

NEW SECTION. Sec. 10. All rules and all pending business before the department of general administration or the department of licensing pertaining to the powers, functions, and duties transferred by section 6 of this act shall be

continued and acted upon by the department of financial institutions. All existing contracts and obligations shall remain in full force and shall be performed by the department of financial institutions.

NEW SECTION. Sec. 11. The transfer of the powers, duties, functions, and personnel of the department of general administration or the department of licensing under sections 6, 7, 9, and 10 of this act does not affect the validity of any act performed by such an employee before the effective date of this act.

NEW SECTION. Sec. 12. If apportionments of budgeted funds are required because of the transfers directed by sections 6 through 11 of this act, the director of financial management shall certify the apportionments to the agencies affected, to the state auditor, and to the state treasurer. Each of these shall make the appropriate transfer and adjustments in funds and appropriation accounts and equipment records in accordance with the certification.

NEW SECTION. Sec. 13. Nothing contained in sections 6 through 11 of this act may be construed to alter any existing collective bargaining unit or the provisions of any existing collective bargaining agreement until the expiration date of the current agreement or until the bargaining unit has been modified by action of the personnel board as provided by law.

Sec. 14. RCW 21.20.005 and 1989 c 391 s 1 are each amended to read as follows:

The definitions set forth in this section shall apply throughout this chapter, unless the context otherwise requires:

(1) "Director" means the director of (~~licensing~~) financial institutions of this state.

(2) "Salesperson" means any individual other than a broker-dealer who represents a broker-dealer or issuer in effecting or attempting to effect sales of securities, but "salesperson" does not include an individual who represents an issuer in (a) effecting a transaction in a security exempted by RCW 21.20.310(1), (2), (3), (4), (9), (10), (11), (12), or (13), (~~as now or hereafter amended;~~) (b) effecting transactions exempted by RCW 21.20.320, or (c) effecting transactions with existing employees, partners, or directors of the issuer if no commission or other remuneration is paid or given directly or indirectly for soliciting any person in this state.

(3) "Broker-dealer" means any person engaged in the business of effecting transactions in securities for the account of others or for that person's own account. "Broker-dealer" does not include (a) a salesperson, issuer, bank, savings institution, or trust company, (b) a person who has no place of business in this state if the person effects transactions in this state exclusively with or through the issuers of the securities involved in the transactions, other broker-dealers, or banks, savings institutions, trust companies, insurance companies, investment companies as defined in the investment company act of 1940, pension or profit-sharing trusts, or other financial institutions or institutional buyers, whether acting for themselves or as trustees, or (c) a person who has no place of business

in this state if during any period of twelve consecutive months that person does not direct more than fifteen offers to sell or to buy into this state in any manner to persons other than those specified in subsection (b) above.

(4) "Guaranteed" means guaranteed as to payment of principal, interest, or dividends.

(5) "Full business day" means all calendar days, excluding therefrom Saturdays, Sundays, and all legal holidays, as defined by statute.

(6) "Investment adviser" means any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who, for compensation and as a part of a regular business, issues or promulgates analyses or reports concerning securities. "Investment adviser" also includes financial planners and other persons who, as an integral component of other financially related services, (a) provide the foregoing investment advisory services to others for compensation as part of a business or (b) hold themselves out as providing the foregoing investment advisory services to others for compensation. Investment adviser shall also include any person who holds himself out as a financial planner.

"Investment adviser" does not include (a) a bank, savings institution, or trust company, (b) a lawyer, accountant, certified public accountant licensed under chapter 18.04 RCW, engineer, or teacher whose performance of these services is solely incidental to the practice of his or her profession, (c) a broker-dealer, (d) a publisher of any bona fide newspaper, news magazine, or business or financial publication of general, regular, and paid circulation, (e) a radio or television station, (f) a person whose advice, analyses, or reports relate only to securities exempted by RCW 21.20.310(1), (g) a person who has no place of business in this state if (i) that person's only clients in this state are other investment advisers, broker-dealers, banks, savings institutions, trust companies, insurance companies, investment companies as defined in the investment company act of 1940, pension or profit-sharing trust, or other financial institutions or institutional buyers, whether acting for themselves or as trustees, or (ii) during any period of twelve consecutive months that person does not direct business communications into this state in any manner to more than five clients other than those specified in clause (i) above, or (h) such other persons not within the intent of this paragraph as the director may by rule or order designate.

(7) "Issuer" means any person who issues or proposes to issue any security, except that with respect to certificates of deposit, voting trust certificates, or collateral-trust certificates, or with respect to certificates of interest or shares in an unincorporated investment trust not having a board of directors (or persons performing similar functions) or of the fixed, restricted management, or unit type; the term "issuer" means the person or persons performing the acts and assuming the duties of depositor or manager pursuant to the provisions of the trust or other agreement or instrument under which the security is issued.

(8) "Nonissuer" means not directly or indirectly for the benefit of the issuer.

(9) "Person" means an individual, a corporation, a partnership, an association, a joint-stock company, a trust where the interest of the beneficiaries are evidenced by a security, an unincorporated organization, a government, or a political subdivision of a government.

(10) "Sale" or "sell" includes every contract of sale of, contract to sell, or disposition of, a security or interest in a security for value. "Offer" or "offer to sell" includes every attempt or offer to dispose of, or solicitation of an offer to buy, a security or interest in a security for value.

Any security given or delivered with, or as a bonus on account of, any purchase of securities or any other thing is considered to constitute part of the subject of the purchase and to have been offered and sold for value. A purported gift of assessable stock is considered to involve an offer and sale. Every sale or offer of a warrant or right to purchase or subscribe to another security of the same or another issuer, as well as every sale or offer of a security which gives the holder a present or future right or privilege to convert into another security of the same or another issuer, is considered to include an offer of the other security.

(11) "Securities Act of 1933((=)), "Securities Exchange Act of 1934((=)), "Public Utility Holding Company Act of 1935((=)), and "Investment Company Act of 1940" means the federal statutes of those names as amended before or after June 10, 1959.

(12) "Security" means any note; stock; treasury stock; bond; debenture; evidence of indebtedness; certificate of interest or participation in any profit-sharing agreement; collateral-trust certificate; preorganization certificate or subscription; transferable share; investment contract; investment of money or other consideration in the risk capital of a venture with the expectation of some valuable benefit to the investor where the investor does not receive the right to exercise practical and actual control over the managerial decisions of the venture; voting-trust certificate; certificate of deposit for a security; certificate of interest or participation in an oil, gas or mining title or lease or in payments out of production under such a title or lease; charitable gift annuity; or, in general, any interest or instrument commonly known as a "security((=)), or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing; or any sale of or indenture, bond or contract for the conveyance of land or any interest therein where such land is situated outside of the state of Washington and such sale or its offering is not conducted by a real estate broker licensed by the state of Washington. "Security" does not include any insurance or endowment policy or annuity contract under which an insurance company promises to pay money either in a lump sum or periodically for life or some other specified period.

(13) "State" means any state, territory, or possession of the United States, as well as the District of Columbia and Puerto Rico.

(14) "Investment adviser salesperson" means a person retained or employed by an investment adviser to solicit clients or offer the services of the investment adviser or manage the accounts of said clients.

(15) "Relatives(~~(")~~)," as used in RCW 21.20.310(11) (~~as now or hereafter amended, shall~~) includes:

- (a) A member's spouse;
- (b) Parents of the member or the member's spouse;
- (c) Grandparents of the member or the member's spouse;
- (d) Natural or adopted children of the member or the member's spouse;
- (e) Aunts and uncles of the member or the member's spouse; and
- (f) First cousins of the member or the member's spouse.

Sec. 15. RCW 21.20.450 and 1979 ex.s. c 68 s 33 are each amended to read as follows:

The administration of the provisions of this chapter shall be under the department of (~~(licensing)~~) financial institutions. The director may from time to time make, amend, and (~~(repeal)~~) repeal such rules and forms as are necessary to carry out the provisions of this chapter, including rules defining any term, whether or not such term is used in the Washington securities law. The director may classify securities, persons, and matters within the director's jurisdiction, and prescribe different requirements for different classes. No rule or form(~~(s)~~) may be made unless the director finds that the action is necessary or appropriate in the public interest or for the protection of investors and consistent with the purposes fairly intended by the policy and provisions of this chapter. In prescribing rules and forms the director may cooperate with the securities administrators of the other states and the securities and exchange commission with a view to effectuating the policy of this statute to achieve maximum uniformity in the form and content of registration statements, applications, and reports wherever practicable. All rules and forms of the director shall be published.

Sec. 16. RCW 21.20.720 and 1987 c 421 s 4 are each amended to read as follows:

(1) A director, officer, or controlling person of a debenture company shall not:

(a) Have any interest, direct or indirect, in the gains or profits of the debenture company, except to receive dividends upon the amounts contributed by him or her, the same as any other investor or shareholder and under the same regulations and conditions: PROVIDED, That nothing in this subsection shall be construed to prohibit salaries as may be approved by the debenture company's board of directors;

(b) Become a member of the board of directors or a controlling shareholder of another debenture company or a bank, trust company, or national banking association, of which board enough other directors or officers of the debenture

company are members so as to constitute with him or her a majority of the board of directors.

(2) A director, an officer, or controlling person shall not:

(a) For himself or herself or as agent or partner of another, directly or indirectly use any of the funds held by the debenture company, except to make such current and necessary payments as are authorized by the board of directors;

(b) Receive directly or indirectly and retain for his or her own use any commission on or benefit from any loan made by the debenture company, or any pay or emolument for services rendered to any borrower from the debenture company in connection with such loan;

(c) Become an indorser, surety, or guarantor, or in any manner an obligor, for any loan made from the debenture company and except when approval has been given by the director of (~~licensing~~) financial institutions or the director's administrator of securities upon recommendation by the company's board of directors.

(d) For himself or herself or as agent or partner of another, directly or indirectly borrow any of the funds held by the debenture company, or become the owner of real or personal property upon which the debenture company holds a mortgage, deed of trust, or property contract. A loan to or a purchase by a corporation in which he or she is a stockholder to the amount of fifteen percent of the total outstanding stock, or in which he or she and other directors, officers, or controlling persons of the debenture company hold stock to the amount of twenty-five percent of the total outstanding stock, shall be deemed a loan to or a purchase by such director or officer within the meaning of this section, except when the loan to or purchase by such corporation occurred without his or her knowledge or against his or her protest.

Sec. 17. RCW 43.17.010 and 1989 1st ex.s. c 9 s 810 are each amended to read as follows:

There shall be departments of the state government which shall be known as (1) the department of social and health services, (2) the department of ecology, (3) the department of labor and industries, (4) the department of agriculture, (5) the department of fisheries, (6) the department of wildlife, (7) the department of transportation, (8) the department of licensing, (9) the department of general administration, (10) the department of trade and economic development, (11) the department of veterans affairs, (12) the department of revenue, (13) the department of retirement systems, (14) the department of corrections, (15) the department of community development, (~~and~~) (16) the department of health, and (17) the department of financial institutions, which shall be charged with the execution, enforcement, and administration of such laws, and invested with such powers and required to perform such duties, as the legislature may provide.

Sec. 18. RCW 43.17.020 and 1989 1st ex.s. c 9 s 811 are each amended to read as follows:

There shall be a chief executive officer of each department to be known as: (1) The secretary of social and health services, (2) the director of ecology, (3) the director of labor and industries, (4) the director of agriculture, (5) the director of fisheries, (6) the director of wildlife, (7) the secretary of transportation, (8) the director of licensing, (9) the director of general administration, (10) the director of trade and economic development, (11) the director of veterans affairs, (12) the director of revenue, (13) the director of retirement systems, (14) the secretary of corrections, (15) the director of community development, ~~((and))~~ (16) the secretary of health, and (17) the director of financial institutions.

Such officers, except the secretary of transportation, shall be appointed by the governor, with the consent of the senate, and hold office at the pleasure of the governor. The director of wildlife, however, shall be appointed according to the provisions of RCW 77.04.080. If a vacancy occurs while the senate is not in session, the governor shall make a temporary appointment until the next meeting of the senate. A temporary director of wildlife shall not serve more than one year. The secretary of transportation shall be appointed by the transportation commission as prescribed by RCW 47.01.041.

Sec. 19. RCW 43.19.010 and 1988 c 25 s 10 are each amended to read as follows:

The department of general administration shall be organized into divisions, which shall include (1) ~~((the division of banking, (2) the division of savings and loan associations, (3)))~~ the division of capitol buildings, ~~((4))~~ (2) the division of purchasing, ~~((5))~~ (3) the division of engineering and architecture, and ~~((6))~~ (4) the division of motor vehicle transportation service.

The director of general administration shall have charge and general supervision of the department. He or she may appoint and deputize such clerical and other assistants as may be necessary for the general administration of the department. The director of general administration shall receive a salary in an amount fixed by the governor.

Sec. 20. RCW 43.19.020 and 1977 ex.s. c 185 s 1 are each amended to read as follows:

The director of ~~((general administration))~~ financial institutions shall appoint ~~((and))~~ 1 deputize ~~((an assistant director to be known as the supervisor of banking, who shall have charge and supervision of the division of banking. With the approval of the director, he may appoint))~~ 1 and employ ~~((bank))~~ examiners and such other assistants and personnel as may be necessary to carry on the work of the ~~((division.~~

~~No person shall be eligible for appointment as supervisor of banking unless he is, and for the last two years prior to his appointment has been, a citizen of the United States and a resident of this state; nor if he is interested in any bank or trust company as director, officer, or stockholder))~~ department of financial institutions.

In the event of the ~~((supervisor's))~~ director's absence the director ~~((of general administration))~~ shall have the power to deputize one of the assistants of the ~~((supervisor))~~ director to exercise all the powers and perform all the duties prescribed by law with respect to banks ~~((and)),~~ savings banks, foreign bank branches, savings and loan associations, credit unions, consumer loan companies, check cashers and sellers, trust companies~~((, mutual savings banks, loan agencies))~~ and departments, securities, franchises, business opportunities, commodities, and other similar institutions or areas that are performed by the ~~((supervisor))~~ director so long as the ~~((supervisor))~~ director is absent: PROVIDED, That such deputized ~~((supervisor))~~ assistant shall not have the power to approve or disapprove new charters, licenses, branches, and satellite facilities, unless such action has received the prior written approval of the ~~((supervisor))~~ director. Any person so deputized shall possess the same qualifications as those set out in this section for the ~~((supervisor))~~ director.

Sec. 21. RCW 43.19.030 and 1977 ex.s. c 270 s 8 are each amended to read as follows:

Before entering ~~((upon his))~~ office each ~~((bank))~~ examiner shall take and subscribe an oath faithfully to discharge the duties of ~~((his))~~ the office.

Oaths shall be filed with the secretary of state.

Neither the ~~((supervisor of banking))~~ director of financial institutions, any ~~((deputy supervisor))~~ deputized assistant of the director, nor any ~~((bank))~~ examiner or employee shall be personally liable for any act done ~~((by him))~~ in good faith in the performance of his or her duties.

Sec. 22. RCW 43.19.050 and 1965 c 8 s 43.19.050 are each amended to read as follows:

The ~~((supervisor of banking))~~ director of financial institutions shall maintain an office at the state capitol, but may with the consent of the governor also maintain ~~((an office))~~ branch offices at ~~((some))~~ other convenient ~~((banking center))~~ business centers in this state. ~~((He))~~ The director shall keep books of record of all moneys received or disbursed by ~~((him))~~ the director into or from the banking examination fund, the credit union examination fund, the securities regulation fund, and any other accounts maintained by the department of financial institutions. ~~((He shall adopt an official seat.))~~

Sec. 23. RCW 43.19.080 and 1965 c 8 s 43.19.080 are each amended to read as follows:

(1) It shall be unlawful for the ~~((supervisor or any deputy or employee of his division))~~ director of financial institutions, any deputized assistant of the director, or any employee of the department of financial institutions to borrow money from any bank ~~((or trust company under his jurisdiction)),~~ consumer loan company, credit union, foreign bank branch, savings bank, savings and loan association, or trust company or department, securities broker-dealer or investment advisor, or similar lending institution under the department's direct jurisdiction unless the extension of credit:

(a) Is made on substantially the same terms (including interest rates and collateral) as, and following credit underwriting procedures that are not less stringent than, those prevailing at the time for comparable transactions by the financial institution with other persons that are not employed by either the department or the institution; and

(b) Does not involve more than the normal risk of repayment or present other unfavorable features.

(2) The director of the office of financial management shall adopt rules, policies, and procedures interpreting and implementing this section.

(3) Every person who knowingly violates this section shall forfeit his or her office or employment and be guilty of a gross misdemeanor.

Sec. 24. RCW 43.19.090 and 1977 c 75 s 43 are each amended to read as follows:

The ~~((supervisor))~~ director of financial institutions shall file in his or her office all reports required to be made to ~~((him))~~ the director, prepare and furnish to banks ~~((and))~~, savings banks, foreign bank branches, savings and loan associations, credit unions, consumer loan companies, check cashers and sellers, and trust companies and departments blank forms for such reports as are required of them, and each year make a report to the governor showing:

(1) A summary of the conditions of the banks, savings banks, foreign bank branches, savings and loan associations, credit unions, consumer loan companies, check cashers and sellers, and trust companies and departments at the date of their last report; and

(2) A list of those organized or closed during the year.

~~((He))~~ The director may publish such other statements, reports, and pamphlets as he or she deems advisable.

Sec. 25. RCW 43.19.095 and 1981 c 241 s 1 are each amended to read as follows:

There is created a local fund known as the "banking examination fund" which shall consist of all moneys received by the ~~((division of banking))~~ department of financial institutions from banks, savings banks, foreign bank branches, savings and loan associations, consumer loan companies, check cashers and sellers, and trust companies and departments, and which shall be used for the purchase of supplies and necessary equipment and the payment of salaries, wages, utilities, and other incidental costs required for the proper ~~((maintenance of the division))~~ regulation of these companies. The state treasurer shall be the custodian of the fund. Disbursements from the fund shall be on authorization of the director of ~~((general administration or the supervisor of banking))~~ financial institutions or the director's ~~((or supervisor's))~~ designee. In order to maintain an effective expenditure and revenue control, the fund shall be subject in all respects to chapter 43.88 RCW, but no appropriation is required to permit expenditures and payment of obligations from the fund.

Sec. 26. RCW 43.19.112 and 1981 c 241 s 2 are each amended to read as follows:

There is created a local fund known as the "~~((savings and loan associations and))~~ credit unions examination fund" which shall consist of all moneys received by the ~~((division of savings and loan associations))~~ department of financial institutions from credit unions and which shall be used for the purchase of supplies and necessary equipment and the payment of salaries, wages, utilities, and other incidental costs required for the ~~((proper maintenance of the division))~~ regulation of these institutions. The state treasurer shall be the custodian of the fund. Disbursements from the fund shall be on authorization of the director of ~~((general administration or the supervisor of savings and loan associations))~~ financial institutions or the director's ~~((or supervisor's))~~ designee. In order to maintain an effective expenditure and revenue control, the fund shall be subject in all respects to chapter 43.88 RCW, but no appropriation is required to permit expenditures and payment of obligations from the fund.

NEW SECTION. **Sec. 27.** There is created in the state treasury a fund known as the "securities regulation fund" that shall consist of thirteen percent of all moneys received by the division of securities of the department of financial institutions. Expenditures from the account may be used only for the purchase of supplies and necessary equipment and the payment of salaries, wages, utilities, and other incidental costs required for the regulation of securities, franchises, business opportunities, commodities, and other similar areas regulated by the division. Moneys in the account may be spent only after appropriation.

NEW SECTION. **Sec. 28.** The following acts or parts of acts are each repealed:

- (1) RCW 43.19.040 and 1965 c 8 s 43.19.040;
- (2) RCW 43.19.100 and 1982 c 3 s 113, 1977 ex.s. c 185 s 2, & 1965 c 8 s 43.19.100; and
- (3) RCW 43.19.110 and 1965 c 8 s 43.19.110.

NEW SECTION. **Sec. 29.** Sections 1 through 13 and 27 of this act shall constitute a new chapter in Title 43 RCW.

NEW SECTION. **Sec. 30.** RCW 43.19.020, 43.19.030, 43.19.050, 43.19.080, 43.19.090, 43.19.095, and 43.19.112 are recodified as sections in chapter 43.— RCW (sections 1 through 13 and 27 of this act).

NEW SECTION. **Sec. 31.** This act takes effect October 1, 1993.

NEW SECTION. **Sec. 32.** The directors of the department of general administration and the department of licensing shall take such steps as are necessary to ensure that this act is implemented on October 1, 1993.

Passed the Senate April 20, 1993.
Passed the House April 9, 1993.
Approved by the Governor May 17, 1993.
Filed in Office of Secretary of State May 17, 1993.

CHAPTER 473

[Substitute Senate Bill 5483]

PUBLIC TRANSPORTATION SYSTEMS—COLLECTIVE BARGAINING—ARBITRATION**Effective Date: 7/25/93**

AN ACT Relating to providing for arbitration in public transportation labor negotiations; and adding a new section to chapter 41.56 RCW.

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

NEW SECTION. Sec. 1. A new section is added to chapter 41.56 RCW to read as follows:

In addition to the classes of employees listed in RCW 41.56.030(7), the provisions of RCW 41.56.430 through 41.56.452, 41.56.470, 41.56.480, and 41.56.490 shall also be applicable to the employees of a public passenger transportation system of a metropolitan municipal corporation, county transportation authority, public transportation benefit area, or city public passenger transportation system, subject to the following:

(1) Negotiations between the public employer and the bargaining representative may commence at any time agreed to by the parties. If no agreement has been reached ninety days after commencement of negotiations, either party may demand that the issues in disagreement be submitted to a mediator. The services of the mediator shall be provided by the commission without cost to the parties, but nothing in this section or RCW 41.56.440 shall be construed to prohibit the public employer and the bargaining representative from agreeing to substitute at their own expense some other mediator or mediation procedure; and

(2) If an agreement has not been reached following a reasonable period of negotiations and mediation, and the mediator finds that the parties remain at impasse, either party may demand that the issues in disagreement be submitted to an arbitration panel for a binding and final determination. In making its determination, the arbitration panel shall be mindful of the legislative purpose enumerated in RCW 41.56.430 and as additional standards or guidelines to aid it in reaching a decisions, shall take into consideration the following factors:

- (a) The constitutional and statutory authority of the employer;
- (b) Stipulations of the parties;
- (c) Compensation package comparisons, economic indices, fiscal constraints, and similar factors determined by the arbitration panel to be pertinent to the case; and

(d) Such other factors, not confined to the foregoing, which are normally or traditionally taken into consideration in the determination of wages, hours, and conditions of employment.

Passed the Senate April 20, 1993.

Passed the House April 8, 1993.

Approved by the Governor May 17, 1993.

Filed in Office of Secretary of State May 17, 1993.

CHAPTER 474

[Substitute Senate Bill 5316]

PRIVATE MOORAGE FACILITIES—COLLECTION OF CHARGES

Effective Date: 7/25/93

AN ACT Relating to private moorage facilities; and adding a new chapter to Title 88 RCW. Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Charges" means charges of a private moorage facility operator for moorage and storage, all other charges owing to or that become owing under a contract between a vessel owner and the private moorage facility operator, or any costs of sale and related legal expenses for implementing section 2 of this act.

(2) "Vessel" means every watercraft used or capable of being used as a means of transportation on the water. "Vessel" includes any trailer used for the transportation of watercraft.

(3) "Private moorage facility" means any properties or facilities owned or operated by a private moorage facility operator that are capable of use for the moorage or storage of vessels.

(4) "Private moorage facility operator" means every natural person, firm, partnership, corporation, association, organization, or any other legal entity, employee, or their agent, that owns or operates a private moorage facility. Private moorage facility operation does not include a "moorage facility operator" as defined in RCW 53.08.310.

(5) "Owner" means every natural person, firm, partnership, corporation, association, or organization, or their agent, with actual or apparent authority, who expressly or impliedly contracts for use of a moorage facility.

(6) "Transient vessel" means a vessel using a private moorage facility and that belongs to an owner who does not have a moorage agreement with the private moorage facility operator. Transient vessels include, but are not limited to, vessels seeking a harbor or refuge, day use, or overnight use of a private moorage facility on a space-as-available basis.

NEW SECTION. Sec. 2. (1) Any private moorage facility operator may take reasonable measures, including the use of chains, ropes, and locks, or

removal from the water, to secure vessels within the private moorage facility so that the vessels are in the possession and control of the operator and cannot be removed from the facility. These procedures may be used if an owner mooring or storing a vessel at the facility fails, after being notified that charges are owing and of the owner's right to commence legal proceedings to contest that such charges are owing, to pay charges owed or to commence legal proceedings. Notification shall be by two separate letters, one sent by first class mail and one sent by registered mail to the owner and any lienholder of record at the last known address. In the case of a transient vessel, or where no address was furnished by the owner, the operator need not give notice prior to securing the vessel. At the time of securing the vessel, an operator shall attach to the vessel a readily visible notice. The notice shall be of a reasonable size and shall contain the following information:

- (a) The date and time the notice was attached;
- (b) A statement that if the account is not paid in full within ninety days from the time the notice is attached the vessel may be sold at public auction to satisfy the charges; and
- (c) The address and telephone number where additional information may be obtained concerning release of the vessel.

After a vessel is secured, the operator shall make a reasonable effort to notify the owner and any lienholder of record by registered mail in order to give the owner the information contained in the notice.

(2) A private moorage facility operator, at his or her discretion, may move moored vessels ashore for storage within properties under the operator's control or for storage with a private person under their control as bailees of the private moorage facility, if the vessel is, in the opinion of the operator, a nuisance, in danger of sinking or creating other damage, or is owing charges. The costs of any such procedure shall be paid by the vessel's owner.

(3) If a vessel is secured under subsection (1) of this section or moved ashore under subsection (2) of this section, the owner who is obligated to the private operator for charges may regain possession of the vessel by:

- (a) Making arrangements satisfactory with the operator for the immediate removal of the vessel from the facility or for authorized moorage; and
- (b) Making payment to the operator of all charges, or by posting with the operator a sufficient cash bond or other acceptable security, to be held in trust by the operator pending written agreement of the parties with respect to payment by the vessel owner of the amount owing, or pending resolution of the matter of the charges in a civil action in a court of competent jurisdiction. After entry of judgment, including any appeals, in a court of competent jurisdiction, or after the parties reach agreement with respect to payment, the trust shall terminate and the operator shall receive so much of the bond or other security as agreed, or as is necessary, to satisfy any judgment, costs, and interest as may be awarded to the operator. The balance shall be refunded immediately to the owner at the last known address.

(4) If a vessel has been secured by the operator under subsection (1) of this section and is not released to the owner under the bonding provisions of this section within ninety days after notifying or attempting to notify the owner under subsection (1) of this section, the vessel is conclusively presumed to have been abandoned by the owner.

(5) If a vessel moored or stored at a private moorage facility is abandoned, the operator may authorize the public sale of the vessel by authorized personnel to the highest and best bidder for cash as follows:

(a) Before the vessel is sold, the vessel owner and any lienholder of record shall be given at least twenty days' notice of the sale in the manner set forth in subsection (1) of this section if the name and address of the owner is known. The notice shall contain the time and place of the sale, a reasonable description of the vessel to be sold, and the amount of charges owed with respect to the vessel. The notice of sale shall be published at least once, more than ten but not more than twenty days before the sale, in a newspaper of general circulation in the county in which the facility is located. This notice shall include the name of the vessel, if any, the last known owner and address, and a reasonable description of the vessel to be sold. The operator may bid all or part of its charges at the sale and may become a purchaser at the sale.

(b) Before the vessel is sold, any person seeking to redeem an impounded vessel under this section may commence a lawsuit in the superior court for the county in which the vessel was impounded to contest the validity of the impoundment or the amount of charges owing. This lawsuit must be commenced within sixty days of the date the notification was provided under subsection (1) of this section, or the right to a hearing is deemed waived and the owner is liable for any charges owing the operator. In the event of litigation, the prevailing party is entitled to reasonable attorneys' fees and costs.

(c) The proceeds of a sale under this section shall be applied first to the payment of any liens superior to the claim for charges, then to payment of the charges, then to satisfy any other liens on the vessel in the order of their priority. The balance, if any, shall be paid to the owner. If the owner cannot in the exercise of due diligence be located by the operator within one year of the date of the sale, the excess funds from the sale shall revert to the department of revenue under chapter 63.29 RCW. If the sale is for a sum less than the applicable charges, the operator is entitled to assert a claim for deficiency, however, the deficiency judgment shall not exceed the moorage fees owed for the previous six-month period.

(d) In the event no one purchases the vessel at a sale, or a vessel is not removed from the premises or other arrangements are not made within ten days of sale, title to the vessel will revert to the operator.

(6) The rights granted to a private moorage facility operator under this section are in addition to any other legal rights an operator may have to hold and sell a vessel and in no manner does this section alter those rights, or affect the priority of other liens on a vessel.

NEW SECTION. Sec. 3. Sections 1 and 2 of this act shall constitute a new chapter in Title 88 RCW.

Passed the Senate April 20, 1993.

Passed the House April 8, 1993.

Approved by the Governor May 17, 1993.

Filed in Office of Secretary of State May 17, 1993.

CHAPTER 475

[Engrossed Senate Bill 5545]

ARCHITECTS—REVISED REGISTRATION REQUIREMENTS

Effective Date: 7/25/93 - Except Section 2 which becomes effective on 7/29/2001

AN ACT Relating to registration of architects; amending RCW 18.08.350 and 18.08.350; and providing an effective date.

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

Sec. 1. RCW 18.08.350 and 1985 c 37 s 6 are each amended to read as follows:

(1) A certificate of registration shall be granted by the director to all qualified applicants who are certified by the board as having passed the required examination and as having given satisfactory proof of completion of the required experience.

(2) Applications for examination shall be filed as the board prescribes by rule. The application and examination fees shall be determined by the director under RCW 43.24.086.

(3) An applicant for registration as an architect shall be of a good moral character, at least eighteen years of age, and shall possess any of the following qualifications:

(a) Have an accredited architectural degree and three years' practical architectural work experience approved by the board, which may include designing buildings as a principal activity. At least two years' work experience must be ~~((under the direct supervision of))~~ supervised by an architect with detailed professional knowledge of the work of the applicant; ((or))

(b) Have eight years' practical architectural work experience approved by the board. Each year spent in an accredited architectural program approved by the board shall be considered one year of practical experience. At least four years' practical work experience shall be under the direct supervision of an architect; or

(c) Be a person who has been designing buildings as a principal activity for eight years, or has an equivalent combination of education and experience, but who was not registered under chapter 323, Laws of 1959, as amended, as it existed before July 28, ~~((1985))~~ 1992, provided that application is made within four years after July 28, ~~((1985))~~ 1992. Nothing in this chapter prevents such a person from designing buildings for four years after July 28, ~~((1985))~~ 1992, or

the five-year period allowed for completion of the examination process, after that person has applied for registration. A person who has been designing buildings and is qualified under this subsection shall, upon application to the board of registration for architects, be allowed to take the examination for architect registration on an equal basis with other applicants.

Sec. 2. RCW 18.08.350 and 1993 c . . . s 1 (section 1 of this act) are each amended to read as follows:

(1) A certificate of registration shall be granted by the director to all qualified applicants who are certified by the board as having passed the required examination and as having given satisfactory proof of completion of the required experience.

(2) Applications for examination shall be filed as the board prescribes by rule. The application and examination fees shall be determined by the director under RCW 43.24.086.

(3) An applicant for registration as an architect shall be of a good moral character, at least eighteen years of age, and shall possess any of the following qualifications:

(a) Have an accredited architectural degree and three years' practical architectural work experience approved by the board, which may include designing buildings as a principal activity. At least two years' work experience must be supervised by an architect with detailed professional knowledge of the work of the applicant; or

(b) Have eight years' practical architectural work experience approved by the board. Each year spent in an accredited architectural program approved by the board shall be considered one year of practical experience. At least four years' practical work experience shall be under the direct supervision of an architect((+or

~~(c) Be a person who has been designing buildings as a principal activity for eight years, or has an equivalent combination of education and experience, but who was not registered under chapter 323, Laws of 1959, as amended, as it existed before July 28, 1992, provided that application is made within four years after July 28, 1992. Nothing in this chapter prevents such a person from designing buildings for four years after July 28, 1992, or the five-year period allowed for completion of the examination process, after that person has applied for registration. A person who has been designing buildings and is qualified under this subsection shall, upon application to the board of registration for architects, be allowed to take the examination for architect registration on an equal basis with other applicants)).~~

NEW SECTION. **Sec. 3.** Section 2 of this act shall take effect July 29, 2001.

Passed the Senate April 20, 1993.
Passed the House April 7, 1993.
Approved by the Governor May 17, 1993.
Filed in Office of Secretary of State May 17, 1993.

CHAPTER 476

[Engrossed Substitute Senate Bill 5574]

FAIR CREDIT REPORTING ACT**Effective Date:** 1/1/94

AN ACT Relating to consumer credit reporting agencies; adding a new chapter to Title 19 RCW; prescribing penalties; and providing an effective date.

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

NEW SECTION. Sec. 1. The legislature finds and declares that consumers have a vital interest in establishing and maintaining creditworthiness. The legislature further finds that an elaborate mechanism using credit reports has developed for investigating and evaluating a consumer's creditworthiness, credit capacity, and general reputation and character. As such, credit reports are used for evaluating credit card, loan, mortgage, and small business financing applications, as well as for decisions regarding employment and the rental or leasing of dwellings. Moreover, financial institutions and other creditors depend upon fair and accurate credit reports to efficiently and accurately evaluate creditworthiness. Unfair or inaccurate reports undermine both public and creditor confidences in the reliability of credit granting systems.

Therefore, this chapter is necessary to assure accurate credit data collection, maintenance, and reporting on the citizens of the state. It is the policy of the state that credit reporting agencies maintain accurate credit reports, resolve disputed reports promptly and fairly, and adopt reasonable procedures to promote consumer confidentiality and the proper use of credit data in accordance with this chapter.

NEW SECTION. Sec. 2. This chapter shall be known as the Fair Credit Reporting Act.

NEW SECTION. Sec. 3. Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1)(a) "Adverse action" includes:

- (i) Denial of, increase in any charge for, or reduction in the amount of insurance for personal, family, or household purposes;
- (ii) Denial of employment or any other decision for employment purposes that adversely affects a current or prospective employee;
- (iii) Action or determination with respect to a consumer's application for credit that is adverse to the interests of the consumer; and

(iv) Action or determination with respect to a consumer's application for the rental or leasing of residential real estate that is adverse to the interests of the consumer.

(b) "Adverse action" does not include:

(i) A refusal to extend additional credit under an existing credit arrangement if:

(A) The applicant is delinquent or otherwise in default with respect to the arrangement; or

(B) The additional credit would exceed a previously established credit limit; or

(ii) A refusal or failure to authorize an account transaction at a point of sale.

(2) "Attorney general" means the office of the attorney general.

(3) "Consumer" means an individual.

(4)(a) "Consumer report" means a written, oral, or other communication of information by a consumer reporting agency bearing on a consumer's creditworthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living that is used or expected to be used or collected in whole or in part for:

(i) The purpose of serving as a factor in establishing the consumer's eligibility for credit or insurance to be used primarily for personal, family, or household purposes;

(ii) Employment purposes; or

(iii) Other purposes authorized under section 4 of this act.

(b) "Consumer report" does not include:

(i) A report containing information solely as to transactions or experiences between the consumer and the person making the report;

(ii) An authorization or approval of a specific extension of credit directly or indirectly by the issuer of a credit card or similar device;

(iii) A report in which a person who has been requested by a third party to make a specific extension of credit directly or indirectly to a consumer conveys his or her decision with respect to the request, if the third party advises the consumer of the name and address of the person to whom the request was made and the person makes the disclosures to the consumer required under section 9 of this act;

(iv) A list compiled by a consumer reporting agency to be used by its client for direct marketing of goods or services not involving an offer of credit;

(v) A report solely conveying a decision whether to guarantee a check in response to a request by a third party; or

(vi) A report furnished for use in connection with a transaction that consists of an extension of credit to be used for a commercial purpose.

(5) "Consumer reporting agency" means a person who, for monetary fees, dues, or on a cooperative nonprofit basis, regularly engages in whole or in part in the business of assembling or evaluating consumer credit information or other information on consumers for the purpose of furnishing consumer reports to third

parties, and who uses any means or facility of commerce for the purpose of preparing or furnishing consumer reports. "Consumer reporting agency" does not include a person solely by reason of conveying a decision whether to guarantee a check in response to a request by a third party or a person who obtains a consumer report and provides the report or information contained in it to a subsidiary or affiliate of the person.

(6) "Credit transaction that is not initiated by the consumer" does not include the use of a consumer report by an assignee for collection or by a person with which the consumer has an account, for purposes of (a) reviewing the account, or (b) collecting the account. For purposes of this subsection "reviewing the account" includes activities related to account maintenance and monitoring, credit line increases, and account upgrades and enhancements.

(7) "Direct solicitation" means the process in which the consumer reporting agency compiles or edits for a client a list of consumers who meet specific criteria and provides this list to the client or a third party on behalf of the client for use in soliciting those consumers for an offer of a product or service.

(8) "Employment purposes," when used in connection with a consumer report, means a report used for the purpose of evaluating a consumer for employment, promotion, reassignment, or retention as an employee.

(9) "File," when used in connection with information on any consumer, means all of the information on that consumer recorded and retained by a consumer reporting agency regardless of how the information is stored.

(10) "Investigative consumer report" means a consumer report or portion of it in which information on a consumer's character, general reputation, personal characteristics, or mode of living is obtained through personal interviews with neighbors, friends, or associates of the consumer reported on or with others with whom the consumer is acquainted or who may have knowledge concerning any items of information. However, the information does not include specific factual information on a consumer's credit record obtained directly from a creditor of the consumer or from a consumer reporting agency when the information was obtained directly from a creditor of the consumer or from the consumer.

(11) "Medical information" means information or records obtained, with the consent of the individual to whom it relates, from a licensed physician or medical practitioner, hospital, clinic, or other medical or medically related facility.

(12) "Person" includes an individual, corporation, government or governmental subdivision or agency, business trust, estate, trust, partnership, association, and any other legal or commercial entity.

(13) "Prescreening" means the process in which the consumer reporting agency compiles or edits for a client a list of consumers who meet specific credit criteria and provides this list to the client or a third party on behalf of the client for use in soliciting those consumers for an offer of credit.

NEW SECTION. Sec. 4. (1) A consumer reporting agency may furnish a consumer report only under the following circumstances:

(a) In response to the order of a court having jurisdiction to issue the order;
 (b) In accordance with the written instructions of the consumer to whom it relates; or

(c) To a person that the agency has reason to believe:

(i) Intends to use the information in connection with a credit transaction involving the consumer on whom the information is to be furnished and involving the extension of credit to, or review or collection of an account of, the consumer;

(ii) Intends to use the information for employment purposes;

(iii) Intends to use the information in connection with the underwriting of insurance involving the consumer;

(iv) Intends to use the information in connection with a determination of the consumer's eligibility for a license or other benefit granted by a governmental instrumentality required by law to consider an applicant's financial responsibility or status; or

(v) Otherwise has a legitimate business need for the information in connection with a business transaction involving the consumer.

(2)(a) A person may not procure a consumer report, or cause a consumer report to be procured, for employment purposes with respect to any consumer who is not an employee at the time the report is procured or caused to be procured unless:

(i) A clear and conspicuous disclosure has been made in writing to the consumer before the report is procured or caused to be procured that a consumer report may be obtained for purposes of considering the consumer for employment. The disclosure may be contained in a written statement contained in employment application materials; or

(ii) The consumer authorizes the procurement of the report.

(b) A person may not procure a consumer report, or cause a consumer report to be procured, for employment purposes with respect to any employee unless the employee has received, at any time after the person became an employee, written notice that consumer reports may be used for employment purposes. A written statement that consumer reports may be used for employment purposes that is contained in employee guidelines or manuals available to employees or included in written materials provided to employees constitutes written notice for purposes of this subsection. This subsection does not apply with respect to a consumer report of an employee who the employer has reasonable cause to believe has engaged in specific activity that constitutes a violation of law.

(c) In using a consumer report for employment purposes, before taking any adverse action based in whole or part on the report, a person shall provide to the consumer to whom the report relates: (i) The name, address, and telephone number of the consumer reporting agency providing the report; (ii) a description of the consumer's rights under this chapter pertaining to consumer reports obtained for employment purposes; and (iii) a reasonable opportunity to respond to any information in the report that is disputed by the consumer.

NEW SECTION. Sec. 5. (1) A consumer reporting agency may provide a consumer report relating to a consumer under section 4(1)(c)(i) of this act in connection with a credit transaction that is not initiated by the consumer only if:

(a) The consumer authorized the consumer reporting agency to provide the report to such a person; or

(b) The consumer has not elected in accordance with subsection (3) of this section to have the consumer's name and address excluded from such transactions.

(2) A consumer reporting agency may provide only the following information under subsection (1) of this section:

(a) The name and address of the consumer; and

(b) Information pertaining to a consumer that is not identified or identifiable with particular accounts or transactions of the consumer.

(3)(a) A consumer may elect to have his or her name and address excluded from any list provided by a consumer reporting agency through prescreening under subsection (1) of this section or from any list provided by a consumer reporting agency for direct solicitation transactions that are not initiated by the consumer by notifying the consumer reporting agency. The notice must be made in writing through the notification system maintained by the consumer reporting agency under subsection (4) of this section and must state that the consumer does not consent to any use of consumer reports relating to the consumer in connection with any transaction that is not initiated by the consumer.

(b) An election of a consumer under (a) of this subsection is effective with respect to a consumer reporting agency and any affiliate of the consumer reporting agency, within five business days after the consumer reporting agency receives the consumer's notice.

(4) A consumer reporting agency that provides information intended to be used in a prescreened credit transaction or direct solicitation transaction that is not initiated by the consumer shall:

(a) Maintain a notification system that facilitates the ability of a consumer in the agency's data base to notify the agency to promptly withdraw the consumer's name from lists compiled for prescreened credit transactions and direct solicitation transactions not initiated by the consumer; and

(b) Publish at least annually in a publication of general circulation in the area served by the agency, the address for consumers to use to notify the agency of the consumer's election under subsection (3) of this section.

(5) A consumer reporting agency that maintains consumer reports on a nation-wide basis shall establish a system meeting the requirements of subsection (4) of this section on a nation-wide basis, and may operate such a system jointly with any other consumer reporting agencies.

(6) Compliance with the requirements of this section by any consumer reporting agency constitutes compliance by the agency's affiliates.

NEW SECTION. Sec. 6. (1) Except as authorized under subsection (2) of this section, no consumer reporting agency may make a consumer report containing any of the following items of information:

(a) Bankruptcies that, from date of adjudication of the most recent bankruptcy, antedate the report by more than ten years;

(b) Suits and judgments that, from date of entry, antedate the report by more than seven years or until the governing statute of limitations has expired, whichever is the longer period;

(c) Paid tax liens that, from date of payment, antedate the report by more than seven years;

(d) Accounts placed for collection or charged to profit and loss that antedate the report by more than seven years;

(e) Records of arrest, indictment, or conviction of crime that, from date of disposition, release, or parole, antedate the report by more than seven years;

(f) Any other adverse item of information that antedates the report by more than seven years.

(2) Subsection (1) of this section is not applicable in the case of a consumer report to be used in connection with:

(a) A credit transaction involving, or that may reasonably be expected to involve, a principal amount of fifty thousand dollars or more;

(b) The underwriting of life insurance involving, or that may reasonably be expected to involve, a face amount of fifty thousand dollars or more; or

(c) The employment of an individual at an annual salary that equals, or that may reasonably be expected to equal, twenty thousand dollars or more.

NEW SECTION. Sec. 7. (1) A person may not procure or cause to be prepared an investigative consumer report on a consumer unless:

(a) It is clearly and accurately disclosed to the consumer that an investigative consumer report including information as to the consumer's character, general reputation, personal characteristics, and mode of living, whichever are applicable, may be made, and the disclosure:

(i) Is made in a writing mailed, or otherwise delivered, to the consumer not later than three days after the date on which the report was first requested; and

(ii) Includes a statement informing the consumer of the consumer's right to request the additional disclosures provided for under subsection (2) of this section and the written summary of the rights of the consumer prepared under section 10(7) of this act; or

(b) The report is to be used for employment purposes for which the consumer has not specifically applied.

(2) A person who procures or causes to be prepared an investigative consumer report on a consumer shall make, upon written request made by the consumer within a reasonable period of time after the receipt by the consumer of the disclosure required in subsection (1)(a) of this section, a complete and accurate disclosure of the nature and scope of the investigation requested. This disclosure must be made in a writing mailed, or otherwise delivered, to the

consumer not later than the latter of five days after the date on which the request for the disclosure was either received from the consumer or the report was first requested.

(3) No person may be held liable for a violation of subsection (1) or (2) of this section if the person shows by a preponderance of the evidence that at the time of the violation the person maintained reasonable procedures to assure compliance with subsection (1) or (2) of this section.

(4) A consumer reporting agency shall maintain a detailed record of:

(a) The identity of the person to whom an investigative consumer report or information from a consumer report is provided by the consumer reporting agency; and

(b) The certified purpose for which an investigative consumer report on a consumer, or any other information relating to a consumer, is requested by the person.

For purposes of this subsection, "person" does not include an individual who requests the report unless the individual obtains the report or information for his or her own individual purposes.

NEW SECTION. Sec. 8. (1) A consumer reporting agency shall maintain reasonable procedures designed to avoid violations of section 6 of this act and to limit the furnishing of consumer reports to the purposes listed under section 4 of this act. These procedures must require that prospective users of the information identify themselves, certify the purposes for which the information is sought, and certify that the information will be used for no other purpose. A consumer reporting agency shall make a reasonable effort to verify the identity of a new prospective user and the uses certified by the prospective user before furnishing the user a consumer report. No consumer reporting agency may furnish a consumer report to a person if the agency has reasonable grounds for believing that the consumer report will not be used for a purpose listed in section 4 of this act.

(2) Whenever a consumer reporting agency prepares a consumer report it shall follow reasonable procedures to assure maximum possible accuracy of the information concerning the individual about whom the report relates.

(3) Notwithstanding section 4 of this act, a consumer reporting agency may furnish identifying information about a consumer, limited to the consumer's name, address, former addresses, places of employment, or former places of employment, to a governmental agency.

(4) A consumer reporting agency shall maintain a detailed record of:

(a) The identity of any person to whom a consumer report or information from a consumer report is provided by the consumer reporting agency; and

(b) The certified purpose for which a consumer report on a consumer, or any other information relating to a consumer, is requested by any person.

For purposes of this subsection, "person" does not include an individual who requests the report unless the individual obtains the report or information for his or her own purposes.

NEW SECTION. Sec. 9. A consumer reporting agency shall, upon request by the consumer, clearly and accurately disclose:

(1) All information in the file on the consumer at the time of request, except that medical information may be withheld. The agency shall inform the consumer of the existence of medical information, and the consumer has the right to have that information disclosed to the health care provider of the consumer's choice. Nothing in this chapter prevents, or authorizes a consumer reporting agency to prevent, the health care provider from disclosing the medical information to the consumer. The agency shall inform the consumer of the right to disclosure of medical information at the time the consumer requests disclosure of his or her file.

(2) All items of information in its files on that consumer, including disclosure of the sources of the information, except that sources of information acquired solely for use in an investigative report may only be disclosed to a plaintiff under appropriate discovery procedures.

(3) Identification of (a) each person who for employment purposes within the two-year period before the request, and (b) each person who for any other purpose within the six-month period before the request, procured a consumer report.

(4) A record identifying all inquiries received by the agency in the six-month period before the request that identified the consumer in connection with a credit transaction that is not initiated by the consumer.

(5) An identification of a person under subsection (3) or (4) of this section must include (a) the name of the person or, if applicable, the trade name under which the person conducts business; and (b) upon request of the consumer, the address of the person.

NEW SECTION. Sec. 10. (1) A consumer reporting agency shall make the disclosures required under section 9 of this act during normal business hours and on reasonable notice.

(2) The consumer reporting agency shall make the disclosures required under section 9 of this act to the consumer:

(a) In person if the consumer appears in person and furnishes proper identification;

(b) By telephone if the consumer has made a written request, with proper identification, for telephone disclosure and the toll charge, if any, for the telephone call is prepaid by or charged directly to the consumer; or

(c) By any other reasonable means that are available to the consumer reporting agency if that means is authorized by the consumer.

(3) A consumer reporting agency shall provide trained personnel to explain to the consumer, information furnished to the consumer under section 9 of this act.

(4) The consumer reporting agency shall permit the consumer to be accompanied by one other person of the consumer's choosing, who shall furnish reasonable identification. A consumer reporting agency may require the

consumer to furnish a written statement granting permission to the consumer reporting agency to discuss the consumer's file in the other person's presence.

(5) If a credit score is provided by a consumer reporting agency to a consumer, the agency shall provide an explanation of the meaning of the credit score.

(6) Except as provided in section 17 of this act, no consumer may bring an action or proceeding in the nature of defamation, invasion of privacy, or negligence with respect to the reporting of information against a consumer reporting agency or a user of information, based on information disclosed under this section or section 9 of this act, except as to false information furnished with malice or willful intent to injure the consumer. Except as provided in section 17 of this act, no consumer may bring an action or proceeding against a person who provides information to a consumer reporting agency in the nature of defamation, invasion of privacy, or negligence for unintentional error.

(7)(a) A consumer reporting agency must provide to a consumer, with each written disclosure by the agency to the consumer under section 9 of this act, a written summary of all rights and remedies the consumer has under this chapter.

(b) The summary of the rights and remedies of consumers under this chapter must include:

(i) A brief description of this chapter and all rights and remedies of consumers under this chapter;

(ii) An explanation of how the consumer may exercise the rights and remedies of the consumer under this chapter; and

(iii) A list of all state agencies, including the attorney general's office, responsible for enforcing any provision of this chapter and the address and appropriate phone number of each such agency.

NEW SECTION. Sec. 11. (1) If the completeness or accuracy of an item of information contained in a consumer's file at a consumer reporting agency is disputed by the consumer and the consumer notifies the agency directly of the dispute, the agency shall reinvestigate without charge and record the current status of the disputed information before the end of thirty business days, beginning on the date the agency receives the notice from the consumer.

(2) Before the end of the five business-day period beginning on the date a consumer reporting agency receives notice of a dispute from a consumer in accordance with subsection (1) of this section, the agency shall notify any person who provided an item of information in dispute.

(3)(a) Notwithstanding subsection (1) of this section, a consumer reporting agency may terminate a reinvestigation of information disputed by a consumer under subsection (1) of this section if the agency determines that the dispute by the consumer is frivolous or irrelevant, including by reason of a failure of the consumer to provide sufficient information.

(b) Upon making a determination in accordance with (a) of this subsection that a dispute is frivolous or irrelevant, a consumer reporting agency shall notify the consumer within five business days of the determination. The notice shall

be made in writing or any other means authorized by the consumer that are available to the agency, but the notice shall include the reasons for the determination and a notice of the consumer's rights under subsection (6) of this section.

(4) In conducting a reinvestigation under subsection (1) of this section with respect to disputed information in the file of any consumer, the consumer reporting agency shall review and consider all relevant information submitted by the consumer in the period described in subsection (1) of this section with respect to the disputed information.

(5)(a) If, after a reinvestigation under subsection (1) of this section of information disputed by a consumer, the information is found to be inaccurate or cannot be verified, the consumer reporting agency shall promptly delete the information from the consumer's file.

(b)(i) If information is deleted from a consumer's file under (a) of this subsection, the information may not be reinserted in the file after the deletion unless the person who furnishes the information verifies that the information is complete and accurate.

(ii) If information that has been deleted from a consumer's file under (a) of this subsection is reinserted in the file in accordance with (b)(i) of this subsection, the consumer reporting agency shall notify the consumer of the reinsertion within thirty business days. The notice shall be in writing or any other means authorized by the consumer that are available to the agency.

(6) If the reinvestigation does not resolve the dispute or if the consumer reporting agency determines the dispute is frivolous or irrelevant, the consumer may file a brief statement setting forth the nature of the dispute. The consumer reporting agency may limit these statements to not more than one hundred words if it provides the consumer with assistance in writing a clear summary of the dispute.

(7) After the deletion of information from a consumer's file under this section or after the filing of a statement of dispute under subsection (6) of this section, the consumer reporting agency shall, at the request of the consumer, furnish notification that the item of information has been deleted or that item of information is disputed. In the case of disputed information, the notification shall include the statement filed under subsection (6) of this section. The notification shall be furnished to any person specifically designated by the consumer, who has, within two years before the deletion or filing of a dispute, received a consumer report concerning the consumer for employment purposes, or who has, within six months of the deletion or the filing of the dispute, received a consumer report concerning the consumer for any other purpose, if these consumer reports contained the deleted or disputed information.

(8)(a) Upon completion of the reinvestigation under this section, a consumer reporting agency shall provide notice, in writing or by any other means authorized by the consumer, of the results of a reinvestigation within five business days.

(b) The notice required under (a) of this subsection must include:

- (i) A statement that the reinvestigation is completed;
- (ii) A consumer report that is based upon the consumer's file as that file is revised as a result of the reinvestigation;
- (iii) A description or indication of any changes made in the consumer report as a result of those revisions to the consumer's file;
- (iv) If requested by the consumer, a description of the procedure used to determine the accuracy and completeness of the information shall be provided to the consumer by the agency, including the name, business address, and telephone number of any person contacted in connection with the information;
- (v) If the reinvestigation does not resolve the dispute, a summary of the consumer's right to file a brief statement as provided in subsection (6) of this section; and
- (vi) If information is deleted or disputed after reinvestigation, a summary of the consumer's right to request notification to persons who have received a consumer report as provided in subsection (7) of this section.

(9) In the case of a consumer reporting agency that compiles and maintains consumer reports on a nationwide basis, the consumer reporting agency must provide to a consumer who has undertaken to dispute the information contained in his or her file a toll-free telephone number that the consumer can use to communicate with the agency. A consumer reporting agency that provides a toll-free number required by this subsection shall also provide adequately trained personnel to answer basic inquiries from consumers using the toll-free number.

NEW SECTION. Sec. 12. (1) Except as provided in subsections (2) and (3) of this section, a consumer reporting agency may charge the following fees to the consumer:

(a) For making a disclosure under sections 9 and 10 of this act, the consumer reporting agency may charge a fee not exceeding eight dollars. Beginning January 1, 1995, the eight-dollar charge may be adjusted on January 1st of each year based on corresponding changes in the Consumer Price Index with fractional changes rounded to the nearest half dollar.

(b) For furnishing a notification, statement, or summary to a person under section 11(7) of this act, the consumer reporting agency may charge a fee not exceeding the charge that the agency would impose on each designated recipient for a consumer report. The amount of any charge must be disclosed to the consumer before furnishing the information.

(2) A consumer reporting agency shall make all disclosures under sections 9 and 10 of this act and furnish all consumer reports under section 11 of this act without charge, if requested by the consumer within sixty days after receipt by the consumer of a notification of adverse action under section 13 of this act or of a notification from a debt collection agency affiliated with that consumer reporting agency stating that the consumer's credit rating may be or has been adversely affected.

(3) A consumer reporting agency shall not impose any charge for (a) providing notice to a consumer required under section 11 of this act, or (b) notifying a person under section 11(7) of this act of the deletion of information that is found to be inaccurate or that can no longer be verified, if the consumer designates that person to the agency before the end of the thirty-day period beginning on the date of notice under section 11(8) of this act.

NEW SECTION. Sec. 13. If a person takes an adverse action with respect to a consumer that is based, in whole or in part, on information contained in a consumer report, the person shall:

(1) Provide written notice of the adverse action to the consumer, except verbal notice may be given by a person in an adverse action involving a business regulated by the Washington utilities and transportation commission or involving an application for the rental or leasing of residential real estate if such verbal notice does not impair a consumer's ability to obtain a credit report without charge under section 12(2) of this act; and

(2) Provide the consumer with the name, address, and telephone number of the consumer reporting agency that furnished the report to the person.

NEW SECTION. Sec. 14. An action to enforce a liability created under this chapter is permanently barred unless commenced within two years after the cause of action accrues, except that where a defendant has materially and willfully misrepresented information required under this chapter to be disclosed to an individual and the information so misrepresented is material to the establishment of the defendant's liability to that individual under this chapter, the action may be brought at any time within two years after discovery by the individual of the misrepresentation.

NEW SECTION. Sec. 15. A person who knowingly and willfully obtains information on a consumer from a consumer reporting agency under false pretenses is subject to a fine of up to five thousand dollars or imprisonment for up to one year, or both.

NEW SECTION. Sec. 16. An officer or employee of a consumer reporting agency who knowingly and willfully provides information concerning an individual from the agency's files to a person not authorized to receive that information is subject to a fine of up to five thousand dollars or imprisonment for up to one year, or both.

NEW SECTION. Sec. 17. The legislature finds that the practices covered by this chapter are matters vitally affecting the public interest for the purpose of applying the Consumer Protection Act, chapter 19.86 RCW. Violations of this chapter are not reasonable in relation to the development and preservation of business. A violation of this chapter is an unfair or deceptive act in trade or commerce and an unfair method of competition for the purpose of applying the Consumer Protection Act, chapter 19.86 RCW. The burden of proof in an action alleging a violation of this chapter shall be by a preponderance of the evidence,

and the applicable statute of limitation shall be as set forth in section 14 of this act. For purposes of a judgment awarded pursuant to an action by a consumer under chapter 19.86 RCW, the consumer shall be awarded actual damages and costs of the action together with reasonable attorney's fees as determined by the court. However, where there has been willful failure to comply with any requirement imposed under this chapter, the consumer shall be awarded actual damages, a monetary penalty of one thousand dollars, and the costs of the action together with reasonable attorneys' fees as determined by the court.

NEW SECTION. Sec. 18. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 19. Sections 1 through 18 of this act shall constitute a new chapter in Title 19 RCW.

NEW SECTION. Sec. 20. This act takes effect January 1, 1994.

Passed the Senate April 20, 1993.

Passed the House April 6, 1993.

Approved by the Governor May 17, 1993.

Filed in Office of Secretary of State May 17, 1993.

CHAPTER 477

[Senate Bill 5577]

**RAPE AND INDECENT LIBERTIES—MEDICAL CARE AND
DEPENDENCY TREATMENT SITUATIONS**

Effective Date: 7/25/93

AN ACT Relating to sex offenses; amending RCW 9A.44.010, 9A.44.050, and 9A.44.100; and prescribing penalties.

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

Sec. 1. RCW 9A.44.010 and 1988 c 146 s 3 are each amended to read as follows:

As used in this chapter:

(1) "Sexual intercourse" (a) has its ordinary meaning and occurs upon any penetration, however slight, and

(b) Also means any penetration of the vagina or anus however slight, by an object, when committed on one person by another, whether such persons are of the same or opposite sex, except when such penetration is accomplished for medically recognized treatment or diagnostic purposes, and

(c) Also means any act of sexual contact between persons involving the sex organs of one person and the mouth or anus of another whether such persons are of the same or opposite sex.

(2) "Sexual contact" means any touching of the sexual or other intimate parts of a person done for the purpose of gratifying sexual desire of either party.

(3) "Married" means one who is legally married to another, but does not include a person who is living separate and apart from his or her spouse and who has filed in an appropriate court for legal separation or for dissolution of his or her marriage.

(4) "Mental incapacity" is that condition existing at the time of the offense which prevents a person from understanding the nature or consequences of the act of sexual intercourse whether that condition is produced by illness, defect, the influence of a substance or from some other cause.

(5) "Physically helpless" means a person who is unconscious or for any other reason is physically unable to communicate unwillingness to an act.

(6) "Forcible compulsion" means physical force which overcomes resistance, or a threat, express or implied, that places a person in fear of death or physical injury to herself or himself or another person, or in fear that she or he or another person will be kidnapped.

(7) "Consent" means that at the time of the act of sexual intercourse or sexual contact there are actual words or conduct indicating freely given agreement to have sexual intercourse or sexual contact.

(8) "Significant relationship" means a situation in which the perpetrator is:

(a) A person who undertakes the responsibility, professionally or voluntarily, to provide education, health, welfare, or organized recreational activities principally for minors; or

(b) A person who in the course of his or her employment supervises minors.

(9) "Abuse of a supervisory position" means a direct or indirect threat or promise to use authority to the detriment or benefit of a minor.

(10) "Developmentally disabled," for purposes of RCW 9A.44.050(1)(c) and 9A.44.100(1)(c), means a person with a developmental disability as defined in RCW (~~71.20.016~~) 71A.10.020.

(11) "Person with supervisory authority," for purposes of RCW 9A.44.050(1)(c) or (e) and 9A.44.100(1)(c) or (e), means any proprietor or employee of any public or private care or treatment facility who directly supervises developmentally disabled, mentally disordered, or chemically dependent persons at the facility.

(12) "Mentally disordered person" for the purposes of RCW 9A.44.050(1)(e) and 9A.44.100(1)(e) means a person with a "mental disorder" as defined in RCW 71.05.020(2).

(13) "Chemically dependent person" for purposes of RCW 9A.44.050(1)(e) and 9A.44.100(1)(e) means a person who is "chemically dependent" as defined in RCW 70.96A.020(4).

(14) "Health care provider" for purposes of RCW 9A.44.050 and 9A.44.100 means a person who is, holds himself or herself out to be, or provides services as if he or she were: (a) A member of a health care profession under chapter 18.130 RCW; or (b) registered or certified under chapter 18.19 RCW, regardless of whether the health care provider is licensed, certified, or registered by the state.

(15) "Treatment" for purposes of RCW 9A.44.050 and 9A.44.100 means the active delivery of professional services by a health care provider which the health care provider holds himself or herself out to be qualified to provide.

Sec. 2. RCW 9A.44.050 and 1990 c 3 s 901 are each amended to read as follows:

(1) A person is guilty of rape in the second degree when, under circumstances not constituting rape in the first degree, the person engages in sexual intercourse with another person:

(a) By forcible compulsion;

(b) When the victim is incapable of consent by reason of being physically helpless or mentally incapacitated; ~~((or))~~

(c) When the victim is developmentally disabled and the perpetrator is a person who is not married to the victim and who has supervisory authority over the victim;

(d) When the perpetrator is a health care provider, the victim is a client or patient, and the sexual intercourse occurs during a treatment session, consultation, interview, or examination. It is an affirmative defense that the defendant must prove by a preponderance of the evidence that the client or patient consented to the sexual intercourse with the knowledge that the sexual intercourse was not for the purpose of treatment; or

(e) When the victim is a resident of a facility for mentally disordered or chemically dependent persons and the perpetrator is a person who is not married to the victim and has supervisory authority over the victim.

(2) Rape in the second degree is a class A felony.

Sec. 3. RCW 9A.44.100 and 1988 c 146 s 2 are each amended to read as follows:

(1) A person is guilty of indecent liberties when he knowingly causes another person who is not his spouse to have sexual contact with him or another:

(a) By forcible compulsion; or

(b) When the other person is incapable of consent by reason of being mentally defective, mentally incapacitated, or physically helpless; ~~((or))~~

(c) When the victim is developmentally disabled and the perpetrator is a person who is not married to the victim and who has supervisory authority over the victim;

(d) When the perpetrator is a health care provider, the victim is a client or patient, and the sexual contact occurs during a treatment session, consultation, interview, or examination. It is an affirmative defense that the defendant must prove by a preponderance of the evidence that the client or patient consented to the sexual contact with the knowledge that the sexual contact was not for the purpose of treatment; or

(e) When the victim is a resident of a facility for mentally disordered or chemically dependent persons and the perpetrator is a person who is not married to the victim and has supervisory authority over the victim.

(2) Indecent liberties is a class B felony.

Passed the Senate April 23, 1993.

Passed the House April 15, 1993.

Approved by the Governor May 17, 1993.

Filed in Office of Secretary of State May 17, 1993.

CHAPTER 478

[Senate Bill 5584]

WASHINGTON HOUSING POLICY ACT

Effective Date: 7/25/93

AN ACT Relating to housing; amending RCW 43.185.110, 43.185A.020, and 35.82.070; adding new sections to chapter 43.63A RCW; adding new sections to chapter 35.63 RCW; adding new sections to chapter 35A.63 RCW; adding new sections to chapter 36.70 RCW; adding new sections to chapter 36.70A RCW; and adding a new chapter to Title 43 RCW.

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

NEW SECTION. Sec. 1. (1) The legislature finds that:

(a) Housing is of vital state-wide importance to the health, safety, and welfare of the residents of the state;

(b) Safe, affordable housing is an essential factor in stabilizing communities;

(c) Residents must have a choice of housing opportunities within the community where they choose to live;

(d) Housing markets are linked to a healthy economy and can contribute to the state's economy;

(e) Land supply is a major contributor to the cost of housing;

(f) Housing must be an integral component of any comprehensive community and economic development strategy;

(g) State and local government must continue working cooperatively toward the enhancement of increased housing units by reviewing, updating, and removing conflicting regulatory language;

(h) State and local government should work together in developing creative ways to reduce the shortage of housing;

(i) The lack of a coordinated state housing policy inhibits the effective delivery of housing for some of the state's most vulnerable citizens and those with limited incomes; and

(j) It is in the public interest to adopt a statement of housing policy objectives.

(2) The legislature declares that the purposes of the Washington housing policy act are to:

(a) Provide policy direction to the public and private sectors in their attempt to meet the shelter needs of Washington residents;

(b) Reevaluate housing and housing-related programs and policies in order to ensure proper coordination of those programs and policies to meet the housing needs of Washington residents;

(c) Improve the delivery of state services and assistance to very low-income and low-income households and special needs populations;

(d) Strengthen partnerships among all levels of government, and the public and private sectors, including for-profit and nonprofit organizations, in the production and operation of housing to targeted populations including low-income and moderate-income households;

(e) Increase the supply of housing for persons with special needs;

(f) Encourage collaborative planning with social service providers;

(g) Encourage financial institutions to increase residential mortgage lending; and

(h) Coordinate housing into comprehensive community and economic development strategies at the state and local level.

NEW SECTION. Sec. 2. It is the goal of the state of Washington to coordinate, encourage, and direct, when necessary, the efforts of the public and private sectors of the state and to cooperate and participate, when necessary, in the attainment of a decent home in a healthy, safe environment for every resident of the state. The legislature declares that attainment of that goal is a state priority.

NEW SECTION. Sec. 3. The objectives of the Washington housing policy act shall be to attain the state's goal of a decent home in a healthy, safe environment for every resident of the state by strengthening public and private institutions that are able to:

(1) Develop an adequate and affordable supply of housing for all economic segments of the population;

(2) Assist very low-income and special needs households who cannot obtain affordable, safe, and adequate housing in the private market;

(3) Encourage and maintain home ownership opportunities;

(4) Reduce life cycle housing costs while preserving public health and safety;

(5) Preserve the supply of existing affordable housing;

(6) Provide housing for special needs populations;

(7) Ensure fair and equal access to the housing market;

(8) Increase the availability of mortgage credit at low interest rates; and

(9) Coordinate and be consistent with the goals, objectives, and required housing element of the comprehensive plan in the state's growth management act in RCW 36.70A.070.

NEW SECTION. Sec. 4. Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Affordable housing" means residential housing that is rented or owned by a person or household whose monthly housing costs, including utilities other than telephone, do not exceed thirty percent of the household's monthly income.

(2) "Department" means the department of community development.

(3) "Director" means the director of community development.

(4) "Nonprofit organization" means any public or private nonprofit organization that: (a) Is organized under federal, state, or local laws; (b) has no part of its net earnings inuring to the benefit of any member, founder, contributor, or individual; and (c) has among its purposes significant activities related to the provision of decent housing that is affordable to very low-income, low-income, or moderate-income households and special needs populations.

(5) "Regulatory barriers to affordable housing" and "regulatory barriers [barriers]" mean any public policies (including those embodied in statutes, ordinances, regulations, or administrative procedures or processes) required to be identified by the state or local government in connection with its strategy under section 105(b)(4) of the Cranston-Gonzalez national affordable housing act (42 U.S.C. 12701 et seq.).

(6) "Tenant-based organization" means a nonprofit organization whose governing body includes a majority of members who reside in the housing development and are considered low-income households.

NEW SECTION. Sec. 5. (1) The department shall establish the affordable housing advisory board to consist of twenty-one members.

(a) The following eighteen members shall be appointed by the governor:

(i) Two representatives of the residential construction industry;

(ii) Two representatives of the home mortgage lending profession;

(iii) One representative of the real estate sales profession;

(iv) One representative of the apartment management and operation industry;

(v) One representative of the for-profit housing development industry;

(vi) One representative of the nonprofit housing development industry;

(vii) One representative of homeless shelter operators;

(viii) One representative of lower-income persons;

(ix) One representative of special needs populations;

(x) One representative of public housing authorities as created under chapter 35.82 RCW;

(xi) Two representatives of the Washington association of counties, one representative shall be from a county that is located east of the crest of the Cascade mountains;

(xii) Two representatives of the association of Washington cities, one representative shall be from a city that is located east of the crest of the Cascade mountains;

(xiii) One representative to serve as chair of the affordable housing advisory board;

(xiv) One representative at large.

(b) The following three members shall serve as ex officio, nonvoting members:

(i) The director or the director's designee;

(ii) The executive director of the Washington state housing finance commission or the executive director's designee; and

(iii) The secretary of social and health services or the secretary's designee.

(2)(a) The members of the affordable housing advisory board appointed by the governor shall be appointed for four-year terms, except that the chair shall be appointed to serve a two-year term. The terms of five of the initial appointees shall be for two years from the date of appointment and the terms of six of the initial appointees shall be for three years from the date of appointment. The governor shall designate the appointees who will serve the two-year and three-year terms. The members of the advisory board shall serve without compensation, but shall be reimbursed for travel expenses as provided in RCW 43.03.050 and 43.03.060.

(b) The governor, when making appointments to the affordable housing advisory board, shall make appointments that reflect the cultural diversity of the state of Washington.

(3) The affordable housing advisory board shall serve as the department's principal advisory body on housing and housing-related issues, and replaces the department's existing boards and task forces on housing and housing-related issues.

(4) The affordable housing advisory board shall meet regularly and may appoint technical advisory committees, which may include members of the affordable housing advisory board, as needed to address specific issues and concerns.

(5) The department, in conjunction with the Washington state housing finance commission and the department of social and health services, shall supply such information and assistance as are deemed necessary for the advisory board to carry out its duties under this section.

(6) The department shall provide administrative and clerical assistance to the affordable housing advisory board.

NEW SECTION. Sec. 6. The affordable housing advisory board shall:

(1) Analyze those solutions and programs that could begin to address the state's need for housing that is affordable for all economic segments of the state, and special needs populations, including but not limited to programs or proposals which provide for:

(a) Financing for the acquisition, rehabilitation, preservation, or construction of housing;

(b) Use of publicly owned land and buildings as sites for affordable housing;

(c) Coordination of state initiatives with federal initiatives and financing programs that are referenced in the Cranston-Gonzalez national affordable housing act (42 U.S.C. Sec. 12701 et seq.), as amended, and development of an

approved housing strategy as required in the Cranston-Gonzalez national affordable housing act (42 U.S.C. Sec. 12701 et seq.), as amended;

(d) Identification and removal, where appropriate and not detrimental to the public health and safety, or environment, of state and local regulatory barriers to the development and placement of affordable housing;

(e) Stimulating public and private sector cooperation in the development of affordable housing; and

(f) Development of solutions and programs affecting housing, including the equitable geographic distribution of housing for all economic segments, as the advisory board deems necessary;

(2) Consider both homeownership and rental housing as viable options for the provision of housing. The advisory board shall give consideration to various types of residential construction and innovative housing options, including but not limited to manufactured housing;

(3) Review, evaluate, and make recommendations regarding existing and proposed housing programs and initiatives including but not limited to tax policies, land use policies, and financing programs. The advisory board shall provide recommendations to the director, along with the department's response in the annual housing report to the legislature required in section 12 of this act; and

(4) Prepare and submit to the director, by each December 1st, beginning December 1, 1993, a report detailing its findings and make specific program, legislative, and funding recommendations and any other recommendations it deems appropriate.

NEW SECTION. Sec. 7. A new section is added to chapter 43.63A RCW to read as follows:

(1) The department shall, in consultation with the affordable housing advisory board created in section 5 of this act, report to the legislature on the development and placement of accessory apartments. The department shall produce a written report by December 15, 1993, which:

(a) Identifies local governments that allow the siting of accessory apartments in areas zoned for single-family residential use; and

(b) Makes recommendations to the legislature designed to encourage the development and placement of accessory apartments in areas zoned for single-family residential use.

(2) The recommendations made under subsection (1) of this section shall not take effect before ninety days following adjournment of the 1994 regular legislative session.

(3) Unless provided otherwise by the legislature, by December 31, 1994, local governments shall incorporate in their development regulations, zoning regulations, or official controls the recommendations contained in subsection (1) of this section. The accessory apartment provisions shall be part of the local government's development regulation, zoning regulation, or official control. To allow local flexibility, the recommendations shall be subject to such regulations,

conditions, procedures, and limitations as determined by the local legislative authority.

(4) As used in this section, "local government" means:

- (a) A city or code city with a population that exceeds twenty thousand;
- (b) A county that is required to or has elected to plan under the state growth management act; and
- (c) A county with a population that exceeds one hundred twenty-five thousand.

NEW SECTION. Sec. 8. A new section is added to chapter 35.63 RCW to read as follows:

Any local government, as defined in section 7 of this act, that is planning under this chapter shall comply with section 7(3) of this act.

NEW SECTION. Sec. 9. A new section is added to chapter 35A.63 RCW to read as follows:

Any local government, as defined in section 7 of this act, that is planning under this chapter shall comply with section 7(3) of this act.

NEW SECTION. Sec. 10. A new section is added to chapter 36.70 RCW to read as follows:

Any local government, as defined in section 7 of this act, that is planning under this chapter shall comply with section 7(3) of this act.

NEW SECTION. Sec. 11. A new section is added to chapter 36.70A RCW to read as follows:

Any local government, as defined in section 7 of this act, that is planning under this chapter shall comply with section 7(3) of this act.

NEW SECTION. Sec. 12. (1) The department shall, in consultation with the affordable housing advisory board created in section 5 of this act, prepare and from time to time amend a five-year housing advisory plan. The purpose of the plan is to document the need for affordable housing in the state and the extent to which that need is being met through public and private sector programs, to facilitate planning to meet the affordable housing needs of the state, and to enable the development of sound strategies and programs for affordable housing. The information in the five-year housing advisory plan must include:

- (a) An assessment of the state's housing market trends;
- (b) An assessment of the housing needs for all economic segments of the state and special needs populations;
- (c) An inventory of the supply and geographic distribution of affordable housing units made available through public and private sector programs;
- (d) A status report on the degree of progress made by the public and private sector toward meeting the housing needs of the state;
- (e) An identification of state and local regulatory barriers to affordable housing and proposed regulatory and administrative techniques designed to remove barriers to the development and placement of affordable housing; and

(f) Specific recommendations, policies, or proposals for meeting the affordable housing needs of the state.

(2)(a) The five-year housing advisory plan required under subsection (1) of this section must be submitted to the legislature on or before February 1, 1994, and subsequent plans must be submitted every five years thereafter.

(b) Each February 1st, beginning February 1, 1995, the department shall submit an annual progress report, to the legislature, detailing the extent to which the state's affordable housing needs were met during the preceding year and recommendations for meeting those needs.

NEW SECTION. **Sec. 13.** A new section is added to chapter 43.63A RCW to read as follows:

(1) The department shall be the principal state department responsible for coordinating federal and state resources and activities in housing, except for programs administered by the Washington state housing finance commission under chapter 43.180 RCW, and for evaluating the operations and accomplishments of other state departments and agencies as they affect housing.

(2) The department shall work with local governments, tribal organizations, local housing authorities, nonprofit community or neighborhood-based organizations, and regional or state-wide nonprofit housing assistance organizations, for the purpose of coordinating federal and state resources with local resources for housing.

NEW SECTION. **Sec. 14.** A new section is added to chapter 43.63A RCW to read as follows:

The department shall provide technical assistance and information to state agencies and local governments to assist in the identification and removal of regulatory barriers to the development and placement of affordable housing. In providing assistance the department may:

(1) Analyze the costs and benefits of state legislation, rules, and administrative actions and their impact on the development and placement of affordable housing;

(2) Analyze the costs and benefits of local legislation, rules, and administrative actions and their impact on the development and placement of affordable housing;

(3) Assist state agencies and local governments in determining the impact of existing and anticipated actions, legislation, and rules on the development and placement of affordable housing;

(4) Investigate techniques and opportunities for reducing the life cycle housing costs through regulatory reform;

(5) Develop model standards and ordinances designed to reduce regulatory barriers to affordable housing and assisting in their adoption and use at the state and local government level;

(6) Provide technical assistance and information to state agencies and local governments for implementation of legislative and administrative reform programs to remove barriers to affordable housing;

(7) Prepare state regulatory barrier removal strategies;

(8) Provide staffing to the affordable housing advisory board created in section 5 of this act; and

(9) Perform other activities as the director deems necessary to assist the state, local governments, and the housing industry in meeting the affordable housing needs of the state.

Sec. 15. RCW 43.185.110 and 1991 c 204 s 4 are each amended to read as follows:

~~((The director shall prepare an annual report and shall send copies to the chair of the house of representatives committee on housing, the chair of the senate committee on commerce and labor, and one copy to the staff of each committee that summarizes the housing trust fund's income, grants and operating expenses, implementation of its program, and any problems arising in the administration thereof. The director shall promptly appoint a low-income housing assistance advisory committee composed of a representative from each of the following groups: Apartment owners, realtors, mortgage lending or servicing institutions, private nonprofit housing assistance programs, tenant associations, and public housing assistance programs.))~~ The affordable housing advisory ~~(group)~~ board established in section 5 of this act shall advise the director on housing needs in this state, including housing needs for persons who are mentally ill or developmentally disabled or youth who are blind or deaf or otherwise disabled, operational aspects of the grant and loan program or revenue collection programs established by this chapter, and implementation of the policy and goals of this chapter. Such advice shall be consistent with policies and plans developed by regional support networks according to chapter 71.24 RCW for the mentally ill and the developmental disabilities planning council for the developmentally disabled.

Sec. 16. RCW 43.185A.020 and 1991 c 356 s 11 are each amended to read as follows:

The affordable housing program is created in the department of community development for the purpose of developing and coordinating public and private resources targeted to meet the affordable housing needs of low-income households in the state of Washington. The program shall be developed and administered by the department with advice and input from the ~~((low-income {housing} assistance advisory committee established in RCW 43.185.110))~~ affordable housing advisory board established in section 5 of this act.

Sec. 17. RCW 35.82.070 and 1991 c 167 s 1 are each amended to read as follows:

An authority shall constitute a public body corporate and politic, exercising public and essential governmental functions, and having all the powers necessary

or convenient to carry out and effectuate the purposes and provisions of this chapter, including the following powers in addition to others herein granted:

(1) To sue and be sued; to have a seal and to alter the same at pleasure; to have perpetual succession; to make and execute contracts and other instruments, including but not limited to partnership agreements and joint venture agreements, necessary or convenient to the exercise of the powers of the authority; to participate in the organization or the operation of a nonprofit corporation which has as one of its purposes to provide or assist in the provision of housing for persons of low income; and to make and from time to time amend and repeal bylaws, rules and regulations, not inconsistent with this chapter, to carry into effect the powers and purposes of the authority.

(2) Within its area of operation: To prepare, carry out, acquire, lease and operate housing projects; to provide for the construction, reconstruction, improvement, alteration or repair of any housing project or any part thereof; to agree to rent or sell dwellings forming part of the projects to or for persons of low income. Where an agreement or option is made to sell a dwelling to a person of low income, the authority may convey the dwelling to the person upon fulfillment of the agreement irrespective of whether the person is at the time of the conveyance a person of low income. Leases, options, agreements, or conveyances may include such covenants as the authority deems appropriate to assure the achievement of the objectives of this chapter.

(3) To acquire, lease, rent, sell, or otherwise dispose of any commercial space located in buildings or structures containing a housing project or projects.

(4) To arrange or contract for the furnishing by any person or agency, public or private, of services, privileges, works, or facilities for, or in connection with, a housing project or the occupants thereof; and (notwithstanding anything to the contrary contained in this chapter or in any other provision of law) to include in any contract let in connection with a project, stipulations requiring that the contractor and any subcontractors comply with requirements as to minimum wages and maximum hours of labor, and comply with any conditions which the federal government may have attached to its financial aid of the project.

(5) To lease or rent any dwellings, houses, accommodations, lands, buildings, structures or facilities embraced in any housing project and (subject to the limitations contained in this chapter) to establish and revise the rents or charges therefor; to own or manage buildings containing a housing project or projects as well as commercial space or other dwelling units that do not constitute a housing project as that term is defined in this chapter: PROVIDED, That notwithstanding the provisions under subsection (1) of this section, dwelling units made available or sold to persons of low income, together with functionally related and subordinate facilities, shall occupy ~~((at least thirty percent of the interior space of any individual building other than a detached single family or duplex residential building or mobile or manufactured home and))~~ at least fifty percent of the interior space in the total development owned by the authority or at least fifty percent of the total number of units in the development owned by

the authority, whichever produces the greater number of units for persons of low income, and for mobile home parks, the mobile home lots made available to persons of low income shall be at least fifty percent of the total number of mobile home lots in the park owned by the authority; to own, hold, and improve real or personal property; to purchase, lease, obtain options upon, acquire by gift, grant, bequest, devise, or otherwise including financial assistance and other aid from the state or any public body, person or corporation, any real or personal property or any interest therein; to acquire by the exercise of the power of eminent domain any real property; to sell, lease, exchange, transfer, assign, pledge, or dispose of any real or personal property or any interest therein; to sell, lease, exchange, transfer, or dispose of any real or personal property or interest therein at less than fair market value to a governmental entity for any purpose when such action assists the housing authority in carrying out its powers and purposes under this chapter, to a low-income person or family for the purpose of providing housing for that person or family, or to a nonprofit corporation provided the nonprofit corporation agrees to sell the property to a low-income person or family or to use the property for the provision of housing for persons of low income for at least twenty years; to insure or provide for the insurance of any real or personal property or operations of the authority against any risks or hazards; to procure or agree to the procurement of insurance or guarantees from the federal government of the payment of any bonds or parts thereof issued by an authority, including the power to pay premiums on any such insurance.

(6) To invest any funds held in reserves or sinking funds, or any funds not required for immediate disbursement, in property or securities in which savings banks may legally invest funds subject to their control; to purchase its bonds at a price not more than the principal amount thereof and accrued interest, all bonds so purchased to be canceled.

(7) Within its area of operation: To investigate into living, dwelling and housing conditions and into the means and methods of improving such conditions; to determine where slum areas exist or where there is a shortage of decent, safe and sanitary dwelling accommodations for persons of low income; to make studies and recommendations relating to the problem of clearing, replanning and reconstructing of slum areas, and the problem of providing dwelling accommodations for persons of low income, and to cooperate with the city, the county, the state or any political subdivision thereof in action taken in connection with such problems; and to engage in research, studies and experimentation on the subject of housing.

(8) Acting through one or more commissioners or other person or persons designated by the authority: To conduct examinations and investigations and to hear testimony and take proof under oath at public or private hearings on any matter material for its information; to administer oaths, issue subpoenas requiring the attendance of witnesses or the production of books and papers and to issue commissions for the examination of witnesses who are outside of the state or unable to attend before the authority, or excused from attendance; to make

available to appropriate agencies (including those charged with the duty of abating or requiring the correction of nuisances or like conditions, or of demolishing unsafe or insanitary structures within its area of operation) its findings and recommendations with regard to any building or property where conditions exist which are dangerous to the public health, morals, safety or welfare.

(9) To initiate eviction proceedings against any tenant as provided by law. Activity occurring in any housing authority unit that constitutes a violation of chapter 69.41, 69.50 or 69.52 RCW shall constitute a nuisance for the purpose of RCW 59.12.030(5).

(10) To exercise all or any part or combination of powers herein granted.

No provisions of law with respect to the acquisition, operation or disposition of property by other public bodies shall be applicable to an authority unless the legislature shall specifically so state.

(11) To agree (notwithstanding the limitation contained in RCW 35.82.210) to make such payments in lieu of taxes as the authority finds consistent with the achievement of the purposes of this chapter.

(12) Upon the request of a county or city, to exercise any powers of an urban renewal agency under chapter 35.81 RCW or a public corporation, commission, or authority under chapter 35.21 RCW. However, in the exercise of any such powers the housing authority shall be subject to any express limitations contained in this chapter.

(13) To exercise the powers granted in this chapter within the boundaries of any city, town, or county not included in the area in which such housing authority is originally authorized to function: PROVIDED, HOWEVER, The governing or legislative body of such city, town, or county, as the case may be, adopts a resolution declaring that there is a need for the authority to function in such territory.

~~((13))~~ (14) To administer contracts for assistance payments to persons of low income in accordance with section 8 of the United States Housing Act of 1937, as amended by Title II, section 201 of the Housing and Community Development Act of 1974, P.L. 93-383.

~~((14))~~ (15) To sell at public or private sale, with or without public bidding, for fair market value, any mortgage or other obligation held by the authority.

~~((15))~~ (16) To the extent permitted under its contract with the holders of bonds, notes, and other obligations of the authority, to consent to any modification with respect to rate of interest, time and payment of any installment of principal or interest security, or any other term of any contract, mortgage, mortgage loan, mortgage loan commitment, contract or agreement of any kind to which the authority is a party.

~~((16))~~ (17) To make, purchase, participate in, invest in, take assignments of, or otherwise acquire loans to persons of low income to enable them to acquire, construct, reconstruct, rehabilitate, improve, lease, or refinance their

dwellings, and to take such security therefor as is deemed necessary and prudent by the authority.

~~((+7))~~ (18) To make, purchase, participate in, invest in, take assignments of, or otherwise acquire loans for the acquisition, construction, reconstruction, rehabilitation, improvement, leasing, or refinancing of land, buildings, or developments for housing for persons of low income. For purposes of this subsection, development shall include either land or buildings or both.

(a) Any development financed under this subsection shall be subject to an agreement that for at least twenty years the dwelling units made available to persons of low income together with functionally related and subordinate facilities shall occupy at least ~~((thirty percent of the interior space of any individual building other than a detached single family or duplex residential building or mobile or manufactured home and shall occupy at least))~~ fifty percent of the interior space in the total development or at least fifty percent of the total number of units in the development, whichever produces the greater number of units for persons of low income. For mobile home parks, the mobile home lots made available to persons of low income shall be at least fifty percent of the total number of mobile home lots in the park. During the term of the agreement, the owner shall use its best efforts in good faith to maintain the dwelling units or mobile home lots required to be made available to persons of low income at rents affordable to persons of low income. The twenty-year requirement under this subsection (18)(a) shall not apply when an authority finances the development by nonprofit corporations or governmental units of dwellings or mobile home lots intended for sale to persons of low and moderate income, and shall not apply to construction or other short-term financing provided to nonprofit corporations or governmental units when the financing has a repayment term of one year or less.

(b) In addition, if the development is owned by a for-profit entity, the dwelling units or mobile home lots required to be made available to persons of low income shall be rented to persons whose incomes do not exceed fifty percent of the area median income, adjusted for household size, and shall have unit or lot rents that do not exceed fifteen percent of area median income, adjusted for household size, unless rent subsidies are provided to make them affordable to persons of low income.

For purposes of this subsection ~~((+7))~~ (18)(b), if the development is owned directly or through a partnership by a governmental entity or a nonprofit organization, which nonprofit organization is itself not controlled by a for-profit entity or affiliated with any for-profit entity that a nonprofit organization itself does not control, it shall not be treated as being owned by a for-profit entity when the governmental entity or nonprofit organization exercises legal control of the ownership entity and in addition, (i) the dwelling units or mobile home lots required to be made available to persons of low income are rented to persons whose incomes do not exceed sixty percent of the area median income, adjusted for household size, and (ii) the development is subject to an agreement that

transfers ownership to the governmental entity or nonprofit organization or extends an irrevocable right of first refusal to purchase the development under a formula for setting the acquisition price that is specified in the agreement.

(c) Commercial space in any building financed under this subsection that exceeds four stories in height shall not constitute more than twenty percent of the interior area of the building. Before financing any development under this subsection the authority shall make a written finding that financing is important for project feasibility or necessary to enable the authority to carry out its powers and purposes under this chapter.

~~((18))~~ (19) To contract with a public authority or corporation, created by a county, city, or town under RCW 35.21.730 through 35.21.755, to act as the developer for new housing projects or improvement of existing housing projects.

NEW SECTION. Sec. 18. A new section is added to chapter 43.63A RCW to read as follows:

(1) The legislature finds that:

(a) The trend toward smaller household sizes will continue into the foreseeable future;

(b) Many of these households are in housing units that contain more bedrooms than occupants;

(c) There are older homeowners on relatively low, fixed income who are experiencing difficulties maintaining their homes; and

(d) There are single parents, recently widowed persons, people in the midst of divorce or separation, and handicapped that are faced with displacement due to the high cost of housing.

(2) The legislature declares that the purpose of section 19 of this act is to develop a pilot program designed to:

(a) Provide home-matching services that can enable people to continue living in their homes while promoting continuity of home ownership and community stability; and

(b) Counter the problem of displacement among people on relatively low, fixed incomes by linking people offering living space with people seeking housing.

NEW SECTION. Sec. 19. A new section is added to chapter 43.63A RCW to read as follows:

(1) The department may develop and administer a home-matching program for the purpose of providing grants and technical assistance to eligible organizations to operate local home-matching programs. For purposes of this section, "eligible organizations" are those organizations eligible to receive assistance through the Washington housing trust fund, chapter 43.185 RCW.

(2) The department may select up to five eligible organizations for the purpose of implementing a local home-matching program. The local home-matching programs are designed to facilitate: (a) Intergenerational homesharing involving older homeowners sharing homes with younger persons; (b)

homesharing arrangements that involve an exchange of services such as cooking, housework, gardening, or babysitting for room and board or some financial consideration such as rent; and (c) the more efficient use of available housing.

(3) In selecting local pilot programs under this section, the department shall consider:

(a) The eligible organization's ability, stability, and resources to implement the local home-matching program;

(b) The eligible organization's efforts to coordinate other support services needed by the individual or family participating in the local home-matching program; and

(c) Other factors the department deems appropriate.

(4) The eligible organizations shall establish criteria for participation in the local home-matching program. The eligible organization shall make a determination of eligibility regarding the individuals' or families' participation in the local home-matching program. The determination shall include, but is not limited to a verification of the individual's or family's history of making rent payments in a consistent and timely manner.

NEW SECTION. **Sec. 20.** A new section is added to chapter 35.63 RCW to read as follows:

No city may enact or maintain an ordinance, development regulation, zoning regulation or official control, policy, or administrative practice which treats a residential structure occupied by persons with handicaps differently than a similar residential structure occupied by a family or other unrelated individuals. As used in this section, "handicaps" are as defined in the federal fair housing amendments act of 1988 (42 U.S.C. Sec. 3602).

NEW SECTION. **Sec. 21.** A new section is added to chapter 35A.63 RCW to read as follows:

No city may enact or maintain an ordinance, development regulation, zoning regulation or official control, policy, or administrative practice which treats a residential structure occupied by persons with handicaps differently than a similar residential structure occupied by a family or other unrelated individuals. As used in this section, "handicaps" are as defined in the federal fair housing amendments act of 1988 (42 U.S.C. Sec. 3602).

NEW SECTION. **Sec. 22.** A new section is added to chapter 36.70 RCW to read as follows:

No county may enact or maintain an ordinance, development regulation, zoning regulation or official control, policy, or administrative practice which treats a residential structure occupied by persons with handicaps differently than a similar residential structure occupied by a family or other unrelated individuals. As used in this section, "handicaps" are as defined in the federal fair housing amendments act of 1988 (42 U.S.C. Sec. 3602).

NEW SECTION. **Sec. 23.** A new section is added to chapter 36.70A RCW to read as follows:

No county or city that plans or elects to plan under this chapter may enact or maintain an ordinance, development regulation, zoning regulation or official control, policy, or administrative practice which treats a residential structure occupied by persons with handicaps differently than a similar residential structure occupied by a family or other unrelated individuals. As used in this section, "handicaps" are as defined in the federal fair housing amendments act of 1988 (42 U.S.C. Sec. 3602).

NEW SECTION. **Sec. 24.** This chapter may be known and cited as the "Washington housing policy act."

NEW SECTION. **Sec. 25.** Sections 1 through 6, 12, and 24 of this act shall constitute a new chapter in Title 43 RCW.

Passed the Senate April 20, 1993.

Passed the House April 18, 1993.

Approved by the Governor May 17, 1993.

Filed in Office of Secretary of State May 17, 1993.

CHAPTER 479

[Substitute Senate Bill 5625]

DEATH PENALTY—MENTALLY RETARDED PERSON MAY NOT BE SENTENCED TO DEATH

Effective Date: 7/25/93

AN ACT Relating to imposing the death penalty upon the mentally retarded; and amending RCW 10.95.030, 10.95.070, 10.95.130, and 10.95.140.

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

Sec. 1. RCW 10.95.030 and 1981 c 138 s 3 are each amended to read as follows:

(1) Except as provided in subsection (2) of this section, any person convicted of the crime of aggravated first degree murder shall be sentenced to life imprisonment without possibility of release or parole. A person sentenced to life imprisonment under this section shall not have that sentence suspended, deferred, or commuted by any judicial officer and the ~~((board of prison terms and paroles))~~ indeterminate sentence review board or its successor may not parole such prisoner nor reduce the period of confinement in any manner whatsoever including but not limited to any sort of good-time calculation. The department of social and health services or its successor or any executive official may not permit such prisoner to participate in any sort of release or furlough program.

(2) If, pursuant to a special sentencing proceeding held under RCW 10.95.050, the trier of fact finds that there are not sufficient mitigating circumstances to merit leniency, the sentence shall be death. In no case, however, shall a person be sentenced to death if the person was mentally

retarded at the time the crime was committed, under the definition of mental retardation set forth in (a) of this subsection. A diagnosis of mental retardation shall be documented by a licensed psychiatrist or licensed psychologist designated by the court, who is an expert in the diagnosis and evaluation of mental retardation. The defense must establish mental retardation by a preponderance of the evidence and the court must make a finding as to the existence of mental retardation.

(a) "Mentally retarded" means the individual has: (i) significantly subaverage general intellectual functioning; (ii) existing concurrently with deficits in adaptive behavior; and (iii) both significantly subaverage general intellectual functioning and deficits in adaptive behavior were manifested during the developmental period.

(b) "General intellectual functioning" means the results obtained by assessment with one or more of the individually administered general intelligence tests developed for the purpose of assessing intellectual functioning.

(c) "Significantly subaverage general intellectual functioning" means intelligence quotient seventy or below.

(d) "Adaptive behavior" means the effectiveness or degree with which individuals meet the standards of personal independence and social responsibility expected for his or her age.

(e) "Developmental period" means the period of time between conception and the eighteenth birthday.

Sec. 2. RCW 10.95.070 and 1981 c 138 s 7 are each amended to read as follows:

In deciding the question posed by RCW 10.95.060(4), the jury, or the court if a jury is waived, may consider any relevant factors, including but not limited to the following:

(1) Whether the defendant has or does not have a significant history, either as a juvenile or an adult, of prior criminal activity;

(2) Whether the murder was committed while the defendant was under the influence of extreme mental disturbance;

(3) Whether the victim consented to the act of murder;

(4) Whether the defendant was an accomplice to a murder committed by another person where the defendant's participation in the murder was relatively minor;

(5) Whether the defendant acted under duress or domination of another person;

(6) Whether, at the time of the murder, the capacity of the defendant to appreciate the wrongfulness of his or her conduct or to conform his or her conduct to the requirements of law was substantially impaired as a result of mental disease or defect. However, a person found to be mentally retarded under RCW 10.95.030(2) may in no case be sentenced to death;

(7) Whether the age of the defendant at the time of the crime calls for leniency; and

(8) Whether there is a likelihood that the defendant will pose a danger to others in the future.

Sec. 3. RCW 10.95.130 and 1981 c 138 s 13 are each amended to read as follows:

(1) The sentence review required by RCW 10.95.100 shall be in addition to any appeal. The sentence review and an appeal shall be consolidated for consideration. The defendant and the prosecuting attorney may submit briefs within the time prescribed by the court and present oral argument to the court.

(2) With regard to the sentence review required by this act, the supreme court of Washington shall determine:

(a) Whether there was sufficient evidence to justify the affirmative finding to the question posed by RCW 10.95.060(4); and

(b) Whether the sentence of death is excessive or disproportionate to the penalty imposed in similar cases, considering both the crime and the defendant. For the purposes of this subsection, "similar cases" means cases reported in the Washington Reports or Washington Appellate Reports since January 1, 1965, in which the judge or jury considered the imposition of capital punishment regardless of whether it was imposed or executed, and cases in which reports have been filed with the supreme court under RCW 10.95.120; ~~(and)~~

(c) Whether the sentence of death was brought about through passion or prejudice; and

(d) Whether the defendant was mentally retarded within the meaning of RCW 10.95.030(2).

Sec. 4. RCW 10.95.140 and 1981 c 138 s 14 are each amended to read as follows:

Upon completion of a sentence review:

(1) The supreme court of Washington shall invalidate the sentence of death and remand the case to the trial court for resentencing in accordance with RCW 10.95.090 if:

(a) The court makes a negative determination as to the question posed by RCW 10.95.130(2)(a); or

(b) The court makes an affirmative determination as to ~~((either))~~ any of the questions posed by RCW 10.95.130(2)(b) ~~((or))~~, (c), or (d).

(2) The court shall affirm the sentence of death and remand the case to the trial court for execution in accordance with RCW 10.95.160 if:

(a) The court makes an affirmative determination as to the question posed by RCW 10.95.130(2)(a); and

(b) The court makes a negative determination as to the questions posed by RCW 10.95.130(2)(b) ~~((and))~~, (c), and (d).

Passed the Senate April 18, 1993.
Passed the House April 9, 1993.
Approved by the Governor May 17, 1993.
Filed in Office of Secretary of State May 17, 1993.

CHAPTER 480

[Senate Bill 5649]

SUPPORT REGISTRY—EMPLOYER REPORTING REQUIREMENTS EXTENDED

Effective Date: 5/17/93

AN ACT Relating to employer reporting to the Washington state support registry; amending RCW 26.23.040; and declaring an emergency.

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

Sec. 1. RCW 26.23.040 and 1989 c 360 s 39 are each amended to read as follows:

(1) Except as provided in subsection (3) of this section, all employers doing business in the state of Washington, and to whom the department of employment security has assigned the standard industrial classification sic codes listed in subsection (2) of this section, shall report to the Washington state support registry:

(a) The hiring of any person who resides or works in this state to whom the employer anticipates paying earnings; and

(b) The rehiring or return to work of any employee who was laid off, furloughed, separated, granted a leave without pay, or terminated from employment.

(2) Employers in the standard industrial classifications that shall report to the Washington state support registry include:

(a) Const.uction industry sic codes: 15, building; and 16, other than building;

(b) Manufacturing industry sic code 37, transportation equipment;

(c) Wholesale trade industry sic codes: 73, business services, except sic code 7362 (temporary help supply services); and 80, health services.

(3) Employers are not required to report the hiring of any person who:

(a) Will be employed for less than one months duration;

(b) Will be employed sporadically so that the employee will be paid for less than three hundred fifty hours during a continuous six-month period; or

(c) Will have gross earnings less than three hundred dollars in every month.

The secretary of the department of social and health services may adopt rules to establish additional exemptions if needed to reduce unnecessary or burdensome reporting.

(4) Employers may report by mailing the employee's copy of the W-4 form, or other means authorized by the registry which will result in timely reporting.

(5) Employers shall submit reports within thirty-five days of the hiring, rehiring, or return to work of the employee. The report shall contain:

(a) The employee's name, address, social security number, and date of birth; and

(b) The employer's name, address, and employment security reference number or unified business identifier number.

(6) An employer who fails to report as required under this section shall be given a written warning for the first violation and shall be subject to a civil penalty of up to two hundred dollars per month for each subsequent violation after the warning has been given. All violations within a single month shall be considered a single violation for purposes of assessing the penalty. The penalty may be imposed and collected by the office of support enforcement under RCW 74.20A.270.

(7) The registry shall retain the information for a particular employee only if the registry is responsible for establishing, enforcing, or collecting a support obligation or debt of the employee. If the employee does not owe such an obligation or a debt, the registry shall not create a record regarding the employee and the information contained in the notice shall be promptly destroyed.

~~((8) This section shall expire on July 1, 1993.))~~

NEW SECTION. **Sec. 2.** This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect immediately.

Passed the Senate March 13, 1993.

Passed the House April 15, 1993.

Approved by the Governor May 17, 1993.

Filed in Office of Secretary of State May 17, 1993.

CHAPTER 481

[Substitute Senate Bill 5686]

CREDIT CARDS—LIMITS OF DELINQUENT PAYMENT CHARGES

Effective Date: 7/25/93

AN ACT Relating to delinquent payment charges on credit cards; and amending RCW 63.14.090.

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

Sec. 1. RCW 63.14.090 and 1984 c 280 s 2 are each amended to read as follows:

(1) The holder of any retail installment contract, retail charge agreement, or lender credit card agreement may not collect any delinquency or collection charges, including any attorney's fee and court costs and disbursements, unless the contract, charge agreement, or lender credit card agreement so provides. In such cases, the charges shall be reasonable, and no attorney's fee may be

recovered unless the contract, charge agreement, or lender credit card agreement is referred for collection to an attorney not a salaried employee of the holder.

(2) The contract, charge agreement, or lender credit card agreement may contain other provisions not inconsistent with the purposes of this chapter, including but not limited to provisions relating to refinancing, transfer of the buyer's equity, construction permits, and title reports.

(3) Notwithstanding subsection (1) of this section, where the minimum payment is received within the ten days following the payment due date, delinquency charges for the late payment of a retail charge agreement or lender credit card agreement may not be more than ten percent of the average balance of the delinquent account for the prior thirty-day period when the average balance of the account for the prior thirty-day period is less than one hundred dollars, except that a minimum charge of up to two dollars shall be allowed. This subsection (3) shall not apply in cases where the payment on the account is more than thirty days overdue.

Passed the Senate April 20, 1993.

Passed the House April 7, 1993.

Approved by the Governor May 17, 1993.

Filed in Office of Secretary of State May 17, 1993.

CHAPTER 482

[Substitute Senate Bill 5688]

FOREST PRACTICES—VIOLATIONS—CIVIL ENFORCEMENT AUTHORITY

Effective Date: 7/25/93 - Except subsections (1) and (3) through (7) of section 2 which become effective 1/1/94

AN ACT Relating to civil enforcement of forest practices violations; amending RCW 76.09.140 and 76.09.170; prescribing penalties; and providing an effective date.

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

Sec. 1. RCW 76.09.140 and 1975 1st ex.s. c 200 s 8 are each amended to read as follows:

(1) The department of natural resources(~~(, through the attorney general,))~~ may take any necessary action to enforce any final order or final decision, (~~(or to enjoin any forest practices by any person for a one year period after such person has failed to comply with a final order or a final decision))~~ and may disapprove for up to one year any forest practices application or notification submitted by any person who has failed to comply with a final order or final decision or has failed to pay any civil penalties as provided in RCW 76.09.170. For purposes of this act, the terms "final order" and "final decision" shall mean the same as set forth in RCW 76.09.080, 76.09.090, and 76.09.110. The department shall provide written notice of its intent to disapprove an application or notification under this subsection. The department shall forward copies of its notice of intent to disapprove to any affected landowner. The disapproval period

shall run from thirty days following the date of actual notice or when all administrative and judicial appellate processes, if any, have been exhausted. Any person provided the notice may seek review from the appeals board by filing a request for review within thirty days of the date of the notice of intent.

(2) On request of the department, the attorney general may take action necessary to enforce this chapter, including, but not limited to, seeking penalties, enforcing final orders or decisions, and seeking civil injunctions, show cause orders, or contempt orders.

~~((2))~~ (3) A county may bring injunctive, declaratory, or other actions for enforcement for forest practice activities within its jurisdiction in the superior court as provided by law against the department, the forest land owner, timber owner or operator to enforce the forest practice regulations or any final order of the department, or the appeals board(~~(= PROVIDED, That)~~). No civil or criminal penalties shall be imposed for past actions or omissions if such actions or omissions were conducted pursuant to an approval or directive of the department (~~(of natural resources: AND PROVIDED FURTHER, That such actions shall)~~). Injunctions, declaratory actions, or other actions for enforcement under this subsection may not be commenced unless the department fails to take appropriate action after ten days written notice to the department by the county of a violation of the forest practices (~~(regulations)~~) rules or final orders of the department or the appeals board.

Sec. 2. RCW 76.09.170 and 1975 1st ex.s. c 200 s 9 are each amended to read as follows:

(1) Every person who (~~(fails to comply with)~~) violates any provision of RCW 76.09.010 through 76.09.280 (~~(as now or hereafter amended)~~) or of the forest practices (~~(regulations)~~) rules, or who converts forest land to a use other than commercial timber operation within three years after completion of the forest practice without the consent of the county, city, or town, shall be subject to a penalty in an amount of not more than (~~(five hundred)~~) ten thousand dollars for every such violation. Each and every such violation shall be a separate and distinct offense. In case of a failure to comply with a (~~(notice pursuant to RCW 76.09.090 as now or hereafter amended or a)~~) stop work order, every day's continuance shall be a separate and distinct violation. Every person who through an act of commission or omission procures, aids or abets in the violation shall be considered to have violated the provisions of this section and shall be subject to the penalty (~~(herein provided for: PROVIDED, That)~~) in this section. No penalty shall be imposed under this section upon any governmental official, an employee of any governmental department, agency, or entity, or a member of any board or advisory committee created by this chapter for any act or omission in his or her duties in the administration of this chapter or of any (~~(regulation promulgated thereunder)~~) rule adopted under this chapter.

(2) The department shall develop and recommend to the board a penalty schedule to determine the amount to be imposed under this section. The board shall adopt by rule, pursuant to chapter 34.05 RCW, such penalty schedule to be

effective no later than January 1, 1994. The schedule shall be developed in consideration of the following:

- (a) Previous violation history;
- (b) Severity of the impact on public resources;
- (c) Whether the violation of this chapter or its rules was intentional;
- (d) Cooperation with the department;
- (e) Repairability of the adverse effect from the violation; and
- (f) The extent to which a penalty to be imposed on a forest landowner for a forest practice violation committed by another should be reduced because the owner was unaware of the violation and has not received substantial economic benefits from the violation.

(3) The penalty (~~herein provided for~~) in this section shall be imposed by a notice in writing, either by certified mail with return receipt requested or by personal service, to the person incurring the same from the department (~~of natural resources~~) describing the violation with reasonable particularity. Within fifteen days after the notice is received, the person incurring the penalty may apply in writing to the department for the remission or mitigation of such penalty. Upon receipt of the application, that department may remit or mitigate the penalty upon whatever terms that department in its discretion deems proper, provided the department deems such remission or mitigation to be in the best interests of carrying out the purposes of this chapter. The department (~~of natural resources~~) shall have authority to ascertain the facts regarding all such applications in such reasonable manner and under such (~~regulations~~) rule as it may deem proper.

(4) Any person incurring (~~any~~) a penalty (~~hereunder~~) under this section may appeal the (~~same~~) penalty to the forest practices appeals board. Such appeals shall be filed within thirty days of receipt of notice imposing any penalty unless an application for remission or mitigation is made to the department. When such an application for remission or mitigation is made, such appeals shall be filed within thirty days of receipt of notice from the department setting forth the disposition of the application for remission or mitigation.

(~~Any~~) (5) The penalty imposed (~~hereunder~~) under this section shall become due and payable thirty days after receipt of a notice imposing the same unless application for remission or mitigation is made or an appeal is filed. When such an application for remission or mitigation is made, any penalty incurred (~~hereunder~~) under this section shall become due and payable thirty days after receipt of notice setting forth the disposition of such application unless an appeal is filed from such disposition. Whenever an appeal of (~~any~~) the penalty incurred (~~hereunder~~) is filed, the penalty shall become due and payable only upon completion of all administrative and judicial review proceedings and the issuance of a final decision confirming the penalty in whole or in part.

(6) If the amount of any penalty is not paid to the department within thirty days after it becomes due and payable, the attorney general, upon the request of the department, shall bring an action in the name of the state of Washington in

the superior court of Thurston county or of any county in which such violator may do business, to recover such penalty. In all such actions the procedure and rules of evidence shall be the same as an ordinary civil action except as otherwise in this chapter provided. In addition to or as an alternative to seeking enforcement of penalties in superior court, the department may bring an action in district court as provided in Title 3 RCW, to collect penalties.

(7) Penalties imposed under this section for violations associated with a conversion to a use other than commercial timber operation shall be a lien upon the real property of the person assessed the penalty and the department may collect such amount in the same manner provided in chapter 60.04 RCW for mechanics' liens.

NEW SECTION. Sec. 3. The following portions of this act shall take effect on January 1, 1994: Subsections (1) and (3) through (7) of section 2 of this act.

Passed the Senate April 20, 1993.

Passed the House April 7, 1993.

Approved by the Governor May 17, 1993.

Filed in Office of Secretary of State May 17, 1993.

CHAPTER 483

[Engrossed Substitute Senate Bill 5702]

UNEMPLOYMENT COMPENSATION—REVISIONS

Effective Date: 7/25/93 - Except Sections 1, 2, 8 through 11, & 19 which take effect on 7/3/93; Sections 12 & 16 which take effect on 5/17/93; Sections 13 & 14 which take effect on 1/1/94; & Sections 3, 4, & 5 which take effect on 1/2/94

AN ACT Relating to unemployment insurance; amending RCW 50.04.323, 50.06.010, 50.06.020, 50.06.030, 50.13.040, 50.16.010, 50.20.050, 50.20.060, 50.20.080, 50.20.120, 50.20.190, 50.22.010, 50.22.020, 50.22.030, 50.22.050, 50.29.020, 50.24.014, and 50.29.025; adding a new section to chapter 50.04 RCW; adding new sections to chapter 50.20 RCW; creating new sections; providing effective dates; and declaring an emergency.

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

NEW SECTION. Sec. 1. A new section is added to chapter 50.04 RCW to read as follows:

"Misconduct" means an employee's act or failure to act in willful disregard of his or her employer's interest where the effect of the employee's act or failure to act is to harm the employer's business.

Sec. 2. RCW 50.04.323 and 1983 1st ex.s. c 23 s 7 are each amended to read as follows:

(1) The amount of benefits payable to an individual for any week which begins after October 3, 1980, and which begins in a period with respect to which such individual is receiving a governmental or other pension, retirement or retired pay, annuity, or any other similar periodic payment which is based on the previous work of such individual shall be reduced (but not below zero) by an amount equal to the amount of such pension, retirement or retired pay, annuity,

or other payment, which is reasonably attributable to such week(~~(=PROVIDED, That)~~). However:

(a) The requirements of this subsection shall apply to any pension, retirement or retired pay, annuity, or other similar periodic payment only if—

(i) Such pension, retirement or retired pay, annuity, or similar payment is under a plan maintained (or contributed to) by a base period employer; and

(ii) In the case of such a payment not made under the Social Security Act or the Railroad Retirement Act of 1974 (or corresponding provisions of prior law), services performed for such employer by the individual after the beginning of the base period (or remuneration for such services) affect eligibility for, or increase the amount of, such pension, retirement or retired pay, annuity, or similar payment; (~~and~~)

(b) The amount of any such a reduction shall take into account contributions made by the individual for the pension, retirement or retired pay, annuity, or other similar periodic payment, in accordance with regulations prescribed by the commissioner; and

(c) No deduction shall be made from the amount of benefits payable for a week for individuals receiving federal social security pensions to take into account the individuals' contributions to the pension program.

(2) In the event that a retroactive pension or retirement payment covers a period in which an individual received benefits under the provisions of this title, the amount in excess of the amount to which such individual would have been entitled had such retirement or pension payment been considered as provided in this section shall be recoverable under RCW 50.20.190.

(3) A lump sum payment accumulated in a plan described in this section paid to an individual eligible for such payment shall be prorated over the life expectancy of the individual computed in accordance with the commissioner's regulation.

(4) The resulting weekly benefit amount payable after reduction under this section, if not a multiple of one dollar, shall be reduced to the next lower multiple of one dollar.

(5) Any ambiguity in subsection (1) of this section should be construed in a manner consistent with 26 U.S.C. Sec. 3304 (a)(15) as last amended by P.L. 96-364.

Sec. 3. RCW 50.06.010 and 1984 c 65 s 1 are each amended to read as follows:

This chapter is enacted for the purpose of providing the protection of the unemployment compensation system to persons who have suffered a temporary total disability (~~(=compensable under industrial insurance or crime victims compensation laws)~~) and is a recognition by this legislature of the economic hardship confronting those persons who have not been promptly reemployed after a prolonged period of temporary total disability.

Sec. 4. RCW 50.06.020 and 1984 c 65 s 2 are each amended to read as follows:

The benefits of this chapter shall be allowed only to:

(1) Individuals who have suffered a temporary total disability and have received compensation under the industrial insurance or crime victims compensation laws of this state, any other state or the United States for a period of not less than thirteen consecutive calendar weeks by reason of such temporary total disability ((shall be allowed the benefits of this chapter)); or

(2) Individuals who are reentering the work force after an absence of not less than thirteen consecutive calendar weeks resulting from temporary total physical disability because of a nonwork-related injury or illness: PROVIDED, That individuals authorized to receive benefits under this subsection are required to meet other eligibility requirements under Title 50 RCW.

Sec. 5. RCW 50.06.030 and 1987 c 278 s 3 are each amended to read as follows:

(1) In the case of individuals eligible under RCW 50.06.020(1), an application for initial determination made pursuant to this chapter, to be considered timely, must be filed in writing with the employment security department within twenty-six weeks following the week in which the period of temporary total disability commenced. Notice from the department of labor and industries shall satisfy this requirement. The records of the agency supervising the award of compensation shall be conclusive evidence of the fact of temporary disability and the beginning date of such disability.

(2) In the case of individuals eligible under RCW 50.06.020(2), an application for initial determination must be filed in writing with the employment security department within twenty-six weeks following the week in which the period of temporary total physical disability commenced. This filing requirement is satisfied by filing a signed statement from the attending physician stating the date that the disability commenced and stating that the individual was unable to reenter the work force during the time of the disability. The department may examine any medical information related to the disability. If the claim is appealed, a base year employer may examine the medical information related to the disability and require, at the employer's expense, that the individual obtain the opinion of a second health care provider selected by the employer concerning any information related to the disability.

(3) The employment security department shall process and issue an initial determination of entitlement or nonentitlement as the case may be.

(4) For the purpose of this chapter, a special base year is established for an individual consisting of either the first four of the last five completed calendar quarters or the last four completed calendar quarters immediately prior to the first day of the calendar week in which the individual's temporary total disability commenced, and a special individual benefit year is established consisting of the entire period of disability and a fifty-two consecutive week period commencing with the first day of the calendar week immediately following the week or part

thereof with respect to which the individual received his final temporary total disability compensation under the applicable industrial insurance or crime victims compensation laws, or the week in which the individual reentered the work force after an absence under subsection (2) of this section, as applicable, except that no special benefit year shall have a duration in excess of three hundred twelve calendar weeks: PROVIDED HOWEVER, That such special benefit year will not be established unless the criteria contained in RCW 50.04.030 has been met, except that an individual meeting the ~~((disability and filing))~~ eligibility requirements of this chapter and who has an unexpired benefit year established which would overlap the special benefit year provided by this chapter, notwithstanding the provisions in RCW 50.04.030 relating to the establishment of a subsequent benefit year and RCW 50.40.010 relating to waiver of rights, may elect to establish a special benefit year under this chapter: PROVIDED FURTHER, that the unexpired benefit year shall be terminated with the beginning of the special benefit year if the individual elects to establish such special benefit year.

(5) For the purposes of establishing a benefit year, the department shall initially use the first four of the last five completed calendar quarters as the base year. If a benefit year is not established using the first four of the last five calendar quarters as the base year, the department shall use the last four completed calendar quarters as the base year.

Sec. 6. RCW 50.13.040 and 1977 ex.s. c 153 s 4 are each amended to read as follows:

(1) An individual shall have access to all records and information concerning that individual held by the department of employment security, unless the information is exempt from disclosure under RCW 42.17.310.

(2) An employing unit shall have access to its own records and to any records and information relating to a benefit claim by an individual if the employing unit is either the individual's last employer or is the individual's base year employer.

(3) An employing unit shall have access to any records and information relating to any decision to allow or deny benefits if:

(a) The decision is based on employment or an offer of employment with the employing unit; or

(b) If the decision is based on material information provided by the employing unit.

(4) An employing unit shall have access to general summaries of benefit claims by individuals whose benefits are chargeable to the employing unit's experience rating or reimbursement account.

Sec. 7. RCW 50.16.010 and 1991 sp.s. c 13 s 59 are each amended to read as follows:

There shall be maintained as special funds, separate and apart from all public moneys or funds of this state an unemployment compensation fund, an

administrative contingency fund, and a federal interest payment fund, which shall be administered by the commissioner exclusively for the purposes of this title, and to which RCW 43.01.050 shall not be applicable. The unemployment compensation fund shall consist of

(1) all contributions and payments in lieu of contributions collected pursuant to the provisions of this title,

(2) any property or securities acquired through the use of moneys belonging to the fund,

(3) all earnings of such property or securities,

(4) any moneys received from the federal unemployment account in the unemployment trust fund in accordance with Title XII of the social security act, as amended,

(5) all money recovered on official bonds for losses sustained by the fund,

(6) all money credited to this state's account in the unemployment trust fund pursuant to section 903 of the social security act, as amended,

(7) all money received from the federal government as reimbursement pursuant to section 204 of the federal-state extended compensation act of 1970 (84 Stat. 708-712; 26 U.S.C. Sec. 3304), and

(8) all moneys received for the fund from any other source.

All moneys in the unemployment compensation fund shall be commingled and undivided.

The administrative contingency fund shall consist of all interest on delinquent contributions collected pursuant to this title, all fines and penalties collected pursuant to the provisions of this title, all sums recovered on official bonds for losses sustained by the fund, and revenue received under RCW 50.24.014: PROVIDED, That all fees, fines, forfeitures and penalties collected or assessed by a district court because of the violation of a state law shall be remitted as provided in chapter 3.62 RCW as now exists or is later amended. Moneys available in the administrative contingency fund, other than money in the special account created under RCW 50.24.014, shall be expended upon the direction of the commissioner, with the approval of the governor, whenever it appears to him or her that such expenditure is necessary for:

(a) The proper administration of this title and no federal funds are available for the specific purpose to which such expenditure is to be made, provided, the moneys are not substituted for appropriations from federal funds which, in the absence of such moneys, would be made available.

(b) The proper administration of this title for which purpose appropriations from federal funds have been requested but not yet received, provided, the administrative contingency fund will be reimbursed upon receipt of the requested federal appropriation.

(c) The proper administration of this title for which compliance and audit issues have been identified that establish federal claims requiring the expenditure of state resources in resolution. Claims must be resolved in the following priority: First priority is to provide services to eligible participants within the

state; second priority is to provide substitute services or program support; and last priority is the direct payment of funds to the federal government.

Money in the special account created under RCW 50.24.014 may only be expended, after appropriation, for the purposes specified in RCW (~~74.09.035, 74.09.510, 74.09.520, and 74.09.700~~) 50.62.010, 50.62.020, 50.62.030, 50.04.070, 50.04.072, 50.16.010, 50.29.025, 50.24.014, 50.44.053, and 50.22.010.

Sec. 8. RCW 50.20.050 and 1982 1st ex.s. c 18 s 6 are each amended to read as follows:

(1) An individual shall be disqualified from benefits beginning with the first day of the calendar week in which he or she has left work voluntarily without good cause and thereafter for five calendar weeks and until he or she has obtained bona fide work and earned wages (~~(of not less than his or her suspended weekly benefit amount in each of five calendar weeks)~~) equal to five times his or her weekly benefit amount.

The disqualification shall continue if the work obtained is a mere sham to qualify for benefits and is not bona fide work. In determining whether work is of a bona fide nature, the commissioner shall consider factors including but not limited to the following:

(a) The duration of the work;

(b) The extent of direction and control by the employer over the work; and

(c) The level of skill required for the work in light of the individual's training and experience.

(2) An individual shall not be considered to have left work voluntarily without good cause when:

(a) He or she has left work to accept a bona fide offer of bona fide work as described in subsection (1) of this section; (~~(or)~~)

(b) The separation was because of the illness or disability of the claimant or the death, illness, or disability of a member of the claimant's immediate family if the claimant took all reasonable precautions, in accordance with any regulations that the commissioner may prescribe, to protect his or her employment status by having promptly notified the employer of the reason for the absence and by having promptly requested reemployment when again able to assume employment: PROVIDED, That these precautions need not have been taken when they would have been a futile act, including those instances when the futility of the act was a result of a recognized labor/management dispatch system; or

(c) He or she has left work to relocate for the spouse's employment that is outside the existing labor market area if the claimant remained employed as long as was reasonable prior to the move.

(3) In determining under this section whether an individual has left work voluntarily without good cause, the commissioner shall only consider work-connected factors such as the degree of risk involved to the individual's health, safety, and morals, the individual's physical fitness for the work, the individual's ability to perform the work, and such other work connected factors as the

commissioner may deem pertinent, including state and national emergencies. Good cause shall not be established for voluntarily leaving work because of its distance from an individual's residence where the distance was known to the individual at the time he or she accepted the employment and where, in the judgment of the department, the distance is customarily traveled by workers in the individual's job classification and labor market, nor because of any other significant work factor which was generally known and present at the time he or she accepted employment, unless the related circumstances have so changed as to amount to a substantial involuntary deterioration of the work factor or unless the commissioner determines that other related circumstances would work an unreasonable hardship on the individual were he or she required to continue in the employment.

(4) Subsections (1) and (3) of this section shall not apply to an individual whose marital status or domestic responsibilities cause him or her to leave employment. Such an individual shall not be eligible for unemployment insurance benefits beginning with the first day of the calendar week in which he or she left work and thereafter for five calendar weeks and until he or she has requalified, either by obtaining bona fide work and earning wages ((of not less than the suspended weekly benefit amount in each of five calendar weeks)) equal to five times his or her weekly benefit amount or by reporting in person to the department during ten different calendar weeks and certifying on each occasion that he or she is ready, able, and willing to immediately accept any suitable work which may be offered, is actively seeking work pursuant to customary trade practices, and is utilizing such employment counseling and placement services as are available through the department. This subsection does not apply to individuals covered by subsection (2) (b) or (c) of this section.

Sec. 9. RCW 50.20.060 and 1982 1st ex.s. c 18 s 16 are each amended to read as follows:

~~((1))~~ An individual shall be disqualified from benefits beginning with the first day of the calendar week in which he or she has been discharged or suspended for misconduct connected with his or her work and thereafter for five calendar weeks and until he or she has obtained work and earned wages ~~((of not less than the suspended weekly benefit amount in each of five calendar weeks))~~ equal to five times his or her benefit amount. Alcoholism shall not constitute a defense to disqualification from benefits due to misconduct.

~~((2) An individual who has been discharged because of a felony or a gross misdemeanor of which he or she has been convicted, or has admitted committing to a competent authority, and which is connected with his or her work shall be disqualified from receiving any benefits for which base year credits are earned in any employment prior to the discharge. Such disqualification begins with the first day of the calendar week in which he or she has been discharged, and all benefits paid during the period the individual was disqualified shall be recoverable, notwithstanding RCW 50.20.190, 50.24.020, or any other provision of this title.)~~

Sec. 10. RCW 50.20.080 and 1959 c 321 s 1 are each amended to read as follows:

An individual is disqualified for benefits, if the commissioner finds that ~~((he))~~ the individual has failed without good cause, either to apply for available, suitable work when so directed by the employment office or the commissioner, or to accept suitable work when offered ~~((him))~~ the individual, or to return to his or her customary self-employment (if any) when so directed by the commissioner. Such disqualification shall begin with the week of the refusal and thereafter for five calendar weeks and continue until ~~((he))~~ the individual has obtained work and earned wages therefor of not less than five times his or her suspended weekly benefit amount ~~((in each of five weeks))~~.

NEW SECTION. **Sec. 11.** A new section is added to chapter 50.20 RCW to read as follows:

CANCELLATION OF WAGE/HOUR CREDITS. (1) An individual who has been discharged from his or her work because of a felony or gross misdemeanor of which he or she has been convicted, or has admitted committing to a competent authority, and that is connected with his or her work shall have all hourly wage credits based on that employment canceled.

(2) The employer shall notify the department of such an admission or conviction, not later than six months following the admission or conviction.

(3) The claimant shall disclose any conviction of the claimant of a work-connected felony or gross misdemeanor occurring in the previous two years to the department at the time of application for benefits.

(4) All benefits that are paid in error based on wage/hour credits that should have been removed from the claimant's base year are recoverable, notwithstanding RCW 50.20.190 or 50.24.020 or any other provisions of this title.

Sec. 12. RCW 50.20.120 and 1984 c 205 s 1 are each amended to read as follows:

(1) Subject to the other provisions of this title, benefits shall be payable to any eligible individual during the individual's benefit year in a maximum amount equal to the lesser of thirty times the weekly benefit amount (determined hereinafter) or one-third of the individual's base year wages under this title: **PROVIDED**, That as to any week beginning on and after March 31, 1981, which falls in an extended benefit period as defined in RCW 50.22.010(1), as now or hereafter amended, an individual's eligibility for maximum benefits in excess of twenty-six times his or her weekly benefit amount will be subject to the terms and conditions set forth in RCW 50.22.020, as now or hereafter amended.

(2) An individual's weekly benefit amount shall be an amount equal to one twenty-fifth of the average quarterly wages of the individual's total wages during the two quarters of the individual's base year in which such total wages were highest. The maximum and minimum amounts payable weekly shall be determined as of each June 30th to apply to benefit years beginning in the twelve-month period immediately following such June 30th. The maximum

amount payable weekly shall be ~~((fifty-five))~~ seventy percent of the "average weekly wage" for the calendar year preceding such June 30th~~((+ PROVIDED, That if as of the first December 31st on which the ratio of the balance in the unemployment compensation fund to total remuneration paid by all employers subject to contributions during the calendar year ending on such December 31st and reported to the department by the following March 31st is 0.024 or more, the maximum amount payable weekly for benefit years beginning with the first full calendar week in July next following, and thereafter, shall be sixty percent of the "average weekly wage". The computation for this ratio shall be carried to the fourth decimal place with the remaining fraction, if any, disregarded: PROVIDED FURTHER, That for benefit years beginning before July 7, 1985, the maximum amount payable weekly shall not exceed one hundred eighty five dollars))~~. The minimum amount payable weekly shall be fifteen percent of the "average weekly wage" for the calendar year preceding such June 30th. If any weekly benefit, maximum benefit, or minimum benefit amount computed herein is not a multiple of one dollar, it shall be reduced to the next lower multiple of one dollar.

Sec. 13. RCW 50.20.190 and 1991 c 117 s 3 are each amended to read as follows:

(1) An individual who is paid any amount as benefits under this title to which he or she is not entitled shall, unless otherwise relieved pursuant to this section, be liable for repayment of the amount overpaid. The department shall issue an overpayment assessment setting forth the reasons for and the amount of the overpayment. The amount assessed, to the extent not collected, may be deducted from any future benefits payable to the individual: PROVIDED, That in the absence of fraud, misrepresentation, or willful nondisclosure, every determination of liability shall be mailed or personally served not later than two years after the close of the individual's benefit year in which the purported overpayment was made unless the merits of the claim are subjected to administrative or judicial review in which event the period for serving the determination of liability shall be extended to allow service of the determination of liability during the six-month period following the final decision affecting the claim.

(2) The commissioner may waive an overpayment if the commissioner finds that said overpayment was not the result of fraud, misrepresentation, willful nondisclosure, or fault attributable to the individual and that the recovery thereof would be against equity and good conscience: PROVIDED, HOWEVER, That the overpayment so waived shall be charged against the individual's applicable entitlement for the eligibility period containing the weeks to which the overpayment was attributed as though such benefits had been properly paid.

(3) Any assessment herein provided shall constitute a determination of liability from which an appeal may be had in the same manner and to the same extent as provided for appeals relating to determinations in respect to claims for benefits: PROVIDED, That an appeal from any determination covering overpayment only shall be deemed to be an appeal from the determination which

was the basis for establishing the overpayment unless the merits involved in the issue set forth in such determination have already been heard and passed upon by the appeal tribunal. If no such appeal is taken to the appeal tribunal by the individual within thirty days of the delivery of the notice of determination of liability, or within thirty days of the mailing of the notice of determination, whichever is the earlier, said determination of liability shall be deemed conclusive and final. Whenever any such notice of determination of liability becomes conclusive and final, the commissioner, upon giving at least twenty days notice by certified mail return receipt requested to the individual's last known address of the intended action, may file with the superior court clerk of any county within the state a warrant in the amount of the notice of determination of liability plus a filing fee of five dollars. The clerk of the county where the warrant is filed shall immediately designate a superior court cause number for the warrant, and the clerk shall cause to be entered in the judgment docket under the superior court cause number assigned to the warrant, the name of the person(s) mentioned in the warrant, the amount of the notice of determination of liability, and the date when the warrant was filed. The amount of the warrant as docketed shall become a lien upon the title to, and any interest in, all real and personal property of the person(s) against whom the warrant is issued, the same as a judgment in a civil case duly docketed in the office of such clerk. A warrant so docketed shall be sufficient to support the issuance of writs of execution and writs of garnishment in favor of the state in the manner provided by law for a civil judgment. A copy of the warrant shall be mailed to the person(s) mentioned in the warrant by certified mail to the person's last known address within five days of its filing with the clerk.

(4) On request of any agency which administers an employment security law of another state, the United States, or a foreign government and which has found in accordance with the provisions of such law that a claimant is liable to repay benefits received under such law, the commissioner may collect the amount of such benefits from the claimant to be refunded to the agency. In any case in which under this section a claimant is liable to repay any amount to the agency of another state, the United States, or a foreign government, such amounts may be collected without interest by civil action in the name of the commissioner acting as agent for such agency if the other state, the United States, or the foreign government extends such collection rights to the employment security department of the state of Washington, and provided that the court costs be paid by the governmental agency benefiting from such collection.

(5) Any employer who is a party to a back pay award or settlement due to loss of wages shall, within thirty days of the award or settlement, report to the department the amount of the award or settlement, the name and social security number of the recipient of the award or settlement, and the period for which it is awarded. When an individual has been awarded or receives back pay, for benefit purposes the amount of the back pay shall constitute wages paid in the period for which it was awarded. For contribution purposes, the back pay award

or settlement shall constitute wages paid in the period in which it was actually paid. The following requirements shall also apply:

(a) The employer shall reduce the amount of the back pay award or settlement by an amount determined by the department based upon the amount of unemployment benefits received by the recipient of the award or settlement during the period for which the back pay award or settlement was awarded;

(b) The employer shall pay to the unemployment compensation fund, in a manner specified by the commissioner, an amount equal to the amount of such reduction;

(c) The employer shall also pay to the department any taxes due for unemployment insurance purposes on the entire amount of the back pay award or settlement notwithstanding any reduction made pursuant to (a) of this subsection;

(d) If the employer fails to reduce the amount of the back pay award or settlement as required in (a) of this subsection, the department shall issue an overpayment assessment against the recipient of the award or settlement in the amount that the back pay award or settlement should have been reduced; and

(e) If the employer fails to pay to the department an amount equal to the reduction as required in (b) of this subsection, the department shall issue an assessment of liability against the employer which shall be collected pursuant to the procedures for collection of assessments provided herein and in RCW 50.24.110.

(6) When an individual fails to repay an overpayment assessment that is due and fails to arrange for satisfactory repayment terms, the commissioner shall impose an interest penalty of one percent per month of the outstanding balance (~~((for each month that payments are not made in a timely fashion))~~). Interest shall accrue immediately on overpayments assessed pursuant to RCW 50.20.070 and shall be imposed when the assessment becomes final. For any other overpayment, interest shall accrue when the individual has missed two or more of their monthly payments either partially or in full. The interest penalty shall be used to fund detection and recovery of overpayment and collection activities.

NEW SECTION. **Sec. 14.** A new section is added to chapter 50.20 RCW to read as follows:

All receipts from interest assessed against unemployment insurance claimants shall be deposited in the administrative contingency fund and shall be used for the purpose of RCW 50.20.190(6).

Sec. 15. RCW 50.22.010 and 1985 ex.s. c 5 s 10 are each amended to read as follows:

As used in this chapter, unless the context clearly indicates otherwise:

(1) "Extended benefit period" means a period which:

(a) Begins with the third week after a week for which there is an "on" indicator; and

(b) Ends with the third week after the first week for which there is an "off" indicator: PROVIDED, That no extended benefit period shall last for a period of less than thirteen consecutive weeks, and further that no extended benefit period may begin by reason of an "on" indicator before the fourteenth week after the close of a prior extended benefit period which was in effect with respect to this state.

(2) There is an "on" indicator for this state for a week if the commissioner determines, in accordance with the regulations of the United States secretary of labor, that for the period consisting of such week and the immediately preceding twelve weeks(~~(-)~~):

~~(a) The rate of insured unemployment ((~~(f)~~), not seasonally adjusted(~~(-)~~ either ~~(a)~~)), equaled or exceeded one hundred twenty percent of the average of such rates for the corresponding thirteen-week period ending in each of the preceding two calendar years and equaled or exceeded five percent; or~~

~~(b) ((~~Equaled or exceeded six percent: PROVIDED, That the six percent trigger shall apply only until December 31, 1985~~))~~ For benefits for weeks of unemployment beginning after March 6, 1993:

(i) The average rate of total unemployment, seasonally adjusted, as determined by the United States secretary of labor, for the period consisting of the most recent three months for which data for all states are published before the close of the week equals or exceeds six and one-half percent; and

(ii) The average rate of total unemployment in the state, seasonally adjusted, as determined by the United States secretary of labor, for the three-month period referred to in (b)(i) of this subsection, equals or exceeds one hundred ten percent of the average for either or both of the corresponding three-month periods ending in the two preceding calendar years.

(3) "High unemployment period" means any period of unemployment beginning after March 6, 1993, during which an extended benefit period would be in effect if:

(a) The average rate of total unemployment, seasonally adjusted, as determined by the United States secretary of labor, for the period consisting of the most recent three months for which data for all states are published before the close of the week equals or exceeds eight percent; and

(b) The average rate of total unemployment in the state, seasonally adjusted, as determined by the United States secretary of labor, for the three-month period referred to in (a) of this subsection, equals or exceeds one hundred ten percent of the average for either or both of the corresponding three-month periods ending in the two preceding calendar years.

~~(4) There is an "off" indicator for this state for a week ((if the commissioner determines, in accordance with the regulations of the United States secretary of labor, that for the period consisting of such week and the immediately preceding twelve weeks, the rate of insured unemployment (not seasonally adjusted) was either:~~

~~(a) Less than five percent; or~~

~~(b) Five percent or more but less than six percent and the rate of insured unemployment was less than one hundred twenty percent of the average of the rates for the corresponding thirteen week period ending in each of the two preceding calendar years: PROVIDED, That the six percent trigger shall apply only until December 31, 1985)~~ only if, for the period consisting of such week and immediately preceding twelve weeks, none of the options specified in subsection (2) or (3) of this section result in an "on" indicator.

~~((4))~~ (5) "Regular benefits" means benefits payable to an individual under this title or under any state law (including benefits payable to federal civilian employees and to ex-servicemen pursuant to 5 U.S.C. chapter 85) other than extended benefits or additional benefits.

~~((5))~~ (6) "Extended benefits" means benefits payable for weeks of unemployment beginning in an extended benefit period to an individual under this title or under any state law (including benefits payable to federal civilian employees and to ex-servicemen pursuant to 5 U.S.C. chapter 85) other than regular or additional benefits.

~~((6))~~ (7) "Additional benefits" are benefits totally financed by the state and payable under this title to exhaustees by reason of conditions of high unemployment or by reason of other special factors.

~~((7))~~ (8) "Eligibility period" of an individual means the period consisting of the weeks in his or her benefit year which begin in an extended benefit period that is in effect in this state and, if his or her benefit year ends within such extended benefit period, any weeks thereafter which begin in such period.

~~((8))~~ (9) "Additional benefit eligibility period" of an individual means the period consisting of the weeks in his or her benefit year which begin in an additional benefit period that is in effect and, if his or her benefit year ends within such additional benefit period, any weeks thereafter which begin in such period.

~~((9))~~ (10) "Exhaustee" means an individual who, with respect to any week of unemployment in his or her eligibility period:

(a) Has received, prior to such week, all of the regular benefits that were payable to him or her under this title or any other state law (including dependents' allowances and regular benefits payable to federal civilian employees and ex-servicemen under 5 U.S.C. chapter 85) in his or her current benefit year that includes such week; or

(b) Has received, prior to such week, all of the regular benefits that were available to him or her under this title or any other state law (including dependents' allowances and regular benefits available to federal civilian employees and ex-servicemen under 5 U.S.C. chapter 85) in his or her current benefit year that includes such week, after the cancellation of some or all of his or her wage credits or the total or partial reduction of his or her rights to regular benefits: PROVIDED, That, for the purposes of (a) and (b), an individual shall be deemed to have received in his or her current benefit year all of the regular

benefits that were payable to him or her, or available to him or her, as the case may be, even though:

(i) As a result of a pending appeal with respect to wages or employment, or both, that were not included in the original monetary determination with respect to his or her current benefit year, he or she may subsequently be determined to be entitled to more regular benefits; or

(ii) By reason of the seasonal provisions of another state law, he or she is not entitled to regular benefits with respect to such week of unemployment (although he or she may be entitled to regular benefits with respect to future weeks of unemployment in the next season, as the case may be, in his or her current benefit year), and he or she is otherwise an exhaustee within the meaning of this section with respect to his or her right to regular benefits under such state law seasonal provisions during the season or off season in which that week of unemployment occurs; or

(iii) Having established a benefit year, no regular benefits are payable to him or her during such year because his or her wage credits were canceled or his or her right to regular benefits was totally reduced as the result of the application of a disqualification; or

(c) His or her benefit year having ended prior to such week, he or she has insufficient wages or employment, or both, on the basis of which he or she could establish in any state a new benefit year that would include such week, or having established a new benefit year that includes such week, he or she is precluded from receiving regular benefits by reason of the provision in RCW 50.04.030 which meets the requirement of section 3304(a)(7) of the Federal Unemployment Tax Act, or the similar provision in any other state law; and

(d)(i) Has no right for such week to unemployment benefits or allowances, as the case may be, under the Railroad Unemployment Insurance Act, the Trade Expansion Act of 1962, and such other federal laws as are specified in regulations issued by the United States secretary of labor; and

(ii) Has not received and is not seeking for such week unemployment benefits under the unemployment compensation law of Canada, unless the appropriate agency finally determines that he or she is not entitled to unemployment benefits under such law for such week.

~~((40))~~ (11) "State law" means the unemployment insurance law of any state, approved by the United States secretary of labor under section 3304 of the internal revenue code of 1954.

Sec. 16. RCW 50.22.020 and 1981 c 35 s 8 are each amended to read as follows:

When the result would not be inconsistent with the other provisions of this chapter, the provisions of this title and commissioner's regulations enacted pursuant thereto, which apply to claims for, or the payment of, regular benefits, shall apply to claims for, and the payment of, extended benefits: PROVIDED, That

(1) Payment of extended compensation under this chapter shall not be made to any individual for any week of unemployment in his or her eligibility period—

(a) During which he or she fails to accept any offer of suitable work (as defined in subsection (3) of this section) or fails to apply for any suitable work to which he or she was referred by the employment security department; or

(b) During which he or she fails to actively engage in seeking work.

(2) If any individual is ineligible for extended compensation for any week by reason of a failure described in subsections (1)(a) or (1)(b) of this section, the individual shall be ineligible to receive extended compensation for any week which begins during a period which—

(a) Begins with the week following the week in which such failure occurs; and

(b) Does not end until such individual has been employed during at least four weeks which begin after such failure and the total of the remuneration earned by the individual for being so employed is not less than the product of four multiplied by the individual's weekly benefit amount (as determined under RCW 50.20.120) for his or her benefit year.

(3) For purposes of this section, the term "suitable work" means, with respect to any individual, any work which is within such individual's capabilities and which does not involve conditions described in RCW 50.20.110: PROVIDED, That if the individual furnishes evidence satisfactory to the employment security department that such individual's prospects for obtaining work in his or her customary occupation within a reasonably short period are good, the determination of whether any work is suitable work with respect to such individual shall be made in accordance with RCW 50.20.100.

(4) Extended compensation shall not be denied under subsection (1)(a) of this section to any individual for any week by reason of a failure to accept an offer of, or apply for, suitable work if:

(a) The gross average weekly remuneration payable to such individual for the position does not exceed the sum of—

(i) The individual's weekly benefit amount (as determined under RCW 50.20.120) for his or her benefit year; plus

(ii) The amount (if any) of supplemental unemployment compensation benefits (as defined in section 501(c)(17)(D) of the Internal Revenue Code of 1954, 26 U.S.C. Sec. 501(c)(17)(D)), payable to such individual for such week;

(b) The position was not offered to such individual in writing and was not listed with the employment security department;

(c) Such failure would not result in a denial of compensation under the provisions of RCW 50.20.080 and 50.20.100 to the extent such provisions are not inconsistent with the provisions of subsections (3) and (5) of this section; or

(d) The position pays wages less than the higher of—

(i) The minimum wage provided by section (6)(a)(1) of the Fair Labor Standards Act of 1938, without regard to any exemption; or

(ii) Any applicable state or local minimum wage.

(5) For purposes of this section, an individual shall be treated as actively engaged in seeking work during any week if:

(a) The individual has engaged in a systematic and sustained effort to obtain work during such week; and

(b) The individual provides tangible evidence to the employment security department that he or she has engaged in such an effort during such week.

(6) The employment security department shall refer applicants for benefits under this chapter to any suitable work to which subsections (4)(a) through (4)(d) of this section would not apply.

(7) No provisions of this title which terminates a disqualification for voluntarily leaving employment, being discharged for misconduct, or refusing suitable employment shall apply for purposes of determining eligibility for extended compensation unless such termination is based upon employment subsequent to the date of such disqualification.

(8) The provisions of subsections (1) through (7) of this section shall apply with respect to weeks of unemployment beginning after March 31, 1981. However, the provisions of subsections (1) through (7) of this section shall not apply to those weeks of unemployment beginning after March 6, 1993, and before January 1, 1995.

Sec. 17. RCW 50.22.030 and 1982 1st ex.s. c 18 s 4 are each amended to read as follows:

(1) An individual shall be eligible to receive extended benefits with respect to any week of unemployment in his or her eligibility period only if the commissioner finds with respect to such week that:

(a) The individual is an "exhaustee" as defined in RCW 50.22.010;

(b) He or she has satisfied the requirements of this title for the receipt of regular benefits that are applicable to individuals claiming extended benefits, including not being subject to a disqualification for the receipt of benefits; and

(c) He or she has earned wages in the applicable base year of at least:

(i) Forty times his or her weekly benefit amount; or

(ii) One and one-half times his or her insured wages in the calendar quarter of the base period in which the insured wages are the highest, for weeks of unemployment on or after July 3, 1992.

(2) An individual filing an interstate claim in any state under the interstate benefit payment plan shall not be eligible to receive extended benefits for any week beyond the first two weeks claimed for which extended benefits are payable unless an extended benefit period embracing such week is also in effect in the agent state.

Sec. 18. RCW 50.22.050 and 1982 1st ex.s. c 18 s 5 are each amended to read as follows:

(1) The total extended benefit amount payable to any eligible individual with respect to his or her applicable benefit year shall be the least of the following amounts:

(a) Fifty percent of the total amount of regular benefits which were payable to him or her under this title in his or her applicable benefit year;

(b) Thirteen times his or her weekly benefit amount which was payable to him or her under this title for a week of total unemployment in the applicable benefit year; or

(c) Thirty-nine times his or her weekly benefit amount which was payable to him or her under this title for a week of total unemployment in the applicable benefit year, reduced by the total amount of regular benefits which were paid (or deemed paid) to him or her under this title with respect to the benefit year.

(2) Notwithstanding any other provision of this chapter, if the benefit year of any eligible individual ends within an extended benefit period, the extended benefits which the individual would otherwise be entitled to receive with respect to weeks of unemployment beginning after the end of the benefit year and within the extended benefit period shall be reduced (but not below zero) by the product of the number of weeks for which the individual received any amount as a trade readjustment allowance within that benefit year, multiplied by the individual's weekly extended benefit amount.

(3) Effective for weeks beginning in a high unemployment period as defined in RCW 50.22.010(3) the total extended benefit amount payable to any eligible individual with respect to his or her applicable benefit year shall be the least of the following amounts:

(a) Eighty percent of the total amount of regular benefits that were payable to him or her under this title in his or her applicable benefit year;

(b) Twenty times his or her weekly benefit amount that was payable to him or her under this title for a week of total unemployment in the applicable benefit year; or

(c) Forty-six times his or her weekly benefit amount that was payable to him or her under this title for a week of total unemployment in the applicable benefit year, reduced by the total amount of regular benefits which were paid, or deemed paid, to him or her under this title with respect to the benefit year.

Sec. 19. RCW 50.29.020 and 1991 c 129 s 1 are each amended to read as follows:

(1) An experience rating account shall be established and maintained for each employer, except employers as described in RCW 50.44.010 and 50.44.030 who have properly elected to make payments in lieu of contributions, taxable local government employers as described in RCW 50.44.035, and those employers who are required to make payments in lieu of contributions, based on existing records of the employment security department. Benefits paid to any eligible individuals shall be charged to the experience rating accounts of each of such individual's employers during the individual's base year in the same ratio that the wages paid by each employer to the individual during the base year bear to the wages paid by all employers to that individual during that base year, except as otherwise provided in this section.

(2) The legislature finds that certain benefit payments, in whole or in part, should not be charged to the experience rating accounts of employers except those employers described in RCW 50.44.010 and 50.44.030 who have properly elected to make payments in lieu of contributions, taxable local government employers described in RCW 50.44.035, and those employers who are required to make payments in lieu of contributions, as follows:

(a) Benefits paid to any individuals later determined to be ineligible shall not be charged to the experience rating account of any contribution paying employer.

(b) Benefits paid to an individual under the provisions of RCW 50.12.050 shall not be charged to the account of any contribution paying employer if the wage credits earned in this state by the individual during his or her base year are less than the minimum amount necessary to qualify the individual for unemployment benefits.

(c) Benefits paid to an individual filing under the provisions of chapter 50.06 RCW shall not be charged to the experience rating account of any contribution paying employer.

(d) Benefits paid which represent the state's share of benefits payable under chapter 50.22 RCW shall not be charged to the experience rating account of any contribution paying employer.

(e) In the case of individuals who requalify for benefits under RCW 50.20.050 or 50.20.060, benefits based on wage credits earned prior to the disqualifying separation shall not be charged to the experience rating account of the contribution paying employer from whom that separation took place.

~~(f)((i) Benefits paid to an individual as the result of a determination by the commissioner that no stoppage of work exists, pursuant to RCW 50.20.090, shall not be charged to the experience rating account of any contribution paying employer.~~

~~(ii) Benefits paid to an individual under RCW 50.20.090(1) for weeks of unemployment ending before February 20, 1987, shall not be charged to the experience rating account of any base year employer.~~

~~(g))~~ (g) In the case of individuals identified under RCW 50.20.015, benefits paid with respect to a calendar quarter, which exceed the total amount of wages earned in the state of Washington in the higher of two corresponding calendar quarters included within the individual's determination period, as defined in RCW 50.20.015, shall not be charged to the experience rating account of any contribution paying employer.

~~((h))~~ (g) Benefits paid to an individual who does not successfully complete an approved on-the-job training program under RCW 50.12.240 may not be charged to the experience rating account of the contribution-paying employer who provided the approved on-the-job training.

(3)(a) Beginning July 1, 1985, a contribution-paying base year employer, not otherwise eligible for relief of charges for benefits under this section, may receive such relief if the benefit charges result from payment to an individual who:

~~(i) ((The benefit charges result from payment to an individual who)) Last left the employ of such employer voluntarily for reasons not attributable to the employer(~~(, or was discharged for misconduct connected with his or her work; and))~~;~~

~~(ii) ((The employer requests relief of charges in writing within thirty days following mailing to the last known address of the notification of the initial determination of such a claim, stating the date and reason for the last leaving; and~~

~~(iii) Upon investigation of the separation, the commissioner rules that the relief should be granted.~~

~~(i) An employer who employed a claimant during the claimant's base year, and who continues to employ the claimant, is eligible for relief of benefit charges if relief is requested in writing within thirty days of notification by the department of the claimant's application for initial determination of eligibility. Relief of benefit charges shall cease when the employment relationship with the claimant ends. This subsection shall not apply to shared work employers under chapter 50.60 RCW.~~

~~(j) Benefits paid to an individual who does not successfully complete an approved on the job training program under RCW 50.12.240 shall not be charged to the experience rating account of the contribution paying employer who provided the approved on the job training.~~

~~(k) Benefits paid resulting from a closure or severe curtailment of operations at the employer's plant, building, work site, or facility due to damage caused by fire, flood, or other natural disaster shall not be charged to the experience rating account of the employer if:~~

~~(i) Was discharged for misconduct connected with his or her work not a result of inability to meet the minimum job requirements;~~

~~(ii) Is unemployed as a result of closure or severe curtailment of operation at the employer's plant, building, work site, or other facility. This closure must be for reasons directly attributable to a catastrophic occurrence such as fire, flood, or other natural disaster; or~~

~~(iv) Continues to be employed on a regularly scheduled permanent part-time basis by a base year employer and who at some time during the base year was concurrently employed and subsequently separated from at least one other base year employer. Benefit charge relief ceases when the employment relationship between the employer requesting relief and the claimant is terminated. This subsection does not apply to shared work employers under chapter 50.60 RCW.~~

~~(b) The employer (~~(petitions for))~~ requesting relief of charges(~~(, and~~
~~(ii) The commissioner approves granting relief of charges))~~ under this subsection must request relief in writing within thirty days following mailing to the last known address of the notification of the valid initial determination of such claim, stating the date and reason for the separation or the circumstances of continued employment. The commissioner, upon investigation of the request, shall determine whether relief should be granted.~~

Sec. 20. RCW 50.24.014 and 1987 c 171 s 4 are each amended to read as follows:

A separate and identifiable account to provide for the financing of special programs to assist the unemployed is established in the administrative contingency fund. Contributions to this account shall accrue and become payable by each employer, except employers as described in RCW 50.44.010 and 50.44.030 who have properly elected to make payments in lieu of contributions, taxable local government employers as described in RCW 50.44.035, and those employers who are required to make payments in lieu of contributions, at ~~((the))~~ a basic rate of two one-hundredths of one percent. The amount of wages subject to tax shall be determined under RCW 50.24.010.

For the first calendar quarter of 1994 only, this basic two one-hundredths of one percent shall be increased by one hundredth of one percent to a total rate of three one-hundredths of one percent. The proceeds of this incremental one-hundredth of one percent shall be used solely for the purposes described in section 22 of this act. Any surplus will be deposited in the unemployment compensation trust fund.

Contributions under this section shall become due and be paid by each employer under rules as the commissioner may prescribe, and shall not be deducted, in whole or in part, from the remuneration of individuals in the employ of the employer. Any deduction in violation of this section is unlawful.

In the payment of any contributions under this section, a fractional part of a cent shall be disregarded unless it amounts to one-half cent or more, in which case it shall be increased to one cent.

If the commissioner determines that federal funding has been increased to provide financing for the services specified in chapter 50.62 RCW, the commissioner shall direct that collection of contributions under this section be terminated on the following January 1st.

Sec. 21. RCW 50.29.025 and 1990 c 245 s 7 are each amended to read as follows:

The contribution rate for each employer shall be determined under this section.

(1) A fund balance ratio shall be determined by dividing the balance in the unemployment compensation fund as of the June 30th immediately preceding the rate year by the total remuneration paid by all employers subject to contributions during the second calendar year preceding the rate year and reported to the department by the following March 31st. The division shall be carried to the fourth decimal place with the remaining fraction, if any, disregarded. The fund balance ratio shall be expressed as a percentage.

(2) The interval of the fund balance ratio, expressed as a percentage, shall determine which tax schedule in subsection (5) of this section shall be in effect for assigning tax rates for the rate year. The intervals for determining the effective tax schedule shall be:

Interval of the Fund Balance Ratio Expressed as a Percentage	Effective Tax Schedule
<u>3.90 and above</u>	<u>AA</u>
3.40 (and above) <u>to 3.89</u>	A
2.90 to 3.39	B
2.40 to 2.89	C
1.90 to 2.39	D
1.40 to 1.89	E
Less than 1.40	F

(3) An array shall be prepared, listing all qualified employers in ascending order of their benefit ratios. The array shall show for each qualified employer: (a) Identification number; (b) benefit ratio; (c) taxable payrolls for the four calendar quarters immediately preceding the computation date and reported to the department by the cut-off date; (d) a cumulative total of taxable payrolls consisting of the employer's taxable payroll plus the taxable payrolls of all other employers preceding him or her in the array; and (e) the percentage equivalent of the cumulative total of taxable payrolls.

(4) Each employer in the array shall be assigned to one of twenty rate classes according to the percentage intervals of cumulative taxable payrolls set forth in subsection (5) of this section: PROVIDED, That if an employer's taxable payroll falls within two or more rate classes, the employer and any other employer with the same benefit ratio shall be assigned to the lowest rate class which includes any portion of the employer's taxable payroll.

(5) The contribution rate for each employer in the array shall be the rate specified in the following table for the rate class to which he or she has been assigned, as determined under subsection (4) of this section, within the tax schedule which is to be in effect during the rate year:

Percent of Cumulative Taxable Payrolls		Schedule of Contribution Rates for Effective Tax Schedule							
From	To	Rate Class	<u>AA</u>	A	B	C	D	E	F
0.00	5.00	1	<u>0.48</u>	0.48	0.58	0.98	1.48	1.88	2.48
5.01	10.00	2	<u>0.48</u>	0.48	0.78	1.18	1.68	2.08	2.68
10.01	15.00	3	<u>0.58</u>	0.58	0.98	1.38	1.78	2.28	2.88
15.01	20.00	4	<u>0.58</u>	0.78	1.18	1.58	1.98	2.48	3.08
20.01	25.00	5	<u>0.78</u>	0.98	1.38	1.78	2.18	2.68	3.18
25.01	30.00	6	<u>0.98</u>	1.18	1.58	1.98	2.38	2.78	3.28
30.01	35.00	7	<u>1.08</u>	1.38	1.78	2.18	2.58	2.98	3.38
35.01	40.00	8	<u>1.28</u>	1.58	1.98	2.38	2.78	3.18	3.58
40.01	45.00	9	<u>1.48</u>	1.78	2.18	2.58	2.98	3.38	3.78
45.01	50.00	10	<u>1.68</u>	1.98	2.38	2.78	3.18	3.58	3.98

50.01	55.00	11	<u>1.98</u>	2.28	2.58	2.98	3.38	3.78	4.08
55.01	60.00	12	<u>2.18</u>	2.48	2.78	3.18	3.58	3.98	4.28
60.01	65.00	13	<u>2.38</u>	2.68	2.98	3.38	3.78	4.18	4.48
65.01	70.00	14	<u>2.58</u>	2.88	3.18	3.58	3.98	4.38	4.68
70.01	75.00	15	<u>2.88</u>	3.08	3.38	3.78	4.18	4.58	4.78
75.01	80.00	16	<u>3.08</u>	3.28	3.58	3.98	4.38	4.68	4.88
80.01	85.00	17	<u>3.28</u>	3.48	3.78	4.18	4.58	4.88	4.98
85.01	90.00	18	<u>3.68</u>	3.88	4.18	4.58	4.88	4.98	5.18
90.01	95.00	19	<u>4.08</u>	4.28	4.58	4.98	5.08	5.18	5.38
95.01	100.00	20	<u>5.40</u>	5.40	5.40	5.40	5.40	5.40	5.40

(6) The contribution rate for each employer not qualified to be in the array shall be as follows:

(a) Employers who do not meet the definition of "qualified employer" by reason of failure to pay contributions when due shall be assigned the contribution rate of five and (~~four-tenths~~) six-tenths percent, except employers who have an approved agency-deferred payment contract by September 30 of the previous rate year. If any employer with an approved agency-deferred payment contract fails to make any one of the succeeding deferred payments or fails to submit any succeeding tax report and payment in a timely manner, the employer's tax rate shall immediately revert to five and (~~four-tenths~~) six-tenths percent for the current rate year;

(b) The contribution rate for employers exempt as of December 31, 1989, who are newly covered under the section 78, chapter 380, Laws of 1989 amendment to RCW 50.04.150 and not yet qualified to be in the array shall be 2.5 percent for employers whose standard industrial code is "013", "016", "017", "018", "019", "021", or "081"; and

(c) For all other employers not qualified to be in the array, the contribution rate shall be a rate equal to the average industry rate as determined by the commissioner; however, the rate may not be less than one percent. Assignment of employers by the commissioner to industrial classification, for purposes of this subsection, shall be in accordance with established classification practices found in the "Standard Industrial Classification Manual" issued by the federal office of management and budget to the third digit provided in the Standard Industrial Classification code.

NEW SECTION. Sec. 22. (1) There is hereby created a joint task force on unemployment insurance composed of the following members:

(a) Four members of the senate labor and commerce committee, two from each of the major caucuses, to be appointed by the president of the senate;

(b) Four members of the house of representatives commerce and labor committee, two from each of the major caucuses, to be appointed by the speaker of the house of representatives; and

(c) Up to eight members appointed jointly by the president of the senate and the speaker of the house of representatives representing business and labor in

equal numbers. The business representatives shall be selected from nominations submitted by state-wide business organizations representing a cross-section of industries. The labor representatives shall be selected from nominations submitted by state-wide labor organizations representing a cross-section of industries.

(2) The employment security department unemployment insurance advisory committee shall act as an advisory body to the task force.

(3) The senate committee services and the office of program research shall provide the staff support as mutually agreed by the cochair of the task force. The task force shall designate the cochair.

(4) The members of the task force shall be reimbursed for travel expenses as provided in RCW 43.03.050 and 43.03.060.

(5) The task force shall study the following issues:

(a) Financing and administration of unemployment insurance;

(b) Social costs;

(c) Administrative costs;

(d) Experience rating systems;

(e) Tax rates;

(f) Trust fund adequacy;

(g) Accountability and administrative funding of employment security department programs; and

(h) Any other issues deemed appropriate by the task force.

(6) The task force shall report its findings to the legislature by December 31, 1993.

NEW SECTION. **Sec. 23.** (1) Sections 1 and 8 through 11 of this act are necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect July 3, 1993, and shall be effective as to separations occurring after July 3, 1993.

(2) Section 2 of this act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect July 3, 1993, and is effective as to weeks claimed after July 3, 1993.

(3) Section 12 of this act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect immediately, and is effective as to new claims filed after July 3, 1993.

(4) Section 19 of this act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect July 3, 1993, and is effective as to requests for relief of charges received after July 3, 1993.

(5) Sections 15, 17, and 18 of this act shall be effective as to new extended benefit claims filed after October 2, 1993.

(6) Sections 13 and 14 of this act shall take effect January 1, 1994.

(7) Sections 3, 4, and 5 of this act shall take effect January 2, 1994.

(8) Sections 20 and 21 of this act shall take effect for tax year 1994.

(9) Section 16 of this act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect immediately.

NEW SECTION. Sec. 24. If any part of this act is found to be in conflict with federal requirements that are a prescribed condition to the allocation of federal funds to the state or the eligibility of employers in this state for federal unemployment tax credits, the conflicting part of this act is hereby declared to be inoperative solely to the extent of the conflict, and such finding or determination shall not affect the operation of the remainder of this act. The rules under this act shall meet federal requirements that are a necessary condition to the receipt of federal funds by the state or the granting of federal unemployment tax credits to employers in this state.

NEW SECTION. Sec. 25. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

Passed the Senate April 21, 1993.

Passed the House April 14, 1993.

Approved by the Governor May 17, 1993.

Filed in Office of Secretary of State May 17, 1993.

CHAPTER 484

[Substitute Senate Bill 5704]

UNLAWFUL FACTORING OF CREDIT CARD TRANSACTIONS

Effective Date: 7/25/93

AN ACT Relating to the unlawful factoring of credit card transactions; adding new sections to chapter 9A.56 RCW; and prescribing penalties.

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

NEW SECTION. Sec. 1. A new section is added to chapter 9A.56 RCW to read as follows:

As used in sections 1 and 2 of this act, unless the context requires otherwise:

(1) "Cardholder" means a person to whom a credit card is issued or a person who otherwise is authorized to use a credit card.

(2) "Credit card" means a card, plate, booklet, credit card number, credit card account number, or other identifying symbol, instrument, or device that can be used to pay for, or to obtain on credit, goods or services.

(3) "Credit card transaction" means a sale or other transaction in which a credit card is used to pay for, or to obtain on credit, goods or services.

(4) "Credit card transaction record" means a record or evidence of a credit card transaction, including, without limitation, a paper, sales draft, instrument, or other writing and an electronic or magnetic transmission or record.

(5) "Financial institution" means a bank, trust company, mutual savings bank, savings and loan association, or credit union authorized under state or federal law to do business and accept deposits in Washington.

(6) "Merchant" means a person authorized by a financial institution to honor or accept credit cards in payment for goods or services.

(7) "Person" means an individual, partnership, corporation, trust, or unincorporated association, but does not include a financial institution or its authorized employees, representatives, or agents.

NEW SECTION. **Sec. 2.** A new section is added to chapter 9A.56 RCW to read as follows:

(1) A person commits the crime of unlawful factoring of a credit card transaction if the person, with intent to commit fraud or theft against a cardholder, credit card issuer, or financial institution, causes any such party or parties to suffer actual monetary damages that in the aggregate exceed one thousand dollars, by:

(a) Presenting to or depositing with, or causing another to present to or deposit with, a financial institution for payment a credit card transaction record that is not the result of a credit card transaction between the cardholder and the person;

(b) Employing, soliciting, or otherwise causing a merchant or an employee, representative, or agent of a merchant to present to or deposit with a financial institution for payment a credit card transaction record that is not the result of a credit card transaction between the cardholder and the merchant; or

(c) Employing, soliciting, or otherwise causing another to become a merchant for purposes of engaging in conduct made unlawful by this section.

(2) Normal transactions conducted by or through airline reporting corporation-appointed travel agents or cruise-only travel agents recognized by passenger cruise lines are not considered factoring for the purposes of this section.

(3) Unlawful factoring of a credit card transaction is a class C felony.

Passed the Senate April 24, 1993.

Passed the House April 24, 1993.

Approved by the Governor May 17, 1993.

Filed in Office of Secretary of State May 17, 1993.

CHAPTER 485

[Engrossed Senate Bill 5745]

PNWER-NET WORKING SUBGROUP

Effective Date: 7/25/93

AN ACT Relating to interlibrary sharing; and adding new sections to chapter 43.147 RCW.

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

NEW SECTION. Sec. 1. In chapter 251, Laws of 1991, the legislature enacted into law the Pacific Northwest economic region agreement and made the state of Washington a party along with member states Alaska, Idaho, Montana, and Oregon, and member Canadian provinces Alberta and British Columbia. The legislature recognized that the member states and provinces of the Pacific Northwest economic region are in a strategic position to act together, as a region, thus increasing the overall competitiveness of the members and providing substantial economic benefits for all of their citizens.

For those reasons, in chapter 251, Laws of 1991, the legislature also encouraged the establishment of cooperative activities between the seven legislative bodies of the Pacific Northwest economic region. The member states and provinces now desire to engage in such cooperation by electronically sharing twenty-two million volumes from certain of their respective universities. The member states and provinces have determined that such interlibrary sharing will provide substantial economic benefit for their citizens. The legislature agrees, specifically also finding that such interlibrary sharing furthers a major component of education strategy in the 1990's and twenty-first century, namely providing increased access to knowledge via technology.

NEW SECTION. Sec. 2. Unless the context clearly requires otherwise, as used in sections 1 through 5 of this act "PNWER-Net" means the technology network to be created by the member states and provinces of the Pacific Northwest economic region that will be capable of electronically linking the following undergraduate university libraries of the member states and provinces:

- (1) Alaska:
 - (a) University of Alaska, Anchorage;
 - (b) University of Alaska, Juneau;
- (2) Alberta:
 - (a) University of Alberta, Calgary;
 - (b) University of Alberta, Edmonton;
- (3) British Columbia:
 - (a) University of British Columbia, Vancouver;
 - (b) University of Victoria, Victoria;
- (4) Idaho:
 - (a) Boise State University, Boise;
 - (b) University of Idaho, Moscow;
- (5) Montana:
 - (a) Montana State University, Bozeman;

- (b) University of Montana, Missoula;
- (6) Oregon:
 - (a) Oregon State University, Corvallis;
 - (b) University of Oregon, Eugene;
- (7) Washington:
 - (a) University of Washington, Seattle; and
 - (b) Washington State University, Pullman.

NEW SECTION. Sec. 3. (1) The PNWER-Net working subgroup is hereby created for the member state of Washington. The working subgroup shall be composed of seven members as follows: Two members of the senate, one from each of the major caucuses, appointed by the president of the senate; two members of the house of representatives, appointed by the speaker of the house of representatives; the state librarian; and the primary undergraduate academic librarian from each of the state's two research institutions of higher education.

(2) The staff support shall be provided by the senate committee services and, to the extent authorized by the chief clerk of the house of representatives, by the house of representatives office of program research as mutually agreed by the legislators on the working group.

(3) Legislative members shall be reimbursed for expenses in accordance with RCW 44.04.120. Nonlegislative members shall be reimbursed for expenses in accordance with RCW 43.03.050 and 43.03.060.

NEW SECTION. Sec. 4. The PNWER-Net working subgroup shall have the following duties:

(1) To work with working subgroups from other member states and provinces in an entity known as the PNWER-Net working group to develop PNWER-Net;

(2) To assist the PNWER-Net working group in developing criteria to ensure that designated member libraries use existing telecommunications infrastructure including the internet; and

(3) To report to the legislature by December 1, 1994, concerning the status of PNWER-Net.

NEW SECTION. Sec. 5. The PNWER-Net working group may accept gifts, grants, and donations from private individuals and entities made for the purposes of sections 1 through 4 of this act.

NEW SECTION. Sec. 6. Sections 1 through 5 of this act are each added to chapter 43.147 RCW.

Passed the Senate April 24, 1993.

Passed the House April 24, 1993.

Approved by the Governor May 17, 1993.

Filed in Office of Secretary of State May 17, 1993.

CHAPTER 486

[Senate Bill 5799]

PLATS—LOT NUMBERING AND HOUSE ADDRESS SYSTEMS REQUIRED

Effective Date: 7/25/93

AN ACT Relating to plats and short plats; and amending RCW 58.17.280.

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

Sec. 1. RCW 58.17.280 and 1969 ex.s. c 271 s 29 are each amended to read as follows:

Any city, town or county (~~may~~) shall, by ordinance, regulate the procedure whereby short subdivisions, subdivisions, streets, lots and blocks are named and numbered. A lot numbering system and a house address system, however, shall be provided by the municipality for short subdivisions and subdivisions and must be clearly shown on the short plat or final plat at the time of approval.

Passed the Senate April 20, 1993.

Passed the House April 9, 1993.

Approved by the Governor May 17, 1993.

Filed in Office of Secretary of State May 17, 1993.

CHAPTER 487

[Engrossed Substitute Senate Bill 5815]

CLAIMS TO PROPERTY SEIZED IN CONTROLLED SUBSTANCES

VIOLATIONS—PROCEDURE

Effective Date: 7/25/93

AN ACT Relating to seizure and forfeiture; amending RCW 69.50.505 and 46.12.270; adding new sections to chapter 46.61 RCW; adding new sections to chapter 46.12 RCW; and prescribing penalties.

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

Sec. 1. RCW 69.50.505 and 1992 c 211 s 1 are each amended to read as follows:

(a) The following are subject to seizure and forfeiture and no property right exists in them:

(1) All controlled substances which have been manufactured, distributed, dispensed, acquired, or possessed in violation of this chapter or chapter 69.41 or 69.52 RCW, and all hazardous chemicals, as defined in RCW 64.44.010, used or intended to be used in the manufacture of controlled substances;

(2) All raw materials, products, and equipment of any kind which are used, or intended for use, in manufacturing, compounding, processing, delivering, importing, or exporting any controlled substance in violation of this chapter or chapter 69.41 or 69.52 RCW;

(3) All property which is used, or intended for use, as a container for property described in paragraphs (1) or (2);

(4) All conveyances, including aircraft, vehicles, or vessels, which are used, or intended for use, in any manner to facilitate the sale, delivery, or receipt of property described in paragraphs (1) or (2), except that:

(i) No conveyance used by any person as a common carrier in the transaction of business as a common carrier is subject to forfeiture under this section unless it appears that the owner or other person in charge of the conveyance is a consenting party or privy to a violation of this chapter or chapter 69.41 or 69.52 RCW;

(ii) No conveyance is subject to forfeiture under this section by reason of any act or omission established by the owner thereof to have been committed or omitted without the owner's knowledge or consent;

(iii) No conveyance is subject to forfeiture under this section if used in the receipt of only an amount of marijuana for which possession constitutes a misdemeanor under RCW 69.50.401(e);

(iv) A forfeiture of a conveyance encumbered by a bona fide security interest is subject to the interest of the secured party if the secured party neither had knowledge of nor consented to the act or omission; and

(v) When the owner of a conveyance has been arrested under this chapter or chapter 69.41 or 69.52 RCW the conveyance in which the person is arrested may not be subject to forfeiture unless it is seized or process is issued for its seizure within ten days of the owner's arrest;

(5) All books, records, and research products and materials, including formulas, microfilm, tapes, and data which are used, or intended for use, in violation of this chapter or chapter 69.41 or 69.52 RCW;

(6) All drug paraphernalia;

(7) All moneys, negotiable instruments, securities, or other tangible or intangible property of value furnished or intended to be furnished by any person in exchange for a controlled substance in violation of this chapter or chapter 69.41 or 69.52 RCW, all tangible or intangible personal property, proceeds, or assets acquired in whole or in part with proceeds traceable to an exchange or series of exchanges in violation of this chapter or chapter 69.41 or 69.52 RCW, and all moneys, negotiable instruments, and securities used or intended to be used to facilitate any violation of this chapter or chapter 69.41 or 69.52 RCW(~~or PROVIDED, That~~). A forfeiture of money, negotiable instruments, securities, or other tangible or intangible property encumbered by a bona fide security interest is subject to the interest of the secured party if, at the time the security interest was created, the secured party neither had knowledge of nor consented to the act or omission(~~or PROVIDED FURTHER, That~~). No personal property may be forfeited under this paragraph, to the extent of the interest of an owner, by reason of any act or omission which that owner establishes was committed or omitted without the owner's knowledge or consent; and

(8) All real property, including any right, title, and interest in the whole of any lot or tract of land, and any appurtenances or improvements which are being used with the knowledge of the owner for the manufacturing, compounding,

processing, delivery, importing, or exporting of any controlled substance, or which have been acquired in whole or in part with proceeds traceable to an exchange or series of exchanges in violation of this chapter or chapter 69.41 or 69.52 RCW, if such activity is not less than a class C felony and a substantial nexus exists between the commercial production or sale of the controlled substance and the real property(~~(=PROVIDED, That)~~). However:

(i) No property may be forfeited pursuant to this subsection, to the extent of the interest of an owner, by reason of any act or omission committed or omitted without the owner's knowledge or consent;

(ii) The bona fide gift of a controlled substance, legend drug, or imitation controlled substance shall not result in the forfeiture of real property;

(iii) The possession of marijuana shall not result in the forfeiture of real property unless the marijuana is possessed for commercial purposes, the amount possessed is five or more plants or one pound or more of marijuana, and a substantial nexus exists between the possession of marijuana and the real property. In such a case, the intent of the offender shall be determined by the preponderance of the evidence, including the offender's prior criminal history, the amount of marijuana possessed by the offender, the sophistication of the activity or equipment used by the offender, and other evidence which demonstrates the offender's intent to engage in commercial activity;

(iv) The unlawful sale of marijuana or a legend drug shall not result in the forfeiture of real property unless the sale was forty grams or more in the case of marijuana or one hundred dollars or more in the case of a legend drug, and a substantial nexus exists between the unlawful sale and the real property; and

(v) A forfeiture of real property encumbered by a bona fide security interest is subject to the interest of the secured party if the secured party, at the time the security interest was created, neither had knowledge of nor consented to the act or omission.

(b) Real or personal property subject to forfeiture under this chapter may be seized by any board inspector or law enforcement officer of this state upon process issued by any superior court having jurisdiction over the property. Seizure of real property shall include the filing of a lis pendens by the seizing agency. Real property seized under this section shall not be transferred or otherwise conveyed until ninety days after seizure or until a judgment of forfeiture is entered, whichever is later: PROVIDED, That real property seized under this section may be transferred or conveyed to any person or entity who acquires title by foreclosure or deed in lieu of foreclosure of a security interest. Seizure of personal property without process may be made if:

(1) The seizure is incident to an arrest or a search under a search warrant or an inspection under an administrative inspection warrant;

(2) The property subject to seizure has been the subject of a prior judgment in favor of the state in a criminal injunction or forfeiture proceeding based upon this chapter;

(3) A board inspector or law enforcement officer has probable cause to believe that the property is directly or indirectly dangerous to health or safety; or

(4) The board inspector or law enforcement officer has probable cause to believe that the property was used or is intended to be used in violation of this chapter.

(c) In the event of seizure pursuant to subsection (b), proceedings for forfeiture shall be deemed commenced by the seizure. The law enforcement agency under whose authority the seizure was made shall cause notice to be served within fifteen days following the seizure on the owner of the property seized and the person in charge thereof and any person having any known right or interest therein, including any community property interest, of the seizure and intended forfeiture of the seized property. Service of notice of seizure of real property shall be made according to the rules of civil procedure. However, the state may not obtain a default judgment with respect to real property against a party who is served by substituted service absent an affidavit stating that a good faith effort has been made to ascertain if the defaulted party is incarcerated within the state, and that there is no present basis to believe that the party is incarcerated within the state. Notice of seizure in the case of property subject to a security interest that has been perfected by filing a financing statement in accordance with chapter 62A.9 RCW, or a certificate of title, shall be made by service upon the secured party or the secured party's assignee at the address shown on the financing statement or the certificate of title. The notice of seizure in other cases may be served by any method authorized by law or court rule including but not limited to service by certified mail with return receipt requested. Service by mail shall be deemed complete upon mailing within the fifteen day period following the seizure.

(d) If no person notifies the seizing law enforcement agency in writing of the person's claim of ownership or right to possession of items specified in subsection (a)(4), (a)(7), or (a)(8) of this section within forty-five days of the seizure in the case of personal property and ninety days in the case of real property, the item seized shall be deemed forfeited. The community property interest in real property of a person whose spouse committed a violation giving rise to seizure of the real property may not be forfeited if the person did not participate in the violation.

(e) If any person notifies the seizing law enforcement agency in writing of the person's claim of ownership or right to possession of items specified in subsection (a)(2), (a)(3), (a)(4), (a)(5), (a)(6), (a)(7), or (a)(8) of this section within forty-five days of the seizure in the case of personal property and ninety days in the case of real property, the person or persons shall be afforded a reasonable opportunity to be heard as to the claim or right. The hearing shall be before the chief law enforcement officer of the seizing agency or the chief law enforcement officer's designee, except where the seizing agency is a state agency as defined in RCW 34.12.020(4), the hearing shall be before the chief law

enforcement officer of the seizing agency or an administrative law judge appointed under chapter 34.12 RCW, except that any person asserting a claim or right may remove the matter to a court of competent jurisdiction (~~if the aggregate value of the article or articles involved is more than five hundred dollars~~). Removal of any matter involving personal property may only be accomplished according to the rules of civil procedure. The person seeking removal of the matter must serve process against the state, county, political subdivision, or municipality that operates the seizing agency, and any other party of interest, in accordance with RCW 4.28.080 or 4.92.020, within forty-five days after the person seeking removal has notified the seizing law enforcement agency of the person's claim of ownership or right to possession. The court to which the matter is to be removed shall be the district court when the aggregate value of personal property is within the jurisdictional limit set forth in RCW 3.66.020. A hearing before the seizing agency and any appeal therefrom shall be under Title 34 RCW. In a court hearing between two or more claimants to the article or articles involved, the prevailing party shall be entitled to a judgment for costs and reasonable attorney's fees. In cases involving personal property, the burden of producing evidence shall be upon the person claiming to be the lawful owner or the person claiming to have the lawful right to possession of the property. In cases involving real property, the burden of producing evidence shall be upon the law enforcement agency. The burden of proof that the seized real property is subject to forfeiture shall be upon the law enforcement agency. The seizing law enforcement agency shall promptly return the article or articles to the claimant upon a determination by the administrative law judge or court that the claimant is the present lawful owner or is lawfully entitled to possession thereof of items specified in subsection (a)(2), (a)(3), (a)(4), (a)(5), (a)(6), (a)(7), or (a)(8) of this section.

(f) When property is forfeited under this chapter the board or seizing law enforcement agency may:

(1) Retain it for official use or upon application by any law enforcement agency of this state release such property to such agency for the exclusive use of enforcing the provisions of this chapter;

(2) Sell that which is not required to be destroyed by law and which is not harmful to the public;

(3) Request the appropriate sheriff or director of public safety to take custody of the property and remove it for disposition in accordance with law; or

(4) Forward it to the drug enforcement administration for disposition.

(g)(1) When property is forfeited, the seizing agency shall keep a record indicating the identity of the prior owner, if known, a description of the property, the disposition of the property, the value of the property at the time of seizure, and the amount of proceeds realized from disposition of the property.

(2) Each seizing agency shall retain records of forfeited property for at least seven years.

(3) Each seizing agency shall file a report including a copy of the records of forfeited property with the state treasurer each calendar quarter.

(4) The quarterly report need not include a record of forfeited property that is still being held for use as evidence during the investigation or prosecution of a case or during the appeal from a conviction.

(h)(1) By January 31st of each year, each seizing agency shall remit to the state treasurer an amount equal to ten percent of the net proceeds of any property forfeited during the preceding calendar year. Money remitted shall be deposited in the drug enforcement and education account under RCW 69.50.520.

(2) The net proceeds of forfeited property is the value of the forfeitable interest in the property after deducting the cost of satisfying any bona fide security interest to which the property is subject at the time of seizure; and in the case of sold property, after deducting the cost of sale, including reasonable fees or commissions paid to independent selling agents, and the cost of any valid landlord's claim for damages under subsection (n) of this section.

(3) The value of sold forfeited property is the sale price. The value of retained forfeited property is the fair market value of the property at the time of seizure, determined when possible by reference to an applicable commonly used index, such as the index used by the department of licensing for valuation of motor vehicles. A seizing agency may use, but need not use, an independent qualified appraiser to determine the value of retained property. If an appraiser is used, the value of the property appraised is net of the cost of the appraisal. The value of destroyed property and retained firearms or illegal property is zero.

(i) Forfeited property and net proceeds not required to be paid to the state treasurer shall be retained by the seizing law enforcement agency exclusively for the expansion and improvement of controlled substances related law enforcement activity. Money retained under this section may not be used to supplant preexisting funding sources.

(j) Controlled substances listed in Schedule I, II, III, IV, and V that are possessed, transferred, sold, or offered for sale in violation of this chapter are contraband and shall be seized and summarily forfeited to the state. Controlled substances listed in Schedule I, II, III, IV, and V, which are seized or come into the possession of the board, the owners of which are unknown, are contraband and shall be summarily forfeited to the board.

(k) Species of plants from which controlled substances in Schedules I and II may be derived which have been planted or cultivated in violation of this chapter, or of which the owners or cultivators are unknown, or which are wild growths, may be seized and summarily forfeited to the board.

(l) The failure, upon demand by a board inspector or law enforcement officer, of the person in occupancy or in control of land or premises upon which the species of plants are growing or being stored to produce an appropriate registration or proof that he is the holder thereof constitutes authority for the seizure and forfeiture of the plants.

(m) Upon the entry of an order of forfeiture of real property, the court shall forward a copy of the order to the assessor of the county in which the property is located. Orders for the forfeiture of real property shall be entered by the superior court, subject to court rules. Such an order shall be filed by the seizing agency in the county auditor's records in the county in which the real property is located.

(n) A landlord may assert a claim against proceeds from the sale of assets seized and forfeited under subsection (f)(2) of this section, only if:

(1) A law enforcement officer, while acting in his or her official capacity, directly caused damage to the complaining landlord's property while executing a search of a tenant's residence; and

(2) The landlord has applied any funds remaining in the tenant's deposit, to which the landlord has a right under chapter 59.18 RCW, to cover the damage directly caused by a law enforcement officer prior to asserting a claim under the provisions of this section;

(i) Only if the funds applied under (2) of this subsection are insufficient to satisfy the damage directly caused by a law enforcement officer, may the landlord seek compensation for the damage by filing a claim against the governmental entity under whose authority the law enforcement agency operates within thirty days after the search;

(ii) Only if the governmental entity denies or fails to respond to the landlord's claim within sixty days of the date of filing, may the landlord collect damages under this subsection by filing within thirty days of denial or the expiration of the sixty-day period, whichever occurs first, a claim with the seizing law enforcement agency. The seizing law enforcement agency must notify the landlord of the status of the claim by the end of the thirty-day period. Nothing in this section requires the claim to be paid by the end of the sixty-day or thirty-day period.

(3) For any claim filed under (2) of this subsection, the law enforcement agency shall pay the claim unless the agency provides substantial proof that the landlord either:

(i) Knew or consented to actions of the tenant in violation of this chapter or chapter 69.41 or 69.52 RCW; or

(ii) Failed to respond to a notification of the illegal activity, provided by a law enforcement agency under RCW 59.18.075, within seven days of receipt of notification of the illegal activity.

(o) The landlord's claim for damages under subsection (n) of this section may not include a claim for loss of business and is limited to:

(1) Damage to tangible property and clean-up costs;

(2) The lesser of the cost of repair or fair market value of the damage directly caused by a law enforcement officer;

(3) The proceeds from the sale of the specific tenant's property seized and forfeited under subsection (f)(2) of this section; and

(4) The proceeds available after the seizing law enforcement agency satisfies any bona fide security interest in the tenant's property and costs related to sale of the tenant's property as provided by subsection (h)(2) of this section.

(p) Subsections (n) and (o) of this section do not limit any other rights a landlord may have against a tenant to collect for damages. However, if a law enforcement agency satisfies a landlord's claim under subsection (n) of this section, the rights the landlord has against the tenant for damages directly caused by a law enforcement officer under the terms of the landlord and tenant's contract are subrogated to the law enforcement agency.

NEW SECTION. Sec. 2. A new section is added to chapter 46.61 RCW to read as follows:

(1) A vehicle driven by or under the actual physical control of the owner of the vehicle in violation of RCW 46.61.502 or 46.61.504 is, upon the conviction of the owner when that conviction is the second or subsequent conviction for a violation of RCW 46.61.502 or 46.61.504 within a five-year period, subject to seizure and forfeiture and no property right exists in that vehicle.

A forfeiture of a vehicle encumbered by a bona fide security interest is subject to the interest of the secured party if the secured party neither had knowledge of nor consented to the violation of RCW 46.61.502 or 46.61.504.

(2) A vehicle subject to forfeiture under this chapter may be seized by a law enforcement officer of this state upon process issued by a court of competent jurisdiction. Seizure of a vehicle may be made without process if the vehicle subject to seizure has been the subject of a prior judgment in favor of the state in a forfeiture proceeding based upon this section.

(3) A seizure under subsection (2) of this section automatically commences proceedings for forfeiture. The law enforcement agency under whose authority the seizure was made shall cause notice of the seizure and intended forfeiture of the seized vehicle to be served within fifteen days after the seizure on the owner of the vehicle seized, on the person in charge of the vehicle, and on any person having a known right or interest in the vehicle, including a community property interest. The notice of seizure may be served by any method authorized by law or court rule, including but not limited to service by certified mail with return receipt requested. Service by mail is complete upon mailing within the fifteen-day period after the seizure. Notice of seizure in the case of property subject to a security interest that has been perfected by filing a financing statement in accordance with chapter 62A.9 RCW, or a certificate of title, shall be made by service upon the secured party or the secured party's assignee at the address shown on the financing statement or the certificate of title.

(4) If no person notifies the seizing law enforcement agency in writing of the person's claim of ownership or right to possession of the seized vehicle within forty-five days of the seizure, the vehicle is deemed forfeited.

(5) If a person notifies the seizing law enforcement agency in writing of the person's claim of ownership or right to possession of the seized vehicle within forty-five days of the seizure, the law enforcement agency shall give the person

or persons a reasonable opportunity to be heard as to the claim or right. The hearing shall be before the chief law enforcement officer of the seizing agency or the chief law enforcement officer's designee, except where the seizing agency is a state agency as defined in RCW 34.12.020(4), the hearing shall be before the chief law enforcement officer of the seizing agency or an administrative law judge appointed under chapter 34.12 RCW, except that any person asserting a claim or right may remove the matter to a court of competent jurisdiction. Removal may only be accomplished according to the rules of civil procedure. The person seeking removal of the matter must serve process against the state, county, political subdivision, or municipality that operates the seizing agency, and any other party of interest, in accordance with RCW 4.28.080 or 4.92.020, within forty-five days after the person seeking removal has notified the seizing law enforcement agency of the person's claim of ownership or right to possession. The court to which the matter is to be removed shall be the district court when the aggregate value of the vehicle is within the jurisdictional limit set forth in RCW 3.66.020. A hearing before the seizing agency and any appeal therefrom shall be under Title 34 RCW. In a court hearing between two or more claimants to the vehicle involved, the prevailing party shall be entitled to a judgment for costs and reasonable attorney's fees. The burden of producing evidence shall be upon the person claiming to be the lawful owner or the person claiming to have the lawful right to possession of the vehicle. The seizing law enforcement agency shall promptly return the vehicle to the claimant upon a determination by the administrative law judge or court that the claimant is the present lawful owner or is lawfully entitled to possession of the vehicle.

(6) When a vehicle is forfeited under this chapter the seizing law enforcement agency may sell the vehicle, retain it for official use, or upon application by a law enforcement agency of this state release the vehicle to that agency for the exclusive use of enforcing this title.

(7) When a vehicle is forfeited, the seizing agency shall keep a record indicating the identity of the prior owner, if known, a description of the vehicle, the disposition of the vehicle, the value of the vehicle at the time of seizure, and the amount of proceeds realized from disposition of the vehicle.

(8) Each seizing agency shall retain records of forfeited vehicles for at least seven years.

(9) Each seizing agency shall file a report including a copy of the records of forfeited vehicles with the state treasurer each calendar quarter.

(10) The quarterly report need not include a record of a forfeited vehicle that is still being held for use as evidence during the investigation or prosecution of a case or during the appeal from a conviction.

(11) By January 31st of each year, each seizing agency shall remit to the state treasurer an amount equal to ten percent of the net proceeds of vehicles forfeited during the preceding calendar year. Money remitted shall be deposited in the public safety and education account.

(12) The net proceeds of a forfeited vehicle is the value of the forfeitable interest in the vehicle after deducting the cost of satisfying a bona fide security interest to which the vehicle is subject at the time of seizure; and in the case of a sold vehicle, after deducting the cost of sale, including reasonable fees or commissions paid to independent selling agents.

(13) The value of a sold forfeited vehicle is the sale price. The value of a retained forfeited vehicle is the fair market value of the vehicle at the time of seizure, determined when possible by reference to an applicable commonly used index, such as the index used by the department of licensing. A seizing agency may use, but need not use, an independent qualified appraiser to determine the value of retained vehicles. If an appraiser is used, the value of the vehicle appraised is net of the cost of the appraisal.

NEW SECTION. **Sec. 3.** A new section is added to chapter 46.61 RCW to read as follows:

(1) Whenever a person is charged with a violation of RCW 46.61.502 or 46.61.504 and that person has been previously convicted for a violation of RCW 46.61.502 or 46.61.504 within a five-year period, the court shall instruct the person charged of the provisions of section 5 of this act and shall immediately forward notice of the charge to the director.

(2) Upon the conviction or acquittal of the person charged or if a pending charge is otherwise terminated, the court shall immediately forward notice of the conviction, acquittal, or other termination of charge to the director.

NEW SECTION. **Sec. 4.** A new section is added to chapter 46.12 RCW to read as follows:

Upon receiving notice of a charge under section 3 of this act, the director shall withhold the issuance of a certificate of ownership on a vehicle subject to section 5 of this act unless the applicant is included in the exceptions listed in that section or until receiving notice of acquittal or other termination of the charge under section 3 of this act.

NEW SECTION. **Sec. 5.** A new section is added to chapter 46.12 RCW to read as follows:

It is unlawful to convey, sell, or transfer the ownership of a motor vehicle that was driven by or was under the actual physical control of the owner of the vehicle who has previously been convicted for a violation of RCW 46.61.502 or 46.61.504 within a five-year period and is currently charged with a violation of RCW 46.61.502 or 46.61.504, except that:

(1) A vehicle encumbered by a bona fide security interest may be transferred to the secured party or to a person designated by the secured party; and

(2) A leased vehicle may be transferred to the lessor or to a person designated by the lessor.

Sec. 6. RCW 46.12.270 and 1969 ex.s. c 125 s 3 are each amended to read as follows:

Any person violating ~~((the provisions of))~~ RCW 46.12.250 ~~((or))~~, 46.12.260 ~~((shall be))~~, or section 5 of this act is guilty of a misdemeanor and shall be punished by a fine of not more than two hundred fifty dollars or by imprisonment in a county jail for not more than ninety days.

Passed the Senate April 24, 1993.

Passed the House April 24, 1993.

Approved by the Governor May 17, 1993.

Filed in Office of Secretary of State May 17, 1993.

CHAPTER 488

[Substitute Senate Bill 5876]

RIDE SHARING TAX INCENTIVES

Effective Date: 7/25/93

AN ACT Relating to ride sharing, vanpools, and public transportation facilities and vehicles; amending RCW 82.08.0287, 82.44.015, 82.12.0282, and 46.16.023; creating new sections; repealing 1987 c 175 s 1 (uncodified); and prescribing penalties.

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

NEW SECTION. **Sec. 1.** The legislature finds that ride sharing and vanpools are the fastest growing transportation choice because of their flexibility and cost-effectiveness. Ride sharing and vanpools represent an effective means for local jurisdictions, transit agencies, and the private sector to assist in addressing the requirements of the Commute Trip Reduction Act, the Growth Management Act, the Americans with Disabilities Act, and the Clean Air Act.

Sec. 2. RCW 82.08.0287 and 1980 c 166 s 1 are each amended to read as follows:

The tax imposed by this chapter shall not apply to sales of ~~((vans))~~ passenger motor vehicles which are to be used ~~((regularly))~~ as ride-sharing vehicles, as defined in RCW 46.74.010(3), by not less than ~~((seven))~~ five persons, including ~~((passengers and))~~ the driver, with a gross vehicle weight not to exceed 10,000 pounds where the primary usage is for commuter ride-sharing, as defined in RCW 46.74.010(1), or passenger motor vehicles where the primary usage is for ride-sharing for the elderly and the handicapped, as defined in RCW 46.74.010(2), if the ride-sharing vehicles are exempt under RCW 82.44.015 for thirty-six consecutive months beginning within thirty days of application for exemption under this section. If used as a ride-sharing vehicle for less than thirty-six consecutive months, the registered owner of one of these vehicles shall notify the department of revenue upon termination of primary use of the vehicle as a ride-sharing vehicle and is liable for the tax imposed by this chapter.

To qualify for the tax exemption, those passenger motor vehicles with five or six passengers, including the driver, used for commuter ride-sharing, must be operated either within the state's eight largest counties that are required to develop commute trip reduction plans as directed by chapter 70.94 RCW or in

other counties, or cities and towns within those counties, that elect to adopt and implement a commute trip reduction plan. Additionally at least one of the following conditions must apply: (1) The vehicle must be operated by a public transportation agency for the general public; or (2) the vehicle must be used by a major employer, as defined in RCW 70.94.524 as an element of its commute trip reduction program for their employees; or (3) the vehicle must be owned and operated by individual employees and must be registered either with the employer as part of its commute trip reduction program or with a public transportation agency serving the area where the employees live or work. Individual employee owned and operated motor vehicles will require certification that the vehicle is registered with a major employer or a public transportation agency. Major employers who own and operate motor vehicles for their employees must certify that the commuter ride-sharing arrangement conforms to a carpool/vanpool element contained within their commute trip reduction program.

Sec. 3. RCW 82.44.015 and 1982 c 142 s 1 are each amended to read as follows:

For the purposes of this chapter, in addition to the exclusions under RCW 82.44.010, "motor vehicle" shall not include: (1) ~~((Van))~~ Passenger motor vehicles used ((regularly)) primarily as ride-sharing vehicles, as defined in RCW 46.74.010(3), by not fewer than ((seven)) five persons, including ((passengers and)) the driver, or not fewer than ((five)) four persons including the driver, when at least ((three)) two of those persons are confined to wheelchairs when riding; or (2) vehicles with a seating capacity greater than fifteen persons which otherwise qualify as ride-sharing vehicles under RCW 46.74.010(3) used exclusively for ride sharing for the elderly or the handicapped by not fewer than seven persons, including the driver. This exemption is restricted to passenger motor vehicles with a gross vehicle weight not to exceed 10,000 pounds where the primary usage is for commuter ride-sharing as defined in RCW 46.74.010(1). The registered owner of one of these vehicles shall notify the department of licensing upon termination of ~~((regular))~~ primary use of the vehicle as a ride-sharing vehicle and shall be liable for the tax imposed by this chapter, prorated on the remaining months for which the vehicle is licensed.

To qualify for the tax exemption, those passenger motor vehicles with five or six passengers, including the driver, used for commuter ride-sharing, must be operated either within the state's eight largest counties that are required to develop commute trip reduction plans as directed by chapter 70.94 RCW or in other counties, or cities and towns within those counties, that elect to adopt and implement a commute trip reduction plan. Additionally at least one of the following conditions must apply: (1) The vehicle must be operated by a public transportation agency for the general public; or (2) the vehicle must be used by a major employer, as defined in RCW 70.94.524 as an element of its commute trip reduction program for their employees; or (3) the vehicle must be owned and operated by individual employees and must be registered either with the

employer as part of its commute trip reduction program or with a public transportation agency serving the area where the employees live or work. Individual employee owned and operated motor vehicles will require certification that the vehicle is registered with a major employer or a public transportation agency. Major employers who own and operate motor vehicles for their employees must certify that the commuter ride-sharing arrangement conforms to a carpool/vanpool element contained within their commute trip reduction program.

Sec. 4. RCW 82.12.0282 and 1980 c 166 s 2 are each amended to read as follows:

The tax imposed by this chapter shall not apply with respect to the use of ~~((vans))~~ passenger motor vehicles used ~~((regularly))~~ as ride-sharing vehicles, as defined in RCW 46.74.010(3), by not less than ~~((seven))~~ five persons, including ~~((passengers and))~~ the driver, with a gross vehicle weight not to exceed 10,000 pounds where the primary usage is for commuter ride-sharing, as defined in RCW 46.74.010(1), or passenger motor vehicles where the primary usage is for ride-sharing for the elderly and the handicapped, as defined in RCW 46.74.010(2), if the ~~((vans))~~ vehicles are exempt under RCW 82.44.015 for thirty-six consecutive months beginning within thirty days of application for exemption under this section. If used as a ride-sharing vehicle for less than thirty-six consecutive months, the registered owner of one of these vehicles shall notify the department of revenue upon termination of primary use of the vehicle as a ride-sharing vehicle and is liable for the tax imposed by this chapter.

To qualify for the tax exemption, those passenger motor vehicles with five or six passengers, including the driver, used for commuter ride-sharing, must be operated either within the state's eight largest counties that are required to develop commute trip reduction plans as directed by chapter 70.94 RCW or in other counties, or cities and towns within those counties, that elect to adopt and implement a commute trip reduction plan. Additionally at least one of the following conditions must apply: (1) The vehicle must be operated by a public transportation agency for the general public; or (2) the vehicle must be used by a major employer, as defined in RCW 70.94.524 as an element of its commute trip reduction program for their employees; or (3) the vehicle must be owned and operated by individual employees and must be registered either with the employer as part of its commute trip reduction program or with a public transportation agency serving the area where the employees live or work. Individual employee owned and operated motor vehicles will require certification that the vehicle is registered with a major employer or a public transportation agency. Major employers who own and operate motor vehicles for their employees must certify that the commuter ride-sharing arrangement conforms to a carpool/vanpool element contained within their commute trip reduction program.

Sec. 5. RCW 46.16.023 and 1987 c 175 s 2 are each amended to read as follows:

(1) Every owner or lessee of a vehicle seeking to apply for an excise tax exemption under RCW 82.08.0287, 82.12.0282, or 82.44.015 shall apply to the director for, and upon satisfactory showing of eligibility, receive in lieu of the regular motor vehicle license plates for that vehicle, special plates of a distinguishing separate numerical series or design, as the director shall prescribe. In addition to paying all other initial fees required by law, each applicant for the special license plates shall pay an additional license fee of twenty-five dollars upon the issuance of such plates. The special fee shall be deposited in the motor vehicle fund. Application for renewal of the license plates shall be as prescribed for the renewal of other vehicle licenses. No renewal is required for vehicles exempted under RCW 46.16.020.

(2) Whenever the ownership of a vehicle receiving special plates under subsection (1) of this section is transferred or assigned, the plates shall be removed from the motor vehicle, and if another vehicle qualifying for special plates is acquired, the plates shall be transferred to that vehicle for a fee of five dollars, and the director shall be immediately notified of the transfer of the plates. Otherwise the removed plates shall be immediately forwarded to the director to be canceled. Whenever the owner or lessee of a vehicle receiving special plates under subsection (1) of this section is for any reason relieved of the tax-exempt status, the special plates shall immediately be forwarded to the director along with an application for replacement plates and the required fee. Upon receipt the director shall issue the license plates that are otherwise provided by law.

(3) Any person who knowingly makes any false statement of a material fact in the application for a special plate under subsection (1) of this section is guilty of a gross misdemeanor.

NEW SECTION. Sec. 6. The department shall adopt by rule a process requiring annual recertification upon renewal for vehicles registered under RCW 46.16.023 to discourage abuse of tax exemptions under RCW 82.08.0287, 82.12.0282, and 82.44.015. The department of licensing in consultation with the department of transportation shall submit a report to the legislative transportation committee and the house and senate standing committees on transportation by July 1, 1996, assessing the effectiveness of the department of licensing at limiting tax exemptions to bona fide ride-sharing vehicles.

NEW SECTION. Sec. 7. 1987 c 175 s 1 (uncodified) is repealed.

Passed the Senate April 18, 1993.

Passed the House April 12, 1993.

Approved by the Governor May 17, 1993.

Filed in Office of Secretary of State May 17, 1993.

CHAPTER 489

[Substitute Senate Bill 5913]

PUBLIC HOSPITAL DISTRICTS—ANNEXATION PROCEDURES

Effective Date: 7/25/93

AN ACT Relating to annexation procedures for public hospital districts; and amending RCW 70.44.200.

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

Sec. 1. RCW 70.44.200 and 1979 ex.s. c 143 s 1 are each amended to read as follows:

(1) A public hospital district may annex territory outside the existing boundaries of such district and contiguous thereto, whether the territory lies in one or more counties, in accordance with this section.

(2) A petition for annexation of territory contiguous to a public hospital district may be filed with the commission of the district to which annexation is proposed. The petition must be signed by the owners, as prescribed by RCW 35A.01.040(9) (a) through (e), of not less than sixty percent of the area of land within the territory proposed to be annexed. Such petition shall describe the boundaries of the territory proposed to be annexed and shall be accompanied by a map which outlines the boundaries of such territory.

(3) Whenever such a petition for annexation is filed with the commission of a public hospital district, the commission may entertain the same, fix a date for public hearing thereon, and cause notice of the hearing to be published once a week for at least two consecutive weeks in a newspaper of general circulation within the territory proposed to be annexed. The notice shall also be posted in three public places within the territory proposed to be annexed, shall contain a description of the boundaries of such territory, and shall specify the time and place of hearing and invite interested persons to appear and voice approval or disapproval of the annexation.

(4) Following the hearing, if the commission of the district determines to accomplish the annexation, it shall do so by resolution. The resolution may annex all or any portion of the proposed territory but may not include in the annexation any property not described in the petition. Upon passage of the annexation resolution, the territory annexed shall become part of the district and a certified copy of such resolution shall be filed with the legislative authority of the county or counties in which the annexed property is located.

(5) If the petition for annexation and the annexation resolution so provide, as the commission may require, and such petition has been signed by the owners of all the land within the boundaries of the territory being annexed, the annexed property shall assume and be assessed and taxed to pay for all or any portion of the outstanding indebtedness of the district to which it is annexed at the same rates as other property within such district. Unless so provided in the petition and resolution, property within the boundaries of the territory annexed shall not be assessed or taxed to pay for all or any portion of the indebtedness of the district to which it is annexed that was contracted prior to or which existed at the

date of annexation. In no event shall any such annexed property be released from any assessments or taxes previously levied against it or from its existing liability for the payment of outstanding bonds or warrants issued prior to such annexation.

(6) The annexation procedure provided for in ~~((RCW 70.44.200))~~ this section shall be an alternative method of annexation applicable only ((when)) if at the time ((a)) the annexation petition is filed ((pursuant to RCW 70.44.200)) either there are no ((qualified electors)) registered voters residing in the territory proposed to be annexed or the petition is also signed by all of the registered voters residing in the territory proposed to be annexed.

Passed the Senate April 19, 1993.

Passed the House April 7, 1993.

Approved by the Governor May 17, 1993.

Filed in Office of Secretary of State May 17, 1993.

CHAPTER 490

[Substitute Senate Bill 5963]

HIGHWAY DEFICIENCIES—PRIORITY PROGRAMMING OF MULTIMODAL SOLUTIONS

Effective Date: 7/25/93

AN ACT Relating to priority programming of multimodal solutions to address state highway deficiencies; amending RCW 47.05.010, 47.05.021, 47.05.030, 47.05.035, and 47.05.051; adding a new section to chapter 47.05 RCW; and repealing RCW 47.05.040, 47.05.055, 47.05.070, and 47.05.085.

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

Sec. 1. RCW 47.05.010 and 1969 ex.s. c 39 s 1 are each amended to read as follows:

~~The legislature finds that ((anticipated revenues available for state highways for the foreseeable future will fall substantially short of the amount required to satisfy all of the state highway needs. It is the purpose of this chapter to establish a policy of priority programming for highway development having as its basis the rational selection of projects according to factual need, systematically scheduled to carry out defined objectives within limits of money and manpower, and fixed in advance with reasonable flexibility to meet changed conditions))~~ solutions to state highway deficiencies have become increasingly complex and diverse and that anticipated transportation revenues will fall substantially short of the amount required to satisfy all transportation needs. Difficult investment trade-offs will be required.

It is the intent of the legislature that investment of state transportation funds to address deficiencies on the state highway system be based on a policy of priority programming having as its basis the rational selection of projects and services according to factual need and an evaluation of life cycle costs and

benefits and which are systematically scheduled to carry out defined objectives within available revenue.

The priority programming system shall ensure preservation of the existing state highway system, provide mobility for people and goods, support the state's economy, and promote environmental protection and energy conservation.

The priority programming system shall implement the state-owned highway component of the state-wide multimodal transportation plan, consistent with local and regional transportation plans, by targeting state transportation investment to appropriate multimodal solutions which address identified state highway system deficiencies.

The priority programming system for improvements shall incorporate a broad range of solutions that are identified in the state-wide multimodal transportation plan as appropriate to address state highway system deficiencies including but not limited to highway expansion, efficiency improvements, nonmotorized transportation facilities, high occupancy vehicle facilities, transit facilities and services, rail facilities and services, and transportation demand management programs.

Sec. 2. RCW 47.05.021 and 1987 c 505 s 50 are each amended to read as follows:

(1) The transportation commission is hereby directed to conduct periodic analyses of the entire state highway system, report thereon to the chairs of the transportation committees of the senate and house of representatives, including one copy to the staff of each of the committees, biennially and based thereon, to subdivide, classify, and subclassify according to their function and importance all designated state highways and those added from time to time and periodically review and revise the classifications into the following three functional classes:

(a) The "principal arterial system" shall consist of a connected network of rural arterial routes with appropriate extensions into and through urban areas, including all routes designated as part of the interstate system, which serve corridor movements having travel characteristics indicative of substantial state-wide and interstate travel;

(b) The "minor arterial system" shall, in conjunction with the principal arterial system, form a rural network of arterial routes linking cities and other activity centers which generate long distance travel, and, with appropriate extensions into and through urban areas, form an integrated network providing interstate and interregional service; and

(c) The "collector system" shall consist of routes which primarily serve the more important intercounty, intracounty, and intraurban travel corridors, collect traffic from the system of local access roads and convey it to the arterial system, and on which, regardless of traffic volume, the predominant travel distances are shorter than on arterial routes.

~~(2) ((Those state highways which perform no arterial or collector function, which serve only local access functions, and which lack essential state highway characteristics shall be designated "local access" highways.~~

~~(3))~~) In making the functional classification the transportation commission shall adopt and give consideration to criteria consistent with this section and federal regulations relating to the functional classification of highways, including but not limited to the following:

- (a) Urban population centers within and without the state stratified and ranked according to size;
- (b) Important traffic generating economic activities, including but not limited to recreation, agriculture, government, business, and industry;
- (c) Feasibility of the route, including availability of alternate routes within and without the state;
- (d) Directness of travel and distance between points of economic importance;
- (e) Length of trips;
- (f) Character and volume of traffic;
- (g) Preferential consideration for multiple service which shall include public transportation;
- (h) Reasonable spacing depending upon population density; and
- (i) System continuity.

(3) The transportation commission shall designate a system of state highways that have state-wide significance. This state-wide system shall include interstate highways and other state-wide principal arterials that are needed to connect major communities across the state and support the state's economy.

(4) The transportation commission shall designate a freight and goods transportation system. This state-wide system shall include state highways, county roads, and city streets. The commission, in cooperation with cities and counties, shall review and make recommendations to the legislature regarding policies governing weight restrictions and road closures which affect the transportation of freight and goods. The first report is due by December 15, 1993, and biennially thereafter.

Sec. 3. RCW 47.05.030 and 1987 c 179 s 2 are each amended to read as follows:

The transportation commission shall adopt ~~((and periodically revise, after consultation with the legislative transportation committee,))~~ a comprehensive six-year ~~((program and financial plan for highway improvements specifying program objectives for each of the highway categories, "A," "B," "C," and "H," defined in this section, and within the framework of estimated funds for such period. The program and plan shall be based upon the improvement needs for state highways as determined by the department from time to time.~~

~~With such reasonable deviations as may be required to effectively utilize the estimated funds and to adjust to unanticipated delays in programmed projects, the commission shall allocate the estimated funds among the following described categories of highway improvements, so as to carry out the commission's program objectives:~~

~~(1) Category A shall consist of those improvements necessary to sustain the structural, safety, and operational integrity of the existing state highway system (other than improvements to the interstate system to be funded with federal aid at the regular interstate rate under federal law and regulations, and improvements designated in subsections (2) through (4) of this section).~~

~~(2) Category B shall consist of improvements for the continued development of the interstate system to be funded with federal aid at the regular interstate rate under federal law and regulations.~~

~~(3) Category C shall consist of the development of major transportation improvements (other than improvements to the interstate system to be funded with federal aid at the regular interstate rate under federal law and regulations) including designated but unconstructed highways which are vital to the state-wide transportation network.~~

~~(4) Category H shall consist of those improvements necessary to sustain the structural and operational integrity of existing bridges on the highway system (other than bridges on the interstate system or bridge work included in another category because of its association with a highway project in such category).~~

~~Projects which are financed one hundred percent by federal funds or other agency funds shall, if the commission determines that such work will improve the state highway system, be managed separately from the above categories)) investment program specifying program objectives and performance measures for the preservation and improvement programs defined in this section. In the specification of investment program objectives and performance measures, the transportation commission, in consultation with the Washington state department of transportation, shall define and adopt standards for effective programming and prioritization practices including a needs analysis process. The needs analysis process shall ensure the identification of problems and deficiencies, the evaluation of alternative solutions and trade-offs, and estimations of the costs and benefits of prospective projects. The investment program shall be revised biennially, effective on July 1st of odd-numbered years. The investment program shall be based upon the needs identified in the state-owned highway component of the state-wide multimodal transportation plan as defined in RCW 47.01.071(3).~~

(1) The preservation program shall consist of those investments necessary to preserve the existing state highway system and to restore existing safety features, giving consideration to lowest life cycle costing. The comprehensive six-year investment program for preservation shall identify projects for two years and an investment plan for the remaining four years.

(2) The improvement program shall consist of investments needed to address identified deficiencies on the state highway system to improve mobility, safety, support for the economy, and protection of the environment. The six-year investment program for improvements shall identify projects for two years and major deficiencies proposed to be addressed in the six-year period giving consideration to relative benefits and life cycle costing.

The transportation commission shall approve and present the comprehensive six-year investment program to the legislature in support of the biennial budget request under RCW 44.40.070 and 44.40.080.

Sec. 4. RCW 47.05.035 and 1987 c 179 s 3 are each amended to read as follows:

~~((1) The transportation commission, in preparing the comprehensive six-year program and financial plan for highway improvements, shall allocate the estimated funds among categories A, B, C, and H))~~ In developing program objectives and performance measures, the transportation commission shall evaluate investment trade-offs between the preservation and improvement programs. In making these investment trade-offs, the commission shall evaluate, using cost-benefit techniques, roadway and bridge maintenance activities as compared to roadway and bridge preservation program activities and adjust those programs accordingly.

The commission shall allocate the estimated revenue between preservation and improvement programs giving primary consideration to the following factors:

~~((a))~~ (1) The relative needs in each of the ((categories of improvements)) programs and the system performance levels that can be achieved by meeting these needs;

~~((b))~~ (2) The need to provide adequate funding for ((category A improvements)) preservation to protect the state's investment in its existing highway system;

~~((c))~~ (3) The continuity of future ((highway)) transportation development ((of all categories of improvements)) with those improvements previously programmed; and

~~((d))~~ (4) The availability of ((special categories of federal)) dedicated funds for a specific type of work.

~~((2) The commission in preparing the comprehensive six-year program and financial plan shall establish program objectives for each of the highway categories, A, B, C, and H.))~~

Sec. 5. RCW 47.05.051 and 1987 c 179 s 5 are each amended to read as follows:

~~((1)) The comprehensive six-year investment program ((and financial plan for each category of highway improvements)) shall be based upon ((a)) the needs identified in the state-owned highway component of the state-wide multimodal transportation plan as defined in RCW 47.01.071(3) and priority selection ((system within the program objectives established for each category. The commission using the criteria set forth in RCW 47.05.030, as now or hereafter amended, shall determine the category of each highway improvement.~~

~~(2) Selection of specific category A and H projects for the six-year) systems that incorporate the following criteria:~~

(1) Priority programming for the preservation program shall take into account the ((criteria set forth in subsection (4) of this section.

~~(3) Selection of specific category B projects for the six year program shall be based on commission established priorities for completion and preservation of the interstate system.~~

~~(4) In selecting each category A and H project as provided in subsection (2) of this section, the following criteria (i) following, not necessarily in order of importance (i) shall be taken into consideration:~~

~~(a) Its):~~

~~(a) Extending the service life of the existing highway system;~~

~~(b) Ensuring the structural ability to carry loads imposed upon (ii) highways and bridges;~~

~~((b) Its capacity to move traffic at reasonable speeds without undue congestion;~~

~~(e) Its adequacy of alignment and related geometries;~~

~~(d) Its accident experience; and~~

~~(e) Its fatal accident experience.~~

~~(5)) and~~

~~(c) Minimizing life cycle costs. The transportation commission in carrying out the provisions of this section may delegate to the department of transportation the authority to select ((category A, B, and H improvements)) preservation projects to be included in the six-year program.~~

~~((6) Selection of specific category C projects for the six year program shall be based on the priority of each highway section proposed to be improved in relation to other highway sections within the state with full regard to the structural, geometric, safety, and operational adequacy of the existing highway section taking into account the following:~~

~~(a)) (2) Priority programming for the improvement program shall take into account the following:~~

~~(a) Support for the state's economy, including job creation and job preservation;~~

~~(b) The cost-effective movement of people and goods;~~

~~(c) Accident and accident risk reduction;~~

~~(d) Protection of the state's natural environment;~~

~~(e) Continuity ((f) and systematic development of the highway transportation network;~~

~~((b) Coordination with the development of other modes of transportation;~~

~~(e) The stated long-range goals of the local area and its transportation plan;~~

~~(d) Its potential social, economic, and environmental impacts)) (f)~~

~~Consistency with local comprehensive plans developed under chapter 36.70A RCW;~~

~~(g) Consistency with regional transportation plans developed under chapter 47.80 RCW;~~

~~((e)) (h) Public views concerning proposed improvements;~~

~~((f))~~ (i) The conservation of energy resources (and the capacity of the transportation corridor to move people and goods safely and at reasonable speeds); (and

~~(g))~~ (j) Feasibility of financing the full proposed improvement;

(k) Commitments established in previous legislative sessions;

(l) Relative costs and benefits of candidate programs;

(m) Major projects addressing capacity deficiencies which prioritize allowing for preliminary engineering shall be reprioritized during the succeeding biennium, based upon updated project data. Reprioritized projects may be delayed or canceled by the transportation commission if higher priority projects are awaiting funding; and

(n) Major project approvals which significantly increase a project's scope or cost from original prioritization estimates shall include a review of the project's estimated revised priority rank and the level of funding provided. Projects may be delayed or canceled by the transportation commission if higher priority projects are awaiting funding.

~~((7))~~ (3) The commission (in selecting any project for improvement in categories A, B, C, or H) may depart from the priority (of projects so) programming established under subsections (1) and (2) of this section: (a) To the extent that otherwise funds cannot be utilized feasibly within the program; (b) as may be required by a court judgment, legally binding agreement, or state and federal laws and regulations; (c) as may be required to coordinate with federal, local, or other state agency construction projects; (d) to take advantage of some substantial financial benefit that may be available; (e) for continuity of route development; or (f) because of changed financial or physical conditions of an unforeseen or emergent nature. The commission or secretary of transportation shall maintain in its files information sufficient to show the extent to which the commission has departed from the established priority (of projects.

~~(8) The comprehensive six year program and financial plan for highway improvements shall be revised biennially pursuant to RCW 47.05.040 as now or hereafter amended. The adopted program and plan shall be extended for an additional two years, to six years in the future, effective on July 1st of each odd-numbered year).~~

NEW SECTION. Sec. 6. A new section is added to chapter 47.05 RCW to read as follows:

The provisions of chapter . . . , Laws of 1993 (this act) modifying procedures for priority programming for highway development as set forth in chapter 47.05 RCW, first apply to the comprehensive six-year state highway investment program for the periods 1995 to 2001. For the transition biennium ending June 30, 1995, the commission may deviate from the modified procedures prescribed by chapter . . . , Laws of 1993 (this act).

NEW SECTION. Sec. 7. The following acts or parts of acts are each repealed:

(1) RCW 47.05.040 and 1987 c 179 s 4, 1979 ex.s. c 122 s 4, 1977 ex.s. c 235 s 15, 1975 1st ex.s. c 143 s 3, 1973 2nd ex.s. c 12 s 5, 1969 ex.s. c 39 s 4, & 1963 c 173 s 4;

(2) RCW 47.05.055 and 1979 ex.s. c 122 s 6 & 1975 1st ex.s. c 143 s 6;

(3) RCW 47.05.070 and 1991 c 358 s 5, 1983 1st ex.s. c 53 s 31, 1979 ex.s. c 122 s 7, 1977 ex.s. c 151 s 45, 1973 2nd ex.s. c 12 s 7, & 1963 c 173 s 7; and

(4) RCW 47.05.085 and 1985 c 400 s 4.

Passed the Senate April 20, 1993.

Passed the House April 17, 1993.

Approved by the Governor May 17, 1993.

Filed in Office of Secretary of State May 17, 1993.

CHAPTER 491

[Engrossed Senate Bill 5978]

MOTOR VEHICLE EXCISE TAX—DISTRIBUTION FORMULA REVISED

Effective Date: 6/30/93

AN ACT Relating to disposition of motor vehicle excise tax revenue; amending RCW 82.44.110; reenacting and amending RCW 82.44.150; providing an effective date; and declaring an emergency.

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

Sec. 1. RCW 82.44.110 and 1991 c 199 s 221 are each amended to read as follows:

The county auditor shall regularly, when remitting license fee receipts, pay over and account to the director of licensing for the excise taxes collected under the provisions of this chapter. The director shall forthwith transmit the excise taxes to the state treasurer.

(1) The state treasurer shall deposit the excise taxes collected under RCW 82.44.020(1) as follows:

(a) 1.60 percent into the motor vehicle fund to defray administrative and other expenses incurred by the department in the collection of the excise tax.

(b) 8.15 percent into the Puget Sound capital construction account in the motor vehicle fund.

(c) 4.07 percent into the Puget Sound ferry operations account in the motor vehicle fund.

(d) 8.83 percent into the general fund to be distributed under RCW 82.44.155.

(e) 4.75 percent into the municipal sales and use tax equalization account in the general fund created in RCW 82.14.210.

(f) 1.60 percent into the county sales and use tax equalization account in the general fund created in RCW 82.14.200.

(g) ~~62.6440 percent into the general fund through ((June 30, 1993, 57.6440 percent into the general fund beginning July 1, 1993, and 66))~~ December 31, 1993, 71 percent into the general fund beginning January 1, 1994, and 66 percent into the general fund beginning July 1, 1995.

(h) 5 percent into the transportation fund created in RCW 82.44.180 beginning July 1, ~~((1993))~~ 1995.

(i) 5.9686 percent into the county criminal justice assistance account created in RCW 82.14.310 through December 31, 1993.

(j) 1.1937 percent into the municipal criminal justice assistance account for distribution under RCW 82.14.320 through December 31, 1993.

(k) 1.1937 percent into the municipal criminal justice assistance account for distribution under RCW 82.14.330 through December 31, 1993.

(2) The state treasurer shall deposit the excise taxes collected under RCW 82.44.020(2) into the transportation fund.

(3) The state treasurer shall deposit the excise tax imposed by RCW 82.44.020(3) into the air pollution control account created by RCW 70.94.015.

Sec. 2. RCW 82.44.150 and 1991 c 309 s 5 and 1991 c 199 s 222 are each reenacted and amended to read as follows:

(1) The director of licensing shall, on the twenty-fifth day of February, May, August, and November of each year, advise the state treasurer of the total amount of motor vehicle excise taxes imposed by RCW 82.44.020 (1) and (2) remitted to the department during the preceding calendar quarter ending on the last day of March, June, September, and December, respectively, except for those payable under RCW 82.44.030, from motor vehicle owners residing within each municipality which has levied a tax under RCW 35.58.273, which amount of excise taxes shall be determined by the director as follows:

The total amount of motor vehicle excise taxes remitted to the department, except those payable under RCW 82.44.020(3) and 82.44.030, from each county shall be multiplied by a fraction, the numerator of which is the population of the municipality residing in such county, and the denominator of which is the total population of the county in which such municipality or portion thereof is located. The product of this computation shall be the amount of excise taxes from motor vehicle owners residing within such municipality or portion thereof. Where the municipality levying a tax under RCW 35.58.273 is located in more than one county, the above computation shall be made by county, and the combined products shall provide the total amount of motor vehicle excise taxes from motor vehicle owners residing in the municipality as a whole. Population figures required for these computations shall be supplied to the director by the office of financial management, who shall adjust the fraction annually.

(2) On the first day of the months of January, April, July, and October of each year, the state treasurer based upon information provided by the department shall, from motor vehicle excise taxes deposited in the general fund, under RCW ~~((82.44.110(7)))~~ 82.44.110(1)(g), make the following deposits:

(a) To the high capacity transportation account created in RCW 47.78.010, a sum equal to four and five-tenths percent of the special excise tax levied under RCW 35.58.273 by those municipalities authorized to levy a special excise tax within (i) each county with a population of two hundred ten thousand or more and (ii) each county with a population of from one hundred twenty-five thousand to less than two hundred ten thousand except for those counties that do not border a county with a population as described in subsection (i) of this subsection;

(b) To the central Puget Sound public transportation account created in RCW 82.44.180, for revenues distributed after December 31, 1992, within a county with a population of one million or more and a county with a population of from two hundred thousand to less than one million bordering a county with a population of one million or more, a sum equal to the difference between (i) the special excise tax levied and collected under RCW 35.58.273 by those municipalities authorized to levy and collect a special excise tax subject to the requirements of subsections (3) and (4) of this section and (ii) the special excise tax that the municipality would otherwise have been eligible to levy and collect at a tax rate of .815 percent and been able to match with locally generated tax revenues, other than the excise tax imposed under RCW 35.58.273, budgeted for any public transportation purpose. Before this deposit, the sum shall be reduced by an amount equal to the amount distributed under (a) of this subsection for each of the municipalities within the counties to which this subsection (2)(b) applies; however, any transfer under this subsection (2)(b) must be greater than zero;

(c) To the public transportation systems account created in RCW 82.44.180, for revenues distributed after December 31, 1992, within counties not described in (b) of this subsection, a sum equal to the difference between (i) the special excise tax levied and collected under RCW 35.58.273 by those municipalities authorized to levy and collect a special excise tax subject to the requirements of subsections (3) and (4) of this section and (ii) the special excise tax that the municipality would otherwise have been eligible to levy and collect at a tax rate of .815 percent and been able to match with locally generated tax revenues, other than the excise tax imposed under RCW 35.58.273, budgeted for any public transportation purpose. Before this deposit, the sum shall be reduced by an amount equal to the amount distributed under (a) of this subsection for each of the municipalities within the counties to which this subsection (2)(c) applies; however, any transfer under this subsection (2)(c) must be greater than zero; and

(d) To the ~~((transportation))~~ general fund ~~((created in RCW 82.44.180))~~, for revenues distributed after June 30, ~~((1994))~~ 1993, and to the transportation fund, for revenues distributed after June 30, 1995, a sum equal to the difference between (i) the special excise tax levied and collected under RCW 35.58.273 by those municipalities authorized to levy and collect a special excise tax subject to the requirements of subsections (3) and (4) of this section and (ii) the special excise tax that the municipality would otherwise have been eligible to levy and

collect at a tax rate of .815 percent notwithstanding the requirements set forth in subsections (3) through (6) of this section, reduced by an amount equal to distributions made under (a), (b), and (c) of this subsection.

(3) On the first day of the months of January, April, July, and October of each year, the state treasurer, based upon information provided by the department, shall remit motor vehicle excise tax revenues imposed and collected under RCW 35.58.273 as follows:

(a) The amount required to be remitted by the state treasurer to the treasurer of any municipality levying the tax shall not exceed in any calendar year the amount of locally-generated tax revenues, excluding the excise tax imposed under RCW 35.58.273 for the purposes of this section, which shall have been budgeted by the municipality to be collected in such calendar year for any public transportation purposes including but not limited to operating costs, capital costs, and debt service on general obligation or revenue bonds issued for these purposes; and

(b) In no event may the amount remitted in a single calendar quarter exceed the amount collected on behalf of the municipality under RCW 35.58.273 during the calendar quarter next preceding the immediately preceding quarter.

(4) At the close of each calendar year accounting period, but not later than April 1, each municipality that has received motor vehicle excise taxes under subsection (3) of this section shall transmit to the director of licensing and the state auditor a written report showing by source the previous year's budgeted tax revenues for public transportation purposes as compared to actual collections. Any municipality that has not submitted the report by April 1 shall cease to be eligible to receive motor vehicle excise taxes under subsection (3) of this section until the report is received by the director of licensing. If a municipality has received more or less money under subsection (3) of this section for the period covered by the report than it is entitled to receive by reason of its locally-generated collected tax revenues, the director of licensing shall, during the next ensuing quarter that the municipality is eligible to receive motor vehicle excise tax funds, increase or decrease the amount to be remitted in an amount equal to the difference between the locally-generated budgeted tax revenues and the locally-generated collected tax revenues. In no event may the amount remitted for a calendar year exceed the amount collected on behalf of the municipality under RCW 35.58.273 during that same calendar year. At the time of the next fiscal audit of each municipality, the state auditor shall verify the accuracy of the report submitted and notify the director of licensing of any discrepancies.

(5) The motor vehicle excise taxes imposed under RCW 35.58.273 and required to be remitted under this section shall be remitted without legislative appropriation.

(6) Any municipality levying and collecting a tax under RCW 35.58.273 which does not have an operating, public transit system or a contract for public transportation services in effect within one year from the initial effective date of

the tax shall return to the state treasurer all motor vehicle excise taxes received under subsection (3) of this section.

NEW SECTION. Sec. 3. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect June 30, 1993.

Passed the Senate April 25, 1993.
Passed the House April 24, 1993.
Approved by the Governor May 17, 1993.
Filed in Office of Secretary of State May 17, 1993.

CHAPTER 492

[Engrossed Second Substitute Senate Bill 5304]

HEALTH CARE REFORM ACT

Effective Date: 7/1/93 - Except Sections 234 through 257 which take effect on 7/1/95; & Sections 301 through 303 which take effect on 1/1/96

AN ACT Relating to health care; amending RCW 70.47.010, 70.47.020, 70.47.030, 70.47.040, 70.47.060, 70.47.080, 41.05.011, 41.05.021, 41.05.050, 41.05.055, 41.05.065, 41.05.120, 41.05.140, 47.64.270, 74.09.055, 19.68.010, 70.05.010, 70.05.030, 70.05.040, 70.05.050, 70.05.070, 70.05.080, 70.05.120, 70.05.130, 70.05.150, 70.08.010, 70.12.030, 70.12.050, 70.46.020, 70.46.060, 70.46.080, 70.46.085, 70.46.090, 70.46.120, 82.44.110, 82.44.155, 43.20.030, 70.170.100, 70.170.110, 28B.125.010, 28B.115.080, 70.185.030, 43.70.460, 43.70.470, 48.30.300, 48.44.260, 48.46.380, 48.44.095, 48.14.080, 82.04.260, 82.04.4289, 82.24.020, 82.24.080, 82.26.020, 82.08.150, 66.24.290, 82.02.030, 43.70.320, 70.41.200, 70.41.230, 5.60.070, 4.22.070, 43.84.092, 42.17.2401, and 43.20.050; reenacting and amending RCW 28A.400.200, 28A.400.350, 48.21.200, and 48.46.080; adding a new section to chapter 70.47 RCW; adding new sections to chapter 41.05 RCW; adding a new section to Title 43 RCW; adding new sections to chapter 70.05 RCW; adding new sections to chapter 70.170 RCW; adding a new section to chapter 70.41 RCW; adding new sections to chapter 18.68 RCW; adding a new section to chapter 18.51 RCW; adding new sections to chapter 70.185 RCW; adding a new section to chapter 48.18 RCW; adding a new section to chapter 48.20 RCW; adding a new section to chapter 48.21 RCW; adding new sections to chapter 48.44 RCW; adding new sections to chapter 48.46 RCW; adding a new section to chapter 48.01 RCW; adding a new section to chapter 48.14 RCW; adding a new section to chapter 82.04 RCW; adding new sections to chapter 18.130 RCW; adding new sections to chapter 43.70 RCW; adding a new section to chapter 48.22 RCW; adding a new section to chapter 48.05 RCW; adding new sections to chapter 7.70 RCW; adding a new chapter to Title 43 RCW; adding new chapters to Title 48 RCW; creating new sections; recodifying RCW 70.08.010; repealing RCW 70.05.005, 70.05.020, 70.05.132, 70.05.145, 70.12.005, 70.46.030, 70.46.040, 70.46.050, 48.46.160, 48.46.905, 48.44.410, and 82.04.4288; prescribing penalties; providing effective dates; and declaring an emergency.

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

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PART I. FINDINGS, GOALS, AND INTENT

NEW SECTION. Sec. 101. FINDINGS. The legislature finds that our health and financial security are jeopardized by our ever increasing demand for health care and by current health insurance and health system practices. Current health system practices encourage public demand for unneeded, ineffective, and sometimes dangerous health treatments. These practices often result in unaffordable cost increases that far exceed ordinary inflation for essential care. Current total health care expenditure rates should be sufficient to provide access to essential health care interventions to all within a reformed, efficient system.

The legislature finds that too many of our state's residents are without health insurance, that each year many individuals and families are forced into poverty because of serious illness, and that many must leave gainful employment to be eligible for publicly funded medical services. Additionally, thousands of citizens are at risk of losing adequate health insurance, have had insurance canceled recently, or cannot afford to renew existing coverage.

The legislature finds that businesses find it difficult to pay for health insurance and remain competitive in a global economy, and that individuals, the poor, and small businesses bear an inequitable health insurance burden.

The legislature finds that persons of color have significantly higher rates of mortality and poor health outcomes, and substantially lower numbers and percentages of persons covered by health insurance than the general population. It is intended that chapter . . . , Laws of 1993 (this act) make provisions to address the special health care needs of these racial and ethnic populations in order to improve their health status.

The legislature finds that uncontrolled demand and expenditures for health care are eroding the ability of families, businesses, communities, and governments to invest in other enterprises that promote health, maintain independence, and ensure continued economic welfare. Housing, nutrition, education, and the environment are all diminished as we invest ever increasing shares of wealth in health care treatments.

The legislature finds that while immediate steps must be taken, a long-term plan of reform is also needed.

NEW SECTION. Sec. 102. LEGISLATIVE INTENT AND GOALS. (1) The legislature intends that state government policy stabilize health services costs, assure access to essential services for all residents, actively address the health care needs of persons of color, improve the public's health, and reduce unwarranted health services costs to preserve the viability of nonhealth care businesses.

(2) The legislature intends that:

(a) Total health services costs be stabilized and kept within rates of increase similar to the rates of personal income growth within a publicly regulated, private marketplace that preserves personal choice;

(b) State residents be enrolled in the certified health plan of their choice that meets state standards regarding affordability, accessibility, cost-effectiveness, and clinical efficaciousness;

(c) State residents be able to choose health services from the full range of health care providers, as defined in section 402(12) of this act, in a manner consistent with good health services management, quality assurance, and cost effectiveness;

(d) Individuals and businesses have the option to purchase any health services they may choose in addition to those included in the uniform benefits package or supplemental benefits;

(e) All state residents, businesses, employees, and government participate in payment for health services, with total costs to individuals on a sliding scale based on income to encourage efficient and appropriate utilization of services;

(f) These goals be accomplished within a reformed system using private service providers and facilities in a way that allows consumers to choose among competing plans operating within budget limits and other regulations that promote the public good; and

(g) A policy of coordinating the delivery, purchase, and provision of health services among the federal, state, local, and tribal governments be encouraged and accomplished by chapter . . . , Laws of 1993 (this act).

(3) Accordingly, the legislature intends that chapter . . . , Laws of 1993 (this act) provide both early implementation measures and a process for overall reform of the health services system.

PART II. EARLY IMPLEMENTATION MEASURES

A. BASIC HEALTH PLAN EXPANSION

NEW SECTION. **Sec. 201.** A new section is added to chapter 70.47 RCW to read as follows:

TRANSFER OF POWER AND DUTIES TO WASHINGTON STATE HEALTH CARE AUTHORITY. The powers, duties, and functions of the Washington basic health plan are hereby transferred to the Washington state health care authority. All references to the administrator of the Washington basic health plan in the Revised Code of Washington shall be construed to mean the administrator of the Washington state health care authority.

NEW SECTION. **Sec. 202.** **TRANSFER OF RECORDS, EQUIPMENT, FUNDS.** All reports, documents, surveys, books, records, files, papers, or written material in the possession of the Washington basic health plan shall be delivered to the custody of the Washington state health care authority. All cabinets, furniture, office equipment, motor vehicles, and other tangible property used by the Washington basic health plan shall be made available to the Washington state health care authority. All funds, credits, or other assets held by the Washington basic health plan shall be assigned to the Washington state health care authority.

Any appropriations made to the Washington basic health plan shall, on the effective date of this section, be transferred and credited to the Washington state health care authority. At no time may those funds in the basic health plan trust account, any funds appropriated for the subsidy of any enrollees, or any premium payments or other sums made or received on behalf of any enrollees in the basic health plan be commingled with any appropriated funds designated or intended for the purposes of providing health care coverage to any state or other public employees.

Whenever any question arises as to the transfer of any personnel, funds, books, documents, records, papers, files, equipment, or other tangible property used or held in the exercise of the powers and the performance of the duties and functions transferred, the director of financial management shall make a determination as to the proper allocation and certify the same to the state agencies concerned.

NEW SECTION. Sec. 203. TRANSFER OF EMPLOYEES. All employees of the Washington basic health plan are transferred to the jurisdiction of the Washington state health care authority. All employees classified under chapter 41.06 RCW, the state civil service law, are assigned to the Washington state health care authority to perform their usual duties upon the same terms as formerly, without any loss of rights, subject to any action that may be appropriate thereafter in accordance with the laws and rules governing state civil service.

NEW SECTION. Sec. 204. RULES AND BUSINESS. All rules and all pending business before the Washington basic health plan shall be continued and acted upon by the Washington state health care authority. All existing contracts and obligations shall remain in full force and shall be performed by the Washington state health care authority.

NEW SECTION. Sec. 205. VALIDITY OF PRIOR ACTS. The transfer of the powers, duties, functions, and personnel of the Washington basic health plan shall not affect the validity of any act performed prior to the effective date of this section.

NEW SECTION. Sec. 206. APPORTIONMENT OF BUDGETED FUNDS. If apportionments of budgeted funds are required because of the transfers directed by sections 201 through 205 of this act, the director of financial management shall certify the apportionments to the agencies affected, the state auditor, and the state treasurer. Each of these shall make the appropriate transfer and adjustments in funds and appropriation accounts and equipment records in accordance with the certification.

NEW SECTION. Sec. 207. COLLECTIVE BARGAINING. Nothing contained in sections 201 through 206 of this act may be construed to alter any existing collective bargaining unit or the provisions of any existing collective bargaining agreement until the agreement has expired or until the bargaining unit has been modified by action of the personnel board as provided by law.

Sec. 208. RCW 70.47.010 and 1987 1st ex.s. c 5 s 3 are each amended to read as follows:

BASIC HEALTH PLAN—FINDINGS. (1) The legislature finds that:

(a) A significant percentage of the population of this state does not have reasonably available insurance or other coverage of the costs of necessary basic health care services;

(b) This lack of basic health care coverage is detrimental to the health of the individuals lacking coverage and to the public welfare, and results in substantial expenditures for emergency and remedial health care, often at the expense of health care providers, health care facilities, and all purchasers of health care, including the state; and

(c) The use of managed health care systems has significant potential to reduce the growth of health care costs incurred by the people of this state generally, and by low-income pregnant women (~~((who are an especially vulnerable population, along with their children)),~~ and at-risk children and adolescents who need greater access to managed health care.

(2) The purpose of this chapter is to provide or make more readily available necessary basic health care services in an appropriate setting to working persons and others who lack coverage, at a cost to these persons that does not create barriers to the utilization of necessary health care services. To that end, this chapter establishes a program to be made available to those residents (~~((under sixty-five years of age))~~ not (~~((otherwise))~~ eligible for medicare (~~((with gross family income at or below two hundred percent of the federal poverty guidelines))~~) who share in a portion of the cost or who pay the full cost of receiving basic health care services from a managed health care system.

(3) It is not the intent of this chapter to provide health care services for those persons who are presently covered through private employer-based health plans, nor to replace employer-based health plans. However, the legislature recognizes that cost-effective and affordable health plans may not always be available to small business employers. Further, it is the intent of the legislature to expand, wherever possible, the availability of private health care coverage and to discourage the decline of employer-based coverage.

(4) (~~((The program authorized under this chapter is strictly limited in respect to the total number of individuals who may be allowed to participate and the specific areas within the state where it may be established. All such restrictions or limitations shall remain in full force and effect until quantifiable evidence based upon the actual operation of the program, including detailed cost-benefit analysis, has been presented to the legislature and the legislature, by specific act at that time, may then modify such limitations.))~~)

(a) It is the purpose of this chapter to acknowledge the initial success of this program that has (i) assisted thousands of families in their search for affordable health care; (ii) demonstrated that low-income, uninsured families are willing to pay for their own health care coverage to the extent of their ability to pay; and

(iii) proved that local health care providers are willing to enter into a public-private partnership as a managed care system.

(b) As a consequence, the legislature intends to extend an option to enroll to certain citizens above two hundred percent of the federal poverty guidelines within the state who reside in communities where the plan is operational and who collectively or individually wish to exercise the opportunity to purchase health care coverage through the basic health plan if the purchase is done at no cost to the state. It is also the intent of the legislature to allow employers and other financial sponsors to financially assist such individuals to purchase health care through the program so long as such purchase does not result in a lower standard of coverage for employees.

(c) The legislature intends that, to the extent of available funds, the program be available throughout Washington state to subsidized and nonsubsidized enrollees. It is also the intent of the legislature to enroll subsidized enrollees first, to the maximum extent feasible.

(d) The legislature directs that the basic health plan administrator identify enrollees who are likely to be eligible for medical assistance and assist these individuals in applying for and receiving medical assistance. The administrator and the department of social and health services shall implement a seamless system to coordinate eligibility determinations and benefit coverage for enrollees of the basic health plan and medical assistance recipients.

Sec. 209. RCW 70.47.020 and 1987 1st ex.s. c 5 s 4 are each amended to read as follows:

BASIC HEALTH PLAN—DEFINITIONS. As used in this chapter:

(1) "Washington basic health plan" or "plan" means the system of enrollment and payment on a prepaid capitated basis for basic health care services, administered by the plan administrator through participating managed health care systems, created by this chapter.

(2) "Administrator" means the Washington basic health plan administrator, who also holds the position of administrator of the Washington state health care authority.

(3) "Managed health care system" means any health care organization, including health care providers, insurers, health care service contractors, health maintenance organizations, or any combination thereof, that provides directly or by contract basic health care services, as defined by the administrator and rendered by duly licensed providers, on a prepaid capitated basis to a defined patient population enrolled in the plan and in the managed health care system. On and after July 1, 1995, "managed health care system" means a certified health plan, as defined in section 402 of this act.

(4) "Subsidized enrollee" means an individual, or an individual plus the individual's spouse ~~((and/or))~~ or dependent children, ~~((all under the age of sixty-five and))~~ not ~~((otherwise))~~ eligible for medicare, who resides in an area of the state served by a managed health care system participating in the plan, whose gross family income at the time of enrollment does not exceed twice the federal

poverty level as adjusted for family size and determined annually by the federal department of health and human services, who the administrator determines at the time of application does not have health insurance more comprehensive than that offered by the plan, and who chooses to obtain basic health care coverage from a particular managed health care system in return for periodic payments to the plan.

(5) "Nonsubsidized enrollee" means an individual, or an individual plus the individual's spouse or dependent children, not eligible for medicare, who resides in an area of the state served by a managed health care system participating in the plan, who the administrator determines at the time of application does not have health insurance more comprehensive than that offered by the plan, who chooses to obtain basic health care coverage from a particular managed health care system, and who pays or on whose behalf is paid the full costs for participation in the plan, without any subsidy from the plan.

(6) "Subsidy" means the difference between the amount of periodic payment the administrator makes (~~(, from funds appropriated from the basic health plan trust account,)~~) to a managed health care system on behalf of (~~(an)~~) a subsidized enrollee plus the administrative cost to the plan of providing the plan to that subsidized enrollee, and the amount determined to be the subsidized enrollee's responsibility under RCW 70.47.060(2).

~~((6))~~ (7) "Premium" means a periodic payment, based upon gross family income (~~(and determined under RCW 70.47.060(2),)~~) which an (~~enrollee~~) individual, their employer or another financial sponsor makes to the plan as consideration for enrollment in the plan as a subsidized enrollee or a nonsubsidized enrollee.

~~((7))~~ (8) "Rate" means the per capita amount, negotiated by the administrator with and paid to a participating managed health care system, that is based upon the enrollment of subsidized and nonsubsidized enrollees in the plan and in that system.

Sec. 210. RCW 70.47.030 and 1992 c 232 s 907 are each amended to read as follows:

ACCOUNTS. (1) The basic health plan trust account is hereby established in the state treasury. ~~((AH))~~ Any nongeneral fund-state funds collected for this program shall be deposited in the basic health plan trust account and may be expended without further appropriation. Moneys in the account shall be used exclusively for the purposes of this chapter, including payments to participating managed health care systems on behalf of enrollees in the plan and payment of costs of administering the plan. ~~((After July 1, 1993, the administrator shall not expend or encumber for an ensuing fiscal period amounts exceeding ninety-five percent of the amount anticipated to be spent for purchased services during the fiscal year.))~~

(2) The basic health plan subscription account is created in the custody of the state treasurer. All receipts from amounts due from or on behalf of nonsubsidized enrollees shall be deposited into the account. Funds in the account

shall be used exclusively for the purposes of this chapter, including payments to participating managed health care systems on behalf of nonsubsidized enrollees in the plan and payment of costs of administering the plan. The account is subject to allotment procedures under chapter 43.88 RCW, but no appropriation is required for expenditures.

(3) The administrator shall take every precaution to see that none of the funds in the separate accounts created in this section or that any premiums paid either by subsidized or nonsubsidized enrollees are commingled in any way, except that the administrator may combine funds designated for administration of the plan into a single administrative account.

Sec. 211. RCW 70.47.040 and 1987 1st ex.s. c 5 s 6 are each amended to read as follows:

BASIC HEALTH PLAN—PROGRAM WITHIN STATE HEALTH CARE AUTHORITY. (1) The Washington basic health plan is created as ~~((an independent agency of the state))~~ a program within the Washington state health care authority. The administrative head and appointing authority of the plan shall be the administrator ~~((who shall be appointed by the governor, with the consent of the senate, and shall serve at the pleasure of the governor. The salary for this office shall be set by the governor pursuant to RCW 43.03.040))~~ of the Washington state health care authority. The administrator shall appoint a medical director. The ~~((administrator,))~~ medical director(,) and up to five other employees of the plan shall be exempt from the civil service law, chapter 41.06 RCW.

(2) The administrator shall employ such other staff as are necessary to fulfill the responsibilities and duties of the administrator, such staff to be subject to the civil service law, chapter 41.06 RCW. In addition, the administrator may contract with third parties for services necessary to carry out its activities where this will promote economy, avoid duplication of effort, and make best use of available expertise. Any such contractor or consultant shall be prohibited from releasing, publishing, or otherwise using any information made available to it under its contractual responsibility without specific permission of the plan. The administrator may call upon other agencies of the state to provide available information as necessary to assist the administrator in meeting its responsibilities under this chapter, which information shall be supplied as promptly as circumstances permit.

(3) The administrator may appoint such technical or advisory committees as he or she deems necessary. The administrator shall appoint a standing technical advisory committee that is representative of health care professionals, health care providers, and those directly involved in the purchase, provision, or delivery of health care services, as well as consumers and those knowledgeable of the ethical issues involved with health care public policy. Individuals appointed to any technical or other advisory committee shall serve without compensation for their services as members, but may be reimbursed for their travel expenses pursuant to RCW 43.03.050 and 43.03.060.

(4) The administrator may apply for, receive, and accept grants, gifts, and other payments, including property and service, from any governmental or other public or private entity or person, and may make arrangements as to the use of these receipts, including the undertaking of special studies and other projects relating to health care costs and access to health care.

(5) ~~((In the design, organization, and administration of the plan under this chapter, the administrator shall consider the report of the Washington health care project commission established under chapter 303, Laws of 1986. Nothing in this chapter requires the administrator to follow any specific recommendation contained in that report except as it may also be included in this chapter or other law))~~ Whenever feasible, the administrator shall reduce the administrative cost of operating the program by adopting joint policies or procedures applicable to both the basic health plan and employee health plans.

Sec. 212. RCW 70.47.060 and 1992 c 232 s 908 are each amended to read as follows:

ADMINISTRATOR'S POWERS AND DUTIES. The administrator has the following powers and duties:

(1) To design and from time to time revise a schedule of covered basic health care services, including physician services, inpatient and outpatient hospital services, prescription drugs and medications, and other services that may be necessary for basic health care, which subsidized and nonsubsidized enrollees in any participating managed health care system under the Washington basic health plan shall be entitled to receive in return for premium payments to the plan. The schedule of services shall emphasize proven preventive and primary health care and shall include all services necessary for prenatal, postnatal, and well-child care. However, ~~((for the period ending June 30, 1993,))~~ with respect to coverage for groups of subsidized enrollees who are eligible to receive prenatal and postnatal services through the medical assistance program under chapter 74.09 RCW, the administrator shall not contract for ~~((prenatal or postnatal))~~ such services ~~((that are provided under the medical assistance program under chapter 74.09 RCW))~~ except to the extent that such services are necessary over not more than a one-month period in order to maintain continuity of care after diagnosis of pregnancy by the managed care provider ~~((or except to provide any such services associated with pregnancies diagnosed by the managed care provider before July 1, 1992))~~. The schedule of services shall also include a separate schedule of basic health care services for children, eighteen years of age and younger, for those subsidized or nonsubsidized enrollees who choose to secure basic coverage through the plan only for their dependent children. In designing and revising the schedule of services, the administrator shall consider the guidelines for assessing health services under the mandated benefits act of 1984, RCW 48.42.080, and such other factors as the administrator deems appropriate. On and after July 1, 1995, the uniform benefits package adopted and from time to time revised by the Washington health services commission pursuant to section 449 of this act shall be implemented by the administrator as

the schedule of covered basic health care services. However, with respect to coverage for subsidized enrollees who are eligible to receive prenatal and postnatal services through the medical assistance program under chapter 74.09 RCW, the administrator shall not contract for such services except to the extent that the services are necessary over not more than a one-month period in order to maintain continuity of care after diagnosis of pregnancy by the managed care provider.

(2)(a) To design and implement a structure of periodic premiums due the administrator from subsidized enrollees that is based upon gross family income, giving appropriate consideration to family size ((as well as)) and the ages of all family members. The enrollment of children shall not require the enrollment of their parent or parents who are eligible for the plan. The structure of periodic premiums shall be applied to subsidized enrollees entering the plan as individuals pursuant to subsection (9) of this section and to the share of the cost of the plan due from subsidized enrollees entering the plan as employees pursuant to subsection (10) of this section.

(b) To determine the periodic premiums due the administrator from nonsubsidized enrollees. Premiums due from nonsubsidized enrollees shall be in an amount equal to the cost charged by the managed health care system provider to the state for the plan plus the administrative cost of providing the plan to those enrollees and the appropriate premium tax as provided by law.

(c) An employer or other financial sponsor may, with the prior approval of the administrator, pay the premium, rate, or any other amount on behalf of a subsidized or nonsubsidized enrollee, by arrangement with the enrollee and through a mechanism acceptable to the administrator, but in no case shall the payment made on behalf of the enrollee exceed the total premiums due from the enrollee.

(3) To design and implement a structure of ((nominal)) copayments due a managed health care system from subsidized and nonsubsidized enrollees. The structure shall discourage inappropriate enrollee utilization of health care services, but shall not be so costly to enrollees as to constitute a barrier to appropriate utilization of necessary health care services. On and after July 1, 1995, the administrator shall endeavor to make the copayments structure of the plan consistent with enrollee point of service cost-sharing levels adopted by the Washington health services commission, giving consideration to funding available to the plan.

(4) ((To design and implement, in concert with a sufficient number of potential providers in a discrete area, an enrollee financial participation structure, separate from that otherwise established under this chapter, that has the following characteristics:

(a) Nominal premiums that are based upon ability to pay, but not set at a level that would discourage enrollment;

(b) A modified fee for services payment schedule for providers;

~~(c) Coinsurance rates that are established based on specific service and procedure costs and the enrollee's ability to pay for the care. However, coinsurance rates for families with incomes below one hundred twenty percent of the federal poverty level shall be nominal. No coinsurance shall be required for specific proven prevention programs, such as prenatal care. The coinsurance rate levels shall not have a measurable negative effect upon the enrollee's health status; and~~

~~(d) A case management system that fosters a provider-enrollee relationship whereby, in an effort to control cost, maintain or improve the health status of the enrollee, and maximize patient involvement in her or his health care decision-making process, every effort is made by the provider to inform the enrollee of the cost of the specific services and procedures and related health benefits.~~

~~The potential financial liability of the plan to any such providers shall not exceed in the aggregate an amount greater than that which might otherwise have been incurred by the plan on the basis of the number of enrollees multiplied by the average of the prepaid capitated rates negotiated with participating managed health care systems under RCW 70.47.100 and reduced by any sums charged enrollees on the basis of the coinsurance rates that are established under this subsection.~~

~~(5)) To limit enrollment of persons who qualify for subsidies so as to prevent an overexpenditure of appropriations for such purposes. Whenever the administrator finds that there is danger of such an overexpenditure, the administrator shall close enrollment until the administrator finds the danger no longer exists.~~

(5) To limit the payment of subsidies to subsidized enrollees, as defined in RCW 70.47.020.

(6) To adopt a schedule for the orderly development of the delivery of services and availability of the plan to residents of the state, subject to the limitations contained in RCW 70.47.080 or any act appropriating funds for the plan.

~~(In the selection of any area of the state for the initial operation of the plan, the administrator shall take into account the levels and rates of unemployment in different areas of the state, the need to provide basic health care coverage to a population reasonably representative of the portion of the state's population that lacks such coverage, and the need for geographic, demographic, and economic diversity.~~

~~Before July 1, 1988, the administrator shall endeavor to secure participation contracts with managed health care systems in discrete geographic areas within at least five congressional districts.)~~

(7) To solicit and accept applications from managed health care systems, as defined in this chapter, for inclusion as eligible basic health care providers under the plan. The administrator shall endeavor to assure that covered basic health care services are available to any enrollee of the plan from among a selection of two or more participating managed health care systems. In adopting any rules

or procedures applicable to managed health care systems and in its dealings with such systems, the administrator shall consider and make suitable allowance for the need for health care services and the differences in local availability of health care resources, along with other resources, within and among the several areas of the state. Contracts with participating managed health care systems shall ensure that basic health plan enrollees who become eligible for medical assistance may, at their option, continue to receive services from their existing providers within the managed health care system if such providers have entered into provider agreements with the department of social and health services.

(8) To receive periodic premiums from or on behalf of subsidized and nonsubsidized enrollees, deposit them in the basic health plan operating account, keep records of enrollee status, and authorize periodic payments to managed health care systems on the basis of the number of enrollees participating in the respective managed health care systems.

(9) To accept applications from individuals residing in areas served by the plan, on behalf of themselves and their spouses and dependent children, for enrollment in the Washington basic health plan as subsidized or nonsubsidized enrollees, to establish appropriate minimum-enrollment periods for enrollees as may be necessary, and to determine, upon application and at least ~~((annually))~~ semiannually thereafter, or at the request of any enrollee, eligibility due to current gross family income for sliding scale premiums. ~~((An enrollee who remains current in payment of the sliding scale premium, as determined under subsection (2) of this section, and whose gross family income has risen above twice the federal poverty level, may continue enrollment unless and until the enrollee's gross family income has remained above twice the poverty level for six consecutive months, by making payment at the unsubsidized rate required for the managed health care system in which he or she may be enrolled.))~~ No subsidy may be paid with respect to any enrollee whose current gross family income exceeds twice the federal poverty level or, subject to RCW 70.47.110, who is a recipient of medical assistance or medical care services under chapter 74.09 RCW. If, as a result of an eligibility review, the administrator determines that a subsidized enrollee's income exceeds twice the federal poverty level and that the enrollee knowingly failed to inform the plan of such increase in income, the administrator may bill the enrollee for the subsidy paid on the enrollee's behalf during the period of time that the enrollee's income exceeded twice the federal poverty level. If a number of enrollees drop their enrollment for no apparent good cause, the administrator may establish appropriate rules or requirements that are applicable to such individuals before they will be allowed to re-enroll in the plan.

(10) To accept applications from business owners on behalf of themselves and their employees, spouses, and dependent children, as subsidized or nonsubsidized enrollees, who reside in an area served by the plan. The administrator may require all or the substantial majority of the eligible employees of such businesses to enroll in the plan and establish those procedures necessary

to facilitate the orderly enrollment of groups in the plan and into a managed health care system. The administrator shall require that a business owner pay at least fifty percent of the nonsubsidized premium cost of the plan on behalf of each employee enrolled in the plan. Enrollment is limited to those not eligible for medicare who wish to enroll in the plan and choose to obtain the basic health care coverage and services from a managed care system participating in the plan. The administrator shall adjust the amount determined to be due on behalf of or from all such enrollees whenever the amount negotiated by the administrator with the participating managed health care system or systems is modified or the administrative cost of providing the plan to such enrollees changes.

(11) To determine the rate to be paid to each participating managed health care system in return for the provision of covered basic health care services to enrollees in the system. Although the schedule of covered basic health care services will be the same for similar enrollees, the rates negotiated with participating managed health care systems may vary among the systems. In negotiating rates with participating systems, the administrator shall consider the characteristics of the populations served by the respective systems, economic circumstances of the local area, the need to conserve the resources of the basic health plan trust account, and other factors the administrator finds relevant.

~~((11))~~ (12) To monitor the provision of covered services to enrollees by participating managed health care systems in order to assure enrollee access to good quality basic health care, to require periodic data reports concerning the utilization of health care services rendered to enrollees in order to provide adequate information for evaluation, and to inspect the books and records of participating managed health care systems to assure compliance with the purposes of this chapter. In requiring reports from participating managed health care systems, including data on services rendered enrollees, the administrator shall endeavor to minimize costs, both to the managed health care systems and to the ~~((administrator))~~ plan. The administrator shall coordinate any such reporting requirements with other state agencies, such as the insurance commissioner and the department of health, to minimize duplication of effort.

~~((12) To monitor the access that state residents have to adequate and necessary health care services, determine the extent of any unmet needs for such services or lack of access that may exist from time to time, and make such reports and recommendations to the legislature as the administrator deems appropriate.))~~

(13) To evaluate the effects this chapter has on private employer-based health care coverage and to take appropriate measures consistent with state and federal statutes that will discourage the reduction of such coverage in the state.

(14) To develop a program of proven preventive health measures and to integrate it into the plan wherever possible and consistent with this chapter.

(15) To provide, consistent with available ~~((resources, technical))~~ funding, assistance for rural ~~((health activities that endeavor to develop needed health care~~

services in rural parts of the state)) residents, underserved populations, and persons of color.

Sec. 213. RCW 70.47.080 and 1987 1st ex.s. c 5 s 10 are each amended to read as follows:

ENROLLMENT. On and after July 1, 1988, the administrator shall accept for enrollment applicants eligible to receive covered basic health care services from the respective managed health care systems which are then participating in the plan. ~~((The administrator shall not allow the total enrollment of those eligible for subsidies to exceed thirty thousand.))~~

~~Thereafter, total ((enrollment shall not exceed the number established by the legislature in any act appropriating funds to the plan.~~

~~Before July 1, 1988, the administrator shall endeavor to secure participation contracts from managed health care systems in discrete geographic areas within at least five congressional districts of the state and in such manner as to allow residents of both urban and rural areas access to enrollment in the plan. The administrator shall make a special effort to secure agreements with health care providers in one such area that meets the requirements set forth in RCW 70.47.060(4)) subsidized enrollment shall not result in expenditures that exceed the total amount that has been made available by the legislature in any act appropriating funds to the plan. To the extent that new funding is appropriated for expansion, the administrator shall endeavor to secure participation contracts from managed health care systems in geographic areas of the state that are unserved by the plan at the time at which the new funding is appropriated. In the selection of any such areas the administrator shall take into account the levels and rates of unemployment in different areas of the state, the need to provide basic health care coverage to a population reasonably representative of the portion of the state's population that lacks such coverage, and the need for geographic, demographic, and economic diversity.~~

The administrator shall at all times closely monitor growth patterns of enrollment so as not to exceed that consistent with the orderly development of the plan as a whole, in any area of the state or in any participating managed health care system. The annual or biennial enrollment limitations derived from operation of the plan under this section do not apply to nonsubsidized enrollees as defined in RCW 70.47.020(5).

B. EXPANDED MANAGED CARE FOR STATE EMPLOYEES

Sec. 214. RCW 41.05.011 and 1990 c 222 s 2 are each amended to read as follows:

DEFINITIONS. Unless the context clearly requires otherwise, the definitions in this section shall apply throughout this chapter.

(1) "Administrator" means the administrator of the authority.

(2) "State purchased health care" or "health care" means medical and health care, pharmaceuticals, and medical equipment purchased with state and federal funds by the department of social and health services, the department of health,

the basic health plan, the state health care authority, the department of labor and industries, the department of corrections, the department of veterans affairs, and local school districts.

(3) "Authority" means the Washington state health care authority.

(4) "Insuring entity" means an (~~insurance carrier as defined in chapter 48.21 or 48.22~~) insurer as defined in chapter 48.01 RCW, a health care service contractor as defined in chapter 48.44 RCW, or a health maintenance organization as defined in chapter 48.46 RCW. On and after July 1, 1995, "insuring entity" means a certified health plan, as defined in section 402 of this act.

(5) "Flexible benefit plan" means a benefit plan that allows employees to choose the level of health care coverage provided and the amount of employee contributions from among a range of choices offered by the authority.

(6) "Employee" includes all full-time and career seasonal employees of the state, whether or not covered by civil service; elected and appointed officials of the executive branch of government, including full-time members of boards, commissions, or committees; and includes any or all part-time and temporary employees under the terms and conditions established under this chapter by the authority; justices of the supreme court and judges of the court of appeals and the superior courts; and members of the state legislature or of the legislative authority of any county, city, or town who are elected to office after February 20, 1970. "Employee" also includes: (a) By October 1, 1995, all employees of school districts. Between October 1, 1994, and September 30, 1995, "employee" includes employees of those school districts for whom the authority has undertaken the purchase of insurance benefits. The transition to insurance benefits purchasing by the authority may not disrupt existing insurance contracts between school district employees and insurers. However, except to the extent provided in RCW 28A.400.200, any such contract that provides for health insurance benefits coverage after October 1, 1995, shall be void as of that date if the contract was entered into, renewed, or extended after July 1, 1993. Prior to October 1, 1994, "employee" includes employees of a school district if the board of directors of the school district seeks and receives the approval of the authority to provide any of its insurance programs by contract with the authority; (b) employees of a county, municipality, or other political subdivision of the state if the legislative authority of the county, municipality, or other political subdivision of the state seeks and receives the approval of the authority to provide any of its insurance programs by contract with the authority, as provided in RCW 41.04.205(~~, and employees of a school district if the board of directors of the school district seeks and receives the approval of the authority to provide any of its insurance programs by contract with the authority as provided in RCW 28A.400.350~~); (c) employees of employee organizations representing state civil service employees, at the option of each such employee organization, and, effective October 1, 1995, employees of employee organizations currently pooled with employees of school districts for the purpose of purchasing insurance benefits, at the option of each such employee organization.

(7) "Board" means the ~~((state))~~ public employees' benefits board established under RCW 41.05.055.

Sec. 215. RCW 41.05.021 and 1990 c 222 s 3 are each amended to read as follows:

HEALTH CARE AUTHORITY DUTIES. (1) The Washington state health care authority is created within the executive branch. The authority shall have an administrator appointed by the governor, with the consent of the senate. The administrator shall serve at the pleasure of the governor. The administrator may employ up to seven staff members, who shall be exempt from chapter 41.06 RCW, and any additional staff members as are necessary to administer this chapter. The primary duties of the authority shall be to administer state employees' insurance benefits ~~((and to))~~, study state-purchased health care programs in order to maximize cost containment in these programs while ensuring access to quality health care, and implement state initiatives, joint purchasing strategies, and techniques for efficient administration that have potential application to all state-purchased health services. The authority's duties include, but are not limited to, the following:

~~((+))~~ (a) To administer a health care benefit program for employees as specifically authorized in RCW 41.05.065 and in accordance with the methods described in RCW 41.05.075, 41.05.140, and other provisions of this chapter;

~~((2))~~ (b) To analyze state-purchased health care programs and to explore options for cost containment and delivery alternatives for those programs that are consistent with the purposes of those programs, including, but not limited to:

~~((a))~~ (i) Creation of economic incentives for the persons for whom the state purchases health care to appropriately utilize and purchase health care services, including the development of flexible benefit plans to offset increases in individual financial responsibility;

~~((b))~~ (ii) Utilization of provider arrangements that encourage cost containment ~~((and ensure access to quality care))~~, including but not limited to prepaid delivery systems, utilization review, and prospective payment methods, and that ensure access to quality care, including assuring reasonable access to local providers, especially for employees residing in rural areas;

~~((c))~~ (iii) Coordination of state agency efforts to purchase drugs effectively as provided in RCW 70.14.050;

~~((d))~~ (iv) Development of recommendations and methods for purchasing medical equipment and supporting services on a volume discount basis; and

~~((e))~~ (v) Development of data systems to obtain utilization data from state-purchased health care programs in order to identify cost centers, utilization patterns, provider and hospital practice patterns, and procedure costs, utilizing the information obtained pursuant to RCW 41.05.031;

~~((3))~~ (c) To analyze areas of public and private health care interaction;

~~((4))~~ (d) To provide information and technical and administrative assistance to the board;

~~((5))~~ (e) To review and approve or deny applications from counties, municipalities, and other political subdivisions of the state (~~(, and school districts)~~) to provide state-sponsored insurance or self-insurance programs to their employees in accordance with the provisions of RCW 41.04.205 (~~and 28A.400.350~~), setting the premium contribution for approved groups as outlined in RCW 41.05.050;

~~((6))~~ (f) To appoint a health care policy technical advisory committee as required by RCW 41.05.150; and

~~((7))~~ (g) To promulgate and adopt rules consistent with this chapter as described in RCW 41.05.160.

(2) The public employees' benefits board shall implement strategies to promote managed competition among employee health benefit plans by January 1, 1995, including but not limited to:

(a) Standardizing the benefit package;

(b) Soliciting competitive bids for the benefit package;

(c) Limiting the state's contribution to a percent of the lowest priced sealed bid of a qualified plan within a geographical area. If the state's contribution is less than one hundred percent of the lowest priced sealed bid, employee financial contributions shall be structured on a sliding-scale basis related to household income;

(d) Monitoring the impact of the approach under this subsection with regards to: Efficiencies in health service delivery, cost shifts to subscribers, access to and choice of managed care plans state-wide, and quality of health services. The health care authority shall also advise on the value of administering a benchmark employer-managed plan to promote competition among managed care plans. The health care authority shall report its findings and recommendations to the legislature by January 1, 1997.

Sec. 216. RCW 41.05.050 and 1988 c 107 s 18 are each amended to read as follows:

FERRY EMPLOYEES. (1) Every department, division, or separate agency of state government, and such county, municipal, or other political subdivisions as are covered by this chapter, shall provide contributions to insurance and health care plans for its employees and their dependents, the content of such plans to be determined by the authority. Contributions, paid by the county, the municipality, or other political subdivision for their employees, shall include an amount determined by the authority to pay such administrative expenses of the authority as are necessary to administer the plans for employees of those groups. All such contributions will be paid into the (~~state~~) public employees' health insurance account.

(2) The contributions of any department, division, or separate agency of the state government, and such county, municipal, or other political subdivisions as are covered by this chapter, shall be set by the authority, subject to the approval of the governor for availability of funds as specifically appropriated by the legislature for that purpose. (~~However,~~) Insurance and health care contributions

for ferry employees shall be governed by RCW 47.64.270 until December 31, 1996. On and after January 1, 1997, ferry employees shall enroll with certified health plans under chapter . . . , Laws of 1993 (this act).

(3) The administrator with the assistance of the ~~((state))~~ public employees' benefits board shall survey private industry and public employers in the state of Washington to determine the average employer contribution for group insurance programs under the jurisdiction of the authority. Such survey shall be conducted during each even-numbered year but may be conducted more frequently. The survey shall be reported to the authority for its use in setting the amount of the recommended employer contribution to the employee insurance benefit program covered by this chapter. The authority shall transmit a recommendation for the amount of the employer contribution to the governor and the director of financial management for inclusion in the proposed budgets submitted to the legislature.

Sec. 217. RCW 41.05.055 and 1989 c 324 s 1 are each amended to read as follows:

PUBLIC EMPLOYEES' BENEFITS BOARD—SCHOOL DISTRICT EMPLOYEES. (1) The ~~((state))~~ public employees' benefits board is created within the authority. The function of the board is to design and approve insurance benefit plans for state employees and school district employees.

(2) Effective January 1, 1995, the board shall be composed of ~~((seven))~~ nine members appointed by the governor as follows:

(a) ~~((Three))~~ Two representatives of state employees, ~~((one of whom shall represent an employee association certified as exclusive representative of at least one bargaining unit of classified employees,))~~ one of whom shall represent an employee union certified as exclusive representative of at least one bargaining unit of classified employees, and one of whom is retired, is covered by a program under the jurisdiction of the board, and represents an organized group of retired public employees;

(b) Two representatives of school district employees, one of whom shall represent an association of school employees and one of whom is retired, and represents an organized group of retired school employees;

~~((Three))~~ (c) Four members with experience in health benefit management and cost containment; and

~~((e))~~ (d) The administrator.

Prior to January 1, 1995, the composition of the public employees benefits board shall reflect its composition on January 1, 1993.

(3) The governor shall appoint the initial members of the board to staggered terms not to exceed four years. Members appointed thereafter shall serve two-year terms. Members of the board shall be compensated in accordance with RCW 43.03.250 and shall be reimbursed for their travel expenses while on official business in accordance with RCW 43.03.050 and 43.03.060. The board shall prescribe rules for the conduct of its business. The administrator shall serve as chair of the board. Meetings of the board shall be at the call of the chair.

Sec. 218. RCW 41.05.065 and 1988 c 107 s 8 are each amended to read as follows:

EMPLOYEE BENEFIT PLANS—STANDARDS. (1) The board shall study all matters connected with the provision of health care coverage, life insurance, liability insurance, accidental death and dismemberment insurance, and disability income insurance or any of, or a combination of, the enumerated types of insurance for employees and their dependents on the best basis possible with relation both to the welfare of the employees and to the state(~~(+ PROVIDED, That)~~), however liability insurance shall not be made available to dependents.

(2) The (~~state~~) public employees' benefits board shall develop employee benefit plans that include comprehensive health care benefits for all employees. In developing these plans, the board shall consider the following elements:

(a) Methods of maximizing cost containment while ensuring access to quality health care;

(b) Development of provider arrangements that encourage cost containment and ensure access to quality care, including but not limited to prepaid delivery systems and prospective payment methods;

(c) Wellness incentives that focus on proven strategies, such as smoking cessation, exercise, (~~and~~) automobile and motorcycle safety, blood cholesterol reduction, and nutrition education;

(d) Utilization review procedures including, but not limited to prior authorization of services, hospital inpatient length of stay review, requirements for use of outpatient surgeries and second opinions for surgeries, review of invoices or claims submitted by service providers, and performance audit of providers; (~~and~~)

(e) Effective coordination of benefits;

(f) Minimum standards for insuring entities; and

(g) Minimum scope and content of standard benefit plans to be offered to enrollees participating in the employee health benefit plans. On and after July 1, 1995, the uniform benefits package shall constitute the minimum level of health benefits offered to employees. To maintain the comprehensive nature of employee health care benefits, employee eligibility criteria related to the number of hours worked and the benefits provided to employees shall be substantially equivalent to the state employees' health benefits plan and eligibility criteria in effect on January 1, 1993.

(3) The board shall design benefits and determine the terms and conditions of employee participation and coverage, including establishment of eligibility criteria.

(4) The board shall attempt to achieve enrollment of all employees and retirees in managed health care systems by July 1994.

The board may authorize premium contributions for an employee and the employee's dependents in a manner that encourages the use of cost-efficient managed health care systems. (~~(Such authorization shall require a vote of five members of the board for approval.)~~)

(5) Employees (~~(may)~~) shall choose participation in (~~(only)~~) one of the health care benefit plans developed by the board.

(6) The board shall review plans proposed by insurance carriers that desire to offer property insurance and/or accident and casualty insurance to state employees through payroll deduction. The board may approve any such plan for payroll deduction by carriers holding a valid certificate of authority in the state of Washington and which the board determines to be in the best interests of employees and the state. The board shall promulgate rules setting forth criteria by which it shall evaluate the plans.

Sec. 219. RCW 41.05.120 and 1991 sp.s. c 13 s 100 are each amended to read as follows:

PUBLIC EMPLOYEES' INSURANCE ACCOUNT. (1) The (~~(state)~~) public employees' insurance account is hereby established in the custody of the state treasurer, to be used by the administrator for the deposit of contributions, reserves, dividends, and refunds, and for payment of premiums for employee insurance benefit contracts. Moneys from the account shall be disbursed by the state treasurer by warrants on vouchers duly authorized by the administrator.

(2) The state treasurer and the state investment board may invest moneys in the (~~(state)~~) public employees' insurance account. All such investments shall be in accordance with RCW 43.84.080 or 43.84.150, whichever is applicable. The administrator shall determine whether the state treasurer or the state investment board or both shall invest moneys in the (~~(state)~~) public employees' insurance account.

Sec. 220. RCW 41.05.140 and 1988 c 107 s 12 are each amended to read as follows:

PUBLIC EMPLOYEES' INSURANCE RESERVE FUND. (1) The authority may self-fund or self-insure for public employees' benefits plans, but shall also enter into other methods of providing insurance coverage for insurance programs under its jurisdiction except property and casualty insurance. The authority shall contract for payment of claims or other administrative services for programs under its jurisdiction. If a program does not require the prepayment of reserves, the authority shall establish such reserves within a reasonable period of time for the payment of claims as are normally required for that type of insurance under an insured program. Reserves established by the authority shall be held in a separate trust fund by the state treasurer and shall be known as the (~~(state)~~) public employees' insurance reserve fund. The state investment board shall act as the investor for the funds and, except as provided in RCW 43.33A.160, one hundred percent of all earnings from these investments shall accrue directly to the (~~(state)~~) public employees' insurance reserve fund.

(2) Any savings realized as a result of a program created under this section shall not be used to increase benefits unless such use is authorized by statute.

(3) Any program created under this section shall be subject to the examination requirements of chapter 48.03 RCW as if the program were a

domestic insurer. In conducting an examination, the commissioner shall determine the adequacy of the reserves established for the program.

(4) The authority shall keep full and adequate accounts and records of the assets, obligations, transactions, and affairs of any program created under this section.

(5) The authority shall file a quarterly statement of the financial condition, transactions, and affairs of any program created under this section in a form and manner prescribed by the insurance commissioner. The statement shall contain information as required by the commissioner for the type of insurance being offered under the program. A copy of the annual statement shall be filed with the speaker of the house of representatives and the president of the senate.

NEW SECTION. Sec. 221. A new section is added to chapter 41.05 RCW to read as follows:

MEDICARE SUPPLEMENTAL BENEFITS. The administrator, in consultation with the public employees' benefits board, shall design a self-insured medicare supplemental insurance plan for retired and disabled employees eligible for medicare. For the purpose of determining the appropriate scope of the self-funded medicare supplemental plan, the administrator shall consider the differences in the scope of health services available under the uniform benefits package and the medicare program. The proposed plan shall be submitted to appropriate committees of the legislature by December 1, 1993.

NEW SECTION. Sec. 222. A new section is added to chapter 41.05 RCW to read as follows:

MEDICARE SUPPLEMENTAL BENEFITS. Notwithstanding any other provisions of this title or rules or procedures adopted by the authority, the authority shall make available to retired or disabled employees who are eligible for medicare at least two medicare supplemental insurance policies that conform to the requirements of chapter 48.66 RCW. One policy shall include coverage for prescription drugs. The policies shall be chosen in consultation with the public employees' benefits board. These policies shall be made available to retired or disabled employees, or employees of county, municipal, or other political subdivisions eligible for coverage available under the authority. All offerings shall be made available not later than January 1, 1994.

NEW SECTION. Sec. 223. A new section is added to chapter 41.05 RCW to read as follows:

MEDICARE SUPPLEMENTAL BENEFITS. If a waiver of the medicare statute, Title XVIII of the federal social security act, sufficient to meet the requirements of chapter . . . , Laws of 1993 (this act) is not granted on or before January 1, 1995, the medicare supplemental insurance policies authorized under section 222 of this act shall be made available to any resident of the state eligible for medicare benefits. Except for those retired state or school district employees eligible to purchase medicare supplemental benefits through the authority,

persons purchasing a medicare supplemental insurance policy under this section shall be required to pay the full cost of any such policy.

Sec. 224. RCW 47.64.270 and 1988 c 107 s 21 are each amended to read as follows:

FERRY EMPLOYEES—ENROLLMENT IN CERTIFIED HEALTH PLANS. Until December 31, 1996, absent a collective bargaining agreement to the contrary, the department of transportation shall provide contributions to insurance and health care plans for ferry system employees and dependents, as determined by the state health care authority, under chapter 41.05 RCW((-)); and the ferry system management and employee organizations may collectively bargain for other insurance and health care plans, and employer contributions may exceed that of other state agencies as provided in RCW 41.05.050, subject to RCW 47.64.180. On January 1, 1997, ferry employees shall enroll in certified health plans under the provisions of chapter . . . , Laws of 1993 (this act). To the extent that ferry employees by bargaining unit have absorbed the required offset of wage increases by the amount that the employer's contribution for employees' and dependents' insurance and health care plans exceeds that of other state general government employees in the 1985-87 fiscal biennium, employees shall not be required to absorb a further offset except to the extent the differential between employer contributions for those employees and all other state general government employees increases during any subsequent fiscal biennium. If such differential increases in the 1987-89 fiscal biennium or the 1985-87 offset by bargaining unit is insufficient to meet the required deduction, the amount available for compensation shall be reduced by bargaining unit by the amount of such increase or the 1985-87 shortage in the required offset. Compensation shall include all wages and employee benefits.

Sec. 225. RCW 28A.400.200 and 1990 1st ex.s. c 11 s 2 and 1990 c 33 s 381 are each reenacted and amended to read as follows:

SCHOOL DISTRICT EMPLOYEES—EMPLOYER CONTRIBUTIONS.

(1) Every school district board of directors shall fix, alter, allow, and order paid salaries and compensation for all district employees in conformance with this section.

(2)(a) Salaries for certificated instructional staff shall not be less than the salary provided in the appropriations act in the state-wide salary allocation schedule for an employee with a baccalaureate degree and zero years of service; and

(b) Salaries for certificated instructional staff with a masters degree shall not be less than the salary provided in the appropriations act in the state-wide salary allocation schedule for an employee with a masters degree and zero years of service;

(3)(a) The actual average salary paid to basic education certificated instructional staff shall not exceed the district's average basic education

certificated instructional staff salary used for the state basic education allocations for that school year as determined pursuant to RCW 28A.150.410.

(b) Fringe benefit contributions for basic education certificated instructional staff shall be included as salary under (a) of this subsection only to the extent that the district's actual average benefit contribution exceeds the ~~((greater of: (i) The formula amount for insurance benefits))~~ amount of the insurance benefits allocation provided per certificated instructional staff unit in the state operating appropriations act in effect at the time the compensation is payable~~((or (ii) the actual average amount provided by the school district in the 1986-87 school year))~~. For purposes of this section, fringe benefits shall not include payment for unused leave for illness or injury under RCW 28A.400.210~~((or (i))~~); employer contributions for old age survivors insurance, workers' compensation, unemployment compensation, and retirement benefits under the Washington state retirement system; or employer contributions for health benefits in excess of the insurance benefits allocation provided per certificated instructional staff unit in the state operating appropriations act in effect at the time the compensation is payable. A school district may not use state funds to provide employer contributions for such excess health benefits.

(c) Salary and benefits for certificated instructional staff in programs other than basic education shall be consistent with the salary and benefits paid to certificated instructional staff in the basic education program.

(4) Salaries and benefits for certificated instructional staff may exceed the limitations in subsection (3) of this section only by separate contract for additional time, additional responsibilities, or incentives. Supplemental contracts shall not cause the state to incur any present or future funding obligation. Supplemental contracts shall be subject to the collective bargaining provisions of chapter 41.59 RCW and the provisions of RCW 28A.405.240, shall not exceed one year, and if not renewed shall not constitute adverse change in accordance with RCW 28A.405.300 through 28A.405.380. No district may enter into a supplemental contract under this subsection for the provision of services which are a part of the basic education program required by Article IX, section 3 of the state Constitution.

(5) Employee benefit plans offered by any district shall comply with RCW 28A.400.350 and 28A.400.275 and 28A.400.280.

Sec. 226. RCW 28A.400.350 and 1990 1st ex.s. c 11 s 3 and 1990 c 74 s 1 are each reenacted and amended to read as follows:

SCHOOL DISTRICTS—HEALTH CARE COVERAGE ONLY BY CONTRACTS WITH THE STATE HEALTH CARE AUTHORITY. (1) The board of directors of any of the state's school districts may make available liability, life, health, health care, accident, disability and salary protection or insurance or any one of, or a combination of the enumerated types of insurance, or any other type of insurance or protection, for the members of the boards of directors, the students, and employees of the school district, and their dependents. Such coverage may be provided by contracts with private carriers, with the state

health care authority after July 1, 1990, pursuant to the approval of the authority administrator, or through self-insurance or self-funding pursuant to chapter 48.62 RCW, or in any other manner authorized by law. Except for health benefits purchased with nonstate funds as provided in RCW 28A.400.200, effective on and after October 1, 1995, health care coverage, life insurance, liability insurance, accidental death and dismemberment insurance, and disability income insurance shall be provided only by contracts with the state health care authority.

(2) Whenever funds are available for these purposes the board of directors of the school district may contribute all or a part of the cost of such protection or insurance for the employees of their respective school districts and their dependents. The premiums on such liability insurance shall be borne by the school district.

After October 1, 1990, school districts may not contribute to any employee protection or insurance other than liability insurance unless the district's employee benefit plan conforms to RCW 28A.400.275 and 28A.400.280.

(3) For school board members and students, the premiums due on such protection or insurance shall be borne by the assenting school board member or student(~~(- PROVIDED, That)~~). The school district may contribute all or part of the costs, including the premiums, of life, health, health care, accident or disability insurance which shall be offered to all students participating in interschool activities on the behalf of or as representative of their school or school district. The school district board of directors may require any student participating in extracurricular interschool activities to, as a condition of participation, document evidence of insurance or purchase insurance that will provide adequate coverage, as determined by the school district board of directors, for medical expenses incurred as a result of injury sustained while participating in the extracurricular activity. In establishing such a requirement, the district shall adopt regulations for waiving or reducing the premiums of such coverage as may be offered through the school district to students participating in extracurricular activities, for those students whose families, by reason of their low income, would have difficulty paying the entire amount of such insurance premiums. The district board shall adopt regulations for waiving or reducing the insurance coverage requirements for low-income students in order to assure such students are not prohibited from participating in extracurricular interschool activities.

(4) All contracts for insurance or protection written to take advantage of the provisions of this section shall provide that the beneficiaries of such contracts may utilize on an equal participation basis the services of those practitioners licensed pursuant to chapters 18.22, 18.25, 18.53, 18.57, and 18.71 RCW.

C. CONSOLIDATED STATE HEALTH CARE PURCHASING AGENT

NEW SECTION. **Sec. 227.** A new section is added to Title 43 RCW to read as follows:

STATE HEALTH SERVICES AGENT. (1) The health care authority is hereby designated as the single state agent for purchasing health services.

(2) On and after July 1, 1995, at least the following state-purchased health services programs shall be merged into a single, community-rated risk pool: The basic health plan; health benefits for employees of school districts; and health benefits for state employees. Until that date, in purchasing health services, the health care authority shall maintain separate risk pools for each of the programs in this subsection. The administrator may develop mechanisms to ensure that the cost of comparable benefits packages does not vary widely across the risk pools. At the earliest opportunity the governor shall seek necessary federal waivers and state legislation to place the medical and acute care components of the medical assistance program, the limited casualty program, and the medical care services program of the department of social and health services in this single risk pool. Long-term care services that are provided under the medical assistance program shall not be placed in the single risk pool until such services have been added to the uniform benefits package. On or before January 1, 1997, the governor shall submit necessary legislation to place the purchasing of health benefits for persons incarcerated in institutions administered by the department of corrections into the single community-rated risk pool effective on and after July 1, 1997.

(3) At a minimum, and regardless of other legislative enactments, the state health services purchasing agent shall:

(a) Require that a public agency that provides subsidies for a substantial portion of services now covered under the basic health plan or a uniform benefits package as adopted by the Washington health services commission as provided in section 449 of this act, use uniform eligibility processes, insofar as may be possible, and ensure that multiple eligibility determinations are not required;

(b) Require that a health care provider or a health care facility that receives funds from a public program provide care to state residents receiving a state subsidy who may wish to receive care from them consistent with the provisions of chapter . . . , Laws of 1993 (this act), and that a health maintenance organization, health care service contractor, insurer, or certified health plan that receives funds from a public program accept enrollment from state residents receiving a state subsidy who may wish to enroll with them under the provisions of chapter . . . , Laws of 1993 (this act);

(c) Strive to integrate purchasing for all publicly sponsored health services in order to maximize the cost control potential and promote the most efficient methods of financing and coordinating services;

(d) Annually suggest changes in state and federal law and rules to bring all publicly funded health programs in compliance with the goals and intent of chapter . . . , Laws of 1993 (this act);

(e) Consult regularly with the governor, the legislature, and state agency directors whose operations are affected by the implementation of this section.

NEW SECTION. Sec. 228. A new section is added to chapter 41.05 RCW to read as follows:

WASHINGTON STATE GROUP PURCHASING ASSOCIATION. (1) The Washington state group purchasing association is established for the purpose of coordinating and enhancing the health care purchasing power of the groups identified in subsection (2) of this section. The purchasing association shall be administered by the administrator.

(2) The following organizations or entities may seek the approval of the administrator for membership in the purchasing association:

(a) Private nonprofit human services provider organizations under contract with state agencies, on behalf of their employees and their employees' spouses and dependent children;

(b) Individuals providing in-home long-term care services to persons whose care is financed in whole or in part through the medical assistance personal care or community options program entry system program as provided in chapter 74.09 RCW, or the chore services program, as provided in chapter 74.08 RCW, on behalf of themselves and their spouses and dependent children;

(c) Owners and operators of child day care centers and family child care homes licensed under chapter 74.15 RCW and of preschool or other child care programs exempted from licensing under chapter 74.15 RCW on behalf of themselves and their employees and employees' spouses and dependent children; and

(d) Foster parents contracting with the department of social and health services under chapter 74.13 RCW and licensed under chapter 74.15 RCW on behalf of themselves and their spouses and dependent children.

(3) In administering the purchasing association, the administrator shall:

(a) Negotiate and enter into contracts on behalf of the purchasing association's members in conjunction with its contracting and purchasing activities for employee benefits plans under RCW 41.05.075. In negotiating and contracting with insuring entities on behalf of employees and purchasing association members, two distinct pools shall be maintained.

(b) Review and approve or deny applications from entities seeking membership in the purchasing association:

(i) The administrator may require all or the substantial majority of the employees of the organizations or entities listed in subsection (2) of this section to enroll in the purchasing association.

(ii) The administrator shall require, that as a condition of membership in the purchasing association, an entity or organization listed in subsection (2) of this section that employs individuals pay at least fifty percent of the cost of the health insurance coverage for each employee enrolled in the purchasing association.

(iii) In offering and administering the purchasing association, the administrator may not discriminate against individuals or groups based on age, gender, geographic area, industry, or medical history.

(4) On and after July 1, 1995, the uniform benefits package and schedule of premiums and point of service cost-sharing adopted and from time to time revised by the health services commission pursuant to chapter . . . , Laws of 1993 (this act) shall be applicable to the association.

(5) The administrator shall adopt preexisting condition coverage provisions for the association as provided in sections 283 through 286 of this act.

(6) Premiums charged to purchasing association members shall include the authority's reasonable administrative and marketing costs. Purchasing association members may not receive any subsidy from the state for the purchase of health insurance coverage through the association.

(7)(a) The Washington state group purchasing association account is established in the custody of the state treasurer, to be used by the administrator for the deposit of premium payments from individuals and entities described in subsection (2) of this section, and for payment of premiums for benefit contracts entered into on behalf of the purchasing association's participants and operating expenses incurred by the authority in the administration of benefit contracts under this section. Moneys from the account shall be disbursed by the state treasurer by warrants on vouchers duly authorized by the administrator.

(b) Disbursements from the account are not subject to appropriations, but shall be subject to the allotment procedure provided under chapter 43.88 RCW.

NEW SECTION. Sec. 229. A new section is added to chapter 41.05 RCW to read as follows:

MARKETING PLAN. The administrator shall develop a marketing plan for the basic health plan and the Washington state group purchasing association. The plan shall be targeted to individuals and entities eligible to enroll in the two programs and provide clear and understandable explanations of the programs and enrollment procedures. The plan also shall incorporate special efforts to reach communities and people of color.

NEW SECTION. Sec. 230. WASHINGTON STATE GROUP PURCHASING ASSOCIATION—REPEAL. The following acts or parts of acts, as now existing or hereafter amended, are each repealed, effective June 30, 1998:

- (1) RCW 41.05.— and 1993 c . . . s 228 (section 228 of this act); and
- (2) RCW 41.05.— and 1993 c . . . s 229 (section 229 of this act).

Sec. 231. RCW 74.09.055 and 1982 c 201 s 19 are each amended to read as follows:

The department is authorized to establish copayment, deductible, or coinsurance requirements for recipients of any medical programs defined in RCW 74.09.010 (~~but shall not establish copayment, deductible or coinsurance requirements for legend drugs as defined in RCW 69.41.210, unless required by federal law~~).

NEW SECTION. Sec. 232. TRANSFER OF AUTHORITY TO PURCHASE SERVICES FROM COMMUNITY HEALTH CENTERS. (1) State general funds appropriated to the department of health for the purposes of funding community health centers to provide primary health and dental care services, migrant health services, and maternity health care services shall be transferred to the state health care authority. Any related administrative funds expended by the department of health for this purpose shall also be transferred to the health care authority. The health care authority shall exclusively expend these funds through contracts with community health centers to provide primary health and dental care services, migrant health services, and maternity health care services. The administrator of the health care authority shall establish requirements necessary to assure community health centers provide quality health care services that are appropriate and effective and are delivered in a cost-efficient manner. The administrator shall further assure that community health centers have appropriate referral arrangements for acute care and medical specialty services not provided by the community health centers.

(2) To further the intent of chapter . . . , Laws of 1993 (this act), the health care authority, in consultation with the department of health, shall evaluate the organization and operation of the federal and state-funded community health centers and other not-for-profit health care organizations and propose recommendations to the health services commission and the health policy committees of the legislature by November 30, 1994, that identify changes to permit community health centers and other not-for-profit health care organizations to form certified health plans or other innovative health care delivery arrangements that help ensure access to primary health care services consistent with the purposes of chapter . . . , Laws of 1993 (this act).

(3) The authority, in consultation with the department of health, shall work with community and migrant health clinics and other providers of care to underserved populations, to ensure that the number of people of color and underserved people receiving access to managed care is expanded in proportion to need, based upon demographic data.

D. HEALTH CARE PROVIDER CONFLICT OF INTEREST STANDARDS

Sec. 233. RCW 19.68.010 and 1973 1st ex.s. c 26 s 1 are each amended to read as follows:

FINANCIAL INTEREST IN HEALTH CARE FACILITIES—LIST OF ALTERNATIVE FACILITIES TO BE PROVIDED. It shall be unlawful for any person, firm, corporation or association, whether organized as a cooperative, or for profit or nonprofit, to pay, or offer to pay or allow, directly or indirectly, to any person licensed by the state of Washington to engage in the practice of medicine and surgery, drugless treatment in any form, dentistry, or pharmacy and it shall be unlawful for such person to request, receive or allow, directly or indirectly, a rebate, refund, commission, unearned discount or profit by means

of a credit or other valuable consideration in connection with the referral of patients to any person, firm, corporation or association, or in connection with the furnishings of medical, surgical or dental care, diagnosis, treatment or service, on the sale, rental, furnishing or supplying of clinical laboratory supplies or services of any kind, drugs, medication, or medical supplies, or any other goods, services or supplies prescribed for medical diagnosis, care or treatment (~~(+ PROVIDED, That)~~). Ownership of a financial interest in any firm, corporation or association which furnishes any kind of clinical laboratory or other services prescribed for medical, surgical, or dental diagnosis shall not be prohibited under this section where (1) the referring practitioner affirmatively discloses to the patient in writing, the fact that such practitioner has a financial interest in such firm, corporation, or association; and (2) the referring practitioner provides the patient with a list of effective alternative facilities, informs the patient that he or she has the option to use one of the alternative facilities, and assures the patient that he or she will not be treated differently by the referring practitioner if the patient chooses one of the alternative facilities.

Any person violating the provisions of this section is guilty of a misdemeanor.

E. PUBLIC HEALTH FINANCING AND GOVERNANCE

Sec. 234. RCW 70.05.010 and 1967 ex.s. c 51 s 1 are each amended to read as follows:

DEFINITIONS—DEPARTMENT OF HEALTH. For the purposes of chapters 70.05 and 70.46 RCW (~~and RCW 70.46.020 through 70.46.090~~) and unless the context thereof clearly indicates to the contrary:

(1) "Local health departments" means the (~~city, town,~~) county or district which provides public health services to persons within the area;

(2) "Local health officer" means the legally qualified physician who has been appointed as the health officer for the (~~city, town,~~) county or district public health department;

(3) "Local board of health" means the (~~city, town,~~) county or district board of health.

(4) "Health district" means (~~all territory encompassed within a single county and all cities and towns therein except cities with a population of over one hundred thousand, or~~) all the territory consisting of one or more counties (~~and all the cities and towns in all of the combined counties except cities of over one hundred thousand population which have been combined and~~) organized pursuant to the provisions of chapters 70.05 and 70.46 RCW (~~and RCW 70.46.020 through 70.46.090: PROVIDED, That cities with a population of over one hundred thousand may be included in a health district as provided in RCW 70.46.040~~).

(5) "Department" means the department of health.

Sec. 235. RCW 70.05.030 and 1967 ex.s. c 51 s 3 are each amended to read as follows:

LOCAL BOARD OF HEALTH—COUNTIES WITHOUT HOME RULE CHARTER—JURISDICTION. In counties without a home rule charter, the board of county commissioners (~~(of each and every county in this state, except where such county is a part of a health district or is purchasing services under a contract as authorized by chapter 70.05 RCW and RCW 70.46.020 through 70.46.090;)~~) shall constitute the local board of health (~~(for such county, and said local board of health's jurisdiction)~~), unless the county is part of a health district pursuant to chapter 70.46 RCW. The jurisdiction of the local board of health shall be coextensive with the boundaries of said county(~~(—except that nothing herein contained shall give said board jurisdiction in cities of over one hundred thousand population or in such other cities and towns as are providing health services which meet health standards pursuant to RCW 70.46.090).~~).

Sec. 236. RCW 70.05.040 and 1984 c 25 s 1 are each amended to read as follows:

LOCAL BOARD OF HEALTH—VACANCIES. The local board of health shall elect a (~~(chairman)~~) chair and may appoint an administrative officer. A local health officer shall be appointed pursuant to RCW 70.05.050. Vacancies on the local board of health shall be filled by appointment within thirty days and made in the same manner as was the original appointment. At the first meeting of the local board of health, the members shall elect a (~~(chairman)~~) chair to serve for a period of one year. (~~(In home rule charter counties that have a local board of health established under RCW 70.05.050, the administrative officer may be appointed by the official designated under the county's charter.)~~)

NEW SECTION. Sec. 237. A new section is added to chapter 70.05 RCW to read as follows:

HOME RULE CHARTER—LOCAL BOARD OF HEALTH. In counties with a home rule charter, the county legislative authority shall establish a local board of health and may prescribe the membership and selection process for the board. The jurisdiction of the local board of health shall be coextensive with the boundaries of the county. The local health officer, as described in RCW 70.05.050, shall be appointed by the official designated under the provisions of the county charter. The same official designated under the provisions of the county charter may appoint an administrative officer, as described in RCW 70.05.045.

Sec. 238. RCW 70.05.050 and 1984 c 25 s 5 are each amended to read as follows:

LOCAL HEALTH OFFICER. (~~(Each local board of health, other than boards which are established under RCW 70.05.030 and which are located in counties having home rule charters, shall appoint a local health officer. In home rule charter counties which have a local board of health established under RCW 70.05.030, the local health officer shall be appointed by the official designated under the provisions of the county's charter.)~~)

The local health officer shall be an experienced physician licensed to practice medicine and surgery or osteopathy and surgery in this state and who is qualified or provisionally qualified in accordance with the standards prescribed in RCW 70.05.051 through 70.05.055 to hold the office of local health officer. No term of office shall be established for the local health officer but ~~((he))~~ the local health officer shall not be removed until after notice is given ~~((him))~~, and an opportunity for a hearing before the board or official responsible for his or her appointment under this section as to the reason for his or her removal. ~~((He))~~ The local health officer shall act as executive secretary to, and administrative officer for the local board of health and shall also be empowered to employ such technical and other personnel as approved by the local board of health except where the local board of health has appointed an administrative officer under RCW 70.05.040. The local health officer shall be paid such salary and allowed such expenses as shall be determined by the local board of health.

Sec. 239. RCW 70.05.070 and 1991 c 3 s 309 are each amended to read as follows:

LOCAL HEALTH OFFICER DUTIES. The local health officer, acting under the direction of the local board of health or under direction of the administrative officer appointed under RCW 70.05.040 or section 237 of this act, if any, shall:

(1) Enforce the public health statutes of the state, rules of the state board of health and the secretary of health, and all local health rules, regulations and ordinances within his or her jurisdiction including imposition of penalties authorized under RCW 70.119A.030 and filing of actions authorized by RCW 43.70.190;

(2) Take such action as is necessary to maintain health and sanitation supervision over the territory within his or her jurisdiction;

(3) Control and prevent the spread of any dangerous, contagious or infectious diseases that may occur within his or her jurisdiction;

(4) Inform the public as to the causes, nature, and prevention of disease and disability and the preservation, promotion and improvement of health within his or her jurisdiction;

(5) Prevent, control or abate nuisances which are detrimental to the public health;

(6) Attend all conferences called by the secretary of health or his or her authorized representative;

(7) Collect such fees as are established by the state board of health or the local board of health for the issuance or renewal of licenses or permits or such other fees as may be authorized by law or by the rules of the state board of health;

(8) Inspect, as necessary, expansion or modification of existing public water systems, and the construction of new public water systems, to assure that the expansion, modification, or construction conforms to system design and plans;

(9) Take such measures as he or she deems necessary in order to promote the public health, to participate in the establishment of health educational or training activities, and to authorize the attendance of employees of the local health department or individuals engaged in community health programs related to or part of the programs of the local health department.

Sec. 240. RCW 70.05.080 and 1991 c 3 s 310 are each amended to read as follows:

LOCAL HEALTH OFFICER—APPOINTMENT BY SECRETARY OF HEALTH IF LOCAL BOARD FAILS TO ACT. If the local board of health or other official responsible for appointing a local health officer under RCW 70.05.050 refuses or neglects to appoint a local health officer after a vacancy exists, the secretary of health may appoint a local health officer and fix the compensation. The local health officer so appointed shall have the same duties, powers and authority as though appointed under RCW 70.05.050. Such local health officer shall serve until a qualified individual is appointed according to the procedures set forth in RCW 70.05.050. The board or official responsible for appointing the local health officer under RCW 70.05.050 shall also be authorized to appoint an acting health officer to serve whenever the health officer is absent or incapacitated and unable to fulfill his or her responsibilities under the provisions of chapters 70.05 and 70.46 RCW (~~and RCW 70.46.020 through 70.46.090~~)).

Sec. 241. RCW 70.05.120 and 1984 c 25 s 8 are each amended to read as follows:

REMOVAL OF LOCAL HEALTH OFFICER. Any local health officer or administrative officer appointed under RCW 70.05.040, if any, who shall refuse or neglect to obey or enforce the provisions of chapters 70.05 and 70.46 RCW (~~and RCW 70.46.020 through 70.46.090~~) or the rules, regulations or orders of the state board of health or who shall refuse or neglect to make prompt and accurate reports to the state board of health, may be removed as local health officer or administrative officer by the state board of health and shall not again be reappointed except with the consent of the state board of health. Any person may complain to the state board of health concerning the failure of the local health officer or administrative officer to carry out the laws or the rules and regulations concerning public health, and the state board of health shall, if a preliminary investigation so warrants, call a hearing to determine whether the local health officer or administrative officer is guilty of the alleged acts. Such hearings shall be held pursuant to the provisions of chapter 34.05 RCW, and the rules and regulations of the state board of health adopted thereunder.

Any member of a local board of health who shall violate any of the provisions of chapters 70.05 and 70.46 RCW (~~and RCW 70.46.020 through 70.46.090~~) or refuse or neglect to obey or enforce any of the rules, regulations or orders of the state board of health made for the prevention, suppression or control of any dangerous contagious or infectious disease or for the protection

of the health of the people of this state, shall be guilty of a misdemeanor, and upon conviction shall be fined not less than ten dollars nor more than two hundred dollars. Any physician who shall refuse or neglect to report to the proper health officer or administrative officer within twelve hours after first attending any case of contagious or infectious disease or any diseases required by the state board of health to be reported or any case suspicious of being one of such diseases, shall be guilty of a misdemeanor, and upon conviction shall be fined not less than ten dollars nor more than two hundred dollars for each case that is not reported.

Any person violating any of the provisions of chapters 70.05 and 70.46 RCW (~~and RCW 70.46.020 through 70.46.090~~) or violating or refusing or neglecting to obey any of the rules, regulations or orders made for the prevention, suppression and control of dangerous contagious and infectious diseases by the local board of health or local health officer or administrative officer or state board of health, or who shall leave any isolation hospital or quarantined house or place without the consent of the proper health officer or who evades or breaks quarantine or conceals a case of contagious or infectious disease or assists in evading or breaking any quarantine or concealing any case of contagious or infectious disease, shall be guilty of a misdemeanor, and upon conviction thereof shall be subject to a fine of not less than twenty-five dollars nor more than one hundred dollars or to imprisonment in the county jail not to exceed ninety days or to both fine and imprisonment.

Sec. 242. RCW 70.05.130 and 1991 c 3 s 313 are each amended to read as follows:

EXPENSES OF CARRYING OUT PUBLIC HEALTH LAW. All expenses incurred by the state, health district, or county in carrying out the provisions of chapters 70.05 and 70.46 RCW (~~and RCW 70.46.020 through 70.46.090~~) or any other public health law, or the rules of the ((state)) department of health enacted under such laws, shall be paid by the county (~~or city by which or in behalf of which such expenses shall have been incurred~~) and such expenses shall constitute a claim against the general fund as provided (~~herein~~) in this section.

Sec. 243. RCW 70.05.150 and 1967 ex.s. c 51 s 22 are each amended to read as follows:

AUTHORITY TO CONTRACT. In addition to powers already granted them, any ((city, town,)) county, district, or local health department may contract for either the sale or purchase of any or all health services from any local health department(~~(- PROVIDED, That)~~). Such contract shall require the approval of the state board of health.

Sec. 244. RCW 70.08.010 and 1985 c 124 s 1 are each amended to read as follows:

APPOINTMENT OF LOCAL HEALTH OFFICER BY COMBINED CITY AND COUNTY HEALTH DEPARTMENT. Any city with one hundred thousand or more population and the county in which it is located, are

authorized, as shall be agreed upon between the respective governing bodies of such city and said county, to establish and operate a combined city and county health department, and to appoint ~~((the director of public health))~~ a local health officer for the county served. Class AA counties may appoint a director of public health as specified in this chapter.

Sec. 245. RCW 70.12.030 and 1945 c 46 s 1 are each amended to read as follows:

MONEY MANAGEMENT. Any county, ~~((first class city))~~ combined city-county health department, or health district is hereby authorized and empowered to create a "public health pooling fund", hereafter called the "fund", for the efficient management and control of all moneys coming to such county, ~~((first class city))~~ combined department, or district for public health purposes.

~~((“Health district” as used herein may mean all territory consisting of one or more counties and all cities with a population of one hundred thousand or less, and towns therein.))~~

Sec. 246. RCW 70.12.050 and 1945 c 46 s 3 are each amended to read as follows:

EXPENDITURES. All expenditures in connection with salaries, wages and operations incurred in carrying on the health department of the county, ~~((first class city))~~ combined city-county health department, or health district shall be paid out of such fund.

Sec. 247. RCW 70.46.020 and 1967 ex.s. c 51 s 6 are each amended to read as follows:

MULTICOUNTY HEALTH DISTRICTS. Health districts consisting of two or more counties may be created whenever two or more boards of county commissioners shall by resolution establish a district for such purpose. Such a district shall consist of all the area of the combined counties ~~((including all cities and towns except cities of over one hundred thousand population))~~. The district board of health of such a district shall consist of not less than five members for districts of two counties and seven members for districts of more than two counties, including two representatives from each county who are members of the board of county commissioners and who are appointed by the board of county commissioners of each county within the district, and shall have a jurisdiction coextensive with the combined boundaries. ~~((The remaining members shall be representatives of the cities and towns in the district selected by mutual agreement of the legislative bodies of the cities and towns concerned from their membership, taking into consideration the financial contribution of such cities and towns and representation from the several classifications of cities and towns.))~~

At the first meeting of a district board of health the members shall elect a ~~((chairman))~~ chair to serve for a period of one year.

Sec. 248. RCW 70.46.060 and 1967 ex.s. c 51 s 11 are each amended to read as follows:

DISTRICT BOARD OF HEALTH POWERS AND DUTIES. The district board of health shall constitute the local board of health for all the territory included in the health district, and shall supersede and exercise all the powers and perform all the duties by law vested in the county (~~or city or town~~) board of health of any county (~~city or town~~) included in the health district (~~except as otherwise in chapter 70.05 RCW and RCW 70.46.020 through 70.46.090 provided~~).

Sec. 249. RCW 70.46.080 and 1971 ex.s. c 85 s 10 are each amended to read as follows:

DISTRICT HEALTH FUND. Each health district shall establish a fund to be designated as the "district health fund", in which shall be placed all sums received by the district from any source, and out of which shall be expended all sums disbursed by the district. (~~The county treasurer of the county in the district embracing only one county; or,~~) In a district composed of more than one county the county treasurer of the county having the largest population shall be the custodian of the fund, and the county auditor of said county shall keep the record of the receipts and disbursements, and shall draw and the county treasurer shall honor and pay all warrants, which shall be approved before issuance and payment as directed by the board (~~PROVIDED, That in local health departments wherein a city of over one hundred thousand population is a part of said department, the local board of health may pool the funds available for public health purposes in the office of the city treasurer in a special pooling fund to be established and which shall be expended as set forth above~~).

Each county (~~city or town~~) which is included in the district shall contribute such sums towards the expense for maintaining and operating the district as shall be agreed upon between it and the local board of health in accordance with guidelines established by the state board of health (~~after consultation with the Washington state association of counties and the association of Washington cities. In the event that no agreement can be reached between the district board of health and the county, city or town, the matter shall be resolved by a board of arbitrators to consist of a representative of the district board of health, a representative from the county, city or town involved, and a third representative to be appointed by the two representatives, but if they are unable to agree, a representative shall be appointed by a judge in the county in which the city or town is located. The determination of the proportionate share to be paid by a county, city or town shall be binding on all parties. Payments into the fund of the district may be made by the county or city or town members during the first year of membership in said district from any funds of the respective county, city or town as would otherwise be available for expenditures for health facilities and services, and thereafter the members shall include items in their respective budgets for payments to finance the health district~~).

Sec. 250. RCW 70.46.085 and 1967 ex.s. c 51 s 20 are each amended to read as follows:

COUNTY TO BEAR EXPENSES. The expense of providing public health services shall be borne by each county (~~(city or town)~~) within the health district (~~(and the local health officer shall certify the amount agreed upon or as determined pursuant to RCW 70.46.080, and remaining unpaid by each county, city or town to the fiscal or warrant issuing officer of such county, city or town.~~

~~If the expense as certified is not paid by any county, city or town within thirty days after the end of the fiscal year, the local health officer shall certify the amount due to the auditor of the county in which the governmental unit is situated who shall promptly issue his warrant on the county treasurer payable out of the current expense fund of the county, which fund shall be reimbursed by the county auditor out of the money due said governmental unit at the next monthly settlement or settlements of the collection of taxes and shall be transferred to the current expense fund).~~

Sec. 251. RCW 70.46.090 and 1967 ex.s. c 51 s 21 are each amended to read as follows:

WITHDRAWAL FROM MEMBERSHIP. Any county (~~(or any city or town)~~) may withdraw from membership in said health district any time after it has been within the district for a period of two years, but no withdrawal shall be effective except at the end of the calendar year in which the county (~~(city or town)~~) gives at least six months' notice of its intention to withdraw at the end of the calendar year. No withdrawal shall entitle any member to a refund of any moneys paid to the district nor relieve it of any obligations to pay to the district all sums for which it obligated itself due and owing by it to the district for the year at the end of which the withdrawal is to be effective (~~(PROVIDED, That)~~). Any county (~~(city or town)~~) which withdraws from membership in said health district shall immediately establish a health department or provide health services which shall meet the standards for health services promulgated by the state board of health (~~(PROVIDED FURTHER, That)~~). No local health department (~~(shall)~~) may be deemed to provide adequate public health services unless there is at least one full time professionally trained and qualified physician as set forth in RCW 70.05.050.

Sec. 252. RCW 70.46.120 and 1963 c 121 s 1 are each amended to read as follows:

FEES MAY BE CHARGED. In addition to all other powers and duties, health districts shall have the power to charge fees in connection with the issuance or renewal of a license or permit required by law: **PROVIDED,** That the fees charged shall not exceed the actual cost involved in issuing or renewing the license or permit (~~(PROVIDED FURTHER, That no fees shall be charged pursuant to this section within the corporate limits of any city or town which prior to the enactment of this section charged fees in connection with the issuance or renewal of a license or permit pursuant to city or town ordinance and where said city or town makes a direct contribution to said health district, unless such city or town expressly consents thereto)~~).

Sec. 253. RCW 82.44.110 and 1991 c 199 s 221 are each amended to read as follows:

DISPOSITION OF MOTOR VEHICLE EXCISE TAX REVENUE—PUBLIC HEALTH. The county auditor shall regularly, when remitting license fee receipts, pay over and account to the director of licensing for the excise taxes collected under the provisions of this chapter. The director shall forthwith transmit the excise taxes to the state treasurer.

(1) The state treasurer shall deposit the excise taxes collected under RCW 82.44.020(1) as follows:

(a) 1.60 percent into the motor vehicle fund to defray administrative and other expenses incurred by the department in the collection of the excise tax.

(b) 8.15 percent into the Puget Sound capital construction account in the motor vehicle fund.

(c) 4.07 percent into the Puget Sound ferry operations account in the motor vehicle fund.

(d) ~~((8.83))~~ 5.88 percent into the general fund to be distributed under RCW 82.44.155.

(e) 4.75 percent into the municipal sales and use tax equalization account in the general fund created in RCW 82.14.210.

(f) 1.60 percent into the county sales and use tax equalization account in the general fund created in RCW 82.14.200.

(g) 62.6440 percent into the general fund through June 30, 1993, 57.6440 percent into the general fund beginning July 1, 1993, and 66 percent into the general fund beginning January 1, 1994.

(h) 5 percent into the transportation fund created in RCW 82.44.180 beginning July 1, 1993.

(i) 5.9686 percent into the county criminal justice assistance account created in RCW 82.14.310 through December 31, 1993.

(j) 1.1937 percent into the municipal criminal justice assistance account for distribution under RCW 82.14.320 through December 31, 1993.

(k) 1.1937 percent into the municipal criminal justice assistance account for distribution under RCW 82.14.330 through December 31, 1993.

(l) 2.95 percent into the general fund to be distributed by the state treasurer to county health departments to be used exclusively for public health. The state treasurer shall distribute these funds proportionately among the counties based on population as determined by the most recent United States census.

(2) The state treasurer shall deposit the excise taxes collected under RCW 82.44.020(2) into the transportation fund.

(3) The state treasurer shall deposit the excise tax imposed by RCW 82.44.020(3) into the air pollution control account created by RCW 70.94.015.

Sec. 254. RCW 82.44.155 and 1991 c 199 s 223 are each amended to read as follows:

MOTOR VEHICLE EXCISE TAX DISTRIBUTION TO CITIES AND TOWNS. When distributions are made under RCW 82.44.150, the state treasurer

shall apportion and distribute the motor vehicle excise taxes deposited into the general fund under RCW 82.44.110~~((4))~~(1)(d) to the cities and towns ratably on the basis of population as last determined by the office of financial management. When so apportioned, the amount payable to each such city and town shall be transmitted to the city treasurer thereof, and shall be used by the city or town for the purposes of police and fire protection ~~((and the preservation of the public health))~~ in the city or town, and not otherwise. If it is adjudged that revenue derived from the excise taxes imposed by RCW 82.44.020 (1) and (2) cannot lawfully be apportioned or distributed to cities or towns, all moneys directed by this section to be apportioned and distributed to cities and towns shall be credited and transferred to the state general fund.

Sec. 255. RCW 43.20.030 and 1984 c 287 s 75 are each amended to read as follows:

COMPOSITION OF STATE BOARD OF HEALTH—CITY MEMBER ELIMINATED. The state board of health shall be composed of ten members. These shall be the secretary or the secretary's designee and nine other persons to be appointed by the governor, including four persons experienced in matters of health and sanitation, ~~((an elected city official who is a member of a local health board, an))~~ two elected county officials who ~~((is a))~~ are members of a local health board, a local health officer, and two persons representing the consumers of health care. ~~((Before appointing the city official, the governor shall consider any recommendations submitted by the association of Washington cities.))~~ Before appointing the county official, the governor shall consider any recommendations submitted by the Washington state association of counties. Before appointing the local health officer, the governor shall consider any recommendations submitted by the Washington state association of local public health officials. Before appointing one of the two consumer representatives, the governor shall consider any recommendations submitted by the state council on aging. The chairman shall be selected by the governor from among the nine appointed members. The department ~~((of social and health services))~~ shall provide necessary technical staff support to the board. The board may employ an executive director and a confidential secretary, each of whom shall be exempt from the provisions of the state civil service law, chapter 41.06 RCW.

Members of the board shall be compensated in accordance with RCW 43.03.240 and shall be reimbursed for their travel expenses in accordance with RCW 43.03.050 and 43.03.060.

NEW SECTION. Sec. 256. **RECODIFICATION—CITY/COUNTY HEALTH DEPARTMENT.** RCW 70.08.010, as amended by this act, shall be recodified in chapter 70.05 RCW.

NEW SECTION. Sec. 257. **REPEALERS—CITIES AND TOWNS.** The following acts or parts of acts are each repealed:

- (1) RCW 70.05.005 and 1989 1st ex.s. c 9 s 243;
- (2) RCW 70.05.020 and 1967 ex.s. c 51 s 2;

- (3) RCW 70.05.132 and 1984 c 25 s 9 & 1983 1st ex.s. c 39 s 6;
- (4) RCW 70.05.145 and 1983 1st ex.s. c 39 s 5;
- (5) RCW 70.12.005 and 1989 1st ex.s. c 9 s 245;
- (6) RCW 70.46.030 and 1991 c 363 s 141, 1969 ex.s. c 70 s 1, 1967 ex.s. c 51 s 5, & 1945 c 183 s 3;
- (7) RCW 70.46.040 and 1967 ex.s. c 51 s 7 & 1945 c 183 s 4; and
- (8) RCW 70.46.050 and 1967 ex.s. c 51 s 8, 1957 c 100 s 1, & 1945 c 183 s 5.

NEW SECTION. Sec. 258. STUDY LOCAL GOVERNMENT HEALTH SERVICE DELIVERY. It is hereby requested that the governing authorities of the association of Washington cities, the Washington state association of counties, and the Washington association of county officials jointly initiate a study and develop consensus recommendations regarding implementation of the provisions of sections 234 through 257 of this act. The study and recommendations should at a minimum include consideration of the fiscal impact of these sections on counties, the desirability of maintaining a process whereby city officials can effectively communicate concerns regarding the delivery of public health services to both the counties and the state, the need for larger cities to be able to continue to provide health care services when needed, and other matters as the three associations agree are of substance in the implementation of sections 234 through 257 of this act. This study shall be coordinated with the public health services improvement planning process set forth in section 467 of this act. The agreed upon recommendations shall be presented to the senate health and human services and house of representatives health care committees prior to March 1, 1994.

F. DATA COLLECTION

Sec. 259. RCW 70.170.100 and 1990 c 269 s 12 are each amended to read as follows:

STATE-WIDE DATA SYSTEM—HEALTH SERVICES COMMISSION.

(1) To promote the public interest consistent with the purposes of chapter . . . , Laws of 1993 (this act), the department is responsible for the development, implementation, and custody of a state-wide ((hospital)) health care data system, with policy direction and oversight to be provided by the Washington health services commission. As part of the design stage for development of the system, the department shall undertake a needs assessment of the types of, and format for, ((hospital)) health care data needed by consumers, purchasers, health care payers, ((hospitals)) providers, and state government as consistent with the intent of chapter . . . , Laws of 1993 (this ((chapter)) act). The department shall identify a set of ((hospital)) health care data elements and report specifications which satisfy these needs. The ((council)) Washington health services commission, created by section 403 of this act, shall review the design of the data system and may ((direct the department to)) establish a technical advisory committee on health data and may, if deemed cost-effective and efficient, recommend that the

department contract with a private vendor for assistance in the design of the data system or for any part of the work to be performed under this section. The data elements, specifications, and other ((design)) distinguishing features of this data system shall be made available for public review and comment and shall be published, with comments, as the department's first data plan by ((January 1, 1990)) July 1, 1994.

(2) Subsequent to the initial development of the data system as published as the department's first data plan, revisions to the data system shall be considered ((through the department's development of a biennial data plan, as proposed to,)) with the oversight and policy guidance of the Washington health services commission or its technical advisory committee and funded by((;)) the legislature through the biennial appropriations process with funds appropriated to the health services account. ((Costs of data activities outside of these data plans except for special studies shall be funded through legislative appropriations.

((3)) In designing the state-wide ((hospital)) health care data system and any data plans, the department shall identify ((hospital)) health care data elements relating to ((both hospital finances)) health care costs, the quality of health care services, the outcomes of health care services, and ((the)) use of ((services by patients)) health care by consumers. Data elements ((relating to hospital finances)) shall be reported ((by hospitals)) as the Washington health services commission directs by reporters in conformance with a uniform ((system of)) reporting ((as specified by the department and shall)) system established by the department, which shall be adopted by reporters. "Reporter" means an individual, hospital, or business entity, required to be registered with the department of revenue for payment of taxes imposed under chapter 82.04 RCW or Title 48 RCW, that is primarily engaged in furnishing or insuring for medical, surgical, and other health services to persons. In the case of hospitals this includes data elements identifying each hospital's revenues, expenses, contractual allowances, charity care, bad debt, other income, total units of inpatient and outpatient services, and other financial information reasonably necessary to fulfill the purposes of chapter . . . , Laws of 1993 (this ((chapter)) act), for hospital activities as a whole and, as feasible and appropriate, for specified classes of hospital purchasers and payers. Data elements relating to use of hospital services by patients shall, at least initially, be the same as those currently compiled by hospitals through inpatient discharge abstracts ((and reported to the Washington state hospital commission)). The commission and the department shall encourage and permit reporting by electronic transmission or hard copy as is practical and economical to reporters.

((4)) (3) The state-wide ((hospital)) health care data system shall be uniform in its identification of reporting requirements for ((hospitals)) reporters across the state to the extent that such uniformity is ((necessary)) useful to fulfill the purposes of chapter . . . , Laws of 1993 (this ((chapter)) act). Data reporting requirements may reflect differences ((in hospital size; urban or rural location; scope, type, and method of providing service; financial structure; or other

~~pertinent distinguishing factors))~~ that involve pertinent distinguishing features as determined by the Washington health services commission by rule. So far as ~~((possible))~~ is practical, the data system shall be coordinated with any requirements of the trauma care data registry as authorized in RCW 70.168.090, the federal department of health and human services in its administration of the medicare program, ~~((and))~~ the state in its role of gathering public health statistics, or any other payer program of consequence so as to minimize any unduly burdensome reporting requirements imposed on ~~((hospitals))~~ reporters.

~~((5))~~ (4) In identifying financial reporting requirements under the state-wide ~~((hospital))~~ health care data system, the department may require both annual reports and condensed quarterly reports from reporters, so as to achieve both accuracy and timeliness in reporting, but shall craft such requirements with due regard of the data reporting burdens of reporters.

~~((6))~~ In designing the initial state-wide hospital data system as published in the department's first data plan, the department shall review all existing systems of hospital financial and utilization reporting used in this state to determine their usefulness for the purposes of this chapter, including their potential usefulness as revised or simplified.

~~(7)~~ Until such time as the state-wide hospital data system and first data plan are developed and implemented and hospitals are able to comply with reporting requirements, the department shall require hospitals to continue to submit the hospital financial and patient discharge information previously required to be submitted to the Washington state hospital commission. Upon publication of the first data plan, hospitals shall have a reasonable period of time to comply with any new reporting requirements and, even in the event that new reporting requirements differ greatly from past requirements, shall comply within two years of July 1, 1989.

~~((8))~~ (5) The ~~((hospital))~~ health care data collected ~~((and))~~ maintained, and studied by the department or the Washington health services commission shall only be available for retrieval in original or processed form to public and private requestors and shall be available within a reasonable period of time after the date of request. The cost of retrieving data for state officials and agencies shall be funded through the state general appropriation. The cost of retrieving data for individuals and organizations engaged in research or private use of data or studies shall be funded by a fee schedule developed by the department which reflects the direct cost of retrieving the data or study in the requested form.

(6) All persons subject to chapter . . . , Laws of 1993 (this act) shall comply with departmental or commission requirements established by rule in the acquisition of data.

Sec. 260. RCW 70.170.110 and 1989 1st ex.s. c 9 s 511 are each amended to read as follows:

HEALTH CARE DATA—STUDIES, ANALYSES, OR REPORTS. The department shall provide, or may contract with a private entity to provide, ~~((hospital))~~ analyses and reports or any studies it chooses to conduct consistent

with the purposes of chapter . . . , Laws of 1993 (this ((chapter)) act), subject to the availability of funds and any policy direction that may be given by the Washington health services commission. ((Prior to release, the department shall provide affected hospitals with an opportunity to review and comment on reports which identify individual hospital data with respect to accuracy and completeness, and otherwise shall focus on aggregate reports of hospital performance.))

These studies, analyses, or reports shall include:

(1) Consumer guides on purchasing ((hospital care services and)) or consuming health care and publications providing verifiable and useful aggregate comparative information to ((consumers on hospitals and hospital services)) the public on health care services, their cost, and the quality of health care providers who participate in certified health plans;

(2) Reports for use by classes of purchasers, who purchase from certified health plans, health care payers, and providers as specified for content and format in the state-wide data system and data plan; ((and))

(3) Reports on relevant ((hospital)) health care policy ((issues)) including the distribution of hospital charity care obligations among hospitals; absolute and relative rankings of Washington and other states, regions, and the nation with respect to expenses, net revenues, and other key indicators; ((hospital)) provider efficiencies; and the effect of medicare, medicaid, and other public health care programs on rates paid by other purchasers of ((hospital)) health care; and

(4) Any other reports the commission or department deems useful to assist the public or purchasers of certified health plans in understanding the prudent and cost-effective use of certified health plan services.

NEW SECTION. Sec. 261. A new section is added to chapter 70.170 RCW to read as follows:

CONFIDENTIALITY OF DATA. (1) Notwithstanding the provisions of chapter 42.17 RCW, any material contained within the state-wide health care data system or in the files of either the department or the Washington health services commission shall be subject to the following limitations: (a) Records obtained, reviewed by, or on file that contain information concerning medical treatment of individuals shall be exempt from public inspection and copying; and (b) any actuarial formulas, statistics, and assumptions submitted by a certified health plan to the commission or department upon request shall be exempt from public inspection and copying in order to preserve trade secrets or prevent unfair competition.

(2) All persons and any public or private agencies or entities whatsoever subject to this chapter shall comply with any requirements established by rule relating to the acquisition or use of health services data and maintain the confidentiality of any information that may, in any manner, identify individual persons.

(3) Data collected pursuant to sections 262 and 263 of this act shall be used solely for the health care reform provisions of chapter . . . , Laws of 1993 (this

act). The department shall ensure that the enrollee identifier used will employ the highest available standards for accuracy and uniqueness.

(4) Nothing in this section shall impede an enrollee's access to her or his health care records as provided in chapter 70.02 RCW.

NEW SECTION. Sec. 262. A new section is added to chapter 70.170 RCW to read as follows:

HEALTH SERVICES COMMISSION ACCESS TO DATA. The Washington health services commission shall have access to all health data available to the secretary of health. To the extent possible, the commission shall use existing data systems and coordinate among existing agencies. The department of health shall be the designated depository agency for all health data collected pursuant to chapter . . . , Laws of 1993 (this act). The following data sources shall be developed or made available:

(1) The commission shall coordinate with the secretary of health to utilize data collected by the state center for health statistics, including hospital charity care and related data, rural health data, epidemiological data, ethnicity data, social and economic status data, and other data relevant to the commission's responsibilities.

(2) The commission, in coordination with the department of health and the health science programs of the state universities shall develop procedures to analyze clinical and other health services outcome data, and conduct other research necessary for the specific purpose of assisting in the design of the uniform benefits package under chapter . . . , Laws of 1993 (this act).

(3) The commission shall establish cost data sources and shall require each certified health plan to provide the commission and the department of health with enrollee care and cost information, to include, but not be limited to: (a) Enrollee identifier, including date of birth, sex, and ethnicity; (b) provider identifier; (c) diagnosis; (d) health care services or procedures provided; (e) provider charges, if any; and (f) amount paid. The department shall establish by rule confidentiality standards to safeguard the information from inappropriate use or release.

(4) The commission shall coordinate with the area Indian health service, reservation Indian health service units, tribal clinics, and any urban Indian health service organizations the design, development, implementation, and maintenance of an American Indian-specific health data, statistics information system. The commission rules regarding the confidentiality to safeguard the information from inappropriate use or release shall apply.

NEW SECTION. Sec. 263. A new section is added to chapter 70.170 RCW to read as follows:

PERSONAL HEALTH SERVICES DATA AND INFORMATION SYSTEM. (1) The department is responsible for the implementation and custody of a state-wide personal health services data and information system. The data elements, specifications, and other design features of this data system shall be consistent with criteria adopted by the Washington health services commission.

The department shall provide the commission with reasonable assistance in the development of these criteria, and shall provide the commission with periodic progress reports related to the implementation of the system or systems related to those criteria.

(2) The department shall coordinate the development and implementation of the personal health services data and information system with related private activities and with the implementation activities of the data sources identified by the commission. Data shall include: (a) Enrollee identifier, including date of birth, sex, and ethnicity; (b) provider identifier; (c) diagnosis; (d) health services or procedures provided; (e) provider charges, if any; and (f) amount paid. The commission shall establish by rule, confidentiality standards to safeguard the information from inappropriate use or release. The department shall assist the commission in establishing reasonable time frames for the completion of the system development and system implementation.

NEW SECTION. Sec. 264. HEALTH CARE ENTITY REPORTING REQUIREMENTS. The commission shall determine, by January 1, 1995, the necessity, if any, of reporting requirements by the following health care entities: Health care providers, health care facilities, insuring entities, and certified health plans. The reporting requirements, if any, shall be for the purposes of determining whether the health care system is operating as efficiently as possible. Information reported pursuant to this section shall be made available to interested parties upon request. The commission shall report its findings to the legislature by January 1, 1995.

G. DISCLOSURE OF HOSPITAL, NURSING HOME, AND PHARMACY CHARGES

NEW SECTION. Sec. 265. A new section is added to chapter 70.41 RCW to read as follows:

SPIRALING COSTS—HOSPITALS. (1) The legislature finds that the spiraling costs of health care continue to surmount efforts to contain them, increasing at approximately twice the inflationary rate. The causes of this phenomenon are complex. By making physicians and other health care providers with hospital admitting privileges more aware of the cost consequences of health care services for consumers, these providers may be inclined to exercise more restraint in providing only the most relevant and cost-beneficial hospital services, with a potential for reducing the utilization of those services. The requirement of the hospital to inform physicians and other health care providers of the charges of the health care services that they order may have a positive effect on containing health costs. Further, the option of the physician or other health care provider to inform the patient of these charges may strengthen the necessary dialogue in the provider-patient relationship that tends to be diminished by intervening third-party payers.

(2) The chief executive officer of a hospital licensed under this chapter and the superintendent of a state hospital shall establish and maintain a procedure for

disclosing to physicians and other health care providers with admitting privileges the charges of all health care services ordered for their patients. Copies of hospital charges shall be made available to any physician and/or other health care provider ordering care in hospital inpatient/outpatient services. The physician and/or other health care provider may inform the patient of these charges and may specifically review them. Hospitals are also directed to study methods for making daily charges available to prescribing physicians through the use of interactive software and/or computerized information thereby allowing physicians and other health care providers to review not only the costs of present and past services but also future contemplated costs for additional diagnostic studies and therapeutic medications.

NEW SECTION. Sec. 266. A new section is added to chapter 18.68 RCW to read as follows:

SPIRALING COSTS—PRESCRIPTION MEDICATIONS. The legislature finds that the spiraling costs of health care continue to surmount efforts to contain them, increasing at approximately twice the inflationary rate. One of the fastest growing segments of the health care expenditure involves prescription medications. By making physicians and other health care providers with prescriptive authority more aware of the cost consequences of health care treatments for consumers, these providers may be inclined to exercise more restraint in providing only the most relevant and cost-beneficial drug and medication treatments. The requirement of the pharmacy to inform physicians and other health care providers of the charges of prescription drugs and medications that they order may have a positive effect on containing health costs. Further, the option of the physician or other health care provider to inform the patient of these charges may strengthen the necessary dialogue in the provider-patient relationship that tends to be diminished by intervening third-party payers.

NEW SECTION. Sec. 267. A new section is added to chapter 18.68 RCW to read as follows:

COST OF PRESCRIPTIVE MEDICATIONS. The registered or licensed pharmacist of this chapter shall establish and maintain a procedure for disclosing to physicians and other health care providers with prescriptive authority information detailed by prescriber, of the cost and dispensation of all prescriptive medications prescribed by him or her for his or her patients on request. These charges should be made available on at least a quarterly basis for all requested patients and should include medication, dosage, number dispensed, and the cost of the prescription. Pharmacies may provide this information in a summary form for each prescribing physician for all patients rather than as individually itemized reports. All efforts should be made to utilize the existing computerized records and software to provide this information in the least costly format.

NEW SECTION. Sec. 268. A new section is added to chapter 18.51 RCW to read as follows:

SPIRALING COSTS—NURSING HOMES. (1) The legislature finds that the spiraling costs of nursing home care continue to surmount efforts to contain them, increasing at approximately twice the inflationary rate. The causes of this phenomenon are complex. By making nursing home facilities and care providers more aware of the cost consequences of care services for consumers, these providers may be inclined to exercise more restraint in providing only the most relevant and cost-beneficial services and care, with a potential for reducing the utilization of those services. The requirement of the nursing home to inform physicians, consumers, and other care providers of the charges of the services that they order may have a positive effect on containing health costs.

(2) All nursing home administrators in facilities licensed under this chapter shall be required to develop and maintain a written procedure for disclosing patient charges to attending physicians with admitting privileges. The nursing home administrator shall have the capability to provide an itemized list of the charges for all health care services that may be ordered by a physician. The information shall be made available on request of consumers, or the physicians or other appropriate health care providers responsible for prescribing care.

H. HEALTH PROFESSIONAL SHORTAGES

NEW SECTION. **Sec. 269.** **LEGISLATIVE INTENT.** The legislature finds that the successful implementation of health care reform will depend on a sufficient supply of primary health care providers throughout the state. Many rural and medically underserved urban areas lack primary health care providers and because of this, basic health care services are limited or unavailable to populations living in these areas. The legislature has in recent years initiated new programs to address these provider shortages but funding has been insufficient and additional specific provider shortages remain.

Sec. 270. RCW 28B.125.010 and 1991 c 332 s 5 are each amended to read as follows:

STATE-WIDE HEALTH PERSONNEL RESOURCE PLAN—PERSONS OF COLOR—INDIAN HEALTH. (1) The higher education coordinating board, the state board for community (~~college education~~) and technical colleges, the superintendent of public instruction, the state department of health, the Washington health services commission, and the state department of social and health services, to be known for the purposes of this section as the committee, shall establish a state-wide health personnel resource plan. The governor shall appoint a lead agency from one of the agencies on the committee.

In preparing the state-wide plan the committee shall consult with the training and education institutions affected by this chapter, health care providers, employers of health care providers, insurers, consumers of health care, and other appropriate entities.

Should a successor agency or agencies be authorized or created by the legislature with planning, coordination, or administrative authority over vocational-technical schools, community colleges, or four-year higher education

institutions, the governor shall grant membership on the committee to such agency or agencies and remove the member or members it replaces.

The committee shall appoint subcommittees for the purpose of assisting in the development of the institutional plans required under this chapter. Such subcommittees shall at least include those committee members that have statutory responsibility for planning, coordination, or administration of the training and education institutions for which the institutional plans are being developed. In preparing the institutional plans for four-year institutes of higher education, the subcommittee shall be composed of at least the higher education coordinating board and the state's four-year higher education institutions. The appointment of subcommittees to develop portions of the state-wide plan shall not relinquish the committee's responsibility for assuring overall coordination, integration, and consistency of the state-wide plan.

In establishing and implementing the state-wide health personnel resource plan the committee shall, to the extent possible, utilize existing data and information, personnel, equipment, and facilities and shall minimize travel and take such other steps necessary to reduce the administrative costs associated with the preparation and implementation of the plan.

(2) The state-wide health resource plan shall include at least the following:

(a)(i) Identification of the type, number, and location of the health care professional work force necessary to meet health care needs of the state.

(ii) A description and analysis of the composition and numbers of the potential work force available for meeting health care service needs of the population to be used for recruitment purposes. This should include a description of the data, methodology, and process used to make such determinations.

(b) A centralized inventory of the numbers of student applications to higher education and vocational-technical training and education programs, yearly enrollments, yearly degrees awarded, and numbers on waiting lists for all the state's publicly funded health care training and education programs. The committee shall request similar information for incorporation into the inventory from private higher education and vocational-technical training and education programs.

(c) A description of state-wide and local specialized provider training needs to meet the health care needs of target populations and a plan to meet such needs in a cost-effective and accessible manner.

(d) A description of how innovative, cost-effective technologies such as telecommunications can and will be used to provide higher education, vocational-technical, continued competency, and skill maintenance and enhancement education and training to placebound students who need flexible programs and who are unable to attend institutions for training.

(e) A strategy for assuring higher education and vocational-technical educational and training programming is sensitive to the changing work force such as reentry workers, women, minorities, and the disabled.

(f) Strategies to increase the number of persons of color in the health professions. Such strategies shall incorporate, to the extent possible, federal and state assistance programs for health career development, including those for American Indians, economically disadvantaged persons, physically challenged persons, and persons of color.

(g) A strategy and coordinated state-wide policy developed by the subcommittees authorized in subsection (1) of this section for increasing the number of graduates intending to serve in shortage areas after graduation, including such strategies as the establishment of preferential admissions and designated enrollment slots.

~~((g))~~ (h) Guidelines and policies developed by the subcommittees authorized in subsection (1) of this section for allowing academic credit for on-the-job experience such as internships, volunteer experience, apprenticeships, and community service programs.

~~((h))~~ (i) A strategy developed by the subcommittees authorized in subsection (1) of this section for making required internships and residency programs available that are geographically accessible and sufficiently diverse to meet both general and specialized training needs as identified in the plan when such programs are required.

~~((i))~~ (j) A description of the need for multiskilled health care professionals and an implementation plan to restructure educational and training programming to meet these needs.

~~((j))~~ (k) An analysis of the types and estimated numbers of health care personnel that will need to be recruited from out-of-state to meet the health professional needs not met by in-state trained personnel.

~~((k))~~ (l) An analysis of the need for educational articulation within the various health care disciplines and a plan for addressing the need.

~~((l))~~ (m) An analysis of the training needs of those members of the long-term care profession that are not regulated and that have no formal training requirements. Programs to meet these needs should be developed in a cost-effective and a state-wide accessible manner that provide for the basic training needs of these individuals.

~~((m))~~ (n) A designation of the professions and geographic locations in which loan repayment and scholarships should be available based upon objective data-based forecasts of health professional shortages. A description of the criteria used to select professions and geographic locations shall be included. Designations of professions and geographic locations may be amended by the department of health when circumstances warrant as provided for in RCW 28B.115.070.

~~((n))~~ (o) A description of needed changes in regulatory laws governing the credentialing of health professionals.

~~((o))~~ (p) A description of linguistic and cultural training needs of foreign-trained health care professionals to assure safe and effective practice of their health care profession.

~~((p))~~ (q) A plan to implement the recommendations of the state-wide nursing plan authorized by RCW 74.39.040.

~~((q))~~ (r) A description of criteria and standards that institutional plans provided for in this section must address in order to meet the requirements of the state-wide health personnel resource plan, including funding requirements to implement the plans. The committee shall also when practical identify specific outcome measures to measure progress in meeting the requirements of this plan. The criteria and standards shall be established in a manner as to provide flexibility to the institutions in meeting state-wide plan requirements. The committee shall establish required submission dates for the institutional plans that permit inclusion of funding requests into the institutions budget requests to the state.

~~((r))~~ (s) A description of how the higher education coordinating board, state board for community ~~(college education)~~ and technical colleges, superintendent of public instruction, department of health, and department of social and health services coordinated in the creation and implementation of the state plan including the areas of responsibility each agency shall assume. The plan should also include a description of the steps taken to assure participation by the groups that are to be consulted with.

~~((s))~~ (t) A description of the estimated fiscal requirements for implementation of the state-wide health resource plan that include a description of cost saving activities that reduce potential costs by avoiding administrative duplication, coordinating programming activities, and other such actions to control costs.

(3) The committee may call upon other agencies of the state to provide available information to assist the committee in meeting the responsibilities under this chapter. This information shall be supplied as promptly as circumstances permit.

(4) State agencies involved in the development and implementation of the plan shall to the extent possible utilize existing personnel and financial resources in the development and implementation of the state-wide health personnel resource plan.

(5) The state-wide health personnel resource plan shall be submitted to the governor by July 1, 1992, and updated by July 1 of each even-numbered year. The governor, no later than December 1 of that year, shall approve, approve with modifications, or disapprove the state-wide health resource plan.

(6) The approved state-wide health resource plan shall be submitted to the senate and house of representatives committees on health care, higher education, and ways and means or appropriations by December 1 of each even-numbered year.

(7) Implementation of the state-wide plan shall begin by July 1, 1993.

(8) Notwithstanding subsections (5) and (7) of this section, the committee shall prepare and submit to the higher education coordinating board by June 1, 1992, the analysis necessary for the initial implementation of the health

professional loan repayment and scholarship program created in chapter 28B.115 RCW.

(9) Each publicly funded two-year and four-year institute of higher education authorized under Title 28B RCW and vocational-technical institution authorized under Title 28A RCW that offers health training and education programs shall biennially prepare and submit an institutional plan to the committee. The institutional plan shall identify specific programming and activities of the institution that meet the requirements of the state-wide health professional resource plan.

The committee shall review and assess whether the institutional plans meet the requirements of the state-wide health personnel resource plan and shall prepare a report with its determination. The report shall become part of the institutional plan and shall be submitted to the governor and the legislature.

The institutional plan shall be included with the institution's biennial budget submission. The institution's budget shall identify proposed spending to meet the requirements of the institutional plan. Each vocational-technical institution, college, or university shall be responsible for implementing its institutional plan.

Sec. 271. RCW 28B.115.080 and 1991 c 332 s 21 are each amended to read as follows:

ANNUAL AWARD AMOUNT. After June 1, 1992, the board, in consultation with the department and the department of social and health services, shall:

(1) Establish the annual award amount for each credentialed health care profession which shall be based upon an assessment of reasonable annual eligible expenses involved in training and education for each credentialed health care profession. The annual award amount may be established at a level less than annual eligible expenses. The annual award amount shall ((not be more than fifteen thousand dollars per year)) be established by the board for each eligible health profession. The awards shall not be paid for more than a maximum of five years per individual;

(2) Determine any scholarship awards for prospective physicians in such a manner to require the recipients declare an interest in serving in rural areas of the state of Washington. Preference for scholarships shall be given to students who reside in a rural physician shortage area or a nonshortage rural area of the state prior to admission to the eligible education and training program in medicine. Highest preference shall be given to students seeking admission who are recommended by sponsoring communities and who declare the intent of serving as a physician in a rural area. The board may require the sponsoring community located in a nonshortage rural area to financially contribute to the eligible expenses of a medical student if the student will serve in the nonshortage rural area;

(3) Establish the required service obligation for each credentialed health care profession, which shall be no less than three years or no more than five years. The required service obligation may be based upon the amount of the scholarship

or loan repayment award such that higher awards involve longer service obligations on behalf of the participant;

(4) Determine eligible education and training programs for purposes of the scholarship portion of the program;

(5) Honor loan repayment and scholarship contract terms negotiated between the board and participants prior to May 21, 1991, concerning loan repayment and scholarship award amounts and service obligations authorized under chapter ((48.150)) 28B.115, 28B.104, or 70.180 RCW.

NEW SECTION. Sec. 272. A new section is added to chapter 41.05 RCW to read as follows:

MULTICULTURAL HEALTH CARE TECHNICAL ASSISTANCE PROGRAM. (1) Consistent with funds appropriated specifically for this purpose, the authority shall provide matching grants to support community-based multicultural health care technical assistance programs. The purpose of the programs shall be to promote technical assistance through community and migrant health clinics and other appropriate health care providers who serve underserved populations and persons of color.

The technical assistance provided shall include, but is not limited to: (a) Collaborative research and data analysis on health care outcomes that disproportionately affect persons of color; (b) design and development of model health education and promotion strategies aimed at modifying unhealthy health behaviors or enhancing the use of the health care delivery system by persons of color; (c) provision of technical information and assistance on program planning and financial management; (d) administration, public policy development, and analysis in health care issues affecting people of color; and (e) enhancement and promotion of health care career opportunities for persons of color.

(2) Consistent with appropriated funds, the programs shall be available on a state-wide basis.

Sec. 273. RCW 70.185.030 and 1991 c 332 s 9 are each amended to read as follows:

COMMUNITY-BASED RECRUITMENT AND RETENTION—UNDERSERVED URBAN AREAS. (1) The department ((shall)) may, subject to funding, establish ((up to three)) community-based recruitment and retention project sites to provide financial and technical assistance to participating communities. The goal of the project is to help assure the availability of health care providers in rural and underserved urban areas of Washington state.

(2) Administrative costs necessary to implement this project shall be kept at a minimum to insure the maximum availability of funds for participants.

(3) The secretary may contract with third parties for services necessary to carry out activities to implement this chapter where this will promote economy, avoid duplication of effort, and make the best use of available expertise.

(4) The secretary may apply for, receive, and accept gifts and other payments, including property and service, from any governmental or other public

or private entity or person, and may make arrangements as to the use of these receipts, including the undertaking of special studies and other projects related to the delivery of health care in rural areas.

(5) In designing and implementing the project the secretary shall coordinate ~~((the project))~~ and avoid duplication with similar federal programs and with the Washington rural health system project as authorized under chapter 70.175 RCW to consolidate administrative duties and reduce costs.

NEW SECTION. Sec. 274. A new section is added to chapter 70.185 RCW to read as follows:

STUDENT POSITIONS. (1) The department may develop a mechanism for underserved rural or urban communities to contract with education and training programs for student positions above the full time equivalent lids. The goal of this program is to provide additional capacity, educating students who will practice in underserved communities.

(2) Eligible education and training programs are those programs approved by the department that lead to eligibility for a credential as a credentialed health care professional. Eligible professions are those licensed under chapters 18.36A, 18.57, 18.57A, 18.71, and 18.71A RCW and advanced registered nurse practitioners and certified nurse midwives licensed under chapter 18.88 RCW, and may include other providers identified as needed in the health personnel resource plan.

(3) Students participating in the community contracted educational positions shall meet all applicable educational program requirements and provide assurances, acceptable to the community, that they will practice in the sponsoring community following completion of education and necessary licensure.

(4) Participants in the program incur an obligation to repay any contracted funds with interest set by state law, unless they serve at least three years in the sponsoring community.

(5) The department may provide funds to communities for use in contracting.

NEW SECTION. Sec. 275. A new section is added to chapter 70.185 RCW to read as follows:

AREA HEALTH EDUCATION CENTERS. The secretary may establish and contract with area health education centers in the eastern and western parts of the state. Consistent with the recruitment and retention objectives of this chapter, the centers shall provide or facilitate the provision of health professional educational and continuing education programs that strengthen the delivery of primary health care services in rural and medically underserved urban areas of the state. The center shall assist in the development and operation of health personnel recruitment and retention programs that are consistent with activities authorized under this chapter. The centers shall further provide technical expertise in the development of well managed health care delivery systems in

rural Washington consistent with the goals and objectives of chapter . . . , Laws of 1993 (this act).

Sec. 276. RCW 43.70.460 and 1992 c 113 s 2 are each amended to read as follows:

RETIRED PRIMARY CARE PROVIDERS—MALPRACTICE INSURANCE. (1) The department may establish a program to purchase and maintain liability malpractice insurance for retired ~~((physicians))~~ primary care providers who provide primary health care services at community clinics. The following conditions apply to the program:

(a) Primary health care services shall be provided at community clinics that are public or private tax-exempt corporations;

(b) Primary health care services provided at the clinics shall be offered to low-income patients based on their ability to pay;

(c) Retired ~~((physicians))~~ primary care providers providing health care services shall not receive compensation for their services; and

(d) The department shall contract only with a liability insurer authorized to offer liability malpractice insurance in the state.

(2) This section and RCW 43.70.470 shall not be interpreted to require a liability insurer to provide coverage to a ~~((physician))~~ primary care provider should the insurer determine that coverage should not be offered to a physician because of past claims experience or for other appropriate reasons.

(3) The state and its employees who operate the program shall be immune from any civil or criminal action involving claims against clinics or physicians that provided health care services under this section and RCW 43.70.470. This protection of immunity shall not extend to any clinic or ~~((physician))~~ primary care provider participating in the program.

(4) The department may monitor the claims experience of retired physicians covered by liability insurers contracting with the department.

(5) The department may provide liability insurance under chapter 113, Laws of 1992 only to the extent funds are provided for this purpose by the legislature.

Sec. 277. RCW 43.70.470 and 1992 c 113 s 3 are each amended to read as follows:

RETIRED PRIMARY CARE PROVIDERS—CONDITIONS. The department may establish by rule the conditions of participation in the liability insurance program by retired ~~((physicians))~~ primary care providers at clinics utilizing retired physicians for the purposes of this section and RCW 43.70.460. These conditions shall include, but not be limited to, the following:

(1) The participating ~~((physician))~~ primary care provider associated with the clinic shall hold a valid license to practice ~~((medicine and surgery in this state and otherwise))~~ as a physician under chapter 18.71 or 18.57 RCW, a naturopath under chapter 18.36A RCW, a physician assistant under chapter 18.71A or 18.57A RCW, an advanced registered nurse practitioner under chapter 18.88 RCW, a dentist under chapter 18.32 RCW, or other health professionals as may

be deemed in short supply in the health personnel resource plan under chapter 28B.125 RCW. All primary care providers must be in conformity with current requirements for licensure as a retired ((physician)) primary care provider, including continuing education requirements;

(2) The participating ((physician)) primary care provider shall limit the scope of practice in the clinic to primary care. Primary care shall be limited to noninvasive procedures and shall not include obstetrical care, or any specialized care and treatment. Noninvasive procedures include injections, suturing of minor lacerations, and incisions of boils or superficial abscesses. Primary dental care shall be limited to diagnosis, oral hygiene, restoration, and extractions and shall not include orthodontia, or other specialized care and treatment;

(3) The provision of liability insurance coverage shall not extend to acts outside the scope of rendering medical services pursuant to this section and RCW 43.70.460;

(4) The participating ((physician)) primary care provider shall limit the provision of health care services to primarily low-income persons provided that clinics may, but are not required to, provide means tests for eligibility as a condition for obtaining health care services;

(5) The participating ((physician)) primary care provider shall not accept compensation for providing health care services from patients served pursuant to this section and RCW 43.70.460, nor from clinics serving these patients. "Compensation" shall mean any remuneration of value to the participating ((physician)) primary care provider for services provided by the ((physician)) primary care provider, but shall not be construed to include any nominal copayments charged by the clinic, nor reimbursement of related expenses of a participating ((physician)) primary care provider authorized by the clinic in advance of being incurred; and

(6) The use of mediation or arbitration for resolving questions of potential liability may be used, however any mediation or arbitration agreement format shall be expressed in terms clear enough for a person with a sixth grade level of education to understand, and on a form no longer than one page in length.

NEW SECTION. Sec. 278. MEDICAL SCHOOL GRADUATES SERVING IN RURAL AND MEDICALLY UNDERSERVED AREAS OF THE STATE—LEGISLATIVE INTENT. The legislature finds that the shortage of primary care physicians practicing in rural and medically underserved areas of the state has created a severe public health and safety problem. If unaddressed, this problem is expected to worsen with health care reform since an increased demand for primary care services will only contribute further to these shortages.

The legislature further finds that the medical training program at the University of Washington is an important and well respected resource to the people of this state in the training of primary care physicians. Currently, only a small proportion of medical school graduates are Washington residents who serve as primary care practitioners in certain parts of this state.

NEW SECTION. Sec. 279. MEDICAL SCHOOL PRIMARY CARE PHYSICIAN SHORTAGE PLAN DEVELOPMENT. (1) The University of Washington shall prepare a primary care shortage plan that accomplishes the following:

(a) Identifies specific activities that the school of medicine shall pursue to increase the number of Washington residents serving as primary care physicians in rural and medically underserved areas of the state, including establishing a goal that assures that no less than fifty percent of medical school graduates who are Washington state residents at the time of matriculation will enter into primary care residencies, to the extent possible, in Washington state by the year 2000;

(b) Assures that the school of medicine shall establish among its highest training priorities the distribution of its primary care physician graduates from the school and associated postgraduate residency programs into rural and medically underserved areas;

(c) Establishes the goal of assuring that the annual number of graduates from the family practice residency network entering rural or medically underserved practice shall be increased by forty percent over a baseline period from 1988 through 1990 by 1995;

(d) Establishes a further goal to make operational at least two additional family practice residency programs within Washington state in geographic areas identified by the plan as underserved in family practice by 1997. The geographic areas identified by the plan as being underserved by family practice physicians shall be consistent with any such similar designations as may be made in the health personnel research plan as authorized under chapter 28B.125 RCW;

(e) Establishes, with the cooperation of existing community and migrant health clinics in rural or medically underserved areas of the state, three family practice residency training tracks. Furthermore, the primary care shortage plan shall provide that one of these training tracks shall be a joint American osteopathic association and American medical association approved training site coordinated with an accredited college of osteopathic medicine with extensive experience in training primary care physicians for the western United States. Such a proposed joint accredited training track will have at least fifty percent of its residency positions in osteopathic medicine; and

(f) Implements the plan, with the exception of the expansion of the family practice residency network, within current biennial appropriations for the University of Washington school of medicine.

(2) The plan shall be submitted to the appropriate committees of the legislature no later than December 1, 1993.

I. SHORT-TERM HEALTH INSURANCE REFORM

NEW SECTION. Sec. 280. INTENT—INCREASE ACCESS TO COVERAGE. The legislature intends that, during the transition to a fully reformed health services system, certain health insurance practices be modified to increase access to health insurance coverage for some individuals and groups. The legislature recognizes that health insurance reform will not remedy the significant lack of access to coverage in Washington state without the implementation of strong cost control measures. The authority granted to the commissioner in chapter . . . , Laws of 1993 (this act) is in addition to any authority the commissioner currently has under Title 48 RCW to regulate insurers, health care service contractors, and health maintenance organizations.

NEW SECTION. Sec. 281. A new section is added to chapter 48.18 RCW to read as follows:

CANCELLATIONS, DENIALS—WRITTEN COMMUNICATION. Every insurer upon canceling, denying, or refusing to renew any disability policy, shall, upon written request, directly notify in writing the applicant or insured, as the case may be, of the reasons for the action by the insurer and to any person covered under a group contract. Any benefits, terms, rates, or conditions of such a contract that are restricted, excluded, modified, increased, or reduced shall, upon written request, be set forth in writing and supplied to the insured and to any person covered under a group contract. The written communications required by this section shall be phrased in simple language that is readily understandable to a person of average intelligence, education, and reading ability.

Sec. 282. RCW 48.21.200 and 1983 c 202 s 16 and 1983 c 106 s 24 are each reenacted and amended to read as follows:

REDUCTIONS OR REFUSAL OF BENEFITS. (1) No individual or group disability insurance policy, health care service contract, or health maintenance agreement which provides benefits for hospital, medical, or surgical expenses shall be delivered or issued for delivery in this state (~~after September 8, 1975~~) which contains any provision whereby the insurer, contractor, or health maintenance organization may reduce or refuse to pay such benefits otherwise payable thereunder solely on account of the existence of similar benefits provided under any (~~individual~~) disability insurance policy, (~~or under any individual~~) health care service contract, or health maintenance agreement.

(2) No individual or group disability insurance policy, health care service contract, or health maintenance agreement providing hospital, medical or surgical expense benefits and which contains a provision for the reduction of benefits otherwise payable or available thereunder on the basis of other existing coverages, shall provide that such reduction will operate to reduce total benefits payable below an amount equal to one hundred percent of total allowable expenses exclusive of copayments, deductibles, and other similar cost-sharing arrangements.

(3) The commissioner shall by rule establish guidelines for the application of this section, including:

(a) The procedures by which persons (~~insured~~) covered under such policies, contracts, and agreements are to be made aware of the existence of such a provision;

(b) The benefits which may be subject to such a provision;

(c) The effect of such a provision on the benefits provided;

(d) Establishment of the order of benefit determination; (~~and~~)

(e) Exceptions necessary to preserve policy, contract, or agreement requirements for use of particular health care facilities or providers; and

(f) Reasonable claim administration procedures to expedite claim payments and prevent duplication of payments or benefits under such a provision(~~PROVIDED, HOWEVER, That any group disability insurance policy which is issued as part of an employee insurance benefit program authorized by RCW 41.05.025(3) may exclude all or part of any deductible amounts from the definition of total allowable expenses for purposes of coordination of benefits within the plan and between such plan and other applicable group coverages: AND PROVIDED FURTHER, That any group disability insurance policy providing coverage for persons in this state may exclude all or part of any deductible amounts required by a group disability insurance policy from the definition of total allowable expenses for purposes of coordination of benefits between such policy and a group disability insurance policy issued as part of an employee insurance benefit program authorized by RCW 41.05.025(3).~~)

~~(3) The provisions of this section shall apply to health care service contractor contracts and health maintenance organization agreements).~~

NEW SECTION. Sec. 283. A new section is added to chapter 48.20 RCW to read as follows:

DISABILITY INSURER—PREEXISTING CONDITIONS EXCLUSIONS AND LIMITATIONS. (1) After January 1, 1994, every disability insurer issuing coverage against loss arising from medical, surgical, hospital, or emergency care coverage shall waive any preexisting condition exclusion or limitation for persons who had similar coverage under a different policy, health care service contract, or health maintenance agreement in the three-month period immediately preceding the effective date of coverage under the new policy to the extent that such person has satisfied a waiting period under such preceding policy, contract, or agreement; however, if the person satisfied a twelve-month waiting period under such preceding policy, contract, or agreement, the insurer shall waive any preexisting condition exclusion or limitation. The insurer need not waive a preexisting condition exclusion or limitation under the new policy for coverage not provided under such preceding policy, contract, or agreement.

(2) The commissioner may adopt rules establishing guidelines for determining when coverage is similar under new and preceding policies, contracts, and agreements and for determining when a preexisting condition waiting period has been satisfied.

(3) The commissioner in consultation with insurers, health care service contractors, and health maintenance organizations shall study the effect of preexisting condition exclusions and limitations on the cost and availability of health care coverage and shall adopt rules restricting the use of such conditions and limitations by January 1, 1994. No insurer, health care service contractor, or health maintenance organization may deny, exclude, or limit coverage for preexisting conditions for a period longer than that provided for in such rules after July 1, 1994.

NEW SECTION. Sec. 284. A new section is added to chapter 48.21 RCW to read as follows:

GROUP DISABILITY INSURERS—PREEXISTING CONDITIONS EXCLUSIONS AND LIMITATIONS. (1) After January 1, 1994, every disability insurer issuing coverage against loss arising from medical, surgical, hospital, or emergency care coverage shall waive any preexisting condition exclusion or limitation for persons who had similar coverage under a different policy, health care service contract, or health maintenance agreement in the three-month period immediately preceding the effective date of coverage under the new policy to the extent that such person has satisfied a waiting period under such preceding policy, contract, or agreement; however, if the person satisfied a twelve-month waiting period under such preceding policy, contract, or agreement, the insurer shall waive any preexisting condition exclusion or limitation. The insurer need not waive a preexisting condition exclusion or limitation under the new policy for coverage not provided under such preceding policy, contract, or agreement.

(2) The commissioner may adopt rules establishing guidelines for determining when coverage is similar under new and preceding policies, contracts, and agreements and for determining when a preexisting condition waiting period has been satisfied.

(3) The commissioner in consultation with insurers, health care service contractors, and health maintenance organizations shall study the effect of preexisting condition exclusions and limitations on the cost and availability of health care coverage and shall adopt rules restricting the use of such conditions and limitations by January 1, 1994. No insurer, health care service contractor, or health maintenance organization may deny, exclude, or limit coverage for preexisting conditions for a period longer than that provided for in such rules after July 1, 1994.

NEW SECTION. Sec. 285. A new section is added to chapter 48.44 RCW to read as follows:

HEALTH CARE SERVICE CONTRACTORS—PREEXISTING CONDITIONS EXCLUSIONS AND LIMITATIONS. (1) After January 1, 1994, every health care service contractor, except limited health care service contractors as defined under RCW 48.44.035, shall waive any preexisting condition exclusion or limitation for persons who had similar coverage under a different policy,

health care service contract, or health maintenance agreement in the three-month period immediately preceding the effective date of coverage under the new contract to the extent that such person has satisfied a waiting period under such preceding policy, contract, or agreement; however, if the person satisfied a twelve-month waiting period under such preceding policy, contract, or agreement, the insurer shall waive any preexisting condition exclusion or limitation. The insurer need not waive a preexisting condition exclusion or limitation under the new policy for coverage not provided under such preceding policy, contract, or agreement.

(2) The commissioner may adopt rules establishing guidelines for determining when coverage is similar under new and preceding policies, contracts, and agreements and for determining when a preexisting condition waiting period has been satisfied.

(3) The commissioner in consultation with insurers, health care service contractors, and health maintenance organizations shall study the effect of preexisting condition exclusions and limitations on the cost and availability of health care coverage and shall adopt rules restricting the use of such conditions and limitations by January 1, 1994. No insurer, health care service contractor, or health maintenance organization may deny, exclude, or limit coverage for preexisting conditions for a period longer than that provided for in such rules after July 1, 1994.

NEW SECTION. Sec. 286. A new section is added to chapter 48.46 RCW to read as follows:

HEALTH MAINTENANCE ORGANIZATIONS—PREEXISTING CONDITIONS EXCLUSIONS AND LIMITATIONS. (1) After January 1, 1994, every health maintenance organization shall waive any preexisting condition exclusion or limitation for persons who had similar coverage under a different policy, health care service contract, or health maintenance agreement in the three-month period immediately preceding the effective date of coverage under the new agreement to the extent that such person has satisfied a waiting period under such preceding policy, contract, or agreement; however, if the person satisfied a twelve-month waiting period under such preceding policy, contract, or agreement, the insurer shall waive any preexisting condition exclusion or limitation. The insurer need not waive a preexisting condition exclusion or limitation under the new policy for coverage not provided under such preceding policy, contract, or agreement.

(2) The commissioner may adopt rules establishing guidelines for determining when coverage is similar under new and preceding policies, contracts, and agreements and for determining when a preexisting condition waiting period has been satisfied.

(3) The commissioner in consultation with insurers, health care service contractors, and health maintenance organizations shall study the effect of preexisting condition exclusions and limitations on the cost and availability of health care coverage and shall adopt rules restricting the use of such conditions

and limitations by January 1, 1994. No insurer, health care service contractor, or health maintenance organization may deny, exclude, or limit coverage for preexisting conditions for a period longer than that provided for in such rules after July 1, 1994.

Sec. 287. RCW 48.30.300 and 1975-'76 2nd ex.s. c 119 s 7 are each amended to read as follows:

UNFAIR PRACTICES. Notwithstanding any provision contained in Title 48 RCW to the contrary:

(1) No person or entity engaged in the business of insurance in this state shall refuse to issue any contract of insurance or cancel or decline to renew such contract because of the sex or marital status, or the presence of any sensory, mental, or physical handicap of the insured or prospective insured. The amount of benefits payable, or any term, rate, condition, or type of coverage shall not be restricted, modified, excluded, increased or reduced on the basis of the sex or marital status, or be restricted, modified, excluded or reduced on the basis of the presence of any sensory, mental, or physical handicap of the insured or prospective insured. Subject to the provisions of subsection (2) of this section these provisions shall not prohibit fair discrimination on the basis of sex, or marital status, or the presence of any sensory, mental, or physical handicap when bona fide statistical differences in risk or exposure have been substantiated.

(2) With respect to disability policies issued or renewed on and after July 1, 1994, that provide coverage against loss arising from medical, surgical, hospital, or emergency care services:

(a) Policies shall guarantee continuity of coverage. Such provision, which shall be included in every policy, shall provide that:

(i) The policy may be canceled or nonrenewed without the prior written approval of the commissioner only for nonpayment of premium or as permitted under RCW 48.18.090; and

(ii) The policy may be canceled or nonrenewed because of a change in the physical or mental condition or health of a covered person only with the prior written approval of the commissioner. Such approval shall be granted only when the insurer has discharged its obligation to continue coverage for such person by obtaining coverage with another insurer, health care service contractor, or health maintenance organization, which coverage is comparable in terms of premiums and benefits as defined by rule of the commissioner.

(b) It is an unfair practice for a disability insurer to modify the coverage provided or rates applying to an in-force disability insurance policy and to fail to make such modification in all such issued and outstanding policies.

(c) Subject to rules adopted by the commissioner, it is an unfair practice for a disability insurer to:

(i) Cease the sale of a policy form unless it has received prior written authorization from the commissioner and has offered all policyholders covered under such discontinued policy the opportunity to purchase comparable coverage without health screening; or

(ii) Engage in a practice that subjects policyholders to rate increases on discontinued policy forms unless such policyholders are offered the opportunity to purchase comparable coverage without health screening.

The insurer may limit an offer of comparable coverage without health screening to a period not less than thirty days from the date the offer is first made.

NEW SECTION. Sec. 288. A new section is added to chapter 48.44 RCW to read as follows:

HEALTH CARE SERVICE CONTRACTS—UNFAIR PRACTICES. (1) With respect to all health care service contracts issued or renewed on and after July 1, 1994, except limited health care service contracts as defined in RCW 48.44.035:

(a) Contracts shall guarantee continuity of coverage. Such provision, which shall be included in every contract, shall provide that:

(i) The contract may be canceled or nonrenewed without the prior written approval of the commissioner only for nonpayment of premiums, for violation of published policies of the contractor that have been approved by the commissioner, for persons who are entitled to become eligible for medicare benefits and fail to subscribe to a medicare supplement plan offered by the contractor, for failure of such subscriber to pay any deductible or copayment amount owed to the contractor and not the provider of health care services, for fraud, or for a material breach of the contract; and

(ii) The contract may be canceled or nonrenewed because of a change in the physical or mental condition or health of a covered person only with the prior written approval of the commissioner. Such approval shall be granted only when the contractor has discharged its obligation to continue coverage for such person by obtaining coverage with another insurer, health care service contractor, or health maintenance organization, which coverage is comparable in terms of premiums and benefits as defined by rule of the commissioner.

(b) It is an unfair practice for a contractor to modify the coverage provided or rates applying to an in-force contract and to fail to make such modification in all such issued and outstanding contracts.

(c) Subject to rules adopted by the commissioner, it is an unfair practice for a health care service contractor to:

(i) Cease the sale of a contract form unless it has received prior written authorization from the commissioner and has offered all subscribers covered under such discontinued contract the opportunity to purchase comparable coverage without health screening; or

(ii) Engage in a practice that subjects subscribers to rate increases on discontinued contract forms unless such subscribers are offered the opportunity to purchase comparable coverage without health screening.

(2) The health care service contractor may limit an offer of comparable coverage without health screening to a period not less than thirty days from the date the offer is first made.

NEW SECTION. **Sec. 289.** A new section is added to chapter 48.46 RCW to read as follows:

HEALTH MAINTENANCE AGREEMENTS—UNFAIR PRACTICES. (1) With respect to all health maintenance agreements issued or renewed on and after July 1, 1994, and in addition to the restrictions and limitations contained in RCW 48.46.060(4):

(a) Agreements shall guarantee continuity of coverage. Such provision, which shall be included in every agreement, shall provide that the agreement may be canceled or nonrenewed because of a change in the physical or mental condition or health of a covered person only with the prior written approval of the commissioner. Such approval shall be granted only when the organization has discharged its obligation to continue coverage for such person by obtaining coverage with another insurer, health care service contractor, or health maintenance organization, which coverage is comparable in terms of premiums and benefits as defined by rule of the commissioner.

(b) It is an unfair practice for an organization to modify the coverage provided or rates applying to an in-force agreement and to fail to make such modification in all such issued and outstanding agreements.

(c) Subject to rules adopted by the commissioner, it is an unfair practice for a health maintenance organization to:

(i) Cease the sale of an agreement form unless it has received prior written authorization from the commissioner and has offered all enrollees covered under such discontinued agreement the opportunity to purchase comparable coverage without health screening; or

(ii) Engage in a practice that subjects enrollees to rate increases on discontinued agreement forms unless such enrollees are offered the opportunity to purchase comparable coverage without health screening.

(2) The health maintenance organization may limit an offer of comparable coverage without health screening to a period not less than thirty days from the date the offer is first made.

Sec. 290. RCW 48.44.260 and 1979 c 133 s 3 are each amended to read as follows:

HEALTH CARE SERVICE CONTRACTOR—NOTICE OF CANCELLATION. Every authorized health care service contractor, upon canceling, denying, or refusing to renew any individual health care service contract, shall, upon written request, directly notify in writing the applicant or ~~((insured))~~ subscriber, as the case may be, of the reasons for the action by the health care service contractor. Any benefits, terms, rates, or conditions of such a contract which are restricted, excluded, modified, increased, or reduced ~~((because of the presence of a sensory, mental, or physical handicap))~~ shall, upon written request, be set forth in writing and supplied to the ~~((insured))~~ subscriber. The written communications required by this section shall be phrased in simple language which is readily understandable to a person of average intelligence, education, and reading ability.

Sec. 291. RCW 48.46.380 and 1983 c 106 s 16 are each amended to read as follows:

HEALTH MAINTENANCE ORGANIZATION—NOTICE OF CANCELLATIONS. Every authorized health maintenance organization, upon canceling, denying, or refusing to renew any individual health maintenance agreement, shall, upon written request, directly notify in writing the applicant or enrolled participant as appropriate, of the reasons for the action by the health maintenance organization. Any benefits, terms, rates, or conditions of such agreement which are restricted, excluded, modified, increased, or reduced (~~because of the presence of a sensory, mental, or physical handicap~~) shall, upon written request, be set forth in writing and supplied to the individual. The written communications required by this section shall be phrased in simple language which is readily understandable to a person of average intelligence, education, and reading ability.

NEW SECTION. Sec. 292. REPEALERS—REPORT; STUDIES. The following acts or parts of acts are each repealed:

- (1) RCW 48.46.160 and 1975 1st ex.s. c 290 s 17; and
- (2) RCW 48.46.905 and 1975 1st ex.s. c 290 s 25.

NEW SECTION. Sec. 293. REPEALER—NONTERMINATION FOR CHANGE IN HEALTH. RCW 48.44.410 and 1986 c 223 s 12 are each repealed, effective July 1, 1994.

NEW SECTION. Sec. 294. A new section is added to chapter 48.01 RCW to read as follows:

CERTIFIED HEALTH PLAN PROVISIONS—APPLICATION. Whenever the provisions of this title conflict with the provisions of chapter . . . , Laws of 1993 (this act), chapter . . . , Laws of 1993 (this act) shall control.

Sec. 295. RCW 48.44.095 and 1983 c 202 s 3 are each amended to read as follows:

ANNUAL STATEMENT. (1) Every health care service contractor shall annually, (~~within one hundred twenty days of the closing date of its fiscal year~~) before the first day of March, file with the commissioner a statement verified by at least two of the principal officers of the health care service contractor showing its financial condition as of the (~~closing date of its fiscal year~~) last day of the preceding calendar year. The statement shall be in such form as is furnished or prescribed by the commissioner. The commissioner may for good reason allow a reasonable extension of the time within which such annual statement shall be filed.

(2) The commissioner may suspend or revoke the certificate of registration of any health care service contractor failing to file its annual statement when due or during any extension of time therefor which the commissioner, for good cause, may grant.

Sec. 296. RCW 48.46.080 and 1983 c 202 s 10 and 1983 c 106 s 6 are each reenacted and amended to read as follows:

ANNUAL STATEMENT. (1) Every health maintenance organization shall annually, ~~((within one hundred twenty days of the closing date of its fiscal year))~~ before the first day of March, file with the commissioner a statement verified by at least two of the principal officers of the health maintenance organization showing its financial condition as of the ~~((closing date of its fiscal year))~~ last day of the preceding calendar year.

(2) Such annual report shall be in such form as the commissioner shall prescribe and shall include:

(a) A financial statement of such organization, including its balance sheet and receipts and disbursements for the preceding year, which reflects at a minimum;

(i) all prepayments and other payments received for health care services rendered pursuant to health maintenance agreements;

(ii) expenditures to all categories of health care facilities, providers, insurance companies, or hospital or medical service plan corporations with which such organization has contracted to fulfill obligations to enrolled participants arising out of its health maintenance agreements, together with all other direct expenses including depreciation, enrollment, and commission; and

(iii) expenditures for capital improvements, or additions thereto, including but not limited to construction, renovation, or purchase of facilities and capital equipment;

(b) The number of participants enrolled and terminated during the report period. Every employer offering health care benefits to their employees through a group contract with a health maintenance organization shall furnish said health maintenance organization with a list of their employees enrolled under such plan;

(c) The number of doctors by type of practice who, under contract with or as an employee of the health maintenance organization, furnished health care services to consumers during the past year;

(d) A report of the names and addresses of all officers, directors, or trustees of the health maintenance organization during the preceding year, and the amount of wages, expense reimbursements, or other payments to such individuals for services to such organization. For partnership and professional service corporations, a report shall be made for partners or shareholders as to any compensation or expense reimbursement received by them for services, other than for services and expenses relating directly for patient care;

(e) Such other information relating to the performance of the health maintenance organization or the health care facilities or providers with which it has contracted as reasonably necessary to the proper and effective administration of this chapter, in accordance with rules and regulations; and

(f) Disclosure of any financial interests held by officers and directors in any providers associated with the health maintenance organization or any provider of the health maintenance organization.

(3) The commissioner may for good reason allow a reasonable extension of the time within which such annual statement shall be filed.

(4) The commissioner may suspend or revoke the certificate of registration of any health maintenance organization failing to file its annual statement when due or during any extension of time therefor which the commissioner, for good cause, may grant.

(5) No person shall knowingly file with any public official or knowingly make, publish, or disseminate any financial statement of a health maintenance organization which does not accurately state the health maintenance organization's financial condition.

PART III. TAXES

NEW SECTION. Sec. 301. A new section is added to chapter 48.14 RCW to read as follows:

TAX ON PREMIUMS AND PREPAYMENTS. (1) As used in this section, "taxpayer" means a health maintenance organization, as defined in RCW 48.46.020, a health care service contractor, as defined in RCW 48.44.010, or a certified health plan certified under section 434 of this act.

(2) Each taxpayer shall pay a tax on or before the first day of March of each year to the state treasurer through the insurance commissioner's office. The tax shall be equal to the total amount of all premiums and prepayments for health care services received by the taxpayer during the preceding calendar year multiplied by the rate of two percent.

(3) Taxpayers shall prepay their tax obligations under this section. The minimum amount of the prepayments shall be percentages of the taxpayer's tax obligation for the preceding calendar year recomputed using the rate in effect for the current year. For the prepayment of taxes due during the first calendar year, the minimum amount of the prepayments shall be percentages of the taxpayer's tax obligation that would have been due had the tax been in effect during the previous calendar year. The tax prepayments shall be paid to the state treasurer through the commissioner's office by the due dates and in the following amounts:

- (a) On or before June 15, forty-five percent;
- (b) On or before September 15, twenty-five percent;
- (c) On or before December 15, twenty-five percent.

(4) For good cause demonstrated in writing, the commissioner may approve an amount smaller than the preceding calendar year's tax obligation as recomputed for calculating the health maintenance organization's prepayment obligations for the current tax year.

(5) Moneys collected under this section shall be deposited in the health services account under section 469 of this act.

(6) The taxes imposed in this section do not apply to:

(a) Amounts received by any taxpayer from the United States or any instrumentality thereof as prepayments for health care services provided under

Title XVIII (medicare) of the federal social security act. This exemption shall expire July 1, 1997.

(b) Amounts received by any health care service contractor, as defined in RCW 48.44.010, as prepayments for health care services included within the definition of practice of dentistry under RCW 18.32.020. This exemption does not apply to amounts received under a certified health plan certified under section 434 of this act.

Sec. 302. RCW 48.14.080 and 1949 c 190 s 21 are each amended to read as follows:

PREMIUM TAX IN LIEU OF OTHER FORMS. As to insurers other than title insurers, the taxes imposed by this title shall be in lieu of all other taxes, except taxes on real and tangible personal property (~~and~~), excise taxes on the sale, purchase or use of such property, and the tax imposed in RCW 82.04.260(15).

NEW SECTION. **Sec. 303.** A new section is added to chapter 82.04 RCW to read as follows:

EXEMPTION FROM BUSINESS AND OCCUPATION TAX. This chapter does not apply to any health maintenance organization, health care service contractor, or certified health plan in respect to premiums or prepayments that are taxable under section 301 of this act.

Sec. 304. RCW 82.04.260 and 1991 c 272 s 15 are each amended to read as follows:

TAX ON HOSPITALS OPERATED AS NONPROFIT CORPORATIONS.
(1) Upon every person engaging within this state in the business of buying wheat, oats, dry peas, dry beans, lentils, triticale, corn, rye and barley, but not including any manufactured or processed products thereof, and selling the same at wholesale; the tax imposed shall be equal to the gross proceeds derived from such sales multiplied by the rate of one one-hundredth of one percent.

(2) Upon every person engaging within this state in the business of manufacturing wheat into flour, barley into pearl barley, soybeans into soybean oil, or sunflower seeds into sunflower oil; as to such persons the amount of tax with respect to such business shall be equal to the value of the flour, pearl barley, or oil manufactured, multiplied by the rate of one-eighth of one percent.

(3) Upon every person engaging within this state in the business of splitting or processing dried peas; as to such persons the amount of tax with respect to such business shall be equal to the value of the peas split or processed, multiplied by the rate of one-quarter of one percent.

(4) Upon every person engaging within this state in the business of manufacturing seafood products which remain in a raw, raw frozen, or raw salted state at the completion of the manufacturing by that person; as to such persons the amount of tax with respect to such business shall be equal to the value of the products manufactured, multiplied by the rate of one-eighth of one percent.

(5) Upon every person engaging within this state in the business of manufacturing by canning, preserving, freezing or dehydrating fresh fruits and vegetables; as to such persons the amount of tax with respect to such business shall be equal to the value of the products canned, preserved, frozen or dehydrated multiplied by the rate of three-tenths of one percent.

(6) Upon every nonprofit corporation and nonprofit association engaging within this state in research and development, as to such corporations and associations, the amount of tax with respect to such activities shall be equal to the gross income derived from such activities multiplied by the rate of forty-four one-hundredths of one percent.

(7) Upon every person engaging within this state in the business of slaughtering, breaking and/or processing perishable meat products and/or selling the same at wholesale only and not at retail; as to such persons the tax imposed shall be equal to the gross proceeds derived from such sales multiplied by the rate of twenty-five one-hundredths of one percent through June 30, 1986, and one-eighth of one percent thereafter.

(8) Upon every person engaging within this state in the business of making sales, at retail or wholesale, of nuclear fuel assemblies manufactured by that person, as to such persons the amount of tax with respect to such business shall be equal to the gross proceeds of sales of the assemblies multiplied by the rate of twenty-five one-hundredths of one percent.

(9) Upon every person engaging within this state in the business of manufacturing nuclear fuel assemblies, as to such persons the amount of tax with respect to such business shall be equal to the value of the products manufactured multiplied by the rate of twenty-five one-hundredths of one percent.

(10) Upon every person engaging within this state in the business of acting as a travel agent; as to such persons the amount of the tax with respect to such activities shall be equal to the gross income derived from such activities multiplied by the rate of twenty-five one-hundredths of one percent.

(11) Upon every person engaging within this state in business as an international steamship agent, international customs house broker, international freight forwarder, vessel and/or cargo charter broker in foreign commerce, and/or international air cargo agent; as to such persons the amount of the tax with respect to only international activities shall be equal to the gross income derived from such activities multiplied by the rate of thirty-three one-hundredths of one percent.

(12) Upon every person engaging within this state in the business of stevedoring and associated activities pertinent to the movement of goods and commodities in waterborne interstate or foreign commerce; as to such persons the amount of tax with respect to such business shall be equal to the gross proceeds derived from such activities multiplied by the rate of thirty-three one hundredths of one percent. Persons subject to taxation under this subsection shall be exempt from payment of taxes imposed by chapter 82.16 RCW for that portion of their business subject to taxation under this subsection. Stevedoring

and associated activities pertinent to the conduct of goods and commodities in waterborne interstate or foreign commerce are defined as all activities of a labor, service or transportation nature whereby cargo may be loaded or unloaded to or from vessels or barges, passing over, onto or under a wharf, pier, or similar structure; cargo may be moved to a warehouse or similar holding or storage yard or area to await further movement in import or export or may move to a consolidation freight station and be stuffed, unstuffed, containerized, separated or otherwise segregated or aggregated for delivery or loaded on any mode of transportation for delivery to its consignee. Specific activities included in this definition are: Wharfage, handling, loading, unloading, moving of cargo to a convenient place of delivery to the consignee or a convenient place for further movement to export mode; documentation services in connection with the receipt, delivery, checking, care, custody and control of cargo required in the transfer of cargo; imported automobile handling prior to delivery to consignee; terminal stevedoring and incidental vessel services, including but not limited to plugging and unplugging refrigerator service to containers, trailers, and other refrigerated cargo receptacles, and securing ship hatch covers.

(13) Upon every person engaging within this state in the business of disposing of low-level waste, as defined in RCW 43.145.010; as to such persons the amount of the tax with respect to such business shall be equal to the gross income of the business, excluding any fees imposed under chapter 43.200 RCW, multiplied by the rate of fifteen percent.

(a) The rate specified in this subsection shall be reduced to ten percent on May 20, 1991.

(b) The rate specified in this subsection shall be further reduced to five percent on January 1, 1992.

(c) The rate specified in this subsection shall be further reduced to three percent on July 1, 1993.

If the gross income of the taxpayer is attributable to activities both within and without this state, the gross income attributable to this state shall be determined in accordance with the methods of apportionment required under RCW 82.04.460.

(14) Upon every person engaging within this state as an insurance agent, insurance broker, or insurance solicitor licensed under chapter 48.17 RCW; as to such persons, the amount of the tax with respect to such licensed activities shall be equal to the gross income of such business multiplied by the rate of one percent.

(15) Upon every person engaging within this state in business as a hospital, as defined in chapter 70.41 RCW, that is operated as a nonprofit corporation, as to such persons, the amount of tax with respect to such activities shall be equal to the gross income of the business multiplied by the rate of seventy-five one-hundredths of one percent through June 30, 1995, and one and five-tenths percent thereafter. The moneys collected under this subsection shall be deposited in the health services account created under section 469 of this act.

Sec. 305. RCW 82.04.4289 and 1981 c 178 s 2 are each amended to read as follows:

HOSPITAL EXEMPTION DELETED. ~~((In computing tax there may be deducted from the measure of tax))~~ This chapter does not apply to amounts derived as compensation for services rendered to patients or from sales of prescription drugs as defined in RCW 82.08.0281 furnished as an integral part of services rendered to patients by ((a hospital, as defined in chapter 70.41 RCW, which is operated as a nonprofit corporation,)) a kidney dialysis facility operated as a nonprofit corporation, ((whether or not operated in connection with a hospital,)) nursing homes, and homes for unwed mothers operated as religious or charitable organizations, but only if no part of the net earnings received by such an institution inures directly or indirectly, to any person other than the institution entitled to deduction hereunder. ((In no event shall any such deduction be allowed, unless the hospital building is entitled to exemption from taxation under the property tax laws of this state.))

NEW SECTION. Sec. 306. REPEALER—BUSINESS AND OCCUPATION TAX DEDUCTION FOR PUBLICLY OPERATED HOSPITALS. RCW 82.04.4288 and 1980 c 37 s 9 are each repealed.

Sec. 307. RCW 82.24.020 and 1989 c 271 s 504 are each amended to read as follows:

TAX ON CIGARETTES. (1) There is levied and there shall be collected as ~~((hereinafter))~~ provided in this chapter, a tax upon the sale, use, consumption, handling, possession or distribution of all cigarettes, in an amount equal to the rate of eleven and one-half mills per cigarette.

(2) Until July 1, 1995, an additional tax is imposed upon the sale, use, consumption, handling, possession, or distribution of all cigarettes, in an amount equal to the rate of one and one-half mills per cigarette. All revenues collected during any month from this additional tax shall be deposited in the drug enforcement and education account under RCW 69.50.520 by the twenty-fifth day of the following month.

(3) An additional tax is imposed upon the sale, use, consumption, handling, possession, or distribution of all cigarettes, in an amount equal to the rate of ten mills per cigarette through June 30, 1994, eleven and one-fourth mills per cigarette for the period July 1, 1994, through June 30, 1995, twenty mills per cigarette for the period July 1, 1995, through June 30, 1996, and twenty and one-half mills per cigarette thereafter. All revenues collected during any month from this additional tax shall be deposited in the health services account created under section 469 of this act by the twenty-fifth day of the following month.

(4) Wholesalers and retailers subject to the payment of this tax may, if they wish, absorb one-half mill per cigarette of the tax and not pass it on to purchasers without being in violation of this section or any other act relating to the sale or taxation of cigarettes.

~~((4))~~ (5) For purposes of this chapter, "possession" shall mean both (a) physical possession by the purchaser and, (b) when cigarettes are being transported to or held for the purchaser or his or her designee by a person other than the purchaser, constructive possession by the purchaser or his designee, which constructive possession shall be deemed to occur at the location of the cigarettes being so transported or held.

Sec. 308. RCW 82.24.080 and 1972 ex.s. c 157 s 4 are each amended to read as follows:

TAX LIABILITY—CIGARETTE TAX. It is the intent and purpose of this chapter to levy a tax on all of the articles taxed ~~((herein))~~ under this chapter, sold, used, consumed, handled, possessed, or distributed within this state and to collect the tax from the person who first sells, uses, consumes, handles, possesses (either physically or constructively, in accordance with RCW 82.24.020) or distributes them in the state. It is further the intent and purpose of this chapter that whenever any of the articles ~~((herein))~~ taxed under this chapter is given away for advertising or any other purpose, it shall be taxed in the same manner as if it were sold, used, consumed, handled, possessed, or distributed in this state.

It is also the intent and purpose of this chapter that the tax shall be imposed at the time and place of the first taxable event occurring within this state (~~(= PROVIDED, HOWEVER, That)~~). Failure to pay the tax with respect to a taxable event shall not prevent tax liability from arising by reason of a subsequent taxable event.

In the event of an increase in the rate of the tax imposed under this chapter, it is the intent of the legislature that the first person who sells, uses, consumes, handles, possesses, or distributes previously taxed articles after the effective date of the rate increase shall be liable for the additional tax represented by the rate increase, but the failure to pay the additional tax with respect to the first taxable event after the effective date of a rate increase shall not prevent tax liability for the additional tax from arising from a subsequent taxable event.

Sec. 309. RCW 82.26.020 and 1983 2nd ex.s. c 3 s 16 are each amended to read as follows:

TAX ON TOBACCO PRODUCTS. (1) ~~((From and after June 1, 1971,))~~ There is levied and there shall be collected a tax upon the sale, use, consumption, handling, or distribution of all tobacco products in this state at the rate of forty-five percent of the wholesale sales price of such tobacco products. ~~((Such tax))~~

(2) Taxes under this section shall be imposed at the time the distributor (a) brings, or causes to be brought, into this state from without the state tobacco products for sale, (b) makes, manufactures, or fabricates tobacco products in this state for sale in this state, or (c) ships or transports tobacco products to retailers in this state, to be sold by those retailers.

~~((2))~~ (3) An additional tax is imposed equal to ~~((the rate specified in RCW 82.02.030))~~ seven percent multiplied by the tax payable under subsection (1) of this section.

(4) An additional tax is imposed equal to ten percent of the wholesale sales price of tobacco products. The moneys collected under this subsection shall be deposited in the health services account created under section 469 of this act.

Sec. 310. RCW 82.08.150 and 1989 c 271 s 503 are each amended to read as follows:

TAX ON SPIRITS. (1) There is levied and shall be collected a tax upon each retail sale of spirits, or strong beer in the original package at the rate of fifteen percent of the selling price. The tax imposed in this subsection shall apply to all such sales including sales by the Washington state liquor stores and agencies, but excluding sales to class H licensees.

(2) There is levied and shall be collected a tax upon each sale of spirits, or strong beer in the original package at the rate of ten percent of the selling price on sales by Washington state liquor stores and agencies to class H licensees.

(3) There is levied and shall be collected an additional tax upon each retail sale of spirits in the original package at the rate of one dollar and seventy-two cents per liter. The additional tax imposed in this subsection shall apply to all such sales including sales by Washington state liquor stores and agencies, and including sales to class H licensees.

(4) An additional tax is imposed equal to ~~((the rate specified in RCW 82.02.030))~~ fourteen percent multiplied by the taxes payable under subsections (1), (2), and (3) of this section.

(5) Until July 1, 1995, an additional tax is imposed upon each retail sale of spirits in the original package at the rate of seven cents per liter. The additional tax imposed in this subsection shall apply to all such sales including sales by Washington state liquor stores and agencies, and including sales to class H licensees. All revenues collected during any month from this additional tax shall be deposited in the drug enforcement and education account under RCW 69.50.520 by the twenty-fifth day of the following month.

(6)(a) An additional tax is imposed upon retail sale of spirits in the original package at the rate of one and seven-tenths percent of the selling price through June 30, 1995, two and six-tenths percent of the selling price for the period July 1, 1995, through June 30, 1997, and three and four-tenths of the selling price thereafter. This additional tax applies to all such sales including sales by Washington state liquor stores and agencies, but excluding sales to class H licensees.

(b) An additional tax is imposed upon retail sale of spirits in the original package at the rate of one and one-tenth percent of the selling price through June 30, 1995, one and seven-tenths percent of the selling price for the period July 1, 1995, through June 30, 1997, and two and three-tenths of the selling price thereafter. This additional tax applies to all such sales to class H licensees.

(c) An additional tax is imposed upon each retail sale of spirits in the original package at the rate of twenty cents per liter through June 30, 1995, thirty cents per liter for the period July 1, 1995, through June 30, 1997, and forty-one cents per liter thereafter. This additional tax applies to all such sales including sales by Washington state liquor stores and agencies, and including sales to class H licensees.

(d) All revenues collected during any month from additional taxes under this subsection shall be deposited in the health services account created under section 469 of this act by the twenty-fifth day of the following month.

(7) The tax imposed in RCW 82.08.020(~~as now or hereafter amended~~;) shall not apply to sales of spirits or strong beer in the original package.

~~((7))~~ (8) The taxes imposed in this section shall be paid by the buyer to the seller, and each seller shall collect from the buyer the full amount of the tax payable in respect to each taxable sale under this section. The taxes required by this section to be collected by the seller shall be stated separately from the selling price and for purposes of determining the tax due from the buyer to the seller, it shall be conclusively presumed that the selling price quoted in any price list does not include the taxes imposed by this section.

~~((8))~~ (9) As used in this section, the terms, "spirits," "strong beer," and "package" shall have the meaning ascribed to them in chapter 66.04 RCW.

Sec. 311. RCW 66.24.290 and 1989 c 271 s 502 are each amended to read as follows:

TAX ON BEER—REDUCED RATE FOR CERTAIN BREWERIES. (1) Any brewer or beer wholesaler licensed under this title may sell and deliver beer to holders of authorized licenses direct, but to no other person, other than the board; and every such brewer or beer wholesaler shall report all sales to the board monthly, pursuant to the regulations, and shall pay to the board as an added tax for the privilege of manufacturing and selling the beer within the state a tax of two dollars and sixty cents per barrel of thirty-one gallons on sales to licensees within the state and on sales to licensees within the state of bottled and canned beer shall pay a tax computed in gallons at the rate of two dollars and sixty cents per barrel of thirty-one gallons. Any brewer or beer wholesaler whose applicable tax payment is not postmarked by the twentieth day following the month of sale will be assessed a penalty at the rate of two percent per month or fraction thereof. Each such brewer or wholesaler shall procure from the board revenue stamps representing such tax in form prescribed by the board and shall affix the same to the barrel or package in such manner and in such denominations as required by the board, and shall cancel the same prior to commencing delivery from his or her place of business or warehouse of such barrels or packages. Beer shall be sold by brewers and wholesalers in sealed barrels or packages. The revenue stamps (~~herein~~) provided (~~for~~) under this section need not be affixed and canceled in the making of resales of barrels or packages already taxed by the affixation and cancellation of stamps as provided in this section.

(2) An additional tax is imposed equal to ~~((the rate specified in RCW 82.02.030))~~ seven percent multiplied by the tax payable under subsection (1) of this section. All revenues collected during any month from this additional tax shall be transferred to the state general fund by the twenty-fifth day of the following month.

(3) Until July 1, 1995, an additional tax is imposed on all beer subject to tax under subsection (1) of this section. The additional tax is equal to two dollars per barrel of thirty-one gallons. All revenues collected during any month from this additional tax shall be deposited in the drug enforcement and education account under RCW 69.50.520 by the twenty-fifth day of the following month.

(4)(a) An additional tax is imposed on all beer subject to tax under subsection (1) of this section. The additional tax is equal to ninety-six cents per barrel of thirty-one gallons through June 30, 1995, two dollars and thirty-nine cents per barrel of thirty-one gallons for the period July 1, 1995, through June 30, 1997, and four dollars and seventy-eight cents per barrel of thirty-one gallons thereafter.

(b) The additional tax imposed under this subsection does not apply to the sale of the first sixty thousand barrels of beer each year by breweries that are entitled to a reduced rate of tax under 26 U.S.C. Sec. 5051, as existing on the effective date of this section or such subsequent date as may be provided by the board by rule consistent with the purposes of this exemption.

(c) All revenues collected from the additional tax imposed under this subsection (4) shall be deposited in the health services account under section 469 of this act.

(5) The tax imposed under this section shall not apply to "strong beer" as defined in this title.

Sec. 312. RCW 82.02.030 and 1990 c 42 s 319 are each amended to read as follows:

ADDITIONAL TAX RATES. ~~((+))~~ The rate of the additional taxes under RCW 54.28.020(2), 54.28.025(2), 66.24.210(2), ~~((66.24.290(2),))~~ 82.04.2901, 82.16.020(2), ~~((82.26.020(2),))~~ 82.27.020(5), and 82.29A.030(2) shall be seven percent~~((+ and~~

~~((2) The rate of the additional taxes under RCW 82.08.150(4) shall be fourteen percent)).~~

PART IV. HEALTH SYSTEM REFORM

NEW SECTION. Sec. 401. INTENT. The legislature intends that chapter . . . , Laws of 1993 (this act) establish structures, processes, and specific financial limits to stabilize the overall cost of health services within the economy, reduce the demand for unneeded health services, provide access to essential health services, improve public health, and ensure that health system costs do not undermine the financial viability of nonhealth care businesses.

NEW SECTION. Sec. 402. DEFINITIONS. In this chapter, unless the context otherwise requires:

(1) "Certified health plan" or "plan" means a disability insurer regulated under chapter 48.20 or 48.21 RCW, a health care service contractor as defined in RCW 48.44.010, a health maintenance organization as defined in RCW 48.46.020, or an entity certified in accordance with sections 433 through 443 of this act.

(2) "Chair" means the presiding officer of the Washington health services commission.

(3) "Commission" or "health services commission" means the Washington health services commission.

(4) "Community rate" means the rating method used to establish the premium for the uniform benefits package adjusted to reflect actuarially demonstrated differences in utilization or cost attributable to geographic region and family size as determined by the commission.

(5) "Continuous quality improvement and total quality management" means a continuous process to improve health services while reducing costs.

(6) "Employee" means a resident who is in the employment of an employer, as defined by chapter 50.04 RCW.

(7) "Enrollee" means any person who is a Washington resident enrolled in a certified health plan.

(8) "Enrollee point of service cost-sharing" means amounts paid to certified health plans directly providing services, health care providers, or health care facilities by enrollees for receipt of specific uniform benefits package services, and may include copayments, coinsurance, or deductibles, that together must be actuarially equivalent across plans and within overall limits established by the commission.

(9) "Enrollee premium sharing" means that portion of the premium that is paid by enrollees or their family members.

(10) "Federal poverty level" means the federal poverty guidelines determined annually by the United States department of health and human services or successor agency.

(11) "Health care facility" or "facility" means hospices licensed under chapter 70.127 RCW, hospitals licensed under chapter 70.41 RCW, rural health facilities as defined in RCW 70.175.020, psychiatric hospitals licensed under chapter 71.12 RCW, nursing homes licensed under chapter 18.51 RCW, community mental health centers licensed under chapter 71.05 or 71.24 RCW, kidney disease treatment centers licensed under chapter 70.41 RCW, ambulatory diagnostic, treatment or surgical facilities licensed under chapter 70.41 RCW, drug and alcohol treatment facilities licensed under chapter 70.96A RCW, and home health agencies licensed under chapter 70.127 RCW, and includes such facilities if owned and operated by a political subdivision or instrumentality of the state and such other facilities as required by federal law and implementing regulations, but does not include Christian Science sanatoriums operated, listed, or certified by the First Church of Christ Scientist, Boston, Massachusetts.

(12) "Health care provider" or "provider" means:

(a) A person regulated under Title 18 RCW and chapter 70.127 RCW, to practice health or health-related services or otherwise practicing health care services in this state consistent with state law; or

(b) An employee or agent of a person described in (a) of this subsection, acting in the course and scope of his or her employment.

(13) "Health insurance purchasing cooperative" or "cooperative" means a member-owned and governed nonprofit organization certified in accordance with sections 425 and 426 of this act.

(14) "Long-term care" means institutional, residential, outpatient, or community-based services that meet the individual needs of persons of all ages who are limited in their functional capacities or have disabilities and require assistance with performing two or more activities of daily living for an extended or indefinite period of time. These services include case management, protective supervision, in-home care, nursing services, convalescent, custodial, chronic, and terminally ill care.

(15) "Major capital expenditure" means any project or expenditure for capital construction, renovations, or acquisition, including medical technological equipment, as defined by the commission, costing more than one million dollars.

(16) "Managed care" means an integrated system of insurance, financing, and health services delivery functions that: (a) Assumes financial risk for delivery of health services and uses a defined network of providers; or (b) assumes financial risk for delivery of health services and promotes the efficient delivery of health services through provider assumption of some financial risk including capitation, prospective payment, resource-based relative value scales, fee schedules, or similar method of limiting payments to health care providers.

(17) "Maximum enrollee financial participation" means the income-related total annual payments that may be required of an enrollee per family who chooses one of the three lowest priced uniform benefits packages offered by plans in a geographic region including both premium sharing and enrollee point of service cost-sharing.

(18) "Persons of color" means Asians/Pacific Islanders, African, Hispanic, and Native Americans.

(19) "Premium" means all sums charged, received, or deposited by a certified health plan as consideration for a uniform benefits package or the continuance of a uniform benefits package. Any assessment, or any "membership," "policy," "contract," "service," or similar fee or charge made by the certified health plan in consideration for the uniform benefits package is deemed part of the premium. "Premium" shall not include amounts paid as enrollee point of service cost-sharing.

(20) "Qualified employee" means an employee who is employed at least thirty hours during a week or one hundred twenty hours during a calendar month.

(21) "Registered employer health plan" means a health plan established by a private employer of more than seven thousand active employees in this state solely for the benefit of such employees and their dependents and that meets the

requirements of section 430 of this act. Nothing contained in this subsection shall be deemed to preclude the plan from providing benefits to retirees of the employer.

(22) "Supplemental benefits" means those appropriate and effective health services that are not included in the uniform benefits package or that expand the type or level of health services available under the uniform benefits package and that are offered to all residents in accordance with the provisions of sections 452 and 453 of this act.

(23) "Technology" means the drugs, devices, equipment, and medical or surgical procedures used in the delivery of health services, and the organizational or supportive systems within which such services are provided. It also means sophisticated and complicated machinery developed as a result of ongoing research in the basic biological and physical sciences, clinical medicine, electronics, and computer sciences, as well as specialized professionals, medical equipment, procedures, and chemical formulations used for both diagnostic and therapeutic purposes.

(24) "Uniform benefits package" or "package" means those appropriate and effective health services, defined by the commission under section 449 of this act, that must be offered to all Washington residents through certified health plans.

(25) "Washington resident" or "resident" means a person who intends to reside in the state permanently or indefinitely and who did not move to Washington for the primary purpose of securing health services under sections 427 through 466 of this act. "Washington resident" also includes people and their accompanying family members who are residing in the state for the purpose of engaging in employment for at least one month, who did not enter the state for the primary purpose of obtaining health services. The confinement of a person in a nursing home, hospital, or other medical institution in the state shall not by itself be sufficient to qualify such person as a resident.

A. THE WASHINGTON HEALTH SERVICES COMMISSION

NEW SECTION. Sec. 403. CREATION OF COMMISSION—MEMBERSHIP—TERMS OF OFFICE—VACANCIES—SALARIES. (1) There is created an agency of state government to be known as the Washington health services commission. The commission shall consist of five members reflecting ethnic and racial diversity, appointed by the governor, with the consent of the senate. One member shall be designated by the governor as chair and shall serve at the pleasure of the governor. The insurance commissioner shall serve as an additional nonvoting member. Of the initial members, one shall be appointed to a term of three years, two shall be appointed to a term of four years, and two shall be appointed to a term of five years. Thereafter, members shall be appointed to five-year terms. Vacancies shall be filled by appointment for the remainder of the unexpired term of the position being vacated.

(2) Members of the commission shall have no pecuniary interest in any business subject to regulation by the commission and shall be subject to chapter 42.18 RCW, the executive branch conflict of interest act.

(3) Members of the commission shall occupy their positions on a full-time basis and are exempt from the provisions of chapter 41.06 RCW. Commission members and the professional commission staff are subject to the public disclosure provisions of chapter 42.17 RCW. Members shall be paid a salary to be fixed by the governor in accordance with RCW 43.03.040. A majority of the members of the commission constitutes a quorum for the conduct of business.

NEW SECTION. Sec. 404. ADVISORY COMMITTEES. (1)(a) The chair shall appoint an advisory committee with balanced representation from consumers, business, government, labor, certified health plans, practicing health care providers, health care facilities, and health services researchers reflecting ethnic and racial diversity. In addition, the chair may appoint special committees for specified periods of time.

(b) The chair shall also appoint a five-member health services effectiveness committee whose members possess a breadth of experience and knowledge in the treatment, research, and public and private funding of health care services. The committee shall meet at the call of the chair. The health services effectiveness committee shall advise the commission on: (i) Those health services that may be determined by the commission to be appropriate and effective; (ii) use of technology and practice indicators; (iii) the uniform benefits package; and (iv) rules that insurers and certified health plans must use to determine whether a procedure, treatment, drug, or other health service is no longer experimental or investigative.

(c) The commission shall also appoint a small business advisory committee composed of seven owners of businesses with twenty-five or fewer full-time equivalent employees' reflecting ethnic and racial diversity, to assist the commission in development of the small business economic impact statement and the small business assistance program, as provided in sections 450 and 466 of this act.

(d) The commission shall also appoint an organized labor advisory committee composed of seven representatives of employee organizations representing employees of public or private employers. The committee shall assist the commission in conducting the evaluation of Taft-Hartley health care trusts and self-insured employee health benefits plans, as provided in section 406(26) of this act, and shall advise the commission on issues related to the impact of chapter . . . , Laws of 1993 (this act) on negotiated health benefits agreements and other employee health benefits plans.

(2) Members of committees and panels shall serve without compensation for their services but shall be reimbursed for their expenses while attending meetings on behalf of the commission in accordance with RCW 43.03.050 and 43.03.060.

NEW SECTION. Sec. 405. POWERS AND DUTIES OF THE CHAIR.

The chair shall be the chief administrative officer and the appointing authority of the commission and has the following powers and duties:

(1) Direct and supervise the commission's administrative and technical activities in accordance with the provisions of this chapter and rules and policies adopted by the commission;

(2) Employ personnel of the commission in accordance with chapter 41.06 RCW, and prescribe their duties. With the approval of a majority of the commission, the chair may appoint persons to administer any entity established pursuant to subsection (8) of this section, and up to seven additional employees all of whom shall be exempt from the provisions of chapter 41.06 RCW;

(3) Enter into contracts on behalf of the commission;

(4) Accept and expend gifts, donations, grants, and other funds received by the commission;

(5) Delegate administrative functions of the commission to employees of the commission as the chair deems necessary to ensure efficient administration;

(6) Subject to approval of the commission, appoint advisory committees and undertake studies, research, and analysis necessary to support activities of the commission;

(7) Preside at meetings of the commission;

(8) Consistent with policies and rules established by the commission, establish such administrative divisions, offices, or programs as are necessary to carry out the purposes of chapter . . . , Laws of 1993 (this act); and

(9) Perform such other administrative and technical duties as are consistent with chapter . . . , Laws of 1993 (this act) and the rules and policies of the commission.

NEW SECTION. Sec. 406. POWERS AND DUTIES OF THE COMMISSION. The commission has the following powers and duties:

(1) Ensure that all residents of Washington state are enrolled in a certified health plan to receive the uniform benefits package, regardless of age, sex, family structure, ethnicity, race, health condition, geographic location, employment, or economic status.

(2) Endeavor to ensure that all residents of Washington state have access to appropriate, timely, confidential, and effective health services, and monitor the degree of access to such services. If the commission finds that individuals or populations lack access to certified health plan services, the commission shall:

(a) Authorize appropriate state agencies, local health departments, community or migrant health clinics, public hospital districts, or other nonprofit health service entities to take actions necessary to assure such access. This includes authority to contract for or directly deliver services described within the uniform benefits package to special populations; or

(b) Notify appropriate certified health plans and the insurance commissioner of such findings. The commission shall adopt by rule standards by which the insurance commissioner may, in such event, require certified health plans in

closest proximity to such individuals and populations to extend their catchment areas to those individuals and populations and offer them enrollment.

(3) Adopt necessary rules in accordance with chapter 34.05 RCW to carry out the purposes of chapter . . . , Laws of 1993 (this act). An initial set of draft rules establishing at least the commission's organization structure, the uniform benefits package, and standards for certified health plan certification, must be submitted in draft form to appropriate committees of the legislature by December 1, 1994.

(4) Establish and modify as necessary, in consultation with the state board of health and the department of health, and coordination with the planning process set forth in section 467 of this act a uniform set of health services based on the recommendations of the health care cost control and access commission established under House Concurrent Resolution No. 4443 adopted by the legislature in 1990.

(5) Establish and modify as necessary the uniform benefits package as provided in section 449 of this act, which shall be offered to enrollees of a certified health plan. The benefit package shall be provided at no more than the maximum premium specified in subsection (6) of this section.

(6)(a) Establish for each year a community-rated maximum premium for the uniform benefits package that shall operate to control overall health care costs. The maximum premium cost of the uniform benefits package in the base year 1995 shall be established upon an actuarial determination of the costs of providing the uniform benefits package and such other cost impacts as may be deemed relevant by the commission. Beginning in 1996, the growth rate of the premium cost of the uniform benefits package for each certified health plan shall be allowed to increase by a rate no greater than the average growth rate in the cost of the package between 1990 and 1993 as actuarially determined, reduced by two percentage points per year until the growth rate is no greater than the five-year rolling average of growth in Washington per capita personal income, as determined by the office of financial management.

(b) In establishing the community-rated maximum premium under this subsection, the commission shall develop a composite rate for employees that provides nominal, if any, variance between the rate for individual employees and employees with dependents to minimize any economic incentive to an employer to discriminate between prospective employees based upon whether or not they have dependents for whom coverage would be required. Nothing in this subsection (6)(b) shall preclude the commission from evaluating other methodologies for establishing the community-rated maximum premium and recommending an alternative methodology to the legislature.

(c) If the commission adds or deletes services or benefits to the uniform benefits package in subsequent years, it may increase or decrease the maximum premium to reflect the actual cost experience of a broad sample of providers of that service in the state, considering the factors enumerated in (a) of this

subsection and adjusted actuarially. The addition of services or benefits shall not result in a redetermination of the entire cost of the uniform benefits package.

(d) The level of state expenditures for the uniform benefits package shall be limited to the appropriation of funds specifically for this purpose.

(7) Determine the need for medical risk adjustment mechanisms to minimize financial incentives for certified health plans to enroll individuals who present lower health risks and avoid enrolling individuals who present higher health risks, and to minimize financial incentives for employer hiring practices that discriminate against individuals who present higher health risks. In the design of medical risk distribution mechanisms under this subsection, the commission shall (a) balance the benefits of price competition with the need to protect certified health plans from any unsustainable negative effects of adverse selection; (b) consider the development of a system that creates a risk profile of each certified health plan's enrollee population that does not create disincentives for a plan to control benefit utilization, that requires contributions from plans that enjoy a low-risk enrollee population to plans that have a high-risk enrollee population, and that does not permit an adjustment of the premium charged for the uniform benefits package or supplemental coverage based upon either receipt or contribution of assessments; and (c) consider whether registered employer health plans should be included in any medical risk adjustment mechanism. Proposed medical risk adjustment mechanisms shall be submitted to the legislature as provided in section 454 of this act.

(8) Design a mechanism to assure minors have access to confidential health care services as currently provided in RCW 70.24.110 and 71.34.030.

(9) Monitor the actual growth in total annual health services costs.

(10) Monitor the increased application of technology as required by chapter . . . , Laws of 1993 (this act) and take necessary action to ensure that such application is made in a cost-effective and efficient manner and consistent with existing laws that protect individual privacy.

(11) Establish reporting requirements for certified health plans that own or manage health care facilities, health care facilities, and health care providers to periodically report to the commission regarding major capital expenditures of the plans. The commission shall review and monitor such reports and shall report to the legislature regarding major capital expenditures on at least an annual basis. The Washington health care facilities authority and the commission shall develop standards jointly for evaluating and approving major capital expenditure financing through the Washington health care facilities authority, as authorized pursuant to chapter 70.37 RCW. By December 1, 1994, the commission and the authority shall submit jointly to the legislature such proposed standards. The commission and the authority shall, after legislative review, but no later than June 1, 1995, publish such standards. Upon publication, the authority may not approve financing for major capital expenditures unless approved by the commission.

(12) Establish maximum enrollee financial participation levels. The levels shall be related to enrollee household income.

(13) For health services provided under the uniform benefits package and supplemental benefits, adopt standards for enrollment, and standardized billing and claims processing forms. The standards shall ensure that these procedures minimize administrative burdens on health care providers, health care facilities, certified health plans, and consumers. Subject to federal approval or phase-in schedules whenever necessary or appropriate, the standards also shall apply to state-purchased health services, as defined in RCW 41.05.011.

(14) Propose that certified health plans adopt certain practice indicators or risk management protocols for quality assurance, utilization review, or provider payment. The commission may consider indicators or protocols recommended according to section 410 of this act for these purposes.

(15) Propose other guidelines to certified health plans for utilization management, use of technology and methods of payment, such as diagnosis-related groups and a resource-based relative value scale. Such guidelines shall be voluntary and shall be designed to promote improved management of care, and provide incentives for improved efficiency and effectiveness within the delivery system.

(16) Adopt standards and oversee and develop policy for personal health data and information system as provided in chapter 70.170 RCW.

(17) Adopt standards that prevent conflict of interest by health care providers as provided in section 408 of this act.

(18) At the appropriate juncture and in the fullness of time, consider the extent to which medical research and health professions training activities should be included within the health service system set forth in this chapter . . . , Laws of 1993 (this act).

(19) Evaluate and monitor the extent to which racial and ethnic minorities have access and to receive health services within the state, and develop strategies to address barriers to access.

(20) Develop standards for the certification process to certify health plans and employer health plans to provide the uniform benefits package, according to the provisions for certified health plans and registered employer health plans under chapter . . . , Laws of 1993 (this act).

(21) Develop rules for implementation of individual and employer participation under sections 463 and 464 of this act specifically applicable to persons who work in this state but do not live in the state or persons who live in this state but work outside of the state. The rules shall be designed so that these persons receive coverage and financial requirements that are comparable to that received by persons who both live and work in the state.

(22) After receiving advice from the health services effectiveness committee, adopt rules that must be used by certified health plans, disability insurers, health care service contractors, and health maintenance organizations to determine

whether a procedure, treatment, drug, or other health service is no longer experimental or investigative.

(23) Establish a process for purchase of uniform benefits package services by enrollees when they are out-of-state.

(24) Develop recommendations to the legislature as to whether state and school district employees, on whose behalf health benefits are or will be purchased by the health care authority pursuant to chapter 41.05 RCW, should have the option to purchase health benefits through health insurance purchasing cooperatives on and after July 1, 1997. In developing its recommendations, the commission shall consider:

(a) The impact of state or school district employees purchasing through health insurance purchasing cooperatives on the ability of the state to control its health care costs; and

(b) Whether state or school district employees purchasing through health insurance purchasing cooperatives will result in inequities in health benefits between or within groups of state and school district employees.

(25) Establish guidelines for providers dealing with terminal or static conditions, taking into consideration the ethics of providers, patient and family wishes, costs, and survival possibilities.

(26) Evaluate the extent to which Taft-Hartley health care trusts provide benefits to certain individuals in the state; review the federal laws under which these trusts are organized; and make appropriate recommendations to the governor and the legislature on or before December 1, 1994, as to whether these trusts should be brought under the provisions of chapter . . . , Laws of 1993 (this act) when it is fully implemented, and if the commission recommends inclusion of the trusts, how to implement such inclusion.

(27) Evaluate whether Washington is experiencing a higher percentage in immigration of residents from other states and territories than would be expected by normal trends as a result of the availability of unsubsidized and subsidized health care benefits for all residents and report to the governor and the legislature their findings.

(28) In developing the uniform benefits package and other standards pursuant to this section, consider the likelihood of the establishment of a national health services plan adopted by the federal government and its implications.

(29) Evaluate the effect of reforms under chapter . . . , Laws of 1993 (this act) on access to care and economic development in rural areas.

To the extent that the exercise of any of the powers and duties specified in this section may be inconsistent with the powers and duties of other state agencies, offices, or commissions, the authority of the commission shall supersede that of such other state agency, office, or commission, except in matters of personal health data, where the commission shall have primary data system policymaking authority and the department of health shall have primary responsibility for the maintenance and routine operation of personal health data systems.

NEW SECTION. Sec. 407. MODIFICATION OF MAXIMUM PREMIUM. Upon the recommendation of the insurance commissioner, and on the basis of evidence established by independent actuarial analysis, if the commission finds that the economic viability of a significant number of the state's certified health plans is seriously threatened, the commission may increase the maximum premium to the extent mandated by the Constitution, and must immediately thereafter submit to the legislature a proposal for a new formula for adjusting the maximum premium, which must be enacted into law by a sixty percent vote of each house of the legislature.

NEW SECTION. Sec. 408. A new section is added to chapter 18.130 RCW to read as follows:

CONFLICT OF INTEREST STANDARDS. The Washington health services commission established by section 403 of this act, in consultation with the secretary of health, and the health care disciplinary authorities under RCW 18.130.040(2)(b), shall establish standards and monetary penalties in rule prohibiting provider investments and referrals that present a conflict of interest resulting from inappropriate financial gain for the provider or his or her immediate family. These standards are not intended to inhibit the efficient operation of managed health care systems or certified health plans. The commission shall report to the health policy committees of the senate and house of representatives by December 1, 1994, on the development of the standards and any recommended statutory changes necessary to implement the standards.

NEW SECTION. Sec. 409. CONTINUOUS QUALITY IMPROVEMENT AND TOTAL QUALITY MANAGEMENT. To ensure the highest quality health services at the lowest total cost, the commission shall establish a total quality management system of continuous quality improvement. Such endeavor shall be based upon the recognized quality science for continuous quality improvement. The commission shall impanel a committee composed of persons from the private sector and related sciences who have broad knowledge and successful experiences in continuous quality improvement and total quality management applications. It shall be the responsibility of the committee to develop standards for a Washington state health services supplier certification process and recommend such standards to the commission for review and adoption. Once adopted, the commission shall establish a schedule, with full compliance no later than July 1, 1996, whereby all health service providers and health service facilities shall be certified prior to providing uniform benefits package services.

B. PRACTICE INDICATORS

NEW SECTION. Sec. 410. A new section is added to chapter 43.70 RCW to read as follows:

PRACTICE INDICATORS. The department of health shall consult with health care providers and facilities, purchasers, health professional regulatory authorities under RCW 18.130.040, appropriate research and clinical experts, and consumers of health care services to identify specific practice areas where practice indicators and risk management protocols have been developed, including those that have been demonstrated to be effective among persons of color. Practice indicators shall be based upon expert consensus and best available scientific evidence. The department shall:

(1) Develop a definition of expert consensus and best available scientific evidence so that practice indicators can serve as a standard for excellence in the provision of health care services.

(2) Establish a process to identify and evaluate practice indicators and risk management protocols as they are developed by the appropriate professional, scientific, and clinical communities.

(3) Recommend the use of practice indicators and risk management protocols in quality assurance, utilization review, or provider payment to the health services commission.

C. HEALTH CARE LIABILITY REFORMS

Sec. 411. RCW 43.70.320 and 1991 sp.s. c 13 s 18 are each amended to read as follows:

HEALTH PROFESSIONS ACCOUNT. (1) There is created in the state treasury an account to be known as the health professions account. All fees received by the department for health professions licenses, registration, certifications, renewals, or examinations and the civil penalties assessed and collected by the department under RCW 18.130.190 shall be forwarded to the state treasurer who shall credit such moneys to the health professions account.

(2) All expenses incurred in carrying out the health professions licensing activities of the department shall be paid from the account as authorized by legislative appropriation. Any residue in the account shall be accumulated and shall not revert to the general fund at the end of the biennium.

(3) The secretary shall biennially prepare a budget request based on the anticipated costs of administering the health professions licensing activities of the department which shall include the estimated income from health professions fees.

NEW SECTION. Sec. 412. A new section is added to chapter 18.130 RCW to read as follows:

MALPRACTICE INSURANCE COVERAGE MANDATE. Except to the extent that liability insurance is not available, every licensed health care practitioner whose services are included in the uniform benefits package, as determined by section 449 of this act, and whose scope of practice includes

independent practice, shall, as a condition of licensure and relicensure, be required to provide evidence of a minimum level of malpractice insurance coverage issued by a company authorized to do business in this state. On or before January 1, 1994, the department shall designate by rule:

(1) Those health professions whose scope of practice includes independent practice;

(2) For each health profession whose scope of practice includes independent practice, whether malpractice insurance is available; and

(3) If such insurance is available, the appropriate minimum level of mandated coverage.

NEW SECTION. Sec. 413. A new section is added to chapter 48.22 RCW to read as follows:

RISK MANAGEMENT TRAINING OF INDEPENDENT HEALTH CARE PRACTITIONERS. Effective July 1, 1994, a casualty insurer's issuance of a new medical malpractice policy or renewal of an existing medical malpractice policy to a physician or other independent health care practitioner shall be conditioned upon that practitioner's participation in, and completion of, an insurer-designed health care liability risk management training program once every three years. The risk management training shall provide information related to avoiding adverse health outcomes resulting from substandard practice and minimizing damages associated with the adverse health outcomes that do occur. For purposes of this section, "independent health care practitioners" means those health care practitioner licensing classifications designated by the department of health in rule pursuant to section 412 of this act.

NEW SECTION. Sec. 414. A new section is added to chapter 48.05 RCW to read as follows:

RISK MANAGEMENT TRAINING OF INDEPENDENT HEALTH CARE PRACTITIONERS. Effective July 1, 1994, each health care provider, facility, or health maintenance organization that self-insures for liability risks related to medical malpractice and employs physicians or other independent health care practitioners in Washington state shall condition each physician's and practitioner's liability coverage by that entity upon that physician's or practitioner's participation in risk management training offered by the provider, facility, or health maintenance organization to its employees. The risk management training shall provide information related to avoiding adverse health outcomes resulting from substandard practice and minimizing damages associated with those adverse health outcomes that do occur. For purposes of this section, "independent health care practitioner" means those health care practitioner licensing classifications designated by the department of health in rule pursuant to section 412 of this act.

Sec. 415. RCW 70.41.200 and 1991 c 3 s 336 are each amended to read as follows:

QUALITY IMPROVEMENT PROGRAM. (1) Every hospital shall maintain a coordinated quality improvement program for the improvement of the quality of health care services rendered to patients and the identification and prevention of medical malpractice. The program shall include at least the following:

(a) The establishment of a quality ~~((assurance))~~ improvement committee with the responsibility to review the services rendered in the hospital, both retrospectively and prospectively, in order to improve the quality of medical care of patients and to prevent medical malpractice. The committee shall oversee and coordinate the quality improvement and medical malpractice prevention program and shall insure that information gathered pursuant to the program is used to review and to revise hospital policies and procedures ~~((At least one member of the committee shall be a member of the governing board of the hospital who is not otherwise affiliated with the hospital in an employment or contractual capacity))~~;

(b) A medical staff privileges sanction procedure through which credentials, physical and mental capacity, and competence in delivering health care services are periodically reviewed as part of an evaluation of staff privileges;

(c) The periodic review of the credentials, physical and mental capacity, and competence in delivering health care services of all persons who are employed or associated with the hospital;

(d) A procedure for the prompt resolution of grievances by patients or their representatives related to accidents, injuries, treatment, and other events that may result in claims of medical malpractice;

(e) The maintenance and continuous collection of information concerning the hospital's experience with negative health care outcomes and incidents injurious to patients, patient grievances, professional liability premiums, settlements, awards, costs incurred by the hospital for patient injury prevention, and safety improvement activities;

(f) The maintenance of relevant and appropriate information gathered pursuant to (a) through (e) of this subsection concerning individual physicians within the physician's personnel or credential file maintained by the hospital;

(g) Education programs dealing with quality improvement, patient safety, injury prevention, staff responsibility to report professional misconduct, the legal aspects of patient care, improved communication with patients, and causes of malpractice claims for staff personnel engaged in patient care activities; and

(h) Policies to ensure compliance with the reporting requirements of this section.

(2) Any person who, in substantial good faith, provides information to further the purposes of the quality improvement and medical malpractice prevention program or who, in substantial good faith, participates on the quality ~~((assurance))~~ improvement committee shall not be subject to an action for civil damages or other relief as a result of such activity.

(3) Information and documents, including complaints and incident reports, created specifically for, and collected, and maintained ~~((about health care~~

~~providers arising out of the matters that are under review or have been evaluated~~) by a ~~((review))~~ quality improvement committee ~~((conducting quality assurance reviews))~~ are not subject to discovery or introduction into evidence in any civil action, and no person who was in attendance at a meeting of such committee or ~~((board))~~ who participated in the creation, collection, or maintenance of information or documents specifically for the committee shall be permitted or required to testify in any civil action as to the content of such proceedings or the documents and information prepared specifically for the committee. This subsection does not preclude: (a) In any civil action, the discovery of the identity of persons involved in the medical care that is the basis of the civil action whose involvement was independent of any quality improvement activity; (b) in any civil action, the testimony of any person concerning the facts which form the basis for the institution of such proceedings of which the person had personal knowledge acquired independently of such proceedings; ~~((b))~~ (c) in any civil action by a health care provider regarding the restriction or revocation of that individual's clinical or staff privileges, introduction into evidence information collected and maintained by quality ~~((assurance))~~ improvement committees regarding such health care provider; ~~((c))~~ (d) in any civil action, disclosure of the fact that staff privileges were terminated or restricted, including the specific restrictions imposed, if any and the reasons for the restrictions; or ~~((d))~~ (e) in any civil action, discovery and introduction into evidence of the patient's medical records required by regulation of the department of health to be made regarding the care and treatment received.

(4) Each quality improvement committee shall, on at least a semiannual basis, report to the governing board of the hospital in which the committee is located. The report shall review the quality improvement activities conducted by the committee, and any actions taken as a result of those activities.

(5) The department of health shall adopt such rules as are deemed appropriate to effectuate the purposes of this section.

~~((5))~~ (6) The medical disciplinary board or the board of osteopathic medicine and surgery, as appropriate, may review and audit the records of committee decisions in which a physician's privileges are terminated or restricted. Each hospital shall produce and make accessible to the board the appropriate records and otherwise facilitate the review and audit. Information so gained shall not be subject to the discovery process and confidentiality shall be respected as required by subsection (3) of this section. Failure of a hospital to comply with this subsection is punishable by a civil penalty not to exceed two hundred fifty dollars.

~~((6))~~ (7) Violation of this section shall not be considered negligence per se.

Sec. 416. RCW 70.41.230 and 1991 c 3 s 337 are each amended to read as follows:

REQUEST FOR STAFF PRIVILEGES. (1) Prior to granting or renewing clinical privileges or association of any physician or hiring a physician, a hospital

or facility approved pursuant to this chapter shall request from the physician and the physician shall provide the following information:

(a) The name of any hospital or facility with or at which the physician had or has any association, employment, privileges, or practice;

(b) If such association, employment, privilege, or practice was discontinued, the reasons for its discontinuation;

(c) Any pending professional medical misconduct proceedings or any pending medical malpractice actions in this state or another state, the substance of the allegations in the proceedings or actions, and any additional information concerning the proceedings or actions as the physician deems appropriate;

(d) The substance of the findings in the actions or proceedings and any additional information concerning the actions or proceedings as the physician deems appropriate;

(e) A waiver by the physician of any confidentiality provisions concerning the information required to be provided to hospitals pursuant to this subsection; and

(f) A verification by the physician that the information provided by the physician is accurate and complete.

(2) Prior to granting privileges or association to any physician or hiring a physician, a hospital or facility approved pursuant to this chapter shall request from any hospital with or at which the physician had or has privileges, was associated, or was employed, the following information concerning the physician:

(a) Any pending professional medical misconduct proceedings or any pending medical malpractice actions, in this state or another state;

(b) Any judgment or settlement of a medical malpractice action and any finding of professional misconduct in this state or another state by a licensing or disciplinary board; and

(c) Any information required to be reported by hospitals pursuant to RCW 18.72.265.

(3) The medical disciplinary board shall be advised within thirty days of the name of any physician denied staff privileges, association, or employment on the basis of adverse findings under subsection (1) of this section.

(4) A hospital or facility that receives a request for information from another hospital or facility pursuant to subsections (1) and (2) of this section shall provide such information concerning the physician in question to the extent such information is known to the hospital or facility receiving such a request, including the reasons for suspension, termination, or curtailment of employment or privileges at the hospital or facility. A hospital, facility, or other person providing such information in good faith is not liable in any civil action for the release of such information.

(5) Information and documents, including complaints and incident reports, created specifically for, and collected, and maintained (~~((about health care providers arising out of the matters that are under review or have been evaluated))~~) by a (~~((review))~~) quality improvement committee (~~((conducting quality~~

~~assurance reviews~~) are not subject to discovery or introduction into evidence in any civil action, and no person who was in attendance at a meeting of such committee or ~~((board))~~ who participated in the creation, collection, or maintenance of information or documents specifically for the committee shall be permitted or required to testify in any civil action as to the content of such proceedings or the documents and information prepared specifically for the committee. This subsection does not preclude: (a) In any civil action, the discovery of the identity of persons involved in the medical care that is the basis of the civil action whose involvement was independent of any quality improvement activity; (b) in any civil action, the testimony of any person concerning the facts which form the basis for the institution of such proceedings of which the person had personal knowledge acquired independently of such proceedings; ~~((b))~~ (c) in any civil action by a health care provider regarding the restriction or revocation of that individual's clinical or staff privileges, introduction into evidence information collected and maintained by quality ~~((assurance))~~ improvement committees regarding such health care provider; ~~((e))~~ (d) in any civil action, disclosure of the fact that staff privileges were terminated or restricted, including the specific restrictions imposed, if any and the reasons for the restrictions; or ~~((d))~~ (e) in any civil action, discovery and introduction into evidence of the patient's medical records required by regulation of the department of health to be made regarding the care and treatment received.

(6) Hospitals shall be granted access to information held by the medical disciplinary board and the board of osteopathic medicine and surgery pertinent to decisions of the hospital regarding credentialing and recredentialing of practitioners.

(7) Violation of this section shall not be considered negligence per se.

NEW SECTION. Sec. 417. A new section is added to chapter 43.70 RCW to read as follows:

COORDINATED QUALITY IMPROVEMENT PROGRAM. (1)(a) Health care institutions and medical facilities, other than hospitals, that are licensed by the department, professional societies or organizations, and certified health plans approved pursuant to section 428 of this act may maintain a coordinated quality improvement program for the improvement of the quality of health care services rendered to patients and the identification and prevention of medical malpractice as set forth in RCW 70.41.200.

(b) All such programs shall comply with the requirements of RCW 70.41.200(1)(a), (c), (d), (e), (f), (g), and (h) as modified to reflect the structural organization of the institution, facility, professional societies or organizations, or certified health plan, unless an alternative quality improvement program substantially equivalent to RCW 70.41.200(1)(a) is developed. All such programs, whether complying with the requirement set forth in RCW 70.41.200(1)(a) or in the form of an alternative program, must be approved by the department before the discovery limitations provided in subsections (3) and (4) of this section shall apply. In reviewing plans submitted by licensed entities

that are associated with physicians' offices, the department shall ensure that the discovery limitations of this section are applied only to information and documents related specifically to quality improvement activities undertaken by the licensed entity.

(2) Health care provider groups of ten or more providers may maintain a coordinated quality improvement program for the improvement of the quality of health care services rendered to patients and the identification and prevention of medical malpractice as set forth in RCW 70.41.200. All such programs shall comply with the requirements of RCW 70.41.200(1)(a), (c), (d), (e), (f), (g), and (h) as modified to reflect the structural organization of the health care provider group. All such programs must be approved by the department before the discovery limitations provided in subsections (3) and (4) of this section shall apply.

(3) Any person who, in substantial good faith, provides information to further the purposes of the quality improvement and medical malpractice prevention program or who, in substantial good faith, participates on the quality improvement committee shall not be subject to an action for civil damages or other relief as a result of such activity.

(4) Information and documents, including complaints and incident reports, created specifically for, and collected, and maintained by a quality improvement committee are not subject to discovery or introduction into evidence in any civil action, and no person who was in attendance at a meeting of such committee or who participated in the creation, collection, or maintenance of information or documents specifically for the committee shall be permitted or required to testify in any civil action as to the content of such proceedings or the documents and information prepared specifically for the committee. This subsection does not preclude: (a) In any civil action, the discovery of the identity of persons involved in the medical care that is the basis of the civil action whose involvement was independent of any quality improvement activity; (b) in any civil action, the testimony of any person concerning the facts that form the basis for the institution of such proceedings of which the person had personal knowledge acquired independently of such proceedings; (c) in any civil action by a health care provider regarding the restriction or revocation of that individual's clinical or staff privileges, introduction into evidence information collected and maintained by quality improvement committees regarding such health care provider; (d) in any civil action, disclosure of the fact that staff privileges were terminated or restricted, including the specific restrictions imposed, if any and the reasons for the restrictions; or (e) in any civil action, discovery and introduction into evidence of the patient's medical records required by rule of the department of health to be made regarding the care and treatment received.

(5) The department of health shall adopt rules as are necessary to implement this section.

NEW SECTION. Sec. 418. MEDICAL MALPRACTICE REVIEW. (1) The administrator for the courts shall coordinate a collaborative effort to develop

a voluntary system for review of medical malpractice claims by health services experts prior to the filing of a cause of action under chapter 7.70 RCW.

(2) The system shall have at least the following components:

(a) Review would be initiated, by agreement of the injured claimant and the health care provider, at the point at which a medical malpractice claim is submitted to a malpractice insurer or a self-insured health care provider.

(b) By agreement of the parties, an expert would be chosen from a pool of health services experts who have agreed to review claims on a voluntary basis.

(c) The mutually agreed upon expert would conduct an impartial review of the claim and provide his or her opinion to the parties.

(d) A pool of available experts would be established and maintained for each category of health care practitioner by the corresponding practitioner association, such as the Washington state medical association and the Washington state nurses association.

(3) The administrator for the courts shall seek to involve at least the following organizations in a collaborative effort to develop the informal review system described in subsection (2) of this section:

(a) The Washington defense trial lawyers association;

(b) The Washington state trial lawyers association;

(c) The Washington state medical association;

(d) The Washington state nurses association and other employee organizations representing nurses;

(e) The Washington state hospital association;

(f) The Washington state physicians insurance exchange and association;

(g) The Washington casualty company;

(h) The doctor's agency;

(i) Group health cooperative of Puget Sound;

(j) The University of Washington;

(k) Washington osteopathic medical association;

(l) Washington state chiropractic association;

(m) Washington association of naturopathic physicians; and

(n) The department of health.

(4) On or before January 1, 1994, the administrator for the courts shall provide a report on the status of the development of the system described in this section to the governor and the appropriate committees of the senate and the house of representatives.

NEW SECTION. Sec. 419. A new section is added to chapter 7.70 RCW to read as follows:

MANDATORY MEDIATION OF HEALTH CARE MALPRACTICE CLAIMS. (1) All causes of action, whether based in tort, contract, or otherwise, for damages arising from injury occurring as a result of health care provided after the effective date of this section shall be subject to mandatory mediation prior to trial.

(2) The supreme court shall by rule adopt procedures to implement mandatory mediation of actions under this chapter. The rules shall address, at a minimum:

(a) Procedures for the appointment of, and qualifications of, mediators. A mediator shall have experience or expertise related to actions arising from injury occurring as a result of health care, and be a member of the state bar association who has been admitted to the bar for a minimum of five years or who is a retired judge. The parties may stipulate to a nonlawyer mediator. The court may prescribe additional qualifications of mediators;

(b) Appropriate limits on the amount or manner of compensation of mediators;

(c) The number of days following the filing of a claim under this chapter within which a mediator must be selected;

(d) The method by which a mediator is selected. The rule shall provide for designation of a mediator by the superior court if the parties are unable to agree upon a mediator;

(e) The number of days following the selection of a mediator within which a mediation conference must be held;

(f) A means by which mediation of an action under this chapter may be waived by a mediator who has determined that the claim is not appropriate for mediation; and

(g) Any other matters deemed necessary by the court.

(3) Mediators shall not impose discovery schedules upon the parties.

NEW SECTION. Sec. 420. A new section is added to chapter 7.70 RCW to read as follows:

MANDATORY MEDIATION OF HEALTH CARE MALPRACTICE. The making of a written, good faith request for mediation of a dispute related to damages for injury occurring as a result of health care provided prior to filing a cause of action under this chapter shall toll the statute of limitations provided in RCW 4.16.350.

NEW SECTION. Sec. 421. A new section is added to chapter 7.70 RCW to read as follows:

MANDATORY MEDIATION OF HEALTH CARE MALPRACTICE CLAIMS. Section 419 of this act may not be construed to abridge the right to trial by jury following an unsuccessful attempt at mediation.

Sec. 422. RCW 5.60.070 and 1991 c 321 s 1 are each amended to read as follows:

MEDIATION—COMMUNICATIONS PRIVILEGED. (1) If there is a court order to mediate ~~((or))~~, a written agreement between the parties to mediate, or if mediation is mandated under section 419 of this act, then any communication made or materials submitted in, or in connection with, the mediation proceeding, whether made or submitted to or by the mediator, a mediation organization, a

party, or any person present, are privileged and confidential and are not subject to disclosure in any judicial or administrative proceeding except:

- (a) When all parties to the mediation agree, in writing, to disclosure;
- (b) When the written materials or tangible evidence are otherwise subject to discovery, and were not prepared specifically for use in and actually used in the mediation proceeding;
- (c) When a written agreement to mediate permits disclosure;
- (d) When disclosure is mandated by statute;
- (e) When the written materials consist of a written settlement agreement or other agreement signed by the parties resulting from a mediation proceeding;
- (f) When those communications or written materials pertain solely to administrative matters incidental to the mediation proceeding, including the agreement to mediate; or
- (g) In a subsequent action between the mediator and a party to the mediation arising out of the mediation.

(2) When there is a court order ~~((or))~~, a written agreement to mediate, or when mediation is mandated under section 419 of this act, as described in subsection (1) of this section, the mediator or a representative of a mediation organization shall not testify in any judicial or administrative proceeding unless:

- (a) All parties to the mediation and the mediator agree in writing; or
- (b) In an action described in subsection (1)(g) of this section.

NEW SECTION. Sec. 423. A new section is added to chapter 7.70 RCW to read as follows:

MANDATORY MEDIATION OF HEALTH CARE MALPRACTICE CLAIMS. A cause of action that has been mediated as provided in section 419 of this act shall be exempt from any superior court civil rules mandating arbitration of civil actions or participation in settlement conferences prior to trial.

**Sec. 424. RCW 4.22.070 and 1986 c 305 s 401 are each amended to read as follows:*

PERCENTAGE OF FAULT—JOINT AND SEVERAL LIABILITY. (1) ***Except as provided in subsection (4) of this section, in all actions involving fault of more than one entity, the trier of fact shall determine the percentage of the total fault which is attributable to every entity which caused the claimant's damages, including the claimant or person suffering personal injury or incurring property damage, defendants, third-party defendants, entities released by the claimant, entities immune from liability to the claimant and entities with any other individual defense against the claimant. Judgment shall be entered against each defendant except those who have been released by the claimant or are immune from liability to the claimant or have prevailed on any other individual defense against the claimant in an amount which represents that party's proportionate share of the claimant's total damages. The liability of each defendant shall be several only and shall not be joint except:***

(a) A party shall be responsible for the fault of another person or for payment of the proportionate share of another party where both were acting in concert or when a person was acting as an agent or servant of the party.

(b) If the trier of fact determines that the claimant or party suffering bodily injury or incurring property damages was not at fault, the defendants against whom judgment is entered shall be jointly and severally liable for the sum of their proportionate shares of the claimants total damages.

(2) If a defendant is jointly and severally liable under one of the exceptions listed in subsection(()) (1)(a) or (1)(b) or (4) (a) or (b) of this section, such defendant's rights to contribution against another jointly and severally liable defendant, and the effect of settlement by either such defendant, shall be determined under RCW 4.22.040, 4.22.050, and 4.22.060.*

(3)(a) Nothing in this section affects any cause of action relating to hazardous wastes or substances or solid waste disposal sites.

(b) Nothing in this section shall affect a cause of action arising from the tortious interference with contracts or business relations.

(c) Nothing in this section shall affect any cause of action arising from the manufacture or marketing of a fungible product in a generic form which contains no clearly identifiable shape, color, or marking.

(4) In all actions governed by chapter 7.70 RCW involving fault of more than one entity, the trier of fact shall determine the percentage of the total fault that is attributable to every entity that caused the claimant's damages, including the claimant or person suffering personal injury or incurring property damage, defendants, third-party defendants, entities released by the claimant, entities immune from liability to the claimant, and entities with any other individual defense against the claimant. Judgment shall be entered against each defendant except those who have been released by the claimant or are immune from liability to the claimant or have prevailed on any other individual defense against the claimant in an amount that represents that party's proportionate share of the claimant's total damages. The total damages shall first be reduced by any amount paid to the claimant by a released entity. The liability of each defendant shall be several only and shall not be joint except:

(a) A party shall be responsible for the fault of another person or for payment of the proportionate share of another party where both were acting in concert or when a person was acting as an agent or servant of the party.

(b) If the trier of fact determines that the claimant or party suffering bodily injury or incurring property damages was not at fault, the defendants against whom judgment is entered shall be jointly and severally liable for the sum of their proportionate shares of the claimant's total damages.

(c) A defendant against whom judgment has been entered shall be responsible to the claimant for any fault of an entity released by the claimant. The total damages shall first be reduced by any amount paid to the claimant

by a released entity, and, then, where some fault has been attributed to the claimant, by the claimant's proportionate share of his or her total damages.

*Sec. 424 was vetoed, see message at end of chapter.

D. HEALTH INSURANCE PURCHASING COOPERATIVES

NEW SECTION. Sec. 425. HEALTH INSURANCE PURCHASING COOPERATIVES—DESIGNATION OF REGIONS BY COMMISSION, INFORMATION SYSTEMS, MINIMUM STANDARDS, AND RULES. (1) The commission shall designate four geographic regions within the state in which health insurance purchasing cooperatives may operate, based upon population, assuming that each cooperative must serve no less than one hundred fifty thousand persons; geographic factors; market conditions; and other factors deemed appropriate by the commission. The commission shall designate one health insurance purchasing cooperative per region.

(2) In coordination with the commission and consistent with the provisions of chapter 70.170 RCW, the department of health shall establish an information clearinghouse for the collection and dissemination of information necessary for the efficient operation of cooperatives, including the establishment of a risk profile information system related to certified health plan enrollees that would permit the equitable distribution of losses among plans in accordance with section 406(7) of this act.

(3) Every health insurance purchasing cooperative shall:

(a) Admit all individuals, employers, or other groups wishing to participate in the cooperative;

(b) Make available for purchase by cooperative members every health care program offered by every certified health plan operating within the cooperative's region;

(c) Be operated as a member-governed and owned, nonprofit cooperative in which no certified health plan, health maintenance organization, health care service contractor, independent practice association, independent physician organization, or any individual with a pecuniary interest in any such organization, shall have any pecuniary interest in or management control of the cooperative;

(d) Provide for centralized enrollment and premium collection and distribution among certified health plans; and

(e) Serve as an ombudsman for its members to resolve inquiries, complaints, or other concerns with certified health plans.

(4) Every health insurance purchasing cooperative shall assist members in selecting certified health plans and for this purpose may devise a rating system or similar system to judge the quality and cost-effectiveness of certified health plans consistent with guidelines established by the commission. For this purpose, each cooperative and directors, officers, and other employees of the cooperative are immune from liability in any civil action or suit arising from the publication of any report, brochure, or guide, or dissemination of information related to the services, quality, price, or cost-effectiveness of certified plans unless actual

malice, fraud, or bad faith is shown. Such immunity is in addition to any common law or statutory privilege or immunity enjoyed by such person, and nothing in this section is intended to abrogate or modify in any way such common law or statutory privilege or immunity.

(5) Every health insurance purchasing cooperative shall bear the full cost of its operations, including the costs of participating in the information clearinghouse, through assessments upon its members. Such assessments shall be billed and accounted for separately from premiums collected and distributed for the purchase of the uniform benefits package or any other supplemental insurance or health services program.

(6) No health insurance purchasing cooperative may bear any financial risk for the delivery of uniform benefits package services, or for any other supplemental insurance or health services program.

(7) No health insurance purchasing cooperative may directly broker, sell, contract for, or provide any insurance or health services program. However, nothing contained in this section shall be deemed to prohibit the use or employment of insurance agents or brokers by the cooperative for other purposes or to prohibit the facilitation of the sale and purchase by members of supplemental insurance or health services programs.

(8) The commission may adopt rules necessary for the implementation of this section including rules governing charter and bylaw provisions of cooperatives and may adopt rules prohibiting or permitting other activities by cooperatives.

(9) The commission shall consider ways in which cooperatives can develop, encourage, and provide incentives for employee wellness programs.

NEW SECTION. Sec. 426. LICENSING AND REGULATION OF HEALTH INSURANCE PURCHASING COOPERATIVES BY THE INSURANCE COMMISSIONER. (1) No person may establish or operate a health insurance purchasing cooperative without having first obtained a certificate of authority from the insurance commissioner.

(2) Every proposed cooperative shall furnish notice to the insurance commissioner that shall:

- (a) Identify the principal name and address of the cooperative;
- (b) Furnish the names and addresses of the initial officers of the cooperative;
- (c) Include copies of letters of agreement for participation in the cooperative including minimum term of participation;
- (d) Furnish copies of its proposed articles and bylaws; and
- (e) Provide other information as prescribed by the insurance commissioner in consultation with the health services commission to verify that the cooperative is qualified and is managed by competent and trustworthy individuals.

(3)(a) The commissioner shall approve applications for certificates in accordance with the order received.

(b) The commissioner shall establish by rule a fee to be paid by cooperatives in an amount necessary to review and approve applications for a certificate of

authority. Such fee shall accompany the application and no certificate may be issued until such fee is paid. Fees collected for such purpose shall be deposited in the insurance commissioner's regulatory account in the state treasury.

(4) All funds representing premiums or return premiums received by a cooperative in its fiduciary capacity shall be accounted for and maintained in a separate account from all other funds. Each willful violation of this section constitutes a misdemeanor.

(5) Every cooperative shall keep at its principal address, a record of all transactions it has consummated on behalf of its members with certified health plans. All such records shall be kept available and open to the inspection of the insurance commissioner at any business time during a five-year period immediately after the date of completion of the transaction.

E. CERTIFIED HEALTH PLANS

NEW SECTION. Sec. 427. CERTIFIED HEALTH PLANS—CERTIFICATION REQUIRED—PENALTY. (1) On and after July 1, 1995, no person or entity in this state shall provide the uniform benefits package and supplemental benefits as defined in section 402 of this act without being certified as a certified health plan by the insurance commissioner.

(2) On and after July 1, 1995, no certified health plan may offer less than the uniform benefits package to residents of this state and no registered employer health plan may provide less than the uniform benefits package to its employees and their dependents.

NEW SECTION. Sec. 428. HEALTH PLAN CERTIFICATION STANDARDS. A certified health plan shall:

(1) Provide the benefits included in the uniform benefits package to enrolled Washington residents for a prepaid per capita community-rated premium not to exceed the maximum premium established by the commission and provide such benefits through managed care in accordance with rules adopted by the commission;

(2) Offer supplemental benefits to enrolled Washington residents for a prepaid per capita community-rated premium and provide such benefits through managed care in accordance with rules adopted by the commission;

(3) Accept for enrollment any state resident within the plan's service area and provide or assure the provision of all services within the uniform benefits package and offer supplemental benefits regardless of age, sex, family structure, ethnicity, race, health condition, geographic location, employment status, socioeconomic status, other condition or situation, or the provisions of RCW 49.60.174(2). The insurance commissioner may grant a temporary exemption from this subsection, if, upon application by a certified health plan, the commissioner finds that the clinical, financial, or administrative capacity to serve existing enrollees will be impaired if a certified health plan is required to continue enrollment of additional eligible individuals;

(4) If the plan provides benefits through contracts with, ownership of, or management of health care facilities and contracts with or employs health care providers, demonstrate to the satisfaction of the insurance commissioner in consultation with the department of health and the commission that its facilities and personnel are adequate to provide the benefits prescribed in the uniform benefits package and offer supplemental benefits to enrolled Washington residents, and that it is financially capable of providing such residents with, or has made adequate contractual arrangements with health care providers and facilities to provide enrollees with such benefits;

(5) Comply with portability of benefits requirements prescribed by the commission;

(6) Comply with administrative rules prescribed by the commission, the insurance commissioner, and other state agencies governing certified health plans;

(7) Provide all enrollees with instruction and informational materials to increase individual and family awareness of injury and illness prevention; encourage assumption of personal responsibility for protecting personal health; and stimulate discussion about the use and limits of medical care in improving the health of individuals and communities;

(8) Disclose to enrollees the charity care requirements under chapter 70.170 RCW;

(9) Include in all of its contracts with health care providers and health care facilities a provision prohibiting such providers and facilities from billing enrollees for any amounts in excess of applicable enrollee point of service cost-sharing obligations for services included in the uniform benefits package and supplemental benefits;

(10) Include in all of its contracts issued for uniform benefits package and supplemental benefits coverage a subrogation provision that allows the certified health plan to recover the costs of uniform benefits package and supplemental benefits services incurred to care for an enrollee injured by a negligent third party. The costs recovered shall be limited to:

(a) If the certified health plan has not intervened in the action by an injured enrollee against a negligent third party, then the amount of costs the certified health plan can recover shall be limited to the excess remaining after the enrollee has been fully compensated for his or her loss minus a proportionate share of the enrollee's costs and fees in bringing the action. The proportionate share shall be determined by:

(i) The fees and costs approved by the court in which the action was initiated; or

(ii) The written agreement between the attorney and client that established fees and costs when fees and costs are not addressed by the court.

When fees and costs have been approved by a court, after notice to the certified health plan, the certified health plan shall have the right to be heard on the matter of attorneys' fees and costs or its proportionate share;

(b) If the certified health plan has intervened in the action by an injured enrollee against a negligent third party, then the amount of costs the certified health plan can recover shall be the excess remaining after the enrollee has been fully compensated for his or her loss or the amount of the plan's incurred costs, whichever is less;

(11) Establish and maintain a grievance procedure approved by the commissioner, to provide a reasonable and effective resolution of complaints initiated by enrollees concerning any matter relating to the provision of benefits under the uniform benefits package and supplemental benefits, access to health care services, and quality of services. Each certified health plan shall respond to complaints filed with the insurance commissioner within fifteen working days. The insurance commissioner in consultation with the commission shall establish standards for resolution of grievances;

(12) Comply with the provisions of chapter 48.30 RCW prohibiting unfair and deceptive acts and practices to the extent such provisions are not specifically modified or superseded by the provisions of chapter . . . , Laws of 1993 (this act) and be prohibited from offering or supplying incentives that would have the effect of avoiding the requirements of subsection (3) of this section;

(13) Have culturally sensitive health promotion programs that include approaches that are specifically effective for persons of color and accommodating to different cultural value systems, gender, and age;

(14) Permit every category of health care provider to provide health services or care for conditions included in the uniform benefits package to the extent that:

(a) The provision of such health services or care is within the health care providers' permitted scope of practice; and

(b) The providers agree to abide by standards related to:

(i) Provision, utilization review, and cost containment of health services;

(ii) Management and administrative procedures; and

(iii) Provision of cost-effective and clinically efficacious health services;

(15) Establish the geographic boundaries in which they will obligate themselves to deliver the services required under the uniform benefits package and include such information in their application for certification, but the commissioner shall review such boundaries and may disapprove, in conformance with guidelines adopted by the commission, those that have been clearly drawn to be exclusionary within a health care catchment area;

(16) Annually report the names and addresses of all officers, directors, or trustees of the certified health plan during the preceding year, and the amount of wages, expense reimbursements, or other payments to such individuals;

(17) Annually report the number of residents enrolled and terminated during the previous year. Additional information regarding the enrollment and termination pattern for a certified health plan may be required by the commissioner to determine compliance with the open enrollment and free access requirements of chapter . . . , Laws of 1993 (this act); and

(18) Disclose any financial interests held by officers and directors in any facilities associated with or operated by the certified health plan.

NEW SECTION. Sec. 429. LIMITED CERTIFIED HEALTH PLAN FOR DENTAL SERVICES. (1) For the purposes of this section "limited certified dental plan" or "dental plan" means a limited health service contractor governed by RCW 48.44.035 offering dental care services only and that complies with all certified health plan requirements for managed care, community rating, portability, and nondiscrimination as provided in section 428 of this act.

(2) A dental plan may provide coverage for dental services directly to individuals or to employers for the benefit of employees. If an individual or an employer purchases dental care services from a dental plan, the certified health plan covering the individual or the employees need not provide dental services required under the uniform benefits package. A certified health plan may subcontract with a dental plan to provide the dental benefits required under the uniform benefits package.

NEW SECTION. Sec. 430. REGISTERED EMPLOYER HEALTH PLANS. Consistent with the provisions of section 464 of this act, a registered employer health plan shall:

(1) Register with the insurance commissioner by filing its plan of management and operation including but not limited to information required by the commissioner sufficient for a determination by the commissioner that such plan meets the requirements of this section and any rules adopted by the health services commission and the insurance commissioner pertaining to such plans.

(2) Provide the benefits included in the uniform benefits package to employees and their dependents for a prepaid, community-rated premium not to exceed the maximum premium established by the commission and provide such benefits through managed care in accordance with rules adopted by the commission.

(3) Offer supplemental benefits to employees and their dependents for a prepaid, community-rated premium and provide such benefits through managed care in accordance with rules adopted by the commission. Benefits offered by such plan need not comply with the provisions of sections 452 and 453 of this act.

(4) Provide or assure the provision of all services within the uniform benefits package and offer supplemental benefits regardless of age, sex, family structure, ethnicity, race, health condition, socioeconomic status, or other condition or situation, or the provisions of RCW 49.60.174(2).

(5) If the plan provides benefits through contracts with, ownership of, or management of health care facilities and contracts with or employs health care providers, demonstrate to the satisfaction of the insurance commissioner in consultation with the department of health and the commission that its facilities and personnel are adequate to provide the uniform benefits package and any supplemental benefits or has made adequate contractual arrangements with health

care providers and facilities to provide employees and their dependents with such benefits.

(6) Comply with portability of benefits requirements prescribed by the commission for registered employer health plans.

(7) Comply with administrative rules prescribed by the commission, the insurance commissioner, and other state agencies governing registered employer health plans.

(8) Provide all employees and their dependents enrolled in the plan with instruction and informational materials to increase individual and family awareness of injury and illness prevention; encourage assumption of personal responsibility for protecting personal health; and stimulate discussion about the use and limits of medical care in improving the health of individuals and communities.

(9) Include in all of its contracts with health care providers and health care facilities a provision prohibiting such providers and facilities from billing employees and their dependents enrolled in the plan for any amounts in excess of applicable enrollee point of service, cost-sharing obligations for services included in the uniform benefits package and supplemental benefits.

(10) Include in all of its contracts issued for uniform benefits package and supplemental benefits coverage a subrogation provision that allows the plan to recover the costs of uniform benefits package and supplemental benefit services incurred to care for a plan enrollee injured by a negligent third party. The costs recovered shall be limited to:

(a) If the plan has not intervened in the action by an injured plan enrollee against a negligent third party, then the amount of costs the plan can recover shall be limited to the excess remaining after the plan enrollee has been fully compensated for his or her loss minus a proportionate share of the enrollee's costs and fees in bringing the action. The proportionate share shall be determined by:

(i) The fees and costs approved by the court in which the action was initiated; or

(ii) The written agreement between the attorney and client that established fees and costs when fees and costs are not addressed by the court.

When fees and costs have been approved by a court, after notice to the plan, the plan shall have the right to be heard on the matter of attorneys' fees and costs or its proportionate share;

(b) If the plan has intervened in the action by an injured enrollee against a negligent third party, then the amount of costs the plan can recover shall be the excess remaining after the enrollee has been fully compensated for his or her loss or the amount of the plan's incurred costs, whichever is less.

(11) Establish and maintain a grievance procedure approved by the insurance commissioner, to provide a reasonable and effective resolution of complaints initiated by plan enrollees concerning any matter relating to the provision of benefits under the uniform benefits package and supplemental benefits, access to

health care services, and quality of services. Each plan shall respond to complaints filed with the insurance commissioner within fifteen working days. The insurance commissioner in consultation with the commission shall establish standards for resolution of grievances by enrollees of registered employer health plans.

(12) Have culturally sensitive health promotion programs that include approaches that are specifically effective for persons of color and accommodating to different cultural value systems, gender, and age.

(13) Permit every category of health care provider to provide health services or care for conditions included in the uniform benefits package to the extent that:

(a) The provision of such health services or care is within the health care providers' permitted scope of practice; and

(b) The providers agree to abide by standards related to:

(i) Provision, utilization review, and cost containment of health services;

(ii) Management and administrative procedures; and

(iii) Provision of cost-effective and clinically efficacious health services.

(14) Pay to the state treasurer a tax equivalent to the tax applied to taxpayers under section 301 of this act in accordance with rules adopted by the department of revenue.

(15) File their uniform benefits package and supplemental benefits with the insurance commissioner who may disapprove and order a modification of such package or benefits if such package or benefits fail to meet any standards or rules adopted by the commission pertaining to maximum premiums, enrollee financial participation, point of service cost-sharing, benefit design, or health service delivery.

(16) Comply with and shall be subject to sections 431, 447, and 448 of this act.

(17) Pay an annual fee to the insurance commissioner's office in an amount established by rule of the commissioner necessary for the performance of the commissioner's responsibilities under this section consistent with and subject to the collection, depositing, and spending provisions applicable to fees collected pursuant to RCW 48.02.190.

(18) File an annual report with the commissioner containing such information as the commissioner may require to determine compliance with this section.

(19) In addition to any other penalties prescribed by law, be subject to the penalties contained in section 432 of this act for violations of this section.

NEW SECTION. Sec. 431. **CONTRACTS BETWEEN CERTIFIED HEALTH PLANS AND HEALTH CARE PROVIDERS.** (1) Balancing the need for health care reform and the need to protect health care providers, as a class and as individual providers, from improper exclusion presents a problem that can be satisfied with the creation of a process to ensure fair consideration of the inclusion of health care providers in managed care systems operated by certified health plans. It is therefore the intent of the legislature that the health services commission in developing rules in accordance with this section and the attorney

general in monitoring the level of competition in the various geographic markets, balance the need for cost-effective and quality delivery of health services with the need for inclusion of both individual health care providers and categories of health care providers in managed care programs developed by certified health plans.

(2) All licensed health care providers licensed by the state, irrespective of the type or kind of practice, should be afforded the opportunity for inclusion in certified health plans consistent with the goals of health care reform.

The health services commission shall adopt rules requiring certified health plans to publish general criteria for the plan's selection or termination of health care providers. Such rules shall not require the disclosure of criteria deemed by the plan to be of a proprietary or competitive nature that would hurt the plan's ability to compete or to manage health services. Disclosure of criteria is proprietary or anticompetitive if revealing the criteria would have the tendency to cause health care providers to alter their practice pattern in a manner that would harm efforts to contain health care costs and is proprietary if revealing the criteria would cause the plan's competitors to obtain valuable business information.

If a certified health plan uses unpublished criteria to judge the quality and cost-effectiveness of a health care provider's practice under any specific program within the plan, the plan may not reject or terminate the provider participating in that program based upon such criteria until the provider has been informed of the criteria that his or her practice fails to meet and is given a reasonable opportunity to conform to such criteria.

(3)(a) Whenever a determination is made under (b) of this subsection that a plan's share of the market reaches a point where the plan's exclusion of health care providers from a program of the plan would result in the substantial inability of providers to continue their practice thereby unreasonably restricting consumer access to needed health services, the certified health plan must allow all providers within the affected market to participate in the programs of the certified health plan. All such providers must meet the published criteria and requirements of the programs.

(b) The attorney general with the assistance of the insurance commissioner shall periodically analyze the market power of certified health plans to determine when the market share of any program of a certified health plan reaches a point where the plan's exclusion of health service providers from a program of the plan would result in the substantial inability of providers to continue their practice thereby unreasonably restricting consumer access to needed health services. In analyzing the market power of a certified health plan, the attorney general shall consider:

- (i) The ease with which providers may obtain contracts with other plans;
- (ii) The amount of the private pay and government employer business that is controlled by the certified health plan taking into account the selling of its provider network to self-insured employer plans;

(iii) The difficulty in establishing new competing plans in the relevant geographic market; and

(iv) The sufficiency of the number or type of providers under contract with the plan available to meet the needs of plan enrollees.

Notwithstanding the provisions of this subsection, if the certified health plan demonstrates to the satisfaction of the attorney general and the health services commission that health service utilization data and similar information shows that the inclusion of additional health service providers would substantially lessen the plan's ability to control health care costs and that the plan's procedures for selection of providers are not improperly exclusive of providers, the plan need not include additional providers within the plan's program.

(4) The health services commission shall adopt rules for the resolution of disputes between providers and certified health plans including disputes regarding the decision of a plan not to include the services of a provider.

(5) Nothing contained in this section shall be construed to require a plan to allow or continue the participation of a provider if the plan is a federally qualified health maintenance organization and the participation of the provider or providers would prevent the health maintenance organization from operating as a health maintenance organization in accordance with 42 U.S.C. Sec. 300e.

NEW SECTION. Sec. 432. CERTIFIED HEALTH PLANS—REGISTRATION REQUIRED—PENALTY. (1) No person or entity in this state may, by mail or otherwise, act or hold himself or herself out to be a certified health plan as defined by section 402 of this act without being registered as a certified health plan with the insurance commissioner.

(2) Anyone violating subsection (1) of this section is liable for a fine not to exceed ten thousand dollars and imprisonment not to exceed six months for each instance of such violation.

NEW SECTION. Sec. 433. ELIGIBILITY REQUIREMENTS FOR CERTIFICATE OF REGISTRATION—APPLICATION REQUIREMENTS. Any corporation, cooperative group, partnership, association, or groups of health professionals licensed by the state of Washington, public hospital district, or public institutions of higher education are entitled to a certificate from the insurance commissioner as a certified health plan if it:

(1) Submits an application for certification as a certified health plan, which shall be verified by an officer or authorized representative of the applicant, being in a form as the insurance commissioner prescribes in consultation with the health services commission;

(2) Meets the minimum net worth requirements set forth in section 438 of this act and the funding reserve requirements set forth in section 439 of this act;

(3) A certified health plan may establish the geographic boundaries in which they will obligate themselves to deliver the services required under the uniform benefits package and include such information in their application for certification, but the commissioner shall review such boundaries and may disapprove, in

conformance to guidelines adopted by the commission, those which have been clearly drawn to be exclusionary within a health care catchment area.

NEW SECTION. Sec. 434. ISSUANCE OF CERTIFICATE—GROUNDS FOR REFUSAL. The commissioner shall issue a certificate as a certified health plan to an applicant within one hundred twenty days of such filing unless the commissioner notifies the applicant within such time that such application is not complete and the reasons therefor; or that the commissioner is not satisfied that:

(1) The basic organization document of the applicant permits the applicant to conduct business as a certified health plan;

(2) The applicant has demonstrated the intent and ability to assure that the health services will be provided in a manner to assure both their availability and accessibility;

(3) The organization is financially responsible and may be reasonably expected to meet its obligations to its enrolled participants. In making this determination, the commissioner shall consider among other relevant factors:

(a) Any agreements with a casualty insurer, a government agency, or any other organization paying or insuring payment for health care services;

(b) Any agreements with providers for the provision of health care services; and

(c) Any arrangements for liability and malpractice insurance coverage.

(4) The procedures for offering health care services are reasonable and equitable; and

(5) Procedures have been established to:

(a) Monitor the quality of care provided by the certified health plan including standards and guidelines provided by the health services commission and other appropriate state agencies;

(b) Operate internal peer review mechanisms; and

(c) Resolve complaints and grievances in accordance with section 443 of this act and rules established by the insurance commissioner in consultation with the commission.

NEW SECTION. Sec. 435. PREMIUMS AND ENROLLEE PAYMENT AMOUNTS—FILING OF PREMIUMS AND ENROLLEE PAYMENT AMOUNTS—ADDITIONAL CHARGES PROHIBITED. (1) The insurance commissioner shall verify that the certified health plan and its providers are charging no more than the maximum premiums and enrollee financial participation amounts during the course of financial and market conduct examinations or more frequently if justified in the opinion of the insurance commissioner or upon request by the health services commission.

(2) The certified health plans shall file the premium schedules including employer contributions, enrollee premium sharing, and enrollee point of service cost sharing amounts with the insurance commissioner, within thirty days of establishment by the health services commission.

(3) No certified health plan or its provider may charge any fees, assessments, or charges in addition to the premium amount or in excess of the maximum enrollee financial participation limits established by the health services commission. The certified health plan that directly provides health care services may charge and collect the enrollee point of service cost sharing fees as established in the uniform benefits package or other approved benefit plan.

NEW SECTION. Sec. 436. ANNUAL STATEMENT FILING—CONTENTS—PENALTY FOR FAILURE TO FILE—ACCURACY REQUIRED. (1) Every certified health plan shall annually not later than March 1 of the calendar year, file with the insurance commissioner a statement verified by at least two of its principal officers showing its financial condition as of December 31 of the preceding year.

(2) Such annual report shall be in such form as the insurance commissioner shall prescribe and shall include:

(a) A financial statement of the certified health plan, including its balance sheet and receipts and disbursements for the preceding year, which reflects at a minimum;

(i) All prepayments and other payments received for health care services rendered pursuant to certified health plan benefit packages;

(ii) Expenditures to all categories of health care facilities, providers, and organizations with which the plan has contracted to fulfill obligations to enrolled residents arising out of the uniform benefits package and other approved supplemental benefit agreements, together with all other direct expenses including depreciation, enrollment, and commission; and

(iii) Expenditures for capital improvements, or additions thereto, including but not limited to construction, renovation, or purchase of facilities and capital equipment;

(b) A report of the names and addresses of all officers, directors, or trustees of the certified health plan during the preceding year, and the amount of wages, expense reimbursements, or other payments to such individuals;

(c) The number of residents enrolled and terminated during the report period. Additional information regarding the enrollment and termination pattern for a certified health plan may be required by the commissioner to demonstrate compliance with the open enrollment and free access requirements of chapter . . . , Laws of 1993 (this act). The insurance commissioner shall specify additional information to be reported, which may include but not be limited to age, sex, location, and health status information;

(d) Such other information relating to the performance of the certified health plan or the health care facilities or providers with which it has contracted as reasonably necessary to the proper and effective administration of this chapter in accordance with rules;

(e) Disclosure of any financial interests held by officers and directors in any providers associated with the certified health plan or provider of the certified health plan.

(3) The commissioner may require quarterly reporting of financial information, such information to be furnished in a format prescribed by the commissioner in consultation with the commission.

(4) The commissioner may for good reason allow a reasonable extension of time within which such annual statement shall be filed.

(5) The commissioner may suspend or revoke the certificate of a certified health plan for failing to file its annual statement when due or during any extension of time therefor that the commissioner, for good cause, may grant.

(6) The commissioner shall provide to the health services commission an annual summary report of at least the information required in subsections (2) and (3) of this section.

(7) No person may knowingly file with any public official or knowingly make, publish, or disseminate any financial statement of a certified health plan that does not accurately state the certified health plan's financial condition.

NEW SECTION. Sec. 437. PROVIDER CONTRACTS—ENROLLED RESIDENT'S LIABILITY, COMMISSIONER'S REVIEW. (1) Subject to subsection (2) of this section, every contract between a certified health plan and its providers of health care services shall be in writing and shall set forth that in the event the certified health plan fails to pay for health care services as set forth in the uniform benefits package, the enrollee is not liable to the provider for any sums owed by the certified health plan. Every such contract shall provide that this requirement shall survive termination of the contract.

(2) The provisions of subsection (1) of this section shall not apply to emergency care from a provider who is not a contracting provider with the certified health plan, or to emergent and urgently needed out-of-area services.

(3) The certified health plan shall file the contracts with the insurance commissioner for approval thirty days prior to use.

NEW SECTION. Sec. 438. MINIMUM NET WORTH—REQUIREMENTS TO MAINTAIN—DETERMINATION OF AMOUNT. (1) Every certified health plan must maintain a minimum net worth equal to the greater of:

(a) One million dollars; or

(b) Two percent of annual premium revenues as reported on the most recent annual financial statement filed with the insurance commissioner on the first one hundred fifty million dollars of premium and one percent of annual premium on the premium in excess of one hundred fifty million dollars; or

(c) An amount equal to the sum of three months' uncovered expenditures as reported on the most recent financial statement filed with the commissioner.

(2)(a) In determining net worth, no debt may be considered fully subordinated unless the subordination clause is in a form acceptable to the commissioner. An interest obligation relating to the repayment of a subordinated debt must be similarly subordinated.

(b) The interest expenses relating to the repayment of a fully subordinated debt may not be considered uncovered expenditures.

(c) A subordinated debt incurred by a note meeting the requirements of this section, and otherwise acceptable to the insurance commissioner, may not be considered a liability and shall be recorded as equity.

(3) Every certified health plan shall, in determining liabilities, include an amount estimated in the aggregate to provide for unearned premiums and for the payment of claims for health care expenditures that have been incurred, whether reported or unreported, that are unpaid and for which such organization is or may be liable and to provide for the expense of adjustment or settlement of such claims.

The claims shall be computed in accordance with rules adopted by the insurance commissioner in consultation with the health services commission.

NEW SECTION. Sec. 439. FUNDED RESERVE REQUIREMENTS. (1) Each certified health plan obtaining certification from the insurance commissioner under sections 427 through 444 of this act shall provide and maintain a funded reserve of one hundred fifty thousand dollars. The funded reserve shall be deposited with the insurance commissioner or with any organization acceptable to the commissioner in the form of cash, securities eligible for investment under chapter 48.13 RCW, approved surety bond, or any combination of these, and must be equal to or exceed one hundred fifty thousand dollars. The funded reserve shall be established as an assurance that the uncovered expenditures obligations of the certified health plan to the enrolled Washington residents shall be performed.

(2) All income from reserves on deposit with the commissioner shall belong to the depositing certified health plan and shall be paid to it as it becomes available.

(3) Funded reserves required by this section shall be considered an asset in determining the plan's net worth.

NEW SECTION. Sec. 440. EXAMINATION OF CERTIFIED HEALTH PLANS, POWERS OF COMMISSIONER, DUTIES OF PLANS, INDEPENDENT AUDIT REPORTS. (1) The insurance commissioner shall make an examination of the operations of a certified health plan as often as the commissioner deems it necessary in order to assure the financial security and health and safety of the enrolled residents. The insurance commissioner shall make an examination of a certified health plan not less than once every three calendar years.

(2) Every certified health plan shall submit its books and records relating to its operation for financial condition and market conduct examinations and in every way facilitate them. The quality or appropriateness of health services and systems shall be examined by the department of health except that the insurance commissioner may review such areas to the extent that such items impact the financial condition or the market conduct of the certified health plan. For the

purpose of the examinations the insurance commissioner may issue subpoenas, administer oaths, and examine the officers and principals of the certified health plans concerning their business.

(3) The insurance commissioner may elect to accept and rely on audit reports made by an independent certified public accountant for the certified health plan in the course of that part of the insurance commissioner's examination covering the same general subject matter as the audit. The commissioner may incorporate the audit report in his or her report of the examination.

(4) Certified health plans shall be equitably assessed to cover the cost of financial condition and market conduct examinations, the costs of adopting rules, and the costs of enforcing the provisions of this chapter. The assessments shall be levied not less frequently than once every twelve months and shall be in an amount expected to fund the examinations, adoption of rules, and enforcement of the provisions of this chapter including a reasonable margin for cost variations. The assessments shall be established by rules adopted by the commissioner in consultation with the health services commission but may not exceed five and one-half cents per month per resident enrolled in the certified health plan. The minimum assessment shall be one thousand dollars. Assessment receipts shall be deposited in the insurance commissioner's regulatory account in the state treasury and shall be used for the purpose of funding the examinations authorized in subsection (1) of this section. Assessments received shall be used to pay a pro rata share of the costs, including overhead of regulating certified health plans. Amounts remaining in the separate account at the end of a biennium shall be applied to reduce the assessments in succeeding biennia.

NEW SECTION. Sec. 441. INSOLVENCY—COMMISSIONER'S DUTIES, CONTINUATION OF BENEFITS, ALLOCATION OF COVERAGE.

(1) In the event of insolvency of a certified health plan and upon order of the commissioner, all other certified health plans shall offer the enrolled Washington residents of the insolvent certified health plan the opportunity to enroll in a solvent certified health plan. Enrollment shall be without prejudice for any preexisting condition and shall be continuous provided the resident enrolls in the new certified health plan within thirty days of the date of insolvency and otherwise complies with the certified health plan's managed care procedures within the thirty-day open enrollment period.

(2) The insurance commissioner, in consultation with the health services commission, shall establish guidelines for the equitable distribution of the insolvent certified health plan's enrollees to the remaining certified health plans. The guidelines may include limitations to enrollment based on financial conditions, provider delivery network, administrative capabilities of the certified health plan, and other reasonable measures of the certified health plan's ability to provide benefits to the newly enrolled residents.

(3) Each certified health plan shall have a plan for handling insolvency that allows for continuation of benefits for the duration of the coverage period for

whici, premiums have been paid and continuation of benefits to enrolled Washington residents who are confined on the date of insolvency in an inpatient facility until their discharge or transfer to a new certified health plan as provided in subsection (1) of this section. The plan shall be approved by the insurance commissioner at the time of certification and shall be submitted for review and approval on an annual basis. The commissioner shall approve such a plan if it includes:

(a) Insurance to cover the expenses to be paid for continued benefits after insolvency;

(b) Provisions in provider contracts that obligate the provider to provide services for the duration of the period after the certified health plan's insolvency for which premium payment has been made and until the enrolled participant is transferred to a new certified health plan in accordance with subsection (1) of this section. Such extension of coverage shall not obligate the provider of service beyond thirty days following the date of insolvency;

(c) Use of the funded reserve requirements as provided under section 439 of this act;

(d) Acceptable letters of credit or approved surety bonds; or

(e) Other arrangements the insurance commissioner and certified health plan mutually agree are appropriate to assure that benefits are continued.

NEW SECTION. Sec. 442. FINANCIAL FAILURE, SUPERVISION OF COMMISSIONER—PRIORITY OF DISTRIBUTION OF ASSETS. (1) Any rehabilitation, liquidation, or conservation of a certified health plan shall be deemed to be the rehabilitation, liquidation, or conservation of an insurance company and shall be conducted under the supervision of the insurance commissioner under the law governing the rehabilitation, liquidation, or conservation of insurance companies. The insurance commissioner may apply for an order directing the insurance commissioner to rehabilitate, liquidate, or conserve a certified health plan upon one or more of the grounds set forth in RCW 48.31.030, 48.31.050, and 48.31.080. Enrolled residents shall have the same priority in the event of liquidation or rehabilitation as the law provides to policyholders of an insurer.

(2) For purposes of determining the priority of distribution of general assets, claims of enrolled residents and their dependents shall have the same priority as established by RCW 48.31.280 for policyholders and their dependents of insurance companies. If an enrolled resident is liable to a provider for services under and covered by a certified health plan, that liability shall have the status of an enrolled resident claim for distribution of general assets.

(3) A provider who is obligated by statute or agreement to hold enrolled residents harmless from liability for services provided under and covered by a certified health plan shall have a priority of distribution of the general assets immediately following that of enrolled residents and enrolled residents' dependents as described in this section, and immediately preceding the priority of distribution described in RCW 48.31.280(2)(e).

NEW SECTION. Sec. 443. GRIEVANCE PROCEDURE. A certified health plan shall establish and maintain a grievance procedure approved by the commissioner, to provide a reasonable and effective resolution of complaints initiated by enrolled Washington residents concerning any matter relating to the provision of benefits under the uniform benefits package, access to health care services, and quality of services. Each certified health plan shall respond to complaints filed with the insurance commissioner within twenty working days. The insurance commissioner in consultation with the health services commission shall establish standards for grievance procedures and resolution.

NEW SECTION. Sec. 444. EXEMPTION. The provisions of sections 433 through 443 of this act do not apply to any disability insurance company, health care service contractor, or health maintenance organization authorized to do business in Washington.

NEW SECTION. Sec. 445. ENFORCEMENT AUTHORITY OF COMMISSIONER. For the purposes of chapter . . . , Laws of 1993 (this act), the insurance commissioner shall have the same powers and duties of enforcement as are provided in Title 48 RCW.

NEW SECTION. Sec. 446. ANNUAL REPORT BY THE INSURANCE COMMISSIONER TO THE HEALTH SERVICES COMMISSION. Beginning January 1, 1997, the insurance commissioner shall report annually to the health services commission on the compliance of certified health plans and health insurance purchasing cooperatives with the provisions of chapter . . . , Laws of 1993 (this act). The report shall include information on (1) compliance with chapter . . . , Laws of 1993 (this act) open enrollment and antidiscrimination provisions, (2) financial solvency requirements, (3) the mix of enrollee characteristics within and among plans and groups including age, sex, ethnicity, and any easily obtainable information related to medical risk, (4) the geographic distribution of plans and groups, and (5) other information that the commission may request consistent with the goals of chapter . . . , Laws of 1993 (this act).

F. MANAGED COMPETITION AND LIMITED ANTI-TRUST IMMUNITY

NEW SECTION. Sec. 447. MANAGED COMPETITION FINDINGS AND INTENT. (1) The legislature recognizes that competition among health care providers, facilities, payers, and purchasers will yield the best allocation of health care resources, the lowest prices for health care, and the highest quality of health care when there exists a large number of buyers and sellers, easily comparable health care plans and services, minimal barriers to entry and exit into the health care market, and adequate information for buyers and sellers to base purchasing and production decisions. However, the legislature finds that purchasers of health care services and health care coverage do not have adequate information upon which to base purchasing decisions; that health care facilities and providers of health care services face legal and market disincentives to

develop economies of scale or to provide the most cost-efficient and efficacious service; that health insurers, contractors, and health maintenance organizations face market disincentives in providing health care coverage to those Washington residents with the most need for health care coverage; and that potential competitors in the provision of health care coverage bear unequal burdens in entering the market for health care coverage.

(2) The legislature therefore intends to exempt from state anti-trust laws, and to provide immunity from federal anti-trust laws through the state action doctrine for activities approved under this chapter that might otherwise be constrained by such laws and intends to displace competition in the health care market: To contain the aggregate cost of health care services; to promote the development of comprehensive, integrated, and cost-effective health care delivery systems through cooperative activities among health care providers and facilities; to promote comparability of health care coverage; to improve the cost-effectiveness in providing health care coverage relative to health promotion, disease prevention, and the amelioration or cure of illness; to assure universal access to a publicly determined, uniform package of health care benefits; and to create reasonable equity in the distribution of funds, treatment, and medical risk among purchasers of health care coverage, payers of health care services, providers of health care services, health care facilities, and Washington residents. To these ends, any lawful action taken pursuant to chapter . . . , Laws of 1993 (this act) by any person or entity created or regulated by chapter . . . , Laws of 1993 (this act) are declared to be taken pursuant to state statute and in furtherance of the public purposes of the state of Washington.

(3) The legislature does not intend and unless explicitly permitted in accordance with section 448 of this act or under rules adopted pursuant to chapter . . . , Laws of 1993 (this act), does not authorize any person or entity to engage in activities or to conspire to engage in activities that would constitute per se violations of state and federal anti-trust laws including but not limited to conspiracies or agreements:

(a) Among competing health care providers not to grant discounts, not to provide services, or to fix the price of their services;

(b) Among certified health plans as to the price or level of reimbursement for health care services;

(c) Among certified health plans to boycott a group or class of health care service providers;

(d) Among purchasers of certified health plan coverage to boycott a particular plan or class of plans;

(e) Among certified health plans to divide the market for health care coverage; or

(f) Among certified health plans and purchasers to attract or discourage enrollment of any Washington resident or groups of residents in a certified health plan based upon the perceived or actual risk of loss in including such resident or group of residents in a certified health plan or purchasing group.

NEW SECTION. Sec. 448. COMPETITIVE OVERSIGHT AND ANTI-TRUST IMMUNITY. (1) A certified health plan, health care facility, health care provider, or other person involved in the development, delivery, or marketing of health care or certified health plans may request, in writing, that the commission obtain an informal opinion from the attorney general as to whether particular conduct is authorized by chapter . . . , Laws of 1993 (this act). The attorney general shall issue such opinion within thirty days of receipt of a written request for an opinion or within thirty days of receipt of any additional information requested by the attorney general necessary for rendering an opinion unless extended by the attorney general for good cause shown. If the attorney general concludes that such conduct is not authorized by chapter . . . , Laws of 1993 (this act), the person or organization making the request may petition the commission for review and approval of such conduct in accordance with subsection (3) of this section.

(2) After obtaining the written opinion of the attorney general and consistent with such opinion, the health services commission:

(a) May authorize conduct by a certified health plan, health care facility, health care provider, or any other person that could tend to lessen competition in the relevant market upon a strong showing that the conduct is likely to achieve the policy goals of chapter . . . , Laws of 1993 (this act) and a more competitive alternative is impractical;

(b) Shall adopt rules governing conduct among providers, health care facilities, and certified health plans including rules governing provider and facility contracts with certified health plans, rules governing the use of "most favored nation" clauses and exclusive dealing clauses in such contracts, and rules providing that certified health plans in rural areas contract with a sufficient number and type of health care providers and facilities to ensure consumer access to local health care services;

(c) Shall adopt rules permitting health care providers within the service area of a plan to collectively negotiate the terms and conditions of contracts with a certified health plan including the ability of providers to meet and communicate for the purposes of these negotiations; and

(d) Shall adopt rules governing cooperative activities among health care facilities and providers.

(3) A certified health plan, health care facility, health care provider, or any other person involved in the development, delivery, and marketing of health services or certified health plans may file a written petition with the commission requesting approval of conduct that could tend to lessen competition in the relevant market. Such petition shall be filed in a form and manner prescribed by rule of the commission.

The commission shall issue a written decision approving or denying a petition filed under this section within ninety days of receipt of a properly completed written petition unless extended by the commission for good cause

shown. The decision shall set forth findings as to benefits and disadvantages and conclusions as to whether the benefits outweigh the disadvantages.

(4) In authorizing conduct and adopting rules of conduct under this section, the commission with the advice of the attorney general, shall consider the benefits of such conduct in furthering the goals of health care reform including but not limited to:

- (a) Enhancement of the quality of health services to consumers;
- (b) Gains in cost efficiency of health services;
- (c) Improvements in utilization of health services and equipment;
- (d) Avoidance of duplication of health services resources; or

(e) And as to subsections (b) and (c) of this subsection: (i) Facilitates the exchange of information relating to performance expectations; (ii) simplifies the negotiation of delivery arrangements and relationships; and (iii) reduces the transactions costs on the part of certified health plans and providers in negotiating more cost effective delivery arrangements.

These benefits must outweigh disadvantages including and not limited to:

(i) Reduced competition among certified health plans, health care providers, or health care facilities;

(ii) Adverse impact on quality, availability, or price of health care services to consumers; or

(iii) The availability of arrangements less restrictive to competition that achieve the same benefits.

(5) Conduct authorized by the commission shall be deemed taken pursuant to state statute and in the furtherance of the public purposes of the state of Washington.

(6) With the assistance of the attorney general's office, the commission shall actively supervise any conduct authorized under this section to determine whether such conduct or rules permitting certain conduct should be continued and whether a more competitive alternative is practical. The commission shall periodically review petitioned conduct through, at least, annual progress reports from petitioners, annual or more frequent reviews by the commission that evaluate whether the conduct is consistent with the petition, and whether the benefits continue to outweigh any disadvantages. If the commission determines that the likely benefits of any conduct approved through rule, petition, or otherwise by the commission no longer outweigh the disadvantages attributable to potential reduction in competition, the commission shall order a modification or discontinuance of such conduct. Conduct ordered discontinued by the commission shall no longer be deemed to be taken pursuant to state statute and in the furtherance of the public purposes of the state of Washington.

(7) Nothing contained in chapter . . . , Laws of 1993 (this act) is intended to in any way limit the ability of rural hospital districts to enter into cooperative agreements and contracts pursuant to RCW 70.44.450 and chapter 39.34 RCW.

G. THE UNIFORM BENEFITS PACKAGE**NEW SECTION. Sec. 449. UNIFORM BENEFITS PACKAGE DESIGN.**

(1) The commission shall define the uniform benefits package, which shall include those health services that, consistent with the goals and intent of chapter . . . , Laws of 1993 (this act), are effective and necessary on a societal basis for the maintenance of the health of citizens of the state, weighed against the need to control state health services expenditures.

(2) The schedule of covered health services shall emphasize proven preventive and primary health care and shall be composed of the following essential health services: (a) Primary and specialty health services; (b) inpatient and outpatient hospital services; (c) prescription drugs and medications; (d) reproductive services; (e) services necessary for maternity and well-child care, including preventive dental services for children; and (f) case-managed chemical dependency, mental health, short-term skilled nursing facility, home health, and hospice services, to the extent that such services reduce inappropriate utilization of more intensive or less efficacious medical services. The commission shall determine the specific schedule of health services within the uniform benefits package, including limitations on scope and duration of services. The schedule shall be the benefit and actuarial equivalent of the schedule of benefits offered by the basic health plan on January 1, 1993, including any additions that may result from the inclusion of the services listed in (c) through (f) of this subsection. The commission shall consider the recommendations of health services effectiveness panels established pursuant to section 404 of this act in defining the uniform benefits package.

(3) The uniform benefits package shall not limit coverage for preexisting or prior conditions, except that the commission shall establish exclusions for preexisting or prior conditions to the extent necessary to prevent residents from waiting until health services are needed before enrolling in a certified health plan.

(4) The commission shall establish enrollee point of service cost-sharing for nonpreventive health services, related to enrollee household income, such that financial considerations are not a barrier to access for low-income persons, but that, for those of means, the uniform benefits package provides for moderate point of service cost-sharing. All point of service cost-sharing and cost control requirements shall apply uniformly to all health care providers providing substantially similar uniform benefits package services. The schedule shall provide for an alternate and lower schedule of cost-sharing applicable to enrollees with household income below the federal poverty level.

(5) The commission shall adopt rules related to coordination of benefits and premium payments. The rules shall not have the effect of eliminating enrollee financial participation. The commission shall endeavor to assure an equitable distribution, among both employers and employees, of the costs of coverage for those households composed of more than one member in the work force.

(6) In determining the uniform benefits package, the commission shall endeavor to seek the opinions of and information from the public. The

commission shall consider the results of official public health assessment and policy development activities including recommendations of the department of health in discharging its responsibilities under this section.

(7) The commission shall submit the following to the legislature by December 1, 1994, and by December 1 of the year preceding any year in which the commission proposes to significantly modify the uniform benefits package: (a) The uniform benefits package; and (b) an independent actuarial analysis of the cost of the proposed package, giving consideration to the factors considered under section 406(6) of this act. The commission shall not modify the services included in the uniform benefits package before January 1, 1999.

NEW SECTION. Sec. 450. SMALL BUSINESS ECONOMIC IMPACT STATEMENT. (1) In conjunction with submission of the uniform benefits package as provided in section 449(7) of this act, the commission also shall submit a small business economic impact statement, prepared in consultation with the small business advisory committee. The impact statement shall address the economic impact on businesses with twenty-five or fewer full-time equivalent employees of participating in the cost of the uniform benefits package for their employees and employees' dependents. As an aid in preparing the small business economic impact statement, the commission shall conduct a survey of a statistically valid sample of small businesses.

(2) If the small business economic impact statement indicates a need to address the economic consequences of mandating employer participation in the cost of uniform benefits package coverage for employees and their dependents, the commission shall submit proposed strategies to address such consequences. Strategies may include: The level of employer participation in uniform benefits package costs; coverage of dependents; application of the uniform benefits package as the minimum benefits package offered to employees or dependents; and any other strategies deemed appropriate by the commission.

NEW SECTION. Sec. 451. HOUSEHOLD INCOME ANALYSIS. In conjunction with submission of the uniform benefits package as provided in section 449(7) of this act, the commission shall submit an analysis of the impact of employee premium contributions on individuals with household income of less than two hundred percent of the federal poverty level. The analysis shall include estimates of the cost of varying levels of premium subsidies for these individuals and their families.

NEW SECTION. Sec. 452. CERTIFIED HEALTH PLAN BENEFIT PACKAGES—OFFERING, FILING, AND APPROVAL OF FORMS. No uniform benefits package or supplemental benefits may be offered, delivered, or issued for delivery to any person in this state unless it otherwise complies with chapter . . . , Laws of 1993 (this act), and complies with the following:

(1) All certified health plan forms for uniform and supplemental benefits issued by the plan to enrollees and such other marketing documents purporting to describe the plan's benefits shall comply with the minimum standards the

commissioner deems reasonable and necessary to carry out the purposes and provisions of this chapter and consistent with health services commission standards. The plan's forms and documents shall fully inform enrollees of the health services to which they are entitled, and shall fully disclose any limitations, exclusions, rights, responsibilities, and duties required of either the enrollee or the certified health plan. No form or document may be issued, delivered, or issued for delivery unless it has been filed with and approved by the commissioner.

(2) Every form or document filing containing a certification, in a manner approved by the commissioner, by either the chief executive officer of the plan or by an actuary who is a member of the American academy of actuaries, attesting that the filing complies with Title 48 RCW, Title 284 WAC, and this chapter, may be used by such certified health plan immediately after filing with the commissioner. The commissioner may order a plan to cease using a certified form or document upon the grounds set forth in subsection (6) of this section.

(3) Every filing that does not contain a certification pursuant to subsection (2) of this section shall be made not less than thirty days in advance of any such issuance, delivery, or use. At the expiration of such thirty days the form or document filed shall be deemed approved unless affirmatively approved or disapproved by the commissioner within the thirty-day period. The commissioner may extend by not more than an additional fifteen days the period within which the commissioner may review such filing, by notifying the plan of the extension before expiration of the initial thirty-day period. At the expiration of any extension period and in the absence of prior affirmative approval or disapproval, any such form or document shall be deemed approved. The commissioner may withdraw approval at any time for cause. By approval of any filing for immediate use, the commissioner may waive any unexpired portion of the initial thirty-day waiting period.

(4) Whenever the commissioner disapproves a filing or withdraws a previous approval, the commissioner shall state the grounds for disapproval.

(5) The commissioner may exempt from the requirements of this section any plan document or form that, in the commissioner's opinion, may not practicably be applied to, or the filing and approval of which are, in the commissioner's opinion, not desirable or necessary for the protection of the public.

(6) The commissioner shall disapprove any form or document or shall withdraw any previous approval, only:

(a) If it is in any respect in violation of or does not comply with Title 48 RCW, Title 284 WAC, and this chapter, or any applicable order of the commissioner;

(b) If it does not comply with any controlling filing previously made and approved;

(c) If it contains or incorporates by reference any inconsistent, ambiguous, or misleading clauses, or exceptions and conditions that unreasonably or deceptively affect the health services purported to be offered or provided;

(d) If it has any title, heading, or other indication of its provisions that is misleading;

(e) If purchase of health services under the form or document is being solicited by deceptive advertising; or

(f) If the health service benefits provided in the form or document are unreasonable in relation to the premium charged.

NEW SECTION. Sec. 453. UNIFORM AND SUPPLEMENTAL BENEFITS—RATES—FILING AND APPROVAL. (1) Premium rates for uniform benefits package and supplemental benefits shall not be excessive or inadequate, and shall not discriminate in a manner prohibited by section 428(3) of this act. Premium rates, enrollee point of service cost-sharing, or maximum enrollee financial participation amounts for a uniform benefits package may not exceed the limits established by the health services commission in accordance with section 406 of this act. Premium rates for uniform benefits package and supplemental benefits shall be developed on a community-rated basis as determined by the health services commission.

(2) Prior to using, every certified health plan shall file with the commissioner its enrollee point of service, cost-sharing amounts, enrollee financial participation amounts, rates, its rating plan, and any other information used to determine the specific premium to be charged any enrollee and every modification of any of the foregoing.

(3) Every such filing shall indicate the type and extent of the health services contemplated and must be accompanied by sufficient information to permit the commissioner to determine whether it meets the requirements of this chapter. A plan shall offer in support of any filing:

(a) Any historical data and actuarial projections used to establish the rate filed;

(b) An exhibit detailing the major elements of operating expense for the types of health services affected by the filing;

(c) An explanation of how investment income has been taken into account in the proposed rates;

(d) Any other information that the plan deems relevant; and

(e) Any other information that the commissioner requires by rule.

(4) If a plan has insufficient loss experience to support its proposed rates, it may submit loss experience for similar exposures of other plans within the state.

(5) Every filing shall state its proposed effective date.

(6) Actuarial formulas, statistics, and assumptions submitted in support of a rate or form filing by a plan or submitted to the commissioner at the commissioner's request shall be withheld from public inspection in order to preserve trade secrets or prevent unfair competition.

(7) No plan may make or issue a benefits package except in accordance with its filing then in effect.

(8) The commissioner shall review a filing as soon as reasonably possible after made, to determine whether it meets the requirements of this section.

(9)(a) No filing may become effective within thirty days after the date of filing with the commissioner, which period may be extended by the commissioner for an additional period not to exceed fifteen days if the commissioner gives notice within such waiting period to the plan that the commissioner needs additional time to consider the filing.

(b) A filing shall be deemed to meet the requirements of this section unless disapproved by the commissioner within the waiting period or any extension period.

(c) If within the waiting or any extension period, the commissioner finds that a filing does not meet the requirements of this section, the commissioner shall disapprove the filing, shall notify the plan of the grounds for disapproval, and shall prohibit the use of the disapproved filing.

(10) If at any time after the applicable review period provided in this section, the commissioner finds that a filing does not meet the requirements of this section, the commissioner shall, after notice and hearing, issue an order specifying in what respect the commissioner finds that such filing fails to meet the requirements of this section, and stating when, within a reasonable period thereafter, the filings shall be deemed no longer effective.

The order shall not affect any benefits package made or issued prior to the expiration of the period set forth in the order.

NEW SECTION. Sec. 454. The legislature may disapprove of the uniform benefits package developed under section 449 of this act and medical risk adjustment mechanisms developed under section 406(7) of this act by an act of law at any time prior to the thirtieth day of the following regular legislative session. If such disapproval action is taken, the commission shall resubmit a modified package to the legislature within fifteen days of the disapproval. If the legislature does not disapprove or modify the package by an act of law by the end of that regular session, the package is deemed approved.

NEW SECTION. Sec. 455. SUPPLEMENTAL AND ADDITIONAL BENEFITS NEGOTIATION. (1) Nothing in chapter . . . , Laws of 1993 (this act) shall preclude insurers, health care service contractors, health maintenance organizations, or certified health plans from insuring, providing, or contracting for benefits not included in the uniform benefits package or in supplemental benefits.

(2) Nothing in chapter . . . , Laws of 1993 (this act) shall restrict the right of an employer to offer, an employee representative to negotiate for, or an individual to purchase supplemental or additional benefits not included in the uniform benefits package.

(3) Nothing in chapter . . . , Laws of 1993 (this act) shall restrict the right of an employer to offer or an employee representative to negotiate for payment

of up to one hundred percent of the premium of the lowest priced uniform benefits package available in the geographic area where the employer is located.

(4) Nothing in chapter . . . , Laws of 1993 (this act) shall be construed to affect the collective bargaining rights of employee organizations to the extent that federal law specifically restricts the ability of states to limit collective bargaining rights of employee organizations.

(5) After July 1, 1999, no property or casualty insurance policy issued in this state may provide first-party coverage for health services to the extent that such services are provided under a uniform benefits package covering the resident to whom such property or casualty insurance policy is issued.

NEW SECTION. Sec. 456. CONSCIENCE OR RELIGION. (1) No certified health plan or health care provider may be required by law or contract in any circumstances to participate in the provision of any uniform benefit if they object to so doing for reason of conscience or religion. No person may be discriminated against in employment or professional privileges because of such objection.

(2) The provisions of this section are not intended to result in an enrollee being denied timely access to any service included in the uniform benefits package. Each certified health plan shall:

(a) Provide written notice to certified health plan enrollees, upon enrollment with the plan and upon enrollee request thereafter, listing, by provider, services that any provider refuses to perform for reason of conscience or religion;

(b) Develop written information describing how an enrollee may directly access, in an expeditious manner, services that a provider refuses to perform; and

(c) Ensure that enrollees refused services under this section have prompt access to the information developed pursuant to (b) of this subsection.

NEW SECTION. Sec. 457. LONG-TERM CARE INTEGRATION PLAN. (1) To meet the health needs of the residents of Washington state, it is critical to finance and provide long-term care and support services through an integrated, comprehensive system that promotes human dignity and recognizes the individuality of all functionally disabled persons. This system shall be available, accessible, and responsive to all residents based upon an assessment of their functional disabilities. The governor and the legislature recognize that families, volunteers, and community organizations are essential for the delivery of effective and efficient long-term care and support services, and that this private and public service infrastructure should be supported and strengthened. Further, it is important to provide benefits without requiring family or program beneficiary impoverishment for service eligibility.

(2) To realize the need for a strong long-term care system and to carry out the November 30, 1992, final recommendations of the Washington health care cost control and access commission, established under House Concurrent Resolution No. 4443 adopted by the legislature in 1990, related to long-term care, the commission shall:

(a) Engage in a planning process, in conjunction with an advisory committee appointed for this purpose, for the inclusion of long-term care services in the uniform benefits package established under section 449 of this act by July 1999;

(b) Include in its planning process consideration of the scope of services to be covered, the cost of and financing of such coverage, the means through which existing long-term care programs and delivery systems can be coordinated and integrated, and the means through which family members can be supported in their role as informal caregivers for their parents, spouses, or other relatives.

(3) The commission shall submit recommendations concerning any necessary statutory changes or modifications of public policy to the governor and the legislature by January 1, 1995.

(4) The departments of health, retirement systems, revenue, social and health services, and veterans' affairs, the offices of financial management, insurance commissioner, and state actuary, along with the health care authority, shall participate in the review of the long-term care needs enumerated in this section and provide necessary supporting documentation and staff expertise as requested by the commission.

(5) The commission shall include in its planning process, the development of two social health maintenance organization long-term care pilot projects. The two pilot projects shall be referred to as the Washington life care pilot projects. Each life care pilot program shall be a single-entry system administered by an individual organization that is responsible for bringing together a full range of medical and long-term care services. The commission, in coordination with the appropriate agencies and departments, shall establish a Washington life care benefits package that shall include the uniform benefits package established in chapter . . . , Laws of 1993 (this act) and long-term care services. The Washington life care benefits package shall include, but not be limited to, the following long-term care services: Case management, intake and assessment, nursing home care, adult family home care, home health and home health aide care, hospice, chore services/homemaker/personal care, adult day care, respite care, and appropriate social services. The pilot project shall develop assessment and case management protocol that emphasize home and community-based care long-term care options.

(a) In designing the pilot projects, the commission shall address the following issues: Costs for the long-term care benefits, a projected case-mix based upon disability, the required federal waiver package, reimbursement, capitation methodology, marketing and enrollment, management information systems, identification of the most appropriate case management models, provider contracts, and the preferred organizational design that will serve as a functioning model for efficiently and effectively transitioning long-term care services into the uniform benefits package established in chapter . . . , Laws of 1993 (this act). The commission shall also be responsible for establishing the size of the two membership pools.

(b) Each program shall enroll applicants based on their level of functional disability and personal care needs. The distribution of these functional level categories and ethnicity within the enrolled program population shall be representative of their distribution within the community, using the best available data to estimate the community distributions.

(c) The two sites selected for the Washington life care pilot program shall be drawn from the largest urban areas and include one site in the eastern part of the state and one site in the western part of the state. The two organizations selected to manage and coordinate the life care services shall have the proven ability to provide ambulatory care, personal care/chore services, dental care, case management and referral services, must be accredited and licensed to provide long-term care for home health services, and may be licensed to provide nursing home care.

(d) The report on the development and establishment date of the two social health maintenance organizations shall be submitted to the governor and appropriate committees of the legislature by September 16, 1994. If the necessary federal waivers cannot be secured by January 1, 1995, the commission may elect to not establish the two pilot programs.

NEW SECTION. **Sec. 458.** WASHINGTON LONG-TERM CARE PARTNERSHIP. The department of social and health services shall from July 1, 1993, to July 1, 1998, coordinate a pilot program entitled the Washington long-term care partnership, whereby private insurance and medicaid funds shall be used to finance long-term care. This program must allow for the exclusion of an individual's assets, as approved by the federal health care financing administration, in a determination of the individual's eligibility for medicaid; the amount of any medicaid payment; or any subsequent recovery by the state for a payment for medicaid services to the extent such assets are protected by a long-term care insurance policy or contract governed by chapter 48.84 RCW and meeting the criteria prescribed in this chapter.

NEW SECTION. **Sec. 459.** WASHINGTON LONG-TERM CARE PARTNERSHIP. The department of social and health services shall seek approval and a waiver of appropriate federal medicaid regulations to allow the protection of an individual's assets as provided in this chapter. The department shall adopt all rules necessary to implement the Washington long-term care partnership program, which rules shall permit the exclusion of an individual's assets in a determination of medicaid eligibility to the extent that private long-term care insurance provides payment or benefits for services that medicaid would approve or cover for medicaid recipients.

NEW SECTION. **Sec. 460.** WASHINGTON LONG-TERM CARE PARTNERSHIP. (1) The insurance commissioner shall adopt rules defining the criteria that long-term care insurance policies must meet to satisfy the requirements of this chapter. The rules shall provide that all long-term care insurance policies purchased for the purposes of this chapter:

- (a) Be guaranteed renewable;
 - (b) Provide coverage for home and community-based services and nursing home care;
 - (c) Provide automatic inflation protection or similar coverage to protect the policyholder from future increases in the cost of long-term care;
 - (d) Not require prior hospitalization or confinement in a nursing home as a prerequisite to receiving long-term care benefits; and
 - (e) Contain at least a six-month grace period that permits reinstatement of the policy or contract retroactive to the date of termination if the policy or contract holder's nonpayment of premiums arose as a result of a cognitive impairment suffered by the policy or contract holder as certified by a physician.
- (2) Insurers offering long-term care policies for the purposes of this chapter shall demonstrate to the satisfaction of the insurance commissioner that they:
- (a) Have procedures to provide notice to each purchaser of the long-term care consumer education program;
 - (b) Offer case management services;
 - (c) Have procedures that provide for the keeping of individual policy records and procedures for the explanation of coverage and benefits identifying those payments or services available under the policy that meet the purposes of this chapter;
 - (d) Agree to provide the insurance commissioner, on or before September 1 of each year, an annual report containing the following information:
 - (i) The number of policies issued and of the policies issued, that number sorted by issue age;
 - (ii) To the extent possible, the financial circumstance of the individuals covered by such policies;
 - (iii) The total number of claims paid; and
 - (iv) Of the number of claims paid, the number paid for nursing home care, for home care services, and community-based services.

NEW SECTION. Sec. 461. WASHINGTON LONG-TERM CARE PARTNERSHIP. The insurance commissioner, in conjunction with the department of social and health services, shall develop a consumer education program designed to educate consumers as to the need for long-term care, methods for financing long-term care, the availability of long-term care insurance, and the availability and eligibility requirements of the asset protection program provided under this chapter.

NEW SECTION. Sec. 462. WASHINGTON LONG-TERM CARE PARTNERSHIP. By January 1 of each year, the insurance commissioner, in conjunction with the department of social and health services, shall report to the legislature on the progress of the asset protection program. The report shall include:

- (1) The success of the agencies in implementing the program;

- (2) The number of insurers offering long-term care policies meeting the criteria for asset protection;
- (3) The number, age, and financial circumstances of individuals purchasing long-term care policies meeting the criteria for asset protection;
- (4) The number of individuals seeking consumer information services;
- (5) The extent and type of benefits paid by insurers offering policies meeting the criteria for asset protection;
- (6) Estimates of the impact of the program on present and future medicaid expenditures;
- (7) The cost-effectiveness of the program; and
- (8) A determination regarding the appropriateness of continuing the program.

H. STATE RESIDENT AND EMPLOYER PARTICIPATION

NEW SECTION. Sec. 463. INDIVIDUAL PARTICIPATION. (1) All residents of the state of Washington are required to purchase a uniform benefits package from a certified health plan no later than July 1, 1999. This participation requirement shall be waived if imposition of the requirement would constitute a violation of the freedom of religion provisions set forth in the First Amendment, United States Constitution or Article I, section 11 of the state Constitution. Residents of the state of Washington who work in another state for an out-of-state employer shall be deemed to have satisfied the requirements of this section if they receive health insurance coverage through such employer.

(2) The commission shall monitor the enrollment of individuals into certified health plans and shall make public periodic reports concerning the number of persons enrolled and not enrolled, the reasons why individuals are not enrolled, recommendations to reduce the number of persons not enrolled, and recommendations regarding enforcement of this provision.

NEW SECTION. Sec. 464. EMPLOYER PARTICIPATION. (1) The legislature recognizes that small businesses play an essential and increasingly important role in the state's economy. The legislature further recognizes that many of the state's small business owners provide health insurance to their employees through small group policies at a cost that directly affects their profitability. Other small business owners are prevented from providing health benefits to their employees by the lack of access to affordable health insurance coverage. The legislature intends that the provisions of chapter . . . , Laws of 1993 (this act) make health insurance more available and affordable to small businesses in Washington state through strong cost control mechanisms and the option to purchase health benefits through the basic health plan, the Washington state group purchasing association, and health insurance purchasing cooperatives.

(2) On July 1, 1995, every employer employing more than five hundred qualified employees shall:

(a) Offer a choice of the uniform benefits package as provided by at least three available certified health plans, one of which shall be the lowest cost available package within their geographic region, and for employers who have

established a registered employer health plan, one of which may be its own registered employer health plan, to all qualified employees. The employer shall be required to pay no less than fifty percent of the premium cost of the lowest cost available package within their geographic region. On July 1, 1996, all dependents of qualified employees of these firms shall be offered a choice of packages as provided in this section with the employer paying no less than fifty percent of the premium of the lowest cost package within their geographic region.

(b) For employees who work fewer than thirty hours during a week or one hundred twenty hours during a calendar month, three hundred sixty hours during a calendar quarter or one thousand four hundred forty hours during a calendar year, and their dependents, pay, for the period of time adopted by the employer under this subsection, the amount resulting from application of the following formula: The number of hours worked by the employee in a month is multiplied by the amount of a qualified employee's premium, and that amount is then divided by one hundred twenty.

(c) If an employee under (b) of this subsection is the dependent of a qualified employee, and is therefore covered as a dependent by the qualified employee's employer, then the employer of the employee under (b) of this subsection shall not be required to participate in the cost of the uniform benefits package for that employee.

(d) If an employee working on a seasonal basis is a qualified employee of another employer, and therefore has uniform benefits package coverage through that primary employer, then the seasonal employer of the employee shall not be required to participate in the cost of the uniform benefits package for that employee.

(3) By July 1, 1996, every employer employing more than one hundred qualified employees shall:

(a) Offer a choice of the uniform benefits package as provided by at least three available certified health plans, one of which shall be the lowest cost available package within their geographic region, to all qualified employees. The employer shall be required to pay no less than fifty percent of the premium cost of the lowest cost available package within their geographic region. On July 1, 1997, all dependents of qualified employees in these firms shall be offered a choice of packages as provided in this section with the employer paying no less than fifty percent of the premium of the lowest cost package within their geographic region.

(b) For employees who work fewer than thirty hours during a week or one hundred twenty hours during a calendar month, three hundred sixty hours during a calendar quarter or one thousand four hundred forty hours during a calendar year, and their dependents, pay, for the period of time adopted by the employer under this subsection, the amount resulting from application of the following formula: The number of hours worked by the employee in a month is multiplied

by the amount of a qualified employee's premium, and that amount is then divided by one hundred twenty.

(c) If an employee under (b) of this subsection is the dependent of a qualified employee, and is therefore covered as a dependent by the qualified employee's employer, then the employer of the employee under (b) of this subsection shall not be required to participate in the cost of the uniform benefits package for that employee.

(d) If an employee working on a seasonal basis is a qualified employee of another employer, and therefore has uniform benefits package coverage through that primary employer, then the seasonal employer of the employee shall not be required to participate in the cost of the uniform benefits package for that employee.

(4) By July 1, 1997, every employer shall:

(a) Offer a choice of the uniform benefits package as provided by at least three available certified health plans, one of which shall be the lowest cost available package within their geographic region, to all qualified employees. The employer shall be required to pay no less than fifty percent of the premium cost of the lowest cost available package within their geographic region. On July 1, 1999, all dependents of qualified employees in all firms shall be offered a choice of packages as provided in this section with the employer paying no less than fifty percent of the premium of the lowest cost package within their geographic region.

(b) For employees who work fewer than thirty hours during a week or one hundred twenty hours during a calendar month, three hundred sixty hours during a calendar quarter or one thousand four hundred forty hours during a calendar year, and their dependents, pay, for the period of time adopted by the employer under this subsection, the amount resulting from application of the following formula: The number of hours worked by the employee in a month is multiplied by the amount of a qualified employee's premium, and that amount is then divided by one hundred twenty.

(c) If an employee under (b) of this subsection is the dependent of a qualified employee, and is therefore covered as a dependent by the qualified employee's employer, then the employer of the employee under (b) of this subsection shall not be required to participate in the cost of the uniform benefits package for that employee.

(d) If an employee working on a seasonal basis is a qualified employee of another employer, and therefore has uniform benefits package coverage through that primary employer, then the seasonal employer of the employee shall not be required to participate in the cost of the uniform benefits package for that employee.

(5) This employer participation requirement shall be waived if imposition of the requirement would constitute a violation of the freedom of religion provisions of the First Amendment of the United States Constitution or Article I, section 11, of the state Constitution. In such case the employer shall, pursuant

to commission rules, set aside an amount equal to the applicable employer contribution level in a manner that would permit his or her employee to fully comply with the requirements of this chapter.

(6) In lieu of offering the uniform benefits package to employees and their dependents through direct contracts with certified health plans, an employer may combine the employer contribution with that of the employee's contribution and enroll in the basic health plan as provided in chapter 70.47 RCW or a health insurance purchasing cooperative established under sections 425 and 426 of this act.

NEW SECTION. Sec. 465. DEPOSITORY. (1) The health care authority shall establish a depository where payments under section 464 of this act can be made and held in safekeeping for the benefit of employees working less than the number of hours worked by a qualified employee.

(2) The authority shall adopt appropriate rules for operation of the depository, in consultation with representatives of employees and employers, especially those that are seasonal or employ large numbers of part-time workers. The rules shall address the means through which payments will be properly deposited to the credit of employees and the means through which employees can access payments made on their behalf. On and after July 1, 1995, payments deposited by employers on behalf of employees may be used by employees only for purchase of the uniform benefits package. Prior to July 1, 1995, payments may be used for purchase of any health insurance coverage.

NEW SECTION. Sec. 466. SMALL FIRM FINANCIAL ASSISTANCE. (1) Beginning July 1, 1997, firms with fewer than twenty-five workers that face barriers to providing health insurance for their employees may, upon application, be eligible to receive financial assistance with funds set aside from the health services account. Firms with the following characteristics shall be given preference in the distribution of funds: (a) New firms, (b) employers with low average wages, (c) employers with low profits, and (d) firms in economically distressed areas.

(2) All employers in existence on or before July 1, 1997, who meet the criteria set forth in this section, and rules adopted under this section, may apply to the health services commission for assistance. Such employers may not receive premium assistance beyond July 1, 2001. New employers, who come into existence after July 1, 1997, may apply for and receive premium assistance for a limited period of time, as determined by the commission.

(3) The total funds available for small business assistance shall not exceed one hundred fifty million dollars for the biennium beginning July 1, 1997. Thereafter, the amount of total funds available for premium assistance shall be determined by the office of financial management, based on a forecast of inflation, employment, and the number of eligible firms.

(4) By July 1, 1997, the health services commission, with assistance from the small business advisory committee established in section 404 of this act, shall

develop specific definitions, rules, and procedures governing all aspects of the small business assistance program, including application procedures, thresholds regarding firm size, wages, profits, and age of firm, and rules governing duration of assistance.

(5) Final determination of the amount of the premium assistance to be dispensed to an employer shall be made by the commission based on rules, definitions, and procedures developed under this section. If total claims for assistance are above the amount of total funds available for such purposes, the commission shall have the authority to prorate employer claims so that the amount of available funds is not exceeded.

(6) The office of financial management, in consultation with the commission, shall establish appropriate criteria for monitoring and evaluating the economic and labor market impacts of the premium assistance program and report its findings to the commission annually through July 1, 2001.

I. PUBLIC HEALTH SERVICES IMPROVEMENT PLAN

NEW SECTION. **Sec. 467.** A new section is added to chapter 43.70 RCW to read as follows:

PUBLIC HEALTH SERVICES IMPROVEMENT PLAN. (1) The legislature finds that the public health functions of community assessment, policy development, and assurance of service delivery are essential elements in achieving the objectives of health reform in Washington state. The legislature further finds that the population-based services provided by state and local health departments are cost-effective and are a critical strategy for the long-term containment of health care costs. The legislature further finds that the public health system in the state lacks the capacity to fulfill these functions consistent with the needs of a reformed health care system.

(2) The department of health shall develop, in consultation with local health departments and districts, the state board of health, the health services commission, area Indian health service, and other state agencies, health services providers, and citizens concerned about public health, a public health services improvement plan. The plan shall provide a detailed accounting of deficits in the core functions of assessment, policy development, assurance of the current public health system, how additional public health funding would be used, and describe the benefits expected from expanded expenditures.

(3) The plan shall include:

(a) Definition of minimum standards for public health protection through assessment, policy development, and assurances;

(i) Enumeration of communities not meeting those standards;

(ii) A budget and staffing plan for bringing all communities up to minimum standards;

(iii) An analysis of the costs and benefits expected from adopting minimum public health standards for assessment, policy development, and assurances;

(b) Recommended strategies and a schedule for improving public health programs throughout the state, including:

(i) Strategies for transferring personal health care services from the public health system, into the uniform benefits package where feasible; and

(ii) Timing of increased funding for public health services linked to specific objectives for improving public health; and

(c) A recommended level of dedicated funding for public health services to be expressed in terms of a percentage of total health service expenditures in the state or a set per person amount; such recommendation shall also include methods to ensure that such funding does not supplant existing federal, state, and local funds received by local health departments, and methods of distributing funds among local health departments.

(4) The department shall coordinate this planning process with the study activities required in section 258 of this act.

(5) By March 1, 1994, the department shall provide initial recommendations of the public health services improvement plan to the legislature regarding minimum public health standards, and public health programs needed to address urgent needs, such as those cited in subsection (7) of this section.

(6) By December 1, 1994, the department shall present the public health services improvement plan to the legislature, with specific recommendations for each element of the plan to be implemented over the period from 1995 through 1997.

(7) Thereafter, the department shall update the public health services improvement plan for presentation to the legislature prior to the beginning of a new biennium.

(8) Among the specific population-based public health activities to be considered in the public health services improvement plan are: Health data assessment and chronic and infectious disease surveillance; rapid response to outbreaks of communicable disease; efforts to prevent and control specific communicable diseases, such as tuberculosis and acquired immune deficiency syndrome; health education to promote healthy behaviors and to reduce the prevalence of chronic disease, such as those linked to the use of tobacco; access to primary care in coordination with existing community and migrant health clinics and other not for profit health care organizations; programs to ensure children are born as healthy as possible and they receive immunizations and adequate nutrition; efforts to prevent intentional and unintentional injury; programs to ensure the safety of drinking water and food supplies; poison control; trauma services; and other activities that have the potential to improve the health of the population or special populations and reduce the need for or cost of health services.

NEW SECTION. Sec. 468. A new section is added to chapter 41.05 RCW to read as follows:

AMERICAN INDIAN HEALTH CARE DELIVERY PLAN. Consistent with funds appropriated specifically for this purpose, the authority shall establish

in conjunction with the area Indian health services system and providers an advisory group comprised of Indian and non-Indian health care facilities and providers to formulate an American Indian health care delivery plan. The plan shall include:

- (1) Recommendations to providers and facilities methods for coordinating and joint venturing with the Indian health services for service delivery;
- (2) Methods to improve American Indian-specific health programming; and
- (3) Creation of co-funding recommendations and opportunities for the unmet health services programming needs of American Indians.

J. HEALTH ACCOUNTS

NEW SECTION. Sec. 469. HEALTH SERVICES ACCOUNT. The health services account is created in the state treasury. Moneys in the account may be spent only after appropriation. Moneys in the account may be expended only for maintaining and expanding health services access for low-income residents, maintaining and expanding the public health system, maintaining and improving the capacity of the health care system, containing health care costs, and the regulation, planning, and administering of the health care system.

NEW SECTION. Sec. 470. PUBLIC HEALTH SERVICES ACCOUNT. The public health services account is created in the state treasury. Moneys in the account may be spent only after appropriation. Moneys in the account may be expended only for maintaining and improving the health of Washington residents through the public health system. For purposes of this section, the public health system shall consist of the state board of health, the state department of health, and local health departments and districts. Funds appropriated from this account to local health departments and districts shall be distributed ratably based on county population as last determined by the office of financial management.

NEW SECTION. Sec. 471. HEALTH SYSTEM CAPACITY ACCOUNT. The health system capacity account is created in the state treasury. Moneys in the account may be spent only after appropriation. Moneys in the account may be expended for the following purposes: Health data systems; health systems and public health research; health system regulation; health system planning, development, and administration; and improving the supply and geographic distribution of primary health service providers.

NEW SECTION. Sec. 472. PERSONAL HEALTH SERVICES ACCOUNT. The personal health services account is created in the treasury. Moneys in the account may be spent only after appropriation. Moneys in the account may be expended for the support of subsidized personal health services for low-income Washington residents.

Sec. 473. RCW 43.84.092 and 1993 c 4 s 9 are each amended to read as follows:

EARNINGS OF INVESTMENTS. (1) All earnings of investments of surplus balances in the state treasury shall be deposited to the treasury income account, which account is hereby established in the state treasury.

(2) Monthly, the state treasurer shall distribute the earnings credited to the treasury income account. The state treasurer shall credit the general fund with all the earnings credited to the treasury income account except:

(a) The following accounts and funds shall receive their proportionate share of earnings based upon each account's and fund's average daily balance for the period: The capitol building construction account, the Cedar River channel construction and operation account, the Central Washington University capital projects account, the charitable, educational, penal and reformatory institutions account, the common school construction fund, the county criminal justice assistance account, the county sales and use tax equalization account, the data processing building construction account, the deferred compensation administrative account, the deferred compensation principal account, the department of retirement systems expense account, the Eastern Washington University capital projects account, the federal forest revolving account, the health services account, the public health services account, the health system capacity account, the personal health services account, the industrial insurance premium refund account, the judges' retirement account, the judicial retirement administrative account, the judicial retirement principal account, the local leasehold excise tax account, the local sales and use tax account, the medical aid account, the municipal criminal justice assistance account, the municipal sales and use tax equalization account, the natural resources deposit account, the perpetual surveillance and maintenance account, the public employees' retirement system plan I account, the public employees' retirement system plan II account, the Puyallup tribal settlement account, the resource management cost account, the site closure account, the special wildlife account, the state employees' insurance account, the state employees' insurance reserve account, the state investment board expense account, the state investment board commingled trust fund accounts, the supplemental pension account, the teachers' retirement system plan I account, the teachers' retirement system plan II account, the University of Washington bond retirement fund, the University of Washington building account, the volunteer fire fighters' relief and pension principal account, the volunteer fire fighters' relief and pension administrative account, the Washington judicial retirement system account, the Washington law enforcement officers' and fire fighters' system plan I retirement account, the Washington law enforcement officers' and fire fighters' system plan II retirement account, the Washington state patrol retirement account, the Washington State University building account, the Washington State University bond retirement fund, and the Western Washington University capital projects account. Earnings derived from investing balances of the agricultural permanent fund, the normal school permanent fund, the permanent common school fund, the scientific permanent fund, and the state university permanent fund shall be allocated to their respective beneficiary

accounts. All earnings to be distributed under this subsection (2)(a) shall first be reduced by the allocation to the state treasurer's service fund pursuant to RCW 43.08.190.

(b) The following accounts and funds shall receive eighty percent of their proportionate share of earnings based upon each account's or fund's average daily balance for the period: The central Puget Sound public transportation account, the city hardship assistance account, the county arterial preservation account, the economic development account, the essential rail assistance account, the essential rail banking account, the ferry bond retirement fund, the grade crossing protective fund, the high capacity transportation account, the highway bond retirement fund, the highway construction stabilization account, the highway safety account, the marine operating fund, the motor vehicle fund, the motorcycle safety education account, the pilotage account, the public transportation systems account, the Puget Sound capital construction account, the Puget Sound ferry operations account, the recreational vehicle account, the rural arterial trust account, the special category C account, the state patrol highway account, the transfer relief account, the transportation capital facilities account, the transportation equipment fund, the transportation fund, the transportation improvement account, and the urban arterial trust account.

(3) In conformance with Article II, section 37 of the state Constitution, no treasury accounts or funds shall be allocated earnings without the specific affirmative directive of this section.

K. EXCLUSIONS AND STUDIES

NEW SECTION. Sec. 474. CODE REVISIONS AND WAIVERS. (1) The commission shall determine the state and federal laws that would need to be repealed, amended, or waived to implement chapter . . . , Laws of 1993 (this act), and report its recommendations, with proposed revisions to the Revised Code of Washington, to the governor, and appropriate committees of the legislature by July 1, 1994.

(2) The governor, in consultation with the commission, shall take the following steps in an effort to receive waivers or exemptions from federal statutes necessary to fully implement chapter . . . , Laws of 1993 (this act) to include, but not be limited to:

(a) Negotiate with the United States congress and the federal department of health and human services, health care financing administration to obtain a statutory or regulatory waiver of provisions of the medical assistance statute, Title XIX of the federal social security act that currently constitute barriers to full implementation of provisions of chapter . . . , Laws of 1993 (this act) related to access to health services for low-income residents of Washington state. Such waivers shall include any waiver needed to require that: (i) Medical assistance recipients enroll in managed care systems, as defined in chapter . . . , Laws of 1993 (this act); and (ii) enrollee point of service, cost-sharing levels adopted pursuant to section 449 of this act be applied to medical assistance recipients.

In negotiating the waiver, consideration shall be given to the degree to which supplemental benefits should be offered to medicaid recipients, if at all. Waived provisions may include and are not limited to: Categorical eligibility restrictions related to age, disability, blindness, or family structure; income and resource limitations tied to financial eligibility requirements of the federal aid to families with dependent children and supplemental security income programs; administrative requirements regarding single state agencies, choice of providers, and fee for service reimbursement; and other limitations on health services provider payment methods.

(b) Negotiate with the United States congress and the federal department of health and human services, health care financing administration to obtain a statutory or regulatory waiver of provisions of the medicare statute, Title XVIII of the federal social security act that currently constitute barriers to full implementation of provisions of chapter . . . , Laws of 1993 (this act) related to access to health services for elderly and disabled residents of Washington state. Such waivers shall include any waivers needed to implement managed care programs. Waived provisions include and are not limited to: Beneficiary cost-sharing requirements; restrictions on scope of services; and limitations on health services provider payment methods.

(c) Negotiate with the United States congress and the federal department of health and human services to obtain any statutory or regulatory waivers of provisions of the United States public health services act necessary to ensure integration of federally funded community and migrant health clinics and other health services funded through the public health services act into the health services system established pursuant to chapter . . . , Laws of 1993 (this act). The commission shall request in the waiver that funds from these sources continue to be allocated to federally funded community and migrant health clinics to the extent that such clinics' patients are not yet enrolled in certified health plans.

(d) Negotiate with the United States congress to obtain a statutory exemption from provisions of the Employee Retirement Income Security Act that limit the state's ability to ensure that all employees and their dependents in the state comply with the requirement to enroll in certified health plans, and have their employers participate in financing their enrollment in such plans.

(e) Request that the United States congress amend the Internal Revenue Code to treat employee premium contributions to plans, such as the basic health plan or the uniform benefits package offered through a certified health plan, as fully deductible from adjusted gross income.

(3) On or before December 1, 1995, the commission shall report the following to the appropriate committees of the legislature:

(a) The status of its efforts to obtain the waivers provided in subsection (2) of this section;

(b) If all federal statutory or regulatory waivers necessary to fully implement chapter . . . , Laws of 1993 (this act) have not been obtained:

(i) The extent to which chapter . . . , Laws of 1993 (this act) can be implemented without receipt of all of such waivers; and

(ii) Changes in chapter . . . , Laws of 1993 (this act) necessary to implement a residency-based health services system using one or a limited number of sponsors, or an alternative system that will ensure access to care and control health services costs.

NEW SECTION. Sec. 475. REPORTS OF HEALTH CARE COST CONTROL AND ACCESS COMMISSION. In carrying out its powers and duties under chapter . . . , Laws of 1993 (this act), the design of the uniform benefits package, and the development of guidelines and standards, the commission shall consider the reports of the health care cost control and access commission established under House Concurrent Resolution No. 4443 adopted by the legislature in 1990. Nothing in chapter . . . , Laws of 1993 (this act) requires the commission to follow any specific recommendation contained in those reports except as it may also be included in chapter . . . , Laws of 1993 (this act) or other law.

NEW SECTION. Sec. 476. EVALUATIONS, PLANS, AND STUDIES. (1) By July 1, 1997, the legislative budget committee either directly or by contract shall conduct the following study:

A study to determine the desirability and feasibility of consolidating the following programs, services, and funding sources into the delivery and financing of uniform benefits package services through certified health plans:

- (a) State and federal veterans' health services;
- (b) Civilian health and medical program of the uniformed services (CHAMPUS) of the federal department of defense and other federal agencies; and
- (c) Federal employee health benefits.

(2) The legislative budget committee shall evaluate the implementation of the provisions of chapter . . . , Laws of 1993 (this act). The study shall determine to what extent chapter . . . , Laws of 1993 (this act) has been implemented consistent with the principles and elements set forth in chapter . . . , Laws of 1993 (this act) and shall report its findings to the governor and appropriate committees of the legislature by July 1, 2003.

NEW SECTION. Sec. 477. FINANCIAL AND ACCOUNTING STRUCTURE OF STATE PURCHASED HEALTH CARE. The commission, the office of financial management, and the legislative evaluation and accountability program committee shall jointly review the financial and accounting structure of all current state-purchased health care programs and any new programs established in chapter . . . , Laws of 1993 (this act). They shall report to the legislature on or before December 1, 1994, with recommendations on how to structure a state-purchased health services budget that: (1) Meets federal and state audit requirements; (2) exercises adequate fiscal and programmatic control;

(3) provides management and organizational accountability and control; and (4) provides continuity with historical health services expenditure data.

NEW SECTION. Sec. 478. EVALUATION OF REFORM EFFORT. The office of financial management may undertake or facilitate evaluations of health care reform, including analysis of fiscal and economic impacts, the effectiveness of managed care and managed competition, and effects of reform on access and quality of service.

NEW SECTION. Sec. 479. COORDINATION OF CERTIFIED HEALTH PLANS AND OTHER INSURANCE. (1) On or before December 1, 1994, the legislative budget committee, whether directly or by contract, shall conduct a study related to coordination of certified health plans and other property and casualty insurance products. The goal of the study shall be to determine methods for containing costs of health services paid for through coverage underwritten by property and casualty insurers.

(2) The study shall address methods to integrate coverage sold by property and casualty insurance companies that covers medical and hospital expenses with coverage provided through certified health plans.

NEW SECTION. Sec. 480. HOSPITAL REGULATION STUDY. The legislative budget committee, through a competitive bidding process restricted to those with suitable expertise to conduct such a study, shall contract for an examination of local, state, and federal regulations that apply to hospitals and shall report to the health care policy committees of the legislature by July 1, 1994, on the following:

- (1) An inventory of health and safety regulations that apply to hospitals;
- (2) A description of the costs to local, state, and federal agencies for operating the regulatory programs;
- (3) An estimate of the costs to hospitals to comply with the regulations;
- (4) A description of whether regulatory functions are duplicated among different regulatory programs;
- (5) An analysis of the effectiveness of regulatory programs in meeting their safety and health objectives;
- (6) An analysis of hospital charity care requirements under RCW 70.170.060 and their relevance under the health care reforms created under chapter . . . , Laws of 1993 (this act);
- (7) Recommendations on elimination or consolidation of unnecessary or duplicative regulatory activities that would not result in a reduction in the health and safety objectives.

NEW SECTION. Sec. 481. NURSING HOME STUDY. The legislative budget committee, through a competitive bidding process restricted to those with suitable expertise to conduct such a study, shall contract for an examination of local, state, and federal regulations that apply to nursing homes and shall report to the health care policy committees of the legislature by July 1, 1994, on the following:

- (1) An inventory of health and safety regulations that apply to nursing homes;
- (2) A description of the costs to local, state, and federal agencies for operating the regulatory programs;
- (3) An estimate of the costs to nursing homes to comply with the regulations;
- (4) A description of whether regulatory functions are duplicated among different regulatory programs;
- (5) An analysis of the effectiveness of regulatory programs in meeting their safety and health objectives;
- (6) Recommendations on elimination or consolidation of unnecessary or duplicative regulatory activities that would not result in a reduction in the health and safety objectives. The review shall specifically address documentation or protocols that are redundant and efficiencies that could be realized through the development of standardized physicians' protocols for repetitive but nonlife-threatening conditions.

NEW SECTION. Sec. 482. CERTIFIED HEALTH PLAN LICENSING STUDY. The insurance commissioner shall undertake a study of the feasibility and benefits of developing a single licensing category for certified health plans that would replace current statutes licensing disability insurers, health care service contractors, and health maintenance organizations. The commissioner shall report his or her findings and recommendations to the legislature by January 1, 1994, and final findings and recommendations to the legislature by October 1, 1994. In conducting such study, the commissioner shall:

- (1) Consider standards for the regulation and inclusion of preferred provider organizations, independent practice associations, and independent physician organizations under such new certified health plan statute;
- (2) Review existing capital and reserve statutes governing insurers, contractors, and health maintenance organizations to determine the appropriate level of capital and reserve for licensing of certified health plans to protect consumers while encouraging competition in the certified health plan market from new entrants into the market;
- (3) Review existing rate regulation of disability insurance policies, health care service contracts, and health maintenance agreements and propose a uniform approach for regulation of rates that balances the need of certified health plans to freely compete and the need to protect consumers from inadequate, excessive, or unfairly discriminatory rates;
- (4) Consider regulatory methods to ensure the adequate provision of and contracting with health care facilities and providers by certified health plans to meet the health care needs of enrollees of certified health plans;
- (5) Consider the need to modify existing insurance statutes and regulations to govern the integration, development, and marketing of health care coverage that would supplement the uniform benefits package; and

(6) Consult with health care service contractors, health maintenance organizations, disability insurance companies, and other health care providers and facilities who would be affected by such changes.

NEW SECTION. Sec. 483. CRIME VICTIMS' COMPENSATION MEDICAL BENEFITS. (1) On or before January 1, 1995, the department of labor and industries in coordination with the commission, shall complete a study related to the medical services component of the crime victims' compensation program of the department of labor and industries. The goal of the study shall be to determine whether and how the medical services component of the crime victims' compensation program can be modified to provide appropriate medical services to crime victims in a more cost-effective manner. In conducting the study, consideration shall be given to at least the following factors: Required benefit design, necessary statutory changes, and the use of managed care to provide services to crime victims. The study shall evaluate at least the following options:

(a) Whether the medical services component of the crime victims' compensation program should be maintained within the department of labor and industries, and its purchasing and other practices modified to control costs and increase efficacy of health services provided to crime victims;

(b) Whether the medical services component of the crime victims' compensation program should be administered by the health care authority as the state health care purchasing agent;

(c) Whether the medical services component of the crime victims' compensation program should be included in the services offered by certified health plans.

(2) The department of labor and industries shall present the recommendations to the governor and the appropriate committees of the legislature by January 1, 1995.

NEW SECTION. Sec. 484. MEDICAL CARE SAVINGS ACCOUNTS. The Washington health services commission shall study and report to the legislature on the feasibility of offering employer-funded medical care savings account arrangements and reduced cost qualified higher deductible insurance policies as a choice to K-12 system, state, and local government employees in meeting their health care obligations.

L. WORKERS' COMPENSATION

NEW SECTION. Sec. 485. WORKERS' COMPENSATION MEDICAL BENEFITS. On or before January 1, 1995, the health services commission, in coordination with the department of labor and industries and the workers' compensation advisory committee, shall study and make an interim report, and on or before January 1, 1996, a final report, to the governor and appropriate committees of the legislature on the provision of medical benefits for injured workers under a consolidated health care system. The study shall include a review of options and recommendations for modifying the industrial insurance

system to provide medical services for injured workers in a more cost-effective manner under a consolidated system, and may include consideration of the purchase of industrial insurance medical benefits through the health care authority or the inclusion of industrial insurance medical benefits in the services offered by certified health plans or other appropriate options. The commission should also give consideration to at least the following issues: The use of managed care and the effect of managed care options on the injured workers' choice of health services provider; the potential cost savings or other impacts of various consolidation options; the benefit structure required under industrial insurance; the potential for consolidation to meet or exceed existing medical cost management of the medical aid fund; the impact of separating the medical management of claims from the disability management of claims; the relationship between return-to-work efforts, medical services, and disability prevention; the relationship between medical services and rehabilitation services; and the effects of the quasi-judicial system that determines industrial insurance rights and obligations. In addition, the final report shall include a proposed plan and timeline for including the medical benefits of the industrial insurance system in the services offered by certified health plans. The proposed plan shall assure that:

(1) The plan shall not take effect until at least ninety-seven percent of state residents have access to the uniform benefits package as required in chapter . . . , Laws of 1993 (this act);

(2) The uniform benefits package of the certified health plan will provide benefits for injured workers that are at least equivalent to the medical benefits provided to injured workers under Title 51 RCW as determined by the department of labor and industries as of the effective date of the plan, including payments for services that are ancillary to industrial insurance medical benefits, such as but not limited to medical examinations for permanent disabilities;

(3) Other nonmedical benefits required to be provided under Title 51 RCW, such as but not limited to total or partial disability benefits or vocational rehabilitation benefits, are not affected;

(4) Employers who do not choose to become certified health plans under chapter . . . , Laws of 1993 (this act), will continue to be required to provide industrial insurance medical benefits under Title 51 RCW;

(5) Employees participating in the plan shall not be required to pay deductibles, copayments, or other point of service charges for services related to industrial insurance injuries or diseases, such costs to be paid by the department of labor and industries or self-insured employer, as applicable;

(6) The plan includes a mechanism to return to workers and employers, in equal shares, any savings that are realized in the costs of medical services for injured workers, as identified by the department of labor and industries;

(7) The majority of the employer's employees or, if the employees are represented for collective bargaining purposes, the exclusive bargaining representative voluntarily agree to the employer's participation in the plan.

NEW SECTION. Sec. 486. MANAGED CARE PILOT PROJECTS. (1) The department of labor and industries, in consultation with the workers' compensation advisory committee, may conduct pilot projects to purchase medical services for injured workers through managed care arrangements. The projects shall assess the effects of managed care on the cost and quality of, and employer and employee satisfaction with, medical services provided to injured workers.

(2) The pilot projects may be limited to specific employers. The implementation of a pilot project shall be conditioned upon a participating employer and a majority of its employees, or, if the employees are represented for collective bargaining purposes, the exclusive bargaining representative, voluntarily agreeing to the terms of the pilot. Unless the project is terminated by the department, both the employer and employees are bound by the project agreements for the duration of the project.

(3) Solely for the purpose and duration of a pilot project, the specific requirements of Title 51 RCW that are identified by the department as otherwise prohibiting implementation of the pilot project shall not apply to the participating employers and employees to the extent necessary for conducting the project. Managed care arrangements for the pilot projects may include the designation of doctors responsible for the care delivered to injured workers participating in the projects.

(4) The projects shall conclude no later than January 1, 1996. The department shall present the results of the pilot projects and any recommendations related to the projects to the governor and appropriate committees of the legislature on or before October 1, 1996.

M. MISCELLANEOUS

NEW SECTION. Sec. 487. SHORT TITLE. This act may be known and cited as the Washington health services act of 1993.

Sec. 488. RCW 42.17.2401 and 1991 c 200 s 404 are each amended to read as follows:

EXECUTIVE STATE OFFICERS. For the purposes of RCW 42.17.240, the term "executive state officer" includes:

(1) The chief administrative law judge, the director of agriculture, the administrator of the office of marine safety, the administrator of the Washington basic health plan, the director of the department of services for the blind, the director of the state system of community and technical colleges, the director of community development, the secretary of corrections, the director of ecology, the commissioner of employment security, the chairman of the energy facility site evaluation council, the director of the energy office, the secretary of the state finance committee, the director of financial management, the director of fisheries, the executive secretary of the forest practices appeals board, the director of the gambling commission, the director of general administration, the secretary of health, the administrator of the Washington state health care authority, the

executive secretary of the health care facilities authority, the executive secretary of the higher education facilities authority, the director of the higher education personnel board, the executive secretary of the horse racing commission, the executive secretary of the human rights commission, the executive secretary of the indeterminate sentence review board, the director of the department of information services, the director of the interagency committee for outdoor recreation, the executive director of the state investment board, the director of labor and industries, the director of licensing, the director of the lottery commission, the director of the office of minority and women's business enterprises, the director of parks and recreation, the director of personnel, the executive director of the public disclosure commission, the director of retirement systems, the director of revenue, the secretary of social and health services, the chief of the Washington state patrol, the executive secretary of the board of tax appeals, the director of trade and economic development, the secretary of transportation, the secretary of the utilities and transportation commission, the director of veterans affairs, the director of wildlife, the president of each of the regional and state universities and the president of The Evergreen State College, each district and each campus president of each state community college;

(2) Each professional staff member of the office of the governor;

(3) Each professional staff member of the legislature; and

(4) Central Washington University board of trustees, board of trustees of each community college, each member of the state board for community and technical colleges (~~(education)~~), state convention and trade center board of directors, committee for deferred compensation, Eastern Washington University board of trustees, Washington economic development finance authority, The Evergreen State College board of trustees, forest practices appeals board, forest practices board, gambling commission, Washington health care facilities authority, each member of the Washington health services commission, higher education coordinating board, higher education facilities authority, higher education personnel board, horse racing commission, state housing finance commission, human rights commission, indeterminate sentence review board, board of industrial insurance appeals, information services board, interagency committee for outdoor recreation, state investment board, liquor control board, lottery commission, marine oversight board, oil and gas conservation committee, Pacific Northwest electric power and conservation planning council, parks and recreation commission, personnel appeals board, personnel board, board of pilotage (~~(commissioners)~~) commissioners, pollution control hearings board, public disclosure commission, public pension commission, shorelines hearing board, (~~(state)~~) public employees' benefits board, board of tax appeals, transportation commission, University of Washington board of regents, utilities and transportation commission, Washington state maritime commission, Washington public power supply system executive board, Washington State University board of regents, Western Washington University board of trustees, and wildlife commission.

Sec. 489. RCW 43.20.050 and 1992 c 34 s 4 are each amended to read as follows:

STATE BOARD OF HEALTH—PUBLIC HEALTH POLICY. (1) The state board of health shall provide a forum for the development of public health policy in Washington state. It is authorized to recommend to the secretary means for obtaining appropriate citizen and professional involvement in all public health policy formulation and other matters related to the powers and duties of the department. It is further empowered to hold hearings and explore ways to improve the health status of the citizenry.

(a) At least every five years, the state board shall convene regional forums to gather citizen input on public health issues.

(b) Every two years, in coordination with the development of the state biennial budget, the state board shall prepare the state public health report that outlines the health priorities of the ensuing biennium. The report shall:

(i) Consider the citizen input gathered at the ((health)) forums;

(ii) Be developed with the assistance of local health departments;

(iii) Be based on the best available information collected and reviewed according to RCW 43.70.050 and recommendations from the council;

(iv) Be developed with the input of state health care agencies. At least the following directors of state agencies shall provide timely recommendations to the state board on suggested health priorities for the ensuing biennium: The secretary of social and health services, the health care authority administrator, the insurance commissioner, the superintendent of public instruction, the director of labor and industries, the director of ecology, and the director of agriculture;

(v) Be used by state health care agency administrators in preparing proposed agency budgets and executive request legislation;

(vi) Be submitted by the state board to the governor by ((June)) January 1 of each even-numbered year for adoption by the governor. The governor, no later than ((September)) March 1 of that year, shall approve, modify, or disapprove the state public health report.

(c) In fulfilling its responsibilities under this subsection, the state board ((shall)) may create ad hoc committees or other such committees of limited duration as necessary. ((Membership should include legislators, providers, consumers, bioethicists, medical economics experts, legal experts, purchasers, and insurers, as necessary.))

(2) In order to protect public health, the state board of health shall:

(a) Adopt rules necessary to assure safe and reliable public drinking water and to protect the public health. Such rules shall establish requirements regarding:

(i) The design and construction of public water system facilities, including proper sizing of pipes and storage for the number and type of customers;

(ii) Drinking water quality standards, monitoring requirements, and laboratory certification requirements;

(iii) Public water system management and reporting requirements;

(iv) Public water system planning and emergency response requirements;
(v) Public water system operation and maintenance requirements;
(vi) Water quality, reliability, and management of existing but inadequate public water systems; and

(vii) Quality standards for the source or supply, or both source and supply, of water for bottled water plants.

(b) Adopt rules and standards for prevention, control, and abatement of health hazards and nuisances related to the disposal of wastes, solid and liquid, including but not limited to sewage, garbage, refuse, and other environmental contaminants; adopt standards and procedures governing the design, construction, and operation of sewage, garbage, refuse and other solid waste collection, treatment, and disposal facilities;

(c) Adopt rules controlling public health related to environmental conditions including but not limited to heating, lighting, ventilation, sanitary facilities, cleanliness and space in all types of public facilities including but not limited to food service establishments, schools, institutions, recreational facilities and transient accommodations and in places of work;

(d) Adopt rules for the imposition and use of isolation and quarantine;

(e) Adopt rules for the prevention and control of infectious and noninfectious diseases, including food and vector borne illness, and rules governing the receipt and conveyance of remains of deceased persons, and such other sanitary matters as admit of and may best be controlled by universal rule; and

(f) Adopt rules for accessing existing data bases for the purposes of performing health related research.

(3) The state board may delegate any of its rule-adopting authority to the secretary and rescind such delegated authority.

(4) All local boards of health, health authorities and officials, officers of state institutions, police officers, sheriffs, constables, and all other officers and employees of the state, or any county, city, or township thereof, shall enforce all rules adopted by the state board of health. In the event of failure or refusal on the part of any member of such boards or any other official or person mentioned in this section to so act, he shall be subject to a fine of not less than fifty dollars, upon first conviction, and not less than one hundred dollars upon second conviction.

(5) The state board may advise the secretary on health policy issues pertaining to the department of health and the state.

NEW SECTION. Sec. 490. SEVERABILITY. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 491. SAVINGS CLAUSE. The enactment of this act does not have the effect of terminating, or in any way modifying, any

obligation or any liability, civil or criminal, which was already in existence on the effective date of this act.

NEW SECTION. Sec. 492. CAPTIONS. Captions used in this act do not constitute any part of the law.

NEW SECTION. Sec. 493. CODIFICATION. (1) Sections 401 through 407, 409, 425, 427 through 430, and 447 through 466 of this act shall constitute a new chapter in Title 43 RCW.

(2) Sections 426 and 431 through 446 of this act shall constitute a new chapter in Title 48 RCW.

(3) Sections 458 through 462 of this act shall constitute a new chapter in Title 48 RCW.

NEW SECTION. Sec. 494. RESERVATION OF LEGISLATIVE AUTHORITY. The legislature reserves the right to amend or repeal all or any part of this act at any time and there shall be no vested private right of any kind against such amendment or repeal. All the rights, privileges, or immunities conferred by this act or any acts done pursuant thereto shall exist subject to the power of the legislature to amend or repeal this act at any time.

NEW SECTION. Sec. 495. EFFECTIVE DATE CLAUSE. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect July 1, 1993, except for:

(1) Sections 234 through 257 of this act, which shall take effect July 1, 1995; and

(2) Sections 301 through 303 of this act, which shall take effect January 1, 1996.

NEW SECTION. Sec. 496. NULL AND VOID. If specific funding for section 418 of this act, referencing section 418 of this act by bill and section number, is not provided by June 30, 1993, in the omnibus appropriations act, section 418 of this act shall be null and void.

Passed the Senate April 23, 1993.

Passed the House April 21, 1993.

Approved by the Governor May 17, 1993, with the exception of certain items which were vetoed.

Filed in Office of Secretary of State May 17, 1993.

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

"I am returning herewith, without my approval as to section 424, Engrossed Second Substitute Senate Bill No. 5304, entitled:

"AN ACT Relating to health care."

Engrossed Second Substitute Senate Bill No. 5304, adopts the Washington Health Services Act. Through this bill the legislature has given the people of Washington major health care reform. This bill will provide access to all residents of the state and will begin to control the spiraling costs of our health care system.

Section 424 of Engrossed Second Substitute Senate Bill 5304 changes the measurement and apportionment of damages in court actions for injuries resulting from health care by holding a defendant against whom judgment has been entered responsible for the fault of entities already released by a claimant. This section, along with the other liability reforms such as malpractice review and mandatory mediation contained in Part IV C. of the bill, is intended to encourage settlements and reduce litigation costs in medical malpractice cases. While I share in the legislature's goal of reduced malpractice litigation, I question whether this language as written will achieve the desired result.

For this reason, I have vetoed section 424 of Engrossed Second Substitute Senate Bill No. 5304.

With the exception of section 424, Engrossed Second Substitute Senate Bill No. 5304 is approved."

CHAPTER 493

[Substitute House Bill 1635]

JUMBO FERRY CONSTRUCTION

Effective Date: 5/18/93

AN ACT Relating to jumbo ferry construction; adding new sections to chapter 47.60 RCW; and declaring an emergency.

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

NEW SECTION. Sec. 1. Whenever the department is authorized to construct one or more new jumbo ferry vessels under this chapter, it shall publish a notice of its intent once a week for at least two consecutive weeks in at least one trade paper and one other paper, both of general circulation in the state. The notice shall contain, but not be limited to, the following information:

(1) The number of jumbo ferry vessels to be constructed and the proposed delivery date for each vessel;

(2) A short summary of the requirements for prequalification of bidders including a statement that prequalification is a prerequisite to consideration by the department of any bid, and a statement that the bidder shall submit its bid for the vessel in compliance with the plans and specifications supplied by the state; and

(3) An address and telephone number that may be used to obtain the bid package.

NEW SECTION. Sec. 2. The department shall send to any firm that requests it bidding documents specifying the criteria for the jumbo ferry vessels. The bid documents shall include, but not be limited to, the following information:

(1) Solicitation of a bid to deliver to the department vessels that are constructed as specified by the plans and specifications provided by the department;

(2) A requirement that bids submitted should include one bid for the construction of three vessels;

(3) The proposed delivery date for each vessel, the port on Puget Sound where delivery will be taken, and the location where acceptance sea trials will be held;

(4) The amount and form of required contract security under RCW 39.08.100;

(5) A copy of the vessel construction contract that will be signed by the successful bidder;

(6) The date by which bids for ferry vessel construction must be received by the department in order to be considered;

(7) A requirement that the contractor comply with all applicable laws, rules, and regulations including, but not limited to those pertaining to the environment, worker health and safety, and prevailing wages;

(8) A requirement that the vessels be constructed within the boundaries of the state of Washington except that equipment furnished by the state and components, products, and systems that are standard manufactured items are not subject to the in-state requirement under this subsection. For the purposes of this section, "constructed" means: The fabrication, by the joining together by welding or fastening of all steel parts from which the total vessel is constructed, including, but not limited to, all shell frames, longitudinals, bulkheads, webs, piping runs, wire ways, and ducting. "Constructed" also means the installation of all components and systems, including, but not limited to, equipment and machinery, castings, electrical, electronics, deck covering, lining, paint and joiner work, required by the contract. "Constructed" also means the interconnection of all equipment, machinery, and services, such as piping, wiring, and ducting;

(9) A requirement that all warranty work on the vessel be performed within the boundaries of the state of Washington, insofar as practicable;

(10) A statement that any bid submitted constitutes an offer and remains open until ninety days after the deadline for submitting bids, unless the firm submitting it withdraws it by formal written notice that is received by the department before the date and time specified for opening of the bids, together with an explanation of the requirement that all bids submitted be accompanied by a bid deposit in the amount of five percent of the bid amount; and

(11) A listing of all equipment to be furnished by the state.

****NEW SECTION. Sec. 3. If the lowest responsible bid exceeds by more than five percent the engineer's estimate of the cost to construct the vessels in the state of Washington, the department shall request the legislative transportation committee to perform and complete within sixty days after the bid opening, an independent review of the engineer's estimate and the bidding results to determine the appropriateness of the original engineer's estimate. In performing the independent review, the legislative transportation committee shall consult with persons not bidding on the construction of new jumbo ferry vessels in the state of Washington and who have experience in maritime bidding, ferry construction bid estimating, and are familiar with shipbuilding costs in the Pacific Northwest. If the legislative transportation committee***

confirms the original engineer's estimate it becomes the confirmed estimate. If the legislative transportation committee's review determines that the engineer's estimate should be adjusted to reflect appropriate and current information, the department shall evaluate the lowest responsible bid against the revised engineer's estimate. If the lowest responsible bid does not exceed the revised engineer's estimate by more than five percent, the department shall follow the procedures established under sections 4 through 6 of this act. If the lowest responsible bid exceeds by more than five percent the confirmed or revised engineer's estimate, the department shall solicit new bids, retaining the in-state requirement established in section 2(8) of this act. If the lowest responsible bid again exceeds the confirmed or revised engineer's estimate by more than five percent, the department shall rebid the project, eliminating the in-state requirement.

*Sec. 3 was vetoed, see message at end of chapter.

NEW SECTION. Sec. 4. (1) Upon concluding its evaluation, the department may:

(a) Select the firm submitting the lowest responsible bid for the construction of new jumbo ferries, taking into consideration the requirements stated in the bid documents and rank the remaining firms, judging them by the same standards;

(b) Reject all bids not in compliance with the requirements contained in the bid documents;

(c) Reject all bids.

(2) The department shall immediately notify those firms that were not selected as the firm presenting the lowest responsible bid. The department's selection is conclusive unless appeal from it is taken by an aggrieved firm to the superior court of Thurston county within five days after receiving notice of the department's final decision. The appeal shall be heard summarily within ten days after it is taken and on five days' notice to the department. The court shall hear any appeal on the administrative record that was before the department. The court may affirm the decision of the department, or it may reverse the decision if it determines the action of the department was arbitrary or capricious.

NEW SECTION. Sec. 5. (1) Upon selecting the firm that has submitted the lowest responsible bid for the construction of new jumbo ferries, and ranking the remaining firms in order of preference, the department shall:

(a) Sign a contract with the firm presenting the lowest responsible bid; or

(b) If a final agreement satisfactory to the department cannot be signed with the firm presenting the lowest responsible bid, the department may sign a contract with the firm ranked next lowest bidder. If necessary, the department may repeat this procedure with each firm in order until the list of firms has been exhausted, or reject all bids.

(2) In developing a contract for the construction of ferry vessels, the department may, subject to the provisions of RCW 39.25.020, authorize the use of foreign-made materials and components, products, and systems that are

standard manufactured items in the construction of ferries in order to minimize costs.

NEW SECTION. Sec. 6. Bids submitted by firms under this section constitute an offer and shall remain open for ninety days. When submitted, each bid shall be accompanied by a deposit in cash, certified check, cashier's check, or surety bond in an amount equal to five percent of the bid amount, and no bid may be considered unless the deposit is enclosed. If the department awards a contract to a firm and the firm fails to enter into a contract or fails to furnish a satisfactory contract security as required by RCW 39.08.100, its deposit shall be forfeited to the state and be deposited by the state treasurer to the credit of the Puget Sound capital construction account. Upon the execution of a ferry construction contract for the construction of new jumbo ferries, all bid deposits shall be returned.

NEW SECTION. Sec. 7. Sections 1 through 6 of this act are each added to chapter 47.60 RCW.

NEW SECTION. Sec. 8. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect immediately.

Passed the House April 20, 1993.

Passed the Senate April 6, 1993.

Approved by the Governor May 18, 1993, with the exception of certain items which were vetoed.

Filed in Office of Secretary of State May 18, 1993.

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

"I am returning herewith, without my approval as to section 3, Substitute House Bill No. 1635 entitled:

"AN ACT Relating to jumbo ferry construction."

This bill requires that the new jumbo ferry vessels be constructed within the state of Washington. I support the concept of in-state preference for the construction of these ferries. Section 3 of Substitute House Bill No. 1635 outlines a procedure if the contractor's bids come in significantly higher than the engineer's original cost estimates. The Legislative Transportation Committee (LTC) is granted authority to review and, if necessary, revise the engineer's estimate for appropriateness and accuracy. This LTC oversight of an executive branch function is in direct conflict with the principle of separation of powers between the Executive and Legislative branches.

Conformance to bid standards is the responsibility of the Secretary of Transportation and the Transportation Commission, not the LTC. If additional independent oversight of the agency's bidding procedures is needed, then current law does not prevent the Department of Transportation from taking advantage of contracting expertise in the Office of Financial Management.

This partial veto eliminates the formal LTC third party review process, but the in-state preference is protected. The Department of Transportation retains it's ability to control contract costs through accepted procedures in current law, while the time honored principle of separation of powers is maintained.

With the exception of section 3, Substitute House Bill No. 1635 is approved."

CHAPTER 494

[Engrossed Senate Bill 5076]

HEALTH CARE REFORM ACT AMENDMENTS

Effective Date: 7/1/93

AN ACT Relating to health care reform; amending sections 402, 406, 464, and 466 of chapter . . . (Engrossed Second Substitute Senate Bill No. 5304), Laws of 1993; adding a new section to chapter 43.— RCW; adding a new section to chapter 70.47 RCW; providing an effective date; and declaring an emergency.

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

Sec. 1. Section 402, chapter . . . (Engrossed Second Substitute Senate Bill No. 5304), Laws of 1993 is amended to read as follows:

In this chapter, unless the context otherwise requires:

(1) "Certified health plan" or "plan" means a disability insurer regulated under chapter 48.20 or 48.21 RCW, a health care service contractor as defined in RCW 48.44.010, a health maintenance organization as defined in RCW 48.46.020, or an entity certified in accordance with sections 433 through 443 of chapter . . . (Engrossed Second Substitute Senate Bill No. 5304), Laws of 1993.

(2) "Chair" means the presiding officer of the Washington health services commission.

(3) "Commission" or "health services commission" means the Washington health services commission.

(4) "Community rate" means the rating method used to establish the premium for the uniform benefits package adjusted to reflect actuarially demonstrated differences in utilization or cost attributable to geographic region and family size as determined by the commission.

(5) "Continuous quality improvement and total quality management" means a continuous process to improve health services while reducing costs.

(6) "Employee" means a resident who is in the employment of an employer, as defined by chapter 50.04 RCW.

(7) "Enrollee" means any person who is a Washington resident enrolled in a certified health plan.

(8) "Enrollee point of service cost-sharing" means amounts paid to certified health plans directly providing services, health care providers, or health care facilities by enrollees for receipt of specific uniform benefits package services, and may include copayments, coinsurance, or deductibles, that together must be actuarially equivalent across plans and within overall limits established by the commission.

(9) "Enrollee premium sharing" means that portion of the premium that is paid by enrollees or their family members.

(10) "Federal poverty level" means the federal poverty guidelines determined annually by the United States department of health and human services or successor agency.

(11) "Health care facility" or "facility" means hospices licensed under chapter 70.127 RCW, hospitals licensed under chapter 70.41 RCW, rural health facilities as defined in RCW 70.175.020, psychiatric hospitals licensed under chapter 71.12 RCW, nursing homes licensed under chapter 18.51 RCW, community mental health centers licensed under chapter 71.05 or 71.24 RCW, kidney disease treatment centers licensed under chapter 70.41 RCW, ambulatory diagnostic, treatment or surgical facilities licensed under chapter 70.41 RCW, drug and alcohol treatment facilities licensed under chapter 70.96A RCW, and home health agencies licensed under chapter 70.127 RCW, and includes such facilities if owned and operated by a political subdivision or instrumentality of the state and such other facilities as required by federal law and implementing regulations, but does not include Christian Science sanatoriums operated, listed, or certified by the First Church of Christ Scientist, Boston, Massachusetts.

(12) "Health care provider" or "provider" means:

(a) A person regulated under Title 18 RCW and chapter 70.127 RCW, to practice health or health-related services or otherwise practicing health care services in this state consistent with state law; or

(b) An employee or agent of a person described in (a) of this subsection, acting in the course and scope of his or her employment.

(13) "Health insurance purchasing cooperative" or "cooperative" means a member-owned and governed nonprofit organization certified in accordance with sections 425 and 426 of chapter . . . (Engrossed Second Substitute Senate Bill No. 5304), Laws of 1993.

(14) "Long-term care" means institutional, residential, outpatient, or community-based services that meet the individual needs of persons of all ages who are limited in their functional capacities or have disabilities and require assistance with performing two or more activities of daily living for an extended or indefinite period of time. These services include case management, protective supervision, in-home care, nursing services, convalescent, custodial, chronic, and terminally ill care.

(15) "Major capital expenditure" means any project or expenditure for capital construction, renovations, or acquisition, including medical technological equipment, as defined by the commission, costing more than one million dollars.

(16) "Managed care" means an integrated system of insurance, financing, and health services delivery functions that: (a) Assumes financial risk for delivery of health services and uses a defined network of providers; or (b) assumes financial risk for delivery of health services and promotes the efficient delivery of health services through provider assumption of some financial risk

including capitation, prospective payment, resource-based relative value scales, fee schedules, or similar method of limiting payments to health care providers.

(17) "Maximum enrollee financial participation" means the income-related total annual payments that may be required of an enrollee per family who chooses one of the three lowest priced uniform benefits packages offered by plans in a geographic region including both premium sharing and enrollee point of service cost-sharing.

(18) "Persons of color" means Asians/Pacific Islanders, African, Hispanic, and Native Americans.

(19) "Premium" means all sums charged, received, or deposited by a certified health plan as consideration for a uniform benefits package or the continuance of a uniform benefits package. Any assessment, or any "membership," "policy," "contract," "service," or similar fee or charge made by the certified health plan in consideration for the uniform benefits package is deemed part of the premium. "Premium" shall not include amounts paid as enrollee point of service cost-sharing.

(20) "Qualified employee" means an employee who is employed at least thirty hours during a week or one hundred twenty hours during a calendar month.

(21) "Registered employer health plan" means a health plan established by a private employer of more than seven thousand active employees in this state solely for the benefit of such employees and their dependents and that meets the requirements of section 430 of chapter . . . (Engrossed Second Substitute Senate Bill No. 5304), Laws of 1993. Nothing contained in this subsection shall be deemed to preclude the plan from providing benefits to retirees of the employer.

(22) "Seasonal employee" means any person who works:

(a) For one or more employers during the calendar year;

(b) For six months or less, per year; and

(c) For at least half-time per month, during a designated season, within the same industry sector, designated by the commission, including food processing, agricultural production, agricultural harvesting, plantation Christmas tree planting, and tree planting on timber land.

(23) "Supplemental benefits" means those appropriate and effective health services that are not included in the uniform benefits package or that expand the type or level of health services available under the uniform benefits package and that are offered to all residents in accordance with the provisions of sections 452 and 453 of chapter . . . (Engrossed Second Substitute Senate Bill No. 5304), Laws of 1993.

~~((23))~~ (24) "Technology" means the drugs, devices, equipment, and medical or surgical procedures used in the delivery of health services, and the organizational or supportive systems within which such services are provided. It also means sophisticated and complicated machinery developed as a result of ongoing research in the basic biological and physical sciences, clinical medicine, electronics, and computer sciences, as well as specialized professionals, medical

equipment, procedures, and chemical formulations used for both diagnostic and therapeutic purposes.

~~((24))~~ (25) "Uniform benefits package" or "package" means those appropriate and effective health services, defined by the commission under section 449 of chapter . . . (Engrossed Second Substitute Senate Bill No. 5304), Laws of 1993, that must be offered to all Washington residents through certified health plans.

~~((25))~~ (26) "Washington resident" or "resident" means a person who intends to reside in the state permanently or indefinitely and who did not move to Washington for the primary purpose of securing health services under sections 427 through 466 of chapter . . . (Engrossed Second Substitute Senate Bill No. 5304), Laws of 1993. "Washington resident" also includes people and their accompanying family members who are residing in the state for the purpose of engaging in employment for at least one month, who did not enter the state for the primary purpose of obtaining health services. The confinement of a person in a nursing home, hospital, or other medical institution in the state shall not by itself be sufficient to qualify such person as a resident.

Sec. 2. Section 406, chapter . . . (Engrossed Second Substitute Senate Bill No. 5304), Laws of 1993 is amended to read as follows:

POWERS AND DUTIES OF THE COMMISSION. The commission has the following powers and duties:

(1) Ensure that all residents of Washington state are enrolled in a certified health plan to receive the uniform benefits package, regardless of age, sex, family structure, ethnicity, race, health condition, geographic location, employment, or economic status.

(2) Endeavor to ensure that all residents of Washington state have access to appropriate, timely, confidential, and effective health services, and monitor the degree of access to such services. If the commission finds that individuals or populations lack access to certified health plan services, the commission shall:

(a) Authorize appropriate state agencies, local health departments, community or migrant health clinics, public hospital districts, or other nonprofit health service entities to take actions necessary to assure such access. This includes authority to contract for or directly deliver services described within the uniform benefits package to special populations; or

(b) Notify appropriate certified health plans and the insurance commissioner of such findings. The commission shall adopt by rule standards by which the insurance commissioner may, in such event, require certified health plans in closest proximity to such individuals and populations to extend their catchment areas to those individuals and populations and offer them enrollment.

(3) Adopt necessary rules in accordance with chapter 34.05 RCW to carry out the purposes of chapter . . . (Engrossed Second Substitute Senate Bill No. 5304), Laws of 1993. An initial set of draft rules establishing at least the commission's organization structure, the uniform benefits package, and standards

for certified health plan certification, must be submitted in draft form to appropriate committees of the legislature by December 1, 1994.

(4) Establish and modify as necessary, in consultation with the state board of health and the department of health, and coordination with the planning process set forth in section 467 of chapter . . . (Engrossed Second Substitute Senate Bill No. 5304), Laws of 1993 a uniform set of health services based on the recommendations of the health care cost control and access commission established under House Concurrent Resolution No. 4443 adopted by the legislature in 1990.

(5) Establish and modify as necessary the uniform benefits package as provided in section 449 of chapter . . . (Engrossed Second Substitute Senate Bill No. 5304), Laws of 1993, which shall be offered to enrollees of a certified health plan. The benefit package shall be provided at no more than the maximum premium specified in subsection (6) of this section.

(6)(a) Establish for each year a community-rated maximum premium for the uniform benefits package that shall operate to control overall health care costs. The maximum premium cost of the uniform benefits package in the base year 1995 shall be established upon an actuarial determination of the costs of providing the uniform benefits package and such other cost impacts as may be deemed relevant by the commission. Beginning in 1996, the growth rate of the premium cost of the uniform benefits package for each certified health plan shall be allowed to increase by a rate no greater than the average growth rate in the cost of the package between 1990 and 1993 as actuarially determined, reduced by two percentage points per year until the growth rate is no greater than the five-year rolling average of growth in Washington per capita personal income, as determined by the office of financial management.

(b) In establishing the community-rated maximum premium under this subsection, ~~((the commission shall develop a composite rate for employees that provides nominal, if any, variance between the rate for individual employees and employees with dependents to minimize any economic incentive to an employer to discriminate between prospective employees based upon whether or not they have dependents for whom coverage would be required. Nothing in this subsection (6)(b) shall preclude the commission from evaluating other methodologies for establishing the community-rated maximum premium and recommending an alternative methodology to the legislature))~~ the commission shall review various methods for establishing the community-rated maximum premium and shall recommend such methods to the legislature by December 1, 1994.

The commission may develop and recommend a rate for employees that provides nominal, if any, variance between the rate for individual employees and employees with dependents to minimize any economic incentive to an employer to discriminate between prospective employees based upon whether or not they have dependents for whom coverage would be required.

(c) If the commission adds or deletes services or benefits to the uniform benefits package in subsequent years, it may increase or decrease the maximum

premium to reflect the actual cost experience of a broad sample of providers of that service in the state, considering the factors enumerated in (a) of this subsection and adjusted actuarially. The addition of services or benefits shall not result in a redetermination of the entire cost of the uniform benefits package.

(d) The level of state expenditures for the uniform benefits package shall be limited to the appropriation of funds specifically for this purpose.

(7) Determine the need for medical risk adjustment mechanisms to minimize financial incentives for certified health plans to enroll individuals who present lower health risks and avoid enrolling individuals who present higher health risks, and to minimize financial incentives for employer hiring practices that discriminate against individuals who present higher health risks. In the design of medical risk distribution mechanisms under this subsection, the commission shall (a) balance the benefits of price competition with the need to protect certified health plans from any unsustainable negative effects of adverse selection; (b) consider the development of a system that creates a risk profile of each certified health plan's enrollee population that does not create disincentives for a plan to control benefit utilization, that requires contributions from plans that enjoy a low-risk enrollee population to plans that have a high-risk enrollee population, and that does not permit an adjustment of the premium charged for the uniform benefits package or supplemental coverage based upon either receipt or contribution of assessments; and (c) consider whether registered employer health plans should be included in any medical risk adjustment mechanism. Proposed medical risk adjustment mechanisms shall be submitted to the legislature as provided in section 454 of chapter . . . (Engrossed Second Substitute Senate Bill No. 5304), Laws of 1993.

(8) Design a mechanism to assure minors have access to confidential health care services as currently provided in RCW 70.24.110 and 71.34.030.

(9) Monitor the actual growth in total annual health services costs.

(10) Monitor the increased application of technology as required by chapter . . . (Engrossed Second Substitute Senate Bill No. 5304), Laws of 1993 and take necessary action to ensure that such application is made in a cost-effective and efficient manner and consistent with existing laws that protect individual privacy.

(11) Establish reporting requirements for certified health plans that own or manage health care facilities, health care facilities, and health care providers to periodically report to the commission regarding major capital expenditures of the plans. The commission shall review and monitor such reports and shall report to the legislature regarding major capital expenditures on at least an annual basis. The Washington health care facilities authority and the commission shall develop standards jointly for evaluating and approving major capital expenditure financing through the Washington health care facilities authority, as authorized pursuant to chapter 70.37 RCW. By December 1, 1994, the commission and the authority shall submit jointly to the legislature such proposed standards. The commission and the authority shall, after legislative review, but no later than June 1, 1995, publish such standards. Upon publication, the authority may not

approve financing for major capital expenditures unless approved by the commission.

(12) Establish maximum enrollee financial participation levels. The levels shall be related to enrollee household income.

(13) For health services provided under the uniform benefits package and supplemental benefits, adopt standards for enrollment, and standardized billing and claims processing forms. The standards shall ensure that these procedures minimize administrative burdens on health care providers, health care facilities, certified health plans, and consumers. Subject to federal approval or phase-in schedules whenever necessary or appropriate, the standards also shall apply to state-purchased health services, as defined in RCW 41.05.011.

(14) Propose that certified health plans adopt certain practice indicators or risk management protocols for quality assurance, utilization review, or provider payment. The commission may consider indicators or protocols recommended according to section 410 of chapter . . . (Engrossed Second Substitute Senate Bill No. 5304), Laws of 1993 for these purposes.

(15) Propose other guidelines to certified health plans for utilization management, use of technology and methods of payment, such as diagnosis-related groups and a resource-based relative value scale. Such guidelines shall be voluntary and shall be designed to promote improved management of care, and provide incentives for improved efficiency and effectiveness within the delivery system.

(16) Adopt standards and oversee and develop policy for personal health data and information system as provided in chapter 70.170 RCW.

(17) Adopt standards that prevent conflict of interest by health care providers as provided in section 408 of chapter . . . (Engrossed Second Substitute Senate Bill No. 5304), Laws of 1993.

(18) At the appropriate juncture and in the fullness of time, consider the extent to which medical research and health professions training activities should be included within the health service system set forth in this chapter . . . (Engrossed Second Substitute Senate Bill No. 5304), Laws of 1993.

(19) Evaluate and monitor the extent to which racial and ethnic minorities have access and to receive health services within the state, and develop strategies to address barriers to access.

(20) Develop standards for the certification process to certify health plans and employer health plans to provide the uniform benefits package, according to the provisions for certified health plans and registered employer health plans under chapter . . . (Engrossed Second Substitute Senate Bill No. 5304), Laws of 1993.

(21) Develop rules for implementation of individual and employer participation under sections 463 and 464 of chapter . . . (Engrossed Second Substitute Senate Bill No. 5304), Laws of 1993 specifically applicable to persons who work in this state but do not live in the state or persons who live in this state but work outside of the state. The rules shall be designed so that these

persons receive coverage and financial requirements that are comparable to that received by persons who both live and work in the state.

(22) After receiving advice from the health services effectiveness committee, adopt rules that must be used by certified health plans, disability insurers, health care service contractors, and health maintenance organizations to determine whether a procedure, treatment, drug, or other health service is no longer experimental or investigative.

(23) Establish a process for purchase of uniform benefits package services by enrollees when they are out-of-state.

(24) Develop recommendations to the legislature as to whether state and school district employees, on whose behalf health benefits are or will be purchased by the health care authority pursuant to chapter 41.05 RCW, should have the option to purchase health benefits through health insurance purchasing cooperatives on and after July 1, 1997. In developing its recommendations, the commission shall consider:

(a) The impact of state or school district employees purchasing through health insurance purchasing cooperatives on the ability of the state to control its health care costs; and

(b) Whether state or school district employees purchasing through health insurance purchasing cooperatives will result in inequities in health benefits between or within groups of state and school district employees.

(25) Establish guidelines for providers dealing with terminal or static conditions, taking into consideration the ethics of providers, patient and family wishes, costs, and survival possibilities.

(26) Evaluate the extent to which Taft-Hartley health care trusts provide benefits to certain individuals in the state; review the federal laws under which these trusts are organized; and make appropriate recommendations to the governor and the legislature on or before December 1, 1994, as to whether these trusts should be brought under the provisions of chapter . . . (Engrossed Second Substitute Senate Bill No. 5304), Laws of 1993 when it is fully implemented, and if the commission recommends inclusion of the trusts, how to implement such inclusion.

(27) Make appropriate recommendations to the governor and the legislature on or before December 1, 1994, as to how seasonal workers and their employers may be brought under the provisions of chapter . . . (Engrossed Second Substitute Senate Bill No. 5304), Laws of 1993 when it is fully implemented, and with particular attention to the financial impact on seasonal workers and their employers. Until such time this study has been completed and the legislature has taken affirmative action, RCW 43.—.— (section 464, chapter . . . (Engrossed Second Substitute Senate Bill No. 5304), Laws of 1993, as amended by section 3 of this act) shall not apply to seasonal workers or their employers.

(28) Evaluate whether Washington is experiencing a higher percentage in immigration of residents from other states and territories than would be expected by normal trends as a result of the availability of unsubsidized and subsidized

health care benefits for all residents and report to the governor and the legislature their findings.

~~((28))~~ (29) In developing the uniform benefits package and other standards pursuant to this section, consider the likelihood of the establishment of a national health services plan adopted by the federal government and its implications.

~~((29))~~ (30) Evaluate the effect of reforms under chapter . . . (Engrossed Second Substitute Senate Bill No. 5304), Laws of 1993 on access to care and economic development in rural areas.

To the extent that the exercise of any of the powers and duties specified in this section may be inconsistent with the powers and duties of other state agencies, offices, or commissions, the authority of the commission shall supersede that of such other state agency, office, or commission, except in matters of personal health data, where the commission shall have primary data system policymaking authority and the department of health shall have primary responsibility for the maintenance and routine operation of personal health data systems.

Sec. 3. Section 464, chapter . . . (Engrossed Second Substitute Senate Bill No. 5304), Laws of 1993 is amended to read as follows:

(1) The legislature recognizes that small businesses play an essential and increasingly important role in the state's economy. The legislature further recognizes that many of the state's small business owners provide health insurance to their employees through small group policies at a cost that directly affects their profitability. Other small business owners are prevented from providing health benefits to their employees by the lack of access to affordable health insurance coverage. The legislature intends that the provisions of chapter . . . (Engrossed Second Substitute Senate Bill No. 5304), Laws of 1993 make health insurance more available and affordable to small businesses in Washington state through strong cost control mechanisms and the option to purchase health benefits through the basic health plan, the Washington state group purchasing association, and health insurance purchasing cooperatives.

(2) On July 1, 1995, every employer employing more than five hundred qualified employees shall:

(a) Offer a choice of the uniform benefits package as provided by at least three available certified health plans, one of which shall be the lowest cost available package within their geographic region, and for employers who have established a registered employer health plan, one of which may be its own registered employer health plan, to all qualified employees. The employer shall be required to pay no less than fifty percent of the premium cost of the lowest cost available package within their geographic region. On July 1, 1996, all dependents of qualified employees of these firms shall be offered a choice of packages as provided in this section with the employer paying no less than fifty percent of the premium of the lowest cost package within their geographic region.

(b) For employees who work fewer than thirty hours during a week or one hundred twenty hours during a calendar month, three hundred sixty hours during a calendar quarter or one thousand four hundred forty hours during a calendar year, and their dependents, pay, for the period of time adopted by the employer under this subsection, the amount resulting from application of the following formula: The number of hours worked by the employee in a month is multiplied by the amount of a qualified employee's premium, and that amount is then divided by one hundred twenty.

(c) If an employee under (b) of this subsection is the dependent of a qualified employee, and is therefore covered as a dependent by the qualified employee's employer, then the employer of the employee under (b) of this subsection shall not be required to participate in the cost of the uniform benefits package for that employee.

(d) If an employee working on a seasonal basis is a qualified employee of another employer, and therefore has uniform benefits package coverage through that primary employer, then the seasonal employer of the employee shall not be required to participate in the cost of the uniform benefits package for that employee.

(3) By July 1, 1996, every employer employing more than one hundred qualified employees shall:

(a) Offer a choice of the uniform benefits package as provided by at least three available certified health plans, one of which shall be the lowest cost available package within their geographic region, to all qualified employees. The employer shall be required to pay no less than fifty percent of the premium cost of the lowest cost available package within their geographic region. On July 1, 1997, all dependents of qualified employees in these firms shall be offered a choice of packages as provided in this section with the employer paying no less than fifty percent of the premium of the lowest cost package within their geographic region.

(b) For employees who work fewer than thirty hours during a week or one hundred twenty hours during a calendar month, three hundred sixty hours during a calendar quarter or one thousand four hundred forty hours during a calendar year, and their dependents, pay, for the period of time adopted by the employer under this subsection, the amount resulting from application of the following formula: The number of hours worked by the employee in a month is multiplied by the amount of a qualified employee's premium, and that amount is then divided by one hundred twenty.

(c) If an employee under (b) of this subsection is the dependent of a qualified employee, and is therefore covered as a dependent by the qualified employee's employer, then the employer of the employee under (b) of this subsection shall not be required to participate in the cost of the uniform benefits package for that employee.

(d) If an employee working on a seasonal basis is a qualified employee of another employer, and therefore has uniform benefits package coverage through

that primary employer, then the seasonal employer of the employee shall not be required to participate in the cost of the uniform benefits package for that employee.

(4) By July 1, 1997, every employer shall:

(a) Offer a choice of the uniform benefits package as provided by at least three available certified health plans, one of which shall be the lowest cost available package within their geographic region, to all qualified employees. The employer shall be required to pay no less than fifty percent of the premium cost of the lowest cost available package within their geographic region. On July 1, 1999, all dependents of qualified employees in all firms shall be offered a choice of packages as provided in this section with the employer paying no less than fifty percent of the premium of the lowest cost package within their geographic region.

(b) For employees who work fewer than thirty hours during a week or one hundred twenty hours during a calendar month, three hundred sixty hours during a calendar quarter or one thousand four hundred forty hours during a calendar year, and their dependents, pay, for the period of time adopted by the employer under this subsection, the amount resulting from application of the following formula: The number of hours worked by the employee in a month is multiplied by the amount of a qualified employee's premium, and that amount is then divided by one hundred twenty.

(c) If an employee under (b) of this subsection is the dependent of a qualified employee, and is therefore covered as a dependent by the qualified employee's employer, then the employer of the employee under (b) of this subsection shall not be required to participate in the cost of the uniform benefits package for that employee.

(d) If an employee working on a seasonal basis is a qualified employee of another employer, and therefore has uniform benefits package coverage through that primary employer, then the seasonal employer of the employee shall not be required to participate in the cost of the uniform benefits package for that employee.

(5) This employer participation requirement shall be waived if imposition of the requirement would constitute a violation of the freedom of religion provisions of the First Amendment of the United States Constitution or Article I, section 11, of the state Constitution. In such case the employer shall, pursuant to commission rules, set aside an amount equal to the applicable employer contribution level in a manner that would permit his or her employee to fully comply with the requirements of this chapter.

(6) In lieu of offering the uniform benefits package to employees and their dependents through direct contracts with certified health plans, an employer may combine the employer contribution with that of the employee's contribution and enroll in the basic health plan as provided in chapter 70.47 RCW or a health insurance purchasing cooperative established under sections 425 and 426 of chapter . . . (Engrossed Second Substitute Senate Bill No. 5304), Laws of 1993.

Any subsidy that may be provided according to the provisions of chapter 70.47 RCW shall not lessen the employer's obligation to pay a minimum of fifty percent of the premium and the full amount of the direct subsidy shall be for the benefit of the employee or the dependent.

(7) For purposes of determining the financial obligation of an employer who enrolls employees or employees and their adult dependents in the basic health plan, the premium shall be the per adult, per month, cost of coverage in the plan, including administration.

Sec. 4. Section 466, chapter . . . (Engrossed Second Substitute Senate Bill No. 5304), Laws of 1993 is amended to read as follows:

SMALL FIRM FINANCIAL ASSISTANCE. (1) Beginning July 1, 1997, firms with fewer than twenty-five workers that face barriers to providing health insurance for their employees may, upon application, be eligible to receive financial assistance with funds set aside from the health services account. Firms with the following characteristics shall be given preference in the distribution of funds: (a) New firms, (b) employers with low average wages, (c) employers with low profits, and (d) firms in economically distressed areas.

(2) All employers in existence on or before July 1, 1997, who meet the criteria set forth in this section, and rules adopted under this section, may apply to the health services commission for assistance. Such employers may not receive premium assistance beyond July 1, 2001. New employers, who come into existence after July 1, 1997, may apply for and receive premium assistance for a limited period of time, as determined by the commission.

(3) The total funds available for small business assistance shall (~~not exceed~~) be the lesser of (a) one hundred fifty million dollars or (b) twenty-five percent of the cost of the uniform benefits package per the eligible applicants' insured employee or dependents as the case may be, for the biennium beginning July 1, 1997. Thereafter, the amount of total funds available for premium assistance shall be determined by the office of financial management, based on a forecast of inflation, employment, and the number of eligible firms.

(4) By July 1, 1997, the health services commission, with assistance from the small business advisory committee established in section 404 of chapter . . . (Engrossed Second Substitute Senate Bill No. 5304), Laws of 1993, shall develop specific definitions, rules, and procedures governing all aspects of the small business assistance program, including application procedures, thresholds regarding firm size, wages, profits, and age of firm, and rules governing duration of assistance. The health services commission will endeavor to design a system for the distribution of assistance that will create minimal burdens on businesses seeking financial assistance.

(5) Final determination of the amount of the premium assistance to be dispensed to an employer shall be made by the commission based on rules, definitions, and procedures developed under this section. If total claims for assistance are above the amount of total funds available for such purposes, the

commission shall have the authority to prorate employer claims so that the amount of available funds is not exceeded.

(6) The office of financial management, in consultation with the commission, shall establish appropriate criteria for monitoring and evaluating the economic and labor market impacts of the premium assistance program and report its findings to the commission annually through July 1, 2001.

NEW SECTION. Sec. 5. No later than January 1, 1997, the commission shall recommend legislation establishing a program for tax credits under chapter 82.04 RCW for employers with fewer than five hundred full-time equivalent employees, that provides a credit against the amount of employer tax. The credit shall be in an amount equal to a proportion of the cost of premium contributions made by such employer on behalf of dependents of employees under chapter . . . (Engrossed Second Substitute Senate Bill No. 5304), Laws of 1993. The proposed legislation shall limit the tax credit based on the criteria set forth in RCW 43.— (section 466, chapter . . . (Engrossed Second Substitute Senate Bill No. 5304), Laws of 1993, as amended by section 4 of this act). The tax credit shall not exceed forty percent of the employer's actual premium paid on behalf of dependents of employees.

NEW SECTION. Sec. 6. A new section is added to chapter 70.47 RCW to read as follows:

The administrator shall continue to use a premium pricing structure substantially equivalent to that used by the plan on January 1, 1993.

NEW SECTION. Sec. 7. Section 5 of this act is added to chapter 43.— RCW (sections 401 through 407, 409, 425, 427 through 430, and 447 through 466) of chapter . . . (Engrossed Second Substitute Senate Bill No. 5304), Laws of 1993.

NEW SECTION. Sec. 8. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect July 1, 1993.

Passed the Senate April 23, 1993.

Passed the House April 23, 1993.

Approved by the Governor May 18, 1993.

Filed in Office of Secretary of State May 18, 1993.

CHAPTER 495

[Engrossed Substitute House Bill 1236]

WATER RIGHTS FEES

Effective Date: 7/25/93

AN ACT Relating to fees for water rights and related approvals; amending RCW 90.03.470; and creating new sections.

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

NEW SECTION. Sec. 1. The legislature finds that a water right confers significant economic benefits to the water right holder. The fees associated with acquiring a water right have not changed significantly since 1917. Water rights applicants pay less than two percent of the costs of the administration of the water rights program. The legislature finds that, since water rights are of significant value, water rights applicants should contribute more to the cost of administration of the water rights program.

The legislature also finds that an abrupt increase in water rights fees could be disruptive to water rights holders and applicants. The legislature further finds that water rights applicants have a right to know that the water rights program is being administered efficiently and that the fees charged for various services relate directly to the cost of providing those services.

Therefore, the legislature creates a task force to review the water rights program, to make recommendations for streamlining the application process and increasing the overall efficiency and accountability of the administration of the program, and to return to the legislature with a proposal for a fee schedule where the fee levels relate clearly to the cost of services provided.

Sec. 2. RCW 90.03.470 and 1987 c 109 s 98 are each amended to read as follows:

Except as otherwise provided in subsection (15) of this section, the following fees shall be collected by the department in advance:

(1) For the examination of an application for permit to appropriate water or on application to change point of diversion, withdrawal, purpose or place of use, a minimum of ten dollars, to be paid with the application. For each second foot between one and five hundred second feet, two dollars per second foot; for each second foot between five hundred and two thousand second feet, fifty cents per second foot; and for each second foot in excess thereof, twenty cents per second foot. For each acre foot of storage up to and including one hundred thousand acre feet, one cent per acre foot, and for each acre foot in excess thereof, one-fifth cent per acre foot. The ten dollar fee payable with the application shall be a credit to that amount whenever the fee for direct diversion or storage totals more than ten dollars under the above schedule and in such case the further fee due shall be the total computed amount less ten dollars.

Within five days from receipt of an application the department shall notify the applicant by registered mail of any additional fees due under the above schedule and any additional fees shall be paid to and received by the department

within thirty days from the date of filing the application, or the application shall be rejected.

(2) For filing and recording a permit to appropriate water for irrigation purposes, forty cents per acre for each acre to be irrigated up to and including one hundred acres, and twenty cents per acre for each acre in excess of one hundred acres up to and including one thousand acres, and ten cents for each acre in excess of one thousand acres; and also twenty cents for each theoretical horsepower up to and including one thousand horsepower, and four cents for each theoretical horsepower in excess of one thousand horsepower, but in no instance shall the minimum fee for filing and recording a permit to appropriate water be less than five dollars. For all other beneficial purposes the fee shall be twice the amount of the examination fee except that for individual household and domestic use, which may include water for irrigation of a family garden, the fee shall be five dollars.

(3) For filing and recording any other water right instrument, four dollars for the first hundred words and forty cents for each additional hundred words or fraction thereof.

(4) For making a copy of any document recorded or filed in his office, forty cents for each hundred words or fraction thereof, but when the amount exceeds twenty dollars, only the actual cost in excess of that amount shall be charged.

(5) For certifying to copies, documents, records or maps, two dollars for each certification.

(6) For blueprint copies of a map or drawing, or, for such other work of a similar nature as may be required of the department, at actual cost of the work.

(7) For granting each extension of time for beginning construction work under a permit to appropriate water, an amount equal to one-half of the filing and recording fee, except that the minimum fee shall be not less than five dollars for each year that an extension is granted, and for granting an extension of time for completion of construction work or for completing application of water to a beneficial use, five dollars for each year that an extension is granted.

(8) For the inspection of any hydraulic works to insure safety to life and property, the actual cost of the inspection, including the expense incident thereto.

(9) For the examination of plans and specifications as to safety of controlling works for storage of ten acre feet or more of water, a minimum fee of ten dollars, or the actual cost.

(10) For recording an assignment either of a permit to appropriate water or of an application for such a permit, a fee of five dollars.

(11) For preparing and issuing all water right certificates, five dollars.

(12) For filing and recording a protest against granting any application, two dollars.

(13) The department shall provide timely notification by certified mail with return receipt requested to applicants that fees are due. No action may be taken until the fee is paid in full. Failure to remit fees within sixty days of the department's notification shall be grounds for rejecting the application or

canceling the permit. Cash shall not be accepted. Fees must be paid by check or money order and are nonrefundable.

(14) For purposes of calculating fees for ground water filings, one cubic foot per second shall be regarded as equivalent to four hundred fifty gallons per minute.

(15) For the period beginning July 1, 1993, and ending June 30, 1994, there is imposed and the department shall collect a one hundred dollar surcharge on all water rights applications or changes filed under this section, and upon all water rights applications or changes pending as of July 1, 1993. This charge shall be in addition to any other fees imposed under this section.

NEW SECTION. Sec. 3. (1) There is created a water rights fees task force. The task force shall be comprised of fourteen members, who are appointed as follows:

(a) Two members of the Washington state house of representatives, one from each major caucus, to be appointed by the speaker of the house of representatives;

(b) Two members of the Washington state senate, one from each major caucus, to be appointed by the president of the senate;

(c) Ten members, to be appointed jointly by the speaker of the house of representatives and the president of the senate, to represent the following interests: Agriculture, aquaculture, business, cities, counties, the state department of ecology, environmentalists, water recreation interests, water utilities, and hydropower interests. The task force may establish technical advisory committees as necessary to complete its tasks.

(2) The task force shall conduct a comprehensive review of water rights fees. The task force's tasks shall include but not be limited to:

(a) Identification of the costs associated with the various activities and services provided by the water rights program and examination of how these costs compare with the fees charged for these activities and services;

(b) Identification of appropriate accountability measures for the department of ecology to employ in administration of the water rights program. Recommendations of accountability requirements and measurements shall take into account the distinctive characteristics of the water rights program, that is, that the department receives a large number of applications on a one-time basis and that the department of ecology must meet its legal obligations under the doctrine of prior appropriation;

(c) Identification of which program activities should be eligible for cost recovery from fees, as well as which direct and indirect costs of program administration;

(d) Review of the application, examination, and water rights permit requirements for marine water users to determine if these users should receive special fee consideration;

(e) Review of the definition and treatment of nonconsumptive water uses to determine if special fee consideration should be given to these users;

(f) Review of the fees and accounting methods for the dam safety program;
(g) Identification of the appropriate distribution of responsibility between the applicant and the department of ecology for provision of technical information and analysis; and

(h) Establishment of a reasonable time framework for completion of new and pending water rights applications, and an analysis of the staff and funding levels required to meet the established time framework.

(3) Before December 1, 1993, the task force shall:

(a) Provide recommendations to the department of ecology on ways to improve the efficiency and accountability of the water rights program;

(b) Provide recommendations to the legislature on statutory changes necessary to make these efficiency and accountability improvements; and

(c) Propose a new fee schedule for the water rights program which incorporates the results of the task force's work and which funds through fees fifty percent of the cost of the activities and services provided by the program.

(4) The department of ecology and the legislature shall jointly provide for the staff support of the task force.

(5) The task force shall convene as soon as possible upon the appointment of its members. Task force members shall elect a chair and adopt rules for conducting the business of the task force. The task force shall expire on June 30, 1994.

NEW SECTION. Sec. 4. The legislature finds that installation of trickle irrigation systems in climatically and economically suitable areas may result in significant water savings. The legislature further finds that encouraging the voluntary transfer of the water savings will provide an incentive for the installation of trickle irrigation systems.

Therefore, the legislature directs the committee on natural resources and parks in the house of representatives and the committee on energy and utilities in the senate to jointly: (1) Study the physical, legal, and economic feasibility of transferring water saved from installation of trickle irrigation systems; (2) explore the relationship between a possible water transfer program connected to water savings from trickle irrigation systems and the state's existing trust water rights program; and (3) make recommendations for legislation to implement a transfer program for savings from trickle irrigation systems, if the committees determine that such a program is in the public interest. The committees shall coordinate the study with the agriculture committees in the senate and the house of representatives. The committees shall report their findings and recommendations to the legislature by December 1, 1993.

Passed the House April 25, 1993.

Passed the Senate April 24, 1993.

Approved by the Governor May 18, 1993.

Filed in Office of Secretary of State May 18, 1993.

CHAPTER 496

[Engrossed House Bill 1264]

WORKERS' COMPENSATION—THIRD PARTY RECOVERIES

Effective Date: 7/1/93

AN ACT Relating to third party recoveries in workers' compensation cases; amending RCW 4.22.070 and 51.24.060; creating a new section; providing an effective date; and declaring an emergency.

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

Sec. 1. RCW 4.22.070 and 1986 c 305 s 401 are each amended to read as follows:

(1) In all actions involving fault of more than one entity, the trier of fact shall determine the percentage of the total fault which is attributable to every entity which caused the claimant's damages(~~(including)~~) except entities immune from liability to the claimant under Title 51 RCW. The sum of the percentages of the total fault attributed to at-fault entities shall equal one hundred percent. The entities whose fault shall be determined include the claimant or person suffering personal injury or incurring property damage, defendants, third-party defendants, entities released by the claimant, entities with any other individual defense against the claimant, and entities immune from liability to the claimant (~~and entities with any other individual defense against the claimant~~), but shall not include those entities immune from liability to the claimant under Title 51 RCW. Judgment shall be entered against each defendant except those who have been released by the claimant or are immune from liability to the claimant or have prevailed on any other individual defense against the claimant in an amount which represents that party's proportionate share of the claimant's total damages. The liability of each defendant shall be several only and shall not be joint except:

(a) A party shall be responsible for the fault of another person or for payment of the proportionate share of another party where both were acting in concert or when a person was acting as an agent or servant of the party.

(b) If the trier of fact determines that the claimant or party suffering bodily injury or incurring property damages was not at fault, the defendants against whom judgment is entered shall be jointly and severally liable for the sum of their proportionate shares of the claimants total damages.

(2) If a defendant is jointly and severally liable under one of the exceptions listed in subsections (1)(a) or (1)(b) of this section, such defendant's rights to contribution against another jointly and severally liable defendant, and the effect of settlement by either such defendant, shall be determined under RCW 4.22.040, 4.22.050, and 4.22.060.

(3)(a) Nothing in this section affects any cause of action relating to hazardous wastes or substances or solid waste disposal sites.

(b) Nothing in this section shall affect a cause of action arising from the tortious interference with contracts or business relations.

(c) Nothing in this section shall affect any cause of action arising from the manufacture or marketing of a fungible product in a generic form which contains no clearly identifiable shape, color, or marking.

Sec. 2. RCW 51.24.060 and 1987 c 442 s 1118 are each amended to read as follows:

(1) If the injured worker or beneficiary elects to seek damages from the third person, any recovery made shall be distributed as follows:

(a) The costs and reasonable attorneys' fees shall be paid proportionately by the injured worker or beneficiary and the department and/or self-insurer; PROVIDED, That the department and/or self-insurer may require court approval of costs and attorneys' fees or may petition a court for determination of the reasonableness of costs and attorneys' fees;

(b) The injured worker or beneficiary shall be paid twenty-five percent of the balance of the award: PROVIDED, That in the event of a compromise and settlement by the parties, the injured worker or beneficiary may agree to a sum less than twenty-five percent;

(c) The department and/or self-insurer shall be paid the balance of the recovery made, but only to the extent necessary to reimburse the department and/or self-insurer for ~~((compensation and))~~ benefits paid;

(i) The department and/or self-insurer shall bear its proportionate share of the costs and reasonable attorneys' fees incurred by the worker or beneficiary to the extent of the benefits paid ~~((or payable))~~ under this title: PROVIDED, That the department's ~~((or))~~ and/or self-insurer's ~~((may require court approval of costs and attorneys' fees or may petition a court for determination of the reasonableness of costs and))~~ proportionate share shall not exceed one hundred percent of the costs and reasonable attorneys' fees~~((:))~~;

(ii) ~~((The sum representing the department's and/or self-insurer's proportionate share shall not be subject to subsection (1) (d) and (e) of this section.))~~ The department's and/or self-insurer's proportionate share of the costs and reasonable attorneys' fees shall be determined by dividing the gross recovery amount into the benefits paid amount and multiplying this percentage times the costs and reasonable attorneys' fees incurred by the worker or beneficiary;

(iii) The department's and/or self-insurer's reimbursement share shall be determined by subtracting their proportionate share of the costs and reasonable attorneys' fees from the benefits paid amount;

(d) Any remaining balance shall be paid to the injured worker or beneficiary; and

(e) Thereafter no payment shall be made to or on behalf of a worker or beneficiary by the department and/or self-insurer for such injury until the amount of any further compensation and benefits shall equal any such remaining balance minus the department's and/or self-insurer's proportionate share of the costs and reasonable attorneys' fees in regards to the remaining balance. This proportionate share shall be determined by dividing the gross recovery amount into the remaining balance amount and multiplying this percentage times the costs and

reasonable attorneys' fees incurred by the worker or beneficiary. Thereafter, such benefits shall be paid by the department and/or self-insurer to or on behalf of the worker or beneficiary as though no recovery had been made from a third person(;

~~(f) If the employer or a co-employee are determined under RCW 4.22.070 to be at fault, (e) and (e) of this subsection do not apply and benefits shall be paid by the department and/or self-insurer to or on behalf of the worker or beneficiary as though no recovery had been made from a third person)).~~

(2) The recovery made shall be subject to a lien by the department and/or self-insurer for its share under this section.

(3) The department or self-insurer has sole discretion to compromise the amount of its lien. In deciding whether or to what extent to compromise its lien, the department or self-insurer shall consider at least the following:

(a) The likelihood of collection of the award or settlement as may be affected by insurance coverage, solvency, or other factors relating to the third person;

(b) Factual and legal issues of liability as between the injured worker or beneficiary and the third person. Such issues include but are not limited to possible contributory negligence and novel theories of liability; and

(c) Problems of proof faced in obtaining the award or settlement.

(4) In the case of an employer not qualifying as a self-insurer, the department shall make a retroactive adjustment to such employer's experience rating in which the third party claim has been included to reflect that portion of the award or settlement which is reimbursed for compensation and benefits paid and, if the claim is open at the time of recovery, applied against further compensation and benefits to which the injured worker or beneficiary may be entitled.

(5) In an action under this section, the self-insurer may act on behalf and for the benefit of the department to the extent of any compensation and benefits paid or payable from state funds.

(6) It shall be the duty of the person to whom any recovery is paid before distribution under this section to advise the department or self-insurer of the fact and amount of such recovery, the costs and reasonable attorneys' fees associated with the recovery, and to distribute the recovery in compliance with this section.

(7) The distribution of any recovery made by award or settlement of the third party action shall be confirmed by department order, served by registered or certified mail, and shall be subject to chapter 51.52 RCW. In the event the order of distribution becomes final under chapter 51.52 RCW, the director or the director's designee may file with the clerk of any county within the state a warrant in the amount of the sum representing the unpaid lien plus interest accruing from the date the order became final. The clerk of the county in which the warrant is filed shall immediately designate a superior court cause number for such warrant and the clerk shall cause to be entered in the judgment docket under the superior court cause number assigned to the warrant, the name of such

worker or beneficiary mentioned in the warrant, the amount of the unpaid lien plus interest accrued and the date when the warrant was filed. The amount of such warrant as docketed shall become a lien upon the title to and interest in all real and personal property of the injured worker or beneficiary against whom the warrant is issued, the same as a judgment in a civil case docketed in the office of such clerk. The sheriff shall then proceed in the same manner and with like effect as prescribed by law with respect to execution or other process issued against rights or property upon judgment in the superior court. Such warrant so docketed shall be sufficient to support the issuance of writs of garnishment in favor of the department in the manner provided by law in the case of judgment, wholly or partially unsatisfied. The clerk of the court shall be entitled to a filing fee of five dollars, which shall be added to the amount of the warrant. A copy of such warrant shall be mailed to the injured worker or beneficiary within three days of filing with the clerk.

(8) The director, or the director's designee, may issue to any person, firm, corporation, municipal corporation, political subdivision of the state, public corporation, or agency of the state, a notice and order to withhold and deliver property of any kind if he or she has reason to believe that there is in the possession of such person, firm, corporation, municipal corporation, political subdivision of the state, public corporation, or agency of the state, property which is due, owing, or belonging to any worker or beneficiary upon whom a warrant has been served by the department for payments due to the state fund. The notice and order to withhold and deliver shall be served by the sheriff of the county or by the sheriff's deputy, or by any authorized representatives of the director. Any person, firm, corporation, municipal corporation, political subdivision of the state, public corporation, or agency of the state upon whom service has been made shall answer the notice within twenty days exclusive of the day of service, under oath and in writing, and shall make true answers to the matters inquired of in the notice and order to withhold and deliver. In the event there is in the possession of the party named and served with such notice and order, any property which may be subject to the claim of the department, such property shall be delivered forthwith to the director or the director's authorized representative upon demand. If the party served and named in the notice and order fails to answer the notice and order within the time prescribed in this section, the court may, after the time to answer such order has expired, render judgment by default against the party named in the notice for the full amount claimed by the director in the notice together with costs. In the event that a notice to withhold and deliver is served upon an employer and the property found to be subject thereto is wages, the employer may assert in the answer to all exemptions provided for by chapter 6.27 RCW to which the wage earner may be entitled.

NEW SECTION. Sec. 3. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect July 1, 1993.

NEW SECTION. Sec. 4. This act applies to all causes of action that the parties have not settled or in which judgment has not been entered prior to July 1, 1993.

Passed the House February 17, 1993.

Passed the Senate April 6, 1993.

Approved by the Governor May 18, 1993.

Filed in Office of Secretary of State May 18, 1993.

CHAPTER 497

[Engrossed Substitute House Bill 1333]

YOUTH GANG VIOLENCE REDUCTION

Effective Date: 7/25/93

AN ACT Relating to youth gang violence reduction; adding a new chapter to Title 43 RCW; and creating new sections.

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

NEW SECTION. Sec. 1. The legislature finds and declares that:

(1) The number of youth who are members and associates of gangs and commit gang violence has significantly increased throughout the entire greater Puget Sound, Spokane, and other areas of the state;

(2) Youth gang violence has caused a tremendous strain on the progress of the communities impacted. The loss of life, property, and positive opportunity for growth caused by youth gang violence has reached intolerable levels. Increased youth gang activity has seriously strained the budgets of many local jurisdictions, as well as threatened the ability of the educational system to educate our youth;

(3) Among youth gang members the high school drop-out rate is significantly higher than among nongang members. Since the economic future of our state depends on a highly educated and skilled work force, this high school drop-out rate threatens the economic welfare of our future work force, as well as the future economic growth of our state;

(4) The unemployment rate among youth gang members is higher than that among the general youth population. The unusual unemployment rate, lack of education and skills, and the increased criminal activity could significantly impact our future prison population;

(5) Most youth gangs are subcultural. This implies that gangs provide the nurturing, discipline, and guidance to gang youth and potential gang youth that is generally provided by communities and other social systems. The subcultural designation means that youth gang participation and violence can be effectively reduced in Washington communities and schools through the involvement of community, educational, criminal justice, and employment systems working in a unified manner with parents and individuals who have a firsthand knowledge of youth gangs and at-risk youth; and

(6) A strong unified effort among parents and community, educational, criminal justice, and employment systems would facilitate: (a) The learning process; (b) the control and reduction of gang violence; (c) the prevention of youth joining negative gangs; and (d) the intervention into youth gangs.

NEW SECTION. Sec. 2. It is the intent of the legislature to cause the development of positive prevention and intervention pilot programs for elementary and secondary age youth through cooperation between individual schools, local organizations, and government. It is also the intent of the legislature that if the prevention and intervention pilot programs are determined to be effective in reducing problems associated with youth gang violence, that other counties in the state be eligible to receive special state funding to establish similar positive prevention and intervention programs.

NEW SECTION. Sec. 3. Unless the context otherwise requires, the following definitions shall apply throughout sections 1 through 11 of this act:

(1) "School" means any public school within a school district any portion of which is in a county with a population of over one hundred ninety thousand.

(2) "Community organization" means any organization recognized by a city or county as such, as well as private, nonprofit organizations registered with the secretary of state.

(3) "Gang risk prevention and intervention pilot program" means a community-based positive prevention and intervention program for gang members, potential gang members, at-risk youth, and elementary through high school-aged youth directed at all of the following:

(a) Reducing the probability of youth involvement in gang activities and consequent violence.

(b) Establishing ties, at an early age, between youth and community organizations.

(c) Committing local business and community resources to positive programming for youth.

(d) Committing state resources to assist in creating the gang risk prevention and intervention pilot programs.

(4) "Cultural awareness retreat" means a program that temporarily relocates at-risk youth or gang members and their parents from their usual social environment to a different social environment, with the specific purpose of having them performing activities which will enhance or increase their positive behavior and potential life successes.

NEW SECTION. Sec. 4. (1) The department of community development may recommend existing programs or contract with either school districts or community organizations, or both, through a request for proposal process for the development, administration, and implementation in the county of community-based gang risk prevention and intervention pilot programs.

(2) Proposals by the school district for gang risk prevention and intervention pilot program grant funding shall begin with school years no sooner than the 1994-95 session, and last for a duration of two years.

(3) The school district or community organization proposal shall include:

(a) A description of the program goals, activities, and curriculum. The description of the program goals shall include a list of measurable objectives for the purpose of evaluation by the department of community development. To the extent possible, proposals shall contain empirical data on current problems, such as drop-out rates and occurrences of violence on and off campus by school-age individuals.

(b) A description of the individual school or schools and the geographic area to be affected by the program.

(c) A demonstration of broad-based support for the program from business and community organizations.

(d) A clear description of the experience, expertise, and other qualifications of the community organizations to conduct an effective prevention and intervention program in cooperation with a school or a group of schools.

(e) A proposed budget for expenditure of the grant.

(4) Grants awarded under this section may not be used for the administrative costs of the school district or the individual school.

****NEW SECTION. Sec. 5. (1) A school district in a county with a population of over one hundred ninety thousand may request proposals for establishing gang risk prevention and intervention pilot programs from either public entities that apply jointly with individual schools or community organizations. The proposals shall be reviewed and recommendations for awarding grants shall be made by a committee made up of: (a) A representative from the school district taking the proposal, appointed by the school district's board of directors; (b) a representative appointed by the director of the department of community development or designate; and (c) a representative from the local juvenile court administration.***

(2) A school district or community organization, upon its election to enter into a contract pursuant to section 4 of this act, shall, no later than March 1, 1994, submit a standard request for proposals.

(3) Proposals made to the department of community development must comply with the conditions of the grant.

(4) The department of community development shall additionally monitor and evaluate the gang risk prevention and intervention pilot programs pursuant to the following criteria:

(a) Success in obtaining stated goals.

(b) Reduction in drop-out rates.

(c) Reduction in violence among students, on and off campus.

(d) Development of techniques for early identification of at-risk youth.

(5) The school district or community organization shall report to the department of community development the results of the program.

(6) Grants awarded under this section may not be used for administrative costs of the school district or the individual school.

**Sec. 5 was vetoed, see message at end of chapter.*

NEW SECTION. Sec. 6. Gang risk prevention and intervention pilot programs shall include, but are not limited to:

- (1) Counseling for targeted at-risk students, parents, and families, individually and collectively.
- (2) Exposure to positive sports and cultural activities, promoting affiliations between youth and the local community.
- (3) Job training, which may include apprentice programs in coordination with local businesses, job skills development at the school, or information about vocational opportunities in the community.
- (4) Positive interaction with local law enforcement personnel.
- (5) The use of local organizations to provide job search training skills.
- (6) Cultural awareness retreats.
- (7) The use of specified state resources, as requested.
- (8) Full service schools under section 9 of this act.
- (9) Community service such as volunteerism and citizenship.

***NEW SECTION.** Sec. 7. *(1) Upon request from the local community organization receiving an award under section 5 of this act or the granting local school district, or both, the employment security department shall provide a job counselor or counselors to assist at cultural awareness retreats. The counselor shall provide assistance with the following:*

- (a) Testing for job occupation preferences.*
- (b) Information on the skills needed for different occupations.*
- (c) Coordinating the personal appearance of small business owners or corporate managers to explain the type of skills and characteristics businesses currently need in prospective employees, as well as those of prospective future employees.*
- (d) Establishing a business mentor program between the small business owners or corporate managers and the youth who are willing to participate.*
- (e) Establishing a specific program that provides help with employment opportunities for youth who attend cultural awareness retreats.*

The department may provide other services than those specified.

(2) Upon request from the local community organization awarded the grant, the local school district, or both, the department may provide those services specified in subsection (1) of this section for the youth who are receiving services from the local community organization.

**Sec. 7 was vetoed, see message at end of chapter.*

***NEW SECTION.** Sec. 8. *Upon request from the local community organization receiving an award under section 5 of this act or the granting local school district, or both, the department of labor and industries shall:*

(1) Provide information and assistance with regards to the skills and educational backgrounds needed to apply for apprenticeship programs.

(2) Provide direction and assistance with applications for apprenticeship programs.

(3) Explore and examine the feasibility of establishing preapprenticeship programs for those youth who cannot qualify for apprenticeships because of age or educational deficiencies, and are participating or have participated in the retreat.

(4) Provide assistance for and coordination of the personal appearance of representatives of the joint apprenticeship committee with the specific purpose of discussing the skills needed to perform different occupations.

(5) Provide assistance for and coordination of the establishment of a joint apprenticeship mentor program with those youth who are participating or have participated in the retreat program.

The department may provide other services.

Upon request from the local community organization receiving the award under section 5 of this act or the local school district, or both, the department shall provide the services in this section either at the grant-receiving school or at the cultural awareness retreat, or both.

**Sec. 8 was vetoed, see message at end of chapter.*

****NEW SECTION.*** *Sec. 9. (1) The purpose of a full service school shall be to increase the interaction between youth and the community at large. A full service school shall provide a wide range of opportunities for all citizens, including goals under RCW 28A.620.010 (1), (2), (3), and (6), and subsection (2) of this section.*

(2) Either the local school district or the local community organization, or both, that received a grant under section 5 of this act shall work with other community organizations, the superintendent of public instruction, and school personnel in the selected school to determine the services needed by the community that shall be offered at the full service school.

**Sec. 9 was vetoed, see message at end of chapter.*

****NEW SECTION.*** *Sec. 10. (1) Upon request, the division of juvenile rehabilitation shall through cooperation with private business or through interagency agreement with the state parks and recreation commission or department of natural resources, or both, provide facilities for cultural awareness retreats. The requests for facilities must be made by one of the following: (a) The community organization receiving the grant, or (b) the local school district that assisted in awarding the grant. The division may provide other services as requested.*

(2) The services may be, but are not limited to, persons knowledgeable of juvenile gang behavior.

(3) Upon receiving a request for cultural awareness retreat facilities, the division shall notify the departments of employment security and labor and

industries of the organization requesting the retreat, and the time, place, and date of the retreat.

*Sec. 10 was vetoed, see message at end of chapter.

NEW SECTION. **Sec. 11.** Cultural awareness retreats shall include but are not limited to the following programs:

- (1) To develop positive attitudes and self-esteem.
- (2) To develop youth decision-making ability.
- (3) To assist with career development and educational development.
- (4) To help develop respect for the community, and ethnic origin.

NEW SECTION. **Sec. 12.** Sections 2 through 11 of this act shall constitute a new chapter in Title 43 RCW.

NEW SECTION. **Sec. 13.** If specific funding for the purposes of this act, referencing this act by bill number, is not provided by June 30, 1993, in the omnibus appropriations act, this act is null and void.

Passed the House April 19, 1993.

Passed the Senate April 9, 1993.

Approved by the Governor May 18, 1993, with the exception of certain items which were vetoed.

Filed in Office of Secretary of State May 18, 1993.

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

"I am returning herewith, without my approval as to sections 5, 7, 8, 9, and 10, Engrossed Substitute House Bill No. 1333 entitled:

"AN ACT Relating to youth gang violence reduction;"

I applaud the legislature for its efforts to address growing youth violence and gang activity by funding locally-based programs to intervene to reduce the violence that is creating so much suffering for local communities and young people. I am enthusiastic about the local programs that would be initiated as a result of this legislation. I am convinced that early intervention, with the active involvement of local schools, community groups and parents, has the best chance to help respond to these problems. However, I am concerned that conflicting and overly prescriptive language in some sections of the legislation will make the task of implementing the legislation more difficult.

I am vetoing section 5 of the legislation, which defines a process for funding local projects through local school districts because the section conflicts with provisions of section 4 which also provides for funding of local projects through grants from the state Department of Community Development. While I am vetoing this section, I agree with the legislature that active involvement of local schools districts can be extremely helpful in establishing successful local youth violence prevention projects. As a result, I am directing the Department of Community Development to work to develop a funding process that actively involves local school districts, consistent with the spirit of section 5.

I am vetoing sections 7, 8, and 10 of the legislation because the sections are overly prescriptive in their requirements of the state agencies. The references in these sections referring back to section 5 also made the provisions less than clear. While I am vetoing these sections, I do believe that state agencies should cooperate with the local programs funded by this legislation. As a result, I am directing the Department of Community

Development to work with other state agencies to develop a plan for state agency collaboration to assist local programs funded under this section.

I am vetoing section 9 of this legislation because the provision is not clear enough to implement effectively. I believe that the concept of the full-service school, in which a local school would serve as a focal point for local community activities, is a promising one. I encourage the legislature and proponents of this provision to address the issue at greater length in a future session.

For these reasons, I have vetoed sections 5, 7, 8, 9 and 10 of Engrossed Substitute House Bill No. 1333.

With the exception of sections 5, 7, 8, 9, and 10, Engrossed Substitute House Bill No. 1333 is approved."

CHAPTER 498

[House Bill 1479]

UNIFORM UNCLAIMED PROPERTY ACT ADMINISTRATION

Effective Date: 7/25/93

AN ACT Relating to the administration of the uniform unclaimed property act; amending RCW 63.29.010, 63.29.130, 63.29.020, 63.29.165, 19.150.060, 19.150.080, 63.29.170, 63.29.190, 63.29.180, 63.29.220, and 67.70.190; and adding a new section to chapter 63.29 RCW.

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

**Sec. 1. RCW 63.29.010 and 1983 c 179 s 1 are each amended to read as follows:*

As used in this chapter, unless the context otherwise requires:

(1) "Department" means the department of revenue established under RCW 82.01.050.

(2) "Apparent owner" means the person whose name appears on the records of the holder as the person entitled to property held, issued, or owing by the holder.

(3) "Attorney general" means the chief legal officer of this state referred to in chapter 43.10 RCW.

(4) "Banking organization" means a bank, trust company, savings bank, land bank, safe deposit company, private banker, or any organization defined by other law as a bank or banking organization.

(5) "Business association" means a nonpublic corporation, joint stock company, investment company, business trust, partnership, or association for business purposes of two or more individuals, whether or not for profit, including a banking organization, financial organization, insurance company, or utility.

(6) "Domicile" means the state of incorporation of a corporation and the state of the principal place of business of an unincorporated person.

(7) "Financial organization" means a savings and loan association, cooperative bank, building and loan association, or credit union.

(8) "Holder" means a person, wherever organized or domiciled, who is:

- (a) *In possession of property belonging to another,*
- (b) *A trustee, or*
- (c) *Indebted to another on an obligation.*

(9) *"Insurance company" means an association, corporation, fraternal or mutual benefit organization, whether or not for profit, which is engaged in providing insurance coverage, including accident, burial, casualty, credit life, contract performance, dental, fidelity, fire, health, hospitalization, illness, life (including endowments and annuities), malpractice, marine, mortgage, surety, and wage protection insurance.*

(10) *"Intangible property" does not include contract claims which are unliquidated but does include:*

- (a) *Moneys, checks, drafts, deposits, interest, dividends, and income;*
- (b) *Credit balances, customer overpayments, gift certificates, security deposits, refunds, credit memos, unpaid wages, unused airline tickets, unredeemed Washington state lottery tickets, and unidentified remittances, but does not include discounts which represent credit balances for which no consideration was given;*

(c) *Stocks, and other intangible ownership interests in business associations;*

(d) *Moneys deposited to redeem stocks, bonds, coupons, and other securities, or to make distributions;*

(e) *Liquidated amounts due and payable under the terms of insurance policies; and*

(f) *Amounts distributable from a trust or custodial fund established under a plan to provide health, welfare, pension, vacation, severance, retirement, death, stock purchase, profit sharing, employee savings, supplemental unemployment insurance, or similar benefits.*

(11) *"Last known address" means a description of the location of the apparent owner sufficient for the purpose of the delivery of mail.*

(12) *"Owner" means a depositor in the case of a deposit, a beneficiary in case of a trust other than a deposit in trust, a creditor, claimant, or payee in the case of other intangible property, or a person having a legal or equitable interest in property subject to this chapter or his legal representative.*

(13) *"Person" means an individual, business association, state or other government, governmental subdivision or agency, public corporation, public authority, estate, trust, two or more persons having a joint or common interest, ((or)) any other legal or commercial entity, or the United States or any instrumentality of the United States.*

(14) *"State" means any state, district, commonwealth, territory, insular possession, or any other area subject to the legislative authority of the United States.*

(15) *"Third party bank check" means any instrument drawn against a customer's account with a banking organization or financial organization on*

which the banking organization or financial organization is only secondarily liable.

(16) "Utility" means a person who owns or operates for public use any plant, equipment, property, franchise, or license for the transmission of communications or the production, storage, transmission, sale, delivery, or furnishing of electricity, water, steam, or gas.

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

Sec. 2. RCW 63.29.130 and 1983 c 179 s 13 are each amended to read as follows:

Intangible property held for the owner by a court, state or other government, governmental subdivision or agency, public corporation, ((~~or~~)) public authority (~~which~~), or the United States or any instrumentality of the United States that remains unclaimed by the owner for more than two years after becoming payable or distributable is presumed abandoned.

*Sec. 3. RCW 63.29.020 and 1992 c 122 s 1 are each amended to read as follows:

(1) Except as otherwise provided by this chapter, all intangible property, including any income or increment derived therefrom, less any lawful charges, that is held, issued, or owing in the ordinary course of the holder's business and has remained unclaimed by the owner for more than five years after it became payable or distributable is presumed abandoned.

(2) Property, with the exception of (~~unredeemed Washington state lottery tickets and~~) unrepresented winning parimutuel tickets, is payable and distributable for the purpose of this chapter notwithstanding the owner's failure to make demand or to present any instrument or document required to receive payment.

(3) This chapter does not apply to claims drafts issued by insurance companies representing offers to settle claims unliquidated in amount or settled by subsequent drafts or other means.

(4) This chapter does not apply to property covered by chapter 63.26 RCW.

(5) This chapter does not apply to used clothing, umbrellas, bags, luggage, or other used personal effects if such property is disposed of by the holder as follows:

(a) In the case of personal effects of negligible value, the property is destroyed; or

(b) The property is donated to a bona fide charity.

(6) This chapter does not apply to personal papers and personal effects retained by the owner of a self-service storage facility following a sale conducted under RCW 19.150.080.

*Sec. 3 was vetoed, see message at end of chapter.

Sec. 4. RCW 63.29.165 and 1988 c 240 s 21 are each amended to read as follows:

The ~~((personal papers and personal effects held by the owner and the))~~ excess proceeds of a sale conducted pursuant to RCW 19.150.080 by an owner of a self-service storage facility to satisfy the lien and costs of storage which are not claimed by the occupant of the storage space or any other person which remains unclaimed for more than six months are presumed abandoned.

Sec. 5. RCW 19.150.060 and 1988 c 240 s 7 are each amended to read as follows:

If a notice has been sent, as required by RCW 19.150.040, and the total sum due has not been paid as of the date specified in the preliminary lien notice, the lien proposed by this notice attaches as of that date and the owner may deny an occupant access to the space, enter the space, inventory the goods therein, and remove any property found therein to a place of safe keeping. The owner shall then serve by personal service or send to the occupant, addressed to the occupant's last known address and to the alternative address specified in RCW 19.150.120(2) by certified mail, postage prepaid, a notice of lien sale or notice of disposal which shall state all of the following:

(1) That the occupant's right to use the storage space has terminated and that the occupant no longer has access to the stored property.

(2) That the stored property is subject to a lien, and the amount of the lien accrued and to accrue prior to the date required to be specified in subsection (3) of this section.

(3) That the property, other than personal papers and personal effects, may be sold to satisfy the lien after a specified date which is not less than fourteen days from the date of mailing the lien sale notice, or a minimum of forty-two days after the date when any part of the rent or other charges due from the occupants remain unpaid, whichever is later, unless the amount of the lien is paid. If the total value of property in the storage space is less than one hundred dollars, the owner may, instead of sale, dispose of the property in any reasonable manner, subject to the restrictions of RCW 19.150.080~~((3))~~ (4).

(4) That any excess proceeds of the sale or other disposition under RCW 19.150.080(2) over the lien amount and costs of sale ~~((and any personal papers and personal effects))~~ will be retained by the owner and may be reclaimed by the occupant, or claimed by another person, at any time for a period of six months from the sale and that thereafter the proceeds ~~((and personal papers and effects))~~ will be turned over to the state as abandoned property as provided in RCW 63.29.165.

(5) That any personal papers and personal effects will be retained by the owner and may be reclaimed by the occupant at any time for a period of six months from the sale or other disposition of property and that thereafter the owner may dispose of the personal papers and effects in a reasonable manner, subject to the restrictions of RCW 19.150.080(3).

(6) That if the occupant was served with notice of the lien sale by mail, the occupant within six months after the date of the sale may repurchase from any

purchaser or subsequent purchaser any of the occupant's property sold pursuant to RCW 19.150.080 at the price paid by the original purchaser.

~~((6))~~ (7) That if notice of the lien sale was by personal service, the occupant has no right to repurchase any property sold at the lien sale.

Sec. 6. RCW 19.150.080 and 1988 c 240 s 9 are each amended to read as follows:

(1) After the expiration of the time given in the notice of lien sale pursuant to RCW 19.150.060, the property, other than personal papers and personal effects, may be sold or disposed of in a reasonable manner.

(2)(a) If the property has a value of one hundred dollars or more, the sale shall be conducted in a commercially reasonable manner, and, after deducting the amount of the lien and costs of sale, the owner shall retain any excess proceeds of the sale on the occupant's behalf. The occupant, or any other person having a court order or other judicial process against the property, may claim the excess proceeds, or a portion thereof sufficient to satisfy the particular claim, at any time within six months of the date of sale.

(b) If the property has a value of less than one hundred dollars, the property may be disposed of in a reasonable manner.

(3) Personal papers and personal effects that are not reclaimed by the occupant within six months of a sale under subsection (2)(a) of this section or other disposition under subsection (2)(b) of this section may be disposed of in a reasonable manner.

(4) No employee or owner, or family member of an employee or owner, may acquire, directly or indirectly, the property sold pursuant to subsection (2)(a) of this section or disposed of pursuant to subsection (2)(b) of this section, or personal papers and personal effects disposed of under subsection (3) of this section.

~~((4))~~ (5) The owner is entitled to retain any interest earned on the excess proceeds until the excess proceeds are claimed by another person or are turned over to the state as abandoned property pursuant to RCW 63.29.165.

~~((5))~~ (6) After the sale or other disposition pursuant to this section has been completed, the owner shall provide an accounting of the disposition of the proceeds of the sale or other disposition to the occupant at the occupant's last known address and at the alternative address.

Sec. 7. RCW 63.29.170 and 1983 c 179 s 17 are each amended to read as follows:

(1) A person holding property presumed abandoned and subject to custody as unclaimed property under this chapter shall report to the department concerning the property as provided in this section.

(2) The report must be verified and must include:

(a) Except with respect to travelers checks and money orders, the name, if known, and last known address, if any, of each person appearing from the

records of the holder to be the owner of property of the value of twenty-five dollars or more presumed abandoned under this chapter;

(b) In the case of unclaimed funds of twenty-five dollars or more held or owing under any life or endowment insurance policy or annuity contract, the full name and last known address of the insured or annuitant and of the beneficiary according to the records of the insurance company holding or owing the funds;

(c) In the case of the contents of a safe deposit box or other safekeeping repository or in the case of other tangible property, a description of the property and the place where it is held and where it may be inspected by the department, and any amounts owing to the holder;

(d) The nature and identifying number, if any, or description of the property and the amount appearing from the records to be due, but items of value under twenty-five dollars each may be reported in the aggregate;

(e) The date the property became payable, demandable, or returnable, and the date of the last transaction with the apparent owner with respect to the property; and

(f) Other information the department prescribes by rule as necessary for the administration of this chapter.

(3) If the person holding property presumed abandoned and subject to custody as unclaimed property is a successor to other persons who previously held the property for the apparent owner or the holder has changed his name while holding the property, he shall file with his report all known names and addresses of each previous holder of the property.

(4) The report must be filed before November 1 of each year and shall include all property presumed abandoned and subject to custody as unclaimed property under this chapter that is in the holder's possession as of the preceding June ((30, next preceding, but the report of any life insurance company must be filed before May 1 of each year as of December 31 next preceding)) 30th. On written request by any person required to file a report, the department may postpone the reporting date.

(5) Not more than one hundred twenty days before filing the report required by this section, the holder in possession of property presumed abandoned and subject to custody as unclaimed property under this chapter shall send written notice to the apparent owner at his last known address informing him that the holder is in possession of property subject to this chapter if:

(i) The holder has in its records an address for the apparent owner which the holder's records do not disclose to be inaccurate,

(ii) The claim of the apparent owner is not barred by the statute of limitations, and

(iii) The property has a value of seventy-five dollars or more.

Sec. 8. RCW 63.29.190 and 1991 c 311 s 7 are each amended to read as follows:

(1) Except as otherwise provided in subsections (2) and (3) of this section, a person who is required to file a report under RCW 63.29.170(~~within six~~

~~months after the final date for filing the report as required by RCW 63.29.170,))~~ shall pay or deliver to the department all abandoned property required to be reported at the time of filing the report.

(2) Counties, cities, towns, and other municipal and quasi-municipal corporations that hold funds representing warrants canceled pursuant to RCW 36.22.100 and 39.56.040, uncashed checks, excess proceeds from property tax and irrigation district foreclosures, and property tax overpayments or refunds may retain the funds until the owner notifies them and establishes ownership as provided in RCW 63.29.135. Counties, cities, towns, or other municipal or quasi-municipal corporations shall provide to the department a report of property it is holding pursuant to this section. The report shall identify the property and owner in the manner provided in RCW 63.29.170 and the department shall publish the information as provided in RCW 63.29.180.

(3) The contents of a safe deposit box or other safekeeping repository presumed abandoned under RCW 63.29.160 and reported under RCW 63.29.170 shall be paid or delivered to the department within six months after the final date for filing the report required by RCW 63.29.170.

~~((2))~~ If the owner establishes the right to receive the abandoned property to the satisfaction of the holder before the property has been delivered or it appears that for some other reason the presumption of abandonment is erroneous, the holder need not pay or deliver the property to the department, and the property will no longer be presumed abandoned. In that case, the holder shall file with the department a verified written explanation of the proof of claim or of the error in the presumption of abandonment.

~~((3) Property reported under RCW 63.29.170 for which the holder is not required to report the name of the apparent owner must be delivered to the department at the time of filing the report.))~~

(4) The holder of an interest under RCW 63.29.100 shall deliver a duplicate certificate or other evidence of ownership if the holder does not issue certificates of ownership to the department. Upon delivery of a duplicate certificate to the department, the holder and any transfer agent, registrar, or other person acting for or on behalf of a holder in executing or delivering the duplicate certificate is relieved of all liability of every kind in accordance with RCW 63.29.200 to every person, including any person acquiring the original certificate or the duplicate of the certificate issued to the department, for any losses or damages resulting to any person by the issuance and delivery to the department of the duplicate certificate.

Sec. 9. RCW 63.29.180 and 1986 c 84 s 1 are each amended to read as follows:

(1) The department shall cause a notice to be published not later than ~~((March 1, or in the case of property reported by life insurance companies,))~~ September 1, immediately following the report required by RCW 63.29.170 at least once a week for two consecutive weeks in a newspaper of general circulation in the county of this state in which is located the last known address

of any person to be named in the notice. If no address is listed or the address is outside this state, the notice must be published in the county in which the holder of the property has its principal place of business within this state.

(2) The published notice must be entitled "Notice of Names of Persons Appearing to be Owners of Abandoned Property" and contain:

(a) The names in alphabetical order and last known address, if any, of persons listed in the report and entitled to notice within the county as specified in subsection (1) of this section; and

(b) A statement that information concerning the property and the name and last known address of the holder may be obtained by any person possessing an interest in the property by addressing an inquiry to the department(~~;~~and

~~(c) A statement that if proof of claim is not presented by the owner to the holder and the owner's right to receive the property is not established to the holder's satisfaction before April 20, or, in the case of property reported by life insurance companies, before October 20, the property will be placed not later than May 1, or in the case of property reported by life insurance companies, not later than November 1, in the custody of the department and all further claims must thereafter be directed to the department)).~~

(3) The department is not required to publish in the notice any items of less than seventy-five dollars unless the department considers their publication to be in the public interest.

(4) Not later than ~~((March 1, or in the case of property reported by life insurance companies, not later than))~~ September 1, immediately following the report required by RCW 63.29.170, the department shall mail a notice to each person whose last known address is listed in the report and who appears to be entitled to property of the value of seventy-five dollars or more presumed abandoned under this chapter and any beneficiary of a life or endowment insurance policy or annuity contract for whom the department has a last known address.

(5) The mailed notice must contain:

(a) A statement that, according to a report filed with the department, property is being held to which the addressee appears entitled; and

(b) The name and last known address of the person holding the property and any necessary information regarding the changes of name and last known address of the holder(~~;~~and

~~(c) A statement that, if satisfactory proof of claim is not presented by the owner to the holder by the date specified in the published notice, the property will be placed in the custody of the department and all further claims must be directed to the department)).~~

(6) This section is not applicable to sums payable on travelers checks, money orders, and other written instruments presumed abandoned under RCW 63.29.040.

Sec. 10. RCW 63.29.220 and 1983 c 179 s 22 are each amended to read as follows:

(1) Except as provided in subsections (2) and (3) of this section the department, within ~~((three))~~ five years after the receipt of abandoned property, shall sell it to the highest bidder at public sale in whatever city in the state affords in the judgment of the department the most favorable market for the property involved. The department may decline the highest bid and reoffer the property for sale if in the judgment of the department the bid is insufficient. If in the judgment of the department the probable cost of sale exceeds the value of the property, it need not be offered for sale. Any sale held under this section must be preceded by a single publication of notice, at least three weeks in advance of sale, in a newspaper of general circulation in the county in which the property is to be sold.

(2) Securities listed on an established stock exchange must be sold at prices prevailing at the time of sale on the exchange. Other securities may be sold over the counter at prices prevailing at the time of sale or by any other method the department considers advisable. All securities may be sold over the counter at prices prevailing at the time of the sale, or by any other method the department deems advisable.

(3) Unless the department considers it to be in the best interest of the state to do otherwise, all securities, other than those presumed abandoned under RCW 63.29.100, delivered to the department must be held for at least one year before being sold.

(4) Unless the department considers it to be in the best interest of the state to do otherwise, all securities presumed abandoned under RCW 63.29.100 and delivered to the department must be held for at least three years before being sold. If the department sells any securities delivered pursuant to RCW 63.29.100 before the expiration of the three-year period, any person making a claim pursuant to this chapter before the end of the three-year period is entitled to either the proceeds of the sale of the securities or the market value of the securities at the time the claim is made, whichever amount is greater, less any deduction for fees pursuant to RCW 63.29.230(2). A person making a claim under this chapter after the expiration of this period is entitled to receive either the securities delivered to the department by the holder, if they still remain in the hands of the department, or the proceeds received from sale, less any amounts deducted pursuant to RCW 63.29.230(2), but no person has any claim under this chapter against the state, the holder, any transfer agent, registrar, or other person acting for or on behalf of a holder for any appreciation in the value of the property occurring after delivery by the holder to the department.

(5) The purchaser of property at any sale conducted by the department pursuant to this chapter takes the property free of all claims of the owner or previous holder thereof and of all persons claiming through or under them. The department shall execute all documents necessary to complete the transfer of ownership.

**Sec. 11. RCW 67.70.190 and 1988 c 289 s 802 are each amended to read as follows:*

~~((1)) Unclaimed prizes shall be retained in the state lottery account for the person entitled thereto for one hundred eighty days after the drawing in which the prize is won, or after the official end of the game for instant prizes. If no claim is made for the prize within this time, ~~((the prize shall be retained in the state lottery fund for further use as prizes, except as provided in subsection (2) of this section, and all rights to the prize shall be extinguished.~~~~

~~(2) During the fiscal year ending June 30, 1989, moneys from unclaimed prizes shall be used as follows:~~

~~(a) Fifty percent of the moneys, not exceeding one million dollars, shall be deposited quarterly in the general fund.~~

~~(b) The remainder of the moneys shall be retained in the state lottery account for further use as prizes)) the prize shall be presumed abandoned and reported and remitted to the department of revenue under chapter 63.29 RCW.~~

*Sec. 11 was vetoed, see message at end of chapter.

***NEW SECTION. Sec. 12. Unredeemed Washington state lottery tickets shall be presumed abandoned if the prizes or tickets remain unclaimed one hundred eighty days after the prize or ticket became payable or distributable.**

*Sec. 12 was vetoed, see message at end of chapter.

Passed the House April 22, 1993.

Passed the Senate April 15, 1993.

Approved by the Governor May 18, 1993, with the exception of certain items which were vetoed.

Filed in Office of Secretary of State May 18, 1993.

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

"I am returning herewith, without my approval as to sections 1, 3, 11, and 12, House Bill No. 1479 entitled:

"AN ACT Relating to the administration of the uniform unclaimed property act;"

Section 1 through 10 of House Bill No. 1479, as introduced, amended this state's uniform unclaimed property act to clarify the scope and improve the efficiency of the unclaimed property program. I am in full agreement with the intent of all of those amendatory sections.

In the legislative process, House Bill No. 1479 was amended (in sections 1, 3, and new sections 11, and 12) to define unclaimed lottery prizes as unclaimed property to be transferred to the Department of Revenue from which it would be deposited in the state General Fund. The Legislature includes \$11 million in its balance sheet from revenue legislation associated with this bill.

Unfortunately, lottery unclaimed prizes are not new money that can be added to the balance sheet. The Lottery, under current law and its rules, has properly used unclaimed prizes to provide that part of the cost of purchasing annuities for Lotto jackpots that are unfunded by the distribution of revenues from Lotto sales. Since July 1, 1991, the Lottery has used \$13.7 million of the \$16.7 million obtained from unclaimed prizes to support these costs. The value of the unclaimed prizes ends up reflected in higher Lotto sales and higher jackpots that can be offered because unclaimed prize money is available.

If these amendments were enacted, the Lottery could supplement current resources available to support current Lotto jackpot levels by retaining a higher portion of Lotto revenues, thus reducing its state General Fund revenue estimate. It could also adjust

downward the current pattern of increases in jackpots when a jackpot is not won, making jackpots self-funding but substantially reducing player interest and reducing Lotto sales. Neither of these options are desirable, and both end up costing the state more than the \$11 million in unclaimed prizes assumed in this bill because of adjustments that would need to be made to the Lottery's contribution to state General Fund revenue forecasts.

For this reason, I have vetoed sections 1, 3, 11, and 12 of House Bill No. 1479.

With the exception of sections 1, 3, 11, and 12, House Bill No. 1479 is approved."

CHAPTER 499

[Engrossed Substitute House Bill 1496]

EMPLOYMENT DIRECTORY AND EMPLOYMENT LISTING SERVICES

Effective Date: 7/25/93

AN ACT Relating to employment agencies; and amending RCW 19.31.020, 19.31.030, 19.31.040, 19.31.100, 19.31.150, 19.31.170, 19.31.190, and 19.31.245.

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

Sec. 1. RCW 19.31.020 and 1990 c 70 s 1 are each amended to read as follows:

Unless a different meaning is clearly required by the context, the following words and phrases, as hereinafter used in this chapter, shall have the following meanings:

(1) "Employment agency" is synonymous with "agency" and shall mean any business in which any part of the business gross or net income is derived from a fee received from applicants, and in which any of the following activities are engaged in:

(a) The offering, promising, procuring, or attempting to procure employment for applicants; ~~((or))~~

(b) The giving of information regarding where and from whom employment may be obtained; or

(c) The sale of a list of jobs or a list of names of persons or companies accepting applications for specific positions, in any form.

In addition the term "employment agency" shall mean and include any person, bureau, employment listing ~~((or employment referral))~~ service, employment directory, organization, or school which for profit, by advertisement or otherwise, offers, as one of its main objects or purposes, to procure employment for any person who pays for its services, or which collects tuition, or charges for service of any nature, where the main object of the person paying the same is to secure employment. It also includes any business that provides a resume to an individual and provides that person with a list of names to whom the resume may be sent or provides that person with preaddressed envelopes to be mailed by the individual or by the business itself, if the list of names or the preaddressed envelopes have been compiled and are represented by the business as having job openings. The term "employment agency" shall not include labor

union organizations, temporary service contractors, proprietary schools, nonprofit schools and colleges, career guidance and counseling services, employment directories that are sold in a manner that allows the applicant to examine the directory before purchase, theatrical agencies, farm labor contractors, or the Washington state employment agency.

(2) "Temporary service contractors" shall mean any person, firm, association, or corporation conducting a business which consists of employing individuals directly for the purpose of furnishing such individuals on a part time or temporary help basis to others.

(3) "Theatrical agency" means any person who, for a fee or commission, procures or attempts to procure on behalf of an individual or individuals, employment or engagements for circus, vaudeville, the variety field, the legitimate theater, motion pictures, radio, television, phonograph recordings, transcriptions, opera, concert, ballet, modeling, or other entertainments, exhibitions, or performances.

(4) "Farm labor contractor" means any person, or his agent, who, for a fee, employs workers to render personal services in connection with the production of any farm products, to, for, or under the direction of an employer engaged in the growing, producing, or harvesting of farm products, or who recruits, solicits, supplies, or hires workers on behalf of an employer engaged in the growing, producing, or harvesting of farm products or who provides in connection with recruiting, soliciting, supplying, or hiring workers engaged in the growing, producing, or harvesting of farm products, one or more of the following services: Furnishes board, lodging, or transportation for such workers, supervises, times, checks, counts, sizes, or otherwise directs or measures their work; or disburses wage payments to such persons.

(5) "Employer" means any person, firm, corporation, partnership, or association employing or seeking to enter into an arrangement to employ a person through the medium or service of an employment agency.

(6) "Applicant", except when used to describe an applicant for an employment agency license, means any person, whether employed or unemployed, seeking or entering into any arrangement for his employment or change of his employment through the medium or service of an employment agency.

(7) "Person" includes any individual, firm, corporation, partnership, association, company, society, manager, contractor, subcontractor, bureau, agency, service, office, or an agent or employee of any of the foregoing.

(8) "Director" shall mean the director of licensing.

(9) "Resume" means a document of the applicant's employment history that is approved, received, and paid for by the applicant.

(10) "Fee" means anything of value. The term includes money or other valuable consideration or services or the promise of money or other valuable consideration or services, received directly or indirectly by an employment agency from a person seeking employment, in payment for the service.

(11) "Employment listing service" means any business operated by any person that provides in any form, including written or verbal, lists of specified positions of employment available with any employer other than itself or that holds itself out to applicants as able to provide information about specific positions of employment available with any employer other than itself, and that charges a fee to the applicant for its services and does not set up interviews or otherwise intercede between employer and applicant.

(12) "Employment directory" means any business operated by any person that provides in any form, including written or verbal, lists of employers, does not provide lists of specified positions of employment, that holds itself out to applicants as able to provide information on employment in specific industries or geographical areas, and that charges a fee to the applicant for its services.

(13) "Career guidance and counseling service" means any person, firm, association, or corporation conducting a business that engages in any of the following activities:

(a) Career assessment, planning, or testing through individual counseling or group seminars, classes, or workshops;

(b) Skills analysis, resume writing, and preparation through individual counseling or group seminars, classes, or workshops;

(c) Training in job search or interviewing skills through individual counseling or group seminars, classes, or workshops: PROVIDED, That the career guidance and counseling service does not engage in any of the following activities:

(i) Contacts employers on behalf of an applicant or in any way intercedes between employer and applicant;

(ii) Provides information on specific job openings;

(iii) Holds itself out as able to provide referrals to specific companies or individuals who have specific job openings.

Sec. 2. RCW 19.31.030 and 1969 ex.s. c 228 s 3 are each amended to read as follows:

Each employment agency shall keep records of all services rendered employers and applicants. These records shall contain the name and address of the employer by whom the services were solicited; the name and address of the applicant; kind of position ordered by the employer; dates job orders or job listings are obtained; subsequent dates job orders or job listings are verified as still being current; kind of position accepted by the applicant; probable duration of the employment, if known; rate of wage or salary to be paid the applicant; amount of the employment agency's fee; dates and amounts of refund if any, and reason for such refund; and the contract agreed to between the agency and applicant. An employment listing service need not keep records pertaining to the kind of position accepted by applicant and probable duration of employment.

An employment directory shall keep records of all services rendered to applicants. These records shall contain: The name and address of the applicant; amount of the employment directory's fee; dates and amounts of refund if any,

and reason for the refund; the contract agreed to between the employment directory and applicant; and the dates of contact with employers made pursuant to RCW 19.31.190(11).

The director shall have authority to demand and to examine, at the employment agency's regular place of business, all books, documents, and records in its possession for inspection. Unless otherwise provided by rules or regulation adopted by the director, such records shall be maintained for a period of three years from the date in which they are made.

Sec. 3. RCW 19.31.040 and 1985 c 7 s 83 are each amended to read as follows:

An employment agency shall provide each applicant with a copy of the contract between the applicant and employment agency which shall have printed on it or attached to it a copy of RCW 19.31.170 as now or hereafter amended. Such contract shall contain the following:

- (1) The name, address, and telephone number of the employment agency;
- (2) Trade name if any;
- (3) The date of the contract;
- (4) The name of the applicant;

(5) The amount of the fee to be charged the applicant, or the method of computation of the fee, and the time and method of payments: PROVIDED, HOWEVER, That if the provisions of the contract come within the definition of a "retail installment transaction", as defined in RCW 63.14.010, the contract shall conform to the requirements of chapter 63.14 RCW, as now or hereafter amended;

(6) A notice in eight-point bold face type or larger directly above the space reserved in the contract for the signature of the buyer. The caption, "NOTICE TO APPLICANT—READ BEFORE SIGNING" shall precede the body of the notice and shall be in ten-point bold face type or larger. The notice shall read as follows:

"This is a contract. If you accept employment with any employer through [name of employment agency] you will be liable for the payment of the fee as set out above. Do not sign this contract before you read it or if any spaces intended for the agreed terms are left blank. You must be given a copy of this contract at the time you sign it."

The notice for an employment listing service shall read as follows:

"This is a contract. You understand [the employment listing service] provides information on bona fide job listings but does not guarantee you will be offered a job. You also understand you are liable for the payment of the fee when you receive the list or referral. Do not sign this contract before you read it or if any spaces intended for the agreed terms are left blank. You must be given a copy of this contract at the time you sign it."

The notice for an employment directory shall read as follows if the directory is sold in person:

"This is a contract. You understand [the employment directory] provides information on possible employers along with general employment, industry, and geographical information to assist you, but does not list actual job openings or guarantee you will obtain employment through its services. You also understand you are liable for the payment of the fee when you receive the directory. Do not sign this contract before you read it or if any spaces intended for the agreed terms are left blank. You must be given a copy of this contract at the time you sign it."

A verbal notice for an employment directory shall be as follows before accepting a fee if the directory is sold over the telephone:

"You understand [the employment directory] provides information on possible employers along with general employment, industry, and geographical information to assist you, but does not list actual job openings or guarantee you will obtain employment through its services. You also understand you are liable for the payment of the fee when you order the directory."

A copy of the contract must be sent to all applicants ordering by telephone and must specify the following information:

- (a) Name, address, and phone number of employment directory;
- (b) Name, address, and phone number of applicant;
- (c) Date of order;
- (d) Date verbal notice was read to applicant along with a printed statement to read as follows:

"On [date verbal notice was read] and prior to placing this order the following statement was read to you: "You understand [the employment directory] provides information on possible employers along with general employment, industry, and geographical information to assist you, but does not list actual job openings or guarantee you will be offered a job. You also understand you are liable for the payment of the fee when you order the directory."; and

- (e) Signature of employment directory representative.

Sec. 4. RCW 19.31.100 and 1982 c 227 s 14 are each amended to read as follows:

(1) Every applicant for an employment agency's license or a renewal thereof shall file with the director a written application stating the name and address of the applicant; the street and number of the building in which the business of the employment agency is to be conducted; the name of the person who is to have the general management of the office; the name under which the business of the office is to be carried on; whether or not the applicant is pecuniarily interested in the business to be carried on under the license; shall be signed by the applicant and sworn to before a notary public; and shall identify anyone holding over twenty percent interest in the agency. If the applicant is a corporation, the application shall state the names and addresses of the officers and directors of the corporation, and shall be signed and sworn to by the president and secretary thereof. If the applicant is a partnership, the application shall also state the

names and addresses of all partners therein, and shall be signed and sworn to by all of them. The application shall also state whether or not the applicant is, at the time of making the application, or has at any previous time been engaged in or interested in or employed by anyone engaged in the business of an employment agency.

(2) The application shall require a certification that no officer or holder of more than twenty percent interest in the business has been convicted of a felony within ten years of the application which directly relates to the business for which the license is sought, or had any judgment entered against such person in any civil action involving fraud, misrepresentation, or conversion.

(3) All applications for employment agency licenses shall be accompanied by a copy of the form of contract and fee schedule to be used between the employment agency and the applicant.

(4) No license to operate an employment agency in this state shall be issued, transferred, renewed, or remain in effect, unless the person who has or is to have the general management of the office has qualified pursuant to this section. The director may, for good cause shown, waive the requirement imposed by this section for a period not to exceed one hundred and twenty days. Persons who have been previously licensed or who have operated to the satisfaction of the director for at least one year prior to September 21, 1977 as a general manager shall be entitled to operate for up to one year from such date before being required to qualify under this section. In order to qualify, such person shall, through testing procedures developed by the director, show that such person has a knowledge of this law, pertinent labor laws, and laws against discrimination in employment in this state and of the United States. Said examination shall be given at least once each quarter and a fee for such examination shall be established by the director. Nothing in this chapter shall be construed to preclude any one natural person from being designated as the person who is to have the general management of up to three offices operated by any one licensee.

While employment directories may at the director's discretion be required to show that the person has a knowledge of this chapter, employment directories are exempt from testing on pertinent labor laws, and laws against discrimination in employment in this state and of the United States.

(5) Employment directories shall register with the department and meet all applicable requirements of this chapter but shall not be required to be licensed by the department or pay a licensing fee.

Sec. 5. RCW 19.31.150 and 1969 ex.s. c 228 s 15 are each amended to read as follows:

(1) Except as otherwise provided in subsections (2) and (3) of this section, no employment agency shall charge or accept a fee or other consideration from an applicant without complying with the terms of a written contract as specified in RCW 19.31.040, and then only after such agency has been responsible for referring such job applicant to an employer or such employer to a job applicant

and where as a result thereof such job applicant has been employed by such employer.

(2) Employment listing services may charge or accept a fee when they provide the applicant with the job listing or the referral.

(3) An employment directory may charge or accept a fee when it provides the applicant with the directory.

Sec. 6. RCW 19.31.170 and 1977 ex.s. c 51 s 7 are each amended to read as follows:

(1) If an applicant accepts employment by agreement with an employer and thereafter never reports for work, the gross fee charged to the applicant shall not exceed: (a) Ten percent of what the first month's gross salary or wages would be, if known; or (b) ten percent of the first month's drawing account. If the employment was to have been on a commission basis without any drawing account, then no fee may be charged in the event that the applicant never reports for work.

(2) If an applicant accepts employment on a commission basis without any drawing account, then the gross fee charged such applicant shall be a percentage of commissions actually earned.

(3) If an applicant accepts employment and if within sixty days of his reporting for work the employment is terminated, then the gross fee charged such applicant shall not exceed twenty percent of the gross salary, wages or commission received by him.

(4) If an applicant accepts temporary employment as a domestic, household employee, baby sitter, agricultural worker, or day laborer, then the gross fee charged such applicant shall not be in excess of twenty-five percent of the first full month's gross salary or wages: **PROVIDED**, That where an applicant accepts employment as a domestic or household employee for a period of less than one month, then the gross fee charged such applicant shall not exceed twenty-five percent of the gross salary or wages paid.

(5) Any applicant requesting a refund of a fee paid to an employment agency in accordance with the terms of the approved fee schedule of the employment agency pursuant to this section shall file with the employment agency a form requesting such refund on which shall be set forth information reasonably needed and requested by the employment agency, including but not limited to the following: Circumstances under which employment was terminated, dates of employment, and gross earnings of the applicant.

(6) Refund requests which are not in dispute shall be made by the employment agency within thirty days of receipt.

(7) Subsections (1) through (6) of this section do not apply to employment listing services or employment directories.

Sec. 7. RCW 19.31.190 and 1977 ex.s. c 51 s 8 are each amended to read as follows:

In addition to the other provisions of this chapter the following rules shall govern each and every employment agency:

(1) Every license or a verified copy thereof shall be displayed in a conspicuous place in each office of the employment agency;

(2) No fee shall be solicited or accepted as an application or registration fee by any employment agency solely for the purpose of being registered as an applicant for employment;

(3) No licensee or agent of the licensee shall solicit, persuade, or induce an employee to leave any employment in which the licensee or agent of the licensee has placed the employee; nor shall any licensee or agent of the licensee persuade or induce or solicit any employer to discharge any employee;

(4) No employment agency shall knowingly cause to be printed or published a false or fraudulent notice or advertisement for obtaining work or employment. All advertising by a licensee shall signify that it is an employment agency solicitation except an employment listing service shall advertise it is an employment listing service;

(5) An employment directory shall include the following on all advertisements:

"Directory provides information on possible employers and general employment information but does not list actual job openings.";

(6) No licensee shall fail to state in any advertisement, proposal or contract for employment that there is a strike or lockout at the place of proposed employment, if he has knowledge that such condition exists;

~~((6))~~ (7) No licensee or agent of a licensee shall directly or indirectly split, divide, or share with an employer any fee, charge, or compensation received from any applicant who has obtained employment with such employer or with any other person connected with the business of such employer;

~~((7))~~ (8) When an applicant is referred to the same employer by two licensees, the fee shall be paid to the licensee who first contacted the applicant concerning the position for that applicant: PROVIDED, That the licensee has given the name of the employer to the applicant and has within five working days arranged an interview with the employer and the applicant was hired as the result of that interview;

~~((8))~~ (9) No licensee shall require in any manner that a potential employee or an employee of an employer make any contract with any lending agency for the purpose of fulfilling a financial obligation to the licensee;

~~((9))~~ (10) All job listings must be bona fide job listings. To qualify as a bona fide job listing the following conditions must be met:

(a) A bona fide job listing must be obtained from a representative of the employer that reflects an actual current job opening;

(b) A representative of the employer must be aware of the fact that the job listing will be made available to applicants by the employment listing service and that applicants will be applying for the job listing;

(c) All job listings and referrals must be current. To qualify as a current job listing the employment listing service shall contact the employer and verify the availability of the job listing no less than once per week;

(11) All listings for employers listed in employment directories shall be current. To qualify as a current employer, the employment directory must contact the employer at least once per month and verify that the employer is currently hiring;

(12) Any aggrieved person, firm, corporation, or public officer may submit a written complaint to the director charging the holder of an employment agency license with violation of this chapter and/or the rules and regulations adopted pursuant to this chapter.

Sec. 8. RCW 19.31.245 and 1990 c 70 s 2 are each amended to read as follows:

(1) No employment agency may bring or maintain a cause of action in any court of this state for compensation for, or seeking equitable relief in regard to, services rendered employers and applicants, unless such agency shall allege and prove that at the time of rendering the services in question, or making the contract therefor, it was registered with the department or the holder of a valid license issued under this chapter.

(2) Any person who shall give consideration of any kind to any employment agency for the performance of employment services in this state when said employment agency shall not be registered with the department or be the holder of a valid license issued under this chapter shall have a cause of action against the employment agency. Any court having jurisdiction may enter judgment therein for treble the amount of such consideration so paid, plus reasonable attorney's fees and costs.

(3) A person performing the services of an employment agency (~~(or)~~), employment listing (~~(or employment referral)~~) service, or employment directory without being registered with the department or holding a valid license shall cease operations or immediately apply for (~~and obtain~~) a valid license or register with the department. If the person continues to operate in violation of this chapter the director or the attorney general has a cause of action in any court having jurisdiction for the return of any consideration paid by any person to the agency. The court may enter judgment in the action for treble the amount of the consideration so paid, plus reasonable attorney's fees and costs.

Passed the House April 20, 1993.

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Filed in Office of Secretary of State May 18, 1993.

CHAPTER 500

[Substitute House Bill 1528]

STATE CASH MANAGEMENT**Effective Date: 7/1/93**

AN ACT Relating to cash management; amending RCW 43.41.040, 43.79A.040, 43.84.092, 43.88.160, 43.88.195, and 67.40.020; adding a new section to chapter 43.41 RCW; adding a new section to chapter 43.08 RCW; creating new sections; repealing RCW 43.08.085 and 28B.10.290; providing an effective date; and declaring an emergency.

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

NEW SECTION. Sec. 1. The legislature finds that:

(1) Effective and efficient management of the state's cash resources requires expeditious revenue collection, aggregation, and investment of available balances and timely payments;

(2) The use of credit cards, debit cards, and electronic transfers of funds and information are customary and economical business practices to improve cash management that the state should consider and use when appropriate;

(3) Statutory changes are necessary to aid the state in complying with the federal cash management improvement act of 1990; and

(4) The policies, procedures, and practices of cash management should be reviewed and revised as required to ensure that the state achieves the most effective cash management possible.

NEW SECTION. Sec. 2. A new section is added to chapter 43.41 RCW to read as follows:

(1) The office of financial management is authorized to approve the use of electronic and other technological means to transfer both funds and information whenever economically feasible, to eliminate paper documentation wherever possible, and to provide greater fiscal responsibility. This authorization includes but is not limited to the authority to approve use of electronic means to transfer payroll, vendor payments, and benefit payments and acceptance of credit cards, debit cards, and other consumer debt instruments for payment of taxes, licenses, and fees. The office of financial management shall adopt rules under RCW 43.41.110(13) to specify the manner in which electronic and other technological means, including credit cards, are available to state agencies.

(2) No state agency may use electronic or other technological means, including credit cards, without specific continuing authorization from the office of financial management.

NEW SECTION. Sec. 3. A new section is added to chapter 43.08 RCW to read as follows:

Within the policies and procedures established pursuant to RCW 43.41.110(13) and 43.88.160(1), the state treasurer shall take such actions as are necessary to ensure the effective cash management of public funds. This cash management shall include the authority to represent the state in all contractual relationships with financial institutions. The state treasurer may delegate cash

management responsibilities to the affected agencies with the concurrence of the office of financial management.

Sec. 4. RCW 43.41.040 and 1979 c 151 s 110 are each amended to read as follows:

As used in this chapter, unless the context indicates otherwise:

(1) "Office" means the office of financial management.

(2) "Director" means the director of financial management.

(3) "Agency" means and includes every state agency, office, officer, board, commission, department, state institution, or state institution of higher education, which includes all state universities, regional universities, The Evergreen State College, and community and technical colleges.

Sec. 5. RCW 43.79A.040 and 1991 sp.s. c 13 s 82 are each amended to read as follows:

(1) Money in the treasurer's trust fund may be deposited, invested and reinvested by the state treasurer in accordance with RCW 43.84.080 in the same manner and to the same extent as if the money were in the state treasury.

(2) All income received from investment of the treasurer's trust fund shall be set aside in an account in the treasury trust fund to be known as the investment income account.

(3) The investment income account may be utilized for the payment of purchased banking services on behalf of treasurer's trust funds including, but not limited to, depository, safekeeping, and disbursement functions for the state treasurer or affected state agencies. The investment income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for payments to financial institutions. Payments shall occur prior to distribution of earnings set forth in subsection (4) of this section.

(4) Monthly, the state treasurer shall distribute the earnings credited to the investment income account to the state general fund except:

(a) The following accounts and funds shall receive their proportionate share of earnings based upon each account's or fund's average daily balance for the period: The American Indian scholarship endowment fund, the energy account, the game farm alternative account, and the self-insurance revolving fund. However, the earnings to be distributed shall first be reduced by the allocation to the state treasurer's service (~~(account-fund)~~) fund pursuant to RCW 43.08.190.

(b) The following accounts and funds shall receive eighty percent of their proportionate share of earnings based upon each account's or fund's average daily balance for the period: The advanced right of way revolving fund, the federal narcotics asset forfeitures account, the ferry system account, the ferry system insurance claim reserve account, the ferry system operation and maintenance account, the ferry system revenue account, the ferry system revenue bond account, the high occupancy vehicle account, and the local rail service assistance account.

~~((3))~~ (5) In conformance with Article II, section 37 of the state Constitution, no trust accounts or funds shall be allocated earnings without the specific affirmative directive of this section.

Sec. 6. RCW 43.84.092 and 1992 c 235 s 4 are each amended to read as follows:

(1) All earnings of investments of surplus balances in the state treasury shall be deposited to the treasury income account, which account is hereby established in the state treasury.

(2) The treasury income account shall be utilized to pay or receive funds associated with federal programs as required by the federal cash management improvement act of 1990. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for refunds or allocations of interest earnings required by the cash management improvement act. Refunds of interest to the federal treasury required under the cash management improvement act fall under RCW 43.88.180 and shall not require appropriation. The office of financial management shall determine the amounts due to or from the federal government pursuant to the cash management improvement act. The office of financial management may direct transfers of funds between accounts as deemed necessary to implement the provisions of the cash management improvement act, and this subsection. Refunds or allocations shall occur prior to the distributions of earnings set forth in subsection (4) of this section.

(3) Except for the provisions of RCW 43.84.160, the treasury income account may be utilized for the payment of purchased banking services on behalf of treasury funds including, but not limited to, depository, safekeeping, and disbursement functions for the state treasury and affected state agencies. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for payments to financial institutions. Payments shall occur prior to distribution of earnings set forth in subsection (4) of this section.

(4) Monthly, the state treasurer shall distribute the earnings credited to the treasury income account. The state treasurer shall credit the general fund with all the earnings credited to the treasury income account except:

(a) The following accounts and funds shall receive their proportionate share of earnings based upon each account's and fund's average daily balance for the period: The capitol building construction account, the Cedar River channel construction and operation account, the Central Washington University capital projects account, the charitable, educational, penal and reformatory institutions account, the common school construction fund, the county criminal justice assistance account, the county sales and use tax equalization account, the data processing building construction account, the deferred compensation administrative account, the deferred compensation principal account, the department of retirement systems expense account, the Eastern Washington University capital projects account, the federal forest revolving account, the industrial insurance premium refund account, the judges' retirement account, the judicial retirement administrative account, the judicial retirement principal account, the local

leasehold excise tax account, the local sales and use tax account, the medical aid account, the municipal criminal justice assistance account, the municipal sales and use tax equalization account, the natural resources deposit account, the perpetual surveillance and maintenance account, the public employees' retirement system plan I account, the public employees' retirement system plan II account, the Puyallup tribal settlement account, the resource management cost account, the site closure account, the special wildlife account, the state employees' insurance account, the state employees' insurance reserve account, the state investment board expense account, the state investment board commingled trust fund accounts, the supplemental pension account, the teachers' retirement system plan I account, the teachers' retirement system plan II account, the University of Washington bond retirement fund, the University of Washington building account, the volunteer fire fighters' relief and pension principal account, the volunteer fire fighters' relief and pension administrative account, the Washington judicial retirement system account, the Washington law enforcement officers' and fire fighters' system plan I retirement account, the Washington law enforcement officers' and fire fighters' system plan II retirement account, the Washington state patrol retirement account, the Washington State University building account, the Washington State University bond retirement fund, and the Western Washington University capital projects account. Earnings derived from investing balances of the agricultural permanent fund, the normal school permanent fund, the permanent common school fund, the scientific permanent fund, and the state university permanent fund shall be allocated to their respective beneficiary accounts. All earnings to be distributed under this subsection (~~((2))~~) (4)(a) shall first be reduced by the allocation to the state treasurer's service fund pursuant to RCW 43.08.190.

(b) The following accounts and funds shall receive eighty percent of their proportionate share of earnings based upon each account's or fund's average daily balance for the period: The central Puget Sound public transportation account, the city hardship assistance account, the county arterial preservation account, the economic development account, the essential rail assistance account, the essential rail banking account, the ferry bond retirement fund, the grade crossing protective fund, the high capacity transportation account, the highway bond retirement fund, the highway construction stabilization account, the highway safety account, the motor vehicle fund, the motorcycle safety education account, the pilotage account, the public transportation systems account, the Puget Sound capital construction account, the Puget Sound ferry operations account, the recreational vehicle account, the rural arterial trust account, the special category C account, the state patrol highway account, the transfer relief account, the transportation capital facilities account, the transportation equipment fund, the transportation fund, the transportation improvement account, and the urban arterial trust account.

~~((3))~~ (5) In conformance with Article II, section 37 of the state Constitution, no treasury accounts or funds shall be allocated earnings without the specific affirmative directive of this section.

Sec. 7. RCW 43.88.160 and 1992 c 118 s 8 are each amended to read as follows:

This section sets forth the major fiscal duties and responsibilities of officers and agencies of the executive branch. The regulations issued by the governor pursuant to this chapter shall provide for a comprehensive, orderly basis for fiscal management and control, including efficient accounting and reporting therefor, for the executive branch of the state government and may include, in addition, such requirements as will generally promote more efficient public management in the state.

(1) Governor; director of financial management. The governor, through the director of financial management, shall devise and supervise a modern and complete accounting system for each agency to the end that all revenues, expenditures, receipts, disbursements, resources, and obligations of the state shall be properly and systematically accounted for. The accounting system shall include the development of accurate, timely records and reports of all financial affairs of the state. The system shall also provide for central accounts in the office of financial management at the level of detail deemed necessary by the director to perform central financial management. The director of financial management shall adopt and periodically update an accounting procedures manual. Any agency maintaining its own accounting and reporting system shall comply with the updated accounting procedures manual and the rules of the director adopted under this chapter. An agency may receive a waiver from complying with this requirement if the waiver is approved by the director. Waivers expire at the end of the fiscal biennium for which they are granted. The director shall forward notice of waivers granted to the appropriate legislative fiscal committees. The director of financial management may require such financial, statistical, and other reports as the director deems necessary from all agencies covering any period.

(2) The director of financial management is responsible for quarterly reporting of primary operating budget drivers such as applicable workloads, caseload estimates, and appropriate unit cost data. These reports shall be transmitted to the legislative fiscal committees or by electronic means to the legislative evaluation and accountability program committee. Quarterly reports shall include actual monthly data and the variance between actual and estimated data to date. The reports shall also include estimates of these items for the remainder of the budget period.

(3) The director of financial management shall report at least annually to the appropriate legislative committees regarding the status of all appropriated capital projects, including transportation projects, showing significant cost overruns or underruns. If funds are shifted from one project to another, the office of financial management shall also reflect this in the annual variance report. Once

a project is complete, the report shall provide a final summary showing estimated start and completion dates of each project phase compared to actual dates, estimated costs of each project phase compared to actual costs, and whether or not there are any outstanding liabilities or unsettled claims at the time of completion.

(4) In addition, the director of financial management, as agent of the governor, shall:

(a) Make surveys and analyses of agencies with the object of determining better methods and increased effectiveness in the use of manpower and materials; and the director shall authorize expenditures for employee training to the end that the state may benefit from training facilities made available to state employees;

(b) Report to the governor with regard to duplication of effort or lack of coordination among agencies;

(c) Review any pay and classification plans, and changes thereunder, developed by any agency for their fiscal impact: PROVIDED, That none of the provisions of this subsection shall affect merit systems of personnel management now existing or hereafter established by statute relating to the fixing of qualifications requirements for recruitment, appointment, or promotion of employees of any agency. The director shall advise and confer with agencies including appropriate standing committees of the legislature as may be designated by the speaker of the house and the president of the senate regarding the fiscal impact of such plans and may amend or alter said plans, except that for the following agencies no amendment or alteration of said plans may be made without the approval of the agency concerned: Agencies headed by elective officials;

(d) Fix the number and classes of positions or authorized man years of employment for each agency and during the fiscal period amend the determinations previously fixed by the director except that the director shall not be empowered to fix said number or said classes for the following: Agencies headed by elective officials;

(e) Provide for transfers and repayments between the budget stabilization account and the general fund as directed by appropriation and RCW 43.88.525 through 43.88.540;

(f) Promulgate regulations to effectuate provisions contained in (a) through (e) of this subsection.

(5) The treasurer shall:

(a) Receive, keep, and disburse all public funds of the state not expressly required by law to be received, kept, and disbursed by some other persons: PROVIDED, That this subsection shall not apply to those public funds of the institutions of higher learning which are not subject to appropriation;

(b) Receive, disburse, or transfer public funds under the treasurer's supervision or custody (~~by warrant or check~~);

(c) Keep a correct and current account of all moneys received and disbursed by the treasurer, classified by fund or account;

(d) Coordinate agencies' acceptance and use of credit cards and other payment methods, if the agencies have received authorization under section 2 of this act.

(e) Perform such other duties as may be required by law or by regulations issued pursuant to this law.

It shall be unlawful for the treasurer to ~~((issue any warrant or check for))~~ disburse public funds in the treasury except upon forms or by alternative means duly prescribed by the director of financial management. ~~((Said))~~ These forms or alternative means shall provide for authentication and certification by the agency head or the agency head's designee that the services have been rendered or the materials have been furnished; or, in the case of loans or grants, that the loans or grants are authorized by law; or, in the case of payments for periodic maintenance services to be performed on state owned equipment, that a written contract for such periodic maintenance services is currently in effect and copies thereof are on file with the office of financial management; and the treasurer shall not be liable under the treasurer's surety bond for erroneous or improper payments so made: PROVIDED, That when services are lawfully paid for in advance of full performance by any private individual or business entity other than as provided for by RCW 42.24.035, such individual or entity other than central stores rendering such services shall make a cash deposit or furnish surety bond coverage to the state as shall be fixed in an amount by law, or if not fixed by law, then in such amounts as shall be fixed by the director of the department of general administration but in no case shall such required cash deposit or surety bond be less than an amount which will fully indemnify the state against any and all losses on account of breach of promise to fully perform such services: AND PROVIDED FURTHER, That no payments shall be made in advance for any equipment maintenance services to be performed more than three months after such payment. Any such bond so furnished shall be conditioned that the person, firm or corporation receiving the advance payment will apply it toward performance of the contract. The responsibility for recovery of erroneous or improper payments made under this section shall lie with the agency head or the agency head's designee in accordance with regulations issued pursuant to this chapter. Nothing in this section shall be construed to permit a public body to advance funds to a private service provider pursuant to a grant or loan before services have been rendered or material furnished.

(6) The state auditor shall:

(a) Report to the legislature the results of current post audits that have been made of the financial transactions of each agency; to this end the auditor may, in the auditor's discretion, examine the books and accounts of any agency, official or employee charged with the receipt, custody or safekeeping of public funds. The current post audit of each agency may include a section on recommendations to the legislature as provided in (c) of this subsection.

(b) Give information to the legislature, whenever required, upon any subject relating to the financial affairs of the state.

(c) Make the auditor's official report on or before the thirty-first of December which precedes the meeting of the legislature. The report shall be for the last complete fiscal period and shall include at least the following:

Determinations as to whether agencies, in making expenditures, complied with the laws of this state: PROVIDED, That nothing in this section may be construed to grant the state auditor the right to perform performance audits. A performance audit for the purpose of this section is the examination of the effectiveness of the administration, its efficiency, and its adequacy in terms of the programs of departments or agencies as previously approved by the legislature. The authority and responsibility to conduct such an examination shall be vested in the legislative budget committee as prescribed in RCW 44.28.085.

(d) Be empowered to take exception to specific expenditures that have been incurred by any agency or to take exception to other practices related in any way to the agency's financial transactions and to cause such exceptions to be made a matter of public record, including disclosure to the agency concerned and to the director of financial management. It shall be the duty of the director of financial management to cause corrective action to be taken promptly, such action to include, as appropriate, the withholding of funds as provided in RCW 43.88.110.

(e) Promptly report any irregularities to the attorney general.

(f) Investigate improper governmental activity under chapter 42.40 RCW.

(7) The legislative budget committee may:

(a) Make post audits of the financial transactions of any agency and management surveys and program reviews as provided for in RCW 44.28.085. To this end the committee may in its discretion examine the books, accounts, and other records of any agency, official, or employee.

(b) Give information to the legislature or any legislative committee whenever required upon any subject relating to the performance and management of state agencies.

(c) Make a report to the legislature which shall include at least the following:

(i) Determinations as to the extent to which agencies in making expenditures have complied with the will of the legislature and in this connection, may take exception to specific expenditures or financial practices of any agencies; and

(ii) Such plans as it deems expedient for the support of the state's credit, for lessening expenditures, for promoting frugality and economy in agency affairs and generally for an improved level of fiscal management.

Sec. 8. RCW 43.88.195 and 1991 c 201 s 19 are each amended to read as follows:

After August 11, 1969, no state agency, state institution, state institution of higher education, which shall include all state universities, regional universities, The Evergreen State College, and community colleges, shall establish any new accounts or funds which are to be located outside of the state treasury: PROVIDED, That the office of financial management shall be authorized to

grant permission for the establishment of such an account or fund outside of the state treasury only when the requesting agency presents compelling reasons of economy and efficiency which could not be achieved by placing such funds in the state treasury. When the director of financial management authorizes the creation of such fund or account, the director shall forthwith give written notice of the fact to the standing committees on ways and means of the house and senate: PROVIDED FURTHER, That the office of financial management may grant permission for the establishment of accounts outside of the state treasury for the purposes of RCW 39.35C.120. Agencies authorized to create local accounts will utilize the services of the state treasurer's office to ensure that new or ongoing relationships with financial institutions are in concert with state-wide policies and procedures pursuant to RCW 43.88.160(1).

Sec. 9. RCW 67.40.020 and 1988 ex.s. c 1 s 1 are each amended to read as follows:

(1) The governor is authorized to form a public nonprofit corporation in the same manner as a private nonprofit corporation is formed under chapter 24.03 RCW. The public corporation shall be an instrumentality of the state and have all the powers and be subject to the same restrictions as are permitted or prescribed to private nonprofit corporations, but shall exercise those powers only for carrying out the purposes of this chapter and those purposes necessarily implied therefrom. The governor shall appoint a board of nine directors for the corporation who shall serve terms of six years, except that two of the original directors shall serve for two years and two of the original directors shall serve for four years. After January 1, 1991, at least one position on the board shall be filled by a member representing management in the hotel or motel industry subject to taxation under RCW 67.40.090. The directors may provide for the payment of their expenses. The corporation may cause a state convention and trade center with an overall size of approximately three hundred thousand square feet to be designed and constructed on a site in the city of Seattle. In acquiring, designing, and constructing the state convention and trade center, the corporation shall consider the recommendations and proposals issued on December 11, 1981, by the joint select committee on the state convention and trade center.

(2) The corporation may acquire and transfer real and personal property by lease, sublease, purchase, or sale, and further acquire property by condemnation of privately owned property or rights to and interests in such property pursuant to the procedure in chapter 8.04 RCW. However, acquisitions and transfers of real property, other than by lease, may be made only if the acquisition or transfer is approved by the director of financial management in consultation with the chairpersons of the committees on ways and means of the senate and house of representatives. The corporation may accept gifts or grants, request the financing provided for in RCW 67.40.030, cause the state convention and trade center facilities to be constructed, and do whatever is necessary or appropriate to carry out those purposes. Upon approval by the director of financial management in consultation with the chairpersons of the ways and means committees of the

house of representatives and the senate, the corporation may enter into lease and sublease contracts for a term exceeding the fiscal period in which these lease and sublease contracts are made. The terms of sale or lease of properties acquired by the corporation on February 9, 1987, pursuant to the property purchase and settlement agreement entered into by the corporation on June 12, 1986, including the McKay parcel which the corporation is contractually obligated to sell under that agreement, shall also be subject to the approval of the director of financial management in consultation with the chairpersons of the ways and means committees of the house of representatives and the senate. No approval by the director of financial management is required for leases of individual retail space, meeting rooms, or convention-related facilities. In order to allow the corporation flexibility to secure appropriate insurance by negotiation, the corporation is exempt from RCW 48.30.270. The corporation shall maintain, operate, promote, and manage the state convention and trade center.

(3) In order to allow the corporation flexibility in its personnel policies, the corporation is exempt from chapter 41.06 RCW, chapter 41.05 RCW, RCW 43.01.040 through 43.01.044, chapter 41.04 RCW and chapter 41.40 RCW.

~~((4) In order to allow the corporation to receive payment for goods and services consistent with the practice of the convention and trade show industry, the corporation may honor credit cards in payment for food and beverage purchases, rental of space or facilities, electrical services, equipment, and other goods or services offered by the corporation.))~~

***NEW SECTION.** *Sec. 10. The state treasurer shall submit a report to the fiscal committees of the legislature by January 1, 1995, and by January 1, 1996, on the costs, financial benefits, and staffing requirements of the following: (1) The use of electronic fund transfer mechanisms by state agencies for the previous fiscal year; (2) local account compliance for the previous fiscal year with financial standards developed by the office of financial management; (3) compliance with the federal cash management improvement act of 1990; and (4) the total banking costs of treasury accounts during the previous two fiscal years. The report shall also identify the savings realized by agencies as a result of this act.*

*Sec. 10 was vetoed, see message at end of chapter.

NEW SECTION. *Sec. 11. The following acts or parts of acts are each repealed:*

- (1) RCW 43.08.085 and 1979 c 93 s 1; and
- (2) RCW 28B.10.290 and 1977 ex.s. c 169 s 12 & 1969 ex.s. c 269 s 10.

NEW SECTION. *Sec. 12. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.*

NEW SECTION. *Sec. 13. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect July 1, 1993.*

Passed the House April 20, 1993.

Passed the Senate April 1, 1993.

Approved by the Governor May 18, 1993, with the exception of certain items which were vetoed.

Filed in Office of Secretary of State May 18, 1993.

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

"I am returning herewith, without my approval as to section 10, Substitute House Bill No. 1528 entitled:

"AN ACT Relating to cash management;"

Section 10 of Substitute House Bill No. 1528 requires the State Treasurer to prepare and submit to the Legislature a cost-benefit report on the implementation of this act. While I agree the information generated by such an analysis would be useful, I question the need for a specific statutory requirement for the Treasurer to perform this duty. Of primary concern is that no additional funds were provided to the Treasurer for this function. With agencies facing severe funding and staffing limitations in the coming biennium, the resources available to carry out these kinds of duties will be in short supply.

Also, some of the required study items in section 10 relate to functions assigned to the Office of Financial Management, so the requirement that the State Treasurer submit the report is somewhat misdirected. Much of the information should be developed and submitted jointly by the State Treasurer and the Office of Financial Management. I have, therefore, directed the Office of Financial Management to work with the State Treasurer's office to provide the legislative fiscal committees with progress reports, as needed, on the implementation of this act.

For these reasons, I have vetoed section 10 of Substitute House Bill No. 1528.

With the exception of section 10, Substitute House Bill No. 1528 is approved."

CHAPTER 501

[Substitute House Bill 1741]

TRAFFIC LAW ENFORCEMENT—REVISIONS

Effective Date: 7/25/93

AN ACT Relating to enforcement of traffic laws; amending RCW 46.20.031, 46.20.207, 46.20.291, 46.20.311, 46.20.342, 46.61.515, 46.63.020, 46.63.060, 46.63.070, 46.63.110, and 46.52.120; adding a new section to chapter 46.20 RCW; repealing RCW 46.64.020 and 46.64.027; and prescribing penalties.

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

NEW SECTION. **Sec. 1.** A new section is added to chapter 46.20 RCW to read as follows:

The department shall suspend all driving privileges of a person when the department receives notice from a court under RCW 46.63.070(5) or 46.64.025 that the person has failed to respond to a notice of traffic infraction, failed to appear at a requested hearing, violated a written promise to appear in court, or has failed to comply with the terms of a notice of traffic infraction or citation, other than for a notice of a standing, stopping, or parking violation. A

suspension under this section takes effect thirty days after the date the department mails notice of the suspension, and remains in effect until the department has received a certificate from the court showing that the case has been adjudicated, and until the person meets the requirements of RCW 46.20.311. A suspension under this section does not take effect if, prior to the effective date of the suspension, the department receives a certificate from the court showing that the case has been adjudicated.

Sec. 2. RCW 46.20.031 and 1985 c 101 s 1 are each amended to read as follows:

The department shall not issue a driver's license hereunder:

(1) To any person who is under the age of sixteen years;

(2) To any person whose license has been suspended during such suspension, nor to any person whose license has been revoked, except as provided in RCW 46.20.311;

~~(3) ((To any person when the department has been notified by a court that such person has violated his written promise to appear in court, unless the department has received a certificate from the court in which such person promised to appear, showing that the case has been adjudicated. The deposit of bail by a person charged with a violation of any law regulating the operation of motor vehicles on highways shall be deemed an appearance in court for the purpose of this section;~~

~~(4))~~ (4) To any person who has been evaluated by a program approved by the department of social and health services as being an alcoholic, drug addict, alcohol abuser and/or drug abuser: PROVIDED, That a license may be issued if the department determines that such person has been granted a deferred prosecution, pursuant to chapter 10.05 RCW, or is satisfactorily participating in or has successfully completed an alcohol or drug abuse treatment program approved by the department of social and health services and has established control of his or her alcohol and/or drug abuse problem;

~~((5))~~ (4) To any person who has previously been adjudged to be mentally ill or insane, or to be incompetent due to any mental disability or disease, and who has not at the time of application been restored to competency by the methods provided by law: PROVIDED, HOWEVER, That no person so adjudged shall be denied a license for such cause if the superior court should find him able to operate a motor vehicle with safety upon the highways during such incompetency;

~~((6))~~ (5) To any person who is required by this chapter to take an examination, unless such person shall have successfully passed such examination;

~~((7))~~ (6) To any person who is required under the laws of this state to deposit proof of financial responsibility and who has not deposited such proof;

~~((8))~~ (7) To any person when the department has good and substantial evidence to reasonably conclude that such person by reason of physical or mental disability would not be able to operate a motor vehicle with safety upon the highways; subject to review by a court of competent jurisdiction.

Sec. 3. RCW 46.20.207 and 1991 c 293 s 4 are each amended to read as follows:

(1) The department is authorized to cancel any driver's license upon determining that the licensee was not entitled to the issuance of the license, or that the licensee failed to give the required or correct information in his or her application, or that the licensee is incompetent to drive a motor vehicle for any of the reasons under RCW 46.20.031 (~~((5) and (8))~~) (4) and (7).

(2) Upon such cancellation, the licensee must surrender the license so canceled to the department.

Sec. 4. RCW 46.20.291 and 1991 c 293 s 5 are each amended to read as follows:

The department is authorized to suspend the license of a driver upon a showing by its records or other sufficient evidence that the licensee:

(1) Has committed an offense for which mandatory revocation or suspension of license is provided by law;

(2) Has, by reckless or unlawful operation of a motor vehicle, caused or contributed to an accident resulting in death or injury to any person or serious property damage;

(3) Has been convicted of offenses against traffic regulations governing the movement of vehicles, or found to have committed traffic infractions, with such frequency as to indicate a disrespect for traffic laws or a disregard for the safety of other persons on the highways;

(4) Is incompetent to drive a motor vehicle (~~(for any of the reasons enumerated in subsection (4) of)~~) under RCW 46.20.031(3); or

(5) Has failed to respond to a notice of traffic infraction, failed to appear at a requested hearing, violated a written promise to appear in court, or has failed to comply with the terms of a notice of traffic infraction or citation, as provided in section 1 of this act; or

(6) Has committed one of the prohibited practices relating to drivers' licenses defined in RCW 46.20.336.

Sec. 5. RCW 46.20.311 and 1990 c 250 s 45 are each amended to read as follows:

(1) The department shall not suspend a driver's license or privilege to drive a motor vehicle on the public highways for a fixed period of more than one year, except as permitted under RCW 46.20.342 or 46.61.515. Except for a suspension under section 1 of this act and RCW 46.20.291(5), whenever the license or driving privilege of any person is suspended by reason of a conviction, a finding that a traffic infraction has been committed, pursuant to chapter 46.29 RCW, or pursuant to RCW 46.20.291, the suspension shall remain in effect until the person gives and thereafter maintains proof of financial responsibility for the future as provided in chapter 46.29 RCW. The department shall not issue to the person a new, duplicate, or renewal license until the person pays a reissue fee of

twenty dollars. If the suspension is the result of a violation of RCW 46.61.502 or 46.61.504, the reissue fee shall be fifty dollars.

(2) Any person whose license or privilege to drive a motor vehicle on the public highways has been revoked, unless the revocation was for a cause which has been removed, is not entitled to have the license or privilege renewed or restored until: (a) After the expiration of one year from the date the license or privilege to drive was revoked; (b) after the expiration of the applicable revocation period provided by RCW 46.61.515(3) (b) or (c); (c) after the expiration of two years for persons convicted of vehicular homicide; (d) after the expiration of one year in cases of revocation for the first refusal within five years to submit to a chemical test under RCW 46.20.308; (e) after the expiration of two years in cases of revocation for the second or subsequent refusal within five years to submit to a chemical test under RCW 46.20.308; or (f) after the expiration of the applicable revocation period provided by RCW 46.20.265. After the expiration of the appropriate period, the person may make application for a new license as provided by law together with a reissue fee in the amount of twenty dollars, but if the revocation is the result of a violation of RCW 46.20.308, 46.61.502, or 46.61.504, the reissue fee shall be fifty dollars. Except for a revocation under RCW 46.20.265, the department shall not then issue a new license unless it is satisfied after investigation of the driving ability of the person that it will be safe to grant the privilege of driving a motor vehicle on the public highways, and until the person gives and thereafter maintains proof of financial responsibility for the future as provided in chapter 46.29 RCW. For a revocation under RCW 46.20.265, the department shall not issue a new license unless it is satisfied after investigation of the driving ability of the person that it will be safe to grant that person the privilege of driving a motor vehicle on the public highways.

(3) Whenever the driver's license of any person is suspended pursuant to Article IV of the nonresident violators compact or RCW 46.23.020 or section 1 of this act or RCW 46.20.291(5), the department shall not issue to the person any new or renewal license until the person pays a reissue fee of twenty dollars. If the suspension is the result of a violation of the laws of (~~another~~) this or any other state, province, or other jurisdiction involving (a) the operation or physical control of a motor vehicle upon the public highways while under the influence of intoxicating liquor or drugs, or (b) the refusal to submit to a chemical test of the driver's blood alcohol content, the reissue fee shall be fifty dollars.

Sec. 6. RCW 46.20.342 and 1992 c 130 s 1 are each amended to read as follows:

(1) It is unlawful for any person to drive a motor vehicle in this state while that person is in a suspended or revoked status or when his or her privilege to drive is suspended or revoked in this or any other state. Any person who has a valid Washington driver's license is not guilty of a violation of this section.

(a) A person found to be an habitual offender under chapter 46.65 RCW, who violates this section while an order of revocation issued under chapter 46.65

RCW prohibiting such operation is in effect, is guilty of driving while license suspended or revoked in the first degree, a gross misdemeanor. Upon the first such conviction, the person shall be punished by imprisonment for not less than ten days. Upon the second conviction, the person shall be punished by imprisonment for not less than ninety days. Upon the third or subsequent conviction, the person shall be punished by imprisonment for not less than one ~~(year)~~ hundred eighty days. If the person is also convicted of the offense defined in RCW 46.61.502 or 46.61.504, when both convictions arise from the same event, the minimum sentence of confinement shall be not less than ninety days. The minimum sentence of confinement required shall not be suspended or deferred. A conviction under this subsection does not prevent a person from petitioning for reinstatement as provided by RCW 46.65.080.

(b) A person who violates this section while an order of suspension or revocation prohibiting such operation is in effect and while the person is not eligible to reinstate his or her driver's license or driving privilege, other than for a suspension for the reasons described in (c) of this subsection, is guilty of driving while license suspended or revoked in the second degree, a gross misdemeanor. This subsection applies when a person's driver's license or driving privilege has been suspended or revoked by reason of:

(i) A conviction of a felony in the commission of which a motor vehicle was used;

(ii) A previous conviction under this section;

(iii) A notice received by the department from a court or diversion unit as provided by RCW 46.20.265, relating to a minor who has committed, or who has entered a diversion unit concerning an offense relating to alcohol, legend drugs, controlled substances, or imitation controlled substances;

(iv) A conviction of RCW 46.20.410, relating to the violation of restrictions of an occupational driver's license;

(v) A conviction of RCW 46.20.420, relating to the operation of a motor vehicle with a suspended or revoked license;

(vi) A conviction of RCW 46.52.020, relating to duty in case of injury to or death of a person or damage to an attended vehicle;

(vii) A conviction of RCW 46.61.024, relating to attempting to elude pursuing police vehicles;

(viii) A conviction of RCW 46.61.500, relating to reckless driving;

(ix) A conviction of RCW 46.61.502 or 46.61.504, relating to a person under the influence of intoxicating liquor or drugs;

(x) A conviction of RCW 46.61.520, relating to vehicular homicide;

(xi) A conviction of RCW 46.61.522, relating to vehicular assault;

(xii) A conviction of RCW 46.61.530, relating to racing of vehicles on highways;

(xiii) A conviction of RCW 46.61.685, relating to leaving children in an unattended vehicle with motor running;

(xiv) A conviction of RCW 46.64.048, relating to attempting, aiding, abetting, coercing, and committing crimes; or

(xv) An administrative action taken by the department under chapter 46.20 RCW.

(c) A person who violates this section when his or her driver's license or driving privilege is, at the time of the violation, suspended or revoked solely because (i) the person must furnish proof of satisfactory progress in a required alcoholism or drug treatment program, (ii) the person must furnish proof of financial responsibility for the future as provided by chapter 46.29 RCW, (iii) the person has failed to comply with the provisions of chapter 46.29 RCW relating to uninsured accidents, (iv) the person has failed to respond to a notice of traffic infraction, failed to appear at a requested hearing, violated a written promise to appear in court, or has failed to comply with the terms of a notice of traffic infraction or citation, as provided in section 1 of this act, (v) the person has committed an offense in another state that, if committed in this state, would not be grounds for the suspension or revocation of the person's driver's license, or ~~((+))~~ (vi) the person has been suspended or revoked by reason of one or more of the items listed in (b) of this subsection, but was eligible to reinstate his or her driver's license or driving privilege at the time of the violation, or any combination of (i) through ~~((+))~~ (vi), is guilty of driving while license suspended or revoked in the third degree, a misdemeanor.

(2) Upon receiving a record of conviction of any person or upon receiving an order by any juvenile court or any duly authorized court officer of the conviction of any juvenile under this section, the department shall:

(a) For a conviction of driving while suspended or revoked in the first degree, as provided by subsection (1)(a) of this section, extend the period of administrative revocation imposed under chapter 46.65 RCW for an additional period of one year from and after the date the person would otherwise have been entitled to apply for a new license or have his or her driving privilege restored; or

(b) For a conviction of driving while suspended or revoked in the second degree, as provided by subsection (1)(b) of this section, not issue a new license or restore the driving privilege for an additional period of one year from and after the date the person would otherwise have been entitled to apply for a new license or have his or her driving privilege restored; or

(c) Not extend the period of suspension or revocation if the conviction was under subsection (1)(c) of this section. If the conviction was under subsection (1) (a) or (b) of this section and the court recommends against the extension and the convicted person has obtained a valid driver's license, the period of suspension or revocation shall not be extended.

Sec. 7. RCW 46.61.515 and 1985 c 352 s 1 are each amended to read as follows:

(1) Every person who is convicted of a violation of RCW 46.61.502 or 46.61.504 shall be punished by imprisonment for not less than twenty-four

consecutive hours nor more than one year, and by a fine of not less than two hundred fifty dollars and not more than one thousand dollars. Unless the judge finds the person to be indigent, two hundred fifty dollars of the fine shall not be suspended or deferred. Twenty-four consecutive hours of the jail sentence shall not be suspended or deferred unless the judge finds that the imposition of the jail sentence will pose a substantial risk to the defendant's physical or mental well-being. Whenever the mandatory jail sentence is suspended or deferred, the judge must state, in writing, the reason for granting the suspension or deferral and the facts upon which the suspension or deferral is based. The court may impose conditions of probation that may include nonrepetition, alcohol or drug treatment, supervised probation, or other conditions that may be appropriate. The convicted person shall, in addition, be required to complete a course in an alcohol information school approved by the department of social and health services or more intensive treatment in a program approved by the department of social and health services, as determined by the court. A diagnostic evaluation and treatment recommendation shall be prepared under the direction of the court by an alcoholism agency approved by the department of social and health services or a qualified probation department approved by the department of social and health services. A copy of the report shall be forwarded to the department of licensing. Based on the diagnostic evaluation, the court shall determine whether the convicted person shall be required to complete a course in an alcohol information school approved by the department of social and health services or more intensive treatment in a program approved by the department of social and health services. Standards for approval for alcohol treatment programs shall be prescribed by rule under the administrative procedure act, chapter 34.05 RCW. The ~~((courts))~~ department of social and health services shall periodically review the costs of alcohol information schools and treatment programs ~~((within their jurisdictions))~~ as part of the approval process.

(2) On a second or subsequent conviction for driving or being in physical control of a motor vehicle while under the influence of intoxicating liquor or drugs within a five-year period a person shall be punished by imprisonment for not less than seven days nor more than one year and by a fine of not less than five hundred dollars and not more than two thousand dollars. District courts and courts organized under chapter 35.20 RCW are authorized to impose such fine. Unless the judge finds the person to be indigent, five hundred dollars of the fine shall not be suspended or deferred. The minimum jail sentence shall not be suspended or deferred unless the judge finds that the imposition of the jail sentence will pose a substantial risk to the defendant's physical or mental well-being. Whenever the mandatory jail sentence is suspended or deferred, the judge must state, in writing, the reason for granting the suspension or deferral and the facts upon which the suspension or deferral is based. If, at the time of the arrest on a second or subsequent ~~((conviction))~~ offense, the driver is without a license or permit because of a previous suspension or revocation for a reason listed in RCW 46.20.342(1) (a) or (b), or because of a previous suspension or revocation

for a reason listed in RCW 46.20.342(1)(c) if the original suspension or revocation was the result of a conviction of RCW 46.61.502 or 46.61.504, the minimum mandatory sentence shall be ninety days in jail and a ~~((two))~~ five hundred dollar fine. The penalty so imposed shall not be suspended or deferred. The person shall, in addition, be required to complete a diagnostic evaluation by an alcoholism agency approved by the department of social and health services or a qualified probation department approved by the department of social and health services. The report shall be forwarded to the department of licensing. If the person is found to have an alcohol or drug problem requiring treatment, the person shall complete treatment at an approved alcoholism treatment ~~((facility))~~ program or approved drug treatment center.

In addition to any nonsuspendable and nondeferable jail sentence required by this subsection, whenever the court imposes less than one year in jail, the court shall ~~((sentence a person to a term of imprisonment not exceeding one hundred eighty days and shall))~~ also suspend but shall not defer ~~((the sentence))~~ a period of confinement for a period not exceeding two years. The suspension of the sentence may be conditioned upon nonrepetition, alcohol or drug treatment, supervised probation, or other conditions that may be appropriate. The sentence may be imposed in whole or in part upon violation of a condition of suspension during the suspension period.

(3) The license or permit to drive or any nonresident privilege of any person convicted of driving or being in physical control of a motor vehicle while under the influence of intoxicating liquor or drugs shall:

(a) On the first conviction under either offense, be suspended by the department until the person reaches age nineteen or for ninety days, whichever is longer. The department of licensing shall determine the person's eligibility for licensing based upon the reports provided by the designated alcoholism agency or probation department and shall deny reinstatement until enrollment and participation in an approved program has been established and the person is otherwise qualified;

(b) On a second conviction under either offense within a five-year period, be revoked by the department for one year. The department of licensing shall determine the person's eligibility for licensing based upon the reports provided by the designated alcoholism agency or probation department and shall deny reinstatement until satisfactory progress in an approved program has been established and the person is otherwise qualified;

(c) On a third or subsequent conviction of driving or being in physical control of a motor vehicle while under the influence of intoxicating liquor or drugs, vehicular homicide, or vehicular assault, or any combination thereof within a five-year period, be revoked by the department for two years.

(4) In any case provided for in this section, where a driver's license is to be revoked or suspended, the revocation or suspension shall be stayed and shall not take effect until after the determination of any appeal from the conviction which may lawfully be taken, but in case the conviction is sustained on appeal the

revocation or suspension takes effect as of the date that the conviction becomes effective for other purposes.

Sec. 8. RCW 46.63.020 and 1992 c 32 s 4 are each amended to read as follows:

Failure to perform any act required or the performance of any act prohibited by this title or an equivalent administrative regulation or local law, ordinance, regulation, or resolution relating to traffic including parking, standing, stopping, and pedestrian offenses, is designated as a traffic infraction and may not be classified as a criminal offense, except for an offense contained in the following provisions of this title or a violation of an equivalent administrative regulation or local law, ordinance, regulation, or resolution:

- (1) RCW 46.09.120(2) relating to the operation of a nonhighway vehicle while under the influence of intoxicating liquor or a controlled substance;
- (2) RCW 46.09.130 relating to operation of nonhighway vehicles;
- (3) RCW 46.10.090(2) relating to the operation of a snowmobile while under the influence of intoxicating liquor or narcotics or habit-forming drugs or in a manner endangering the person of another;
- (4) RCW 46.10.130 relating to the operation of snowmobiles;
- (5) Chapter 46.12 RCW relating to certificates of ownership and registration;
- (6) RCW 46.16.010 relating to initial registration of motor vehicles;
- (7) RCW 46.16.011 relating to permitting unauthorized persons to drive;
- (8) RCW 46.16.160 relating to vehicle trip permits;
- (9) RCW 46.16.381 (6) or (8) relating to unauthorized use or acquisition of a special placard or license plate for disabled persons' parking;
- (10) RCW 46.20.021 relating to driving without a valid driver's license;
- (11) RCW 46.20.336 relating to the unlawful possession and use of a driver's license;
- (12) RCW 46.20.342 relating to driving with a suspended or revoked license or status;
- (13) RCW 46.20.410 relating to the violation of restrictions of an occupational driver's license;
- (14) RCW 46.20.420 relating to the operation of a motor vehicle with a suspended or revoked license;
- (15) RCW 46.20.750 relating to assisting another person to start a vehicle equipped with an ignition interlock device;
- (16) RCW 46.25.170 relating to commercial driver's licenses;
- (17) Chapter 46.29 RCW relating to financial responsibility;
- (18) RCW 46.30.040 relating to providing false evidence of financial responsibility;
- (19) RCW 46.37.435 relating to wrongful installation of suncreening material;
- (20) RCW 46.44.180 relating to operation of mobile home pilot vehicles;
- (21) RCW 46.48.175 relating to the transportation of dangerous articles;

- (22) RCW 46.52.010 relating to duty on striking an unattended car or other property;
- (23) RCW 46.52.020 relating to duty in case of injury to or death of a person or damage to an attended vehicle;
- (24) RCW 46.52.090 relating to reports by repairmen, storagemen, and appraisers;
- (25) RCW 46.52.100 relating to driving under the influence of liquor or drugs;
- (26) RCW 46.52.130 relating to confidentiality of the driving record to be furnished to an insurance company, an employer, and an alcohol/drug assessment or treatment agency;
- (27) RCW 46.55.020 relating to engaging in the activities of a registered tow truck operator without a registration certificate;
- (28) RCW 46.55.035 relating to prohibited practices by tow truck operators;
- (29) RCW 46.61.015 relating to obedience to police officers, flagmen, or fire fighters;
- (30) RCW 46.61.020 relating to refusal to give information to or cooperate with an officer;
- (31) RCW 46.61.022 relating to failure to stop and give identification to an officer;
- (32) RCW 46.61.024 relating to attempting to elude pursuing police vehicles;
- (33) RCW 46.61.500 relating to reckless driving;
- (34) RCW 46.61.502 and 46.61.504 relating to persons under the influence of intoxicating liquor or drugs;
- (35) RCW 46.61.520 relating to vehicular homicide by motor vehicle;
- (36) RCW 46.61.522 relating to vehicular assault;
- (37) RCW 46.61.525 relating to negligent driving;
- (38) RCW 46.61.530 relating to racing of vehicles on highways;
- (39) RCW 46.61.685 relating to leaving children in an unattended vehicle with the motor running;
- (40) RCW 46.64.010 relating to unlawful cancellation of or attempt to cancel a traffic citation;
- (41) ~~((RCW 46.64.020 relating to nonappearance after a written promise;~~
- ~~(42) RCW 46.64.027 relating to failure to comply;~~
- ~~(43)))~~ RCW 46.64.048 relating to attempting, aiding, abetting, coercing, and committing crimes;
- ~~((44)))~~ (42) Chapter 46.65 RCW relating to habitual traffic offenders;
- ~~((45)))~~ (43) Chapter 46.70 RCW relating to unfair motor vehicle business practices, except where that chapter provides for the assessment of monetary penalties of a civil nature;
- ~~((46)))~~ (44) Chapter 46.72 RCW relating to the transportation of passengers in for hire vehicles;
- ~~((47)))~~ (45) Chapter 46.80 RCW relating to motor vehicle wreckers;

~~((48))~~ (46) Chapter 46.82 RCW relating to driver's training schools;
~~((49))~~ (47) RCW 46.87.260 relating to alteration or forgery of a cab card, letter of authority, or other temporary authority issued under chapter 46.87 RCW;
~~((50))~~ (48) RCW 46.87.290 relating to operation of an unregistered or unlicensed vehicle under chapter 46.87 RCW.

Sec. 9. RCW 46.63.060 and 1984 c 224 s 2 are each amended to read as follows:

(1) A notice of traffic infraction represents a determination that an infraction has been committed. The determination will be final unless contested as provided in this chapter.

(2) The form for the notice of traffic infraction shall be prescribed by rule of the supreme court and shall include the following:

(a) A statement that the notice represents a determination that a traffic infraction has been committed by the person named in the notice and that the determination shall be final unless contested as provided in this chapter;

(b) A statement that a traffic infraction is a noncriminal offense for which imprisonment may not be imposed as a sanction; that the penalty for a traffic infraction may include sanctions against the person's driver's license including suspension, revocation, or denial; that the penalty for a traffic infraction related to standing, stopping, or parking may include nonrenewal of the vehicle license;

(c) A statement of the specific traffic infraction for which the notice was issued;

(d) A statement of the monetary penalty established for the traffic infraction;

(e) A statement of the options provided in this chapter for responding to the notice and the procedures necessary to exercise these options;

(f) A statement that at any hearing to contest the determination the state has the burden of proving, by a preponderance of the evidence, that the infraction was committed; and that the person may subpoena witnesses including the officer who issued the notice of infraction;

(g) A statement that at any hearing requested for the purpose of explaining mitigating circumstances surrounding the commission of the infraction the person will be deemed to have committed the infraction and may not subpoena witnesses;

(h) A statement that the person must respond to the notice as provided in this chapter within fifteen days or the person's driver's license or driving privilege will ~~((not))~~ be ~~((renewed))~~ suspended by the department until any penalties imposed pursuant to this chapter have been satisfied;

(i) A statement that failure to appear at a hearing requested for the purpose of contesting the determination or for the purpose of explaining mitigating circumstances will result in the ~~((refusal of the department to renew))~~ suspension of the person's driver's license or driving privilege, or in the case of a standing, stopping, or parking violation, refusal of the department to renew the vehicle license, until any penalties imposed pursuant to this chapter have been satisfied;

(j) A statement, which the person shall sign, that the person promises to respond to the notice of infraction in one of the ways provided in this chapter(~~(k) A statement that failure to respond to a notice of infraction as promised is a misdemeanor and may be punished by a fine or imprisonment in jail~~)).

Sec. 10. RCW 46.63.070 and 1984 c 224 s 3 are each amended to read as follows:

(1) Any person who receives a notice of traffic infraction shall respond to such notice as provided in this section within fifteen days of the date of the notice.

(2) If the person determined to have committed the infraction does not contest the determination the person shall respond by completing the appropriate portion of the notice of infraction and submitting it, either by mail or in person, to the court specified on the notice. A check or money order in the amount of the penalty prescribed for the infraction must be submitted with the response. When a response which does not contest the determination is received, an appropriate order shall be entered in the court's records, and a record of the response and order shall be furnished to the department in accordance with RCW 46.20.270.

(3) If the person determined to have committed the infraction wishes to contest the determination the person shall respond by completing the portion of the notice of infraction requesting a hearing and submitting it, either by mail or in person, to the court specified on the notice. The court shall notify the person in writing of the time, place, and date of the hearing, and that date shall not be sooner than seven days from the date of the notice, except by agreement.

(4) If the person determined to have committed the infraction does not contest the determination but wishes to explain mitigating circumstances surrounding the infraction the person shall respond by completing the portion of the notice of infraction requesting a hearing for that purpose and submitting it, either by mail or in person, to the court specified on the notice. The court shall notify the person in writing of the time, place, and date of the hearing.

(5) ~~((a))~~ If any person issued a notice of traffic infraction:

~~((i))~~ (a) Fails to respond to the notice of traffic infraction as provided in subsection (2) of this section; or

~~((ii))~~ (b) Fails to appear at a hearing requested pursuant to subsection (3) or (4) of this section;

the court shall enter an appropriate order assessing the monetary penalty prescribed for the traffic infraction and any other penalty authorized by this chapter and shall notify the department in accordance with RCW 46.20.270, of the failure to respond to the notice of infraction or to appear at a requested hearing.

~~((b) The department may not renew the driver's license, or in the case of a standing, stopping, or parking violation the vehicle license, of any person for whom the court has entered an order pursuant to (a) of this subsection until any penalties imposed pursuant to this chapter have been satisfied. For purposes of~~

~~driver's license nonrenewal only, the lessee of a vehicle shall be considered to be the person to whom a notice of a standing, stopping, or parking violation has been issued for such violations of the vehicle incurred while the vehicle was leased or rented under a bona fide commercial lease or rental agreement between a lessor engaged in the business of leasing vehicles and a lessee who is not the vehicle's registered owner, if the lease agreement contains a provision prohibiting anyone other than the lessee from operating the vehicle. Such a lessor shall, upon the request of the municipality issuing the notice of infraction, supply the municipality with the name and driver's license number of the person leasing the vehicle at the time of the infraction.))~~

Sec. 11. RCW 46.63.110 and 1986 c 213 s 2 are each amended to read as follows:

(1) A person found to have committed a traffic infraction shall be assessed a monetary penalty. No penalty may exceed two hundred and fifty dollars for each offense unless authorized by this chapter or title.

(2) The supreme court shall prescribe by rule a schedule of monetary penalties for designated traffic infractions. This rule shall also specify the conditions under which local courts may exercise discretion in assessing fines and penalties for traffic infractions. The legislature respectfully requests the supreme court to adjust this schedule every two years for inflation.

(3) There shall be a penalty of twenty-five dollars for failure to respond to a notice of traffic infraction except where the infraction relates to parking as defined by local law, ordinance, regulation, or resolution or failure to pay a monetary penalty imposed pursuant to this chapter. A local legislative body may set a monetary penalty not to exceed twenty-five dollars for failure to respond to a notice of traffic infraction relating to parking as defined by local law, ordinance, regulation, or resolution. The local court, whether a municipal, police, or district court, shall impose the monetary penalty set by the local legislative body.

(4) Monetary penalties provided for in chapter 46.70 RCW which are civil in nature and penalties which may be assessed for violations of chapter 46.44 RCW relating to size, weight, and load of motor vehicles are not subject to the limitation on the amount of monetary penalties which may be imposed pursuant to this chapter.

(5) Whenever a monetary penalty is imposed by a court under this chapter it is immediately payable. If the person is unable to pay at that time the court may, in its discretion, grant an extension of the period in which the penalty may be paid. If the penalty is not paid on or before the time established for payment the court shall notify the department of the failure to pay the penalty, and the department ~~((may not renew))~~ shall suspend the person's driver's license or driving privilege until the penalty has been paid and the penalty provided in subsection (3) of this section has been paid.

Sec. 12. RCW 46.52.120 and 1992 c 32 s 3 are each amended to read as follows:

(1) The director shall keep a case record on every motor vehicle driver licensed under the laws of this state, together with information on each driver, showing all the convictions and findings of traffic infractions certified by the courts, together with an index cross-reference record of each accident reported relating to such individual with a brief statement of the cause of the accident. The chief of the Washington state patrol shall furnish the index cross-reference record to the director, with reference to each driver involved in the reported accidents.

(2) The records shall be for the confidential use of the director, the chief of the Washington state patrol, the director of the Washington traffic safety commission, and for such police officers or other cognizant public officials as may be designated by law. Such case records shall not be offered as evidence in any court except in case appeal is taken from the order of the director, suspending, revoking, canceling, or refusing a vehicle driver's license (~~or to provide proof of a person's failure to appear under RCW 46.64.020 or failure to comply under RCW 46.64.027~~).

(3) The director shall tabulate and analyze vehicle driver's case records and suspend, revoke, cancel, or refuse a vehicle driver's license to a person when it is deemed from facts contained in the case record of such person that it is for the best interest of public safety that such person be denied the privilege of operating a motor vehicle. Whenever the director orders the vehicle driver's license of any such person suspended, revoked, or canceled, or refuses the issuance of a vehicle driver's license, such suspension, revocation, cancellation, or refusal is final and effective unless appeal from the decision of the director is taken as provided by law.

NEW SECTION. **Sec. 13.** The following acts or parts of acts are each repealed:

(1) RCW 46.64.020 and 1992 c 32 s 1, 1990 c 250 s 61, 1990 c 210 s 1, 1988 c 38 s 1, 1987 c 345 s 1, 1986 c 213 s 1, 1980 c 128 s 8, & 1961 c 12 s 46.64.020; and

(2) RCW 46.64.027 and 1992 c 32 s 2.

Passed the House March 11, 1993.

Passed the Senate April 20, 1993.

Approved by the Governor May 18, 1993.

Filed in Office of Secretary of State May 18, 1993.

CHAPTER 502

[Engrossed Substitute House Bill 1744]

LAW ENFORCEMENT OFFICERS' AND FIRE FIGHTERS' RETIREMENT—
EXPANSION OF MEMBERSHIP ELIGIBILITY

Effective Date: 1/1/94

AN ACT Relating to the law enforcement officers' and fire fighters' retirement system; amending RCW 41.26.030, 41.26.450, 41.54.010, and 41.56.460; adding a new section to chapter 41.40 RCW; and providing an effective date.

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

Sec. 1. RCW 41.26.030 and 1991 sp.s. c 12 s 1 are each amended to read as follows:

As used in this chapter, unless a different meaning is plainly required by the context:

(1) "Retirement system" means the "Washington law enforcement officers' and fire fighters' retirement system" provided herein.

(2)(a) "Employer" for plan I members, means the legislative authority of any city, town, county, or district or the elected officials of any municipal corporation that employs any law enforcement officer and/or fire fighter, any authorized association of such municipalities, and, except for the purposes of RCW 41.26.150, any labor guild, association, or organization, which represents the fire fighters or law enforcement officers of at least seven cities of over 20,000 population and the membership of each local lodge or division of which is composed of at least sixty percent law enforcement officers or fire fighters as defined in this chapter.

(b) "Employer" for plan II members, means the ~~((legislative authority of any city, town, county, or district or the elected officials of any municipal corporation))~~ following entities to the extent that the entity employs any law enforcement officer and/or fire fighter:

(i) The legislative authority of any city, town, county, or district;

(ii) The elected officials of any municipal corporation; or

(iii) The governing body of any other general authority law enforcement agency.

(3) "Law enforcement officer" beginning January 1, 1994, means any person who is ((serving)) commissioned and employed by an employer on a full time, fully compensated basis ((as a county sheriff or deputy sheriff, including sheriffs or deputy sheriffs serving under a different title pursuant to a county charter, city police officer, or town marshal or deputy marshal)) to enforce the criminal laws of the state of Washington generally, with the following qualifications:

(a) No person who is serving in a position that is basically clerical or secretarial in nature, and who is not commissioned shall be considered a law enforcement officer;

(b) Only those deputy sheriffs, including those serving under a different title pursuant to county charter, who have successfully completed a civil service examination for deputy sheriff or the equivalent position, where a different title

is used, and those persons serving in unclassified positions authorized by RCW 41.14.070 except a private secretary will be considered law enforcement officers;

(c) Only such full time commissioned law enforcement personnel as have been appointed to offices, positions, or ranks in the police department which have been specifically created or otherwise expressly provided for and designated by city charter provision or by ordinance enacted by the legislative body of the city shall be considered city police officers; and

(d) The term "law enforcement officer" also includes the executive secretary of a labor guild, association or organization (which is an employer under RCW 41.26.030(2) as now or hereafter amended) if that individual has five years previous membership in the retirement system established in chapter 41.20 RCW. The provisions of this subsection (3)(d) shall not apply to plan II members.

(4) "Fire fighter" means:

(a) Any person who is serving on a full time, fully compensated basis as a member of a fire department of an employer and who is serving in a position which requires passing a civil service examination for fire fighter, and who is actively employed as such;

(b) Anyone who is actively employed as a full time fire fighter where the fire department does not have a civil service examination;

(c) Supervisory fire fighter personnel;

(d) Any full time executive secretary of an association of fire protection districts authorized under RCW 52.12.031. The provisions of this subsection (4)(d) shall not apply to plan II members;

(e) The executive secretary of a labor guild, association or organization (which is an employer under RCW 41.26.030(2) as now or hereafter amended), if such individual has five years previous membership in a retirement system established in chapter 41.16 or 41.18 RCW. The provisions of this subsection (4)(e) shall not apply to plan II members;

(f) Any person who is serving on a full time, fully compensated basis for an employer, as a fire dispatcher, in a department in which, on March 1, 1970, a dispatcher was required to have passed a civil service examination for fire fighter; and

(g) Any person who on March 1, 1970, was employed on a full time, fully compensated basis by an employer, and who on May 21, 1971, was making retirement contributions under the provisions of chapter 41.16 or 41.18 RCW.

(5) "Department" means the department of retirement systems created in chapter 41.50 RCW.

(6) "Surviving spouse" means the surviving widow or widower of a member. "Surviving spouse" shall not include the divorced spouse of a member except as provided in RCW 41.26.162.

(7)(a) "Child" or "children" means an unmarried person who is under the age of eighteen or mentally or physically handicapped as determined by the department, except a handicapped person in the full time care of a state institution, who is:

- (i) A natural born child;
- (ii) A stepchild where that relationship was in existence prior to the date benefits are payable under this chapter;
- (iii) A posthumous child;
- (iv) A child legally adopted or made a legal ward of a member prior to the date benefits are payable under this chapter; or
- (v) An illegitimate child legitimized prior to the date any benefits are payable under this chapter.

(b) A person shall also be deemed to be a child up to and including the age of twenty years and eleven months while attending any high school, college, or vocational or other educational institution accredited, licensed, or approved by the state, in which it is located, including the summer vacation months and all other normal and regular vacation periods at the particular educational institution after which the child returns to school.

(8) "Member" means any fire fighter, law enforcement officer, or other person as would apply under subsections (3) or (4) of this section whose membership is transferred to the Washington law enforcement officers' and fire fighters' retirement system on or after March 1, 1970, and every law enforcement officer and fire fighter who is employed in that capacity on or after such date.

(9) "Retirement fund" means the "Washington law enforcement officers' and fire fighters' retirement system fund" as provided for herein.

(10) "Employee" means any law enforcement officer or fire fighter as defined in subsections (3) and (4) of this section.

(11)(a) "Beneficiary" for plan I members, means any person in receipt of a retirement allowance, disability allowance, death benefit, or any other benefit described herein.

(b) "Beneficiary" for plan II members, means any person in receipt of a retirement allowance or other benefit provided by this chapter resulting from service rendered to an employer by another person.

(12)(a) "Final average salary" for plan I members, means (i) for a member holding the same position or rank for a minimum of twelve months preceding the date of retirement, the basic salary attached to such same position or rank at time of retirement; (ii) for any other member, including a civil service member who has not served a minimum of twelve months in the same position or rank preceding the date of retirement, the average of the greatest basic salaries payable to such member during any consecutive twenty-four month period within such member's last ten years of service for which service credit is allowed, computed by dividing the total basic salaries payable to such member during the selected twenty-four month period by twenty-four; (iii) in the case of disability of any member, the basic salary payable to such member at the time of disability retirement; (iv) in the case of a member who hereafter vests pursuant to RCW 41.26.090, the basic salary payable to such member at the time of vesting.

(b) "Final average salary" for plan II members, means the monthly average of the member's basic salary for the highest consecutive sixty service credit months of service prior to such member's retirement, termination, or death. Periods constituting authorized unpaid leaves of absence may not be used in the calculation of final average salary.

(13)(a) "Basic salary" for plan I members, means the basic monthly rate of salary or wages, including longevity pay but not including overtime earnings or special salary or wages, upon which pension or retirement benefits will be computed and upon which employer contributions and salary deductions will be based.

(b) "Basic salary" for plan II members, means salaries or wages earned by a member during a payroll period for personal services, including overtime payments, and shall include wages and salaries deferred under provisions established pursuant to sections 403(b), 414(h), and 457 of the United States Internal Revenue Code, but shall exclude lump sum payments for deferred annual sick leave, unused accumulated vacation, unused accumulated annual leave, or any form of severance pay: PROVIDED, That in any year in which a member serves in the legislature the member shall have the option of having such member's basic salary be the greater of:

(i) The basic salary the member would have received had such member not served in the legislature; or

(ii) Such member's actual basic salary received for nonlegislative public employment and legislative service combined. Any additional contributions to the retirement system required because basic salary under (b)(i) of this subsection is greater than basic salary under (b)(ii) of this subsection shall be paid by the member for both member and employer contributions.

(14)(a) "Service" for plan I members, means all periods of employment for an employer as a fire fighter or law enforcement officer, for which compensation is paid, together with periods of suspension not exceeding thirty days in duration. For the purposes of this chapter service shall also include service in the armed forces of the United States as provided in RCW 41.26.190. Credit shall be allowed for all service credit months of service rendered by a member from and after the member's initial commencement of employment as a fire fighter or law enforcement officer, during which the member worked for seventy or more hours, or was on disability leave or disability retirement. Only service credit months of service shall be counted in the computation of any retirement allowance or other benefit provided for in this chapter.

(i) For members retiring after May 21, 1971 who were employed under the coverage of a prior pension act before March 1, 1970, "service" shall also include (A) such military service not exceeding five years as was creditable to the member as of March 1, 1970, under the member's particular prior pension act, and (B) such other periods of service as were then creditable to a particular member under the provisions of RCW 41.18.165, 41.20.160 or 41.20.170. However, in no event shall credit be allowed for any service rendered prior to

March 1, 1970, where the member at the time of rendition of such service was employed in a position covered by a prior pension act, unless such service, at the time credit is claimed therefor, is also creditable under the provisions of such prior act.

(ii) A member who is employed by two employers at the same time shall only be credited with service to one such employer for any month during which the member rendered such dual service.

(b) "Service" for plan II members, means periods of employment by a member for one or more employers for which basic salary is earned for ninety or more hours per calendar month which shall constitute a service credit month. Periods of employment by a member for one or more employers for which basic salary is earned for at least seventy hours but less than ninety hours per calendar month shall constitute one-half service credit month. Periods of employment by a member for one or more employers for which basic salary is earned for less than seventy hours shall constitute a one-quarter service credit month.

Members of the retirement system who are elected or appointed to a state elective position may elect to continue to be members of this retirement system.

Service credit years of service shall be determined by dividing the total number of service credit months of service by twelve. Any fraction of a service credit year of service as so determined shall be taken into account in the computation of such retirement allowance or benefits.

If a member receives basic salary from two or more employers during any calendar month, the individual shall receive one service credit month's service credit during any calendar month in which multiple service for ninety or more hours is rendered; or one-half service credit month's service credit during any calendar month in which multiple service for at least seventy hours but less than ninety hours is rendered; or one-quarter service credit month during any calendar month in which multiple service for less than seventy hours is rendered.

(15) "Accumulated contributions" means the employee's contributions made by a member plus accrued interest credited thereon.

(16) "Actuarial reserve" means a method of financing a pension or retirement plan wherein reserves are accumulated as the liabilities for benefit payments are incurred in order that sufficient funds will be available on the date of retirement of each member to pay the member's future benefits during the period of retirement.

(17) "Actuarial valuation" means a mathematical determination of the financial condition of a retirement plan. It includes the computation of the present monetary value of benefits payable to present members, and the present monetary value of future employer and employee contributions, giving effect to mortality among active and retired members and also to the rates of disability, retirement, withdrawal from service, salary and interest earned on investments.

(18) "Disability board" for plan I members means either the county disability board or the city disability board established in RCW 41.26.110.

(19) "Disability leave" means the period of six months or any portion thereof during which a member is on leave at an allowance equal to the member's full salary prior to the commencement of disability retirement. The definition contained in this subsection shall apply only to plan I members.

(20) "Disability retirement" for plan I members, means the period following termination of a member's disability leave, during which the member is in receipt of a disability retirement allowance.

(21) "Position" means the employment held at any particular time, which may or may not be the same as civil service rank.

(22) "Medical services" for plan I members, shall include the following as minimum services to be provided. Reasonable charges for these services shall be paid in accordance with RCW 41.26.150.

(a) Hospital expenses: These are the charges made by a hospital, in its own behalf, for

(i) Board and room not to exceed semiprivate room rate unless private room is required by the attending physician due to the condition of the patient.

(ii) Necessary hospital services, other than board and room, furnished by the hospital.

(b) Other medical expenses: The following charges are considered "other medical expenses", provided that they have not been considered as "hospital expenses".

(i) The fees of the following:

(A) A physician or surgeon licensed under the provisions of chapter 18.71 RCW;

(B) An osteopath licensed under the provisions of chapter 18.57 RCW;

(C) A chiropractor licensed under the provisions of chapter 18.25 RCW.

(ii) The charges of a registered graduate nurse other than a nurse who ordinarily resides in the member's home, or is a member of the family of either the member or the member's spouse.

(iii) The charges for the following medical services and supplies:

(A) Drugs and medicines upon a physician's prescription;

(B) Diagnostic x-ray and laboratory examinations;

(C) X-ray, radium, and radioactive isotopes therapy;

(D) Anesthesia and oxygen;

(E) Rental of iron lung and other durable medical and surgical equipment;

(F) Artificial limbs and eyes, and casts, splints, and trusses;

(G) Professional ambulance service when used to transport the member to or from a hospital when injured by an accident or stricken by a disease;

(H) Dental charges incurred by a member who sustains an accidental injury to his or her teeth and who commences treatment by a legally licensed dentist within ninety days after the accident;

(I) Nursing home confinement or hospital extended care facility;

(J) Physical therapy by a registered physical therapist;

(K) Blood transfusions, including the cost of blood and blood plasma not replaced by voluntary donors;

(L) An optometrist licensed under the provisions of chapter 18.53 RCW.

(23) "Regular interest" means such rate as the director may determine.

(24) "Retiree" for persons who establish membership in the retirement system on or after October 1, 1977, means any member in receipt of a retirement allowance or other benefit provided by this chapter resulting from service rendered to an employer by such member.

(25) "Director" means the director of the department.

(26) "State actuary" or "actuary" means the person appointed pursuant to RCW 44.44.010(2).

(27) "State elective position" means any position held by any person elected or appointed to state-wide office or elected or appointed as a member of the legislature.

(28) "Plan I" means the law enforcement officers' and fire fighters' retirement system, plan I providing the benefits and funding provisions covering persons who first became members of the system prior to October 1, 1977.

(29) "Plan II" means the law enforcement officers' and fire fighters' retirement system, plan II providing the benefits and funding provisions covering persons who first became members of the system on and after October 1, 1977.

(30) "Service credit year" means an accumulation of months of service credit which is equal to one when divided by twelve.

(31) "Service credit month" means a full service credit month or an accumulation of partial service credit months that are equal to one.

(32) "General authority law enforcement agency" means any agency, department, or division of a municipal corporation, political subdivision, or other unit of local government of this state, and any agency, department, or division of state government, having as its primary function the detection and apprehension of persons committing infractions or violating the traffic or criminal laws in general, but not including the Washington state patrol. Such an agency, department, or division is distinguished from a limited authority law enforcement agency having as one of its functions the apprehension or detection of persons committing infractions or violating the traffic or criminal laws relating to limited subject areas, including but not limited to, the state departments of natural resources, fisheries, wildlife, and social and health services, the state gambling commission, the state lottery commission, the state parks and recreation commission, the state utilities and transportation commission, the state liquor control board, and the state department of corrections.

Sec. 2. RCW 41.26.450 and 1989 c 273 s 14 are each amended to read as follows:

The required contribution rates to the plan II system for members, employers, and the state of Washington shall be established by the director from time to time as may be necessary upon the advice of the state actuary. The state

actuary shall use the aggregate actuarial cost method to calculate contribution rates.

The member, the employer and the state shall each contribute the following shares of the cost of the retirement system:

Member	50%
Employer	30%
State	20%

However, port districts established under Title 53 RCW and institutions of higher education as defined in RCW 28B.10.016 shall contribute both the employer and state shares of the cost of the retirement system for any of their employees who are law enforcement officers.

Effective January 1, 1987, however, no member or employer contributions are required for any calendar month in which the member is not granted service credit.

Any adjustments in contribution rates required from time to time for future costs shall likewise be shared proportionally by the members, employers, and the state.

Any increase in the contribution rate required as the result of a failure of the state or of an employer to make any contribution required by this section shall be borne in full by the state or by that employer not making the contribution.

The director shall notify all employers of any pending adjustment in the required contribution rate and such increase shall be announced at least thirty days prior to the effective date of the change.

Members' contributions required by this section shall be deducted from the members basic salary each payroll period. The members contribution and the employers contribution shall be remitted directly to the department within fifteen days following the end of the calendar month during which the payroll period ends. The state's contribution required by this section shall be transferred to the plan II fund from the total contributions transferred by the state treasurer under RCW 41.45.060 and 41.45.070.

NEW SECTION. Sec. 3. A new section is added to chapter 41.40 RCW under the subchapter heading "Provisions applicable to plan I and plan II" to read as follows:

(1) An employee who was a member on or before January 1, 1994, and, on January 1, 1994, is employed by a port district or an institution of higher education as a law enforcement officer as defined in RCW 41.26.030, has the following options:

(a) The employee may remain a member of the retirement system, notwithstanding the definition of law enforcement officer under RCW 41.26.030; or

(b) The member may make an irrevocable choice, filed in writing with the department no later than January 1, 1995, to transfer to the law enforcement officers' and fire fighters' retirement system plan II as defined in RCW

41.26.030. An employee transferring membership under this subsection (1)(b) shall be a dual member as provided in RCW 41.54.010.

(2)(a) If the department determines that transfers of service credit and accumulated contributions between the state's retirement systems are permitted by federal law without the employee or the retirement system fund incurring adverse income tax liability as a result of the transfer, an employee who transferred membership under subsection (1)(b) of this section may choose to transfer service credit as a law enforcement officer previously earned under the retirement system, to the law enforcement officers' and fire fighters' retirement system plan II, by making an irrevocable choice filed in writing with the department within one year of the department's announcement of the ability to make such a transfer.

(b) Any law enforcement officer choosing to transfer under this subsection shall have transferred from the retirement system to the law enforcement officers' and fire fighters' retirement system plan II: (i) All the employee's applicable accumulated contributions and employer contributions attributed to such employee; and (ii) all applicable months of service, as defined in RCW 41.26.030(14)(b), credited to the employee under this chapter, as though such service was rendered as a member of the law enforcement officers' and fire fighters' retirement system.

(c) For the applicable period of service, the employee shall pay the difference between the contributions such employee paid to the retirement system, and the contributions which would have been paid by the employee had the employee been a member of the law enforcement officers' and fire fighters' retirement system, plus interest as determined by the director.

(d) For the applicable period of service, the employer shall pay the difference between the employer contributions paid to the retirement system, and the combined employer and state contributions which would have been payable to the law enforcement officers' and fire fighters' retirement system, plus interest as determined by the director. The amount of interest determined by the director to be paid by the employer shall be sufficient to ensure that the contribution level of current members of the law enforcement officers' and fire fighters' retirement system will not increase due to this transfer. For the purpose of this subsection (2)(d), the state contribution shall not include the contribution related to the amortization of the costs of the law enforcement officers' and fire fighters' retirement system plan I as required by chapter 41.45 RCW.

(e) An individual who transfers service credit and contributions under this subsection shall be permanently excluded from the retirement system for all service as a law enforcement officer.

**Sec. 4. RCW 41.54.010 and 1990 c 192 s 1 are each amended to read as follows:*

The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Base salary" means salaries or wages earned by a member of a system during a payroll period for personal services and includes wages and salaries deferred under provisions of the United States internal revenue code, but shall exclude overtime payments, nonmoney maintenance compensation, and lump sum payments for deferred annual sick leave, unused accumulated vacation, unused accumulated annual leave, any form of severance pay, any bonus for voluntary retirement, any other form of leave, or any similar lump sum payment.

(2) "Department" means the department of retirement systems.

(3) "Director" means the director of the department of retirement systems.

(4)(a) "Dual member" means a person who ~~((a))~~ (i) is or becomes a member of a system on or after July 1, 1988, ~~((b))~~ (ii) has been a member of one or more other systems, and ~~((c))~~ (iii) has never been retired for service from a retirement system and is not receiving a disability retirement or disability leave benefit from any retirement system listed in RCW 41.50.030 or subsection (6) of this section.

(b) "Dual member" also includes a person who meets the conditions in subsection (4)(a)(ii) and (iii) of this section, and pursuant to section 3 of this act, becomes a member of the law enforcement officers' and fire fighters' retirement system plan II, as defined in RCW 41.26.030.

(5) "Service" means the same as it may be defined in each respective system. For the purposes of RCW 41.54.030, military service granted under RCW 41.40.170(3) or 43.43.260 may only be based on service accrued under chapter 41.40 or 43.43 RCW, respectively.

(6) "System" means the retirement systems established under chapters 41.32, 41.40, 41.44, and 43.43 RCW and the city employee retirement systems for Seattle, Tacoma, and Spokane. The inclusion of an individual first class city system is subject to the procedure set forth in RCW 41.54.061.

*Sec. 4 was vetoed, see message at end of chapter.

Sec. 5. RCW 41.56.460 and 1988 c 110 s 1 are each amended to read as follows:

(1) In making its determination, the panel shall be mindful of the legislative purpose enumerated in RCW 41.56.430 and as additional standards or guidelines to aid it in reaching a decision, it shall take into consideration the following factors:

(a) The constitutional and statutory authority of the employer;

(b) Stipulations of the parties;

(c)(i) For employees listed in RCW 41.56.030(7)(a) and 41.56.495, comparison of the wages, hours and conditions of employment of personnel involved in the proceedings with the wages, hours, and conditions of employment of like personnel of like employers of similar size on the west coast of the United States;

(ii) For employees listed in RCW 41.56.030(7)(b), comparison of the wages, hours, and conditions of employment of personnel involved in the proceedings

with the wages, hours, and conditions of employment of like personnel of public fire departments of similar size on the west coast of the United States. However, when an adequate number of comparable employers exists within the state of Washington, other west coast employers shall not be considered;

(d) The average consumer prices for goods and services, commonly known as the cost of living;

(e) Changes in any of the foregoing circumstances during the pendency of the proceedings; and

(f) Such other factors, not confined to the foregoing, which are normally or traditionally taken into consideration in the determination of wages, hours and conditions of employment.

(2) Nothing in subsection (1)(c) of this section shall be construed to authorize the panel to require the employer to pay, directly or indirectly, the increased employee contributions resulting from chapter . . . , Laws of 1993 (this act) as required under chapter 41.26 RCW.

NEW SECTION. Sec. 6. This act shall take effect January 1, 1994.

Passed the House April 20, 1993.

Passed the Senate April 15, 1993.

Approved by the Governor May 18, 1993, with the exception of certain items which were vetoed.

Filed in Office of Secretary of State May 18, 1993.

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

"I am returning herewith, without my approval as to section 4, Engrossed Substitute House Bill No. 1744 entitled:

"AN ACT Relating to the law enforcement officers' and fire fighters' retirement system;"

Engrossed Substitute House Bill No. 1744 expands the definition of membership in the Law Enforcement Officers' and Fire Fighters' retirement system to include officers employed by institutions of higher education and port districts. I strongly favor the bill's direction in allowing more consistent membership definition. However, section 4 amends RCW 41.54.010 which is also amended in Engrossed Substitute House Bill No. 1294 section 8, which I will be signing to allow portability for all LEOFF II members. Therefore, section 4 of this bill is unnecessary.

With the exception of section 4, Engrossed Substitute House Bill No. 1744 is approved."

CHAPTER 503

[Substitute House Bill 1808]

COUNCIL ON INTERNATIONAL TRADE

Effective Date: 7/25/93

AN ACT Relating to international trade; adding a new section to chapter 44.52 RCW; creating new sections; and providing an expiration date.

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

NEW SECTION. Sec. 1. The legislature finds that the expansion of international trade is vital to the economy of Washington state. International trade-related activities currently account for approximately twenty percent of employment in this state even though only a small percentage of businesses do extensive exporting. Washington's long-term economic prosperity depends on the creation and retention of jobs that international trade provides through providing an expanded marketplace for goods and services produced in this state. Increasing the number of businesses exporting and the foreign markets accessed helps diversify the state economy and make the state's businesses more competitive by providing experience in the international marketplace. There are many international markets that offer export potential for Washington businesses that are not currently being accessed, particularly several Pacific Rim countries. The legislature also finds that there presently exists several programs and initiatives by federal, state, and local governments that have to be coordinated effectively within and among economic development organizations, state agencies, academic institutions, and businesses so as to enhance the sale of goods and services in foreign markets.

The legislature further finds that a strategy to expand international trade must be integrated into a comprehensive long-term economic development plan, and that the expertise of the private sector can enhance the joint strategic planning efforts of the governor, executive agencies, and the legislature.

Therefore, the legislature declares that an important public purpose can be accomplished through an international trade council that, through coordination and advice, can facilitate increased exporting by Washington businesses.

NEW SECTION. Sec. 2. A new section is added to chapter 44.52 RCW to read as follows:

(1) The council on international trade is established. The council shall consist of fifteen members as follows:

- (a) Two members of trade organizations, appointed by the governor;
- (b) Two representatives of ports, appointed by the governor;
- (c) Two representatives of businesses active in exporting goods, appointed by the governor;
- (d) Three representatives from the executive-legislative committee on economic development created in chapter . . . (Senate Bill No. 5300), Laws of 1993;

(e) Two members with experience in foreign marketing, appointed by the governor;

(f) Two experts in financing export transactions, appointed by the governor;

(g) The director of the department of trade and economic development or the director's designee; and

(h) The director of the department of agriculture or the director's designee.

(2) Nonlegislative members may receive reimbursement from the governor's office for travel under RCW 43.03.050 and 43.03.060. Legislative members may be reimbursed under RCW 41.04.300.

(3) The council shall:

(a) Advise the executive-legislative committee on economic development regarding policies, programs, and activities to enhance the exporting of Washington goods and services to international markets;

(b) Review current state export targeting efforts and advise the executive-legislative committee on economic development regarding markets with potential that currently are not being emphasized;

(c) Assist in the coordination of public export programs state-wide;

(d) Identify for the executive-legislative committee on economic development current and long-term international trade issues that need to be addressed by the state in its long-term economic development plan;

(e) Recommend methods to increase the awareness of international trade, especially its opportunities and its importance, throughout the state;

(f) Study the impact of the Uruguay round of the general agreement on tariffs and trade and the north american free trade agreement on the state's small manufacturing and export firms, focusing on the competitive threats and opportunities presented by the trade agreements to the state's six most significant traded sectors as measured by the number of employees in the sector and the aggregate dollar volume of goods and services traded in the sector. The council shall identify and utilize existing analyses, studies, and data from the federal government, national and state business and labor organizations, and educational and policy institutes.

NEW SECTION. Sec. 3. The council may accept gifts, grants, donations, devises, and bequests to facilitate the work of the council.

***NEW SECTION.** Sec. 4. *The council shall make a preliminary report to the executive-legislative committee on economic development on its activities by June 1, 1994, and make a final report by December 1, 1994.*

*Sec. 4 was vetoed, see message at end of chapter.

NEW SECTION. Sec. 5. This act shall expire on June 30, 1995.

Passed the House April 25, 1993.

Passed the Senate April 25, 1993.

Approved by the Governor May 18, 1993, with the exception of certain items which were vetoed.

Filed in Office of Secretary of State May 18, 1993.

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

"I am returning herewith, without my approval as to section 4, Substitute House Bill No. 1808 entitled:

"AN ACT Relating to international trade;"

I am a strong believer in the importance of international trade for the future of the state economy. Washington State is open to the world, and trade is a critically important part of our economy. I believe that collaboration between the state and the private sector on improving our trade activities and our international efforts will give us better results.

Because trade is so important for the state, I am signing this legislation despite my concern for its impact on affected state agencies. The coming year will be a challenging and difficult one for state economic development work. The upcoming merger of the departments of Trade and Economic Development and Community Development, and the budget reductions in the Department of Trade and Economic Development will create some real problems.

I am vetoing section 4 of this bill, that directs the new Council to report to the Executive-Legislative Committee on Economic Development which would be established in Senate Bill No. 5300. Because I am vetoing that legislation, the reporting requirement contained in section 4 could not be implemented. Instead, I am directing the Council on International Trade established in this bill to make its reports to the legislature and to the Governor.

With the exception of section 4, Substitute House Bill No. 1808 is approved."

CHAPTER 504

[Substitute House Bill 1817]

DEPARTMENT OF CORRECTIONS INMATE HEALTH CARE SYSTEM REVIEW

Effective Date: 5/18/93

AN ACT Relating to the department of corrections health care costs; creating new sections; and declaring an emergency.

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

NEW SECTION. **Sec. 1.** The legislature finds that Washington state government purchases approximately one-fourth of all the health care state-wide. In addition to this huge expenditure, the state also faces health care inflation rates, far exceeding the growth rate of the economy as a whole and the general inflationary rate. Together these factors are straining state resources beyond our capability to pay.

The legislature finds that the department of corrections is responsible for providing health care to a large and growing number of offenders. It is also facing rapidly escalating medical, dental, and mental health care expenditures. As a result of this, the department must review its entire inmate health care system and take steps to reduce health care expenditures.

The legislature further finds that efforts to achieve state-wide health care reform should also include the department of correction's health care facilities. In this light, the department must develop an appropriate plan that will correspond to the changing health care environment.

***NEW SECTION.** *Sec. 2. (1) The department of corrections shall conduct a comprehensive review and analysis of their offender health care system including all its corresponding expenditures during the 1991-93 biennium.*

(2) The department shall review, analyze, and provide a report of all departmental health services quarterly reports beginning from 1988 through the most current one. The report shall provide data indicating the cost and encounter trends of all medical, dental, mental health, and ancillary services provided for offenders within the division of offender programs, division of prisons, and division of community corrections. The trend data shall, to the extent possible, include, but not be limited to: (a) Total service hours and encounters for consultant/contract services delivered within a department facility or program; (b) medical encounters by department staff; (c) encounters conducted off-site; (d) total medication line visits; (e) inpatient days for department inpatient services and community facilities; (f) dental off-site and on-site encounters; (g) full mental health utilization data; (h) total prescriptions ordered for each facility and overall; (i) total laboratory services for each facility and overall; (j) total radiological procedures for each facility and overall; and (k) to the extent possible, the total ICD-9 codes for encounters specific to off-site hospital services or any other sources that provide such data. The analysis required in (a) through (k) of this subsection shall include, to the extent possible, a breakdown for each of the above categories by facility and include prerelease and work release facilities.

(3) The department shall describe in the report its current health information system capabilities. The report shall include, but not be limited to, its offender health information systems reporting capabilities, data sources, and principal limitations of the current system. To the extent possible and within existing resources, the description shall contain an action plan for developing and implementing a basic, yet fully integrated, health care and financial information system for all department of corrections facilities and for all offender health care. The basic offender health care data system should be able to identify cost centers, utilization patterns, pharmaceuticals and supplies ordering, and tracking by patient and by cost center, encounter specific diagnosis data, both contract and noncontract provider and off-site hospital practice patterns, and all procedure costs. The action plan shall include, to the extent possible, basic information systems configurations, basic hardware specifications, the total estimated cost for hardware, software, maintenance, and personnel, the estimated time line for installation and live use, and the potential and expected system development obstacles.

The department shall also investigate the potential for: (a) Integrating its offender health information system with the existing health information systems at western state hospital or any other state-supported facilities willing and able to share their health care information system software and expertise; (b) sharing software and/or hardware using current modem technology; and

(c) using and modifying nonproprietary software for use in a state-wide offender data base and on-line health information system.

(4) The department shall report its progress to date and estimated or potential saving on: (a) The development of purchasing any offenders health services through preferred contract providers state-wide; (b) the consolidated purchasing of high technology services; (c) the coordination of bulk purchasing of equipment, supplies, and pharmaceuticals; (d) the use of generic pharmaceuticals; (e) the extent to which the department has coordinated with the department of health and the department of social and health services to develop health promotion and prevention care, substance abuse treatment, and mental health treatment including the development of pilot programs using federal grant assistance for training, research, or program implementation; (f) the extent the department has developed protocols for utilization review for assessing the medical necessity and appropriateness of care purchased from contracted or fee for service community-based providers and for the appropriate level of provider contracted in-house; (g) the feasibility of involving other state or federal programs in picking up the costs for offender health care; (h) the current and potential relationships between the department and the two mental health hospitals operated by the division of mental health, and any other state-owned or operated institutions, agencies, or departments, including but not limited to the University of Washington medical school, Harborview hospital, and Eastern Washington University; (i) the feasibility of developing a preferred provider contract with the state's community health care clinic consortium; (j) an estimate of the number of offenders in need of chronic long-term care, their ages, offense, level of incarceration, level of security risk, protocols if developed for managing the health care and security of these offenders, and any other cost saving recommendations for managing offenders in need of chronic long-term care; (k) the degree to which the department can recover health care costs from the offender through their wages while working in correctional industries, or directly through their own resources or insurance, or through their spouse's insurance.

(5) The department of corrections shall submit an initial copy of the report to the health care authority, the department of health, and the department of social and health services, for their written comments regarding recommendations for departmental coordination or cooperation, or any other cost savings recommendations by September 1, 1993. The department shall provide a final copy of the report, including any comments provided by the departments, to the appropriate committees of the senate and the house of representatives by December 12, 1993.

**Sec. 2 was vetoed, see message at end of chapter.*

NEW SECTION. Sec. 3. The department of corrections shall consult with the state health care authority to identify how the department of corrections shall develop a working plan to correspond to the health care reform measures that require all departments to place all state purchased health services in a

community-rated, single risk pool under the direct administrative authority of the state purchasing agent by July 1, 1997. The department of corrections shall report the findings to the chairs of the house of representatives health care committee and committee on corrections and the chairs of the senate committee on health and human services and the law and justice committee by December 12, 1993.

NEW SECTION. Sec. 4. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect immediately.

Passed the House March 16, 1993.

Passed the Senate April 18, 1993.

Approved by the Governor May 18, 1993, with the exception of certain items which were vetoed.

Filed in Office of Secretary of State May 18, 1993.

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

"I am returning herewith, without my approval as to section 2, Substitute House Bill 1817, entitled:

"AN ACT Relating to the department of corrections health care costs;"

Section 2 of this bill directs the Department of Corrections to conduct a comprehensive review and analysis of its offender health care system. The department provides health care to roughly 10,400 clients in a large decentralized institutional system comprised of 16 separate facilities. A study of this depth would certainly produce valuable information, but without additional funding it will be impossible to meet the December 1993 deadline.

I fully expect the Department of Corrections to be an active participant in health care reform. Consistent with sections 1 and 3 of this act, and health care reform legislation, I am directing the Department of Corrections to review the inmate health care system and take steps to reduce health care expenditures. Additionally, the department will develop a plan to improve and make more cost effective the health care delivery system of our state prison system, and implement the provisions of health care reform.

For these reasons, I have vetoed section 2 of Substitute House Bill 1817.

With the exception of section 2, Substitute House Bill 1817 is approved."

CHAPTER 505

[House Bill 1858]

PERIODIC CASE REVIEW OF CHILDREN IN SUBSTITUTE CARE—REVISIONS

Effective Date: 7/25/93

AN ACT Relating to periodic case review for children in substitute care; amending RCW 13.70.100, 13.70.110, and 13.70.140; reenacting and amending RCW 13.70.005; and adding a new section to chapter 74.14A RCW.

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

Sec. 1. RCW 13.70.005 and 1991 c 363 s 14 and 1991 c 127 s 2 are each reenacted and amended to read as follows:

Periodic case review of all children in substitute care (~~shall~~) may be provided in counties designated by the office of the administrator for the courts, in accordance with this chapter (~~and within funding provided by the legislature~~).

The administrator for the courts shall coordinate and assist, within available funds, in the administration of (~~the~~) local citizen review boards (~~pilot program~~) created by this chapter.

Sec. 2. RCW 13.70.100 and 1989 1st ex.s. c 17 s 12 are each amended to read as follows:

(1) This section shall apply to cases where a child has been placed in substitute care pursuant to written parental consent and a dependency petition has not been filed under chapter 13.34 RCW. If a dependency petition is subsequently filed and the child's placement in substitute care continues pursuant to a court order entered in a proceeding under chapter 13.34 RCW, the provisions set forth in RCW 13.70.110 shall apply.

(2) Within thirty days following commencement of the placement episode, the department shall send a copy of the written parental consent to the juvenile court with jurisdiction over the geographical area in which the child resides.

(3) Within forty-five days following commencement of the placement episode, the court shall assign the child's case to a board and forward to the board a copy of the written parental consent to placement.

(4) The board shall review the case plan for each child in substitute care whose case is assigned to the board by the court. The review shall take place at times set by the board. The first review shall occur within ninety days following commencement of the placement episode. The second review shall occur within six months following commencement of the placement episode. The (~~next~~) final board review shall occur (~~within one year following commencement of the placement episode~~) no later than six months following the second review unless the child is no longer in substitute care or unless a guardianship order or adoption decree is entered.

(5) The board shall prepare written findings and recommendations with respect to:

(a) Whether reasonable efforts were made before the placement to prevent or eliminate the need for removal of the child from the home;

(b) Whether reasonable efforts have been made subsequent to the placement to make it possible for the child to be returned home;

(c) Whether the child has been placed in the least-restrictive setting appropriate to the child's needs, including whether consideration has been given to placement with the child's relatives;

(d) Whether there is a continuing need for and whether the placement is appropriate;

(e) Whether there has been compliance with the case plan;

(f) Whether progress has been made toward alleviating the need for placement;

(g) A likely date by which the child may be returned home or other permanent plan of care may be implemented; and

(h) Other problems, solutions, or alternatives the board determines should be explored.

(6) Within ten working days following the review, the board shall send a copy of its findings and recommendations to the child's parents and their attorneys, the child's custodians and their attorneys, mature children and their attorneys, and the department and other child placement agencies directly responsible for supervising the child's placement. If the child is an Indian as defined in the Indian child welfare act, 25 U.S.C. 1901 et seq., a copy of the board's findings and recommendations shall also be sent to the child's Indian tribe.

(7) If the department is unable or unwilling to implement the board recommendations, the department shall submit to the board, within ten working days after receipt of the findings and recommendations, an implementation report setting forth the reasons why the department is unable or unwilling to implement the board's recommendations. The report will also set forth the case plan which the department intends to implement.

(8) The court shall not review the findings and recommendations of the board in cases where the child has been placed in substitute care with signed parental consent unless a dependency petition has been filed and the child has been taken into custody under RCW 13.34.050.

**Sec. 3. RCW 13.70.110 and 1991 c 127 s 5 are each amended to read as follows:*

(1) This section shall apply to cases where a child has been placed in substitute care pursuant to a proceeding under chapter 13.34 RCW.

(2) Within forty-five days following commencement of the placement episode, the court shall assign the child's case to a board and forward to the board a copy of the dependency petition and any shelter care or dependency disposition orders which have been entered in the case by the court.

(3) The board shall review the case plan for each child whose case is assigned to the board by the court. The review shall take place at times set by the board. The first review shall occur ~~((within ninety days following commencement of the placement episode))~~ no later than six months following the second review unless the child is no longer within the jurisdiction of the court, no longer in substitute care, or a guardianship order or adoption decree is entered. The second review shall occur within six months following commencement of the placement episode. The ~~((next))~~ final board review shall occur within one year after commencement of the placement episode. ~~((Within eighteen months following commencement of the placement episode, a permanency planning hearing shall be held before the court in accordance with RCW 13.34.145. Thereafter, the court shall assign the child's case for a board review or a court review hearing pursuant to RCW 13.34.130(5). A board review or a court review hearing shall take place at least once every six~~

~~months until the child is no longer within the jurisdiction of the court or no longer in substitute care or until a guardianship order or adoption decree is entered. After the permanency planning hearing, a court review hearing must occur at least once a year as provided in RCW 13.34.130. The board shall review any case where a petition to terminate parental rights has been denied, and such review shall occur as soon as practical but no later than forty-five days after the denial.)~~

(4) The board shall prepare written findings and recommendations with respect to:

(a) Whether reasonable efforts were made before the placement to prevent or eliminate the need for removal of the child from the home, including whether consideration was given to removing the alleged offender, rather than the child, from the home;

(b) Whether reasonable efforts have been made subsequent to the placement to make it possible for the child to be returned home;

(c) Whether the child has been placed in the least-restrictive setting appropriate to the child's needs, including whether consideration has been given to placement with the child's relatives;

(d) Whether there is a continuing need for placement and whether the placement is appropriate;

(e) Whether there has been compliance with the case plan;

(f) Whether progress has been made toward alleviating the need for placement;

(g) A likely date by which the child may be returned home or other permanent plan of care may be implemented; and

(h) Other problems, solutions, or alternatives the board determines should be explored.

(5) Within ten working days following the review, the board shall send a copy of its findings and recommendations to the parents and their attorneys, the child's custodians and their attorneys, mature children and their attorneys, other attorneys or guardians ad litem appointed by the court to represent children, the department and other child placement agencies directly responsible for supervising the child's placement, and any prosecuting attorney or attorney general actively involved in the case. If the child is an Indian as defined in the Indian child welfare act, 25 U.S.C. Sec. 1901 et seq., a copy of the board's findings and recommendations shall also be sent to the child's Indian tribe.

(6) If the department is unable or unwilling to implement the board recommendations, the department shall submit to the board, within ten working days after receipt of the findings and recommendations, an implementation report setting forth the reasons why the department is unable or unwilling to implement the board's recommendations. The report will also set forth the case plan which the department intends to implement.

(7) Within forty-five days following the review, the board shall either:

(a) Schedule the case for further review by the board; or

(b) Submit to the court the board's findings and recommendations and the department's implementation reports, if any. If the board's recommendations are different from the existing court-ordered case plan, the board shall also file with the court a motion for a review hearing.

(8) Within ten days of receipt of the board's written findings and recommendations and the department's implementation report, if any, the court shall review the findings and recommendations and implementation reports, if any. The court may on its own motion schedule a review hearing.

(9) Unless modified by subsequent court order, the court-ordered case plan and court orders that are in effect at the time that a board reviews a case shall remain in full force and effect. Board findings and recommendations are advisory only and do not in any way modify existing court orders or court-ordered case plans.

(10) The findings and recommendations of the board and the department's implementation report, if any, shall become part of the department's case file and the court social file pertaining to the child.

(11) Nothing in this section shall limit or otherwise modify the rights of any party to a dependency proceeding to request and receive a court review hearing pursuant to the provisions of chapter 13.34 RCW or applicable court rules.

*Sec. 3 was vetoed, see message at end of chapter.

Sec. 4. RCW 13.70.140 and 1989 1st ex.s. c 17 s 16 are each amended to read as follows:

~~((For cases which are subject to the foster care citizen review board pilot project under RCW 13.70.005, a court review hearing shall occur no later than eighteen months following commencement of the child's placement episode.))~~ A permanency planning hearing shall be held before the court in accordance with RCW 13.34.145. Thereafter, court review hearings shall occur at least once every ~~((year))~~ six months, under RCW 13.34.130(5), until the child is no longer within the jurisdiction of the court or the child returns home or a guardianship order or adoption decree is entered. The court may review the case more frequently upon the court's own motion or upon the request of any party to the proceeding ~~((or the citizen review board assigned to the child's case)).~~

NEW SECTION. Sec. 5. A new section is added to chapter 74.14A RCW to read as follows:

The secretary shall:

(1)(a) Consult with relevant qualified professionals to develop a set of minimum guidelines to be used for identifying all children who are in a state-assisted support system, whether at-home or out-of-home, who are likely to need long-term care or assistance, because they face physical, emotional, medical, mental, or other long-term challenges.

(b) The guidelines must, at a minimum, consider the following criteria for identifying children in need of long-term care or assistance:

- (i) Placement within the foster care system for two years or more;
- (ii) Multiple foster care placements;
- (iii) Repeated unsuccessful efforts to be placed with a permanent adoptive family;
- (iv) Chronic behavioral or educational problems;
- (v) Repetitive criminal acts or offenses;
- (vi) Failure to comply with court-ordered disciplinary actions and other imposed guidelines of behavior, including drug and alcohol rehabilitation; and
- (vii) Chronic physical, emotional, medical, mental, or other similar conditions necessitating long-term care or assistance;

(2) Develop programs that are necessary for the long-term care of children and youth that are identified for the purposes of this section. Programs must: (a) Effectively address the educational, physical, emotional, mental, and medical needs of children and youth; and (b) incorporate an array of family support options, to individual needs and choices of the child and family. The programs must be ready for implementation by January 1, 1995;

(3) Conduct an evaluation of all children currently within the foster care agency caseload to identify those children who meet the criteria set forth in this section. The evaluation shall be completed by January 1, 1994. All children entering the foster care system after January 1, 1994, must be evaluated for identification of long-term needs within thirty days of placement;

(4) Study and develop a comprehensive plan for the evaluation and identification of all children and youth in need of long-term care or assistance, including, but not limited to, the mentally ill, developmentally disabled, medically fragile, seriously emotionally or behaviorally disabled, and physically impaired;

(5) Study and develop a plan for the children and youth in need of long-term care or assistance to ensure the coordination of services between the department's divisions and between other state agencies who are involved with the child or youth.

(6) Study and develop guidelines for transitional services, between long-term care programs, based on the person's age or mental, physical, emotional, or medical condition; and

(7) Study and develop a statutory proposal for the emancipation of minors and report its findings and recommendations to the legislature by January 1, 1994.

Passed the House April 21, 1993.

Passed the Senate April 17, 1993.

Approved by the Governor May 18, 1993, with the exception of certain items which were vetoed.

Filed in Office of Secretary of State May 18, 1993.

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

"I am returning herewith, without my approval as to section 3, House Bill No. 1858, entitled:

"AN ACT Relating to periodic case review for children in substitute care;"

House Bill No. 1858 is important legislation which authorizes designated counties to provide periodic case review of children in foster care and provides for the development of long-term care programs for foster care children. However, section 3 of this bill contains a drafting error which makes that section impossible to perform and technically out of compliance with federal requirements for foster care funding. I have therefore vetoed section 3 of House Bill No. 1858.

With the exception of section 3, House Bill No. 1858 is approved."

CHAPTER 506

[House Bill 2028]

ELECTED OFFICIALS—RESTORATION OF WITHDRAWN RETIREMENT CONTRIBUTIONS

Effective Date: 7/25/93

AN ACT Relating to notification to employees of ability to restore withdrawn retirement system contributions; adding a new section to chapter 41.50 RCW; adding a new section to chapter 41.40 RCW; and creating a new section.

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

***NEW SECTION.** *Sec. 1. A new section is added to chapter 41.50 RCW to read as follows:*

(1) The director shall notify a member of any of the retirement systems listed in RCW 41.50.030 who is eligible to restore withdrawn contributions of the member's ability to restore the contributions, by sending to the member's employer a statement of the potential service credit to be restored, the amount of funds required for restoration, the date by when the restoration must be accomplished, and the options for repayment. The employer shall provide the statement to the member and place a copy of the statement in the member's personnel file.

(2) Neither this section nor any other provision in this chapter or chapter 41.26, 41.32, 41.40, 41.54, or 43.43 RCW authorize the extension of statutory restore deadlines for members who do not receive notice of their eligibility to restore withdrawn contributions. This subsection applies retroactively to restoration periods which expired prior to the effective date of this act.

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

NEW SECTION. *Sec. 2. A new section is added to chapter 41.40 RCW, under the subchapter heading "plan I," to read as follows:*

Any active member or separated member who was not eligible to restore contributions under section 3, chapter 317, Laws of 1986, solely because he or she was an elected official, other than an elected official under Articles II or III of the Constitution of the state of Washington, shall be permitted to restore

withdrawn contributions for periods of nonelected service no later than June 30, 1994, with interest as determined by the director.

NEW SECTION. Sec. 3. If specific funding for the purposes of this act, referencing this act by bill number, is not provided by June 30, 1993, in the biennial appropriations act, this act shall be null and void.

Passed the House April 24, 1993.

Passed the Senate April 24, 1993.

Approved by the Governor May 18, 1993, with the exception of certain items which were vetoed.

Filed in Office of Secretary of State May 18, 1993.

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

"I am returning herewith, without my approval as to section 1, House Bill No. 2028 entitled:

"AN ACT Relating to notification to employees of the ability to restore withdrawn retirement system contributions;"

Section 1 gives the Department of Retirement Systems the responsibility of notifying members of any of the state's retirement systems of their ability to restore withdrawn contributions. While I strongly support the intent of the legislation, I must recommend veto of this section. The additional workload that is placed on the department would require additional funding in order to administer this continuing project. The legislature did not provide this funding in the 1993-95 budget.

For this reason, I have vetoed section 1 of House Bill No. 2028.

With the exception of section 1, House Bill No. 2028 is approved."

CHAPTER 507

[Engrossed Substitute House Bill 2071]

RESTRICTIONS ON MINORS' ACCESS TO TOBACCO PRODUCTS

Effective Date: 7/25/93

AN ACT Relating to access to tobacco; amending RCW 82.24.530, 82.24.550, and 82.24.560; adding a new chapter to Title 70 RCW; creating new sections; and prescribing penalties.

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

NEW SECTION. Sec. 1. The legislature finds that while present state law prohibits the sale and distribution of tobacco to minors, youth obtain tobacco products with ease. Availability and lack of enforcement put tobacco products in the hands of youth.

Federal law requires states to enforce laws prohibiting sale and distribution of tobacco products to minors in a manner that can reasonably be expected to reduce the extent to which the products are available to minors. It is imperative to effectively reduce the sale, distribution, and availability of tobacco products to minors.

NEW SECTION. Sec. 2. The definitions set forth in RCW 82.24.010 shall apply to sections 3 through 14 of this act. In addition, for the purposes of this chapter, unless otherwise required by the context:

- (1) "Board" means the Washington state liquor control board.
- (2) "Minor" refers to an individual who is less than eighteen years old.
- (3) "Public place" means a public street, sidewalk, or park, or any area open to the public in a publicly owned and operated building.
- (4) "Sample" means a tobacco product distributed to members of the general public at no cost or at nominal cost for product promotion purposes.
- (5) "Sampler" means a person engaged in the business of sampling other than a retailer.
- (6) "Sampling" means the distribution of samples to members of the general public in a public place.
- (7) "Tobacco product" means a product that contains tobacco and is intended for human consumption.

NEW SECTION. Sec. 3. A person who holds a license issued under RCW 82.24.520 or 82.24.530 shall:

(1) Display the license or a copy in a prominent location at the outlet for which the license is issued; and

(2) Display a sign concerning the prohibition of tobacco sales to minors.

Such sign shall:

(a) Be posted so that it is clearly visible to anyone purchasing tobacco products from the licensee;

(b) Be designed and produced by the department of health to read: "THE SALE OF TOBACCO PRODUCTS TO PERSONS UNDER AGE 18 IS STRICTLY PROHIBITED BY STATE LAW. IF YOU ARE UNDER 18, YOU COULD BE PENALIZED FOR PURCHASING A TOBACCO PRODUCT; PHOTO ID REQUIRED"; and

(c) Be provided free of charge by the liquor control board.

NEW SECTION. Sec. 4. No person shall sell or permit to be sold any tobacco product through any device that mechanically dispenses tobacco products unless the device is located fully within premises from which minors are prohibited or in industrial worksites where minors are not employed and not less than ten feet from all entrance or exit ways to and from each premises.

NEW SECTION. Sec. 5. No person shall sell or permit to be sold cigarettes not in the original unopened package or container to which the stamps required by RCW 82.24.060 have been affixed.

This section does not apply to the sale of loose leaf tobacco by a retail business that generates a minimum of sixty percent of annual gross sales from the sale of tobacco products.

NEW SECTION. Sec. 6. (1) No person may engage in the business of sampling within the state unless licensed to do so by the board. If a firm contracts with a manufacturer to distribute samples of the manufacturer's

products, that firm is deemed to be the person engaged in the business of sampling.

(2) The board shall issue a license to a sampler not otherwise disqualified by section 11 of this act upon application and payment of the fee.

(3) A sampler's license expires on the thirtieth day of June of each year and must be renewed annually upon payment of the appropriate fee.

(4) The board shall annually determine the fee for a sampler's license and each renewal. However, the fee for a manufacturer whose employees distribute samples within the state is five hundred dollars per annum, and the fee for all other samplers must be not less than fifty dollars per annum.

(5) A sampler's license entitles the licensee, and employees or agents of the licensee, to distribute samples at any lawful location in the state during the term of the license. A person engaged in sampling under the license shall carry the license or a copy at all times.

NEW SECTION. Sec. 7. (1) No person may distribute or offer to distribute samples in a public place. This prohibition does not apply to sampling (a) in an area to which persons under the age of eighteen are denied admission, (b) in or at a store or concession to which a retailer's license has been issued, or (c) at or adjacent to a production, repair, or outdoor construction site or facility.

(2) Notwithstanding subsection (1) of this section, no person may distribute or offer to distribute samples in or on a public street, sidewalk, or park that is within five hundred feet of a playground, school, or other facility when that facility is being used primarily by persons under the age of eighteen for recreational, educational, or other purposes.

NEW SECTION. Sec. 8. No person shall give or distribute cigarettes or other tobacco products to a person by a coupon if such coupon is redeemed in any manner that does not require an in-person transaction in a retail store.

NEW SECTION. Sec. 9. A person under the age of eighteen who purchases or attempts to purchase or obtains or attempts to obtain cigarettes or tobacco products commits a class 3 civil infraction under chapter 7.80 RCW and is subject to a fine as set out in chapter 7.80 RCW or participation in a smoking cessation program, or both. This provision does not apply if a person under the age of eighteen, with parental authorization, is participating in a controlled purchase as part of a liquor control board, law enforcement, or local health department activity.

NEW SECTION. Sec. 10. (1) Where there may be a question of a person's right to purchase or obtain tobacco products by reason of age, the retailer, sampler, or agent thereof, shall require the purchaser to present any one of the following officially issued identification that shows the purchaser's age and bears his or her signature and photograph: Liquor control authority card of identification of a state or province of Canada; driver's license, instruction permit, or identification card of a state or province of Canada; "identocard" issued by the Washington state department of licensing under chapter 46.20 RCW; United

States military identification; passport; or merchant marine identification card issued by the United States coast guard.

(2) It is a defense to a prosecution under RCW 26.28.080(4) that the person making a sale reasonably relied on any of the officially issued identification as defined in subsection (1) of this section. The liquor control board shall waive the suspension or revocation of a license if the licensee clearly establishes that he or she acted in good faith to prevent violations and a violation occurred despite the licensee's exercise of due diligence.

NEW SECTION. Sec. 11. (1) The liquor control board may suspend or revoke a retailer's license held by a business at any location, or may impose a monetary penalty as set forth in subsection (2) of this section, if the liquor control board finds that the licensee has violated RCW 26.28.080(4), or section 3, 4, 5, 6, 7, 8, or 10 of this act.

(2) The sanctions that the liquor control board may impose against a person licensed under RCW 82.24.530 and sections 6 and 7 of this act based upon one or more findings under subsection (1) of this section may not exceed the following:

(a) For violation of RCW 26.28.080(4) or section 3 of this act:

(i) A monetary penalty of one hundred dollars for the first violation within any two-year period;

(ii) A monetary penalty of three hundred dollars for the second violation within any two-year period;

(iii) A monetary penalty of one thousand dollars and suspension of the license for a period of six months for the third violation within any two-year period;

(iv) A monetary penalty of one thousand five hundred dollars and suspension of the license for a period of twelve months for the fourth violation within any two-year period;

(v) Revocation of the license with no possibility of reinstatement for a period of five years for the fifth or more violation within any two-year period;

(b) For violations of section 4 of this act, a monetary penalty in the amount of one hundred dollars for each day upon which such violation occurred;

(c) For violations of section 5 of this act occurring on the licensed premises:

(i) A monetary penalty of one hundred dollars for the first violation within any two-year period;

(ii) A monetary penalty of three hundred dollars for the second violation within any two-year period;

(iii) A monetary penalty of one thousand dollars and suspension of the license for a period of six months for the third violation within any two-year period;

(iv) A monetary penalty of one thousand five hundred dollars and suspension of the license for a period of twelve months for the fourth violation within any two-year period;

(v) Revocation of the license with no possibility of reinstatement for a period of five years for the fifth or more violation within any two-year period;

(d) For violations of sections 6 and 7 of this act, a monetary penalty in the amount of three hundred dollars for each violation;

(e) For violations of section 8 of this act, a monetary penalty in the amount of one thousand dollars for each violation.

(3) The liquor control board may impose a monetary penalty upon any person other than a licensed cigarette retailer or licensed sampler if the liquor control board finds that the person has violated RCW 26.28.080(4), or section 3, 4, 5, 6, 7, 8, or 10 of this act.

(4) The monetary penalty that the liquor control board may impose based upon one or more findings under subsection (3) of this section may not exceed the following:

(a) For violation of RCW 26.28.080(4) or section 3 of this act, fifty dollars for the first violation and one hundred dollars for each subsequent violation;

(b) For violations of section 4 of this act, one hundred dollars for each day upon which such violation occurred;

(c) For violations of section 5 of this act, one hundred dollars for each violation;

(d) For violations of sections 6 and 7 of this act, three hundred dollars for each violation;

(e) For violations of section 8 of this act, one thousand dollars for each violation.

(5) The liquor control board may develop and offer a class for retail clerks and use this class in lieu of a monetary penalty for the clerk's first violation.

(6) The liquor control board may issue a cease and desist order to any person who is found by the liquor control board to have violated or intending to violate the provisions of this chapter, RCW 26.28.080(4) or 82.24.500, requiring such person to cease specified conduct that is in violation. The issuance of a cease and desist order shall not preclude the imposition of other sanctions authorized by this statute or any other provision of law.

(7) The liquor control board may seek injunctive relief to enforce the provisions of RCW 26.28.080(4) or 82.24.500 or this chapter. The liquor control board may initiate legal action to collect civil penalties imposed under this chapter if the same have not been paid within thirty days after imposition of such penalties. In any action filed by the liquor control board under this chapter, the court may, in addition to any other relief, award the liquor control board reasonable attorneys' fees and costs.

(8) All proceedings under subsections (1) through (6) of this section shall be conducted in accordance with chapter 34.05 RCW.

NEW SECTION. Sec. 12. (1) The liquor control board shall, in addition to the board's other powers and authorities, have the authority to enforce the provisions of this chapter and RCW 26.28.080(4) and 82.24.500. The liquor

control board shall have full power to revoke or suspend the license of any retailer or wholesaler in accordance with the provisions of section 11 of this act.

(2) The liquor control board and the board's authorized agents or employees shall have full power and authority to enter any place of business where tobacco products are sold for the purpose of enforcing the provisions of this chapter.

(3) For the purpose of enforcing the provisions of this chapter and RCW 26.28.080(4) and 82.24.500, a peace officer or enforcement officer of the liquor control board who has reasonable grounds to believe a person observed by the officer purchasing, attempting to purchase, or in possession of tobacco products is under the age of eighteen years of age, may detain such person for a reasonable period of time and in such a reasonable manner as is necessary to determine the person's true identity and date of birth. Further, tobacco products possessed by persons under the age of eighteen years of age are considered contraband and may be seized by a peace officer or enforcement officer of the liquor control board.

(4) The liquor control board may work with local county health departments or districts and local law enforcement agencies to conduct random, unannounced, inspections to assure compliance.

NEW SECTION. Sec. 13. (1) The youth tobacco prevention account is created in the state treasury. All fees collected pursuant to RCW 82.24.520 and 82.24.530 and funds collected by the liquor control board from the imposition of monetary penalties and samplers' fees shall be deposited into this account, except that ten percent of all such fees and penalties shall be deposited in the state general fund.

(2) Moneys appropriated from the youth tobacco prevention account to the department of health shall be used by the department of health for implementation of this chapter, including collection and reporting of data regarding enforcement and the extent to which access to tobacco products by youth has been reduced.

(3) The department of health shall enter into interagency agreements with the liquor control board to pay the costs incurred, up to thirty percent of available funds, in carrying out its enforcement responsibilities under this chapter. Such agreements shall set forth standards of enforcement, consistent with the funding available, so as to reduce the extent to which tobacco products are available to individuals under the age of eighteen. The agreements shall also set forth requirements for data reporting by the liquor control board regarding its enforcement activities.

(4) The department of health and the department of revenue shall enter into an interagency agreement for payment of the cost of administering the tobacco retailer licensing system and for the provision of quarterly documentation of tobacco wholesaler, retailer, and vending machine names and locations.

(5) The department of health shall, within up to seventy percent of available funds, provide grants to local health departments or other local community

agencies to develop and implement coordinated tobacco intervention strategies to prevent and reduce tobacco use by youth.

NEW SECTION. Sec. 14. This chapter preempts political subdivisions from adopting or enforcing requirements for the licensure and regulation of tobacco product promotions and sales within retail stores, except that political subdivisions that have adopted ordinances prohibiting sampling by January 1, 1993, may continue to enforce these ordinances. No political subdivision may: (1) Impose fees or license requirements on retail businesses for possessing or selling cigarettes or tobacco products, other than general business taxes or license fees not primarily levied on tobacco products; or (2) regulate or prohibit activities covered by sections 3 through 9 of this act. This chapter does not otherwise preempt political subdivisions from adopting ordinances regulating the sale, purchase, use, or promotion of tobacco products not inconsistent with chapter . . . , Laws of 1993 (this act).

Sec. 15. RCW 82.24.530 and 1986 c 321 s 7 are each amended to read as follows:

A fee of ~~((ten))~~ ninety-three dollars shall accompany each retailer's license application or license renewal application. A separate license is required for each separate location at which the retailer operates. A fee of ~~((one))~~ thirty additional dollars for each vending machine shall accompany each application or renewal for a license issued to a retail dealer operating a cigarette vending machine.

NEW SECTION. Sec. 16. The department of health shall report to the house of representatives and senate committees with jurisdiction for health issues no later than February 1, 1995, on the effectiveness of enforcement and education activities as specified in this act. This study shall include information concerning the adequacy of revenue to support enforcement and education activities.

Sec. 17. RCW 82.24.550 and 1986 c 321 s 9 are each amended to read as follows:

(1) The department of revenue shall enforce the provisions of this chapter except RCW 82.24.500, which will be enforced by the liquor control board. The department of revenue may adopt, amend, and repeal rules necessary to enforce and administer the provisions of this chapter. The department of revenue has full power and authority to revoke or suspend the license or permit of any wholesale or retail cigarette dealer in the state upon sufficient cause appearing of the violation of this chapter or upon the failure of such licensee to comply with any of the provisions of this chapter.

(2) A license shall not be suspended or revoked except upon notice to the licensee and after a hearing as prescribed by the department of revenue. The department of revenue, upon a finding by same, that the licensee has failed to comply with any provision of this chapter or any rule promulgated thereunder, shall, in the case of the first offender, suspend the license or licenses of the

licensee for a period of not less than thirty consecutive business days, and, in the case of a second or plural offender, shall suspend the license or licenses for a period of not less than ninety consecutive business days nor more than twelve months, and, in the event the department of revenue finds the offender has been guilty of willful and persistent violations, it may revoke the license or licenses.

(3) Any person whose license or licenses have been so revoked may apply to the department of revenue at the expiration of one year for a reinstatement of the license or licenses. The license or licenses may be reinstated by the department of revenue if it appears to the satisfaction of the department of revenue that the licensee will comply with the provisions of this chapter and the rules promulgated thereunder.

(4) A person whose license has been suspended or revoked shall not sell cigarettes or permit cigarettes to be sold during the period of such suspension or revocation on the premises occupied by the person or upon other premises controlled by the person or others or in any other manner or form whatever.

(5) Any determination and order by the department of revenue, and any order of suspension or revocation by the department of revenue of the license or licenses, or refusal to reinstate a license or licenses after revocation shall be reviewable by an appeal to the superior court of Thurston county. The superior court shall review the order or ruling of the department of revenue and may hear the matter de novo, having due regard to the provisions of this chapter and the duties imposed upon the department of revenue.

Sec. 18. RCW 82.24.560 and 1986 c 321 s 10 are each amended to read as follows:

Except as specified in section 13 of this act, all fees and penalties received or collected by the department of revenue pursuant to this chapter shall be paid to the state treasurer, to be credited to the general fund.

NEW SECTION. **Sec. 19.** Sections 2 through 14 of this act shall constitute a new chapter in Title 70 RCW.

NEW SECTION. **Sec. 20.** If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

Passed the House April 21, 1993.

Passed the Senate April 15, 1993.

Approved by the Governor May 18, 1993.

Filed in Office of Secretary of State May 18, 1993.

CHAPTER 508

[Substitute House Bill 2098]

LONG-TERM CARE OPTIONS EXPANDED

Effective Date: 5/18/93

AN ACT Relating to options in long-term care; nursing homes-resident care, operating standards; health planning and development; amending RCW 74.42.010 and 70.38.111; reenacting and amending RCW 70.38.115; adding a new section to chapter 74.14A RCW; adding a new section to chapter 71A.20 RCW; adding a new chapter to Title 74 RCW; creating a new section; and declaring an emergency.

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

NEW SECTION. Sec. 1. FINDINGS. The legislature finds that the aging of the population and advanced medical technology have resulted in a growing number of persons who require assistance. The primary resource for long-term care continues to be family and friends. However, these traditional caregivers are increasingly employed outside the home. There is a growing demand for improvement and expansion of home and community-based long-term care services to support and complement the services provided by these informal caregivers.

The legislature further finds that the public interest would best be served by a broad array of long-term care services that support persons who need such services at home or in the community whenever practicable and that promote individual autonomy, dignity, and choice.

The legislature finds that as other long-term care options become more available, the relative need for nursing home beds is likely to decline. The legislature recognizes, however, that nursing home care will continue to be a critical part of the state's long-term care options, and that such services should promote individual dignity, autonomy, and a homelike environment.

NEW SECTION. Sec. 2. PURPOSE AND INTENT. It is the legislature's intent that:

(1) Long-term care services administered by the department of social and health services include a balanced array of health, social, and supportive services that promote individual choice, dignity, and the highest practicable level of independence;

(2) Home and community-based services be developed, expanded, or maintained in order to meet the needs of consumers and to maximize effective use of limited resources;

(3) Long-term care services be responsive and appropriate to individual need and also cost-effective for the state;

(4) Nursing home care is provided in such a manner and in such an environment as will promote maintenance or enhancement of the quality of life of each resident and timely discharge to a less restrictive care setting when appropriate; and

(5) State health planning for nursing home bed supply take into account increased availability of other home and community-based service options.

NEW SECTION. Sec. 3. ASSISTED LIVING. To the extent of available funding, the department of social and health services may contract with licensed boarding homes for assisted living services. The department shall develop rules that ensure that the contracted services:

- (1) Recognize individual needs, privacy, and autonomy;
- (2) Include, but not be limited to, personal care, nursing services, medication administration, and supportive services that promote independence and self-sufficiency;
- (3) Are of sufficient scope to assure that each resident who chooses to remain in assisted living may do so, unless nursing care needs exceed the level of care defined by the department;
- (4) Are directed first to those persons most likely, in the absence of assisted living services, to need hospital, nursing facility, or other out-of-home placement; and
- (5) Are provided in compliance with applicable department of health facility and professional licensing laws and rules.

Sec. 4. RCW 74.42.010 and 1979 ex.s. c 211 s 1 are each amended to read as follows:

Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

- (1) "Department" means the department of social and health services and the department's employees.
- (2) "Facility" refers to a nursing home as defined in RCW 18.51.010.
- (3) "Licensed practical nurse" means a person licensed to practice practical nursing under chapter 18.78 RCW.
- (4) "Medicaid" means Title XIX of the Social Security Act enacted by the social security amendments of 1965 (42 U.S.C. Sec. 1396; 79 Stat. 343), as amended.
- (5) "Nursing care" means that care provided by a registered nurse, a licensed practical nurse, or a nursing assistant in the regular performance of their duties.
- (6) "Qualified therapist" means:
 - (a) An activities specialist who has specialized education, training, or experience specified by the department.
 - (b) An audiologist who is eligible for a certificate of clinical competence in audiology or who has the equivalent education and clinical experience.
 - (c) A mental health professional as defined in chapter 71.05 RCW.
 - (d) A mental retardation professional who is a qualified therapist or a therapist approved by the department and has specialized training or one year experience in treating or working with the mentally retarded or developmentally disabled.
 - (e) An occupational therapist who is a graduate of a program in occupational therapy or who has equivalent education or training.
 - (f) A physical therapist as defined in chapter 18.74 RCW.
 - (g) A social worker who is a graduate of a school of social work.

(h) A speech pathologist who is eligible for a certificate of clinical competence in speech pathology or who has equivalent education and clinical experience.

(7) "Registered nurse" means a person practicing nursing under chapter 18.88 RCW.

(8) "Resident" means an individual (~~recipient of medical benefits pursuant to chapter 74.09 RCW, except as to RCW 74.42.030 through 74.42.130 which shall apply to all patients~~) residing in a nursing home, as defined in RCW 18.51.010.

(9) "Physician's assistant" means a person practicing pursuant to chapters 18.57A and 18.71A RCW.

(10) "Nurse practitioner" means a person practicing such expanded acts of nursing as are authorized by the board of nursing pursuant to RCW 18.88.030.

Sec. 5. RCW 70.38.111 and 1992 c 27 s 2 are each amended to read as follows:

(1) The department shall not require a certificate of need for the offering of an inpatient tertiary health service by:

(a) A health maintenance organization or a combination of health maintenance organizations if (i) the organization or combination of organizations has, in the service area of the organization or the service areas of the organizations in the combination, an enrollment of at least fifty thousand individuals, (ii) the facility in which the service will be provided is or will be geographically located so that the service will be reasonably accessible to such enrolled individuals, and (iii) at least seventy-five percent of the patients who can reasonably be expected to receive the tertiary health service will be individuals enrolled with such organization or organizations in the combination;

(b) A health care facility if (i) the facility primarily provides or will provide inpatient health services, (ii) the facility is or will be controlled, directly or indirectly, by a health maintenance organization or a combination of health maintenance organizations which has, in the service area of the organization or service areas of the organizations in the combination, an enrollment of at least fifty thousand individuals, (iii) the facility is or will be geographically located so that the service will be reasonably accessible to such enrolled individuals, and (iv) at least seventy-five percent of the patients who can reasonably be expected to receive the tertiary health service will be individuals enrolled with such organization or organizations in the combination; or

(c) A health care facility (or portion thereof) if (i) the facility is or will be leased by a health maintenance organization or combination of health maintenance organizations which has, in the service area of the organization or the service areas of the organizations in the combination, an enrollment of at least fifty thousand individuals and, on the date the application is submitted under subsection (2) of this section, at least fifteen years remain in the term of the lease, (ii) the facility is or will be geographically located so that the service will be reasonably accessible to such enrolled individuals, and (iii) at least seventy-

five percent of the patients who can reasonably be expected to receive the tertiary health service will be individuals enrolled with such organization; if, with respect to such offering or obligation by a nursing home, the department has, upon application under subsection (2) of this section, granted an exemption from such requirement to the organization, combination of organizations, or facility.

(2) A health maintenance organization, combination of health maintenance organizations, or health care facility shall not be exempt under subsection (1) of this section from obtaining a certificate of need before offering a tertiary health service unless:

(a) It has submitted at least thirty days prior to the offering of services reviewable under RCW 70.38.105(4)(d) an application for such exemption; and

(b) The application contains such information respecting the organization, combination, or facility and the proposed offering or obligation by a nursing home as the department may require to determine if the organization or combination meets the requirements of subsection (1) of this section or the facility meets or will meet such requirements; and

(c) The department approves such application. The department shall approve or disapprove an application for exemption within thirty days of receipt of a completed application. In the case of a proposed health care facility (or portion thereof) which has not begun to provide tertiary health services on the date an application is submitted under this subsection with respect to such facility (or portion), the facility (or portion) shall meet the applicable requirements of subsection (1) of this section when the facility first provides such services. The department shall approve an application submitted under this subsection if it determines that the applicable requirements of subsection (1) of this section are met.

(3) A health care facility (or any part thereof) with respect to which an exemption was granted under subsection (1) of this section may not be sold or leased and a controlling interest in such facility or in a lease of such facility may not be acquired and a health care facility described in (1)(c) which was granted an exemption under subsection (1) of this section may not be used by any person other than the lessee described in (1)(c) unless:

(a) The department issues a certificate of need approving the sale, lease, acquisition, or use; or

(b) The department determines, upon application, that (i) the entity to which the facility is proposed to be sold or leased, which intends to acquire the controlling interest, or which intends to use the facility is a health maintenance organization or a combination of health maintenance organizations which meets the requirements of (1)(a)(i), and (ii) with respect to such facility, meets the requirements of (1)(a)(ii) or (iii) or the requirements of (1)(b)(i) and (ii).

(4) In the case of a health maintenance organization, an ambulatory care facility, or a health care facility, which ambulatory or health care facility is controlled, directly or indirectly, by a health maintenance organization or a

combination of health maintenance organizations, the department may under the program apply its certificate of need requirements only to the offering of inpatient tertiary health services and then only to the extent that such offering is not exempt under the provisions of this section.

(5)(a) The department shall not require a certificate of need for the construction, development, or other establishment of a nursing home, or the addition of beds to an existing nursing home, that is owned and operated by a continuing care retirement community that:

(i) Offers services only to contractual members;

(ii) Provides its members a contractually guaranteed range of services from independent living through skilled nursing, including some assistance with daily living activities;

(iii) Contractually assumes responsibility for the cost of services exceeding the member's financial responsibility under the contract, so that no third party, with the exception of insurance purchased by the retirement community or its members, but including the medicaid program, is liable for costs of care even if the member depletes his or her personal resources;

(iv) Has offered continuing care contracts and operated a nursing home continuously since January 1, 1988, or has obtained a certificate of need to establish a nursing home;

(v) Maintains a binding agreement with the state assuring that financial liability for services to members, including nursing home services, will not fall upon the state;

(vi) Does not operate, and has not undertaken a project that would result in a number of nursing home beds in excess of one for every four living units operated by the continuing care retirement community, exclusive of nursing home beds; and

(vii) Has obtained a professional review of pricing and long-term solvency within the prior five years which was fully disclosed to members.

(b) A continuing care retirement community shall not be exempt under this subsection from obtaining a certificate of need unless:

(i) It has submitted an application for exemption at least thirty days prior to commencing construction of, is submitting an application for the licensure of, or is commencing operation of a nursing home, whichever comes first; and

(ii) The application documents to the department that the continuing care retirement community qualifies for exemption.

(c) The sale, lease, acquisition, or use of part or all of a continuing care retirement community nursing home that qualifies for exemption under this subsection shall require prior certificate of need approval to qualify for licensure as a nursing home unless the department determines such sale, lease, acquisition, or use is by a continuing care retirement community that meets the conditions of (a) of this subsection.

(6) A rural hospital, as defined by the department, reducing the number of licensed beds to become a rural primary care hospital under the provisions of

Part A Title XVIII of the Social Security Act Section 1820, 42 U.S.C., 1395c et seq. may, within three years of the reduction of beds licensed under chapter 70.41 RCW, increase the number of licensed beds to no more than the previously licensed number without being subject to the provisions of this chapter.

(7) A rural health care facility licensed under RCW 70.175.100 formerly licensed as a hospital under chapter 70.41 RCW may, within three years of the effective date of the rural health care facility license, apply to the department for a hospital license and not be subject to the requirements of RCW 70.38.105(4)(a) as the construction, development, or other establishment of a new hospital, provided there is no increase in the number of beds previously licensed under chapter 70.41 RCW and there is no redistribution in the number of beds used for acute care or long-term care, the rural health care facility has been in continuous operation, and the rural health care facility has not been purchased or leased.

(8)(a) A nursing home that voluntarily reduces the number of its licensed beds to provide assisted living, licensed boarding home care, adult day care, adult day health, respite care, hospice, outpatient therapy services, congregate meals, home health, or senior wellness clinic, or to reduce to one or two the number of beds per room in the nursing home, may convert the original facility or portion of the facility back, and thereby increase the number of nursing home beds to no more than the previously licensed number of nursing home beds without being subject to the provisions of this chapter except under RCW 70.38.105(4)(d), provided the facility has been in continuous operation and has not been purchased or leased.

(b) To convert beds back to nursing home beds under this subsection, the nursing home must:

(i) Give notice of its intent to preserve conversion options to the department of health no later than thirty days after the effective date of the license reduction; and

(ii) Give notice to the department of health and to the department of social and health services of the intent to convert beds back. If construction is required for the conversion of beds back, the notice of intent to convert beds back must be given no later than two years prior to the effective date of license modification reflecting the restored beds; otherwise, the notice must be given no later than one year prior to the effective date of license modification reflecting the restored beds.

(c) Conversion of beds back under this subsection must be completed no later than four years after the effective date of the license reduction. However, for good cause shown, the four-year period for conversion may be extended by the department of health for one additional four-year period.

(d) Nursing home beds that have been voluntarily reduced under this section shall be counted as available nursing home beds for the purpose of evaluating need under RCW 70.38.115(2)(a) and (k) so long as the facility retains the ability to convert them back to nursing home use under the terms of this section.

Sec. 6. RCW 70.38.115 and 1989 1st ex.s. c 9 s 605 and 1989 c 175 s 126 are each reenacted and amended to read as follows:

(1) Certificates of need shall be issued, denied, suspended, or revoked by the designee of the secretary in accord with the provisions of this chapter and rules of the department which establish review procedures and criteria for the certificate of need program.

(2) Criteria for the review of certificate of need applications, except as provided in subsection (3) of this section for health maintenance organizations, shall include but not be limited to consideration of the following:

~~(a) ((Until June 30, 1990, the relationship of the health services being reviewed to the applicable health plans;~~

~~(b))~~ The need that the population served or to be served by such services has for such services;

~~((e))~~ (b) The availability of less costly or more effective alternative methods of providing such services;

~~((d))~~ (c) The financial feasibility and the probable impact of the proposal on the cost of and charges for providing health services in the community to be served;

~~((e))~~ (d) In the case of health services to be provided, (i) the availability of alternative uses of project resources for the provision of other health services, (ii) the extent to which such proposed services will be accessible to all residents of the area to be served, and (iii) the need for and the availability in the community of services and facilities for osteopathic and allopathic physicians and their patients. The department shall consider the application in terms of its impact on existing and proposed institutional training programs for doctors of osteopathy and medicine at the student, internship, and residency training levels;

~~((f))~~ (e) In the case of a construction project, the costs and methods of the proposed construction, including the cost and methods of energy provision, and the probable impact of the construction project reviewed (i) on the cost of providing health services by the person proposing such construction project and (ii) on the cost and charges to the public of providing health services by other persons;

~~((g))~~ (f) The special needs and circumstances of osteopathic hospitals, nonallopathic services and children's hospitals;

~~((h))~~ (g) Improvements or innovations in the financing and delivery of health services which foster cost containment and serve to promote quality assurance and cost-effectiveness;

~~((i))~~ (h) In the case of health services proposed to be provided, the efficiency and appropriateness of the use of existing services and facilities similar to those proposed;

~~((j))~~ (i) In the case of existing services or facilities, the quality of care provided by such services or facilities in the past; ~~((and~~

~~(k))~~ (j) In the case of hospital certificate of need applications, whether the hospital meets or exceeds the regional average level of charity care, as determined by the secretary; and

(k) In the case of nursing home applications:

(i) The availability of other nursing home beds in the planning area to be served; and

(ii) The availability of other services in the community to be served. Data used to determine the availability of other services will include but not be limited to data provided by the department of social and health services.

(3) A certificate of need application of a health maintenance organization or a health care facility which is controlled, directly or indirectly, by a health maintenance organization, shall be approved by the department if the department finds:

(a) Approval of such application is required to meet the needs of the members of the health maintenance organization and of the new members which such organization can reasonably be expected to enroll; and

(b) The health maintenance organization is unable to provide, through services or facilities which can reasonably be expected to be available to the organization, its health services in a reasonable and cost-effective manner which is consistent with the basic method of operation of the organization and which makes such services available on a long-term basis through physicians and other health professionals associated with it.

A health care facility, or any part thereof, with respect to which a certificate of need was issued under this subsection may not be sold or leased and a controlling interest in such facility or in a lease of such facility may not be acquired unless the department issues a certificate of need approving the sale, acquisition, or lease.

(4) Until the final expiration of the state health plan as provided under RCW 70.38.919, the decision of the department on a certificate of need application shall be consistent with the state health plan in effect, except in emergency circumstances which pose a threat to the public health. The department in making its final decision may issue a conditional certificate of need if it finds that the project is justified only under specific circumstances. The conditions shall directly relate to the project being reviewed. The conditions may be released if it can be substantiated that the conditions are no longer valid and the release of such conditions would be consistent with the purposes of this chapter.

(5) Criteria adopted for review in accordance with subsection (2) of this section may vary according to the purpose for which the particular review is being conducted or the type of health service reviewed.

(6) The department shall specify information to be required for certificate of need applications. Within fifteen days of receipt of the application, the department shall request additional information considered necessary to the application or start the review process. Applicants may decline to submit requested information through written notice to the department, in which case

review starts on the date of receipt of the notice. Applications may be denied or limited because of failure to submit required and necessary information.

(7) Concurrent review is for the purpose of comparative analysis and evaluation of competing or similar projects in order to determine which of the projects may best meet identified needs. Categories of projects subject to concurrent review include at least new health care facilities, new services, and expansion of existing health care facilities. The department shall specify time periods for the submission of applications for certificates of need subject to concurrent review, which shall not exceed ninety days. Review of concurrent applications shall start fifteen days after the conclusion of the time period for submission of applications subject to concurrent review. Concurrent review periods shall be limited to one hundred fifty days, except as provided for in rules adopted by the department authorizing and limiting amendment during the course of the review, or for an unresolved pivotal issue declared by the department.

(8) Review periods for certificate of need applications other than those subject to concurrent review shall be limited to ninety days. Review periods may be extended up to thirty days if needed by a review agency, and for unresolved pivotal issues the department may extend up to an additional thirty days. A review may be extended in any case if the applicant agrees to the extension.

(9) The department or its designee, shall conduct a public hearing on a certificate of need application if requested unless the review is expedited or subject to emergency review. The department by rule shall specify the period of time within which a public hearing must be requested and requirements related to public notice of the hearing, procedures, recordkeeping and related matters.

(10) Any applicant denied a certificate of need or whose certificate of need has been suspended or revoked has the right to an adjudicative proceeding. The proceeding is governed by chapter 34.05 RCW, the Administrative Procedure Act.

(11) An amended certificate of need shall be required for the following modifications of an approved project:

- (a) A new service requiring review under this chapter;
- (b) An expansion of a service subject to review beyond that originally approved;
- (c) An increase in bed capacity;
- (d) A significant reduction in the scope of a nursing home project without a commensurate reduction in the cost of the nursing home project, or a cost increase (as represented in bids on a nursing home construction project or final cost estimates acceptable to the person to whom the certificate of need was issued) if the total of such increases exceeds twelve percent or fifty thousand dollars, whichever is greater, over the maximum capital expenditure approved. The review of reductions or cost increases shall be restricted to the continued conformance of the nursing home project with the review criteria pertaining to financial feasibility and cost containment.

(12) An application for a certificate of need for a nursing home capital expenditure which is determined by the department to be required to eliminate or prevent imminent safety hazards or correct violations of applicable licensure and accreditation standards shall be approved.

(13) In the case of an application for a certificate of need to replace existing nursing home beds, all criteria must be met on the same basis as an application for a certificate of need for a new nursing home, except that the need criteria shall be deemed met if the applicant is an existing licensee who proposes to replace existing beds that the licensee has operated for at least one year with the same or fewer number of beds in the same planning area. When an entire nursing home ceases operation, its beds shall be treated as existing nursing home beds for purposes of replacement for eight years or until a certificate of need to replace them is issued, whichever occurs first. However, the nursing home must give notice of its intent to retain the beds to the department of health no later than thirty days after the effective date of the facility's closure.

NEW SECTION. Sec. 7. A new section is added to chapter 74.14A RCW to read as follows:

The secretary shall:

(1)(a) Consult with relevant qualified professionals to develop a set of minimum guidelines to be used for identifying all children who are in a state-assisted support system, whether at-home or out-of-home, who are likely to need long-term care or assistance, because they face physical, emotional, medical, mental, or other long-term challenges;

(b) The guidelines must, at a minimum, consider the following criteria for identifying children in need of long-term care or assistance:

(i) Placement within the foster care system for two years or more;

(ii) Multiple foster care placements;

(iii) Repeated unsuccessful efforts to be placed with a permanent adoptive family;

(iv) Chronic behavioral or educational problems;

(v) Repetitive criminal acts or offenses;

(vi) Failure to comply with court-ordered disciplinary actions and other imposed guidelines of behavior, including drug and alcohol rehabilitation; and

(vii) Chronic physical, emotional, medical, mental, or other similar conditions necessitating long-term care or assistance;

(2) Develop programs that are necessary for the long-term care of children and youth that are identified for the purposes of this section. Programs must: (a) Effectively address the educational, physical, emotional, mental, and medical needs of children and youth; and (b) incorporate an array of family support options, to individual needs and choices of the child and family. The programs must be ready for implementation by January 1, 1995;

(3) Conduct an evaluation of all children currently within the foster care agency caseload to identify those children who meet the criteria set forth in this section. The evaluation shall be completed by January 1, 1994. All children

entering the foster care system after January 1, 1994, must be evaluated for identification of long-term needs within thirty days of placement;

(4) Study and develop a comprehensive plan for the evaluation and identification of all children and youth in need of long-term care or assistance, including, but not limited to, the mentally ill, developmentally disabled, medically fragile, seriously emotionally or behaviorally disabled, and physically impaired;

(5) Study and develop a plan for the children and youth in need of long-term care or assistance to ensure the coordination of services between the department's divisions and between other state agencies who are involved with the child or youth;

(6) Study and develop guidelines for transitional services, between long-term care programs, based on the person's age or mental, physical, emotional, or medical condition; and

(7) Study and develop a statutory proposal for the emancipation of minors and report its findings and recommendations to the legislature by January 1, 1994.

****NEW SECTION. Sec. 8. A new section is added to chapter 71A.20 RCW to read as follows:***

The secretary shall develop a plan by July 1, 1994, that will establish the July 1, 2001, size of each residential habilitation center. The plan shall include:

(1) Specific criteria for admission to and continued residence in the residential habilitation centers consistent with the goal of delivering services to meet the needs of individuals with developmental disabilities in the least restrictive, most appropriate, and cost-effective setting;

(2) An estimate of the number of people meeting the public safety or specialized care criteria who are expected to require admission to or continued residence in state-operated care;

(3) A review of the service needs of each resident of the developmental disabilities state institutions and the level of services appropriate to maintain the person in the most normal and least restrictive setting that is consistent with the person's needs;

(4) A plan for assuring safe and quality community care for current residential habilitation center residents who do not meet residential habilitation center placement criteria;

(5) Proposed uses for excess institutional grounds and buildings by other governmental or private entities in ways that the proceeds will benefit individuals with developmental disabilities; and

(6) Strategies to retrain and/or provide new jobs in developmental disability community care or in other public service for any staff not needed in residential habilitation centers.

****Sec. 8 was vetoed, see message at end of chapter.***

NEW SECTION. **Sec. 9.** Sections 1 through 3, 11, and 12 of this act shall constitute a new chapter in Title 74 RCW.

NEW SECTION. **Sec. 10.** Section captions as used in this act constitute no part of the law.

NEW SECTION. **Sec. 11.** If any part of this act is found to be in conflict with federal requirements that are a prescribed condition to the allocation of federal funds to the state, the conflicting part of this act is inoperative solely to the extent of the conflict and with respect to the agencies directly affected, and this finding does not affect the operation of the remainder of this act in its application to the agencies concerned. The rules under this act shall meet federal requirements that are a necessary condition to the receipt of federal funds by the state.

NEW SECTION. **Sec. 12.** If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. **Sec. 13.** This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect immediately.

Passed the House April 25, 1993.

Passed the Senate April 24, 1993.

Approved by the Governor May 18, 1993, with the exception of certain items which were vetoed.

Filed in Office of Secretary of State May 18, 1993.

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

"I am returning herewith, without my approval, as to section 8, Substitute House Bill No. 2098, entitled:

"AN ACT Relating to options in long-term care;"

Section 8 of this legislation directs the Department of Social and Health Services to develop a plan by July 1, 1994, which addresses the size of each Residential Habilitation Center serving the developmentally disabled. The plan must specify the criteria for admission to or continued residence in each facility, an estimate of the number of clients meeting public health or specialized services criteria who are expected to require admission or continued residence, a review of the service needs of each client currently residing in the facilities, and the development of the community needs for clients not meeting the admission criteria. The department must also propose uses for excess buildings and grounds in a manner benefiting the developmentally disabled and develop retraining or reemployment options for displaced state employees.

This directive creates a substantial burden on the department and would involve a level of evaluation whose fiscal requirement is beyond that which could be absorbed. Additionally, the study would duplicate existing evaluations of similar scope. Instead, I am directing the Department of Social and Health Services to review the service needs of the Residential Habilitation Center clients as part of the institutions' restructuring in the 1993-95 biennium.

With the exception of section 8, Substitute House Bill No. 2098 is approved."

CHAPTER 509

[Engrossed Substitute Senate Bill 5186]

LURING OF CHILD OR DEVELOPMENTALLY DISABLED PERSON

Effective Date: 7/25/93

AN ACT Relating to luring; adding a new section to chapter 9A.40 RCW; and prescribing penalties.

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

NEW SECTION. Sec. 1. A new section is added to chapter 9A.40 RCW to read as follows:

A person commits the crime of luring if the person:

(1)(a) Orders, lures, or attempts to lure a minor or developmentally disabled person into a structure that is obscured from or inaccessible to the public or into a motor vehicle;

(b) Does not have the consent of the minor's parent or guardian or the developmentally disabled person's guardian; and

(c) Is unknown to the child or developmentally disabled person.

(2) It is a defense to luring, which the defendant must prove by a preponderance of the evidence, that the defendant's actions were reasonable under the circumstances and the defendant did not have any intent to harm the health, safety, or welfare of the minor or developmentally disabled person.

(3) For purposes of this section:

(a) "Minor" means a person under the age of sixteen;

(b) "Developmentally disabled person" means a person with a developmental disability as defined in RCW 71A.10.020.

(4) Luring is a class C felony.

Passed the Senate April 19, 1993.

Passed the House April 9, 1993.

Approved by the Governor May 18, 1993.

Filed in Office of Secretary of State May 18, 1993.

CHAPTER 510

[Senate Bill 5474]

DISCRIMINATION LAWS—REVISED TERMINOLOGY AND PROVISIONS

Effective Date: 7/25/93

AN ACT Relating to discrimination; amending RCW 49.60.010, 49.60.020, 49.60.030, 49.60.120, 49.60.130, 49.60.174, 49.60.175, 49.60.176, 49.60.178, 49.60.180, 49.60.190, 49.60.200, 49.60.205, 49.60.222, 49.60.223, 49.60.224, 49.60.225, 49.60.230, 49.60.240, 49.60.250, 49.44.090, and 70.124.060; and reenacting and amending RCW 49.60.040 and 49.60.215.

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

Sec. 1. RCW 49.60.010 and 1985 c 185 s 1 are each amended to read as follows:

This chapter shall be known as the "law against discrimination". It is an exercise of the police power of the state for the protection of the public welfare, health, and peace of the people of this state, and in fulfillment of the provisions of the Constitution of this state concerning civil rights. The legislature hereby finds and declares that practices of discrimination against any of its inhabitants because of race, creed, color, national origin, sex, marital status, age, or the presence of any sensory, mental, or physical (~~handicap~~) disability or the use of a trained guide dog or service dog by a disabled person are a matter of state concern, that such discrimination threatens not only the rights and proper privileges of its inhabitants but menaces the institutions and foundation of a free democratic state. A state agency is herein created with powers with respect to elimination and prevention of discrimination in employment, in credit and insurance transactions, in places of public resort, accommodation, or amusement, and in real property transactions because of race, creed, color, national origin, sex, marital status, age, or the presence of any sensory, mental, or physical (~~handicap~~) disability or the use of a trained guide dog or service dog by a disabled person; and the commission established hereunder is hereby given general jurisdiction and power for such purposes.

Sec. 2. RCW 49.60.020 and 1973 1st ex.s. c 214 s 2 are each amended to read as follows:

The provisions of this chapter shall be construed liberally for the accomplishment of the purposes thereof. Nothing contained in this chapter shall be deemed to repeal any of the provisions of any other law of this state relating to discrimination because of race, color, creed, national origin, sex, marital status, age, or the presence of any sensory, mental, or physical (~~handicap~~) disability, other than a law which purports to require or permit doing any act which is an unfair practice under this chapter. Nor shall anything herein contained be construed to deny the right to any person to institute any action or pursue any civil or criminal remedy based upon an alleged violation of his or her civil rights.

Sec. 3. RCW 49.60.030 and 1984 c 32 s 2 are each amended to read as follows:

(1) The right to be free from discrimination because of race, creed, color, national origin, sex, or the presence of any sensory, mental, or physical (~~handicap~~) disability or the use of a trained guide dog or service dog by a disabled person is recognized as and declared to be a civil right. This right shall include, but not be limited to:

- (a) The right to obtain and hold employment without discrimination;
- (b) The right to the full enjoyment of any of the accommodations, advantages, facilities, or privileges of any place of public resort, accommodation, assemblage, or amusement;
- (c) The right to engage in real estate transactions without discrimination;
- (d) The right to engage in credit transactions without discrimination;

(e) The right to engage in insurance transactions or transactions with health maintenance organizations without discrimination: PROVIDED, That a practice which is not unlawful under RCW 48.30.300, 48.44.220, or 48.46.370 does not constitute an unfair practice for the purposes of this subparagraph; and

(f) The right to engage in commerce free from any discriminatory boycotts or blacklists. Discriminatory boycotts or blacklists for purposes of this section shall be defined as the formation or execution of any express or implied agreement, understanding, policy or contractual arrangement for economic benefit between any persons which is not specifically authorized by the laws of the United States and which is required or imposed, either directly or indirectly, overtly or covertly, by a foreign government or foreign person in order to restrict, condition, prohibit, or interfere with or in order to exclude any person or persons from any business relationship on the basis of race, color, creed, religion, sex, the presence of any sensory, mental, or physical disability, or the use of a trained guide dog or service dog by a disabled person, or national origin or lawful business relationship: PROVIDED HOWEVER, That nothing herein contained shall prohibit the use of boycotts as authorized by law pertaining to labor disputes and unfair labor practices.

(2) Any person deeming himself or herself injured by any act in violation of this chapter shall have a civil action in a court of competent jurisdiction to enjoin further violations, to recover the actual damages sustained by ~~((him))~~ the person, or both, together with the cost of suit including a reasonable attorney's fees or any other remedy authorized by this chapter or the United States Civil Rights Act of 1964 as amended; and

(3) ~~((Notwithstanding any other provisions of this chapter, any act))~~ Except for any unfair practice committed by an employer against an employee or a prospective employee, or any unfair practice in a real estate transaction which is the basis for relief specified in the amendments to RCW 49.60.225 contained in chapter . . . (House Bill 1476 section 9) Laws of 1993, any unfair practice prohibited by this chapter ((related to sex discrimination or discriminatory boycotts or blacklists)) which is committed in the course of trade or commerce ((in the state of Washington)) as defined in the Consumer Protection Act, chapter 19.86 RCW, ((shall be deemed an unfair practice within the meaning of RCW 19.86.020 and 19.86.030 and subject to all the provisions of chapter 19.86 RCW as now or hereafter amended)) is, for the purpose of applying that chapter, a matter affecting the public interest, is not reasonable in relation to the development and preservation of business, and is an unfair or deceptive act in trade or commerce.

Sec. 4. RCW 49.60.040 and 1985 c 203 s 2 and 1985 c 185 s 2 are each reenacted and amended to read as follows:

As used in this chapter:

"Person" includes one or more individuals, partnerships, associations, organizations, corporations, cooperatives, legal representatives, trustees and receivers, or any group of persons; it includes any owner, lessee, proprietor,

manager, agent, or employee, whether one or more natural persons; and further includes any political or civil subdivisions of the state and any agency or instrumentality of the state or of any political or civil subdivision thereof;

"Commission" means the Washington state human rights commission;

"Employer" includes any person acting in the interest of an employer, directly or indirectly, who employs eight or more persons, and does not include any religious or sectarian organization not organized for private profit;

"Employee" does not include any individual employed by his or her parents, spouse, or child, or in the domestic service of any person;

"Labor organization" includes any organization which exists for the purpose, in whole or in part, of dealing with employers concerning grievances or terms or conditions of employment, or for other mutual aid or protection in connection with employment;

"Employment agency" includes any person undertaking with or without compensation to recruit, procure, refer, or place employees for an employer;

"Marital status" means the legal status of being married, single, separated, divorced, or widowed;

"National origin" includes "ancestry";

"Full enjoyment of" includes the right to purchase any service, commodity, or article of personal property offered or sold on, or by, any establishment to the public, and the admission of any person to accommodations, advantages, facilities, or privileges of any place of public resort, accommodation, assemblage, or amusement, without acts directly or indirectly causing persons of any particular race, creed, color, sex, national origin, or with any sensory, mental, or physical (~~handicap~~) disability, or the use of a trained guide dog or service dog by a (~~blind or deaf~~) disabled person (~~using a trained dog guide~~), to be treated as not welcome, accepted, desired, or solicited;

"Any place of public resort, accommodation, assemblage, or amusement" includes, but is not limited to, any place, licensed or unlicensed, kept for gain, hire, or reward, or where charges are made for admission, service, occupancy, or use of any property or facilities, whether conducted for the entertainment, housing, or lodging of transient guests, or for the benefit, use, or accommodation of those seeking health, recreation, or rest, or for the burial or other disposition of human remains, or for the sale of goods, merchandise, services, or personal property, or for the rendering of personal services, or for public conveyance or transportation on land, water, or in the air, including the stations and terminals thereof and the garaging of vehicles, or where food or beverages of any kind are sold for consumption on the premises, or where public amusement, entertainment, sports, or recreation of any kind is offered with or without charge, or where medical service or care is made available, or where the public gathers, congregates, or assembles for amusement, recreation, or public purposes, or public halls, public elevators, and public washrooms of buildings and structures occupied by two or more tenants, or by the owner and one or more tenants, or any public library or educational institution, or schools of special instruction, or

nursery schools, or day care centers or children's camps: PROVIDED, That nothing contained in this definition shall be construed to include or apply to any institute, bona fide club, or place of accommodation, which is by its nature distinctly private, including fraternal organizations, though where public use is permitted that use shall be covered by this chapter; nor shall anything contained in this definition apply to any educational facility, columbarium, crematory, mausoleum, or cemetery operated or maintained by a bona fide religious or sectarian institution;

"Real property" includes buildings, structures, real estate, lands, tenements, leaseholds, interests in real estate cooperatives, condominiums, and hereditaments, corporeal and incorporeal, or any interest therein;

"Real estate transaction" includes the sale, exchange, purchase, rental, or lease of real property;

"Sex" means gender((-);

"Credit transaction" includes any open or closed end credit transaction, whether in the nature of a loan, retail installment transaction, credit card issue or charge, or otherwise, and whether for personal or for business purposes, in which a service, finance, or interest charge is imposed, or which provides for repayment in scheduled payments, when such credit is extended in the regular course of any trade or commerce, including but not limited to transactions by banks, savings and loan associations or other financial lending institutions of whatever nature, stock brokers, or by a merchant or mercantile establishment which as part of its ordinary business permits or provides that payment for purchases of property or service therefrom may be deferred.

****NEW SECTION. Sec. 5. A new section is added to chapter 49.60 RCW to read as follows:***

(1) For purposes of the term "disability" as used in this chapter, homosexuality and bisexuality are not impairments and as such are not disabilities under this act. Under this chapter, the term "disability" shall not include:

(a) Transvestism, transsexualism, pedophilia, exhibitionism, voyeurism, gender identity disorders not resulting from physical impairments, or other sexual behavior disorders;

(b) Compulsive gambling, kleptomania, or pyromania; or

(c) Psychoactive substance use disorders resulting from current illegal use of drugs.

(2)(a) For purposes of this chapter, a person who is currently engaging in the illegal use of drugs, when the covered entity acts on the basis of such use, shall not be considered to have a disability.

(b) Nothing in (a) of this subsection may be construed to exclude as an individual with a disability an individual who:

(i) Has successfully completed a supervised drug rehabilitation program and is no longer engaging in the illegal use of drugs, or has otherwise been rehabilitated successfully and is no longer engaging in such use;

(ii) Is participating in a supervised rehabilitation program and is no longer engaging in such use; or

(iii) Is erroneously regarded as engaging in such use, but is not engaging in such use;

except that it shall not be a violation of this chapter for a covered entity to adopt or administer reasonable policies or procedures, including but not limited to drug testing, designed to ensure that an individual described in (b) (i) or (ii) of this subsection is no longer engaging in the illegal use of drugs; however, nothing in this section may be construed to encourage, prohibit, restrict, or authorize the conducting of testing for the illegal use of drugs.

*Sec. 5 was vetoed, see message at end of chapter.

Sec. 6. RCW 49.60.120 and 1985 c 185 s 10 are each amended to read as follows:

The commission shall have the functions, powers and duties:

(1) To appoint an executive (~~(secretary)~~) director and chief examiner, and such investigators, examiners, clerks, and other employees and agents as it may deem necessary, fix their compensation within the limitations provided by law, and prescribe their duties.

(2) To obtain upon request and utilize the services of all governmental departments and agencies.

(3) To adopt, promulgate, amend, and rescind suitable rules and regulations to carry out the provisions of this chapter, and the policies and practices of the commission in connection therewith.

(4) To receive, investigate, and pass upon complaints alleging unfair practices as defined in this chapter.

(5) To issue such publications and such results of investigations and research as in its judgment will tend to promote good will and minimize or eliminate discrimination because of sex, race, creed, color, national origin, marital status, age, or the presence of any sensory, mental, or physical (~~(handicap)~~) disability, or the use of a trained guide dog or service dog by a disabled person.

(6) To make such technical studies as are appropriate to effectuate the purposes and policies of this chapter and to publish and distribute the reports of such studies.

(7) To cooperate and act jointly or by division of labor with the United States or other states, with other Washington state agencies, commissions, and other government entities, and with political subdivisions of the state of Washington and their respective human rights agencies to carry out the purposes of this chapter. However, the powers which may be exercised by the commission under this subsection permit investigations and complaint dispositions only if the investigations are designed to reveal, or the complaint deals only with, allegations which, if proven, would constitute unfair practices under this chapter. The commission may perform such services for these agencies and be reimbursed therefor.

(8) To foster good relations between minority and majority population groups of the state through seminars, conferences, educational programs, and other intergroup relations activities.

Sec. 7. RCW 49.60.130 and 1985 c 185 s 11 are each amended to read as follows:

The commission has power to create such advisory agencies and conciliation councils, local, regional, or state-wide, as in its judgment will aid in effectuating the purposes of this chapter. The commission may empower them to study the problems of discrimination in all or specific fields of human relationships or in specific instances of discrimination because of sex, race, creed, color, national origin, marital status, age, or the presence of any sensory, mental, or physical (~~handicap~~) disability or the use of a trained guide dog or service dog by a disabled person; to foster through community effort or otherwise good will, cooperation, and conciliation among the groups and elements of the population of the state, and to make recommendations to the commission for the development of policies and procedures in general and in specific instances, and for programs of formal and informal education which the commission may recommend to the appropriate state agency.

Such advisory agencies and conciliation councils shall be composed of representative citizens, serving without pay, but with reimbursement for travel expenses in accordance with RCW 43.03.050 and 43.03.060 as now existing or hereafter amended, and the commission may make provision for technical and clerical assistance to such agencies and councils and for the expenses of such assistance. The commission may use organizations specifically experienced in dealing with questions of discrimination.

Sec. 8. RCW 49.60.174 and 1988 c 206 s 902 are each amended to read as follows:

(1) For the purposes of determining whether an unfair practice under this chapter has occurred, claims of discrimination based on actual or perceived HIV infection shall be evaluated in the same manner as other claims of discrimination based on sensory, mental, or physical (~~handicap~~) disability; or the use of a trained guide dog or service dog by a disabled person.

(2) Subsection (1) of this section shall not apply to transactions with insurance entities, health service contractors, or health maintenance organizations subject to RCW 49.60.030(1)(e) or 49.60.178 to prohibit fair discrimination on the basis of actual HIV infection status when bona fide statistical differences in risk or exposure have been substantiated.

(3) For the purposes of this chapter, "HIV" means the human immunodeficiency virus, and includes all HIV and HIV-related viruses which damage the cellular branch of the human immune system and leave the infected person immunodeficient.

Sec. 9. RCW 49.60.175 and 1979 c 127 s 4 are each amended to read as follows:

It shall be an unfair practice to use the sex, race, creed, color, national origin, marital status, or the presence of any sensory, mental, or physical (~~handicap~~) disability of any person, or the use of a trained guide dog or service dog by a disabled person, concerning an application for credit in any credit transaction to determine the credit worthiness of an applicant.

Sec. 10. RCW 49.60.176 and 1979 c 127 s 5 are each amended to read as follows:

(1) It is an unfair practice for any person whether acting for himself, herself, or another in connection with any credit transaction because of race, creed, color, national origin, sex, marital status, or the presence of any sensory, mental, or physical (~~handicap~~) disability or the use of a trained guide dog or service dog by a disabled person:

(a) To deny credit to any person;

(b) To increase the charges or fees for or collateral required to secure any credit extended to any person;

(c) To restrict the amount or use of credit extended or to impose different terms or conditions with respect to the credit extended to any person or any item or service related thereto;

(d) To attempt to do any of the unfair practices defined in this section.

(2) Nothing in this section shall prohibit any party to a credit transaction from considering the credit history of any individual applicant.

(3) Further, nothing in this section shall prohibit any party to a credit transaction from considering the application of the community property law to the individual case or from taking reasonable action thereon.

Sec. 11. RCW 49.60.178 and 1984 c 32 s 1 are each amended to read as follows:

It is an unfair practice for any person whether acting for himself, herself, or another in connection with an insurance transaction or transaction with a health maintenance organization to cancel or fail or refuse to issue or renew insurance or a health maintenance agreement to any person because of sex, marital status, race, creed, color, national origin, or the presence of any sensory, mental, or physical (~~handicap~~) disability or the use of a trained guide dog or service dog by a disabled person: PROVIDED, That a practice which is not unlawful under RCW 48.30.300, 48.44.220, or 48.46.370 does not constitute an unfair practice for the purposes of this section. For the purposes of this section, "insurance transaction" is defined in RCW 48.01.060, health maintenance agreement is defined in RCW 48.46.020, and "health maintenance organization" is defined in RCW 48.46.020.

The fact that such unfair practice may also be a violation of chapter 48.30, 48.44, or 48.46 RCW does not constitute a defense to an action brought under this section.

The insurance commissioner, under RCW 48.30.300, and the human rights commission, under chapter 49.60 RCW, shall have concurrent jurisdiction under

this section and shall enter into a working agreement as to procedure to be followed in complaints under this section.

Sec. 12. RCW 49.60.180 and 1985 c 185 s 16 are each amended to read as follows:

It is an unfair practice for any employer:

(1) To refuse to hire any person because of age, sex, marital status, race, creed, color, national origin, or the presence of any sensory, mental, or physical ~~((handicap))~~ disability or the use of a trained guide dog or service dog by a disabled person, unless based upon a bona fide occupational qualification: PROVIDED, That the prohibition against discrimination because of such ~~((handicap))~~ disability shall not apply if the particular disability prevents the proper performance of the particular worker involved.

(2) To discharge or bar any person from employment because of age, sex, marital status, race, creed, color, national origin, or the presence of any sensory, mental, or physical ~~((handicap))~~ disability or the use of a trained guide dog or service dog by a disabled person.

(3) To discriminate against any person in compensation or in other terms or conditions of employment because of age, sex, marital status, race, creed, color, national origin, or the presence of any sensory, mental, or physical ~~((handicap))~~ disability or the use of a trained guide dog or service dog by a disabled person: PROVIDED, That it shall not be an unfair practice for an employer to segregate washrooms or locker facilities on the basis of sex, or to base other terms and conditions of employment on the sex of employees where the commission by regulation or ruling in a particular instance has found the employment practice to be appropriate for the practical realization of equality of opportunity between the sexes.

(4) To print, or circulate, or cause to be printed or circulated any statement, advertisement, or publication, or to use any form of application for employment, or to make any inquiry in connection with prospective employment, which expresses any limitation, specification, or discrimination as to age, sex, marital status, race, creed, color, national origin, or the presence of any sensory, mental, or physical ~~((handicap))~~ disability or the use of a trained guide dog or service dog by a disabled person, or any intent to make any such limitation, specification, or discrimination, unless based upon a bona fide occupational qualification: PROVIDED, Nothing contained herein shall prohibit advertising in a foreign language.

Sec. 13. RCW 49.60.190 and 1985 c 185 s 17 are each amended to read as follows:

It is an unfair practice for any labor union or labor organization:

(1) To deny membership and full membership rights and privileges to any person because of age, sex, marital status, race, creed, color, national origin, or the presence of any sensory, mental, or physical ~~((handicap))~~ disability or the use of a trained guide dog or service dog by a disabled person.

(2) To expel from membership any person because of age, sex, marital status, race, creed, color, national origin, or the presence of any sensory, mental, or physical ((handicap)) disability or the use of a trained guide dog or service dog by a disabled person.

(3) To discriminate against any member, employer, employee, or other person to whom a duty of representation is owed because of age, sex, marital status, race, creed, color, national origin, or the presence of any sensory, mental, or physical ((handicap)) disability or the use of a trained guide dog or service dog by a disabled person.

Sec. 14. RCW 49.60.200 and 1973 1st ex.s. c 214 s 9 are each amended to read as follows:

It is an unfair practice for any employment agency to fail or refuse to classify properly or refer for employment, or otherwise to discriminate against, an individual because of age, sex, marital status, race, creed, color, national origin, or the presence of any sensory, mental, or physical ((handicap)) disability or the use of a trained guide dog or service dog by a disabled person, or to print or circulate, or cause to be printed or circulated any statement, advertisement, or publication, or to use any form of application for employment, or to make any inquiry in connection with prospective employment, which expresses any limitation, specification or discrimination as to age, sex, race, creed, color, or national origin, or the presence of any sensory, mental, or physical ((handicap)) disability or the use of a trained guide dog or service dog by a disabled person, or any intent to make any such limitation, specification, or discrimination, unless based upon a bona fide occupational qualification: PROVIDED, Nothing contained herein shall prohibit advertising in a foreign language.

Sec. 15. RCW 49.60.205 and 1985 c 185 s 28 are each amended to read as follows:

No person shall be considered to have committed an unfair practice on the basis of age discrimination unless the practice ((discriminates against a person between the age of forty and seventy years and)) violates RCW 49.44.090. It is a defense to any complaint of an unfair practice of age discrimination that the practice does not violate RCW 49.44.090.

Sec. 16. RCW 49.60.215 and 1985 c 203 s 1 and 1985 c 90 s 6 are each reenacted and amended to read as follows:

It shall be an unfair practice for any person or ((his)) the person's agent or employee to commit an act which directly or indirectly results in any distinction, restriction, or discrimination, or the requiring of any person to pay a larger sum than the uniform rates charged other persons, or the refusing or withholding from any person the admission, patronage, custom, presence, frequenting, dwelling, staying, or lodging in any place of public resort, accommodation, assemblage, or amusement, except for conditions and limitations established by law and applicable to all persons, regardless of race, creed, color, national origin, sex, the presence of any sensory, mental, or physical ((handicap)) disability, or the use

of a trained (~~((dog))~~) guide dog or service dog by a (~~((blind, deaf, or physically))~~) disabled person: PROVIDED, That this section shall not be construed to require structural changes, modifications, or additions to make any place accessible to a (~~((handicapped))~~) disabled person except as otherwise required by law: PROVIDED, That behavior or actions constituting a risk to property or other persons can be grounds for refusal and shall not constitute an unfair practice.

Sec. 17. RCW 49.60.222 and 1989 c 61 s 1 are each amended to read as follows:

It is an unfair practice for any person, whether acting for himself, herself, or another, because of sex, marital status, race, creed, color, national origin, the presence of any sensory, mental, or physical (~~((handicap))~~) disability, or the use of a trained guide dog or service dog by a (~~((blind, deaf, or physically))~~) disabled person:

- (1) To refuse to engage in a real estate transaction with a person;
- (2) To discriminate against a person in the terms, conditions, or privileges of a real estate transaction or in the furnishing of facilities or services in connection therewith;
- (3) To refuse to receive or to fail to transmit a bona fide offer to engage in a real estate transaction from a person;
- (4) To refuse to negotiate for a real estate transaction with a person;
- (5) To represent to a person that real property is not available for inspection, sale, rental, or lease when in fact it is so available, or to fail to bring a property listing to his or her attention, or to refuse to permit (~~((him))~~) the person to inspect real property;
- (6) To print, circulate, post, or mail, or cause to be so published a statement, advertisement, or sign, or to use a form of application for a real estate transaction, or to make a record or inquiry in connection with a prospective real estate transaction, which indicates, directly or indirectly, an intent to make a limitation, specification, or discrimination with respect thereto;
- (7) To offer, solicit, accept, use, or retain a listing of real property with the understanding that a person may be discriminated against in a real estate transaction or in the furnishing of facilities or services in connection therewith;
- (8) To expel a person from occupancy of real property;
- (9) To discriminate in the course of negotiating, executing, or financing a real estate transaction whether by mortgage, deed of trust, contract, or other instrument imposing a lien or other security in real property, or in negotiating or executing any item or service related thereto including issuance of title insurance, mortgage insurance, loan guarantee, or other aspect of the transaction. Nothing in this section shall limit the effect of RCW 49.60.176 relating to unfair practices in credit transactions; or
- (10) To attempt to do any of the unfair practices defined in this section.

Notwithstanding any other provision of law, it shall not be an unfair practice or a denial of civil rights for any public or private educational institution to separate the sexes or give preference to or limit use of dormitories, residence

halls, or other student housing to persons of one sex or to make distinctions on the basis of marital or family status.

This section shall not be construed to require structural changes, modifications, or additions to make facilities accessible to a ~~((handicapped))~~ disabled person except as otherwise required by law. Nothing in this section affects the rights and responsibilities of landlords and tenants pursuant to chapter 59.18 RCW.

Sec. 18. RCW 49.60.223 and 1979 c 127 s 9 are each amended to read as follows:

It is an unfair practice for any person, for profit, to induce or attempt to induce any person to sell or rent any real property by representations regarding the entry or prospective entry into the neighborhood of a person or persons of a particular race, creed, color, national origin, sex, or with any sensory, mental, or physical ~~((handicap))~~ disability and/or the use of a trained guide dog or service dog by a disabled person.

***Sec. 19.** RCW 49.60.224 and 1979 c 127 s 10 are each amended to read as follows:

(1) Every provision in a written instrument relating to real property which purports to forbid or restrict the conveyance, encumbrance, occupancy, or lease thereof to individuals of a specified race, creed, color, national origin, sex, or with any sensory, mental, or physical ~~((handicap))~~ disability, or the use of a trained guide dog or service dog by a disabled person, and every condition, restriction, or prohibition, including a right of entry or possibility of reverter, which directly or indirectly limits the use or occupancy of real property on the basis of race, creed, color, national origin, ~~((or))~~ sex, the presence of any sensory, mental, or physical ~~((handicap))~~ disability, or the use of a trained guide dog or service dog by a disabled person is void.

(2) It is an unfair practice to insert in a written instrument relating to real property a provision that is void under this section or to honor or attempt to honor such a provision in the chain of title.

*Sec. 19 was vetoed, see message at end of chapter.

Sec. 20. RCW 49.60.225 and 1985 c 185 s 19 are each amended to read as follows:

When a determination has been made under RCW 49.60.250 that an unfair practice involving real property has been committed, the commission may, in addition to other relief authorized by RCW 49.60.250, award the complainant up to one thousand dollars for loss of the right secured by RCW 49.60.010, 49.60.030, 49.60.040, and 49.60.222 through 49.60.226, as now or hereafter amended, to be free from discrimination in real property transactions because of sex, marital status, race, creed, color, national origin, or the presence of any sensory, mental, or physical ~~((handicap))~~ disability or the use of a trained guide dog or service dog by a disabled person. Enforcement of the order and appeal

therefrom by the complainant or respondent shall be made as provided in RCW 49.60.260 and 49.60.270.

Sec. 21. RCW 49.60.230 and 1985 c 185 s 21 are each amended to read as follows:

(1) Who may file a complaint:

~~((1))~~ (a) Any person claiming to be aggrieved by an alleged unfair practice may, personally or by his or her attorney, make, sign, and file with the commission a complaint in writing under oath or by declaration. The complaint shall state the name ~~((and address))~~ of the person alleged to have committed the unfair practice and the particulars thereof, and contain such other information as may be required by the commission.

~~((2))~~ (b) Whenever it has reason to believe that any person has been engaged or is engaging in an unfair practice, the commission may issue a complaint.

~~((3))~~ (c) Any employer or principal whose employees, or agents, or any of them, refuse or threaten to refuse to comply with the provisions of this chapter may file with the commission a written complaint under oath or by declaration asking for assistance by conciliation or other remedial action.

(2) Any complaint filed pursuant to this section must be so filed within six months after the alleged act of discrimination.

Sec. 22. RCW 49.60.240 and 1985 c 185 s 22 are each amended to read as follows:

After the filing of any complaint, the chairperson of the commission shall refer it to the appropriate section of the commission's staff for prompt investigation and ascertainment of the facts alleged in the complaint. The investigation shall be limited to the alleged facts contained in the complaint. The results of the investigation shall be reduced to written findings of fact, and a finding shall be made that there is or that there is not reasonable cause for believing that an unfair practice has been or is being committed. A copy of said findings shall be ~~((furnished))~~ provided to the complainant and to the person named in such complaint, hereinafter referred to as the respondent.

If the finding is made that there is reasonable cause for believing that an unfair practice has been or is being committed, the commission's staff shall immediately endeavor to eliminate the unfair practice by conference, conciliation and persuasion.

If an agreement is reached for the elimination of such unfair practice as a result of such conference, conciliation and persuasion, the agreement shall be reduced to writing and signed by the respondent, and an order shall be entered by the commission setting forth the terms of said agreement. No order shall be entered by the commission at this stage of the proceedings except upon such written agreement.

If no such agreement can be reached, a finding to that effect shall be made and reduced to writing, with a copy thereof (~~furnished~~) provided to the complainant and the respondent.

Sec. 23. RCW 49.60.250 and 1992 c 118 s 5 are each amended to read as follows:

(1) In case of failure to reach an agreement for the elimination of such unfair practice, and upon the entry of findings to that effect, the entire file, including the complaint and any and all findings made, shall be certified to the chairperson of the commission. The chairperson of the commission shall thereupon request the appointment of an administrative law judge under Title 34 RCW to hear the complaint and shall cause to be issued and served in the name of the commission a written notice, together with a copy of the complaint, as the same may have been amended, requiring the respondent to answer the charges of the complaint at a hearing before the administrative law judge, at a time and place to be specified in such notice.

(2) The place of any such hearing may be the office of the commission or another place designated by it. The case in support of the complaint shall be presented at the hearing by counsel for the commission: **PROVIDED**, That the complainant may retain independent counsel and submit testimony and be fully heard. No member or employee of the commission who previously made the investigation or caused the notice to be issued shall participate in the hearing except as a witness, nor shall the member or employee participate in the deliberations of the administrative law judge in such case. Any endeavors or negotiations for conciliation shall not be received in evidence.

(3) The respondent shall file a written answer to the complaint and appear at the hearing in person or otherwise, with or without counsel, and submit testimony and be fully heard. The respondent has the right to cross-examine the complainant.

(4) The administrative law judge conducting any hearing may permit reasonable amendment to any complaint or answer. Testimony taken at the hearing shall be under oath and recorded.

(5) If, upon all the evidence, the administrative law judge finds that the respondent has engaged in any unfair practice, the administrative law judge shall state findings of fact and shall issue and file with the commission and cause to be served on such respondent an order requiring such respondent to cease and desist from such unfair practice and to take such affirmative action, including, (but not limited to) hiring, reinstatement or upgrading of employees, with or without back pay, an admission or restoration to full membership rights in any respondent organization, or to take such other action as, in the judgment of the administrative law judge, will effectuate the purposes of this chapter, including action that could be ordered by a court, except that damages for humiliation and mental suffering shall not exceed (~~one~~) ten thousand dollars, and including a requirement for report of the matter on compliance.

(6) If a determination is made that retaliatory action, as defined in RCW 42.40.050, has been taken against a whistleblower, as defined in RCW 42.40.020, the administrative law judge may, in addition to any other remedy, impose a civil penalty upon the retaliator of up to three thousand dollars and issue an order to the state employer to suspend the retaliator for up to thirty days without pay. At a minimum, the administrative law judge shall require that a letter of reprimand be placed in the retaliator's personnel file. All penalties recovered shall be paid into the state treasury and credited to the general fund.

(7) The final order of the administrative law judge shall include a notice to the parties of the right to obtain judicial review of the order by appeal in accordance with the provisions of RCW 34.05.510 through 34.05.598, and that such appeal must be served and filed within thirty days after the service of the order on the parties.

(8) If, upon all the evidence, the administrative law judge finds that the respondent has not engaged in any alleged unfair practice, the administrative law judge shall state findings of fact and shall similarly issue and file an order dismissing the complaint.

(9) An order dismissing a complaint may include an award of reasonable attorneys' fees in favor of the respondent if the administrative law judge concludes that the complaint was frivolous, unreasonable, or groundless.

(10) The commission shall establish rules of practice to govern, expedite, and effectuate the foregoing procedure.

Sec. 24. RCW 49.44.090 and 1985 c 185 s 30 are each amended to read as follows:

It shall be an unfair practice:

(1) For an employer or licensing agency, because an individual is ~~((between the ages of))~~ forty ((and seventy)) years of age or older, to refuse to hire or employ or license or to bar or to terminate from employment such individual, or to discriminate against such individual in promotion, compensation or in terms, conditions or privileges of employment: PROVIDED, That employers or licensing agencies may establish reasonable minimum and/or maximum age limits with respect to candidates for positions of employment, which positions are of such a nature as to require extraordinary physical effort, endurance, condition or training, subject to the approval of the executive ~~((secretary))~~ director of the Washington state human rights commission or the director of labor and industries through the division of industrial relations.

(2) For any employer, licensing agency or employment agency to print or circulate or cause to be printed or circulated any statement, advertisement, or publication, or to use any form of application for employment or to make any inquiry in connection with prospective employment, which expresses any limitation, specification or discrimination respecting individuals ~~((between the ages of))~~ forty ((and seventy)) years of age or older: PROVIDED, That nothing herein shall forbid a requirement of disclosure of birth date upon any form of

application for employment or by the production of a birth certificate or other sufficient evidence of the applicant's true age after an employee is hired.

Nothing contained in this section or in RCW 49.60.180 as to age shall be construed to prevent the termination of the employment of any person who is physically unable to perform his or her duties or to affect the retirement policy or system of any employer where such policy or system is not merely a subterfuge to evade the purposes of this section; nor shall anything in this section or in RCW 49.60.180 be deemed to preclude the varying of insurance coverages according to an employee's age; nor shall this section be construed as applying to any state, county, or city law enforcement agencies, or as superseding any law fixing or authorizing the establishment of reasonable minimum or maximum age limits with respect to candidates for certain positions in public employment which are of such a nature as to require extraordinary physical effort, or which for other reasons warrant consideration of age factors.

Sec. 25. RCW 70.124.060 and 1981 c 174 s 5 are each amended to read as follows:

(1) A person other than a person alleged to have committed the abuse or neglect participating in good faith in the making of a report pursuant to this chapter, or testifying as to alleged patient abuse or neglect in a judicial proceeding, shall in so doing be immune from any liability, civil or criminal, arising out of such reporting or testifying under any law of this state or its political subdivisions, and if such person is an employee of a nursing home or state hospital it shall be an unfair practice under chapter 49.60 RCW for the employer to ~~((dismiss said))~~ discharge, expel, or otherwise discriminate against the employee for such reporting activity.

(2) Conduct conforming with the reporting requirements of this chapter shall not be deemed a violation of the confidential communication privilege of RCW 5.60.060 (3) or (4) or 18.83.110. Nothing in this chapter shall be construed as to supersede or abridge remedies provided in chapter 4.92 RCW.

NEW SECTION. Sec. 26. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

Passed the Senate April 25, 1993.

Passed the House April 24, 1993.

Approved by the Governor May 18, 1993, with the exception of certain items which were vetoed.

Filed in Office of Secretary of State May 18, 1993.

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

"I am returning herewith, without my approval as to sections 5 and 19, Senate Bill No. 5474, entitled:

"AN ACT Relating to discrimination;"

Senate Bill No. 5474 strengthens the penalties available to the Human Rights Commission for civil rights violations. I strongly support the bill's direction in this, as

well as a number of technical clean up provisions. However, section 5 of the bill would unnecessarily amend the definition of disability in Chapter 49.60 RCW, the state Law Against Discrimination. The determination of disabilities under current law can be examined by the Commission on a case by case basis.

Section 19 of the bill amends RCW 49.60.224. This same section of law is amended to include the changes contained in this bill in section 8 of House Bill No. 1476 which I have already signed. Therefore, section 19 is unnecessary.

For these reasons, I have vetoed sections 5 and 19 of Senate Bill No. 5474.

With the exception of sections 5 and 19, Senate Bill No. 5474 is approved."

CHAPTER 511

[Senate Bill 5689]

MOTEL LIQUOR LICENSES

Effective Date: 7/25/93

AN ACT Relating to licenses to sell liquor in motels; and adding a new section to chapter 66.24 RCW.

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

NEW SECTION. Sec. 1. A new section is added to chapter 66.24 RCW to read as follows:

There shall be a retailer's license to be designated as class M. The class M license may be issued to a motel that holds no other class of license under this title. No license may be issued to a motel offering rooms to its guests on an hourly basis. The license authorizes the licensee to sell, at retail, in locked honor bars, spirits in individual bottles not to exceed fifty milliliters, beer in individual cans or bottles not to exceed twelve ounces, and wine in individual bottles not to exceed one hundred eighty-seven milliliters, to registered guests of the motel for consumption in guest rooms. Each honor bar must also contain snack foods. No more than one-half of the guest rooms may have honor bars. The board shall charge a reasonable fee for this license. All spirits to be sold under the license must be purchased from the board. The licensee shall require proof of age from the guest renting a guest room and requesting the use of an honor bar. The guest shall also execute an affidavit verifying that no one under twenty-one years of age shall have access to the spirits, beer, and wine in the honor bar. "Motel" as used in this section means a facility or place offering three or more self-contained units designated by number, letter, or some other method of identification to travelers and transient guests. As used in this section, "spirits," "beer," and "wine" have the meanings defined in RCW 66.04.010.

Passed the Senate March 16, 1993.

Passed the House April 15, 1993.

Approved by the Governor May 18, 1993.

Filed in Office of Secretary of State May 18, 1993.

CHAPTER 512

[Engrossed Substitute House Bill 1493]

**MINORITY AND WOMEN-OWNED BUSINESSES—REVISED PROVISIONS
RELATING TO****Effective Date: 7/1/93**

AN ACT Relating to minority and women-owned businesses; amending RCW 43.31.085, 43.31.055, 39.19.060, 43.168.030, 43.168.050, 43.168.070, 43.168.100, 43.85.230, and 43.86A.030; adding a new section to chapter 43.210 RCW; adding new sections to chapter 43.31 RCW; adding a new section to chapter 39.19 RCW; adding a new section to chapter 43.168 RCW; adding new sections to chapter 43.86A RCW; adding a new section to chapter 43.63A RCW; adding new sections to chapter 43.131 RCW; adding a new chapter to Title 43 RCW; creating new sections; providing an effective date; and declaring an emergency.

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

NEW SECTION. Sec. 1. INTENT. It is the intent of the legislature to combat discrimination in the economy.

(1) The legislature finds that discrimination is in part responsible for:

(a) The disproportionately small percentage of the state's businesses that are owned by minorities and women;

(b) The limited and unequal opportunity minority and women entrepreneurs and business owners have to procure small business financing; and

(c) The difficulty many minority and women-owned contracting businesses have in securing bonds and contract work.

(2) The legislature further finds that:

(a) Many minority and women entrepreneurs and business owners lack training in how to establish and operate a business. This lack of training inhibits their competitiveness when they apply for business loans, bonds, and contracts;

(b) Minorities and women are an increasingly expanding portion of the population and work force. In order for these individuals to fully contribute to the society and economy it is necessary to ensure that minority and women entrepreneurs and business owners are provided an equal opportunity to procure small business financing, bonds, and contracts; and

(c) The growth of small businesses will have a favorable impact on the Washington economy by creating jobs, increasing competition in the marketplace, and expanding tax revenues. Access to financial markets, bonds, and contracts by entrepreneurs and small business owners is vital to this process. Without reasonable access to financing, bonds, and contracts, talented and aggressive entrepreneurs and small business owners are cut out of the economic system and the state's economy suffers.

(3) Therefore, the legislature declares there to be a substantial public purpose in providing technical assistance in the areas of marketing, finance, and management, and access to capital resources, bonds, and contracts, to help start or expand a minority or women-owned business, and specifically to encourage and make possible greater participation by minorities and women in international

trade, public works and construction, and public facility concessions. To accomplish these purposes, it is the intent of the legislature to:

(a) Develop or contract for training courses in financing, marketing, managing, accounting, and recordkeeping for a small business and to make these programs available to minority and women entrepreneurs and small business owners;

(b) Make public works and construction projects, public facility concessions, and purchase of goods and services accessible to a greater number of minority and women-owned businesses;

(c) Provide for the lending of nonstate funds to qualified minority and women entrepreneurs and business owners in order to provide the maximum practicable opportunity for innovative minority and women entrepreneurs and business owners to compete for small business financing; and

(d) Provide professional services assistance grants and bond guarantees on behalf of qualified contractors in order to provide the maximum practicable opportunity for minority and women-owned contracting businesses to participate in the Washington state economy by bidding and completing various public and private contracting jobs.

NEW SECTION. Sec. 2. DEFINITIONS. Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Minority" means persons of color, including African-Americans, Hispanic/Latino Americans, Native Americans, and Asian/Pacific Islanders Americans;

(2) "Minority and women-owned business" means any resident minority business enterprise or women's business enterprise, certified as such by the office of minority and women's business enterprises under chapter 39.19 RCW and consistent with subsection (1) of this section.

I. EDUCATION AND TECHNICAL ASSISTANCE

Sec. 3. RCW 43.31.085 and 1989 c 430 s 2 are each amended to read as follows:

MARKETING, FINANCE, AND MANAGEMENT ASSISTANCE. The business assistance center shall:

(1) Serve as the state's lead agency and advocate for the development and conservation of businesses.

(2) Coordinate the delivery of state programs to assist businesses.

(3) Provide comprehensive referral services to businesses requiring government assistance.

(4) Serve as the business ombudsman within state government and advise the governor and the legislature of the need for new legislation to improve the effectiveness of state programs to assist businesses.

(5) Aggressively promote business awareness of the state's business programs and distribute information on the services available to businesses.

(6) Develop, in concert with local economic development and business assistance organizations, coordinated processes that complement both state and local activities and services.

(7) ~~((The business assistance center shall))~~ Work with other federal, state, and local agencies and organizations to ensure that business assistance services including small business, trade services, and distressed area programs are provided in a coordinated and cost-effective manner.

(8) Provide or contract for technical assistance to minority and women-owned business enterprises in a variety of areas, including, but not limited to, marketing, finance, bidding and estimating assistance, public contracting assistance, and management.

(9) In collaboration with the child care coordinating committee in the department of social and health services, prepare and disseminate information on child care options for employers and the existence of the program. As much as possible, and through interagency agreements where necessary, such information should be included in the routine communications to employers from (a) the department of revenue, (b) the department of labor and industries, (c) the department of community development, (d) the employment security department, (e) the department of trade and economic development, (f) the small business development center, and (g) the department of social and health services.

~~((9))~~ (10) In collaboration with the child care coordinating committee in the department of social and health services, compile information on and facilitate employer access to individuals, firms, organizations, and agencies that provide technical assistance to employers to enable them to develop and support child care services or facilities.

~~((10))~~ (11) Actively seek public and private money to support the child care facility fund described in RCW 43.31.502, staff and assist the child care facility fund committee as described in RCW 43.31.504, and work to promote applications to the committee for loan guarantees, loans, and grants.

Sec. 4. RCW 43.31.055 and 1985 c 466 s 6 are each amended to read as follows:

EXPORT ASSISTANCE. The department shall assist in expanding the state's role as a major international gateway for landing and transshipping goods bound for domestic and foreign markets. The department shall identify and work with Washington businesses, especially minority and women-owned businesses and ethnic community-based organizations, which can utilize state assistance to increase domestic and foreign exports and are capable of increasing production of goods and services, including but not limited to manufactured goods, raw materials, services, and retail trade. The department shall participate in trade and industry exhibitions both foreign and domestic to promote and market state products and services. The department's activities shall include, but not be limited to:

(1) Operating an active and vigorous effort to market the state's products and services internationally, coordinated with private and public international trade efforts throughout the state.

(2) Coordinating with the domestic and foreign export market development activities of the state department of agriculture.

(3) Sending delegations to foreign countries and other states to promote trade with Washington.

(4) Acting as a centralized location for the assimilation and distribution of trade information.

(5) Identifying domestic and international markets in which minority and women-owned businesses may have an advantage and providing technical assistance to develop capacity for minority and women-owned businesses to participate in international trade.

NEW SECTION. Sec. 5. A new section is added to chapter 43.210 RCW to read as follows:

The small business export finance assistance center shall develop a minority business export outreach program. The program shall provide outreach services to minority-owned businesses in Washington to inform them of the importance of and opportunities in international trade, and to inform them of the export assistance programs available to assist these businesses to become exporters.

NEW SECTION. Sec. 6. A new section is added to chapter 43.31 RCW to read as follows:

ENTREPRENEURIAL TRAINING COURSES. The department of trade and economic development shall contract with public and private agencies, institutions, and organizations to conduct entrepreneurial training courses for minority and women-owned small businesses. The instruction shall be intensive, practical training courses in financing, marketing, managing, accounting, and recordkeeping for a small business, with an emphasis on federal, state, local, or private programs available to assist small businesses. The business assistance center may recommend professional instructors, with practical knowledge and experience on how to start and operate a business, to teach the courses. Instruction shall be offered in major population centers throughout the state at times and locations which are convenient for minority and women small business owners and entrepreneurs.

NEW SECTION. Sec. 7. A new section is added to chapter 43.31 RCW to read as follows:

BUSINESS ASSISTANCE CENTER MINORITY AND WOMEN BUSINESS DEVELOPMENT OFFICE. There is established within the department's business assistance center the minority and women business development office. This office shall provide business-related assistance to minorities and women as well as serve as an outreach program to increase minority and women-owned businesses' awareness and use of existing business assistance services.

***NEW SECTION. Sec. 8.** *If specific funding for the purposes of sections 5 and 6 of this act, referencing sections 5 and 6 of this act by bill and section numbers, is not provided by June 30, 1993, in the omnibus appropriations act, sections 5 and 6 of this act are null and void.*

*Sec. 8 was vetoed, see message at end of chapter.

II. FAIRNESS IN CONTRACTING AND CONCESSIONS

Sec. 9. RCW 39.19.060 and 1983 c 120 s 6 are each amended to read as follows:

Each state agency and educational institution shall comply with the annual goals established for that agency or institution under this chapter for public works and procuring goods or services. This chapter applies to all public works and procurement by state agencies and educational institutions, including all contracts and other procurement under chapters 28B.10, 39.04, 39.29, 43.19, and 47.28 RCW. Each state agency shall adopt a plan, developed in consultation with the director and the advisory committee, to insure that minority and women-owned businesses are afforded the maximum practicable opportunity to directly and meaningfully participate in the execution of public contracts for public works and goods and services. The plan shall include specific measures the agency will undertake to increase the participation of certified minority and women-owned businesses. The office shall annually notify the governor, the state auditor, and the legislative budget committee of all agencies and educational institutions not in compliance with this chapter.

NEW SECTION. Sec. 10. A new section is added to chapter 39.19 RCW to read as follows:

(1) State agencies shall not require a performance bond for any public works project that does not exceed twenty-five thousand dollars awarded to a prequalified and certified minority or woman-owned business that has been prequalified as provided under subsection (2) of this section.

(2) A limited prequalification questionnaire shall be required assuring:

(a) That the bidder has adequate financial resources or the ability to secure such resources;

(b) That the bidder can meet the performance schedule;

(c) That the bidder is experienced in the type of work to be performed; and

(d) That all equipment to be used is adequate and functioning and that all equipment operators are qualified to operate such equipment.

III. LOAN FUND AND GUARANTEES

Sec. 11. RCW 43.168.030 and 1985 c 164 s 3 are each amended to read as follows:

(1) The Washington state development loan fund committee is established as an entity within the department of community development. The committee shall have ~~((seven))~~ eight members. The director shall appoint the members, subject to the following requirements: (a) Three members shall be experienced

in investment finance and have skills in providing capital to new and innovative businesses, in starting and operating businesses and providing professional services to small or expanding businesses; (b) two members shall be residents of distressed areas; (c) one member shall represent organized labor; ~~((and))~~ (d) one member shall represent a minority business; and (e) one member shall represent a women-owned business. Careful consideration in making these appointments shall be taken to ensure that the various geographic regions of the state are represented, that members will be available for meetings on a regular basis, and will have a commitment to working with local governments and local development organizations.

(2) Each member appointed by the director shall serve a term of three years, except that of the members first appointed, two shall serve two-year terms and two shall serve one-year terms. A person appointed to fill a vacancy of a member shall be appointed in a like manner and shall serve for only the unexpired term. A member is eligible for reappointment. A member may be removed by the director only for cause.

(3) The director shall designate a member of the board as its chairperson. The committee may elect such other officers as it deems appropriate. ~~((Four))~~ Five members of the committee constitute a quorum and ~~((four))~~ five affirmative votes are necessary for the transaction of business or the exercise of any power or function of the committee.

(4) The members of the committee shall serve without compensation, but are entitled to reimbursement for actual and necessary expenses incurred in the performance of official duties in accordance with RCW 43.03.050 and 43.03.060.

(5) Members shall not be liable to the state, to the fund, or to any other person as a result of their activities, whether ministerial or discretionary, as members except for wilful dishonesty or intentional violations of law. The department may purchase liability insurance for members and may indemnify these persons against the claims of others.

Sec. 12. RCW 43.168.050 and 1990 1st ex.s. c 17 s 74 are each amended to read as follows:

(1) The committee may only approve an application providing a loan for a project which the committee finds:

(a) Will result in the creation of employment opportunities ~~((or))~~ the maintenance of threatened employment, or development or expansion of business ownership by minorities and women;

(b) Has been approved by the director as conforming to federal rules and regulations governing the spending of federal community development block grant funds;

(c) Will be of public benefit and for a public purpose, and that the benefits, including increased or maintained employment, improved standard of living, ~~((and))~~ the employment of disadvantaged workers, and development or expansion of business ownership by minorities and women, will primarily accrue to residents of the area;

(d) Will probably be successful;

(e) Would probably not be completed without the loan because other capital or financing at feasible terms is unavailable or the return on investment is inadequate.

(2) The committee shall, subject to federal block grant criteria, give higher priority to economic development projects that contain provisions for child care.

(3) The committee may not approve an application if it fails to provide for adequate reporting or disclosure of financial data to the committee. The committee may require an annual or other periodic audit of the project books.

(4) The committee may require that the project be managed in whole or in part by a local development organization and may prescribe a management fee to be paid to such organization by the recipient of the loan or grant.

(5)(a) Except as provided in (b) of this subsection, the committee shall not approve any application which would result in a loan or grant in excess of three hundred fifty thousand dollars.

(b) The committee may approve an application which results in a loan or grant of up to seven hundred thousand dollars if the application has been approved by the director.

(6) The committee shall fix the terms and rates pertaining to its loans.

(7) Should there be more demand for loans than funds available for lending, the committee shall provide loans for those projects which will lead to the greatest amount of employment or benefit to a community. In determining the "greatest amount of employment or benefit" the committee shall also consider the employment which would be saved by its loan and the benefit relative to the community, not just the total number of new jobs or jobs saved.

(8) To the extent permitted under federal law the committee shall require applicants to provide for the transfer of all payments of principal and interest on loans to the Washington state development loan fund created under this chapter. Under circumstances where the federal law does not permit the committee to require such transfer, the committee shall give priority to applications where the applicants on their own volition make commitments to provide for the transfer.

(9) The committee shall not approve any application to finance or help finance a shopping mall.

(10) For loans not made to minority and women-owned businesses, the committee shall make at least eighty percent of the appropriated funds available to projects located in distressed areas, and may make up to twenty percent available to projects located in areas not designated as distressed. For loans not made to minority and women-owned businesses, the committee shall not make funds available to projects located in areas not designated as distressed if the fund's net worth is less than seven million one hundred thousand dollars.

(11) If an objection is raised to a project on the basis of unfair business competition, the committee shall evaluate the potential impact of a project on similar businesses located in the local market area. A grant may be denied by

the committee if a project is not likely to result in a net increase in employment within a local market area.

(12) For loans to minority and women-owned businesses who do not meet the credit criteria, the committee may consider nontraditional credit standards to offset past discrimination that has precluded full participation of minority or women-owned businesses in the economy. For applicants with high potential who do not meet the credit criteria, the committee shall consider developing alternative borrowing methods. For applicants denied loans due to credit problems, the committee shall provide financial counseling within available resources and provide referrals to credit rehabilitation services. In circumstances of competing applications, priority shall be given to members of eligible groups which previously have been least served by this fund.

NEW SECTION. **Sec. 13.** A new section is added to chapter 43.168 RCW to read as follows:

Subject to the restrictions contained in this chapter, the committee is authorized to approve applications of minority and women-owned businesses for loans or loan guarantees from the fund. Applications approved by the committee under this chapter shall conform to applicable federal requirements. The committee shall prioritize available funds for loan guarantees rather than loans when possible. The committee may enter into agreements with other public or private lending institutions to develop a joint loan guarantee program for minority and women-owned businesses. If such a program is developed, the committee may provide funds, in conjunction with the other organizations, to operate the program. This section does not preclude the committee from making individual loan guarantees.

To the maximum extent practicable, the funds available under this section shall be made available on an equal basis to minority and women-owned businesses. The committee shall submit to the appropriate committees of the senate and house of representatives quarterly reports that detail the number of loans approved and the characteristics of the recipients by ethnic and gender groups.

Sec. 14. RCW 43.168.070 and 1987 c 461 s 5 are each amended to read as follows:

The committee may receive and approve applications on a monthly basis but shall receive and approve applications on at least a quarterly basis for each fiscal year. The committee shall make every effort to simplify the loan process for applicants. Department staff shall process and assist in the preparation of applications. Each application shall show in detail the nature of the project, the types and numbers of jobs to be created, wages to be paid to new employees, and methods to hire unemployed persons from the area. Each application shall contain a credit analysis of the business to receive the loan. The chairperson of the committee may convene the committee on short notice to respond to applications of a serious or immediate nature.

Sec. 15. RCW 43.168.100 and 1986 c 204 s 1 are each amended to read as follows:

The committee may make grants of state funds to local governments which qualify as "entitlement communities" under the federal law authorizing community development block grants. These grants may only be made on the condition that the entitlement community provide the committee with assurances that it will: (1) Spend the grant moneys for purposes and in a manner which satisfies state constitutional requirements; (2) spend the grant moneys for purposes and in a manner which would satisfy federal requirements; and (3) spend ~~((double the))~~ at least the same amount of the grant for loans to businesses from the federal funds received by the entitlement community.

IV. BONDING ASSISTANCE

NEW SECTION. **Sec. 16. DEFINITIONS.** Unless the context clearly requires otherwise, the definitions in this section apply throughout sections 17 through 26 of this act.

(1) "Approved surety company" means a surety company approved by the department for participation in providing direct bonding assistance to qualified contractors.

(2) "Bond" means any bond or security required for bid, payment, or performance of contracts.

(3) "Department" means the department of trade and economic development.

(4) "Program" means the Washington state small business bonding assistance program provided for in this chapter.

(5) "Qualified contractor" means any resident minority business enterprise or women's business enterprise, as determined by the department to be consistent with the requirements of chapter 39.19 RCW and engaged in the contracting business, which has obtained a certificate of accreditation from the Washington state small business bonding assistance program.

NEW SECTION. **Sec. 17. PROGRAM ESTABLISHED.** There is established within the department of trade and economic development the Washington state small business bonding assistance program to assist resident minority and women-owned small contracting businesses to acquire the managerial and financial skills, standards, and assistance necessary to enable them to obtain bid, payment, and performance bonds from surety companies for either advertised or designated contracts. The department shall implement the program by establishing a course of instruction as set forth in section 19 of this act. The department shall encourage surety companies and other private interests to help implement this course of instruction to assist minority and women-owned small contracting businesses. The department shall adopt rules to ensure the proper implementation of the program set forth in this chapter.

NEW SECTION. **Sec. 18. ASSISTANCE.** The department shall seek information, advice, and assistance from regional minority contractor organiza-

tions, and the United States small business administration and any other appropriate organization or agency.

The following departments, offices, and agencies shall, at the request of the department, provide information, advice, and assistance to the department:

- (1) The department of general administration;
- (2) The Washington state business assistance center;
- (3) The office of the insurance commissioner;
- (4) The Washington state economic development finance authority; and
- (5) The office of minority and women's business enterprises.

NEW SECTION. Sec. 19. SPECIALIZED INSTRUCTION FOR SMALL CONTRACTING BUSINESSES. The business assistance center shall modify the entrepreneurial training course established in section 6 of this act in order to provide instruction which is appropriate to the specific needs of contracting businesses. This course of instruction shall be available to resident minority and women-owned small business contractors. The instruction shall be intensive, practical training courses in financing, bidding for contracts, managing, accounting, and recordkeeping for a contracting business, with an emphasis on federal, state, local, or private programs available to assist small contractors. The business assistance center shall appoint professional instructors, with practical knowledge and experience in the field of small business contracting, to teach those courses developed to meet the specific needs of contracting businesses. Instruction shall be offered in major population centers throughout the state at times and locations which are convenient for people in the contracting business.

NEW SECTION. Sec. 20. ACCREDITATION OF SMALL CONTRACTING BUSINESSES. Any resident minority or women-owned small business contractor may select a key management employee or employees to attend any course of instruction established under section 6 of this act. When the records, maintained by the business assistance center, indicate that a key management employee of a small contracting business has attended all the courses offered, and has successfully completed any tests required, the department shall award the small contracting business a certificate of accreditation which acknowledges successful completion of the courses. The department may also award a certificate of accreditation if a review of the key management employee's education, experience, and business history indicates that the business already possesses the knowledge and skills offered through the course of instruction, or if the key management employee successfully completes all tests required of those who attend the entrepreneurial training course.

NEW SECTION. Sec. 21. PROFESSIONAL SERVICES ASSISTANCE—GRANTS. Any qualified contractor seeking a grant for professional services assistance may apply to the department. If approved, the department may enter into an agreement to provide a grant of up to two thousand five hundred dollars on behalf of a qualified contractor for the acquisition of the professional services

of certified public accountants, construction management companies, or any other technical, surety, financial, or managerial professionals. This assistance is only available to a qualified contractor on a one-time basis.

NEW SECTION. Sec. 22. GRANT MONITORING. The department shall administer all grants issued to assist qualified contractors and shall monitor the performance of all grant recipients in order to provide such further assistance as is necessary to ensure that all program requirements are met and that the program's purpose is fulfilled. However, nothing in this chapter should be construed to restrict the rendering of program services to any qualified contractor over and above the services provided by the grant.

NEW SECTION. Sec. 23. BOND GUARANTEE APPLICATIONS. If a qualified contractor makes a bond application to an approved surety company for a public or private contracting job, but fails to obtain the bond because the contractor is unable to meet the requirements of the surety company on such bonding contracts, for reasons other than nonperformance, and if the approved surety company applies to the department to have the bond guaranteed by the program, then the department may provide a bond guarantee of up to seventy-five thousand dollars on behalf of the qualified contractor.

NEW SECTION. Sec. 24. BOND GUARANTEE APPROVAL. Upon receipt of an approved surety company's application for a bond guarantee, the program supervisor shall review the application in order to verify that:

- (1) The bond being sought by the qualified contractor is needed;
- (2) The contracting job is within the qualified contractor's capability to perform; and
- (3) The qualified contractor has not been denied a bond due to nonperformance.

Based upon subsections (1) through (3) of this section, the department shall either approve or disapprove the application. If the application is approved, the department has the authority to enter into a contract with the approved surety company. Under the terms of this contract the approved surety company shall enter into a contract with, and issue the required bond to, the qualified contractor at the standard fees and charges usually made by the company for the type and amount of the bond issued. The bond issued by the approved surety company shall be guaranteed by money in the program fund. The approved surety company shall also agree to make a reasonable, good faith effort to pursue and collect any claims it may have against a qualified contractor who defaults on a bond guaranteed by the program, including, but not limited to, the institution of legal proceedings against the defaulting contractor, prior to collecting on the guarantee.

NEW SECTION. Sec. 25. PROGRAM FUND ESTABLISHED. The Washington state small business bonding assistance program fund is created in the state treasury. Any amounts appropriated, donated, or granted to the program shall be deposited and credited to the program fund. Moneys in the program

fund may be spent only after appropriation. Expenditures from the program fund shall only be used as follows:

(1) To pay the implementation costs of the program provided for in this chapter;

(2) To be disbursed by the department to enable qualified contractors to obtain services provided for in this chapter; and

(3) To guarantee bonds issued pursuant to sections 23 and 24 of this act and to pay such bonds in the event of default by a qualified contractor.

However, the full faith and credit of the state of Washington shall not be used to secure the bonds and the state's liability shall be limited to the money appropriated by the legislature.

NEW SECTION. Sec. 26. FUND SUPPORT. The department shall solicit funds and support from surety companies and other public and private entities with an interest in assisting Washington's small business contractors and may enter into agreements with such companies and interests by which they provide funds to the program fund to be matched with funds from nonstate sources.

NEW SECTION. Sec. 27. The department may receive gifts, grants, and endowments from public or private sources that may be made from time to time, in trust or otherwise, for the use and benefit of the Washington state small business bonding assistance program and spend gifts, grants, endowments or any income from the public or private sources according to their terms.

***NEW SECTION. Sec. 28.** *If specific funding for the purposes of sections 16 through 27 of this act, referencing sections 16 through 27 of this act by bill and section numbers, is not provided by June 30, 1993, in the omnibus appropriations act, sections 16 through 27 of this act are null and void.*

*Sec. 28 was vetoed, see message at end of chapter.

V. WASHINGTON STATE LINKED DEPOSIT PROGRAM

NEW SECTION. Sec. 29. The legislature finds that minority and women's business enterprises have been historically excluded from access to capital in the marketplace. The lack of capital has been a major barrier to the development and expansion of business by various minority groups and women. There has been a significant amount of attention on the capital needs of minority and women's business enterprises. It is the intent of the legislature to remedy the problem of a lack of access to capital by minority and women's business enterprises, and other small businesses by authorizing the state treasurer to operate a program that links state deposits to business loans by financial institutions to minority and women's business enterprises.

NEW SECTION. Sec. 30. A new section is added to chapter 43.86A RCW to read as follows:

(1) The state treasurer shall establish a linked deposit program for investment of deposits in qualified public depositories. As a condition of

participating in the program, qualified public depositories must make qualifying loans as provided in this section. The state treasurer may purchase a certificate of deposit that is equal to the amount of the qualifying loan made by the qualified public depository or may purchase a certificate of deposit that is equal to the aggregate amount of two or more qualifying loans made by one or more qualified public depositories.

(2) Qualifying loans made under this section are those that:

- (a) Are loans that have terms that do not exceed ten years;
- (b) Are made to a minority or women's business enterprise that has received state certification under chapter 39.19 RCW;
- (c) Are made to minority or women's business enterprises that are considered a small business as defined in RCW 43.31.025;
- (d) Are made where the interest rate on the loan to the minority or women's business enterprise does not exceed an interest rate that is two hundred basis points below the interest rate the qualified public depository would charge for a loan for a similar purpose and a similar term; and
- (e) Are made where the points or fees charged at loan closing do not exceed one percent of the loan amount.

(3) In setting interest rates of time certificate of deposits, the state treasurer shall offer rates so that a two hundred basis point preference will be given to the qualified public depository.

NEW SECTION. Sec. 31. A new section is added to chapter 43.63A RCW to read as follows:

(1) The department shall provide technical assistance and loan packaging services that enable minority and women-owned business enterprises to obtain financing under the linked deposit program created under section 30 of this act.

(2) The department shall, in consultation with the state treasurer, monitor the performance of loans made to minority and women-owned business enterprises under section 30 of this act.

Sec. 32. RCW 43.85.230 and 1984 c 177 s 20 are each amended to read as follows:

The state treasurer may deposit moneys not required to meet current demands upon a term deposit basis not to exceed (~~one year~~) five years at such interest rates and upon such conditions as to withdrawals of such moneys as may be agreed upon between the state treasurer and any qualified public depository.

Sec. 33. RCW 43.86A.030 and 1982 c 74 s 1 are each amended to read as follows:

(1) Funds held in public depositories not as demand deposits as provided in RCW 43.86A.020 and 43.86A.030, shall be available for a time certificate of deposit investment program according to the following formula: The state treasurer shall apportion to all participating depositories an amount equal to five percent of the three year average mean of general state revenues as certified in accordance with Article VIII, section 1(b) of the state Constitution, or fifty

percent of the total surplus treasury investment availability, whichever is less. Within thirty days after certification, those funds determined to be available according to this formula for the time certificate of deposit investment program shall be deposited in qualified public depositories. These deposits shall be allocated among the participating depositories on a basis to be determined by the state treasurer.

(2) The state treasurer may use up to fifty million dollars per year of all funds available under this section for the purposes of section 30 of this act. The amounts made available to these public depositories shall be equal to the amounts of outstanding loans made under section 30 of this act.

(3) The formula so devised shall be a matter of public record giving consideration to, but not limited to deposits, assets, loans, capital structure, investments or some combination of these factors(~~(:—PROVIDED, That)).~~ However, if in the judgment of the state treasurer the amount of allocation for certificates of deposit as determined by this section will impair the cash flow needs of the state treasury, the state treasurer may adjust the amount of the allocation accordingly.

NEW SECTION. Sec. 34. A new section is added to chapter 43.86A RCW to read as follows:

The state and those acting as its agents are not liable in any manner for payment of the principal or interest on qualifying loans made under section 30 of this act. Any delay in payments or defaults on the part of the borrower does not in any manner affect the deposit agreement between the qualified public depository and the state treasurer.

NEW SECTION. Sec. 35. A new section is added to chapter 43.131 RCW to read as follows:

The linked deposit program shall be terminated on June 30, 1996, as provided in section 36 of this act.

NEW SECTION. Sec. 36. A new section is added to chapter 43.131 RCW to read as follows:

The following acts or parts of acts, as now existing or hereafter amended, are each repealed, effective June 30, 1997:

- (1) Section 30 of this act;
- (2) Section 31 of this act; and
- (3) Section 34 of this act.

****NEW SECTION. Sec. 37. If specific funding for the purposes of sections 29 through 36 of this act, referencing sections 29 through 36 of this act by bill and section numbers, is not provided by June 30, 1993, in the omnibus appropriations act, sections 29 through 36 of this act are null and void.***

*Sec. 37 was vetoed, see message at end of chapter.

VI. MISCELLANEOUS

NEW SECTION. **Sec. 38.** This act may be known and cited as the omnibus minority and women-owned businesses assistance act.

NEW SECTION. **Sec. 39.** Sections 1, 2, and 16 through 27 of this act shall constitute a new chapter in Title 43 RCW.

NEW SECTION. **Sec. 40.** CAPTIONS NOT LAW. Part headings and section captions as used in this act do not constitute part of the law.

NEW SECTION. **Sec. 41.** If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. **Sec. 42.** This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect July 1, 1993.

Passed the House April 25, 1993.

Passed the Senate April 24, 1993.

Approved by the Governor May 18, 1993, with the exception of certain items which were vetoed.

Filed in Office of Secretary of State May 18, 1993.

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

"I am returning herewith, without my approval as to sections 8, 28, and 37, Engrossed Substitute House Bill No. 1493 entitled:

"AN ACT Relating to minority and women-owned businesses;"

I commend the Legislature for adopting the important public policy initiatives contained within this bill. The assistance provided to minority and women-owned businesses as a result of this legislation will make a significant difference in the ability of these firms to compete in the state's economy.

I have vetoed sections 8 and 28, both null and void clauses, on technical grounds. Drafting errors were made in the section of the appropriation bill which provided funding for the Department of Trade and Economic Development. The excision of sections 8 and 28 will protect the initiatives in the bill and allow me to correct the technical errors in the budget. I will propose a supplemental budget for the department for consideration in the 1994 session of the Legislature to provide funding for these programs. Until then, the department will lay the groundwork for implementing these programs within existing resources.

My decision to veto section 37 will allow the linked deposit program to proceed by removing the null and void language in this section. I am concerned that there are a number of administrative problems which must be resolved before the program begins operation. These include how the overall size of the program will be coordinated between the Office of the Treasurer and the Department of Community Development, whether Certificates of Deposit can be issued for terms which may be longer than the period which the program is authorized to function, and how the state will determine whether the intended 2 percent discount for loans has in fact occurred. I am also concerned about the potential for a \$2 million impact on the General Fund as a result of foregone interest earnings. This impact was not considered as a part of the budget package approved by the Legislature.

These concerns are eased by assurances I have received from the Office of the Treasurer. In his letter to me, the Treasurer has stated that it may take months to resolve the administrative problems associated with linked deposits and that once these are resolved, additional time will be needed before the program can begin operations. I am satisfied these timing considerations will minimize the negative impacts on the General Fund due to lost interest income in the 1993-1995 Biennium. The Treasurer has also indicated that additional legislation may be needed to clarify provisions in this bill and that consideration should be given to providing staff to establish and monitor the program. The Treasurer's commitment to the success of the linked deposit program ensures that every effort will be made to effectively implement this legislation.

I am committed to an active role in assuring the success of the linked deposit program and will support actions taken by the Treasurer to address the implementation problems that have been identified.

For these reasons, I have vetoed sections 8, 28, and 37 of Engrossed Substitute House Bill No. 1493.

With the exception of sections 8, 28, and 37, Engrossed Substitute House Bill No. 1493 is approved."

CHAPTER 513

[Substitute House Bill 1183]

MINORS PUBLICLY UNDER INFLUENCE OF ALCOHOL OR DRUGS

Effective Date: 7/25/93

AN ACT Relating to persons under age twenty-one who are under the influence of intoxicating liquor or drugs in public; amending RCW 66.44.270; and prescribing penalties.

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

Sec. 1. RCW 66.44.270 and 1987 c 458 s 3 are each amended to read as follows:

(1) It is unlawful for any person to sell, give, or otherwise supply liquor to any person under the age of twenty-one years or permit any person under that age to consume liquor on his or her premises or on any premises under his or her control. For the purposes of this subsection, "premises" includes real property, houses, buildings, and other structures, and motor vehicles and watercraft.

(2)(a) It is unlawful for any person under the age of twenty-one years to possess, consume, or otherwise acquire any liquor.

(b) It is unlawful for a person under the age of twenty-one years to be in a public place, or to be in a motor vehicle in a public place, while exhibiting the effects of having consumed liquor. For purposes of this subsection, exhibiting the effects of having consumed liquor means that a person has the odor of liquor on his or her breath and either: (i) Is in possession of or close proximity to a container that has or recently had liquor in it; or (ii) by speech, manner, appearance, behavior, lack of coordination, or otherwise, exhibits that he or she is under the influence of liquor. This subsection (2)(b) does not apply if the person is in the presence of a parent or guardian or has consumed or is

consuming liquor under circumstances described in subsection (4) or (5) of this section.

(3) ~~((This section does))~~ Subsections (1) and (2)(a) of this section do not apply to liquor given or permitted to be given to a person under the age of twenty-one years by a parent or guardian and consumed in the presence of the parent or guardian. This subsection shall not authorize consumption or possession of liquor by a person under the age of twenty-one years on any premises licensed under chapter 66.24 RCW.

(4) This section does not apply to liquor given for medicinal purposes to a person under the age of twenty-one years by a parent, guardian, physician, or dentist.

(5) This section does not apply to liquor given to a person under the age of twenty-one years when such liquor is being used in connection with religious services and the amount consumed is the minimal amount necessary for the religious service.

(6) Conviction or forfeiture of bail for a violation of this section by a person under the age of twenty-one years at the time of such conviction or forfeiture shall not be a disqualification of that person to acquire a license to sell or dispense any liquor after that person has attained the age of twenty-one years.

Passed the House April 19, 1993.

Passed the Senate April 12, 1993.

Approved by the Governor May 18, 1993.

Filed in Office of Secretary of State May 18, 1993.

CHAPTER 514

[Substitute Senate Bill 5075]

HAZING PROHIBITED

Effective Date: 7/25/93

AN ACT Relating to hazing at state and independent institutions of higher education; adding new sections to chapter 28B.10 RCW; and prescribing penalties.

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

NEW SECTION. **Sec. 1.** A new section is added to chapter 28B.10 RCW to read as follows:

As used in sections 2 and 3 of this act, "hazing" includes any method of initiation into a student organization or living group, or any pastime or amusement engaged in with respect to such an organization or living group that causes, or is likely to cause, bodily danger or physical harm, or serious mental or emotional harm, to any student or other person attending a public or private institution of higher education or other postsecondary educational institution in this state. "Hazing" does not include customary athletic events or other similar contests or competitions.

NEW SECTION. **Sec. 2.** A new section is added to chapter 28B.10 RCW to read as follows:

(1) No student, or other person in attendance at any public or private institution of higher education, or any other postsecondary educational institution, may conspire to engage in hazing or participate in hazing of another.

(2) A violation of this section is a misdemeanor, punishable as provided under RCW 9A.20.021.

(3) Any organization, association, or student living group that knowingly permits hazing is strictly liable for harm caused to persons or property resulting from hazing. If the organization, association, or student living group is a corporation whether for profit or nonprofit, the individual directors of the corporation may be held individually liable for damages.

NEW SECTION. **Sec. 3.** A new section is added to chapter 28B.10 RCW to read as follows:

(1) A person who participates in the hazing of another shall forfeit any entitlement to state-funded grants, scholarships, or awards for a period of time determined by the institution of higher education.

(2) Any organization, association, or student living group that knowingly permits hazing to be conducted by its members or by others subject to its direction or control shall be deprived of any official recognition or approval granted by a public institution of higher education.

(3) The public institutions of higher education shall adopt rules to implement this section.

NEW SECTION. **Sec. 4.** A new section is added to chapter 28B.10 RCW to read as follows:

Institutions of higher education shall adopt rules providing sanctions for conduct associated with initiation into a student organization or living group, or any pastime or amusement engaged in with respect to an organization or living group not amounting to a violation of section 1 of this act. Conduct covered by this section may include embarrassment, ridicule, sleep deprivation, verbal abuse, or personal humiliation.

Passed the Senate April 17, 1993.

Passed the House April 13, 1993.

Approved by the Governor May 18, 1993.

Filed in Office of Secretary of State May 18, 1993.

CHAPTER 515

[Substitute Senate Bill 5736]

WORKERS' COMPENSATION—CHIROPRACTIC CARE

Effective Date: 7/25/93

AN ACT Relating to chiropractic care for industrial insurance; amending RCW 51.04.030, 51.32.112, 51.36.100, and 51.36.110; adding a new section to chapter 51.04 RCW; and adding a new section to chapter 51.36 RCW.

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

Sec. 1. RCW 51.04.030 and 1989 c 189 s 1 are each amended to read as follows:

The director shall, through the division of industrial insurance, supervise the providing of prompt and efficient care and treatment, including care provided by physicians' assistants governed by the provisions of chapters 18.57A and 18.71A RCW, acting under a supervising physician, and including chiropractic care, to workers injured during the course of their employment at the least cost consistent with promptness and efficiency, without discrimination or favoritism, and with as great uniformity as the various and diverse surrounding circumstances and locations of industries will permit and to that end shall, from time to time, establish and promulgate and supervise the administration of printed forms, rules, regulations, and practices for the furnishing of such care and treatment: PROVIDED, That, the department may recommend to an injured worker particular health care services and providers where specialized treatment is indicated or where cost effective payment levels or rates are obtained by the department: AND PROVIDED FURTHER, That the department may enter into contracts for goods and services including, but not limited to, durable medical equipment so long as state-wide access to quality service is maintained for injured workers.

The director shall make and, from time to time, change as may be, and promulgate a fee bill of the maximum charges to be made by any physician, surgeon, chiropractor, hospital, druggist, physicians' assistants as defined in chapters 18.57A and 18.71A RCW, acting under a supervising physician or other agency or person rendering services to injured workers. No service covered under this title shall be charged or paid at a rate or rates exceeding those specified in such fee bill, and no contract providing for greater fees shall be valid as to the excess.

The director or self-insurer, as the case may be, shall make a record of the commencement of every disability and the termination thereof and, when bills are rendered for the care and treatment of injured workers, shall approve and pay those which conform to the promulgated rules, regulations, and practices of the director and may reject any bill or item thereof incurred in violation of the principles laid down in this section or the rules and regulations promulgated under it.

**NEW SECTION. Sec. 2. A new section is added to chapter 51.04 RCW to read as follows:*

The director shall appoint an associate medical director for chiropractic. The associate medical director must be eligible to be licensed under chapter 18.25 RCW.

*Sec. 2 was vetoed, see message at end of chapter.

***NEW SECTION.** *Sec. 3. A new section is added to chapter 51.36 RCW to read as follows:*

(1) The health services that are available to an injured worker under RCW 51.36.010 include chiropractic treatment in appropriate cases within the scope of practice under chapter 18.25 RCW. As appropriate, and subject to the requirements for examinations of workers specified in this title, a worker may be required by the department to undergo chiropractic examination by a chiropractor licensed under chapter 18.25 RCW for the purpose of assisting the department in making determinations for the closure of a claim, in assessing the necessity and appropriateness of chiropractic care, or in making other determinations within the scope of chiropractic practice related to the worker's industrial injury.

(2) The department may establish treatment and utilization standards for chiropractic treatment in consultation with representatives of the chiropractic profession. The standards, if any, may be developed in conjunction with the department of health. The standards should include some or all of the following:

(a) Standards designed to assure quality treatment and to maximize recovery from the industrial injury;

(b) Standards designed to contain costs, consistent with assured access to medically necessary treatment;

(c) Standards that permit review of an injured worker's progress toward recovery after a stated number of chiropractic treatments. The standards may require review of chiropractic treatment based on a specified number of treatments, but the standards may not require termination of treatment based solely on the number of treatments;

(d) Standards for requesting consultation with chiropractors by the department or other health services providers on the necessity or appropriateness of chiropractic care or other subjects within the chiropractic scope of practice.

*Sec. 3 was vetoed, see message at end of chapter.

Sec. 4. *RCW 51.32.112 and 1988 c 114 s 2 are each amended to read as follows:*

(1) The department shall develop standards for the conduct of special medical examinations to determine permanent disabilities, including, but not limited to:

(a) The qualifications of persons conducting the examinations;

(b) The criteria for conducting the examinations, including guidelines for the appropriate treatment of injured workers during the examination; and

(c) The content of examination reports.

(2) Within the appropriate scope of practice, chiropractors licensed under chapter 18.25 RCW may conduct special medical examinations to determine permanent disabilities in consultation with physicians licensed under chapter 18.57 or 18.71 RCW. The department, in its discretion, may request that a special medical examination be conducted by a single chiropractor if the department determines that the sole issues involved in the examination are within the scope of practice under chapter 18.25 RCW. However, nothing in this section authorizes the use as evidence before the board of a chiropractor's determination of the extent of a worker's permanent disability if the determination is not requested by the department.

(3) The department shall investigate the amount of examination fees received by persons conducting special medical examinations to determine permanent disabilities, including total compensation received for examinations of department and self-insured claimants, and establish compensation guidelines and compensation reporting criteria.

~~((3))~~ (4) The department shall investigate the level of compliance of self-insurers with the requirement of full reporting of claims information to the department, particularly with respect to medical examinations, and develop effective enforcement procedures or recommendations for legislation if needed.

Sec. 5. RCW 51.36.100 and 1986 c 200 s 1 are each amended to read as follows:

The legislature finds and declares it to be in the public interest of the residents of the state of Washington that a proper regulatory and inspection program be instituted in connection with the provision of medical, chiropractic, dental, vocational, and other health services to industrially injured workers pursuant to Title 51 RCW. In order to effectively accomplish such purpose and to assure that the industrially injured worker receives such services as are paid for by the state of Washington, the acceptance by the industrially injured worker of such services, and the request by a provider of services for reimbursement for providing such services, shall authorize the director of the department of labor and industries or the director's authorized representative to inspect and audit all records in connection with the provision of such services.

Sec. 6. RCW 51.36.110 and 1986 c 200 s 2 are each amended to read as follows:

The director of the department of labor and industries or the director's authorized representative shall have the authority to:

(1) Conduct audits and investigations of providers of medical, chiropractic, dental, vocational, and other health services furnished to industrially injured workers pursuant to Title 51 RCW. In the conduct of such audits or investigations, the director or the director's authorized representatives may examine all records, or portions thereof, including patient records, for which services were rendered by a health services provider and reimbursed by the department, notwithstanding the provisions of any other statute which may make or purport

to make such records privileged or confidential: PROVIDED, That no original patient records shall be removed from the premises of the health services provider, and that the disclosure of any records or information obtained under authority of this section by the department of labor and industries is prohibited and constitutes a violation of RCW 42.22.040, unless such disclosure is directly connected to the official duties of the department: AND PROVIDED FURTHER, That the disclosure of patient information as required under this section shall not subject any physician or other health services provider to any liability for breach of any confidential relationships between the provider and the patient: AND PROVIDED FURTHER, That the director or the director's authorized representative shall destroy all copies of patient medical records in their possession upon completion of the audit, investigation, or proceedings;

(2) Approve or deny applications to participate as a provider of services furnished to industrially injured workers pursuant to Title 51 RCW; and

(3) Terminate or suspend eligibility to participate as a provider of services furnished to industrially injured workers pursuant to Title 51 RCW.

Passed the Senate April 22, 1993.

Passed the House April 9, 1993.

Approved by the Governor May 18, 1993, with the exception of certain items which were vetoed.

Filed in Office of Secretary of State May 18, 1993.

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

"I am returning herewith, without my approval of sections 2 and 3, Substitute Senate Bill No. 5736 entitled:

"AN ACT Relating to chiropractic care for industrial insurance;"

Section 2 of Substitute Senate Bill No. 5736 would create the position of associate medical director for chiropractic in state statute. It is my understanding that the Department of Labor and Industries has funding for such a position and intends to hire a qualified candidate. No position other than the Director of the Department of Labor and Industries is currently specified in statute. This requirement appears to be overly prescriptive and limits the discretion of the agency's director.

Section 3 would prohibit the termination of treatment based solely on the number of treatments. This provision is not consistent with the direction in which our state is moving with regard to health care reform.

For these reasons, I have vetoed sections 2 and 3, of Substitute Senate Bill No. 5736.

With the exception of sections 2 and 3, Substitute Senate Bill No. 5736 is approved."

CHAPTER 516

[Engrossed Substitute House Bill 1785]

ENVIRONMENTAL RESTORATION JOBS ACT OF 1993

Effective Date: 7/1/93

AN ACT Relating to investing in the creation of jobs to restore and enhance Washington's estuaries, waterways, forests, and watersheds; adding new sections to chapter 43.131 RCW; adding a new chapter to Title 43 RCW; creating new sections; repealing RCW 43.220.900; providing an effective date; and declaring an emergency.

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

NEW SECTION. Sec. 1. LEGISLATIVE FINDINGS. (1) The legislature finds that the long-term health of the economy of Washington state depends on the sustainable management of its natural resources. Washington's forests, estuaries, waterways, and watersheds provide a livelihood for thousands of citizens of Washington state and millions of dollars of income and tax revenues every year from forests, fisheries, shellfisheries, recreation, tourism, and other water-dependent industries.

(2) The legislature further finds that the livelihoods and revenues produced by Washington's forests, estuaries, waterways, and watersheds would be enhanced by immediate investments in clean water infrastructure and habitat restoration.

(3) The legislature further finds that an insufficiency in financial resources, especially in timber-dependent communities, has resulted in investments in clean water and habitat restoration too low to ensure the long-term economic and environmental health of Washington's forests, estuaries, waterways, and watersheds.

(4) The legislature further finds that unemployed workers and Washington's economically distressed communities, especially timber-dependent areas, can benefit from opportunities for employment in environmental restoration projects.

(5) The legislature therefore declares that immediate investments in a variety of environmental restoration projects, based on sound principles of watershed management and environmental and forest restoration, are necessary to rehabilitate damaged watersheds and to assist dislocated workers and the unemployed gain job skills necessary for long-term employment.

NEW SECTION. Sec. 2. PURPOSE AND INTENT—DEFINITIONS. (1) It is the intent of this chapter to provide financial resources to make substantial progress toward: (a) Implementing the Puget Sound water quality management plan and other watershed-based management strategies and plans; (b) ameliorating degradation to watersheds; and (c) keeping and creating stable, environmentally sound, good wage employment in Washington state. The legislature intends that employment under this chapter is not to result in the displacement or partial displacement, whether by the reduction of hours of nonovertime work, wages, or other employment benefits, of currently employed workers, including but not limited to state civil service employees, or of currently or normally contracted services.

(2) It is the purpose of this chapter to:

(a) Implement clean water, forest, and habitat restoration projects that will produce measurable improvements in water and habitat quality, that rate highly when existing environmental ranking systems are applied, and that provide economic stability.

(b) Facilitate the coordination and consistency of federal, state, tribal, local, and private water and habitat protection and enhancement programs in the state's watersheds.

(c) Fund necessary projects for which a public planning process has been completed.

(d) Provide immediate funding to create jobs and training for environmental restoration and enhancement jobs for unemployed workers and displaced workers in impact areas, especially timber-dependent communities.

(3) For purposes of this chapter "impact areas" means: (a) Distressed counties as defined in RCW 43.165.010(3)(a); (b) subcounty areas in those counties not covered under (a) of this subsection that are timber impact areas as defined in RCW 43.31.601; (c) urban subcounty areas as defined in RCW 43.165.010(3)(c); and (d) areas that the task force determines are likely to experience dislocations in the near future from downturns in natural resource-based industries.

(4) For purposes of this chapter, "high-risk youth" means youth eligible for Washington conservation corps programs under chapter 43.220 RCW or Washington service corps programs under chapter 50.65 RCW.

(5) For purposes of this chapter, "dislocated forest products worker" has the meaning set forth in RCW 50.70.010.

(6) For purposes of this chapter, "task force" means the environmental enhancement and job creation task force created under section 5 of this act.

NEW SECTION. Sec. 3. ENVIRONMENTAL AND FOREST RESTORATION ACCOUNT. (1) The environmental and forest restoration account is established in the state treasury. Money in the account may be spent only after appropriation by the legislature and in a manner consistent with this chapter. Private nonprofit organizations and state, local, and tribal entities are eligible for funds under this chapter. Money in the account may be used to make grants, loans, or interagency contracts as needed to implement environmental and forest restoration projects.

(2) For fiscal years 1994 through 1998, at least fifty percent of the funds in the environmental and forest restoration account shall be used for environmental restoration and enhancement projects in rural communities impacted by the decline in timber harvest levels as defined in chapter 50.70 RCW and that employ displaced timber workers. These projects may include watershed restoration such as removing or upgrading roads to reduce erosion and sedimentation, and improvements in forest habitat such as thinning and pruning. Beginning July 1, 1998, at least fifty percent of the funds in the environmental and forest restoration account shall be used for environmental restoration and

enhancement projects in counties with unemployment rates above the state average.

(3) The environmental and forest restoration account shall consist of funds appropriated by law, principal and interest from the repayment of loans granted under this chapter, and federal and other money received by the state for deposit in the account.

(4) At least ten percent of the funds distributed from the environmental and forest restoration account annually shall be allocated to the Washington conservation corps established under chapter 43.220 RCW to employ high-risk youth on projects consistent with this chapter and to fund administrative support services required by the senior environmental corps established under chapter 43.63A RCW.

(5) At least five percent of the funds distributed from the environmental and forest restoration account annually shall be used for contracts with nonprofit corporations to fund or finance projects, including those that increase private sector investments in pollution prevention activities and equipment and that are consistent with the provisions of this section and section 4 of this act.

(6) No more than five percent of the annual revenues to the environmental and forest restoration account may be expended for administrative purposes by any state agency or project administration; however, funds expended by the Washington conservation corps shall be subject solely to the limitations set forth in RCW 43.220.230.

(7) Except for essential administrative and supervisory purposes, funds in the environmental and forest restoration account may not be used for hiring permanent state employees.

NEW SECTION. **Sec. 4. GRANTS OR LOANS FOR ENVIRONMENTAL AND FOREST RESTORATION PROJECTS—CRITERIA.** (1) Subject to the limitations of section 3 of this act, the task force shall award funds from the environmental and forest restoration account on a competitive basis. The task force shall evaluate and rate environmental enhancement and restoration project proposals using the following criteria:

(a) The ability of the project to produce measurable improvements in water and habitat quality;

(b) The cost-effectiveness of the project based on: (i) Projected costs and benefits of the project; (ii) past costs and environmental benefits of similar projects; and (iii) the ability of the project to achieve cost efficiencies through its design to meet multiple policy objectives;

(c) The inclusion of the project as a high priority in a federal, state, tribal, or local government plan relating to environmental or forest restoration, including but not limited to a local watershed action plan, storm water management plan, capital facility plan, growth management plan, or a flood control plan; or the ranking of the project by conservation districts as a high priority for water quality and habitat improvements;

(d) The number of jobs to be created by the project for dislocated forest products workers, high-risk youth, and residents of impact areas;

(e) Participation in the project by environmental businesses to provide training, cosponsor projects, and employ or jointly employ project participants;

(f) The ease with which the project can be administered from the community the project serves;

(g) The extent to which the project will either augment existing efforts by organizations and governmental entities involved in environmental and forest restoration in the community or receive matching funds, resources, or in-kind contributions; and

(h) The capacity of the project to produce jobs and job-related training that will pay market rate wages and impart marketable skills to workers hired under this chapter.

(2) The following types of projects and programs shall be given top priority in the first fiscal year after the effective date of this act:

(a) Projects that are highly ranked in and implement adopted or approved watershed action plans, such as those developed pursuant to Puget Sound water quality authority rules adopted for local planning and management of nonpoint source pollution;

(b) Conservation district projects that provide water quality and habitat improvements;

(c) Indian tribe projects that provide water quality and habitat improvements;
or

(d) Projects that implement actions approved by a shellfish protection district under chapter 100, Laws of 1992.

(3) Funds shall not be awarded for the following activities:

(a) Administrative rule making;

(b) Planning; or

(c) Public education.

NEW SECTION. Sec. 5. ENVIRONMENTAL ENHANCEMENT AND JOB CREATION TASK FORCE. (1) There is created the environmental enhancement and job creation task force within the office of the governor. The purpose of the task force is to provide a coordinated and comprehensive approach to implementation of chapter . . . , Laws of 1993 (this act). The task force shall consist of the commissioner of public lands, the director of the department of wildlife, the director of the department of fisheries, the director of the department of ecology, the director of the parks and recreation commission, the timber team coordinator, the executive director of the work force training and education coordinating board, and the executive director of the Puget sound water quality authority, or their designees. The task force may seek the advice of the following agencies and organizations: The department of community development, the department of trade and economic development, the conservation commission, the employment security department, the interagency committee for outdoor recreation, appropriate federal agencies, appropriate special districts, the

Washington state association of counties, the association of Washington cities, labor organizations, business organizations, timber-dependent communities, environmental organizations, and Indian tribes. The governor shall appoint the task force chair. Members of the task force shall serve without additional pay. Participation in the work of the committee by agency members shall be considered in performance of their employment. The governor shall designate staff and administrative support to the task force and shall solicit the participation of agency personnel to assist the task force.

(2) The task force shall have the following responsibilities:

(a) Soliciting and evaluating, in accordance with the criteria set forth in section 4 of this act, requests for funds from the environmental and forest restoration account and making distributions from the account. The task force shall award funds for projects and training programs it approves and may allocate the funds to state agencies for disbursement and contract administration;

(b) Coordinating a process to assist state agencies and local governments to implement effective environmental and forest restoration projects funded under this chapter;

(c) Considering unemployment profile data provided by the employment security department;

(d) No later than December 31, 1993, providing recommendations to the appropriate standing committees of the legislature for improving the administration of grants for projects or training programs funded under this chapter that prevent habitat and environmental degradation or provide for its restoration;

(e) Submitting to the appropriate standing committees of the legislature a biennial report summarizing the jobs and the environmental benefits created by the projects funded under this chapter.

(3) Beginning July 1, 1994, the task force shall have the following responsibilities:

(a) To solicit and evaluate proposals from state and local agencies, private nonprofit organizations, and tribes for environmental and forest restoration projects;

(b) To rank the proposals based on criteria developed by the task force in accordance with section 4 of this act; and

(c) To determine funding allocations for projects to be funded from the account created in section 3 of this act and for projects or programs as designated in the omnibus operating and capital appropriations acts.

****NEW SECTION. Sec. 6. FIRST YEAR PROJECT FUNDING. The legislature recognizes the need for immediate job creation and environmental and forest restoration, especially in timber-dependent communities. For fiscal year 1994, funding to implement the purposes of this chapter shall be provided through individual agency appropriations as specified in the omnibus operating and capital appropriations acts.***

*Sec. 6 was vetoed, see message at end of chapter.

****NEW SECTION. Sec. 7. UNANTICIPATED FEDERAL FUNDS. When an agency submits an unanticipated federal receipt under RCW 43.79.270, the governor shall consider placing these funds into the environmental and forest restoration account or requiring that the funds be used in a manner consistent with the criteria established in section 4 of this act.***

**Sec. 7 was vetoed, see message at end of chapter.*

NEW SECTION. Sec. 8. RECRUITMENT AND EMPLOYMENT. (1) Eligibility for training or employment in projects funded through the environmental and forest restoration account shall, to the extent practicable, be for workers who are currently unemployed.

(2) To the greatest extent practicable, the following groups of individuals shall be given preference for training or employment in projects funded through the environmental and forest restoration account:

(a) Dislocated workers who are receiving unemployment benefits or have exhausted unemployment benefits; and

(b) High-risk youth.

(3) Projects funded for forest restoration shall be for workers whose employment was terminated in the Washington forest products industry within the previous four years.

(4) The task force shall submit a list to private industry councils and the employment security department of projects receiving funds under the provisions of this chapter. The list shall include the number, location, and types of jobs expected to be provided by each project. The employment security department shall recruit workers for these jobs by:

(a) Notifying dislocated forest workers who meet the definitions in chapter 50.70 RCW, who are receiving unemployment benefits or who have exhausted unemployment benefits, of their eligibility for the programs;

(b) Notifying other unemployed workers;

(c) Developing a pool of unemployed workers including high-risk youth eligible to enroll in the program; and

(d) Establishing procedures for workers to apply to the programs.

(5) The employment security department shall refer eligible workers to employers hiring under the environmental and forest restoration account programs. Recipients of funds shall consider the list of eligible workers developed by the employment security department before conducting interviews or making hiring decisions. Recipients of funds shall ensure that workers are aware of whatever opportunities for vocational training, job placement, and remedial education are available from the employment security department.

(6) An individual is eligible for applicable employment security benefits while participating in training related to this chapter. Eligibility shall be confirmed by the commissioner of employment security by submitting a commissioner-approved training waiver.

(7) Persons receiving funds from the environmental and forest restoration account shall not be considered state employees for the purposes of existing

provisions of law with respect to hours of work, sick leave, vacation, and civil service but shall receive health benefits. Persons receiving funds from this account who are hired by a state agency, except for Washington conservation and service corps enrollees, shall receive medical and dental benefits as provided under chapter 41.05 RCW and industrial insurance coverage under Title 51 RCW, but are exempt from the provisions of chapter 41.06 RCW.

(8) Compensation for employees, except for Washington conservation and service corps enrollees, hired under the program established by this chapter shall be based on market rates in accordance with the required skill and complexity of the jobs created. Remuneration paid to employees under this chapter shall be considered covered employment for purposes of chapter 50.04 RCW.

(9) Employment under this program shall not result in the displacement or partial displacement, whether by the reduction of hours of nonovertime work, wages, or other employment benefits, of currently employed workers, including but not limited to state civil service employees, or of currently or normally contracted services.

NEW SECTION. Sec. 9. An individual shall be considered to be in training with the approval of the commissioner as defined in RCW 50.20.043, and be eligible for applicable unemployment insurance benefits while participating in and making satisfactory progress in training related to this chapter.

NEW SECTION. Sec. 10. For the purpose of providing the protection of the unemployment compensation system to individuals at the conclusion of training or employment obtained as a result of this chapter, a special base year and benefit year are established.

(1) Only individuals who have entered training or employment provided by the environmental and forest restoration account, and whose employment or training under such account was not considered covered under chapter 50.04 RCW, shall be allowed the special benefit provisions of this chapter.

(2) An application for initial determination made under this chapter must be filed in writing with the employment security department within twenty-six weeks following the week in which the individual commenced employment or training obtained as a result of this chapter. Notice from the individual, from the employing entity, or notice of hire from employment security department administrative records shall satisfy this requirement.

(3) For the purpose of this chapter, a special base year is established for an individual consisting of the first four of the last five completed calendar quarters, or if a benefit year is not established using the first four of the last five completed calendar quarters as the base year, the last four completed calendar quarters immediately prior to the first day of the calendar week in which the individual began employment or training provided by the environmental and forest restoration account.

(4) A special individual benefit year is established consisting of the entire period of training or employment provided by the environmental and forest

restoration account and a fifty-two consecutive week period commencing with the first day of the calendar week in which the individual last participated in such employment or training. No special benefit year shall have a duration in excess of three hundred twelve calendar weeks. Such special benefit year will not be established unless the criteria contained in RCW 50.04.030 has been met, except that an individual meeting the requirements of this chapter and who has an unexpired benefit year established which would overlap the special benefit year may elect to establish a special benefit year under this chapter, notwithstanding the provisions in RCW 50.04.030 relating to establishment of a subsequent benefit year, and RCW 50.40.010 relating to waiver of rights. Such unexpired benefit year shall be terminated with the beginning of the special benefit year if the individual elects to establish a special benefit year under this chapter.

(5) The individual's weekly benefit amount and maximum amount payable during the special benefit year shall be governed by the provisions contained in RCW 50.20.120. The individual's basic and continuing right to benefits shall be governed by the general laws and rules relating to the payment of unemployment compensation benefits to the extent that they are not in conflict with the provisions of this chapter.

(6) The fact that wages, hours, or weeks worked during the special base year may have been used in computation of a prior valid claim for unemployment compensation shall not affect a claim for benefits made under the provisions of this chapter. However, wages, hours, and weeks worked used in computing entitlement on a claim filed under this chapter shall not be available or used for establishing entitlement or amount of benefits in any succeeding benefit year.

(7) Benefits paid to an individual filing under the provisions of this section shall not be charged to the experience rating account of any contribution paying employer.

NEW SECTION. Sec. 11. On or before June 30, 1998, the legislative budget committee shall prepare a report to the legislature evaluating the implementation of the environmental restoration jobs act of 1993, chapter . . . , Laws of 1993 (this act).

NEW SECTION. Sec. 12. RCW 43.220.900 and 1987 c 367 s 5 & 1983 1st ex.s. c 40 s 22 are each repealed.

NEW SECTION. Sec. 13. A new section is added to chapter 43.131 RCW to read as follows:

The Washington conservation corps and its powers and duties shall be terminated on June 30, 1999, as provided in section 14 of this act.

NEW SECTION. Sec. 14. A new section is added to chapter 43.131 RCW to read as follows:

The following acts or parts of acts, as now existing or hereafter amended, are each repealed, effective June 30, 2000:

- (1) RCW 43.220.010 and 1983 1st ex.s. c 40 s 2;

- (2) RCW 43.220.020 and 1988 c 36 s 23 & 1983 1st ex.s. c 40 s 1;
- (3) RCW 43.220.030 and 1987 c 367 s 1 & 1983 1st ex.s. c 40 s 3;
- (4) RCW 43.220.040 and 1987 c 367 s 2 & 1983 1st ex.s. c 40 s 4;
- (5) RCW 43.220.050 and 1983 1st ex.s. c 40 s 5;
- (6) RCW 43.220.060 and 1987 c 505 s 44 & 1983 1st ex.s. c 40 s 6;
- (7) RCW 43.220.070 and 1990 c 71 s 2, 1988 c 78 s 1, & 1986 c 266 s 48;
- (8) RCW 43.220.080 and 1983 1st ex.s. c 40 s 8;
- (9) RCW 43.220.090 and 1983 1st ex.s. c 40 s 9;
- (10) RCW 43.220.120 and 1988 c 36 s 24 & 1983 1st ex.s. c 40 s 12;
- (11) RCW 43.220.130 and 1983 1st ex.s. c 40 s 13;
- (12) RCW 43.220.140 and 1983 1st ex.s. c 40 s 14;
- (13) RCW 43.220.150 and 1983 1st ex.s. c 40 s 15;
- (14) RCW 43.220.160 and 1983 1st ex.s. c 40 s 16;
- (15) RCW 43.220.170 and 1983 1st ex.s. c 40 s 17;
- (16) RCW 43.220.180 and 1983 1st ex.s. c 40 s 18;
- (17) RCW 43.220.190 and 1987 c 367 s 3 & 1983 1st ex.s. c 40 s 20;
- (18) RCW 43.220.210 and 1987 c 367 s 4 & 1985 c 230 s 1;
- (19) RCW 43.220.220 and 1985 c 230 s 2;
- (20) RCW 43.220.230 and 1990 c 71 s 3 & 1985 c 230 s 3;
- (21) RCW 43.220.240 and 1985 c 230 s 4; and
- (22) RCW 43.220.250 and 1985 c 230 s 5.

NEW SECTION. **Sec. 15. SHORT TITLE.** This act shall be known as the environmental restoration jobs act of 1993.

NEW SECTION. **Sec. 16. CAPTIONS AND PART HEADINGS.** Section captions and part headings as used in this act constitute no part of the law.

NEW SECTION. **Sec. 17. SEVERABILITY.** If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. **Sec. 18.** Sections 1 through 11 of this act shall constitute a new chapter in Title 43 RCW.

NEW SECTION. **Sec. 19.** If any part of this act is found to be in conflict with federal requirements that are a prescribed condition to the allocation of federal funds to the state or the eligibility of employers in this state for federal unemployment tax credits, the conflicting part of this act is hereby declared to be inoperative solely to the extent of the conflict, and such finding or determination shall not affect the operation of the remainder of this act. The rules under this act shall meet federal requirements that are a necessary condition to the receipt of federal funds by the state or the granting of federal unemployment tax credits to employers in this state.

NEW SECTION. **Sec. 20. EFFECTIVE DATE.** This act is necessary for the immediate preservation of the public peace, health, or safety, or support of

the state government and its existing public institutions, and shall take effect July 1, 1993.

Passed the House April 25, 1993.

Passed the Senate April 25, 1993.

Approved by the Governor May 18, 1993, with the exception of certain items which were vetoed.

Filed in Office of Secretary of State May 18, 1993.

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

"I am returning herewith, without my approval as to sections 6 and 7, Engrossed Substitute House Bill No. 1785 entitled:

"AN ACT Relating to investing in the creation of jobs to restore and enhance Washington's estuaries, waterways, forests and watersheds;"

This bill establishes an innovative program to create new jobs in the area of environmental restoration. The focus will be on performing such restoration work on a watershed basis with at least one half of the effort going into Washington's timber-dependent communities. For the coming biennium, \$6.5 million is available in the budget to implement environmental and forestry restoration projects such as those envisioned by Engrossed Substitute House Bill No. 1785.

I am vetoing section 6 regarding first year project funding because there are no projects in the operating or capital budgets to be funded as referenced by this section. In regard to the section 7 provisions on unanticipated federal funds, RCW 43.79.270 states that agencies can submit an unanticipated receipt only if it is designated for a specific purpose. Therefore, the Governor will not be able to transfer, as section 7 would require, any federal funds into this account because they will be designated for a specific purpose. For this reason, I am vetoing section 7.

With the exception of sections 6 and 7, Engrossed Substitute House Bill No. 1785 is approved."

CHAPTER 517

[Engrossed Substitute House Bill 1294]

LAW ENFORCEMENT OFFICERS' AND FIRE FIGHTERS' RETIREMENT SYSTEM—REVISIONS

Effective Date: 7/25/93

AN ACT Relating to the law enforcement officers' and fire fighters' retirement system; amending RCW 41.26.420, 41.26.430, 41.26.470, 41.26.530, 41.26.540, 41.26.550, 41.54.010, 41.54.040, and 41.56.460; adding a new section to chapter 41.26 RCW; and creating a new section.

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

NEW SECTION. Sec. 1. A new section is added to chapter 41.26 RCW under the subchapter heading "Plan II" to read as follows:

The legislature recognizes the demanding, physical nature of law enforcement and fire fighting, and the resulting need to allow law enforcement officers and fire fighters to make transitions into other careers when these employees feel they can no longer pursue law enforcement or fire fighting. The legislature also recognizes the challenge and cost of maintaining the viability of a retired

employee's benefit over longer periods of retirement as longevity increases, and that this problem is compounded for employees who leave a career before they retire from the work force.

Therefore, the purpose of this act is to: (1) Provide full retirement benefits to law enforcement officers and fire fighters at an appropriate age that reflects the unique and physically demanding nature of their work; (2) provide a fair and reasonable value from the retirement system for those who leave the law enforcement or fire fighting profession before retirement; (3) increase flexibility for law enforcement officers and fire fighters to make transitions into other public or private sector employment; (4) increase employee options for addressing retirement needs, personal financial planning, and career transitions; and (5) continue the legislature's established policy of having employees pay a fifty percent share of the contributions toward their retirement benefits and any enhancements.

Sec. 2. RCW 41.26.420 and 1979 ex.s. c 249 s 4 are each amended to read as follows:

Except as provided in RCW 41.26.530, a member of the retirement system shall receive a retirement allowance equal to two percent of such member's final average salary for each year of service.

Sec. 3. RCW 41.26.430 and 1991 c 343 s 18 are each amended to read as follows:

(1) **NORMAL RETIREMENT.** Any member with at least five service credit years of service who has attained at least age ~~((fifty-eight))~~ fifty-five shall be eligible to retire and to receive a retirement allowance computed according to the provisions of RCW 41.26.420.

(2) **EARLY RETIREMENT.** Any member who has completed at least twenty service credit years of service and has attained age fifty shall be eligible to retire and to receive a retirement allowance computed according to the provisions of RCW 41.26.420, except that a member retiring pursuant to this subsection shall have the retirement allowance actuarially reduced to reflect the difference in the number of years between age at retirement and the attainment of age ~~((fifty-eight))~~ fifty-five.

Sec. 4. RCW 41.26.470 and 1990 c 249 s 19 are each amended to read as follows:

(1) A member of the retirement system who becomes totally incapacitated for continued employment by an employer as determined by the director shall be eligible to receive an allowance under the provisions of RCW 41.26.410 through 41.26.550. Such member shall receive a monthly disability allowance computed as provided for in RCW 41.26.420 and shall have such allowance actuarially reduced to reflect the difference in the number of years between age at disability and the attainment of age ~~((fifty-eight))~~ fifty-five.

(2) Any member who receives an allowance under the provisions of this section shall be subject to such comprehensive medical examinations as required

by the department. If such medical examinations reveal that such a member has recovered from the incapacitating disability and the member is no longer entitled to benefits under Title 51 RCW, the retirement allowance shall be canceled and the member shall be restored to duty in the same civil service rank, if any, held by the member at the time of retirement or, if unable to perform the duties of the rank, then, at the member's request, in such other like or lesser rank as may be or become open and available, the duties of which the member is then able to perform. In no event shall a member previously drawing a disability allowance be returned or be restored to duty at a salary or rate of pay less than the current salary attached to the rank or position held by the member at the date of the retirement for disability. If the department determines that the member is able to return to service, the member is entitled to notice and a hearing. Both the notice and the hearing shall comply with the requirements of chapter 34.05 RCW, the Administrative Procedure Act.

(3) Those members subject to this chapter who became disabled in the line of duty on or after July 23, 1989, and who receive benefits under RCW 41.04.500 through 41.04.530 or similar benefits under RCW 41.04.535 shall receive or continue to receive service credit subject to the following:

(a) No member may receive more than one month's service credit in a calendar month.

(b) No service credit under this section may be allowed after a member separates or is separated without leave of absence.

(c) Employer contributions shall be paid by the employer at the rate in effect for the period of the service credited.

(d) Employee contributions shall be collected by the employer and paid to the department at the rate in effect for the period of service credited.

(e) State contributions shall be as provided in RCW 41.26.450.

(f) Contributions shall be based on the regular compensation which the member would have received had the disability not occurred.

(g) The service and compensation credit under this section shall be granted for a period not to exceed six consecutive months.

(h) Should the legislature revoke the service credit authorized under this section or repeal this section, no affected employee is entitled to receive the credit as a matter of contractual right.

(4)(a) If the recipient of a monthly retirement allowance under this section dies before the total of the retirement allowance paid to the recipient equals the amount of the accumulated contributions at the date of retirement, then the balance shall be paid to such person or persons having an insurable interest in his or her life as the recipient has nominated by written designation duly executed and filed with the director, or, if there is no such designated person or persons still living at the time of the recipient's death, then to the surviving spouse, or, if there is neither such designated person or person still living at the time of his or her death nor a surviving spouse, then to his or her legal representative.

(b) If a recipient of a monthly retirement allowance under this section died before April 27, 1989, and before the total of the retirement allowance paid to the recipient equaled the amount of his or her accumulated contributions at the date of retirement, then the department shall pay the balance of the accumulated contributions to the member's surviving spouse or, if there is no surviving spouse, then in equal shares to the member's children. If there is no surviving spouse or children, the department shall retain the contributions.

Sec. 5. RCW 41.26.530 and 1977 ex.s. c 294 s 14 are each amended to read as follows:

(1) A member who separates or has separated after having completed at least five years of service may remain a member during the period of such member's absence from service for the exclusive purpose only of receiving a retirement allowance under the provisions of RCW 41.26.430 if such member maintains the member's accumulated contributions intact.

(2) The retirement allowance payable under the provisions of RCW 41.26.430 to a member who separates after having completed at least twenty years of service, and remains a member during the period of his or her absence from service by maintaining his or her accumulated contributions intact, shall be increased by twenty-five one-hundredths of one percent, compounded for each month from the date of separation to the date the retirement allowance commences as provided in RCW 41.26.490.

Sec. 6. RCW 41.26.540 and 1982 1st ex.s. c 52 s 5 are each amended to read as follows:

(1) A member who has completed less than ten years of service, who ceases to be an employee of an employer except by service or disability retirement, may request a refund of the member's accumulated contributions. A member who has completed ten or more years of service, who ceases to be an employee of an employer except by service or disability retirement, may request a refund of one hundred fifty percent of the member's accumulated contributions.

(2) The refund shall be made within ninety days following the receipt of the request and notification of termination through the contribution reporting system by the employer; except that in the case of death, an initial payment shall be made within thirty days of receipt of request for such payment and notification of termination through the contribution reporting system by the employer. A member who files a request for refund and subsequently enters into employment with another employer prior to the refund being made shall not be eligible for a refund. The refund of accumulated contributions shall terminate all rights to benefits under RCW 41.26.410 through 41.26.550.

Sec. 7. RCW 41.26.550 and 1977 ex.s. c 294 s 16 are each amended to read as follows:

A member, who had left service and withdrawn the member's (~~accumulated contributions~~) funds pursuant to RCW 41.26.540, shall receive service credit for such prior service if the member restores all withdrawn (~~accumulated contribu-~~

~~tions~~) funds together with interest since the time of withdrawal as determined by the department.

The restoration of such funds must be completed within five years of the resumption of service or prior to retirement, whichever occurs first.

Sec. 8. RCW 41.54.010 and 1990 c 192 s 1 are each amended to read as follows:

The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Base salary" means salaries or wages earned by a member of a system during a payroll period for personal services and includes wages and salaries deferred under provisions of the United States internal revenue code, but shall exclude overtime payments, nonmoney maintenance compensation, and lump sum payments for deferred annual sick leave, unused accumulated vacation, unused accumulated annual leave, any form of severance pay, any bonus for voluntary retirement, any other form of leave, or any similar lump sum payment.

(2) "Department" means the department of retirement systems.

(3) "Director" means the director of the department of retirement systems.

(4) "Dual member" means a person who (a) is or becomes a member of a system on or after July 1, 1988, (b) has been a member of one or more other systems, and (c) has never been retired for service from a retirement system and is not receiving a disability retirement or disability leave benefit from any retirement system listed in RCW 41.50.030 or subsection (6) of this section.

(5) "Service" means the same as it may be defined in each respective system. For the purposes of RCW 41.54.030, military service granted under RCW 41.40.170(3) or 43.43.260 may only be based on service accrued under chapter 41.40 or 43.43 RCW, respectively.

(6) "System" means the retirement systems established under chapters 41.32, 41.40, 41.44, and 43.43 RCW; plan II of the system established under chapter 41.26 RCW; and the city employee retirement systems for Seattle, Tacoma, and Spokane. The inclusion of an individual first class city system is subject to the procedure set forth in RCW 41.54.061.

Sec. 9. RCW 41.54.040 and 1990 c 192 s 5 are each amended to read as follows:

(1) Except where subsection (4) of this section applies, retirement allowances calculated under RCW 41.54.030 shall be paid separately by each respective current and prior system. Any deductions from such separate payments shall be according to the provisions of the respective systems.

(2) Postretirement adjustments, if any, shall be applied by the respective systems based on the payments made under subsection (1) of this section.

(3) If a dual member dies in service in any system, the surviving spouse shall receive the same benefit from each system that would have been received if the member were active in the system at the time of death based on service

actually established in that system. However, this subsection does not make a surviving spouse eligible for the survivor benefits provided in RCW 43.43.270.

(4) The department shall adopt rules under chapter 34.05 RCW to ensure that where a dual member has service in a system established under chapter 41.32, 41.40, 41.44, or 43.43 RCW; service in plan II of the system established under chapter 41.26 RCW; and service under the city employee retirement system for Seattle, Tacoma, or Spokane, the entire additional cost incurred as a result of the dual member receiving a benefit under this chapter shall be borne by the city retirement system that the person is a member of.

Sec. 10. RCW 41.56.460 and 1988 c 110 s 1 are each amended to read as follows:

(1) In making its determination, the panel shall be mindful of the legislative purpose enumerated in RCW 41.56.430 and as additional standards or guidelines to aid it in reaching a decision, it shall take into consideration the following factors:

- (a) The constitutional and statutory authority of the employer;
- (b) Stipulations of the parties;

(c)(i) For employees listed in RCW 41.56.030(7)(a) and 41.56.495, comparison of the wages, hours and conditions of employment of personnel involved in the proceedings with the wages, hours, and conditions of employment of like personnel of like employers of similar size on the west coast of the United States;

(ii) For employees listed in RCW 41.56.030(7)(b), comparison of the wages, hours, and conditions of employment of personnel involved in the proceedings with the wages, hours, and conditions of employment of like personnel of public fire departments of similar size on the west coast of the United States. However, when an adequate number of comparable employers exists within the state of Washington, other west coast employers shall not be considered;

(d) The average consumer prices for goods and services, commonly known as the cost of living;

(e) Changes in any of the foregoing circumstances during the pendency of the proceedings; and

(f) Such other factors, not confined to the foregoing, which are normally or traditionally taken into consideration in the determination of wages, hours and conditions of employment.

(2) Nothing in subsection (1)(c) of this section shall be construed to authorize the panel to require the employer to pay, directly or indirectly, the increased employee contributions resulting from chapter . . . , Laws of 1993 (this act), as required under chapter 41.26 RCW.

NEW SECTION. Sec. 11. If specific funding for this act, referencing this act by bill number, is not provided by June 30, 1993, in the biennial appropriations act, this act shall be null and void.

Passed the House March 13, 1993.

Passed the Senate April 13, 1993.

Approved by the Governor May 18, 1993.

Filed in Office of Secretary of State May 18, 1993.

CHAPTER 518

[Engrossed Second Substitute Senate Bill 5502]

SURFACE MINING REGULATION

Effective Date: 7/1/93

AN ACT Relating to state and local government regulation of surface mining; amending RCW 78.44.010, 78.44.020, 78.44.040, 78.44.050, 78.44.060, 78.44.070, 78.44.150, 78.44.170, and 78.44.910; adding a new section to chapter 36.70A RCW; adding new sections to chapter 78.44 RCW; creating new sections; recodifying RCW 78.44.150, 78.44.170, 78.44.175, and 78.44.910; repealing RCW 78.44.030, 78.44.035, 78.44.080, 78.44.090, 78.44.100, 78.44.110, 78.44.120, 78.44.130, 78.44.140, 78.44.160, and 78.44.180; prescribing penalties; providing an effective date; and declaring an emergency.

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

NEW SECTION. Sec. 1. The legislature recognizes that the extraction of minerals through surface mining has historically included regulatory involvement by both state and local governments.

It is the intent of the legislature to clarify that surface mining is an appropriate land use, subject to reclamation authority exercised by the department of natural resources and land use and operation regulatory authority by counties, cities, and towns.

Sec. 2. RCW 78.44.010 and 1970 ex.s. c 64 s 2 are each amended to read as follows:

The legislature recognizes that the extraction of minerals by surface mining is ~~((a basic and))~~ an essential activity making an important contribution to the economic well-being of the state and nation. ~~((At the same time, proper reclamation of surface))~~ It is not possible to extract minerals without producing some environmental impacts. At the same time, comprehensive regulation of mining and thorough reclamation of mined lands is necessary to prevent ~~((undesirable land and water))~~ or mitigate conditions that would be detrimental to the environment and to protect the general welfare, health, safety, and property rights of the citizens of the state. Surface mining takes place in diverse areas where the geologic, topographic, climatic, biologic, and social conditions are significantly different, and reclamation specifications must vary accordingly. ~~((It is not practical to extract minerals required by our society without disturbing the surface of the earth and producing waste materials, and the very character of many types of surface mining operations precludes complete restoration of the land to its original condition. However, the legislature finds that reclamation of surface mined lands as provided in this chapter will allow the mining of valuable minerals and will provide for the protection and subsequent beneficial use of the~~

~~mined and reclaimed land.))~~ Therefore, the legislature finds that a balance between appropriate environmental regulation and the production and conservation of minerals is in the best interests of the citizens of the state.

Sec. 3. RCW 78.44.020 and 1970 ex.s. c 64 s 3 are each amended to read as follows:

The purposes of this chapter ~~((is))~~ are to:

(1) Provide that the usefulness, productivity, and scenic values of all lands and waters involved in surface mining within the state will receive the greatest practical degree of protection and ((restoration. It is a further purpose of this chapter to provide a means of cooperation between private and governmental entities in carrying this chapter into effect)) reclamation at the earliest opportunity following completion of surface mining;

(2) Provide for the greatest practical degree of state-wide consistency in the regulation of surface mines;

(3) Apportion regulatory authority between state and local governments in order to minimize redundant regulation of mining;

(4) Ensure that reclamation is consistent with local land use plans; and

(5) Ensure the power of local government to regulate land use and operations pursuant to section 16 of this act.

NEW SECTION. Sec. 4. DEFINITIONS. Unless the context clearly indicates otherwise, the definitions in this section apply throughout this chapter.

(1) "Approved subsequent use" means the post surface-mining land use contained in an approved reclamation plan and approved by the local land use authority.

(2) "Completion of surface mining" means the cessation of mining and directly related activities in any segment of a surface mine that occurs when essentially all minerals that can be taken under the terms of the reclamation permit have been depleted except minerals required to accomplish reclamation according to the approved reclamation plan.

(3) "Department" means the department of natural resources.

(4) "Determination" means any action by the department including permit issuance, reporting, reclamation plan approval or modification, permit transfers, orders, fines, or refusal to issue permits.

(5) "Disturbed area" means any place where activities clearly in preparation for, or during, surface mining have physically disrupted, covered, compacted, moved, or otherwise altered the characteristics of soil, bedrock, vegetation, or topography that existed prior to such activity. Disturbed areas may include but are not limited to: Working faces, water bodies created by mine-related excavation, pit floors, the land beneath processing plant and stock pile sites, spoil pile sites, and equipment staging areas.

Disturbed areas do not include:

(a) Surface mine access roads unless these have characteristics of topography, drainage, slope stability, or ownership that, in the opinion of the department, make reclamation necessary; and

(b) Lands that have been reclaimed to all standards outlined in this chapter, rules of the department, any applicable SEPA document, and the approved reclamation plan.

(6) "Miner" means any person or persons, any partnership, limited partnership, or corporation, or any association of persons, including every public or governmental agency engaged in mining from the surface.

(7) "Minerals" means clay, coal, gravel, industrial minerals, metallic substances, peat, sand, stone, topsoil, and any other similar solid material or substance to be excavated from natural deposits on or in the earth for commercial, industrial, or construction use.

(8) "Operations" means all mine-related activities, exclusive of reclamation, that include, but are not limited to activities that affect noise generation, air quality, surface and ground water quality, quantity, and flow, glare, pollution, traffic safety, ground vibrations, and/or significant or substantial impacts commonly regulated under provisions of land use or other permits of local government and local ordinances, or other state laws.

Operations specifically include:

(a) The mining or extraction of rock, stone, gravel, sand, earth, and other minerals;

(b) Blasting, equipment maintenance, sorting, crushing, and loading;

(c) On-site mineral processing including asphalt or concrete batching, concrete recycling, and other aggregate recycling;

(d) Transporting minerals to and from the mine, on site road maintenance, road maintenance for roads used extensively for surface mining activities, traffic safety, and traffic control.

(9) "Overburden" means the earth, rock, soil, and topsoil that lie above mineral deposits.

(10) "Permit holder" means any person or persons, any partnership, limited partnership, or corporation, or any association of persons, either natural or artificial, including every public or governmental agency engaged in surface mining and/or the operation of surface mines, whether individually, jointly, or through subsidiaries, agents, employees, operators, or contractors who holds a state reclamation permit.

(11) "Reclamation" means rehabilitation for the appropriate future use of disturbed areas resulting from surface mining including areas under associated mineral processing equipment and areas under stockpiled materials. Although both the need for and the practicability of reclamation will control the type and degree of reclamation in any specific surface mine, the basic objective shall be to reestablish on a perpetual basis the vegetative cover, soil stability, and water conditions appropriate to the approved subsequent use of the surface mine and to prevent or mitigate future environmental degradation.

(12) "Reclamation setbacks" include those lands along the margins of surface mines wherein minerals and overburden shall be preserved in sufficient volumes to accomplish reclamation according to the approved plan and the minimum reclamation standards. Maintenance of reclamation setbacks may not preclude other mine-related activities within the reclamation setback.

(13) "Recycling" means the reuse of minerals or rock products.

(14) "Screening" consists of vegetation, berms or other topography, fencing, and/or other screens that may be required to mitigate impacts of surface mining on adjacent properties and/or the environment.

(15) "Segment" means any portion of the surface mine that, in the opinion of the department:

(a) Has characteristics of topography, drainage, slope stability, ownership, mining development, or mineral distribution, that make reclamation necessary;

(b) Is not in use as part of surface mining and/or related activities; and

(c) Is larger than seven acres and has more than five hundred linear feet of working face except as provided in a segmental reclamation agreement approved by the department.

(16) "SEPA" means the state environmental policy act, chapter 43.21C RCW and rules adopted thereunder.

(17)(a) "Surface mine" means any area or areas in close proximity to each other, as determined by the department, where extraction of minerals from the surface results in:

(i) More than three acres of disturbed area;

(ii) Mined slopes greater than thirty feet high and steeper than 1.0 foot horizontal to 1.0 foot vertical; or

(iii) More than one acre of disturbed area within an eight acre area, when the disturbed area results from mineral prospecting or exploration activities.

(b) Surface mines include areas where mineral extraction from the surface occurs by the auger method or by reworking mine refuse or tailings, when these activities exceed the size or height thresholds listed in (a) of this subsection.

(c) Surface mining shall exclude excavations or grading used:

(i) Primarily for on-site construction, on-site road maintenance, or on-site landfill construction;

(ii) For the purpose of public safety or restoring the land following a natural disaster;

(iii) For the purpose of removing stockpiles;

(iv) For forest or farm road construction or maintenance on-site or on contiguous lands;

(v) For sand authorized by RCW 43.51.685; and

(vi) For underground mines.

(18) "Topsoil" means the naturally occurring upper part of a soil profile, including the soil horizon that is rich in humus and capable of supporting vegetation together with other sediments within four vertical feet of the ground surface.

NEW SECTION. Sec. 5. SEGMENTAL RECLAMATION. The permit holder shall reclaim each segment of the mine within two years of completion of surface mining on that segment except as provided in a segmental reclamation agreement approved in writing by the department. The primary objective of a segmental reclamation agreement should be to enhance final reclamation.

Sec. 6. RCW 78.44.040 and 1984 c 215 s 2 are each amended to read as follows:

The department of natural resources is charged with the administration of reclamation under this chapter. In order to implement ~~((the chapter's terms and provisions))~~ and enforce this chapter, the department, under the ~~((provisions of the))~~ administrative procedure act (chapter 34.05 RCW), ~~((as now or hereafter amended,))~~ may from time to time ~~((promulgate))~~ adopt those rules ~~((and regulations))~~ necessary to carry out the purposes of this chapter.

Sec. 7. RCW 78.44.050 and 1970 ex.s. c 64 s 6 are each amended to read as follows:

The department shall have the exclusive authority to regulate surface mine reclamation except that, by contractual agreement, the department may delegate some or all of its enforcement authority to a county, city, or town. All counties, cities, or towns shall have the authority to zone surface mines and adopt ordinances regulating operations pursuant to section 16 of this act, except that county, city, or town operations ordinances may be preempted by the department during the emergencies outlined in section 27 of this act and related rules.

This chapter shall not ~~((affect))~~ alter or preempt any ~~((of the))~~ provisions of the state fisheries laws (Title 75 RCW), the state water allocation and use laws (chapters 90.03 and 90.44 RCW), the state water pollution control laws ~~((Title 90))~~ chapter 90.48 RCW, the state ~~((game))~~ wildlife laws (Title 77 RCW), ~~((or any other state laws, and shall be cumulative and nonexclusive))~~ state noise laws or air quality laws (Title 70 RCW), shoreline management (chapter 90.58 RCW), the state environmental policy act (chapter 43.21C RCW), state growth management (chapter 36.70A RCW), state drinking water laws (chapters 43.20 and 70.119A RCW), or any other state statutes.

Sec. 8. RCW 78.44.060 and 1970 ex.s. c 64 s 7 are each amended to read as follows:

The department shall have the authority to conduct ~~((or))~~ authorize, and/or participate in investigations, research, experiments, and demonstrations, and to collect and disseminate information relating to surface mining and reclamation of surface mined lands.

Sec. 9. RCW 78.44.070 and 1970 ex.s. c 64 s 8 are each amended to read as follows:

The department may cooperate with other governmental and private agencies ~~((in this state and other states))~~ and agencies of the federal government, and may reasonably reimburse them for any services the department requests that they provide. The department may also receive any federal funds, state funds and any

other funds and expend them for reclamation of land affected by surface mining and for purposes enumerated in RCW 78.44.060.

NEW SECTION. Sec. 10. SURFACE MINING RECLAMATION ACCOUNT. The surface mining reclamation account is created in the state treasury. Annual mining fees, funds received by the department from state, local, or federal agencies for research purposes, as well as other mine-related funds and fines received by the department shall be deposited into this account. The surface mine reclamation account may be used by the department only to:

- (1) Administer its regulatory program pursuant to this chapter;
- (2) Undertake research relating to surface mine regulation, reclamation of surface mine lands, and related issues; and
- (3) Cover costs arising from appeals from determinations made under this chapter.

Fines, interest, and other penalties collected by the department under the provisions of this chapter shall be used to reclaim surface mines abandoned prior to 1971.

NEW SECTION. Sec. 11. RECLAMATION PERMITS REQUIRED—APPLICATIONS. After July 1, 1993, no miner or permit holder may engage in surface mining without having first obtained a reclamation permit from the department. Operating permits issued by the department between January 1, 1971, and June 30, 1993, shall be considered reclamation permits provided such permits substantially meet the protections, mitigations, and reclamation goals of sections 12 and 20 of this act within five years after the effective date of this section. State agencies and local government shall be exempt from this time limit for inactive sites. Prior to the use of an inactive site, the reclamation plan must be brought up to current standards. A separate permit shall be required for each noncontiguous surface mine. The reclamation permit shall consist of the permit forms and any exhibits attached thereto. The permit holder shall comply with the provisions of the reclamation permit unless waived and explained in writing by the department.

Prior to receiving a reclamation permit, an applicant must submit an application on forms provided by the department that shall contain the following information and shall be considered part of the reclamation permit:

- (1) Name and address of the legal landowner, or purchaser of the land under a real estate contract;
- (2) The name of the applicant and, if the applicants are corporations or other business entities, the names and addresses of their principal officers and resident agent for service of process;
- (3) A reasonably accurate description of the minerals to be surface mined;
- (4) Type of surface mining to be performed;
- (5) Estimated starting date, date of completion, and date of completed reclamation of surface mining;

(6) Size and legal description of the permit area and maximum lateral and vertical extent of the disturbed area;

(7) Expected area to be disturbed by surface mining during (a) the next twelve months, and (b) the following twenty-four months;

(8) Any applicable SEPA documents; and

(9) Other pertinent data as required by the department.

The reclamation permit shall be granted for the period required to deplete essentially all minerals identified in the reclamation permit on the land covered by the reclamation plan. The reclamation permit shall be valid until the reclamation is complete unless the permit is canceled by the department.

NEW SECTION. Sec. 12. RECLAMATION PLANS. An applicant shall provide a reclamation plan and copies acceptable to the department prior to obtaining a reclamation permit. The department shall have the sole authority to approve reclamation plans. Reclamation plans or modified reclamation plans submitted to the department after June 30, 1993, shall meet or exceed the minimum reclamation standards set forth in this chapter and by the department in rule. Each applicant shall also supply copies of the proposed plans and final reclamation plan approved by the department to the county, city, or town in which the mine will be located. The department shall solicit comment from local government prior to approving a reclamation plan. The reclamation plan shall include:

(1) A written narrative describing the proposed mining and reclamation scheme with:

(a) A statement of a proposed subsequent use of the land after reclamation that is consistent with the local land use designation. Approval of the reclamation plan shall not vest the proposed subsequent use of the land;

(b) If the permit holder is not the sole landowner, a copy of the conveyance or a written statement that expressly grants or reserves the right to extract minerals by surface mining methods;

(c) A simple and accurate legal description of the permit area and disturbed areas;

(d) The maximum depth of mining;

(e) A reasonably accurate description of the minerals to be mined;

(f) A description of the method of mining;

(g) A description of the sequence of mining that will provide, within limits of normal procedures of the industry, for completion of surface mining and associated disturbance on each portion of the permit area so that reclamation can be initiated at the earliest possible time on each segment of the mine;

(h) A schedule for progressive reclamation of each segment of the mine;

(i) Where mining on flood plains or in river or stream channels is contemplated, a thoroughly documented hydrogeologic evaluation that will outline measures that would protect against or would mitigate avulsion and erosion as determined by the department;

(j) Where mining is contemplated within critical aquifer recharge areas, special protection areas as defined by chapter 90.48 RCW and implementing rules, public water supply watersheds, sole source aquifers, wellhead protection areas, and designated aquifer protection areas as set forth in chapter 36.36 RCW, a thoroughly documented hydrogeologic analysis of the reclamation plan may be required; and

(k) Additional information as required by the department including but not limited to: The positions of reclamation setbacks and screening, conservation of topsoil, interim reclamation, revegetation, postmining erosion control, drainage control, slope stability, disposal of mine wastes, control of fill material, development of wetlands, ponds, lakes, and impoundments, and rehabilitation of topography.

(2) Maps of the surface mine showing:

(a) All applicable data required in the narrative portion of the reclamation plan;

(b) Existing topographic contours;

(c) Contours depicting specifications for surface gradient restoration appropriate to the proposed subsequent use of the land and meeting the minimum reclamation standards;

(d) Locations and names of all roads, railroads, and utility lines on or adjacent to the area;

(e) Locations and types of proposed access roads to be built in conjunction with the surface mining;

(f) Detailed and accurate boundaries of the permit area, screening, reclamation setbacks, and maximum extent of the disturbed area; and

(g) Estimated depth to ground water and the locations of surface water bodies and wetlands both prior to and after mining.

(3) At least two cross sections of the mine including all applicable data required in the narrative and map portions of the reclamation plan.

(4) Evidence that the proposed surface mine has been approved under local zoning and land use regulations.

(5) Written approval of the reclamation plan by the landowner for mines permitted after June 30, 1993.

(6) Other supporting data and documents regarding the surface mine as reasonably required by the department.

If the department refuses to approve a reclamation plan in the form submitted by an applicant or permit holder, it shall notify the applicant or permit holder stating the reasons for its determination and describe such additional requirements to the applicant or permit holder's reclamation plan as are necessary for the approval of the plan by the department. If the department refuses to approve a complete reclamation plan within one hundred twenty days, the miner or permit holder may appeal this determination under the provisions of this chapter.

Only insignificant deviations may occur from the approved reclamation plan without prior written approval by the department for the proposed change.

The department retains the authority to require that the reclamation plan be updated to the satisfaction of the department at least every ten years.

NEW SECTION. Sec. 13. JOINT RECLAMATION PLANS. Where two or more surface mines join along a common boundary, the department may require submission of a joint reclamation plan in order to provide for optimum reclamation or to avoid waste of mineral resources. Such joint reclamation plans may be in the form of a single collaborative plan submitted by all affected permit holders or as individual reclamation plans in which the schedule of reclamation, finished contours, and revegetation match reclamation plans of adjacent permit holders.

NEW SECTION. Sec. 14. FEES. (1) An applicant for a public or private reclamation permit shall pay an application fee to the department before being granted a surface mining permit. The amount of the application fee shall be six hundred fifty dollars.

(2) After June 30, 1993, each public or private permit holder shall pay an annual permit fee of six hundred fifty dollars. The annual permit fee shall be payable to the department on the first anniversary of the permit date and each year thereafter. Annual fees paid by a county for small mines used exclusively for public works projects shall be paid on those small mines from which the county elects to extract minerals in the next calendar year and shall not exceed one thousand dollars.

(3) After July 1, 1995, the department may modify annual permit fees by rule if:

(a) The total annual permit fees are reasonably related to the approximate costs of administering the department's surface mining regulatory program;

(b) The annual fee does not exceed five thousand dollars; and

(c) The mines are small mines in remote areas that are used primarily for public service, then lower annual permit fees may be established.

(4) Appeals from any determination of the department shall not stay the requirement to pay any annual permit fee. Failure to pay the annual fee may constitute grounds for an order to suspend surface mining or cancellation of the reclamation permit as provided in this chapter.

(5) All fees collected by the department shall be deposited into the surface mining reclamation account.

(6) If the department delegates enforcement responsibilities to a county, city, or town, the department may allocate funds collected under this section to such county, city, or town.

NEW SECTION. Sec. 15. PERFORMANCE SECURITY. The department shall not issue a reclamation permit until the applicant has deposited with the department an acceptable performance security on forms prescribed and furnished by the department. A public or governmental agency shall not be required to

post performance security nor shall a permit holder be required to post surface mining performance security with more than one state, local, or federal agency.

This performance security may be:

- (1) Bank letters of credit acceptable to the department;
- (2) A cash deposit;
- (3) Negotiable securities acceptable to the department;
- (4) An assignment of a savings account;
- (5) A savings certificate in a Washington bank on an assignment form prescribed by the department;

(6) Assignments of interests in real property within the state of Washington;
or

(7) A corporate surety bond executed in favor of the department by a corporation authorized to do business in the state of Washington under Title 48 RCW and authorized by the department.

The performance security shall be conditioned upon the faithful performance of the requirements set forth in this chapter and of the rules adopted under it.

The department shall have the authority to determine the amount of the performance security using a standardized performance security formula developed by the department. The amount of the security shall be determined by the department and based on the estimated costs of completing reclamation according to the approved reclamation plan or minimum standards and related administrative overhead for the area to be surface mined during (a) the next twelve-month period, (b) the following twenty-four months, and (c) any previously disturbed areas on which the reclamation has not been satisfactorily completed and approved.

The department may increase or decrease the amount of the performance security at any time to compensate for a change in the disturbed area, the depth of excavation, a modification of the reclamation plan, or any other alteration in the conditions of the mine that affects the cost of reclamation. The department may, for any reason, refuse any performance security not deemed adequate.

Liability under the performance security shall be maintained until reclamation is completed according to the approved reclamation plan to the satisfaction of the department unless released as hereinafter provided. Liability under the performance security may be released only upon written notification by the department. Notification shall be given upon completion of compliance or acceptance by the department of a substitute performance security. The liability of the surety shall not exceed the amount of security required by this section and the department's reasonable legal fees to recover the security.

Any interest or appreciation on the performance security shall be held by the department until reclamation is completed to its satisfaction. At such time, the interest shall be remitted to the permit holder; except that such interest or appreciation may be used by the department to effect reclamation in the event that the permit holder fails to comply with the provisions of this chapter and the costs of reclamation exceed the face value of the performance security.

No other state agency or local government shall require performance security for the purposes of surface mine reclamation and only one agency of government shall require and hold the performance security. The department may enter into written agreements with federal agencies in order to avoid redundant bonding of surface mines straddling boundaries between federally controlled and other lands within Washington state.

Notwithstanding any other provision of this section, nothing shall preclude the department of ecology from requiring a separate performance security for metallic minerals or uranium surface mines under any authority if any that may be presently vested in the department of ecology relating to such mines.

***NEW SECTION.** *Sec. 16. A new section is added to chapter 36.70A RCW to read as follows:*

(1) Where the county has classified mineral lands pursuant to RCW 36.70A.050 and mineral resource lands of long-term commercial significance exist, a county, city, or town shall designate sufficient mineral resource lands in the comprehensive plans to meet the projected twenty-year, county-wide need. Once designated, mineral resource uses, including operations as defined in section 4 of this act, shall be established as an allowed use in local development regulations subject to the permit process described in this section.

The county, city, or town shall designate mineral resource deposits, both active and inactive, in economically viable proximity to locations where the deposits are likely to be used.

Through its comprehensive plan and development regulations, as defined in RCW 36.70A.030, the county, city, or town shall discourage the siting of incompatible uses adjacent to mineral resource industries, deposits, and holdings.

For purposes of this section, "long-term commercial significance" includes the mineral composition of the land for long-term economically viable commercial production, in consideration with the mineral resource land's proximity to population areas, product markets, and the possibility of more intense uses of the land.

(2)(a) Counties, cities, and towns may only regulate surface mining operations by ordinance and only in accordance with the requirements and limitations of this subsection.

(b) Local surface mining operating standards shall:

(i) Address only:

(A) Traffic;

(B) Light emission;

(C) Visual screening;

(D) Noise emission; and

(E) Other significant or substantial mining impacts that are not covered by a subject area of regulation embodied in any other state or federal law, including among others the subject areas pertaining to water allocation, use, and control and fisheries and wildlife habitat set forth in section 19 of this act.

(ii) Be performance-based, objective standards that:

(A) Are directly and proportionately related to limiting surface mining impacts;

(B) Are reasonable and generally capable of being achieved;

(C) Take into account existing and available technologies; and

(D) May be met by any lawful means selected by the applicant or operator that, in the judgment of the county, city, or town, achieve compliance with the standard.

(iii) Limit application and monitoring fees to the amount necessary to pay the costs of administering, processing, monitoring, and enforcing the regulation of surface mining in accordance with this section.

(iv) Except as otherwise provided in this section, implement the ordinance through an operating plan review and approval process. Such approval process shall:

(A) Require submittal of sufficient, complete, and accurate information, as specified by the local ordinance, to allow the decision maker to review the plan for compliance with local standards;

(B) At the option of the county, city, or town, provide for administrative approval subject to appeal or for initial consideration through a public hearing process; and

(C) Require that project-specific conditions or restrictions be based upon written findings of facts demonstrating their need to achieve compliance with local standards.

(v) Subject to subsection (3) of this section, provide that approvals issued will be valid for fifty years.

(3) Operating regulations and amendments thereto adopted pursuant to this section may be applied to lawfully preexisting mining operations only if the local ordinance:

(a) Limits application of subsection (2)(b)(i)(A) of this section relating to traffic to the designation of approved haul routes;

(b) Exempts such preexisting operations from any operating plan review and approval process;

(c) Provides reasonable time periods for compliance with new or amended local operating standards that in no event may be less than one year; and

(d) Includes a variance procedure to allow continuation of existing operations for a nonconforming surface mining operation where strict adherence to a local operating standard would be economically or operationally impractical due to conditions relating to site configuration, topography, or the nature of historic operations.

(4) Nothing in this section precludes a county, city, or town from exercising the express authority delegated to it by a state agency under state law, or from complying with state law when required as a regulated entity.

**Sec. 16 was vetoed, see message at end of chapter.*

NEW SECTION. Sec. 17. A surface mining model ordinance advisory committee is hereby created. The committee shall be composed of representatives of local government, state agencies, surface mining interests, and the environmental community. The department of natural resources shall appoint the members of the committee and the department shall staff the committee. This temporary advisory committee shall draft model ordinances for different surface-mining settings and shall assist counties, cities, and towns in developing ordinances. The committee shall complete its work and shall expire by December 31, 1994. Participants on the committee shall pay their own expenses, and the department of natural resources shall fund the department's involvement.

NEW SECTION. Sec. 18. RECLAMATION SETBACKS. Reclamation setbacks shall be as follows unless waived by the department:

(1) The reclamation setback for unconsolidated deposits within mines permitted after June 30, 1993, shall be equal to the maximum anticipated height of the adjacent working face or as determined by the department. Setbacks and buffers may be destroyed as part of final reclamation of each segment if approved by the department.

(2) The minimum reclamation setback for consolidated materials within mines permitted after June 30, 1993, shall be thirty feet or as determined by the department.

(3) An exemption from this section may be granted by the department following a written request. The department may consider submission of a plan for backfilling acceptable to the department, a geotechnical slope-stability study, proof of a dedicated source of fill materials, written approval of contiguous landowners, and other information before granting an exemption.

***NEW SECTION. Sec. 19. WATER CONTROL.** *(1) Water control as regulated by the department shall be limited to those provisions necessary to effect surface mine reclamation and to protect ground and surface water resources after reclamation is complete and shall be consistent with existing water control laws. The department shall solicit recommendations from all agencies with expertise in relevant water control laws when evaluating reclamation plans for surface mines in or near water.*

(2) As to surface mining projects, control of surface mine water shall be pursuant to chapter 90.48 RCW; water availability, hydraulic continuity, allocation, and use shall be pursuant to chapters 90.03, 90.44, and 90.54 RCW; regulation of drinking water shall be pursuant to Titles 43 and 70 RCW; and protection of fisheries and wildlife shall be regulated pursuant to Title 75 RCW (fisheries laws) and Title 77 RCW (wildlife laws) as well as chapters 90.03, 90.44, 90.48, and 90.54 RCW, federal storm water regulations, and/or national pollutant discharge elimination system regulations. The department of ecology upon request by a county, city, or town, may consult with the affected parties and incorporate additional site-specific requirements into individual surface

mine national pollutant discharge elimination system permits where such requirements are appropriate.

A county, city, or town may regulate the impacts on water through local ordinances and regulations that:

(a) Cover significant or substantial impacts that are not covered by a subject area of regulation embodied in any other state or federal law; or

(b) Implement regulatory and/or enforcement authority that has been expressly authorized to it by a state agency.

*Sec. 19 was vetoed, see message at end of chapter.

NEW SECTION. Sec. 20. RECLAMATION. The need for, and the practicability of, reclamation shall control the type and degree of reclamation in any specific instance. However, the basic objective of reclamation is to reestablish on a continuing basis the vegetative cover, slope stability, water conditions, and safety conditions suitable to the proposed subsequent use consistent with local land use plans for the surface mine site.

Each permit holder shall comply with the minimum reclamation standards in effect on the date the permit was issued and any additional reclamation standards set forth in the approved reclamation plan.

Reclamation activities, particularly those relating to control of erosion and mitigation of impacts of mining to adjacent areas, shall, to the extent feasible, be conducted simultaneously with surface mining, and in any case shall be initiated at the earliest possible time after completion of surface mining on any segment of the permit area.

All reclamation activities shall be completed not more than two years after completion or abandonment of surface mining on each segment of the area for which a reclamation permit is in force.

The department may by contract delegate enforcement of provisions of reclamation plans to counties, cities, and towns. A county, city, or town performing enforcement functions may not impose any additional fees on permit holders.

NEW SECTION. Sec. 21. MINIMUM RECLAMATION STANDARDS. Reclamation of surface mines permitted after June 30, 1993, and reclamation of surface mine segments addressed by reclamation plans modified after June 30, 1994, shall meet the following minimum standards except as waived in writing by the department.

(1) Prior to surface mining, permit holders shall carefully stockpile all topsoil on the site for use in reclamation, or immediately move topsoil to reclaim adjacent segments, except when the approved subsequent use does not require replacing the topsoil. Topsoil needed for reclamation shall not be sold as a mineral nor mixed with sterile soils. Stockpiled materials used as screening shall not be used for reclamation until such time as the appropriate county or municipal government has given its approval.

(2) The department may require that clearly visible, permanent monuments delineating the permit boundaries and maximum extent of the disturbed area be set at appropriate places around the mine site. The permit holder shall maintain the monuments until termination of the reclamation permit.

(3) All minimum reclamation standards may be waived in writing by the department in order to accommodate unique and beneficial reclamation schemes such as parks, swimming facilities, buildings, and wildlife reserves. Such waivers shall be granted only after written approval by the department of a reclamation plan describing the variances to the minimum reclamation standards, receipt of documentation of SEPA compliance, and written approvals from the landowner and by the local land use authority.

(4) All surface-mined slopes shall be reclaimed to the following minimum standards:

(a) In surface mines in soil, sand, gravel, and other unconsolidated materials, all reclaimed slopes shall:

(i) Have varied steepness;

(ii) Have a sinuous appearance in both profile and plan view;

(iii) Have no large rectilinear topographic elements;

(iv) Generally have slopes of between 2.0 and 3.0 feet horizontal to 1.0 foot vertical or flatter except in limited areas where steeper slopes are necessary in order to create sinuous topography and to control drainage;

(v) Not exceed 1.5 feet horizontal to 1.0 foot vertical except as necessary to blend with adjacent natural slopes;

(vi) Be compacted if significant backfilling is required to produce the final reclaimed slopes and if the department determines that compaction is necessary.

(b) Slopes in consolidated materials shall have no prescribed slope angle or height, but where a severely hazardous condition is created by mining and that is not indigenous to the immediate area, the slopes shall not exceed 2.0 feet horizontal to 1.0 foot vertical. Steeper slopes shall be acceptable in areas where evidence is submitted that demonstrates that the geologic or topographic characteristics of the site preclude reclamation of slopes to such angle or height or that such slopes constitute an acceptable subsequent use under local land use regulations.

(c) Surface mines in which the seasonal or permanent water tables have been penetrated, thereby creating swamps, ponds, or lakes useful for recreational, wildlife habitat, water quality control, or other beneficial wetland purposes shall be reclaimed in the following manner:

(i) For slopes that are below the permanent water table in soil, sand, gravel, and other unconsolidated materials, the slope angle shall be no steeper than 1.5 feet horizontal to 1.0 foot vertical;

(ii) Generally, solid rock banks shall be shaped so that a person can escape from the water, however steeper slopes and lack of water egress shall be acceptable in rural, forest, or mountainous areas or where evidence is provided

that such slopes would constitute an acceptable subsequent use under local land use regulations;

(iii) Both standpipes and armored spillways or other measures to prevent undesirable overflow or seepage shall be provided to stabilize all such water bodies within the disturbed area; and

(iv) Where lakes, ponds, or swamps are created, the permit holder shall provide measures to establish a beneficial wetland by developing natural wildlife habitat and incorporating such measures as irregular shoreline configurations, sinuous bathymetry and shorelines, varied water depths, peninsulas, islands, and subaqueous areas less than 1.5 foot deep during summer low-water levels. Clay-bearing material placed below water level may be required to avoid creating sterile wetlands.

(d) Final topography shall generally comprise sinuous contours, chutes and buttresses, spurs, and rolling mounds and hills, all of which shall blend with adjacent topography to a reasonable extent. Straight planar slopes and right angles should be avoided.

(e) The floors of mines shall generally grade gently into postmining drainages to preclude sheet-wash erosion during intense precipitation, except where backgrading is appropriate for drainage control, to establish wetlands, or to trap sediment.

(f) Topsoil shall be restored as necessary to promote effective revegetation and to stabilize slopes and mine floors. Where limited topsoil is available, topsoil shall be placed and revegetated in such a way as to ensure that little topsoil is lost to erosion.

(g) Where surface mining has exposed natural materials that may create polluting conditions, including but not limited to acid-forming coals and metalliferous rock or soil, such conditions shall be addressed according to a method approved by the department. The final ground surface shall be graded so that surface water drains away from these materials.

(h) All grading and backfilling shall be made with nonnoxious, noncombustible, and relatively incompactible solids unless the permit holder provides:

(i) Written approval from all appropriate solid waste regulatory agencies; and

(ii) Any and all revisions to such written approval during the entire time the reclamation permit is in force.

(i) Final reclaimed slopes should be left roughly graded, preserving equipment tracks, depressions, and small mounds to trap clay-bearing soil and promote natural revegetation. Where reasonable, final equipment tracks should be oriented in order to trap soil and seeds and to inhibit erosion.

(j) Pit floors should be bulldozed or ripped to foster revegetation.

(5) Drainages shall be graded and contain adequate energy dissipation devices so that essentially natural conditions of water velocity, volume, and turbidity are reestablished within six months of reclamation of each segment of the mine. Ditches and other artificial drainages shall be constructed on each

reclaimed segment to control surface water, erosion, and siltation and to direct runoff to a safe outlet. Diversion ditches including but not limited to channels, flumes, tightlines and retention ponds shall be capable of carrying the peak flow at the mine site that has the probable recurrence frequency of once in twenty-five years as determined from data for the twenty-five year, twenty-four hour precipitation event published by the national oceanic and atmospheric administration. The grade of such ditches and channels shall be constructed to limit erosion and siltation. Natural and other drainage channels shall be kept free of equipment, wastes, stockpiles, and overburden.

(6) Impoundment of water shall be an acceptable reclamation technique provided that approvals of other agencies with jurisdiction are obtained and:

(a) Proper measures are taken to prevent undesirable seepage that could cause flooding outside the permitted area or adversely affect the stability of impoundment dikes or adjacent slopes;

(b) Both standpipes and armored spillways or other measures necessary to control overflow are provided.

(7) Revegetation shall be required as appropriate to stabilize slopes, generate new topsoil, reduce erosion and turbidity, mask rectilinear contours, and restore the scenic value of the land to the extent feasible as appropriate to the approved subsequent use. Although the scope of and necessity for revegetation will vary according to the geography, precipitation, and approved subsequent use of the site, the objective of segmental revegetation is to reestablish self-sustaining vegetation and conditions of slope stability, surface water quality, and appearance before release of the reclamation permit. Revegetation shall normally meet the following standards:

(a) Revegetation shall commence during the first proper growing season following restoration of slopes on each segment unless the department has granted the permit holder a written time extension.

(b) In eastern Washington, the permit holder may not be able to achieve continuous ground cover owing to arid conditions or sparse topsoil. However, revegetation shall be as continuous as reasonably possible as determined by the department.

(c) Revegetation generally shall include but not be limited to diverse evergreen and deciduous trees, shrubs, grasses, and deep-rooted ground cover.

(i) For western Washington, nitrogen-fixing species including but not limited to alder, white clover, and lupine should be included in dry areas. In wet areas, tubers, sedges, wetland grasses, willow, cottonwood, cedar, and alder are appropriate.

(ii) In eastern Washington, lupine, white clover, Russian olive, black locust, junipers, and pines are among appropriate plants. In wet areas, cottonwood, tubers, and sedges are appropriate.

(d) The requirements for revegetation may be reduced or waived by the department where erosion will not be a problem in rural areas where precipitation

exceeds thirty inches per annum, or where revegetation is inappropriate for the approved subsequent use of the surface mine.

(e) In areas where revegetation is critical and conditions are harsh, the department may require irrigation, fertilization, and importation of clay or humus-bearing soils to establish effective vegetation.

(f) The department may refuse to release a reclamation permit or performance security until it deems that effective revegetation has commenced.

NEW SECTION. **Sec. 22. PERMIT TRANSFERS.** Reclamation permits shall be transferred to a subsequent permit holder and the department shall release the former permit holder from the duties imposed by this chapter if:

(1) Both permit holders comply with all rules of the department addressing requirements for transferring a permit; and

(2) Unless waived by the department, the mine and all others operated by both the former and subsequent permit holders and their principal officers or owners are in compliance with this chapter and rules.

NEW SECTION. **Sec. 23. MODIFICATION OF RECLAMATION PLANS.** The department and the permit holder may modify the reclamation plan at any time during the term of the permit for any of the following reasons:

(1) To modify the requirements so that they do not conflict with existing or new laws;

(2) If the department determines that the previously adopted reclamation plan is impossible or impracticable to implement and maintain; or

(3) The previously approved reclamation plan is not accomplishing the intent of this chapter as determined by the department.

Modified reclamation plans shall be reviewed by the department as lead agency under SEPA. Such SEPA analyses shall consider only those impacts relating directly to the proposed modifications. Copies of proposed and approved modifications shall be sent to the appropriate county, city, or town.

NEW SECTION. **Sec. 24. REPORTS.** On the anniversary date of the reclamation permit and each year thereafter until reclamation is completed and approved, the permit holder shall file a report of activities completed during the preceding year. The report shall be on a form prescribed by the department.

NEW SECTION. **Sec. 25. INSPECTION OF PERMIT AREA.** The department may order at any time an inspection of the disturbed area to determine if the miner or permit holder has complied with the reclamation permit, rules, and this chapter.

NEW SECTION. **Sec. 26. ORDER TO RECTIFY DEFICIENCIES.** The department may issue an order to rectify deficiencies when a miner or permit holder is conducting surface mining in any manner not authorized by:

(1) This chapter;

(2) The rules adopted by the department;

(3) The authorized reclamation plan; or

(4) The reclamation permit.

The order shall describe the deficiencies and shall require that the miner or permit holder correct all deficiencies no later than sixty days from issuance of the order. The department may extend the period for correction for delays clearly beyond the miner or permit holder's control, but only when the miner or permit holder is, in the opinion of the department, making every reasonable effort to comply.

NEW SECTION. Sec. 27. EMERGENCY NOTICE AND ORDER TO RECTIFY DEFICIENCIES—EMERGENCY ORDER TO SUSPEND SURFACE MINING. When the department finds that a permit holder is conducting surface mining in any manner not authorized by:

- (1) This chapter;
- (2) The rules adopted by the department;
- (3) The approved reclamation plan; or
- (4) The reclamation permit;

and that activity has created a situation involving an immediate danger to the public health, safety, welfare, or environment requiring immediate action, the department may issue an emergency notice and order to rectify deficiencies, and/ or an emergency order to suspend surface mining. These orders shall be effective when entered. The department may take such action as is necessary to prevent or avoid the danger to the public health, safety, welfare, or environment that justifies use of emergency adjudication. The department shall give such notice as is practicable to the permit holder or miner who is required to comply with the order. The order shall comply with the requirements of the administrative procedure act.

Regulations of surface mining operations administered by other state and local agencies shall be preempted by this section to the extent that the time schedule and procedures necessary to rectify the emergency situation, as determined by the department, conflict with such local regulation.

NEW SECTION. Sec. 28. ORDER TO SUSPEND SURFACE MINING. Upon the failure of a miner or permit holder to comply with a department order to rectify deficiencies, the department may issue an order to suspend surface mining when a miner or permit holder is conducting surface mining in any manner not authorized by:

- (1) This chapter;
- (2) The rules adopted by the department;
- (3) The approved reclamation plan;
- (4) The reclamation permit; or
- (5) If the miner or permit holder fails to comply with any final order of the department.

The order to suspend surface mining shall require the miner or permit holder to suspend part or all of the miner's or permit holder's mining operations until

the conditions resulting in the issuance of the order have been mitigated to the satisfaction of the department.

The attorney general may take the necessary legal action to enjoin, or otherwise cause to be stopped, surface mining in violation of an order to suspend surface mining.

NEW SECTION. Sec. 29. DECLARATION OF ABANDONMENT. The department may issue a declaration of abandonment when it determines that all surface mining has ceased for a period of one hundred eighty consecutive days not set forth in the permit holder's reclamation plan or when, by reason of inspection of the permit area, or by any other means, the department determines that the mine has in fact been abandoned by the permit holder except that abandonment shall not include normal interruptions of surface mining resulting from labor disputes, economic conditions associated with lack of smelting capacity or availability of appropriate transportation, war, social unrest, demand for minerals, maintenance and repairs, and acts of God.

Following a declaration of abandonment, the department shall require the permit holder to complete reclamation in accordance with this chapter. If the permit holder fails to do so, the department shall proceed to do the necessary reclamation work pursuant to section 31 of this act.

If another miner applies for a permit on a site that has been declared abandoned, the department may, in its discretion, cancel the reclamation permit of the permit holder and issue a new reclamation permit to the applicant. The department shall not issue a new permit unless it determines that such issuance will be an effective means of assuring that the site will ultimately be reclaimed. The applicant must agree to assume the reclamation responsibilities left unfinished by the first miner, in addition to meeting all requirements for issuance of a new permit.

NEW SECTION. Sec. 30. CANCELLATION OF THE RECLAMATION PERMIT. When the department determines that a surface mine has been abandoned, it may cancel the reclamation permit. The permit holder shall be informed of such actions by a department notification of illegal abandonment and cancellation of the reclamation permit.

NEW SECTION. Sec. 31. ORDER TO SUBMIT PERFORMANCE SECURITY—RECLAMATION BY THE DEPARTMENT. The department may, with the staff, equipment, and material under its control, or by contract with others, reclaim the disturbed areas when it finds that reclamation has not occurred in any segment of a surface mine within two years of completion of mining or of declaration of abandonment and the permit holder is not actively pursuing reclamation.

If the department intends to undertake the reclamation, the department shall issue an order to submit performance security requiring the permit holder or surety to submit to the department the amount of moneys posted pursuant to section 15 of this act. If the amount specified in the order to submit perfor-

mance security is not paid within twenty days after issuance of the notice, the attorney general upon request of the department shall bring an action on behalf of the state in a superior court to recover the amount specified and associated legal fees.

The department may proceed at any time after issuing the order to submit performance security with reclamation of the site according to the approved reclamation plan or according to a plan developed by the department that meets the minimum reclamation standards.

The department shall keep a record of all expenses incurred in carrying out any reclamation project or activity authorized under this section, including:

- (1) Reclamation;
- (2) A reasonable charge for the services performed by the state's personnel and the state's equipment and materials utilized; and
- (3) Administrative and legal expenses related to reclamation of the surface mine.

The department shall refund to the surety or permit holder all amounts received in excess of the amount of expenses incurred. If the amount received is less than the expenses incurred, the attorney general, upon request of the department, may bring an action against the permit holder on behalf of the state in the superior court to recover the remaining costs listed in this section.

NEW SECTION. Sec. 32. FINES. Each order of the department may impose a fine or fines in the event that a miner or permit holder fails to obey the order of the department. When a miner or permit holder fails to comply with an order of the department, the miner or permit holder shall be subject to a civil penalty in an amount not more than ten thousand dollars for each violation plus interest based upon a schedule of fines set forth by the department in rule. Procedures for imposing a penalty and setting the amount of the penalty shall be as provided in RCW 90.48.144. Each day on which a miner or permit holder continues to disobey any order of the department shall constitute a separate violation. If the penalty and interest is not paid to the department after it becomes due and payable, the attorney general, upon the request of the department, may bring an action in the name of the state of Washington to recover the penalty, interest, mitigation for environmental damages, and associated legal fees. Decisions of the department are subject to review by the pollution control hearings board.

All fines, interest, penalties, and other damage recovery costs from mines regulated by the department shall be credited to the surface mining reclamation account.

NEW SECTION. Sec. 33. REFUSAL TO ISSUE PERMITS. The department shall refuse to issue a reclamation permit if it is determined during the SEPA process that the impacts of a proposed surface mine cannot be adequately mitigated.

The department or county, city, or town may refuse to issue any other permit at any other location to any miner or permit holder who fails to rectify deficiencies set forth in an order of the department within the requisite time schedule. However, the department or county, city, or town shall issue all appropriate permits when all deficiencies are corrected at each surface mining site.

Sec. 34. RCW 78.44.150 and 1970 ex.s. c 64 s 16 are each amended to read as follows:

Any ~~((operator))~~ miner or permit holder conducting surface mining within the state of Washington without a valid ~~((operating))~~ reclamation permit shall be guilty of a gross misdemeanor. Surface mining outside of the permitted area shall constitute illegal mining without a valid reclamation permit. Each day of ~~((operation))~~ mining without a valid reclamation permit shall constitute a separate offense.

Sec. 35. RCW 78.44.170 and 1989 c 175 s 166 are each amended to read as follows:

Appeals from department determinations under this chapter shall be made as follows:

Appeals from department determinations made under this chapter shall be made under the provisions of the Administrative Procedure Act (chapter 34.05 RCW), and shall be considered an adjudicative proceeding within the meaning of the Administrative Procedure Act, chapter 34.05 RCW. Only a person aggrieved within the meaning of RCW 34.05.530 has standing and can file an appeal.

Sec. 36. RCW 78.44.910 and 1970 ex.s. c 64 s 22 are each amended to read as follows:

~~((This act shall not direct itself to the reclamation of land mined))~~ Miners and permit holders shall not be required to reclaim any segment where all surface mining was completed prior to January 1, 1971. However, the department shall make an effort to reclaim previously abandoned or completed surface mining segments.

NEW SECTION. Sec. 37. RECLAMATION AWARDS ESTABLISHED.

The department shall create reclamation awards in recognition of excellence in reclamation or reclamation research. Such awards shall be presented to individuals, miners, operators, companies, or government agencies performing exemplary surface mining reclamation in the state of Washington. The department shall designate a percent of the state annual fees as funding of the awards.

NEW SECTION. Sec. 38. RECLAMATION SERVICE ESTABLISHED.

The department may establish a no-cost consulting service within the department to assist miners, permit holders, local government, and the public in technical matters related to mine regulation, mine operations, and reclamation. The

department may prepare concise, printed information for the public explaining surface mining activities, timelines for permits and reviews, laws, and the role of governmental agencies involved in surface mining, including how to contact all regulators. The department shall not be held liable for any negligent advice.

NEW SECTION. Sec. 39. The following acts or parts of acts are each repealed:

- (1) RCW 78.44.030 and 1987 c 258 s 1, 1984 c 215 s 1, & 1970 ex.s. c 64 s 4;
- (2) RCW 78.44.035 and 1987 c 258 s 3;
- (3) RCW 78.44.080 and 1970 ex.s. c 64 s 9;
- (4) RCW 78.44.090 and 1970 ex.s. c 64 s 10;
- (5) RCW 78.44.100 and 1984 c 215 s 3 & 1970 ex.s. c 64 s 11;
- (6) RCW 78.44.110 and 1987 c 258 s 2, 1984 c 215 s 4, & 1970 ex.s. c 64 s 12;
- (7) RCW 78.44.120 and 1984 c 215 s 5, 1977 c 66 s 1, & 1970 ex.s. c 64 s 13;
- (8) RCW 78.44.130 and 1970 ex.s. c 64 s 14;
- (9) RCW 78.44.140 and 1989 c 230 s 1, 1984 c 215 s 6, & 1970 ex.s. c 64 s 15;
- (10) RCW 78.44.160 and 1984 c 215 s 7 & 1970 ex.s. c 64 s 17; and
- (11) RCW 78.44.180 and 1970 ex.s. c 64 s 20.

NEW SECTION. Sec. 40. The code reviser may recodify, as necessary, RCW 78.44.150, 78.44.170, 78.44.175, and 78.44.910 within chapter 78.44 RCW to accomplish the reorganization of chapter 78.44 RCW as intended in this act.

NEW SECTION. Sec. 41. Captions used in this act do not constitute any part of the law.

NEW SECTION. Sec. 42. Sections 4, 5, 10 through 15, 18 through 33, 37, and 38 of this act are each added to chapter 78.44 RCW.

NEW SECTION. Sec. 43. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 44. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect July 1, 1993.

Passed the Senate April 20, 1993.

Passed the House April 18, 1993.

Approved by the Governor May 18, 1993, with the exception of certain items which were vetoed.

Filed in Office of Secretary of State May 18, 1993.

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

"I am returning herewith, without my approval as to sections 16 and 19, Engrossed Second Substitute Senate Bill No. 5502, entitled:

"AN ACT Relating to state and local government regulation of surface mining;"

This legislation will greatly enhance the state's ability to regulate surface mining reclamation and to protect public resources. However, certain sections of the bill clearly restrict the ability of local governments to regulate surface mining itself.

Section 16 imposes state direction on the designation of mineral resource lands, which the Growth Management Act allows counties free authority to designate. Section 16 also limits the ability of local jurisdictions to regulate surface mining and to provide local protection of air and water resources. Section 19 precludes local jurisdictions from dealing with water impacts of surface mines. Both of these sections limit local jurisdictions regulatory ability to those areas not already regulated by the state or federal governments. This unnecessarily restricts the ability of local government to adequately regulate surface mining.

For these reasons, I am vetoing sections 16 and 19.

With the exception of sections 16 and 19, Engrossed Second Substitute Senate Bill No. 5502 is approved."

CHAPTER 519

[Engrossed Substitute Senate Bill 5888]

RETIREMENT SYSTEMS—BENEFITS IMPROVEMENTS

Effective Date: 5/18/93

AN ACT Relating to improvement of retirement system benefits; amending RCW 43.01.170, 28A.400.212, 41.54.061, 41.54.040, 41.45.030, 41.45.040, 41.45.060, 41.45.0601, 43.33A.020, and 43.33A.040; adding a new section to chapter 41.32 RCW; adding a new section to chapter 41.40 RCW; adding a new section to chapter 41.50 RCW; creating new sections; and declaring an emergency.

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

PART I - COST-OF-LIVING ADJUSTMENT EXTENSION

NEW SECTION. Sec. 1. The benefit adjustment granted by sections 711(1) and 712(1), chapter 232, Laws of 1992 (uncodified) being received by plan I beneficiaries as of June 30, 1993, unless otherwise improper, shall be continued through June 30, 1995.

PART II - NEW TEMPORARY COST-OF-LIVING ADJUSTMENT

NEW SECTION. Sec. 2. A new section is added to chapter 41.32 RCW under the subchapter heading "Plan I" to read as follows:

(1) Effective July 1, 1993, through June 30, 1995, the monthly benefit of each plan I beneficiary under this chapter is increased three dollars per month per year of creditable service established by the member, reflecting any actuarial reduction made or survivor option taken, if the beneficiary:

(a) Is not receiving a minimum benefit under RCW 41.32.487 or cost-of-living adjustment under RCW 41.32.575; and

- (b) Is at least age seventy as of July 1, 1993; and
 - (c) Was receiving benefits as of July 1, 1988; and
 - (d) Is not a recipient of the temporary disability under RCW 41.32.540.
- (2) Any fraction of a year is counted in the computation of this adjustment.

NEW SECTION. Sec. 3. A new section is added to chapter 41.40 RCW under the subchapter heading "Plan I" to read as follows:

(1) Effective July 1, 1993, through June 30, 1995, the monthly benefit of each plan I beneficiary under this chapter is increased three dollars per month per year of creditable service established by the member, reflecting any actuarial reduction made or survivor option taken, if the beneficiary:

- (a) Is not receiving a minimum benefit under RCW 41.40.198 or cost-of-living adjustment under RCW 41.40.325; and
 - (b) Is at least age seventy as of July 1, 1993; and
 - (c) Was receiving benefits as of July 1, 1988.
- (2) Any fraction of a year is counted in the computation of this adjustment.

PART III - EARLY RETIREMENT

NEW SECTION. Sec. 4. (1) Subject to subsection (2) of this section, in addition to members eligible to retire under RCW 41.40.180, any member of the public employees' retirement system plan I who meets the following criteria may retire after providing written notification to the member's employer and submitting the required application to the director on a form provided by the department:

(a) The member is employed by an employer in an eligible position on March 1, 1993; and

(b) The member has: (i) Attained the age of fifty-five years and completed five service credit years of service; (ii) completed twenty-five service credit years of service; or (iii) attained the age of fifty years and completed twenty service credit years of service.

(2) A member who wishes to apply for retirement under subsection (1) of this section who is employed by a school district must submit the required notification and application form no later than July 1, 1993, setting forth that the member shall be retired no later than August 31, 1993. A member employed by any employer other than a school district must submit the required notification and application no later than August 31, 1993, setting forth that the member shall be retired no later than December 31, 1993.

NEW SECTION. Sec. 5. Section 4 of this act is added to chapter 41.40 RCW, but because of its temporary nature, shall not be codified.

NEW SECTION. Sec. 6. (1) Subject to subsection (2) of this section, in addition to members eligible to retire under RCW 41.32.480, any member of the teachers' retirement system plan I who meets the following criteria may retire after providing written notification to the member's employer and submitting the required application to the director on a form provided by the department:

(a) The member is employed by an employer on March 1, 1993, and is not a substitute teacher; and

(b) The member has: (i) Attained the age of fifty-five years and completed five service credit years of service; (ii) completed twenty-five service credit years of service; or (iii) attained the age of fifty years and completed twenty service credit years of service.

(2) A member who wishes to apply for retirement under subsection (1) of this section must submit the required notification and application form no later than July 1, 1993, setting forth that the member shall be retired no later than August 31, 1993. A member employed by any employer other than a school district must submit the required notification and application no later than August 31, 1993, setting forth that the member shall be retired no later than December 31, 1993.

NEW SECTION. **Sec. 7.** Section 6 of this act is added to chapter 41.32 RCW, but because of its temporary nature, shall not be codified.

NEW SECTION. **Sec. 8.** The office of the state actuary shall study the actual utilization of the early retirement offered by this act, the replacement of persons who utilized the early retirement, and the fiscal and programmatic impact of early retirement on the state, local governments, and school districts. The office of financial management and the office of the superintendent of public instruction shall provide technical assistance and information to the office of the state actuary for the study required in this section. An initial report on the study shall be submitted to the joint committee on pension policy and the fiscal committees of the legislature by December 31, 1993, and the final report on the study shall be submitted to the same committees by October 1, 1994.

NEW SECTION. **Sec. 9.** In order to ensure that the state derives the expected benefits from the early retirement provisions of this act, no state agency may engage through personal service contracts persons who retire from service under the provisions of this act. Exceptions to this section may be granted by written approval from the director of the office of financial management if the director finds that the proposed contract is necessary to protect the public safety, protect against the loss of federal certification or loss of critical federal funds, or carry out functions so essential to the agency that even temporary suspension or delay of services would have a significant negative impact on the public. At the end of each three-month period in which exceptions are approved, the director shall forward a copy of any approvals, together with justification for the exceptions, to the fiscal committees of the legislature. Each forwarded approval shall include the name of the proposed contractor, the agency and division or department requesting the contract, duration and cost of the proposed contract, and specific functions and duties to be carried out under the contract. This section shall expire June 30, 1995.

NEW SECTION. **Sec. 10.** Section 9 of this act is added to chapter 39.29 RCW, but because of its temporary nature, shall not be codified.

NEW SECTION. **Sec. 11.** In order to ensure that the state derives the expected benefits from the early retirement provisions of this act, no board of directors of a school district or educational service district may engage through personal service contracts persons who retire from service under the provisions of this act. Exceptions to this section may be granted by written approval from the superintendent of public instruction if the superintendent finds that the proposed contract is necessary to protect student safety, protect against the loss of school district certification or loss of federal funds, or carry out functions so essential to the district that even temporary suspension or delay of services would have a significant negative impact on students. At the end of each three-month period in which exceptions are approved, the superintendent shall forward a copy of any approvals, together with justification for the exceptions, to the office of financial management and the fiscal committees of the legislature. Each forwarded approval shall include the name of the proposed contractor, the district requesting the contract, duration and cost of the proposed contract, and specific functions and duties to be carried out under the contract. This section shall expire August 31, 1995.

NEW SECTION. **Sec. 12.** Section 11 of this act is added to chapter 28A.400 RCW, but because of its temporary nature, shall not be codified.

Sec. 13. RCW 43.01.170 and 1992 c 234 s 11 are each amended to read as follows:

In order to ensure that the state derives the expected benefits from the early retirement provisions of chapter 234, Laws of 1992, and chapter . . . , Laws of 1993 (this act), no state agency may hire persons who retire from ((state)) service under the provisions of chapter 234, Laws of 1992, or chapter . . . , Laws of 1993 (this act), as temporary or project employees, as defined by the state personnel board for employees covered under chapter 41.06 RCW ((and)), by the higher education personnel board for employees covered under chapter 28B.16 RCW, and by the employer for persons not covered under chapter 28B.16 RCW who are employed by institutions of higher education or community or technical colleges. Exceptions to this section may be granted by written approval from the director of the office of financial management if the director finds that the temporary or project employment of a retiree is necessary to protect the public safety, protect against the loss of federal certification or loss of critical federal funds, or carry out functions so essential to the agency that even temporary suspension or delay of services would have a significant negative impact on the public. At the end of each three-month period in which exceptions are approved, the director shall forward a copy of any approvals, together with justification for the exceptions, to the fiscal committees of the legislature. Each forwarded approval shall include the name of the temporary or project employee, the agency and division or department requesting the employment, duration and cost of the proposed employment, and specific functions and duties to be carried out during the employment. This section shall expire June 30, 1995.

Sec. 14. RCW 28A.400.212 and 1992 c 234 s 13 are each amended to read as follows:

An employee of a school district that has established an attendance incentive program under RCW 28A.400.210 who retires under section 1 or 3, chapter 234, Laws of 1992, or section 4 or 6 of this act shall receive, at the time of his or her separation from school district employment, not less than one-half of the remuneration for accrued leave for illness or injury payable to him or her under the district's incentive program. The school district board of directors may, at its discretion, pay the remainder of such an employee's remuneration for accrued leave for illness or injury after the time of the employee's separation from school district employment, but the employee or the employee's estate is entitled to receive the remainder of the remuneration no later than the date the employee would have been eligible to retire under the provisions of RCW 41.40.180 or 41.32.480 had the employee continued to work for the district until eligible to retire, or three years following the date of the employee's separation from school district employment, whichever occurs first. A district exercising its discretion under this section to pay the remainder of the remuneration after the time of the employee's separation from school district employment shall establish a policy and procedure for paying the remaining remuneration that applies to all affected employees equally and without discrimination. Any remuneration paid shall be based on the number of days of leave the employee had accrued and the compensation the employee received at the time he or she retired under section 1 or 3, chapter 234, Laws of 1992, or section 4 or 6 of this act.

PART IV - CITIES' PORTABILITY

Sec. 15. RCW 41.54.061 and 1990 c 192 s 3 are each amended to read as follows:

(1) The cities of Seattle, Spokane, and Tacoma shall each have the option of making an irrevocable election to have its employee retirement system included in the coverage of this chapter by adopting a resolution transmitting it to the director and the joint committee on pension policy prior to December (~~(+1990)~~) 31, 1993.

The resolution shall indicate the city's desire to be covered by this chapter and its willingness to pay for the additional cost it may incur as a result of the benefits provided by this chapter.

(2) This chapter shall become effective on January 1, (~~(+1994)~~) 1994, for each city which adopts a resolution pursuant to subsection (1) of this section. (~~((However, if all three cities adopt such resolutions prior to June 1, 1990, the provisions of this chapter shall become effective for those systems on July 1, 1990.))~~)

Sec. 16. RCW 41.54.040 and 1990 c 192 s 5 are each amended to read as follows:

(1) (~~(Except where subsection (4) of this section applies.))~~ The retirement allowances calculated under RCW 41.54.030 shall be paid separately by each

respective current and prior system. Any deductions from such separate payments shall be according to the provisions of the respective systems.

(2) Postretirement adjustments, if any, shall be applied by the respective systems based on the payments made under subsection (1) of this section.

(3) If a dual member dies in service in any system, the surviving spouse shall receive the same benefit from each system that would have been received if the member were active in the system at the time of death based on service actually established in that system. However, this subsection does not make a surviving spouse eligible for the survivor benefits provided in RCW 43.43.270.

(4) The department shall adopt rules under chapter 34.05 RCW to ensure that where a dual member has service in a system established under chapter 41.32, 41.40, 41.44, or 43.43 RCW and service under the city employee retirement system for Seattle, Tacoma, or Spokane, the ~~((entire))~~ additional cost incurred as a result of the dual member receiving a benefit under this chapter shall be borne by the ~~((city))~~ retirement system ~~((that the person is a member of))~~ incurring the additional cost.

PART V - RETIREMENT CONTRIBUTION RATES

Sec. 17. RCW 41.45.030 and 1989 c 273 s 3 are each amended to read as follows:

(1) ~~((The economic and revenue forecast council shall adopt the economic assumptions used by the state actuary in conducting valuation studies of the state retirement systems.~~

~~((2)))~~ Beginning September 1, 1989, and every six years thereafter, the state actuary shall submit to the council information regarding the experience and financial condition of each state retirement system.

(2) The council shall review the information submitted by the state actuary and shall ~~((recommend any adjustments which may be needed to the state or employer contribution rates contained in RCW 41.45.060 and 41.45.070 for the public employees' retirement system; the teachers' retirement system; the law enforcement officers' and fire fighters' retirement system; and the Washington state patrol retirement system))~~ adopt the economic assumptions used by the state actuary in conducting valuation studies of the state retirement systems.

(3) The council may utilize information provided by the state actuary and such other information as it may request.

Sec. 18. RCW 41.45.040 and 1989 c 273 s 4 are each amended to read as follows:

(1) The adoption of the economic assumptions and the ~~((recommendation of changes in employer and state))~~ contribution rates as provided in RCW 41.45.060 shall be by affirmative vote of at least five members of the council.

(2) The employer and state contribution rates ~~((recommended))~~ adopted by the council shall be the level percentages of pay which are needed:

(a) To fully amortize the total costs of the public employees' retirement system plan I, the teachers' retirement system plan I, the law enforcement

officers' and fire fighters' retirement system plan I, and the unfunded liability of the Washington state patrol retirement system not later than June 30, 2024; and

(b) To also continue to fully fund the public employees' retirement system plan II, the teachers' retirement system plan II, and the law enforcement officers' and fire fighters' retirement system plan II in accordance with the provisions of RCW 41.40.650, 41.32.775, and 41.26.450, respectively.

Sec. 19. RCW 41.45.060 and 1992 c 239 s 2 are each amended to read as follows:

((Beginning July)) (1) For the period of September 1, 1993, through August 31, 1995, the basic state contribution rate for the law enforcement officers' and fire fighters' retirement system, and the basic employer contribution rates for the public employees' retirement system, the teachers' retirement system, and the Washington state patrol retirement system shall be as ((follows:

(1) 7.47% for all members of the public employees' retirement system;
(2) 12.60% for all members of the teachers' retirement system;
(3) 16.44% for all members of the law enforcement officers' and fire fighters' retirement system; and
(4) 15.53% for all members of the Washington state patrol retirement system)) determined in the 1991 valuations prepared by the office of the state actuary.

(2) Not later than September 30, 1994, and every two years thereafter:

(a) The council shall adopt the contributions to be used in the ensuing biennial period for the systems specified in subsection (1) of this section.

(b) The council shall immediately notify the directors of the office of financial management and department of retirement systems of the state and employer contribution rates adopted under (a) of this subsection.

(c) The director of the department of retirement systems shall collect those rates adopted by the council under this chapter.

Sec. 20. RCW 41.45.0601 and 1992 c 239 s 1 are each amended to read as follows:

Beginning September 1, 1992, through ((June 30)) August 31, 1993, the basic state contribution rate for the law enforcement officers' and fire fighters' retirement system, and the basic employer contribution rates for the public employees' retirement system, the teachers' retirement system, and the Washington state patrol retirement system shall be as follows:

(1) 7.27% for all members of the public employees' retirement system;
(2) 12.08% for all members of the teachers' retirement system;
(3) 12.99% for all members of the law enforcement officers' and fire fighters' retirement system; and
(4) 17.16% for all members of the Washington state patrol retirement system.

NEW SECTION. Sec. 21. A new section is added to chapter 41.50 RCW to read as follows:

The director shall inform all employers in writing as to the employer rates adopted by the economic and revenue forecast council upon the notification of the council as prescribed in RCW 41.45.060.

PART VI - STATE INVESTMENT BOARD

**Sec. 22. RCW 43.33A.020 and 1985 c 195 s 1 are each amended to read as follows:*

There is hereby created the state investment board to consist of (~~fourteen~~) sixteen members to be appointed as provided in this section.

(1) One member who is an active member of the public employees' retirement system and has been an active member for at least five years. This member shall be appointed by the governor, subject to confirmation by the senate, from a list of nominations submitted by organizations representing active members of the system. The initial term of appointment shall be one year.

(2) One member who is an active member of the law enforcement officers' and fire fighters' retirement system and has been an active member for at least five years. This member shall be appointed by the governor, subject to confirmation by the senate, from a list of nominations submitted by organizations representing active members of the system. The initial term of appointment shall be two years.

(3) One member who is an active member of the teachers' retirement system and has been an active member for at least five years. This member shall be appointed by the superintendent of public instruction subject to confirmation by the senate. The initial term of appointment shall be three years.

(4) The state treasurer or the assistant state treasurer if designated by the state treasurer.

(5) (~~(A)~~) Two members of the state house of representatives(~~(—This member shall be)~~) appointed by the speaker of the house of representatives, one from each of the majority and minority parties.

(6) (~~(A)~~) Two members of the state senate(~~(—This member shall be)~~) appointed by the president of the senate, one from each of the majority and minority parties.

(7) One member who is a retired member of a state retirement system shall be appointed by the governor, subject to confirmation by the senate. The initial term of appointment shall be three years.

(8) The director of the department of labor and industries.

(9) The director of the department of retirement systems.

(10) Five nonvoting members appointed by the state investment board who are considered experienced and qualified in the field of investments.

The legislative members shall serve terms of two years. The initial legislative members appointed to the board shall be appointed no sooner than January 10, 1983. The position of a legislative member on the board shall

become vacant at the end of that member's term on the board or whenever the member ceases to be a member of the senate or house of representatives from which the member was appointed.

After the initial term of appointment, all other members of the state investment board, except ex officio members, shall serve terms of three years and shall hold office until successors are appointed. Members' terms, except for ex officio members, shall commence on January 1 of the year in which the appointments are made.

Members may be reappointed for additional terms. Appointments for vacancies shall be made for the unexpired terms in the same manner as the original appointments. Any member may be removed from the board for cause by the member's respective appointing authority.

*Sec. 22 was vetoed, see message at end of chapter.

*Sec. 23. RCW 43.33A.040 and 1981 c 219 s 2 are each amended to read as follows:

(1) A quorum to conduct the business of the state investment board consists of at least (~~four voting members of the board before January 10, 1983, and five~~) six voting members (~~(thereafter)~~). No action may be taken by the board without the affirmative vote of (~~four members before January 10, 1983, and five~~) at least six members (~~(thereafter)~~).

(2) The state investment board shall meet at least quarterly at such times as it may fix. The board shall elect a chairperson and vice chairperson annually: **PROVIDED**, That the legislative members are not eligible to serve as chairperson.

*Sec. 23 was vetoed, see message at end of chapter.

PART VII - MISCELLANEOUS

NEW SECTION. Sec. 24. Part headings as used in this act do not constitute any part of the law.

NEW SECTION. Sec. 25. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect immediately.

Passed the Senate April 13, 1993.

Passed the House April 20, 1993.

Approved by the Governor May 18, 1993, with the exception of certain items which were vetoed.

Filed in Office of Secretary of State May 18, 1993.

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

"I am returning herewith, without my approval as to sections 22 and 23, Engrossed Substitute Senate Bill No. 5888, entitled:

"AN ACT Relating to improvement of retirement system benefits;"

Engrossed Substitute Senate Bill No. 5888 provides for improvements to retirement system benefits. Sections 22 and 23 of the legislation proposed adding two additional legislators to the existing membership of the State Investment Board (SIB). While I

acknowledge the extreme importance of the SIB, the current membership of the board is a balance between legislative and executive branch representatives and representatives of the retirement system membership. In addition, the SIB has new members that are attempting to fulfill this serious responsibility to the State of Washington, and they should be allowed to determine their new direction before the composition of membership is altered.

With the exception of sections 22 and 23, Engrossed Substitute Senate Bill No. 5888 is approved."

CHAPTER 520

[Engrossed Substitute House Bill 1249]

WORKERS' COMPENSATION—PERMANENT PARTIAL DISABILITY AWARDS

Effective Date: 5/18/93

AN ACT Relating to industrial insurance permanent partial disability awards; amending RCW 51.32.080; and declaring an emergency.

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

Sec. 1. RCW 51.32.080 and 1988 c 161 s 6 are each amended to read as follows:

(1)(a) Until July 1, 1993, for the permanent partial disabilities here specifically described, the injured worker shall receive compensation as follows:

LOSS BY AMPUTATION

Of leg above the knee joint with short thigh stump (3" or less below the tuberosity of ischium)	\$54,000.00
Of leg at or above knee joint with functional stump	48,600.00
Of leg below knee joint	43,200.00
Of leg at ankle (Syme)	37,800.00
Of foot at mid-metatarsals	18,900.00
Of great toe with resection of metatarsal bone	11,340.00
Of great toe at metatarsophalangeal joint	6,804.00
Of great toe at interphalangeal joint	3,600.00
Of lesser toe (2nd to 5th) with resection of metatarsal bone	4,140.00
Of lesser toe at metatarsophalangeal joint	2,016.00
Of lesser toe at proximal interphalangeal joint	1,494.00
Of lesser toe at distal interphalangeal joint	378.00
Of arm at or above the deltoid insertion or by disarticulation at the shoulder	54,000.00
Of arm at any point from below the deltoid insertion to below the elbow joint at the insertion of the biceps tendon	51,300.00
Of arm at any point from below the elbow joint distal to the insertion of the biceps tendon to and	

including mid-metacarpal amputation of the hand	48,600.00
Of all fingers except the thumb at metacarpophalangeal joints	29,160.00
Of thumb at metacarpophalangeal joint or with resection of carpometacarpal bone	19,440.00
Of thumb at interphalangeal joint	9,720.00
Of index finger at metacarpophalangeal joint or with resec- tion of metacarpal bone	12,150.00
Of index finger at proximal interphalangeal joint	9,720.00
Of index finger at distal interphalangeal joint	5,346.00
Of middle finger at metacarpophalangeal joint or with resec- tion of metacarpal bone	9,720.00
Of middle finger at proximal interphalangeal joint	7,776.00
Of middle finger at distal interphalangeal joint	4,374.00
Of ring finger at metacarpophalangeal joint or with resection of metacarpal bone	4,860.00
Of ring finger at proximal interphalangeal joint	3,888.00
Of ring finger at distal interphalangeal joint	2,430.00
Of little finger at metacarpophalangeal joint or with resec- tion of metacarpal bone	2,430.00
Of little finger at proximal interphalangeal joint	1,944.00
Of little finger at distal interphalangeal joint	972.00

MISCELLANEOUS

Loss of one eye by enucleation	21,600.00
Loss of central visual acuity in one eye	18,000.00
Complete loss of hearing in both ears	43,200.00
Complete loss of hearing in one ear	7,200.00

(b) Beginning on July 1, 1993, compensation under this subsection shall be computed as follows:

(i) Beginning on July 1, 1993, the compensation amounts for the specified disabilities listed in (a) of this subsection shall be increased by thirty-two percent; and

(ii) Beginning on July 1, 1994, and each July 1 thereafter, the compensation amounts for the specified disabilities listed in (a) of this subsection, as adjusted under (b)(i) of this subsection, shall be readjusted to reflect the percentage change in the consumer price index, calculated as follows: The index for the calendar year preceding the year in which the July calculation is made, to be known as "calendar year A," is divided by the index for the calendar year preceding calendar year A, and the resulting ratio is multiplied by the compensation amount in effect on June 30 immediately preceding the July 1st on which the respective calculation is made. For the purposes of this subsection, "index" means the same as the definition in RCW 2.12.037(1).

(2) Compensation for amputation of a member or part thereof at a site other than those (~~above~~) specified in subsection (1) of this section, and for loss of central visual acuity and loss of hearing other than complete, shall be in proportion to that which such other amputation or partial loss of visual acuity or hearing most closely resembles and approximates. Compensation shall be calculated based on the adjusted schedule of compensation in effect for the respective time period as prescribed in subsection (1) of this section.

(3)(a) Compensation for any other permanent partial disability not involving amputation shall be in the proportion which the extent of such other disability, called unspecified disability, shall bear to (~~that above~~) the disabilities specified in subsection (1) of this section, which most closely resembles and approximates in degree of disability such other disability, and compensation for any other unspecified permanent partial disability shall be in an amount as measured and compared to total bodily impairment(~~(: PROVIDED, That in order)~~). To reduce litigation and establish more certainty and uniformity in the rating of unspecified permanent partial disabilities, the department shall enact rules having the force of law classifying such disabilities in the proportion which the department shall determine such disabilities reasonably bear to total bodily impairment. In enacting such rules, the department shall give consideration to, but need not necessarily adopt, any nationally recognized medical standards or guides for determining various bodily impairments.

(b) Until July 1, 1993, for purposes of calculating monetary benefits under (a) of this subsection, the amount payable for total bodily impairment shall be deemed to be ninety thousand dollars(~~(: PROVIDED, That)~~). Beginning on July 1, 1993, for purposes of calculating monetary benefits under (a) of this subsection, the amount payable for total bodily impairment shall be adjusted as follows:

(i) Beginning on July 1, 1993, the amount payable for total bodily impairment under this section shall be increased to one hundred eighteen thousand eight hundred dollars; and

(ii) Beginning on July 1, 1994, and each July 1 thereafter, the amount payable for total bodily impairment prescribed in (b)(i) of this subsection shall be adjusted as provided in subsection (1)(b)(ii) of this section.

(c) Until July 1, 1993, the total compensation for all unspecified permanent partial disabilities resulting from the same injury shall not exceed the sum of ninety thousand dollars(~~(: PROVIDED FURTHER, That in ease)~~). Beginning on July 1, 1993, total compensation for all unspecified permanent partial disabilities resulting from the same injury shall not exceed a sum calculated as follows:

(i) Beginning on July 1, 1993, the sum shall be increased to one hundred eighteen thousand eight hundred dollars; and

(ii) Beginning on July 1, 1994, and each July 1 thereafter, the sum prescribed in (b)(i) of this subsection shall be adjusted as provided in subsection (1)(b)(ii) of this section.

(4) If permanent partial disability compensation is followed by permanent total disability compensation, any portion of the permanent partial disability compensation which exceeds the amount that would have been paid the injured worker if permanent total disability compensation had been paid in the first instance, shall be deducted from the pension reserve of such injured worker and his or her monthly compensation payments shall be reduced accordingly.

~~((3))~~ (5) Should a worker receive an injury to a member or part of his or her body already, from whatever cause, permanently partially disabled, resulting in the amputation thereof or in an aggravation or increase in such permanent partial disability but not resulting in the permanent total disability of such worker, his or her compensation for such partial disability shall be adjudged with regard to the previous disability of the injured member or part and the degree or extent of the aggravation or increase of disability thereof.

~~((4))~~ (6) When the compensation provided for in subsections (1) ~~(and (2))~~ through (3) of this section exceeds three times the average monthly wage in the state as computed under the provisions of RCW 51.08.018, payment shall be made in monthly payments in accordance with the schedule of temporary total disability payments set forth in RCW 51.32.090 until such compensation is paid to the injured worker in full, except that the first monthly payment shall be in an amount equal to three times the average monthly wage in the state as computed under the provisions of RCW 51.08.018, and interest shall be paid at the rate of eight percent on the unpaid balance of such compensation commencing with the second monthly payment ~~(-PROVIDED, That)~~. However, upon application of the injured worker or survivor the monthly payment may be converted, in whole or in part, into a lump sum payment, in which event the monthly payment shall cease in whole or in part. Such conversion may be made only upon written application of the injured worker or survivor to the department and shall rest in the discretion of the department depending upon the merits of each individual application ~~(-PROVIDED FURTHER, That)~~. Upon the death of a worker all unpaid installments accrued shall be paid according to the payment schedule established prior to the death of the worker to the widow or widower, or if there is no widow or widower surviving, to the dependent children of such claimant, and if there are no such dependent children, then to such other dependents as defined by this title.

(7) Awards payable under this section are governed by the schedule in effect on the date of injury.

NEW SECTION. **Sec. 2.** This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect immediately.

Passed the House April 20, 1993.
Passed the Senate April 15, 1993.
Approved by the Governor May 18, 1993.
Filed in Office of Secretary of State May 18, 1993.

CHAPTER 521

[Engrossed Substitute House Bill 1248]

WORKERS' COMPENSATION—DEATH AND DISABILITY BENEFITS

Effective Date: 7/1/93

AN ACT Relating to increasing industrial insurance death and disability benefits; amending RCW 51.32.050, 51.32.060, and 51.32.090; providing an effective date; and declaring an emergency. Be it enacted by the Legislature of the State of Washington:

Sec. 1. RCW 51.32.050 and 1991 c 88 s 2 are each amended to read as follows:

(1) Where death results from the injury the expenses of burial not to exceed two thousand dollars shall be paid.

(2)(a) Where death results from the injury, a surviving spouse of a deceased worker eligible for benefits under this title shall receive monthly for life or until remarriage payments according to the following schedule:

(i) If there are no children of the deceased worker, sixty percent of the wages of the deceased worker but not less than one hundred eighty-five dollars;

(ii) If there is one child of the deceased worker and in the legal custody of such spouse, sixty-two percent of the wages of the deceased worker but not less than two hundred twenty-two dollars;

(iii) If there are two children of the deceased worker and in the legal custody of such spouse, sixty-four percent of the wages of the deceased worker but not less than two hundred fifty-three dollars;

(iv) If there are three children of the deceased worker and in the legal custody of such spouse, sixty-six percent of the wages of the deceased worker but not less than two hundred seventy-six dollars;

(v) If there are four children of the deceased worker and in the legal custody of such spouse, sixty-eight percent of the wages of the deceased worker but not less than two hundred ninety-nine dollars; or

(vi) If there are five or more children of the deceased worker and in the legal custody of such spouse, seventy percent of the wages of the deceased worker but not less than three hundred twenty-two dollars.

(b) Where the surviving spouse does not have legal custody of any child or children of the deceased worker or where after the death of the worker legal custody of such child or children passes from such surviving spouse to another, any payment on account of such child or children not in the legal custody of the surviving spouse shall be made to the person or persons having legal custody of such child or children. The amount of such payments shall be five percent of

the monthly benefits payable as a result of the worker's death for each such child but such payments shall not exceed twenty-five percent. Such payments on account of such child or children shall be subtracted from the amount to which such surviving spouse would have been entitled had such surviving spouse had legal custody of all of the children and the surviving spouse shall receive the remainder after such payments on account of such child or children have been subtracted. Such payments on account of a child or children not in the legal custody of such surviving spouse shall be apportioned equally among such children.

(c) Payments to the surviving spouse of the deceased worker shall cease at the end of the month in which remarriage occurs: PROVIDED, That a monthly payment shall be made to the child or children of the deceased worker from the month following such remarriage in a sum equal to five percent of the wages of the deceased worker for one child and a sum equal to five percent for each additional child up to a maximum of five such children. Payments to such child or children shall be apportioned equally among such children. Such sum shall be in place of any payments theretofore made for the benefit of or on account of any such child or children. If the surviving spouse does not have legal custody of any child or children of the deceased worker, or if after the death of the worker, legal custody of such child or children passes from such surviving spouse to another, any payment on account of such child or children not in the legal custody of the surviving spouse shall be made to the person or persons having legal custody of such child or children.

(d) In no event shall the monthly payments provided in subsection (2) of this section exceed (~~one hundred percent~~) the applicable percentage of the average monthly wage in the state as computed under RCW 51.08.018(-) as follows:

<u>AFTER</u>	<u>PERCENTAGE</u>
<u>June 30, 1993</u>	<u>105%</u>
<u>June 30, 1994</u>	<u>110%</u>
<u>June 30, 1995</u>	<u>115%</u>
<u>June 30, 1996</u>	<u>120%</u>

(e) In addition to the monthly payments provided for in (2)(a) through (2)(c) of this section, a surviving spouse or child or children of such worker if there is no surviving spouse, or dependent parent or parents, if there is no surviving spouse or child or children of any such deceased worker shall be forthwith paid the sum of one thousand six hundred dollars, any such children, or parents to share and share alike in said sum.

(f) Upon remarriage of a surviving spouse the monthly payments for the child or children shall continue as provided in this section, but the monthly payments to such surviving spouse shall cease at the end of the month during which remarriage occurs. However, after September 8, 1975, an otherwise eligible surviving spouse of a worker who died at any time prior to or after September 8, 1975, shall have an option of:

(i) Receiving, once and for all, a lump sum of twenty-four times the monthly compensation rate in effect on the date of remarriage allocable to the spouse for himself or herself pursuant to (2)(a)(i) of this section and subject to any modifications specified under (2)(d) of this section and RCW 51.32.075(3) or fifty percent of the then remaining annuity value of his or her pension, whichever is the lesser: PROVIDED, That if the injury occurred prior to July 28, 1991, the remarriage benefit lump sum available shall be as provided in the remarriage benefit schedules then in effect; or

(ii) If a surviving spouse does not choose the option specified in (2)(f)(i) of this section to accept the lump sum payment, the remarriage of the surviving spouse of a worker shall not bar him or her from claiming the lump sum payment authorized in (2)(f)(i) of this section during the life of the remarriage, or shall not prevent subsequent monthly payments to him or to her if the remarriage has been terminated by death or has been dissolved or annulled by valid court decree provided he or she has not previously accepted the lump sum payment.

(g) If the surviving spouse during the remarriage should die without having previously received the lump sum payment provided in (2)(f)(i) of this section, his or her estate shall be entitled to receive the sum specified under subsection (2)(f)(i) of this section or fifty percent of the then remaining annuity value of his or her pension whichever is the lesser.

(h) The effective date of resumption of payments under (2)(f)(ii) of this section to a surviving spouse based upon termination of a remarriage by death, annulment, or dissolution shall be the date of the death or the date the judicial decree of annulment or dissolution becomes final and when application for the payments has been received.

(i) If it should be necessary to increase the reserves in the reserve fund or to create a new pension reserve fund as a result of the amendments in chapter 45, Laws of 1975-'76 2nd ex. sess., the amount of such increase in pension reserve in any such case shall be transferred to the reserve fund from the supplemental pension fund.

(3) If there is a child or children and no surviving spouse of the deceased worker or the surviving spouse is not eligible for benefits under this title, a sum equal to thirty-five percent of the wages of the deceased worker shall be paid monthly for one child and a sum equivalent to fifteen percent of such wage shall be paid monthly for each additional child, the total of such sum to be divided among such children, share and share alike: PROVIDED, That benefits under this subsection or subsection (4) of this section shall not exceed the lesser of sixty-five percent of the wages of the deceased worker at the time of his or her death or ~~((one hundred percent))~~ the applicable percentage of the average monthly wage in the state as defined in RCW 51.08.018, ~~((which ever is the lesser of the two sums:))~~ as follows:

<u>AFTER</u>	<u>PERCENTAGE</u>
<u>June 30, 1993</u>	<u>105%</u>
<u>June 30, 1994</u>	<u>110%</u>
<u>June 30, 1995</u>	<u>115%</u>
<u>June 30, 1996</u>	<u>120%</u>

(4) In the event a surviving spouse receiving monthly payments dies, the child or children of the deceased worker shall receive the same payment as provided in subsection (3) of this section.

(5) If the worker leaves no surviving spouse or child, but leaves a dependent or dependents, a monthly payment shall be made to each dependent equal to fifty percent of the average monthly support actually received by such dependent from the worker during the twelve months next preceding the occurrence of the injury, but the total payment to all dependents in any case shall not exceed the lesser of sixty-five percent of the wages of the deceased worker at the time of ((the)) his or her death or ((one hundred percent)) the applicable percentage of the average monthly wage in the state as defined in RCW 51.08.018((, whichever is the lesser of the two sums:)) as follows:

<u>AFTER</u>	<u>PERCENTAGE</u>
<u>June 30, 1993</u>	<u>105%</u>
<u>June 30, 1994</u>	<u>110%</u>
<u>June 30, 1995</u>	<u>115%</u>
<u>June 30, 1996</u>	<u>120%</u>

If any dependent is under the age of eighteen years at the time of the occurrence of the injury, the payment to such dependent shall cease when such dependent reaches the age of eighteen years except such payments shall continue until the dependent reaches age twenty-three while permanently enrolled at a full time course in an accredited school. The payment to any dependent shall cease if and when, under the same circumstances, the necessity creating the dependency would have ceased if the injury had not happened.

(6) For claims filed prior to July 1, 1986, if the injured worker dies during the period of permanent total disability, whatever the cause of death, leaving a surviving spouse, or child, or children, the surviving spouse or child or children shall receive benefits as if death resulted from the injury as provided in subsections (2) through (4) of this section. Upon remarriage or death of such surviving spouse, the payments to such child or children shall be made as provided in subsection (2) of this section when the surviving spouse of a deceased worker remarries.

(7) For claims filed on or after July 1, 1986, every worker who becomes eligible for permanent total disability benefits shall elect an option as provided in RCW 51.32.067.

Sec. 2. RCW 51.32.060 and 1988 c 161 s 1 are each amended to read as follows:

(1) When the supervisor of industrial insurance shall determine that permanent total disability results from the injury, the worker shall receive monthly during the period of such disability:

(a) If married at the time of injury, sixty-five percent of his or her wages but not less than two hundred fifteen dollars per month.

(b) If married with one child at the time of injury, sixty-seven percent of his or her wages but not less than two hundred fifty-two dollars per month.

(c) If married with two children at the time of injury, sixty-nine percent of his or her wages but not less than two hundred eighty-three dollars.

(d) If married with three children at the time of injury, seventy-one percent of his or her wages but not less than three hundred six dollars per month.

(e) If married with four children at the time of injury, seventy-three percent of his or her wages but not less than three hundred twenty-nine dollars per month.

(f) If married with five or more children at the time of injury, seventy-five percent of his or her wages but not less than three hundred fifty-two dollars per month.

(g) If unmarried at the time of the injury, sixty percent of his or her wages but not less than one hundred eighty-five dollars per month.

(h) If unmarried with one child at the time of injury, sixty-two percent of his or her wages but not less than two hundred twenty-two dollars per month.

(i) If unmarried with two children at the time of injury, sixty-four percent of his or her wages but not less than two hundred fifty-three dollars per month.

(j) If unmarried with three children at the time of injury, sixty-six percent of his or her wages but not less than two hundred seventy-six dollars per month.

(k) If unmarried with four children at the time of injury, sixty-eight percent of his or her wages but not less than two hundred ninety-nine dollars per month.

(l) If unmarried with five or more children at the time of injury, seventy percent of his or her wages but not less than three hundred twenty-two dollars per month.

(2) For any period of time where both husband and wife are entitled to compensation as temporarily or totally disabled workers, only that spouse having the higher wages of the two shall be entitled to claim their child or children for compensation purposes.

(3) In case of permanent total disability, if the character of the injury is such as to render the worker so physically helpless as to require the hiring of the services of an attendant, the department shall make monthly payments to such attendant for such services as long as such requirement continues, but such payments shall not obtain or be operative while the worker is receiving care under or pursuant to the provisions of chapter 51.36 RCW and RCW 51.04.105.

(4) Should any further accident result in the permanent total disability of an injured worker, he or she shall receive the pension to which he or she would be entitled, notwithstanding the payment of a lump sum for his or her prior injury.

(5) In no event shall the monthly payments provided in this section exceed ~~((one hundred percent))~~ the applicable percentage of the average monthly wage in the state as computed under the provisions of RCW 51.08.018~~((except that this))~~ as follows:

<u>AFTER</u>	<u>PERCENTAGE</u>
<u>June 30, 1993</u>	<u>105%</u>
<u>June 30, 1994</u>	<u>110%</u>
<u>June 30, 1995</u>	<u>115%</u>
<u>June 30, 1996</u>	<u>120%</u>

The limitations under this subsection shall not apply to the payments provided for in subsection (3) of this section.

(6) In the case of new or reopened claims, if the supervisor of industrial insurance determines that, at the time of filing or reopening, the worker is voluntarily retired and is no longer attached to the work force, benefits shall not be paid under this section.

(7) The benefits provided by this section are subject to modification under RCW 51.32.067.

Sec. 3. RCW 51.32.090 and 1988 c 161 s 4 are each amended to read as follows:

(1) When the total disability is only temporary, the schedule of payments contained in RCW 51.32.060 (1) and (2) shall apply, so long as the total disability continues.

(2) Any compensation payable under this section for children not in the custody of the injured worker as of the date of injury shall be payable only to such person as actually is providing the support for such child or children pursuant to the order of a court of record providing for support of such child or children.

(3) As soon as recovery is so complete that the present earning power of the worker, at any kind of work, is restored to that existing at the time of the occurrence of the injury, the payments shall cease. If and so long as the present earning power is only partially restored, the payments shall continue in the proportion which the new earning power shall bear to the old. No compensation shall be payable unless the loss of earning power shall exceed five percent.

(4) Whenever an employer requests that a worker who is entitled to temporary total disability under this chapter be certified by a physician as able to perform available work other than his or her usual work, the employer shall furnish to the physician, with a copy to the worker, a statement describing the available work in terms that will enable the physician to relate the physical activities of the job to the worker's disability. The physician shall then determine whether the worker is physically able to perform the work described. If the worker is released by his or her physician for said work, and the work thereafter comes to an end before the worker's recovery is sufficient in the

judgment of his or her physician to permit him or her to return to his or her usual job, or to perform other available work, the worker's temporary total disability payments shall be resumed. Should the available work described, once undertaken by the worker, impede his or her recovery to the extent that in the judgment of his or her physician he or she should not continue to work, the worker's temporary total disability payments shall be resumed when the worker ceases such work.

Once the worker returns to work under the terms of this subsection, he or she shall not be assigned by the employer to work other than the available work described without the worker's written consent, or without prior review and approval by the worker's physician.

In the event of any dispute as to the worker's ability to perform the available work offered by the employer, the department shall make the final determination.

(5) No worker shall receive compensation for or during the day on which injury was received or the three days following the same, unless his or her disability shall continue for a period of fourteen consecutive calendar days from date of injury: PROVIDED, That attempts to return to work in the first fourteen days following the injury shall not serve to break the continuity of the period of disability if the disability continues fourteen days after the injury occurs.

(6) Should a worker suffer a temporary total disability and should his or her employer at the time of the injury continue to pay him or her the wages which he or she was earning at the time of such injury, such injured worker shall not receive any payment provided in subsection (1) of this section during the period his or her employer shall so pay such wages.

(7) In no event shall the monthly payments provided in this section exceed ~~((one hundred percent))~~ the applicable percentage of the average monthly wage in the state as computed under the provisions of RCW 51.08.018((-)) as follows:

<u>AFTER</u>	<u>PERCENTAGE</u>
<u>June 30, 1993</u>	<u>105%</u>
<u>June 30, 1994</u>	<u>110%</u>
<u>June 30, 1995</u>	<u>115%</u>
<u>June 30, 1996</u>	<u>120%</u>

(8) If the supervisor of industrial insurance determines that the worker is voluntarily retired and is no longer attached to the work force, benefits shall not be paid under this section.

NEW SECTION. **Sec. 4.** This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect July 1, 1993.

Passed the House April 20, 1993.

Passed the Senate April 15, 1993.

Approved by the Governor May 18, 1993.

Filed in Office of Secretary of State May 18, 1993.

WASHINGTON LAWS

1993 FIRST SPECIAL SESSION

1993 FIRST SP. SESSION

CHAPTER 1

[Second Engrossed Substitute House Bill 1524]

SUPPLEMENTAL OPERATING BUDGET, 1991-1993

Effective Date: 5/18/93

AN ACT Relating to fiscal matters; amending 1991 sp.s. c 16 ss 126, 201, 221, 225, 317, and 802 (uncodified); amending 1992 c 232 ss 112, 113, 117, 118, 129, 134, 136, 139, 141, 152, 201, 202, 203, 205, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 222, 224, 228, 229, 230, 232, 303, 306, 307, 311, 312, 313, 314, 402, 502, 503, 504, 505, 506, 508, 509, 510, 511, 513, 514, 517, 518, 520, 613, 706, 707, 708, and 802 (uncodified); amending 1992 c 238 ss 1, 2, 3, 4, and 6 (uncodified); adding new sections to Laws of 1991 sp.s. c 16 (uncodified); adding a new section to chapter 43.105 RCW; creating new sections; repealing 1992 c 239 s 5 (uncodified); repealing 1992 c 232 s 705 (uncodified); repealing 1992 c 232 s 712 (uncodified); repealing 1991 sp.s. c 16 s 716 (uncodified); prescribing penalties; making appropriations; and declaring an emergency.

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

PART I

GENERAL GOVERNMENT

Sec. 101. 1992 c 232 s 112 is amended to read as follows:

FOR THE COMMISSION ON JUDICIAL CONDUCT

General Fund Appropriation	..... \$	((955,000))
		<u>1,000,000</u>

Sec. 102. 1992 c 232 s 113 (uncodified) is amended to read as follows:

FOR THE ADMINISTRATOR FOR THE COURTS

General Fund Appropriation	..... \$	((27,687,000))
		<u>27,921,000</u>
Public Safety and Education		
Account Appropriation	..... \$	26,352,000
Judicial Information System		
Account Appropriation	..... \$	200,000
Drug Enforcement and Education Account		
Appropriation	..... \$	850,000
TOTAL APPROPRIATION	..... \$	((55,089,000))
		<u>55,323,000</u>

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

(1) ~~\$((20,850,000))~~ 21,084,000 of the general fund appropriation is provided solely for the superior court judges program. Of this amount, a maximum of \$150,000 may be used to reimburse county superior courts for superior court judges temporarily assigned to other counties that are experiencing large and sudden surges in criminal filings. Reimbursement shall be limited to per diem and travel expenses of assigned judges.

(2) \$1,744,000 of the public safety and education account appropriation is provided solely to install the district court information system (DISCIS) at forty-two district court sites. When providing equipment upgrades to an existing site,

an equal amount of local matching funds shall be provided by the local jurisdictions.

(3) \$217,000 of the public safety and education account appropriation is provided solely to contract with the state board for community college education to pay for court interpreter training classes in at least six community colleges for a total of at least 200 financially needy students, who shall be charged reduced tuition based on level of need. Other students may be served by charging the full tuition needed to recover costs.

(4) \$688,000 of the general fund appropriation is provided solely to implement chapter 127, Laws of 1991 (Second Substitute Senate Bill No. 5127, foster care citizen review).

(5) \$6,507,000 of the public safety and education account appropriation and \$850,000 of the drug enforcement and education account appropriation are provided solely for the continuation of treatment-alternatives-to-street-crimes (TASC) programs in Pierce, Snohomish, Clark, King, Spokane, and Yakima counties.

(6) In implementing the cost reduction measures required by this act, the administrator for the courts may enter into agreements with other judicial agencies to make efficient and effective use of available financial resources within the judicial branch.

(7) \$345,000 of the general fund—state appropriation is provided solely for implementation of Substitute House Bill No. 2459. The amount provided in this subsection is contingent on enactment of Substitute House Bill No. 2459 (superior court judges) and House Bill No. 2887 or 2997 (appellate court filing fees). If neither House Bill No. 2887 or 2997 is enacted by June 30, 1992, the amount provided in this subsection shall lapse.

(8) \$10,000 of the general fund appropriation is provided solely for the jury source list task force to continue to develop methodology and standards for merging the list of registered voters with the list of licensed drivers and identocard holders to form an expanded jury source list for use in the state. The task force shall include the department of information services. By November 2, 1992, the task force shall report its recommendations to the supreme court and the appropriate committees of the legislature. However, if Substitute House Bill No. 2945 is enacted by June 30, 1992, the amount provided in this subsection is provided solely to implement the bill.

Sec. 103. 1992 c 232 s 117 is amended to read as follows:

FOR THE PUBLIC DISCLOSURE COMMISSION

General Fund Appropriation	\$	((1,762,000))
		<u>1,842,000</u>

Sec. 104. 1992 c 232 s 118 is amended to read as follows:

FOR THE SECRETARY OF STATE

General Fund Appropriation	\$	((8,038,000))
		<u>12,480,081</u>

Archives and Records Management Account

Appropriation	\$	3,522,000
Savings Recovery Account Appropriation	\$	569,000
TOTAL APPROPRIATION	\$	((12,129,000))
		<u>16,571,081</u>

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

(1) ~~\$(809,000)~~ 4,330,000 of the general fund appropriation is provided solely to reimburse counties for the state's share of presidential preference, primary, and general election costs and the costs of conducting mandatory recounts on state measures.

(2) ~~\$(2,949,000)~~ 3,384,000 of the general fund appropriation is provided solely for the verification of initiative and referendum petitions, maintenance of related voter registration records, legal advertising of state measures, and the publication and distribution of the voters and candidates pamphlet.

NEW SECTION. **Sec. 105.** A new section is added to chapter 16, Laws of 1991 sp.s. to read as follows:

FOR THE ATTORNEY GENERAL

General Fund Appropriation	\$	239,000
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The appropriation in this section is subject to the following conditions and limitations: The appropriation is provided solely for defending tribal shellfish litigation (*U.S. v. Washington*, subproceeding 89-3).

Sec. 106. 1991 sp.s. c 16 s 126 is amended to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT

General Fund—State Appropriation	\$	((20,563,000))
		<u>19,345,000</u>
General Fund—Federal Appropriation	\$	101,000
Savings Recovery Account Appropriation	\$	1,932,000
Public Safety and Education Account		
Appropriation	\$	290,000
Motor Vehicle Fund Appropriation	\$	108,000
TOTAL APPROPRIATION	\$	((22,994,000))
		<u>21,776,000</u>

The appropriations in this section are subject to the following conditions and limitations: The appropriations in this section include amounts sufficient to implement section 13 of chapter 36, Laws of 1991 (Engrossed Substitute House Bill No. 1608, children's mental health).

Sec. 107. 1992 c 232 s 129 is amended to read as follows:

FOR THE DEPARTMENT OF PERSONNEL

Department of Personnel Service Fund		
Appropriation	\$	((16,749,000))

16,771,000

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

(1) \$65,000 is provided solely to increase advertising for employment opportunities with the state.

(2) \$163,000 is provided solely to implement management excellence initiatives to improve selection criteria, performance evaluations, and training assessments for state managers.

Sec. 108. 1992 c 232 s 134 is amended to read as follows:

FOR THE DEPARTMENT OF RETIREMENT SYSTEMS—OPERATIONS

Department of Retirement Systems Expense Fund

Appropriation \$ 29,076,000

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

(1) \$2,403,000 is provided solely for information systems projects known by the following names or successor names: Support of member database, support of audit, and audit of member files. Authority to expend this amount is conditioned on compliance with section 902, chapter 16, Laws of 1991 sp. sess. The department shall report to the fiscal committees of the senate and house of representatives on the status of the member database project by January 15, 1992.

(2) ~~\$(1,077,000)~~ 907,000 is provided solely for the one-time implementation costs of Engrossed Substitute House Bill No. 2947 (early retirement), including the preparation of information on early retirement by the combined benefits communications project. ~~((If the bill is not enacted by June 30, 1992, the amount provided in this subsection shall lapse.))~~

(3) \$170,000 is provided solely for the one-time implementation costs of the 1993 early retirement legislation. If the legislation is not enacted by June 30, 1993, this amount shall lapse.

Sec. 109. 1992 c 232 s 136 is amended to read as follows:

FOR THE DEPARTMENT OF REVENUE

General Fund Appropriation	\$	((96,370,000))
		<u>96,802,000</u>
Timber Tax Distribution Account Appropriation	\$	4,241,000
State Toxics Control Account Appropriation	\$	((90,000))
		<u>83,115</u>
Solid Waste Management Account Appropriation	\$	82,000
Pollution Liability Reinsurance Trust Account		
Appropriation	\$	226,000
Vehicle Tire Recycling Account Appropriation	\$	122,000
Air Operating Permit Account Appropriation	\$	42,000

Oil/Hazardous Substance Cleanup Account		
Appropriation	\$	27,000
Litter Control Account Appropriation	\$	96,000
TOTAL APPROPRIATION	\$	((101,296,000))
		<u>101,721,115</u>

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

(1) \$4,145,000 of the general fund appropriation is provided solely for the information systems project known as "taxpayer account integration management". Authority to expend this amount is conditioned on compliance with section 902, chapter 16, Laws of 1991 sp. sess.

(2) \$584,000 of the general fund appropriation is provided solely to reimburse counties for property tax revenue losses resulting from enactment of chapters 203, 213, and 219, Laws of 1991 (Substitute Senate Bill No. 5110, House Bill No. 1299, House Bill No. 1642; senior citizens' tax exemptions).

(3) \$168,000 of the general fund appropriation is provided solely for the implementation of chapter 218, Laws of 1991 (Substitute House Bill No. 1301, property tax administrative practices).

(4) \$100,000 of the general fund appropriation is provided solely for the implementation of Substitute House Bill No. 2672 (cellular phone study). If the bill is not enacted by June 30, 1992, the amount provided in this subsection shall lapse.

(5) \$432,000 of the general fund appropriation is provided solely for defense of the state in legal actions involving utility litigation relating to property tax.

(6) The entire litter control account appropriation is provided solely for the implementation of House Bill No. 2635 (litter/recycling assessment). If the bill is not enacted by June 30, 1992, the amount provided in this subsection shall lapse.

Sec. 110. 1992 c 232 s 139 is amended to read as follows:

FOR THE UNIFORM LEGISLATION COMMISSION

General Fund—State Appropriation	\$	((42,000))
		<u>46,000</u>

Sec. 111. 1992 c 232 s 141 is amended to read as follows:

FOR THE DEPARTMENT OF GENERAL ADMINISTRATION

General Fund—State Appropriation	\$	((4,467,000))
		<u>5,207,000</u>
General Fund—Federal Appropriation	\$	1,649,000
General Fund—Private/Local Appropriation	\$	274,000
Savings Recovery Account Appropriation	\$	1,070,000
Risk Management Account Appropriation	\$	1,151,000
Motor Transport Account Appropriation	\$	8,568,000
Central Stores Revolving Account Appropriation	\$	3,965,000
<u>Industrial Insurance Premium Refund Account</u>	<u>\$</u>	<u>18,514</u>

Air Pollution Control Account Appropriation	\$	111,000
General Administration Facilities and Services		
Revolving Fund Appropriation	\$	20,749,000
TOTAL APPROPRIATION	\$	((42,004,000))
		<u>42,762,514</u>

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

(1) \$22,000 of the motor transport account appropriation and \$111,000 of the air pollution control account appropriation are provided solely to implement the department's responsibilities under chapter 199, Laws of 1991 (Engrossed Substitute House Bill No. 1028, air quality).

(2) ~~\$(2,850,000)~~ 2,176,000 of the motor transport account appropriation is provided solely for replacement of motor vehicles through the state treasurer's financing contract program under chapter 39.94 RCW. The department may acquire new motor vehicles only to replace and not to increase the number of motor vehicles within the department's fleet.

(3) \$3,965,000 of the central stores revolving fund appropriation is provided solely for the purchasing and contract administration activities of the office of state procurement, division of purchasing, as provided in RCW 43.19.1923. Of this amount \$155,000 is provided solely to implement chapter 297, Laws of 1991 (Second Substitute Senate Bill No. 5143, purchasing recycled goods).

(4) \$117,000 of the general administration facilities and services revolving fund appropriation is provided solely to assist state agencies in processing asbestos claims.

(5) The department shall develop a consolidated mail service to handle all incoming mail in the 98504 zip code area, as well as all outgoing mail of executive branch agencies in the Olympia, Tumwater, and Lacey area, as determined by the director of general administration. Upon request, the department shall also provide outgoing mail services to legislative and judicial agencies in the Olympia, Tumwater, and Lacey area. For purposes of administering the consolidated mail service, the director shall:

(a) Determine the nature and extent of agency participation in the service, including the phasing of participation;

(b) Subject to the approval of the director of financial management and in compliance with applicable personnel laws, transfer employees and equipment from other agencies to the department when the director determines that such transfers will further the efficiency of the consolidated mail service. The director of financial management shall ensure that there are no net increases in state-wide staffing levels as a result of providing services currently being performed by state agencies through the consolidated mail service;

(c) Periodically assess charges on participating agencies to recover the cost of providing consolidated mail services;

(d) Accurately account for all costs incurred in implementation of the consolidated mail operation, and document any cost savings or avoidances; and

(e) By September 1, 1992, report to the appropriate committees of the legislature on the implementation of the service, including documentation of cost savings or avoidances achieved from the consolidation of mail services during fiscal year 1992.

Sec. 112. 1992 c 232 s 152 is amended to read as follows:

FOR THE MILITARY DEPARTMENT

General Fund—State Appropriation	\$	((8,906,000))
		<u>8,960,000</u>
General Fund—Federal Appropriation	\$	7,582,000
General Fund—Private/Local Appropriation	\$	180,000
TOTAL APPROPRIATION	\$	((16,668,000))
		<u>16,722,000</u>

The appropriations in this section are subject to the following conditions and limitations: \$10,000 of the general fund—state appropriation is provided to the public affairs office for headquarters STARC, Camp Murray, Washington air national guard solely for the purpose of a publication to assist in the recruitment and retention of the Washington national guard.

**PART II
HUMAN SERVICES**

Sec. 201. 1991 sp.s. c 16 s 201 is amended to read as follows:

FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES

(1) ~~((Appropriations made in this act to the department of social and health services shall initially be allotted as required by this act. Subsequent allotment modifications shall not include transfers of moneys between sections of this act except as expressly provided in this act, nor shall allotment modifications permit moneys that are provided solely for a specified purpose to be used for other than that purpose))~~ The appropriations in sections 201 through 218 of chapter 16, Laws of 1991 1st sp. sess., as amended, shall be expended for the programs and in the amounts listed in those sections. However, after May 1, 1993, unless specifically prohibited by this act, the department may transfer moneys among programs and among amounts provided under conditions and limitations after approval by the director of financial management. The director of financial management shall notify the appropriate fiscal committees of the senate and house of representatives in writing prior to approving any deviation from the appropriation levels and any deviation from conditions and limitations.

(2) The department of social and health services shall not initiate any services that will require expenditure of state general fund moneys unless expressly authorized in this act or other law, or unless the services were provided on March 1, 1991. The department may seek, receive, and spend, under RCW 43.79.260 through 43.79.282, federal moneys not anticipated in this act as long

as the federal funding does not require expenditure of state moneys for the program in excess of amounts anticipated in this act. If the department receives unanticipated unrestricted federal moneys, those moneys shall be spent for services authorized in this act, and an equal amount of appropriated state general fund moneys shall lapse. As used in this subsection, "unrestricted federal moneys" includes block grants and other funds that federal law does not require to be spent on specifically defined projects or matched on a formula basis by state funds.

(3) Appropriations in this act derived from the \$31,600,000 federal child care block grant and the Title IV-A grant are subject to the following conditions and limitations:

(a) \$13,290,000 is provided solely for vendor rate increases for child care facilities. Increases by cluster shall result in rates set at a uniform percentile of child care provider rates across clusters. Rates set by other methods shall result in the same percentage increase as the state-wide average increase for rates set by cluster. The department shall transfer rate increase funds among child care programs as necessary to maintain a uniform rate policy.

(b) \$1,000,000 is provided solely to contract with eligible providers for specialized child care and respite care for children of homeless parents. Providers shall demonstrate that licensed child-care facilities are available to provide specialized child care for children under six years of age. Respite child-care providers shall demonstrate that respite child care is available for children under six years of age and shall submit to a felony background check through the state patrol. Child-care services provided by shelters shall be subject to department of community development rules on applicant eligibility criteria. The total allocation to providers within a county shall be not less than twenty-five thousand dollars per fiscal year in counties that had at least one hundred children under the age of five served in emergency shelters for the preceding year as reported by the department of community development and not less than ten thousand dollars for all other counties. If Substitute Senate Bill No. 5653 (homeless child care) is enacted by July 31, 1991, the amount provided in this subsection is provided solely to implement the bill.

(c) \$450,000 of this amount shall be deposited in the child care facility revolving fund for loans or grants to assist persons, businesses, or organizations to start or operate a licensed child care facility to the extent permitted by federal law, pursuant to chapter 248, Laws of 1991 (Substitute Senate Bill No. 5583, child care facility fund).

(d) \$100,000 is provided solely for licensing and regulation activities of the department of social and health services.

(e) \$100,000 is provided solely for data collection, evaluation, and reporting activities of the department of social and health services.

(f) \$4,609,000 is provided solely to increase child care slots for low-income families.

(g) \$100,000 is provided solely for transfer through interagency agreement to the department of health to fund increased child care licensing workload.

Sec. 202. 1992 c 232 s 201 is amended to read as follows:

**FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—
CHILDREN AND FAMILY SERVICES PROGRAM**

General Fund—State Appropriation	\$	((277,041,000))
		<u>276,734,000</u>
General Fund—Federal Appropriation	\$	((171,473,000))
		<u>179,051,000</u>
Drug Enforcement and Education		
Account Appropriation	\$	4,000,000
Public Safety and Education		
Account Appropriation	\$	2,418,000
TOTAL APPROPRIATION	\$	((454,932,000))
		<u>462,203,000</u>

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

(1) \$607,000 of the general fund—state appropriation is provided solely to implement chapter 364, Laws of 1991 (Engrossed Substitute Senate Bill No. 5025, youth and family services) subject to the following conditions and limitations.

(a) \$94,000 of this amount is provided solely for an evaluation of family reconciliation services pursuant to section 1, chapter 364, Laws of 1991 (Engrossed Second Substitute Senate Bill No. 5025, youth and family services).

(b) \$513,000 is provided solely to expand family reconciliation services.

(2) \$2,949,000 of the general fund—state appropriation and \$691,000 of the general fund—federal appropriation are provided solely for vendor rate increases of two percent on July 1, 1992, and five percent on January 1, 1993, for children’s out-of-home residential providers except interim care, including but not limited to foster parents and child placement agencies, and ~~((3-1))~~ two percent on July 1, 1992, and three percent on January 1, 1993, for other providers, except child care providers.

(3) \$1,150,000 of the general fund—state appropriation is provided solely to implement a therapeutic home program under section 2 of chapter 326, Laws of 1991 (Engrossed Substitute House Bill No. 1608, children’s services).

(4) \$500,000 of the general fund—state appropriation is provided solely to implement chapter 283, Laws of 1991 (Second Substitute Senate Bill No. 5341, foster parent liability insurance).

(5) \$110,000 of the general fund—state appropriation is provided solely for volunteers of America of Spokane’s crosswalk project.

(6) \$3,300,000 of the general fund—state appropriation is provided solely for direct services provided by four existing continuum of care projects.

(7) \$900,000 of the drug enforcement and education account appropriation and \$300,000 of the general fund—state appropriation are provided solely to contract for the operation of one pediatric interim care facility. The facility shall provide residential care for up to twelve children through two years of age. Seventy-five percent of the children served by the facility must be in need of special care as a result of substance abuse by their mothers. The facility also shall provide on-site training to biological, adoptive, or foster parents. The facility shall provide at least three months of consultation and support to parents accepting placement of children from the facility. The facility may recruit new and current foster and adoptive parents for infants served by the facility. The department shall not require case management as a condition of the contract. The department shall solicit proposals from current pediatric interim care providers. The department shall select a provider from among the current pediatric interim care providers through an accelerated selection process by August 15, 1991. The contract shall be awarded by August 15, 1991.

(8) \$700,000 of the general fund—state appropriation and \$299,000 of the drug enforcement and education account appropriation are provided solely for up to three nonfacility based programs for the training, consultation, support, and recruitment of biological, foster, and adoptive parents of children through age three in need of special care as a result of substance abuse by their mothers, except that each program may serve up to three medically fragile nonsubstance-abuse-affected children. In selecting nonfacility based programs, preference shall be given to programs whose federal or private funding sources have expired or have successfully performed under the existing pediatric interim care program. The department shall select providers under this subsection using an accelerated selection process, to be completed no later than August 15, 1991.

(9) The amounts in subsections (7) and (8) of this section may be used to continue the existing pediatric interim care programs through August 15, 1991.

(10) \$100,000 of the public safety and education account is provided solely to implement sections 11 and 12, chapter 301, Laws of 1991 (Engrossed Substitute House Bill No. 1884, domestic violence programs).

(11) Up to \$25,000 of the general fund—state appropriation is provided to implement section 7 of chapter 301, Laws of 1991 (Substitute House Bill No. 1884, domestic violence programs).

(12) \$1,500,000 of the general fund—state appropriation is provided solely for increased funding for domestic violence programs.

(13) \$480,000 of the general fund—state appropriation is provided solely for purchase of service and for grants to nonprofit child placement agencies licensed under chapter 74.15 RCW to recruit potential adoptive parents for, and place for adoption, children with physical, mental, or emotional disabilities, children who are part of a sibling group, children over age 10, and minority or limited English-speaking children.

(14) \$1,000,000 of the general fund—state appropriation is provided solely for the transfer of children who are inappropriately housed in crisis residential centers to residential services designed to meet their specific needs.

(15) \$30,000 of the general fund—state appropriation is provided solely to fund follow-up research on the Childhaven therapeutic childcare study.

Sec. 203. 1992 c 232 s 202 is amended to read as follows:

**FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—
JUVENILE REHABILITATION PROGRAM**

(1) COMMUNITY SERVICES

General Fund—State Appropriation	\$	((53,246,000))
		<u>50,377,000</u>
General Fund—Federal Appropriation	\$	135,000
Drug Enforcement and Education		
Account Appropriation	\$	1,762,000
TOTAL APPROPRIATION	\$	((55,143,000))
		<u>52,274,000</u>

The appropriations in this subsection are subject to the following conditions and limitations: \$670,000 of the general fund—state appropriation is provided solely to provide vendor rate increases of two percent on July 1, 1992, and five percent on January 1, 1993, to juvenile rehabilitation group homes, and two percent on July 1, 1992, and three percent on January 1, 1993, for other vendors.

(2) INSTITUTIONAL SERVICES

General Fund—State Appropriation	\$	((57,750,000))
		<u>60,291,000</u>
General Fund—Federal Appropriation	\$	949,000
Drug Enforcement and Education		
Account Appropriation	\$	940,000
TOTAL APPROPRIATION	\$	((59,639,000))
		<u>62,180,000</u>

(3) PROGRAM SUPPORT

General Fund Appropriation	\$	((2,996,000))
		<u>3,014,000</u>
Drug Enforcement and Education Account		
Appropriation	\$	342,000
TOTAL APPROPRIATION	\$	((3,338,000))
		<u>3,356,000</u>

The appropriations in this subsection are subject to the following conditions and limitations: \$90,000 of the general fund—state appropriation is provided solely to implement chapter 234, Laws of 1991 (Second Substitute Senate Bill No. 5167, juvenile justice act), including section 2 of the act.

Sec. 204. 1992 c 232 s 203 is amended to read as follows:

**FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—
MENTAL HEALTH PROGRAM**

(1) COMMUNITY SERVICES/REGIONAL SUPPORT NETWORKS

General Fund—State Appropriation	\$	((219,896,000))
		<u>220,467,000</u>
General Fund—Federal Appropriation	\$	((409,490,000))
		<u>125,492,000</u>
General Fund—Local Appropriation	\$	((3,360,000))
		<u>8,828,000</u>
TOTAL APPROPRIATION	\$	((332,746,000))
		<u>354,787,000</u>

The appropriations in this subsection are subject to the following conditions and limitations:

(a) \$3,444,000 of the general fund—state appropriation and \$1,602,000 of the general fund—federal appropriation are provided solely for vendor rate increases of two percent on July 1, 1992, and three percent on January 1, 1993.

(b) \$23,971,000 of the general fund—state appropriation and \$250,000 of the general fund—federal appropriation are provided for the continued implementation of chapter 206, Laws of 1989, as amended, and other community enhancements. Of this amount:

(i) \$6,400,000 is provided solely to implement sections 1(16) and 2(8) of chapter 262, Laws of 1991 (Second Substitute Senate Bill No. 5667, evaluation/treatment access).

(ii) \$400,000 of the general fund—state appropriation is provided solely for Pierce county for costs related to the administration of the involuntary treatment act.

(iii) \$9,582,000 is provided solely to expand mental health service capacity in a manner to be determined by the regional support networks. However, community services that will reduce the populations of the state hospitals shall have first priority for these funds.

(iv) \$1,900,000 of the general fund—state appropriation is provided solely for regional support networks for acquisition and implementation of local management information systems in compliance with RCW 71.24.035. These information systems shall assure exchange of state required core data concerning mental health programs. The department of social and health services shall contract with regional support networks for these information systems.

(v) \$1,600,000 of the general fund—state appropriation is provided solely for an integrated information system which allows for assured exchange of state required core data in compliance with RCW 71.24.035. Authority to expend these funds is conditioned on compliance with section 902 of this act.

(vi) \$589,000 of the general fund—state appropriation is provided solely to establish the Grays Harbor regional support network by January 1, 1992.

(vii) \$500,000 of the general fund—state appropriation is provided solely to implement section 14, chapter 326, Laws of 1991 (Engrossed Substitute House Bill No. 1608, services for children).

(viii) \$500,000 of the general fund—state appropriation and \$250,000 of the general fund—federal appropriation are provided solely for up to five performance-based contracts for the delivery of children’s mental health services with regional support networks that have developed interagency children’s mental health services delivery plans. To be eligible for a contract, the interagency children’s mental health services delivery plan shall:

(A) Involve the major child-serving systems, including education, child welfare, and juvenile justice, in the county or counties served by the regional support network, in a coordinated system for delivery of children’s mental health services; and

(B) Include mechanisms for interagency case planning, where necessary, that do not result in duplicative case management, to meet the mental health needs of children served through the plan.

(c) ~~\$(+500,000)~~ 2,571,000 of the general fund—state appropriation is provided solely for transportation services.

(d) \$2,000,000 of the general fund—state appropriation is provided solely to enroll an additional four counties in the regional support network program by January 1993.

(2) INSTITUTIONAL SERVICES

General Fund—State Appropriation	\$	((193,404,000))
		<u>193,351,000</u>
General Fund—Federal Appropriation	\$	((62,735,000))
		<u>68,735,000</u>
TOTAL APPROPRIATION	\$	((256,139,000))
		<u>262,086,000</u>

(3) CIVIL COMMITMENT

General Fund—State Appropriation	\$	((4,908,000))
		<u>4,383,000</u>

(4) SPECIAL PROJECTS

General Fund—State Appropriation	\$	1,889,000
General Fund—Federal Appropriation	\$	((2,966,000))
		<u>2,629,000</u>
TOTAL APPROPRIATION	\$	((4,855,000))
		<u>4,518,000</u>

The appropriations in this subsection are subject to the following conditions and limitations: \$31,000 of the general fund—state appropriation is provided solely for vendor rate increases of two percent on July 1, 1992, and three percent on January 1, 1993.

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(5) PROGRAM SUPPORT

General Fund—State Appropriation	\$	((5,959,000))
		<u>5,296,000</u>
General Fund—Federal Appropriation	\$	((1,867,000))
		<u>2,185,000</u>
TOTAL APPROPRIATION	\$	((7,826,000))
		<u>7,481,000</u>

The appropriations in this section are subject to the following conditions and limitations: \$338,000 from the general fund—state appropriation is provided solely for transfer by interagency agreement to the University of Washington for an evaluation of mental health reform. The legislative budget committee shall review the evaluation work plan and deliverables. The indirect cost rate for this study shall be the same as that for the first steps evaluation.

Sec. 205. 1992 c 232 s 205 is amended to read as follows:

**FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—
DEVELOPMENTAL DISABILITIES PROGRAM**

(1) COMMUNITY SERVICES

General Fund—State Appropriation	\$	((183,785,000))
		<u>175,431,000</u>
General Fund—Federal Appropriation	\$	((113,221,000))
		<u>99,904,000</u>
TOTAL APPROPRIATION	\$	((297,006,000))
		<u>275,335,000</u>

The appropriations in this subsection are subject to the following conditions and limitations:

(a) \$500,000 of the general fund—state appropriation, or as much thereof as may be necessary, is provided solely for tenant or intensive tenant support services for clients of group homes of over fifteen clients that demonstrate difficulty in meeting departmental standards.

(b) \$631,000 of the general fund—state appropriation and \$815,000 of the general fund—federal appropriation are provided solely for community-based residential programs for twelve clients under the care of the united cerebral palsy intermediate care facility for the mentally retarded.

(c) \$1,500,000 of the general fund—state appropriation is provided solely for the family support services program.

(d) \$4,674,000 of the general fund—state appropriation and \$4,674,000 of the general fund—federal appropriation are provided solely for community-based residential programs for up to seventy-three clients who during the 1991-93 biennium transfer from residential habilitation centers.

(e) \$400,000 of the general fund—state appropriation is provided solely for costs related to additional case management.

(f) \$800,000 of the general fund—state appropriation and \$800,000 of the general fund—federal appropriation are provided solely for emergency

community residential placements in lieu of placement at residential habilitation centers.

(2) INSTITUTIONAL SERVICES

General Fund—State Appropriation	\$	((141,371,000))	
			<u>144,718,000</u>
General Fund—Federal Appropriation	\$	((181,440,000))	
			<u>185,928,000</u>
TOTAL APPROPRIATION	\$	((322,811,000))	<u>330,646,000</u>

The appropriations in this subsection are subject to the following conditions and limitations:

(a) The general fund—state appropriation shall be reduced by the amount that has been expended as of the effective date of this act from the appropriation under section 207, chapter 16, Laws of 1991 sp. sess.

(b) \$100,000 of the general fund—state appropriation is provided solely for enhanced staff training.

(3) PROGRAM SUPPORT

General Fund—State Appropriation	\$	((5,585,000))	
			<u>5,458,000</u>
General Fund—Federal Appropriation	\$	((1,001,000))	
			<u>1,018,000</u>
TOTAL APPROPRIATION	\$	((6,586,000))	<u>6,476,000</u>

The appropriations in this section are subject to the following conditions and limitations: \$1,015,000 of the general fund—state appropriation is provided solely to establish five regional centers representing all areas of the state and to provide grants to nonprofit community-based organizations to provide services for the deaf in each region. If Substitute Senate Bill No. 5458 (regional deaf centers) is enacted by July 31, 1991, the amount provided in this subsection is provided solely to implement the bill.

Sec. 206. 1992 c 232 s 210 is amended to read as follows:

**FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—
LONG-TERM CARE SERVICES**

General Fund—State Appropriation	\$	((538,176,000))	
			<u>529,198,000</u>
General Fund—Federal Appropriation	\$	((643,550,000))	
			<u>621,378,000</u>
TOTAL APPROPRIATION	\$	((1,181,726,000))	<u>1,150,576,000</u>

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

(1) Nursing home rates shall be adjusted for inflation under RCW 74.46.495 by 3.1 percent on July 1, 1991, and 3.4 percent on July 1, 1992.

(2) \$1,000,000 of the general fund—state appropriation is provided solely to increase the capacity of the chore services program.

(3) At least \$16,015,400 of the general fund—state appropriation shall initially be allotted for implementation of the senior citizens services act. However, at least \$1,290,300 of this amount shall be used solely for programs that use volunteer workers for the provision of chore services to persons whose need for chore services is not being met by the chore services programs.

(4) \$714,000 of the general fund—state appropriation is provided solely to continue funding for the volunteer chore services program.

(5) \$3,387,000 of the general fund—state appropriation and \$1,668,000 of the general fund—federal appropriation are provided solely for vendor rate increases of two percent on July 1, 1992, and three percent on January 1, 1993.

(6) \$5,001,000 of the general fund—state appropriation and \$3,751,000 of the general fund—federal appropriation are provided solely for salary and wage increases for chore workers (both contracted and individual providers), COPEs workers (agency and individual providers), Title XIX personal care contracted workers, and respite care workers.

(7) \$1,477,000 of the general fund—state appropriation and \$1,748,000 of the general fund—federal appropriation are provided solely for increases in the assisted living program.

(8) \$100,000 of the general fund—state appropriation is provided solely for a prospective rate enhancement for nursing homes meeting all of the following conditions: (a) The nursing home entered into an arms-length agreement for a facility lease prior to January 1, 1980; (b) the lessee purchased the leased facility after January 1, 1980; (c) the lessor defaulted on its loan or mortgage for the assets of the facility; (d) the facility is located in a county with a 1989 population of less than 45,000 and an area more than 5,000 square miles. The rate increase shall be effective July 1, 1990. To the extent possible, the increase shall recognize the 1982 fair market value of the nursing home's assets as determined by an appraisal contracted by the department of general administration. If necessary, the increase shall be granted from state funds only. In no case shall the annual value of the rate increase exceed \$50,000. The rate adjustment in this subsection shall not be implemented if it jeopardizes federal matching funds for qualifying facilities or the long-term care program in general. Funds may be disbursed on a monthly basis.

(9) Within the appropriations in this section, the department shall implement chapter 271, Laws of 1991 (Engrossed Substitute House Bill No. 2100, nursing homes/ethnic minorities).

(10) Within the appropriations provided in this section, the department shall implement House Bill No. 2811 (AIDS nursing supply costs).

Sec. 207. 1992 c 232 s 211 is amended to read as follows:

**FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—
INCOME ASSISTANCE PROGRAM**

General Fund—State Appropriation	\$	((619,135,000))
		<u>593,340,000</u>
General Fund—Federal Appropriation	\$	((685,111,000))
		<u>718,950,000</u>
TOTAL APPROPRIATION	\$	((1,304,246,000))
		<u>1,312,290,000</u>

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

(1) Payment levels in the programs for aid to families with dependent children, general assistance, and refugee assistance shall contain an energy allowance to offset the costs of energy. The allowance shall be excluded from consideration as income for the purpose of determining eligibility and benefit levels of the food stamp program to the maximum extent such exclusion is authorized under federal law and RCW 74.08.046. To this end, up to \$230,000,000 of the income assistance payments is so designated for exemptions of the following amounts:

Family size:	1	2	3	4	5	6	7	8 or more
Exemption:	\$55	71	86	102	117	133	154	170

(2) \$563,000 of the general fund—state appropriation and \$616,000 of the general fund—federal appropriation are provided solely for a two percent vendor rate increase on July 1, 1992, and a three percent increase on January 1, 1993.

(3) ~~\$(5,182,000))~~ 4,827,000 of the general fund—state appropriation and ~~\$(5,284,000))~~ 5,812,000 of the general fund—federal appropriation are provided solely for a grant standard increase for aid for families with dependent children, the family independence program, general assistance—special and supplemental security income additional requirements, consolidated emergency assistance, and refugee assistance. The increase shall equal three percent on January 1, 1993.

(4) \$1,008,000 of the general fund—state appropriation is provided solely to implement retrospective budgeting under RCW 74.04.005(6)(b)(ii).

Sec. 208. 1992 c 232 s 212 is amended to read as follows:

**FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—
ALCOHOL AND SUBSTANCE ABUSE PROGRAM**

General Fund—State Appropriation	\$	((41,458,000))
		<u>40,101,000</u>
General Fund—Federal Appropriation	\$	((41,642,000))
		<u>44,803,000</u>
Drug Enforcement and Education Account		
State Appropriation	\$	38,236,000
TOTAL APPROPRIATION	\$	((21,336,000))
		<u>123,140,000</u>

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

(1) \$1,781,000 of the general fund—state appropriation and \$44,000 of the general fund—federal appropriation are provided solely for vendor rate increases of two percent on July 1, 1992, and three percent on January 1, 1993.

(2) \$50,000 of the general fund—state appropriation is provided solely for a program to inform clients in substance abuse programs of the consequences of the use of drugs and alcohol during pregnancy.

Sec. 209. 1992 c 232 s 213 is amended to read as follows:

**FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—
MEDICAL ASSISTANCE PROGRAM**

General Fund—State Appropriation	\$	((1,009,929,000))
		<u>1,007,523,000</u>
General Fund—Federal Appropriation	\$	((1,205,576,000))
		<u>1,264,344,000</u>
General Fund—Local Appropriation	\$	58,904,000
TOTAL APPROPRIATION	\$	((2,274,409,000))
		<u>2,330,771,000</u>

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

(1) \$5,995,000 of the general fund—state appropriation and \$6,182,000 of the general fund—federal appropriation is provided solely for a two percent vendor rate increase on July 1, 1992, and a three percent increase on January 1, 1993.

(2) \$341,000 of the general fund—state appropriation and \$370,000 of the general fund—federal appropriation is provided solely for the grant standard increase authorized in section 211 of this act.

(3) The department shall adopt measures to realize savings of \$7,500,000 in general fund—state expenditures for optional medicaid services or coverages as estimated in the March 1991 forecast estimate by the office of financial management. These limits or measures shall be effective no later than September 1, 1991, and shall be reported to the appropriate committees of the legislature by that date.

(4) The department shall establish standards for the use and frequency of use of reimbursable chiropractic services. The standards shall recognize the medical or therapeutic value of such services.

(5) The department shall continue disproportionate share payments and vendor payment advances to Harborview medical center. It is the intent of the legislature that Harborview medical center continue to be an economically viable component of the health care system and that the state’s financial interest in Harborview medical center be recognized. To this end, the legislature requests that the chair of Harborview medical center board of trustees convene a work group consisting of state legislators and county elected officials, with representa-

tion from the University of Washington board of regents and administration, to discuss alternative governance strategies. The legislature requests that by December 1, 1991, the work group submit to appropriate legislative committees recommendations to improve the structure and governance process of Harborview medical center. It is the intent of the legislature that Harborview medical center maintain its high standards of care through active participation in health research. Therefore, the legislature expects Harborview medical center to proceed with the renovation of Harborview hall.

(6) The department is authorized under 42 U.S.C. Sec. 1396b(a)(1) to pay third-party health insurance premiums for categorically needy medical assistance recipients upon a determination that payment of the health insurance premium is cost effective. In determining cost effectiveness, the department shall compare the amount, duration, and scope of coverage offered under the medical assistance program.

(7) The department shall continue variable ratable reductions for the medically indigent and general assistance—unemployable programs in effect November 1, 1988.

(8) \$14,473,000 of the general fund—state appropriation and \$17,566,000 of the general fund—federal appropriation are provided solely for the adult dental program for Title XIX categorically eligible and medically needy persons.

(9) \$125,000 of the general fund—state appropriation and \$150,000 of the general fund—federal appropriation are provided solely for a prenatal care project. The project shall be designed to triage low-income pregnant women according to health needs and to refer them through an equitable client distribution system to appropriate maternity care providers. The project shall be located in an urban county designated as a maternity care distressed area, with a high need for such services, as evidenced by the number of women unable otherwise to obtain care and by the rate of infant mortality and similar factors. The department shall give preference to existing programs that are at risk of termination due to lack of funding.

(10) Not more than \$261,000 from the appropriations in this section may be expended to implement chapter 233, Laws of 1991 (Substitute Senate Bill No. 5010, occupational therapy), subject to the adoption of savings measures by the department under subsection (3) of this section.

(11) \$435,000, of which \$217,500 is appropriated from the general fund—federal appropriation, is provided solely for transfer by interagency agreement to the University of Washington for the continuation of the first steps evaluation. The legislative budget committee shall review the evaluation progress and deliverables. Overhead on the research contract shall continue at the 1989-91 level.

(12) \$49,000,000 of the general fund—federal appropriation and \$40,000,000 of the general fund—private/local appropriation are provided solely to establish a hospital assistance program through the disproportionate share mechanism.

The program shall assist Harborview Medical Center, University of Washington Medical Center, small and rural hospitals as determined by the department.

(13) \$341,000 of the general fund—state appropriation and \$427,000 of the general fund—federal appropriation are provided solely to restore foot care services by podiatric physicians and surgeons beginning July 1, 1992.

Sec. 210. 1992 c 232 s 214 is amended to read as follows:

(1) ~~\$(29,540,000))~~ 31,193,000 is appropriated from the general fund—state and ~~\$(34,532,000))~~ 38,093,000 is appropriated from the general fund—federal for the fiscal period beginning September 1, 1991, and ending June 30, 1993, to the medical assistance program of the department of social and health services for the purpose of the payment of the components of the disproportionate share adjustment under section 9 of this act. The appropriation in this subsection shall lapse on the date that sections 1 through 4 of this act expire. Amounts that have been paid under this subsection, but are properly attributable to a period after the expiration of sections 1 through 4 of this act, shall be repaid or credited to the state as provided in rules of the department.

(2) \$13,713,000 is appropriated from the general fund—state and \$16,762,000 is appropriated from the general fund—federal for the biennium ending June 30, 1993, to the medical assistance program of the department of social and health services for the purpose of the payment of the medical indigency care components of the disproportionate share adjustment under RCW 74.09.730(1) (b) and (c).

(3) The allotments from the appropriations in this section shall be made so as to enable expenditure of the appropriations through the end of the 1991-93 biennium.

(4) The appropriations in this section are supplemental to other appropriations to the medical assistance program. The department of social and health services shall not use the moneys appropriated in this section in lieu of any other appropriations for the medical assistance program.

Sec. 211. 1992 c 232 s 215 is amended to read as follows:

**FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—
VOCATIONAL REHABILITATION PROGRAM**

General Fund—State Appropriation	\$	((16,077,000))
		<u>14,434,000</u>
General Fund—Federal Appropriation	\$	((55,803,000))
		<u>61,678,000</u>
TOTAL APPROPRIATION	\$	((71,880,000))
		<u>76,112,000</u>

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

(1) \$48,000 of the general fund—state appropriation is provided solely for vendor rate increases of two percent on July 1, 1992, and three percent on January 1, 1993.

(2) \$1,621,000 of the general fund—state appropriation and \$3,576,000 of the general fund—federal appropriation are provided solely to enhance vocational rehabilitation services.

(3) \$800,000 of the general fund—state appropriation and \$2,420,000 of the general fund—federal appropriation are provided solely for vocational rehabilitation services for severely handicapped individuals who completed a high school curriculum in 1989 or 1990, or who will complete a high school curriculum during the 1991-93 biennium.

Sec. 212. 1992 c 232 s 216 is amended to read as follows:

**FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—
ADMINISTRATION AND SUPPORTING SERVICES PROGRAM**

General Fund—State Appropriation	\$	(49,428,000)
		<u>44,601,000</u>
General Fund—Federal Appropriation	\$	(36,372,000)
		<u>39,453,000</u>
Industrial Insurance Premium Refund Account		
Appropriation	\$	80,000
TOTAL APPROPRIATION	\$	(85,880,000)
		<u>84,134,000</u>

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

(1) \$500,000 of the general fund—state appropriation is provided solely to implement section 28 of chapter 315, Laws of 1991 (Engrossed Substitute Senate Bill No. 5555, timber family support centers).

(2) The secretary shall require each regional office of the developmental disabilities division, each aging and adult field services regional office, each county alcohol and substance abuse program, and each mental health regional support network to enter into written collaborative agreements by October 1, 1992. The agreements shall define specific actions each party will take to reduce the number and length of state and local psychiatric hospitalizations by persons in the nonmental health agency's target population, including persons with developmental disabilities, persons with age-related dementia and traumatic brain injury, and persons with chemical dependencies. By November 1, 1992, the secretary shall report to the human services and appropriations committees of the house of representatives and the health and long-term care and ways and means committees of the senate on the actions each party in each regional support network catchment area will take to reduce hospitalization of each target population.

Sec. 213. 1992 c 232 s 217 is amended to read as follows:

**FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—
COMMUNITY SERVICES ADMINISTRATION PROGRAM**

General Fund—State Appropriation	\$	(193,987,000)
		<u>193,049,000</u>

General Fund—Federal Appropriation	\$	((204,785,000))
		<u>212,795,000</u>
TOTAL APPROPRIATION	\$	((398,772,000))
		<u>405,844,000</u>

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

(1) \$68,000 of the general fund—state appropriation and \$20,000 of the general fund—federal appropriation are provided solely for vendor rate increases of two percent on July 1, 1992, and three percent on January 1, 1993.

(2) \$1,748,000 of the general fund—state appropriation and \$1,748,000 of the general fund—federal appropriation are provided solely for the supplemental security income pilot project.

(3) \$500,000 of the general fund—state appropriation is provided solely to implant section 28 of Substitute Senate Bill No. 5555 (timber area assistance). If the bill is not enacted by July 31, 1991, the amount provided in this subsection shall lapse.

(4) \$249,000 of the general fund—state appropriation and \$419,000 of the general fund—federal appropriation are provided solely for development costs of the automated client eligibility system. Authority to expend these funds is conditioned on compliance with section 902 of this act.

(5) \$250,000 of the general fund—state appropriation is provided solely for the delivery of information to new immigrants and legal aliens. The program shall emphasize information needed to help these individuals become healthy, productive members of their communities.

(6) The department shall establish procedures for the timely referral of general assistance clients not meeting the criteria for supplemental security income to employment, vocational, and educational services designed to assist them in entering the work force.

(7) \$599,000 of the general fund—state appropriation and \$1,103,000 of the general fund—federal appropriation are provided solely for transfer by interagency agreement to the legislative budget committee for an independent evaluation of the family independence program as required by section 14, chapter 434, Laws of 1987.

(8) \$962,000 of the general fund—state appropriation and \$962,000 of the general fund—federal appropriation are provided solely for transfer by interagency agreement to the institute for public policy at The Evergreen State College to continue to conduct a longitudinal study for public assistance recipients, pursuant to section 14, chapter 434, Laws of 1987.

(9) \$800,000 of the general fund—state appropriation is provided solely to expand refugee services.

(10) \$600,000 of the general fund—state appropriation is provided solely for transfer by interagency agreement to the office of the superintendent of public instruction for the purpose of English as a second language courses.

(11) \$80,000 of the general fund—state appropriation and \$80,000 of the general fund—federal appropriation are provided solely for a program to inform clients in community service offices of the consequences of the use of drugs and alcohol during pregnancy.

(12) \$183,000 of the general fund—state appropriation is provided for the department’s continued administration of the development of the automated client eligibility system (ACES).

Sec. 214. 1992 c 232 s 218 is amended to read as follows:

**FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—
REVENUE COLLECTIONS PROGRAM**

General Fund—State Appropriation	\$	((46,106,000)) <u>49,958,000</u>
General Fund—Federal Appropriation	\$	((92,698,000)) <u>100,356,000</u>
General Fund—Local Appropriation	\$	280,000
Public Safety and Education Account Appropriation	\$	5,049,000
TOTAL APPROPRIATION	\$	((144,133,000)) <u>155,643,000</u>

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

(1) \$5,049,000 from the public safety and education account appropriation is provided solely to county officials to provide child support enforcement services.

(2) The department shall increase federal support for current state programs. It is the intent of the legislature that the department increase federal support by at least \$2,000,000. If necessary, the department shall retain outside experts to assist in increasing federal support.

Sec. 215. 1992 c 232 s 219 is amended to read as follows:

**FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—
PAYMENTS TO OTHER AGENCIES PROGRAM**

General Fund—State Appropriation	\$	((31,223,000)) <u>30,523,000</u>
General Fund—Federal Appropriation	\$	((11,249,000)) <u>13,280,000</u>
TOTAL APPROPRIATION	\$	((42,472,000)) <u>43,803,000</u>

Sec. 216. 1992 c 232 s 222 is amended to read as follows:

FOR THE DEPARTMENT OF COMMUNITY DEVELOPMENT

General Fund—State Appropriation	\$	((102,767,000)) <u>98,499,000</u>
General Fund—Federal Appropriation	\$	202,410,000

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General Fund—Private/Local Appropriation	\$	1,370,000
Public Safety and Education Account Appropriation . . .	\$	7,794,000
Fire Service Trust Account	\$	164,000
Building Code Council Account Appropriation	\$	974,000
Public Works Assistance Account Appropriation	\$	1,022,000
Fire Service Training Account Appropriation	\$	1,103,000
State Toxics Control Account Appropriation	\$	(726,000)
		<u>670,450</u>
Drug Enforcement and Education Account		
Appropriation	\$	4,188,000
Low Income Weatherization Account Appropriation . . .	\$	2,563,000
Washington Housing Trust Fund Appropriation	\$	13,500,000
Oil Spill Administration Account Appropriation	\$	395,000
Enhanced 911 Account Appropriation	\$	1,936,000
Water Quality Account Appropriation	\$	1,500,000
TOTAL APPROPRIATION	\$	(342,412,000)
		<u>338,088,450</u>

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

(1) \$5,331,000 of the general fund—state appropriation and \$2,500,000 of the general fund—federal appropriation are provided solely for the early childhood education and assistance program.

(2) \$970,000 of the general fund—state appropriation is provided solely for the department to offer technical assistance to timber-dependent communities in economic diversification and revitalization efforts, as authorized by section 9, chapter 314, Laws of 1991 (Engrossed Substitute House Bill No. 1341, timber-dependent communities).

(3) \$50,000 of the general fund—state appropriation is provided solely as a pass-through grant to the city of Vancouver for costs associated with the Medal of Honor project.

(4) \$3,213,000 of the general fund—state appropriation is provided solely for emergency food assistance authorized under section 201, chapter 336, Laws of 1991 (Second Substitute Senate Bill No. 5568, hunger and nutrition). Of this amount, \$2,913,000 shall be allocated by the department for the purpose of supporting the operation of food banks, food distribution programs, and tribal voucher programs, for the purchase, transportation and storage of food under the emergency food assistance program. These funds may be used to purchase food for people with special nutritional needs. The remaining \$300,000 shall be allocated to food banks in timber-dependent communities, as defined in chapter 314, Laws of 1991 (Engrossed Substitute House Bill No. 1341, timber-dependent communities).

(5) \$20,000 of the general fund—state appropriation is provided solely for a grant for the Children’s Museum.

(6) \$225,000 of the general fund—state appropriation is provided solely for continuation of the Washington state games.

(7) \$198,000 of the general fund—state appropriation is provided solely for continuation of the community economic diversification program under chapter 43.63A RCW.

(8) \$68,000 of the state building code council appropriation is provided solely to implement chapter 347, Laws of 1991 (Engrossed Substitute House Bill No. 2026, water resources management).

(9) \$12,095,000 of the general fund—state appropriation is provided solely for growth management planning grants to local governments.

(10) \$4,129,000 of the general fund—state appropriation is provided solely to implement chapter 32, Laws of 1991 sp. sess. (Engrossed Substitute House Bill No. 1025, growth management). Of the amount provided in this subsection \$2,433,000 is provided solely for planning grants to local governments additional to those provided for under subsection (9) of this section.

(11) \$7,955,000 of the general fund—federal appropriation is provided solely for the drug control and system improvement formula grant program, to be distributed in fiscal year 1992 as follows:

(a) \$4,400,000 to local units of government to continue existing local drug task forces.

(b) \$800,000 to local units of government for urban projects.

(c) \$766,000 to the department of community development to continue the state-wide drug prosecution assistance program.

(d) \$170,000 to the department of community development for a state-wide drug offense indigent defense program.

(e) \$440,000 to the department of community development for drug education programs in the common schools. The department shall give priority to programs in underserved areas. The department shall direct the funds to education programs that employ either local law enforcement officers or state troopers.

(f) \$50,000 to the Washington state patrol for data management.

(g) \$225,000 to the Washington state patrol for a technical support unit.

(h) \$375,000 to the Washington state patrol for support of law enforcement task forces.

(i) \$120,000 to the Washington state patrol for continued funding for a clandestine drug lab unit. The patrol shall coordinate activities related to the clandestine drug lab unit with the department of ecology to ensure maximum effectiveness of the program.

(j) \$150,000 to the Washington state patrol for coordination of local drug task forces.

(k) \$279,000 to the department of community development for allocation to public or private nonprofit groups or organizations with experience and expertise in the field of domestic violence, for the purpose of continuing existing domestic violence advocacy programs, providing legal and other assistance to victims and

witnesses in court proceedings, and establishing new domestic violence advocacy programs.

(l) \$180,000 to the department of community development for general administration of grants.

(12) \$8,087,000 of the general fund—federal appropriation is provided solely for the drug control and system improvement formula grant program, to be distributed in fiscal year 1993 as follows:

(a) \$4,180,000 to local units of government to continue existing local drug task forces.

(b) \$440,000 to local units of government for urban projects. The distribution shall be made through a competitive grant process administered by the department.

(c) \$749,000 to the department of community development to continue the state-wide drug prosecution assistance program.

(d) \$231,000 to the department of community development for a state-wide drug offense indigent defense program.

(e) \$300,000 to the department of community development for drug education programs in the common schools. The department shall give priority to programs in underserved areas. The department shall direct the funds to education programs that employ either local law enforcement officers or state troopers.

(f) \$50,000 to the Washington state patrol for data management.

(g) \$225,000 to the Washington state patrol for a technical support unit.

(h) \$543,000 to the Washington state patrol for support of law enforcement task forces.

(i) \$150,000 to the Washington state patrol for coordination of local drug task forces.

(j) \$200,000 to the department of community development for allocation to public or private nonprofit groups or organizations with experience and expertise in the field of domestic violence, for the purpose of continuing existing domestic violence advocacy programs, providing legal and other assistance to victims and witnesses in court proceedings, and establishing new domestic violence advocacy programs.

(k) \$225,000 to the department of community development for general administration of grants.

(l) \$140,000 to the department of community development to conduct a program evaluation in accordance with federal regulations.

(m) \$404,000 to the Washington state patrol for implementing changes in managing criminal history records in accordance with new federal standards.

(n) \$100,000 to the Washington state patrol for the crime lab program.

(o) \$150,000 to the criminal justice training commission for law enforcement training.

(p) If the department determines insufficient state match dollars are available in managing state and federal drug programs, it is the intent of the legislature

that funds appropriated to the supreme court in section 109(1) of this act be used as match, as appropriate, to ensure the receipt of all available federal funding.

(13) \$170,000 of the state toxics control account appropriation is provided solely for a contract with the Washington state patrol for continued funding of the clandestine drug lab unit. The patrol shall coordinate activities related to the clandestine drug lab unit with the department of ecology to ensure maximum effectiveness of the program.

(14) \$980,000 of the general fund—state appropriation is provided solely for continuation of the urban-rural links grant program established under the growth management act of 1990.

(15) \$395,000 of the oil spill administration account appropriation is provided solely to implement chapter 200, Laws of 1991 (Engrossed Substitute House Bill No. 1027, oil and hazardous substance spill prevention and response).

(16) \$150,000 of the general fund—state appropriation is provided solely for the Mount St. Helen's monitoring system and emergency medical services.

(17) \$290,000 of the general fund—state appropriation is provided solely to replace lost federal funds for continued support of the community development finance program.

(18) \$200,000 of the general fund—state appropriation is provided solely to continue assistance to Okanogan county to address impacts associated with tourism developments.

(19) \$46,000 of the general fund—state appropriation is provided solely to implement chapter 297, Laws of 1991 (Substitute Senate Bill No. 5143 recycled products).

(20) \$220,000 of the general fund—state appropriation is provided solely to provide technical assistance and managerial support to nonprofit community-based organizations by:

(a) Acting as a clearinghouse for and providing information and referral services;

(b) Providing management training courses designed for nonprofit managers, staff, and boards;

(c) Providing direct assistance to individual organizations;

(d) Assisting organizations in soliciting and managing volunteers; and

(e) Coordinating activities with the state volunteer center, other state agencies, local service providers, and other volunteer organizations giving similar assistance.

If Substitute Senate Bill No. 5581 (community partnership program) is enacted by July 31, 1991, the amount provided in this subsection is provided solely to implement the bill.

(21) \$40,000 of the general fund—state appropriation is provided solely to continue the circuit-rider program, which provides technical and managerial assistance to cities and counties.

(22) \$50,000 of the general fund—state appropriation is provided solely to provide technical assistance to local governments to help them implement

screening procedures, service delivery standards, and cost recovery, and the other requirements of RCW 10.101.020, 10.101.030, and 10.101.040. If Substitute Senate Bill No. 5072 (indigent defense task force) is enacted by July 31, 1991, the amount provided in this subsection is provided solely to implement the bill.

(23) \$25,000 of the general fund—state appropriation is provided solely for Washington’s share of costs associated with the Bi-State Policy Advisory Committee.

(24) \$25,000 of the general fund—state appropriation is provided solely for a contract with an organization representing persons with disabilities. Under the contract, the organization shall provide legal advocacy to ensure that the state, as trustee, is fully complying with the fiduciary duties owed to persons with disabilities, pursuant to trusts established under state and federal law.

(25) \$50,000 of the general fund—state appropriation is provided solely for the community development finance program to continue assistance to timber-dependent communities.

(26) \$545,000 of the general fund—state appropriation is provided solely for the local development matching fund program.

(27) \$135,000 of the general fund—state appropriation is provided solely for administration of the development loan fund.

(28) \$2,400,000 of the public safety and education account appropriation is provided solely for civil representation of indigent persons in accordance with Engrossed Substitute House Bill No. 1378 or House Bill No. 2997 (indigent civil legal services). If neither bill is enacted by June 30, 1992, the amount provided in this subsection shall lapse.

(29) \$50,000 of the state building code council appropriation is provided to fund training related to state building code requirements for accessibility as related to the federal fair housing amendments act of 1988 and Americans with disabilities act of 1990.

(30) \$50,000 of the general fund—state appropriation is provided solely for the department to contract for long-term care ombudsperson services.

Sec. 217. 1991 sp.s. c 16 s 221 is amended to read as follows:

FOR THE HUMAN RIGHTS COMMISSION

General Fund—State Appropriation	\$	((4,292,000))
		<u>4,047,000</u>
General Fund—Federal Appropriation	\$	942,000
General Fund—Private/Local Appropriation	\$	520,000
TOTAL APPROPRIATION	\$	((5,754,000))
		<u>5,509,000</u>

The appropriations in this section are subject to the following conditions and limitations: \$520,000 of the general fund—local/private appropriation is provided solely for the provision of technical assistance services by the department.

Sec. 218. 1992 c 232 s 224 is amended to read as follows:

FOR THE BOARD OF INDUSTRIAL INSURANCE APPEALS

Public Safety and Education Account Appropriation . . .	\$	((+07,000))
		<u>162,000</u>
Worker and Community Right-to-Know Account		
Appropriation	\$	20,000
Accident Fund Appropriation	\$	8,602,000
Medical Aid Fund Appropriation	\$	8,602,000
TOTAL APPROPRIATION	\$	((+17,331,000))
		<u>17,386,000</u>

Sec. 219. 1991 sp.s. c 16 s 225 is amended to read as follows:

FOR THE INDETERMINATE SENTENCE REVIEW BOARD

General Fund Appropriation	\$	((3,247,000))
		<u>3,079,000</u>

Sec. 220. 1992 c 232 s 228 is amended to read as follows:

FOR THE DEPARTMENT OF VETERANS AFFAIRS

General Fund—State Appropriation	\$	((22,005,000))
		<u>22,827,000</u>
General Fund—Federal Appropriation	\$	6,708,000
General Fund—Local Appropriation	\$	10,429,000
TOTAL APPROPRIATION	\$	((39,142,000))
		<u>39,964,000</u>

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

(1) \$300,000 of the general fund—state appropriation is provided solely for the expansion of services for counseling of Vietnam veterans for post-traumatic stress disorder. This counseling shall be provided in a joint effort between existing community mental health systems and the department. The department shall place a priority on the delivery of these services to minority veterans.

(2) \$((+0,092,000)) 10,632,000 of the general fund—state appropriation, \$4,269,000 of the general fund—federal appropriation, and \$7,296,000 of the general fund—local appropriation are provided solely for operation of the veterans' home at Retsil.

(3) \$((6,928,000)) 7,173,000 of the general fund—state appropriation, \$2,439,000 of the general fund—federal appropriation, and \$3,133,000 of the general fund—local appropriation are provided solely for operation of the soldiers' home and colony at Orting.

Sec. 221. 1992 c 232 s 229 is amended to read as follows:

FOR THE DEPARTMENT OF HEALTH

General Fund—State Appropriation	\$	((+32,613,000))
		<u>124,362,000</u>
General Fund—Federal Appropriation	\$	129,786,000
General Fund—Local Appropriation	\$	17,817,000

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Hospital Commission Account Appropriation	\$	2,919,000
Medical Disciplinary Account Appropriation	\$	1,677,000
Health Professions Account Appropriation	\$	25,350,000
Public Safety and Education Account Appropriation . . .	\$	82,000
State Toxics Control Account Appropriation	\$	((3,321,000))
		<u>3,067,755</u>
Drug Enforcement and Education Account		
Appropriation	\$	492,000
Medical Test Site Licensure Account Appropriation . . .	\$	489,000
Safe Drinking Water Account Appropriation	\$	710,000
TOTAL APPROPRIATION	\$	((304,453,000))
		<u>306,751,755</u>

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

(1) \$3,038,000 of the general fund—state appropriation is provided solely to implement the Puget Sound water quality management plan.

(2) \$3,500,000 of the general fund—state appropriation is provided solely to increase funding to regional AIDS service networks to address growth in the number of persons living with AIDS. Seventy-five percent of these funds shall be allocated on the basis of reported incidence of surviving Class IV AIDS cases and twenty-five percent shall be distributed on the basis of each region's population. Ongoing funding for each regional AIDS service network shall continue at 1989-91 levels.

(3) \$165,000 of the general fund—state appropriation is provided solely to provide inflation adjustments of 3.1 percent on January 1, 1992, and 3.4 percent on January 1, 1993 for current medical and dental services provided by community clinics.

(4) ~~\$(1,000,000))~~ 847,000 of the general fund—state appropriation is provided solely for expanding the high priority infant tracking program.

(5) ~~\$(2,410,000))~~ 2,251,000 of the general fund—state appropriation is provided solely to continue implementation of the trauma system plan.

(6) ~~\$(2,400,000))~~ 2,394,000 of the general fund—state appropriation is provided solely for expansion of migrant health clinic services.

(7) \$1,100,000 of the general fund—state appropriation is provided solely for expanding by 1000 the number of women funded through the state-only prenatal program.

(8) The entire safe drinking water account appropriation is provided solely to implement chapter 304, Laws of 1991 (Substitute House Bill No. 1709, water system operating permit).

(9) \$450,000 of the general fund—state appropriation provided solely for implementation of chapter 332, Laws of 1991 (Engrossed Substitute House Bill No. 1960, health professions practice).

(10) ~~\$(1,000,000))~~ 983,800 of the general fund—state appropriation is provided solely for a grant to a nonprofit agency whose major goal is AIDS prevention and education.

(11) \$40,000 of the general fund—state appropriation is provided solely to implement Engrossed Substitute Senate Bill No. 6069 (bone marrow donor program). If the bill is not enacted by June 30, 1992, the amount provided in this subsection shall lapse.

(12) \$40,000 of the general fund—state appropriation is provided solely to implement Engrossed Substitute House Bill No. 2337 (malpractice insurance/retired). If the bill is not enacted by June 30, 1992, the amount provided in this subsection shall lapse.

(13) The department of health, in consultation with the current poison center network, shall prepare a plan to consolidate the network into one center. The plan shall include proposed funding methods that minimize the need for increased general fund—state support. The plan shall take maximum advantage of efficiencies realized through consolidation. The plan shall include a proposed site or host institution. Any proposed increases in the quantity or quality of service shall be separately identified as potential additions to the plan. The plan shall be delivered to the fiscal and health committees of the house of representatives and senate by December 1, 1992.

(14) By October 1, 1992, each regional AIDS network shall enter a written collaborative agreement with each mental health regional support network in its catchment area. The agreement shall define specific actions each party will take to reduce state and local psychiatric hospitalizations of persons with AIDS-related dementia. By November 1, 1992, the department of health shall report to the human services and appropriations committees of the house of representatives and to the health and long-term care and ways and means committees of the senate on the actions each regional AIDS network will take to reduce hospitalization of persons with AIDS-related dementia.

Sec. 222. 1992 c 232 s 230 is amended to read as follows:

FOR THE DEPARTMENT OF CORRECTIONS

The appropriations in this section shall be expended for the programs and in the amounts listed in this section. However, after May 1, 1993, unless specifically prohibited by this act, the department may transfer moneys among programs and among amounts provided under conditions and limitations after approval by the director of financial management. The director of financial management shall notify the appropriate fiscal committees of the senate and house of representatives in writing prior to approving any deviation from the appropriation levels and any deviation from conditions and limitations.

(1) COMMUNITY CORRECTIONS

General Fund Appropriation \$ ~~((+03,115,000))~~
101,781,000

Drug Enforcement and Education Account

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Appropriation	\$	((7,604,000))
		<u>7,156,000</u>
Public Safety and Education Account Appropriation . . .	\$	195,000
TOTAL APPROPRIATION	\$	((110,914,000))
		<u>109,132,000</u>

The appropriations in this subsection are limited to the following conditions and limitations:

(a) \$195,000 from the public safety and education account appropriation is provided solely for comprehensive local criminal justice planning under the county partnership program pursuant to RCW 72.09.300.

(b) \$75,000 of the general fund—state appropriation is provided solely to implement chapter 147, Laws of 1991 (Substitute Senate Bill No. 5128, witness notification).

(2) INSTITUTIONAL SERVICES

General Fund Appropriation	\$	((340,687,000))
		<u>352,172,000</u>
Drug Enforcement and Education Account		
Appropriation	\$	37,837,000
TOTAL APPROPRIATION	\$	((378,524,000))
		<u>390,009,000</u>

~~((The appropriations in this subsection are subject to the following conditions and limitations:~~

~~(1) \$10,560,000 of the general fund—state appropriation is provided solely for the start-up and operation of new correctional capacity. Expenditure of any portion of this amount shall be subject to the prior written authorization of the director of the office of financial management, which shall be transmitted to the legislative fiscal committees. If the new correctional capacity is not completed during fiscal year 1993, up to \$1,497,000 of this amount may be expended to support emergency capacity.~~

~~(2) If the secretary determines that institutional overcrowding constitutes an emergency and the availability of additional new capacity can alleviate this emergency, the department may, subject to the authorization of the director of financial management, exceed its allotment authority to accelerate new facility start-up. Notice of any such action shall be transmitted to appropriate legislative committees. This subsection does not authorize the department to exceed its biennial appropriation.))~~

(3) ADMINISTRATION AND PROGRAM SUPPORT

General Fund Appropriation	\$	((35,234,000))
		<u>36,059,000</u>
Drug Enforcement and Education Account		
Appropriation	\$	2,140,000

Industrial Insurance Premium Refund Account

Appropriation	\$	208,000
TOTAL APPROPRIATION	\$	((37,582,000))
		<u>38,407,000</u>

The appropriations in this subsection are subject to the following conditions and limitations:

(a) ~~\$(350,000))~~ 1,175,000 of the general fund appropriation is provided solely to mitigate the one-time impact of state institutions on local communities ~~((in the manner provided under RCW 72.72.030(2)))~~.

(b) \$125,000 of the general fund appropriation is provided solely for an additional affirmative action officer.

(c) Within the appropriations in this subsection, amounts may be deposited into the community services revolving fund and used to satisfy outstanding court-ordered costs and restitution, consistent with the authority granted under RCW 9.95.360, of a Washington state inmate who is a foreign national seeking transfer to the United Kingdom pursuant to RCW 43.06.350. The foreign national shall execute a promissory note for the full amount paid by the department, plus interest, to satisfy outstanding court-ordered costs and restitution costs.

(4) CORRECTIONAL INDUSTRIES

General Fund Appropriation	\$	3,348,000
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Sec. 223. 1992 c 232 s 232 is amended to read as follows:

FOR THE WASHINGTON BASIC HEALTH PLAN

General Fund Appropriation	\$	((40,713,000))
		<u>39,713,000</u>

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

(1) The basic health plan may enroll up to 24,000 members during the 1991-93 biennium.

(2) At least 2,000 of the 4,000 members added must be from timber communities on the Olympic Peninsula and southwest Washington that were not served by the plan during 1989-91.

(3) A maximum of ~~\$(3,881,000))~~ \$4,106,000 of the general fund appropriation may be expended for the administration of the plan.

(4) \$550,000 of the general fund appropriation is provided solely for unanticipated changes in rates, enrollment mix or member attrition after April 1, 1993.

PART III

NATURAL RESOURCES

Sec. 301. 1992 c 232 s 303 is amended to read as follows:

FOR THE DEPARTMENT OF ECOLOGY

General Fund—State Appropriation	\$	((65,589,000))
		<u>58,859,000</u>

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General Fund—Federal Appropriation	\$	38,234,000
General Fund—Private/Local Appropriation	\$	1,015,000
Special Grass Seed Burning Research Account		
Appropriation	\$	132,000
Reclamation Revolving Account Appropriation	\$	513,000
Emergency Water Project Revolving Account		
Appropriation: Appropriation pursuant to		
chapter 1, Laws of 1977 ex.s.	\$	300,000
Litter Control Account Appropriation	\$	7,674,000
State and Local Improvements Revolving Account—		
Waste Disposal Facilities: Appropriation		
pursuant to chapter 127, Laws of 1972		
ex.s. (Referendum 26)	\$	2,547,000
State and Local Improvements Revolving Account—		
Waste Disposal Facilities 1980: Appropriation		
pursuant to chapter 159, Laws of 1980		
(Referendum 39)	\$	908,000
State and Local Improvements Revolving Account—		
Water Supply Facilities: Appropriation pursuant		
to chapter 234, Laws of 1979 ex.s.		
(Referendum 38)	\$	1,298,000
Stream Gaging Basic Data Fund Appropriation	\$	302,000
Vehicle Tire Recycling Account Appropriation	\$	7,820,000
Water Quality Account Appropriation	\$	3,461,000
Wood Stove Education Account Appropriation	\$	1,380,000
Worker and Community Right-to-Know Fund		
Appropriation	\$	393,000
State Toxics Control Account—State		
Appropriation	\$	((50,482,000))
		<u>46,599,963</u>
State Toxics Control Account—Federal Appropriation	\$	7,527,000
Local Toxics Control Account Appropriation	\$	3,220,000
Water Quality Permit Account Appropriation	\$	14,532,000
Solid Waste Management Account Appropriation	\$	7,918,000
Underground Storage Tank Account Appropriation	\$	3,862,000
Hazardous Waste Assistance Account Appropriation	\$	5,543,000
Air Pollution Control Account Appropriation	\$	8,555,000
Aquatic Lands Enhancement Account Appropriation	\$	50,000
Oil Spill Response Account Appropriation	\$	2,863,000
Oil Spill Administration Account Appropriation	\$	3,156,000
Fresh Water Aquatic Weed Control Account		
Appropriation	\$	895,000

Air Operating Permit Account Appropriation	\$	2,511,000
Water Pollution Control Revolving Account		
Appropriation	\$	1,094,000
TOTAL APPROPRIATION	\$	((239,775,000))
		<u>233,161,963</u>

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

(1) ~~\$(8,648,000))~~ 8,445,000 of the general fund—state appropriation and \$1,149,000 of the general fund—federal appropriation are provided solely for the implementation of the Puget Sound water quality management plan.

(2) \$5,174,000 of the general fund—state appropriation is provided solely for the auto emissions inspection and maintenance program. The amount provided in this subsection is contingent upon a like amount being deposited in the general fund from auto emission inspection fees in accordance with RCW 70.120.170(4).

(3) \$1,323,000 of the general fund—state appropriation is provided solely for water resource management activities associated with the continued implementation of the growth management act (chapter 17, Laws of 1990 1st ex.s.).

(4) \$1,000,000 of the general fund—state appropriation and \$578,000 of the water quality permit account appropriation are provided solely to carry out the recommendations of the commission on efficiency and accountability in government concerning the wastewater discharge permit program.

(5) \$961,000 of the general fund—state appropriation, \$3,459,000 of the general fund—federal appropriation, and \$2,316,000 of the air pollution control account appropriation are provided solely for grants to local air pollution control authorities.

(6) The aquatic lands enhancement account appropriation is provided solely for the department to: (a) Conduct a sediment transport study of the Nooksack river to determine the amount of material that would have to be removed from the river to minimize flooding; and (b) develop an environmental assessment, of the Nooksack river and, based on this assessment, develop a sand and gravel management plan, for the river. In preparing the management plan, the department shall seek input from appropriate state and local agencies, Indian tribes, and other interested parties to the maximum extent feasible. The department shall prepare the management plan in such a manner that the plan can be used as a model for future plans that may be developed for other state rivers.

(7) \$295,000 of the general fund—state appropriation is provided solely to implement chapter 347, Laws of 1991 (Engrossed Substitute House Bill No. 2026, water resources management).

(8) ~~\$(8,000,000))~~ 6,062,740 of the state toxics control account appropriation is provided solely for the following purposes:

(a) To conduct remedial actions for sites for which there are no potentially liable persons or for which potentially liable persons cannot be found;

(b) To provide funding to assist potentially liable persons under RCW 70.105D.070(2)(d)(xi) to pay for the cost of the remedial actions; and

(c) To conduct remedial actions for sites for which potentially liable persons have refused to comply with the orders issued by the department under RCW 70.105D.030 requiring the persons to provide the remedial action.

(9) \$3,104,000 of the oil spill administration account appropriation and the entire oil spill response account appropriation are provided solely to implement chapter 200, Laws of 1991 (Engrossed Substitute House Bill No. 1027, oil and hazardous substance spill prevention and response).

(10) \$286,000 of the general fund—state appropriation is provided solely to implement chapter 350, Laws of 1991 (Second Substitute Senate Bill No. 5358, water system inerties).

(11) \$139,000 of the solid waste management account appropriation is provided solely to implement chapter 297, Laws of 1991 (Senate Bill No. 5143, recycled products procurement).

(12) \$200,000 of the general fund—state appropriation is provided solely to implement chapter 273, Laws of 1991 (House Bill No. 2021, joint water resource policy committee).

(13) \$100,000 of the state toxics control account appropriation is provided for a study on the need for regional hazardous materials response teams. The study shall include, but not be limited to, the following items: Review of existing services, determination of where services are needed and the risks of not providing those services, funding requirements, equipment standards, training, mutual aid between jurisdictions, liability, and cost recovery. The study shall include specific recommendations on each of these items. Furthermore, the study shall include a specific recommendation on how to implement regional teams based upon geographic location and public exposure. The study shall include a review of steps taken in Oregon to address these problems. The state emergency response commission shall act as the steering committee for the study. Representatives from adjoining states may be requested to assist the commission.

(14) The entire fresh water aquatic weed control account appropriation is provided solely to implement chapter 302, Laws of 1991 (Engrossed Substitute House Bill No. 1389, aquatic plant regulation).

(15) \$144,000 of the general fund—state appropriation is provided solely for the wastewater treatment operator certification and training program. Of this amount, no more shall be expended than the amount anticipated to be deposited by June 30, 1993, into the general fund from revenues from wastewater treatment operator certification and training fees.

Sec. 302. 1992 c 232 s 306 is amended to read as follows:

FOR THE ENVIRONMENTAL HEARINGS OFFICE

General Fund Appropriation \$ ~~(1,131,000)~~

1,158,000

The appropriation in this section is subject to the following conditions and limitations: \$67,000 is provided solely for an additional administrative law judge.

Sec. 303. 1992 c 232 s 307 is amended to read as follows:

FOR THE DEPARTMENT OF TRADE AND ECONOMIC DEVELOPMENT

General Fund Appropriation	\$	((33,708,000))
		<u>31,047,000</u>
Motor Vehicle Fund Appropriation	\$	564,000
Solid Waste Management Account Appropriation	\$	1,800,000
Litter Control Account Appropriation	\$	2,200,000
TOTAL APPROPRIATION	\$	((38,272,000))
		<u>35,611,000</u>

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

(1) \$500,000 of the general fund appropriation is provided solely for establishment of a European trade office. The amount provided in this subsection is contingent on receipt of at least \$200,000 in nonstate sources from port associations for establishment of the office.

(2) \$2,200,000 of the litter control account appropriation and \$1,800,000 of the solid waste management account appropriation are provided solely for the purposes of implementing the market development center created in chapter 319, Laws of 1991 (Second Substitute Senate Bill No. 5591, comprehensive recycling program) for the 1991-1993 biennium. If House Bill No. 2635 (litter/recycling assessment) is not enacted by June 30, 1992, \$1,200,000 from the litter control account appropriation and \$800,000 from the solid waste management account appropriation shall lapse.

(3) \$1,800,000 of the general fund appropriation is provided solely to continue and expand the department's efforts to promote value-added manufacturing under the forest products program, as authorized under section 7, chapter 314, Laws of 1991 (Engrossed Substitute House Bill No. 1341, timber-dependent communities). Within this amount, the department shall maintain expenditures for the forest products program at the fiscal year 1991 level. The balance of this amount shall be provided as contracts to promote value-added manufacturing. The department shall report to the appropriate committees of the legislature on the amount and types of contracts provided by January 1, 1992.

(4) \$1,040,000 of the general fund appropriation is provided solely for establishment of the Pacific Northwest export assistance center, as authorized in sections 11 through 18 of chapter 314, Laws of 1991 (Engrossed Substitute House Bill No. 1341, timber-dependent communities). The center will provide export assistance to firms located in timber-dependent communities.

(5) \$7,565,000 of the general fund appropriation is provided solely for the Washington high technology center.

(6) The department of trade and economic development shall establish a schedule of fees for services performed by the department's overseas trade offices.

(7) \$90,000 of the general fund appropriation is provided solely for a contract with the Tacoma world trade center to enhance export opportunities for Washington businesses.

(8) \$150,000 of the general fund appropriation is provided solely as an enhancement to the current level of funding for associate development organizations (ADOs). In determining revisions of contract amounts for grants to ADOs the department shall seek to maintain current grant levels for ADOs that serve rural or economically distressed communities.

(9) \$30,000 of the general fund appropriation is provided solely for the Taiwan office.

(10) \$40,000 of the general fund appropriation is provided solely to implement Substitute Senate Bill No. 6494 (Hanford lease). If the bill is not enacted by June 30, 1992, the amount provided in this subsection shall lapse.

Sec. 304. 1992 c 232 s 311 is amended to read as follows:

FOR THE DEPARTMENT OF FISHERIES

General Fund—State Appropriation	\$	((61,034,000))
		<u>57,378,000</u>
General Fund—Federal Appropriation	\$	((17,928,000))
		<u>22,428,000</u>
General Fund—Private/Local Appropriation	\$	((8,313,000))
		<u>10,813,000</u>
Aquatic Lands Enhancement Account Appropriation . .	\$	1,083,000
Oil Spill Administration Account Appropriation	\$	410,000
Industrial Insurance Premium Refund Account		
Appropriation	\$	4,000
TOTAL APPROPRIATION	\$	((88,772,000))
		<u>92,116,000</u>

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

(1) \$263,000 of the general fund—state appropriation is provided solely for improvements to and monitoring of wastewater discharges from state salmon hatcheries.

(2) \$1,153,000 of the general fund—state appropriation is provided solely to implement the Puget Sound water quality management plan.

(3) \$410,000 of the oil spill administration account appropriation is provided solely to implement chapter 200, Laws of 1991 (Engrossed Substitute House Bill No. 1027, oil and hazardous substance spill prevention and response).

(4) \$427,000 of the general fund—state appropriation is provided solely for increased enforcement activities.

(5) \$200,000 of the general fund—state appropriation is provided solely for attorney general costs, on behalf of the department of fisheries, in defending the state in tribal halibut litigation (*United States v. Washington*, subproceeding 91-1 and *Makah v. Mosbacher*). The attorney general costs shall be paid as an interagency reimbursement.

Sec. 305. 1992 c 232 s 312 is amended to read as follows:

FOR THE DEPARTMENT OF WILDLIFE

General Fund Appropriation	\$	10,843,000
ORV (Off-Road Vehicle) Account Appropriation	\$	((275,000))
		<u>325,000</u>
Aquatic Lands Enhancement Account Appropriation . . .	\$	1,096,000
Public Safety and Education Account Appropriation . . .	\$	589,000
Wildlife Fund—State Appropriation	\$	50,002,000
Wildlife Fund—Federal Appropriation	\$	((16,308,000))
		<u>19,511,000</u>
Wildlife Fund—Private/Local Appropriation	\$	((2,120,000))
		<u>4,648,000</u>
Game Special Wildlife Account Appropriation	\$	832,000
Oil Spill Administration Account Appropriation	\$	565,000
TOTAL APPROPRIATION	\$	((82,630,000))
		<u>88,411,000</u>

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

(1) \$498,000 of the general fund appropriation is provided solely to implement the Puget Sound water quality management plan.

(2) \$565,000 of the oil spill administration account appropriation is provided solely to implement chapter 200, Laws of 1991 (Engrossed Substitute House Bill No. 1027, oil and hazardous substance spill prevention and response).

(3) \$770,000 of the wildlife fund—state appropriation is provided solely for the operation of the game farm program.

(4) During the 1991-93 biennium the wildlife enforcement FTE staff levels shall not be reduced below the fiscal year 1991 average FTE staff level. \$1,300,000 of the general fund—state appropriation and \$3,872,000 of the wildlife fund—state appropriation are provided solely for wildlife enforcement.

(5) \$25,000 of the general fund appropriation and \$25,000 of the wildlife fund—state appropriation are provided solely for a demonstration project to develop a wildlife mitigation plan for private and public lands in the Lake Roosevelt area. The department shall create a steering committee consisting of representatives of local private landowners, local government, tribes, hunters, fishers, and other users of wildlife in the Lake Roosevelt area. The committee shall study and report to the department on issues related to the development of

the Lake Roosevelt plan including, but not limited to, local government impact, wildlife species, needs of wildlife users, other recreational needs, land use regulations, and wildlife supply.

(6) The office of financial management and legislative committees staff shall examine wildlife fees and expenditures. Issues to be examined shall include the division of agency resources in support of both game and nongame activities and the overall funding level for the agency.

Sec. 306. 1992 c 232 s 313 is amended to read as follows:

FOR THE DEPARTMENT OF NATURAL RESOURCES

General Fund—State Appropriation	\$	(59,058,000)
		<u>65,986,000</u>
General Fund—Federal Appropriation	\$	((604,000))
		<u>704,000</u>
General Fund—Private/Local Appropriation	\$	12,000
ORV (Off-Road Vehicle) Account Appropriation	\$	4,521,000
Forest Development Account Appropriation	\$	((30,155,000))
		<u>30,755,000</u>
Survey and Maps Account Appropriation	\$	1,074,000
Natural Resources Conservation Area Stewardship		
Account Appropriation	\$	1,080,000
Aquatic Lands Enhancement Account Appropriation . . .	\$	1,716,000
Resource Management Cost Account		
Appropriation	\$	((79,555,000))
		<u>78,955,000</u>
Aquatic Land Dredged Material Disposal Site		
Account Appropriation	\$	814,000
State Toxics Control Account Appropriation	\$	((764,000))
		<u>705,744</u>
Air Pollution Control Account Appropriation	\$	((430,000))
		<u>835,000</u>
Oil Spill Administration Account Appropriation	\$	128,000
Litter Control Account Appropriation	\$	500,000
Industrial Insurance Premium Refund Account		
Appropriation	\$	82,000
		<u>187,867,744</u>
		((180,493,000))
		<u>187,867,744</u>

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

(1) \$1,841,000, of which \$1,136,000 is from the resource management cost account appropriation and \$705,000 is from the forest development account appropriation, is provided solely for the development of a harvest planning system for state trust lands.

(2) \$450,000 of the aquatic lands enhancement account appropriation is provided solely for the control and eradication of Spartina, including research, environmental impact statements, and public education. The department shall develop a Spartina eradication plan and report to the house of representatives natural resources committee and the senate environment and natural resources committee by January 15, 1992, on the plan.

(3) \$~~(10,695,000)~~ 17,623,000 of the general fund—state appropriation is provided solely for the emergency fire suppression subprogram.

(4) \$1,862,000 of the general fund—state appropriation is provided solely to implement the Puget Sound water quality management plan.

(5) \$2,698,000 of the general fund—state appropriation is provided solely for cooperative monitoring, evaluation, and research projects related to implementation of the timber-fish-wildlife agreement.

(6) \$1,433,000 of the general fund—state appropriation is provided solely for the development of an electronic forest practices permit processing data management system.

(7) \$163,000 of the general fund—state appropriation is provided solely for the department to contract with the University of Washington college of forest resources for continuation of the timber supply study. The study shall identify the quantity of timber present now and the quantity of timber that may be available from forest lands in the future, use various assumptions of landowner management, and include changes in the forest land base, amount of capital invested in timber management, and expected harvest age. No portion of this appropriation may be expended for indirect costs associated with the study.

(8) The department of natural resources shall sell approximately 726 acres of undeveloped land at the Northern State multiservice center to Skagit county. The land shall be sold at fair market value, which shall not exceed \$701,000 if the sale occurs before January 1, 1992. Proceeds of the sale shall be deposited in the charitable, educational, penal and reformatory institutions account. The sale of the land shall be conditioned on the permanent dedication of the land for public recreational uses, which may include fairgrounds, and up to 50 acres of which may be used for purposes of a public educational institution.

(9) \$500,000 of the general fund—state appropriation and \$1,000,000 of the resource management cost account appropriation are provided solely to implement sections 5 through 9, chapter 315, Laws of 1991 (Engrossed Substitute Senate Bill No. 5555, countercyclical program for timber-impacted areas).

(10) \$2,930,000 of the general fund—state appropriation is provided solely for forest practices activities. Of the amount provided in this subsection, \$1,126,000 is provided solely for monitoring and enforcement of forest practices permit conditions, reforestation requirements, and conversion requirements. The department shall submit a plan to the appropriate committees of the legislature by October 1, 1991, showing how it will spend this amount. The balance of the amount provided in this subsection shall be expended as follows: \$722,000 to

the department of fisheries, \$626,000 to the department of wildlife, and \$456,000 to the department of ecology for each of these department's responsibilities related to forest practices.

(11) ~~\$(429,000)~~ 835,000 of the air pollution control account appropriation, \$60,000 of the forest development account appropriation, and \$141,000 of the resource management cost account appropriations are provided solely to implement chapter 199, Laws of 1991 (Engrossed Substitute House Bill No. 1028, air pollution control).

(12) \$150,000 of the general fund—state appropriation is provided solely for the department to contract for increased development of the Mount Tahoma cross-country ski trails system. Expenditure of this amount is contingent on receipt of a nonstate match of equal value, as determined by the department.

(13) \$1,575,000 of the general fund—state appropriation is provided for fiscal year 1993 solely for the forest practices program for activities related to critical wildlife habitat, cumulative effects assessment, clear-cut size and timing, wetlands, and rate-of-harvest monitoring that are required as a result of rules adopted by the forest practices board. The department shall submit a status report on adoption of forest practices rules by February 1, 1992, to the appropriate committees of the legislature. The amount provided in this subsection shall lapse if the forest practices board does not adopt rules on these items by June 30, 1992.

(14) \$160,000 from the natural resources conservation area stewardship account appropriation is provided solely for operating expenses of the natural heritage program.

(15) \$128,000 of the oil spill administration account appropriation is provided solely to implement chapter 200, Laws of 1991 (Engrossed Substitute House Bill No. 1027, oil and hazardous substance spill prevention and response).

Sec. 307. 1992 c 232 s 314 is amended to read as follows:

FOR THE DEPARTMENT OF AGRICULTURE

General Fund—State Appropriation	\$	((18,776,000))
		<u>22,043,000</u>
General Fund—Federal Appropriation	\$	1,226,000
State Toxics Control Account Appropriation	\$	((+199,000))
		<u>1,025,337</u>
Weights and Measures Account Appropriation	\$	400,000
TOTAL APPROPRIATION	\$	((21,511,000))
		<u>24,694,337</u>

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

(1) Within the appropriations provided in this section, the department shall collect and provide information to growers on minor use crop pesticides.

(2) \$100,000 of the general fund—state appropriation is provided solely to implement the Puget Sound water quality management plan.

(3) \$836,000 of the general fund—state appropriation is provided solely for the state noxious weed program. Of this amount, \$506,000 is provided solely for noxious weed control grants.

(4) \$97,000 of the general fund—state appropriation is provided solely to implement chapter 280, Laws of 1991 (Engrossed Second Substitute Senate Bill No. 5096, adverse impacts on agriculture).

(5) \$30,000 of the general fund—state appropriation is provided solely for the Taiwan office.

(6) The following amounts are for the weights and measures program as provided in Substitute Senate Bill 6483:

(a) \$50,000 of the general fund—state appropriation is provided solely for a study regarding funding for the weights and measures program;

(b) \$150,000 of the general fund—state appropriation is provided solely for the consumer protection activities of the weights and measures program; and

(c) \$400,000 of the weights and measures account appropriation is provided solely to implement the weights and measures program.

(7) \$3,125,000 of the general fund—state appropriation is provided solely for the department’s costs directly associated with the survey and eradication of the Asian Gypsy Moth (AGM) in western Washington. The department shall not contribute greater than twenty-five percent of the total cost of the AGM program.

Sec. 308. 1991 sp.s. c 16 s 317 is amended to read as follows:

FOR THE OFFICE OF MARINE SAFETY

Oil Spill Administration Account Appropriation	\$	3,162,000
State Toxics Control Account Appropriation	\$	((372,000))
		<u>341,604</u>
TOTAL APPROPRIATION	\$	((3,534,000))
		<u>3,503,604</u>

**PART IV
TRANSPORTATION**

Sec. 401. 1992 c 232 s 402 is amended to read as follows:

FOR THE DEPARTMENT OF LICENSING

General Fund Appropriation	\$	17,575,000
Architects’ License Account Appropriation	\$	861,000
Cemetery Account Appropriation	\$	203,000
Health Professions Account Appropriation	\$	506,000
Professional Engineers’ Account Appropriation	\$	((2,096,000))
		<u>2,128,000</u>
Real Estate Commission Account Appropriation	\$	7,396,000
Air Pollution Control Account Appropriation	\$	106,000
Master Licensing Account Appropriation	\$	3,310,000
TOTAL APPROPRIATION	\$	((32,053,000))
		<u>32,085,000</u>

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

(1) Of the general fund appropriation, the amounts specified in this subsection are provided solely for the purposes of the following legislation. The general fund shall be reimbursed by June 30, 1993, by an assessment of fees sufficient to cover all costs of implementing the specified legislation.

- (a) Chapter 334, Laws of 1991 (Engrossed Second Substitute Senate Bill No. 5124, licensing private security guards) \$ 538,000
- (b) Chapter 328, Laws of 1991 (Engrossed Substitute House Bill No. 1181, licensing private detectives) \$ 145,000
- (c) Chapter 236, Laws of 1991 (Substitute House Bill No. 1712, athlete agent registration) \$ 42,000

The appropriation in this subsection (1)(c) shall be reduced by any amount expended as of the effective date of this act from the appropriation in section 10, chapter 236, Laws of 1991.

- (d) Chapter 324, Laws of 1991 (Engrossed Substitute House Bill No. 1136, cosmetology regulations) \$ 329,000

(2) The entire master licensing account appropriation is contingent on enactment of Senate Bill No. 6461 (master license fees). If the bill is not enacted by June 30, 1992, the appropriation is null and void.

**PART V
EDUCATION**

Sec. 501. 1992 c 232 s 502 is amended to read as follows:

**FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR
GENERAL APPORTIONMENT (BASIC EDUCATION)**

General Fund Appropriation	\$	((5,183,846,000))
		<u>5,229,704,000</u>

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

(1) ~~\$((499,307,000))~~ 499,786,000 of the general fund appropriation is provided solely for the remaining months of the 1990-91 school year.

(2) Allocations for certificated staff salaries for the 1991-92 and 1992-93 school years shall be determined using formula-generated staff units calculated pursuant to this subsection. Small school enrollments in kindergarten through grade six shall generate funding under (a) of this subsection, and shall not generate allocations under (d) and (e) of this subsection, if the staffing allocations generated under (a) of this subsection exceed those generated under (d) and (e) of this subsection. The certificated staffing allocations shall be as follows:

(a) On the basis of average annual full time equivalent enrollments, excluding full time equivalent enrollment otherwise recognized for certificated staff unit allocations under (c) through (f) of this subsection:

(i) Four certificated administrative staff units for each one thousand full time equivalent kindergarten through twelfth grade students excluding full time equivalent handicapped enrollment as recognized for funding purposes under section 509 of this act;

(ii) 54.3 certificated instructional staff units for each one thousand full time equivalent students in kindergarten through third grade, excluding full time equivalent handicapped students ages six through eight; and

(iii) Forty-six certificated instructional staff units for each one thousand full time equivalent students, excluding full time equivalent handicapped students ages nine and above;

(b) For school districts with a minimum enrollment of 250 full time equivalent students, whose full time equivalent student enrollment count in a given month exceeds the first of the month full time equivalent enrollment count by 5 percent, an additional state allocation of 110 percent of the share that such increased enrollment would have generated had such additional full time equivalent students been included in the normal enrollment count for that particular month;

(c) On the basis of full time equivalent enrollment in vocational education programs and skill center programs approved by the superintendent of public instruction, 0.92 certificated instructional staff units and 0.08 certificated administrative staff units for each 16.67 full time equivalent vocational students;

(d) For districts enrolling not more than twenty-five average annual full time equivalent students in kindergarten through grade eight, and for small school plants within any school district which have been judged to be remote and necessary by the state board of education and enroll not more than twenty-five average annual full time equivalent students in kindergarten through grade eight:

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

(ii) For those enrolling students in grades seven or eight, 1.68 certificated instructional staff units and 0.32 certificated administrative staff units for enrollment of not more than five students, plus one-tenth of a certificated instructional staff unit for each additional student enrolled.

(e) For specified enrollments in districts enrolling more than twenty-five but not more than one hundred average annual full time equivalent students in kindergarten through grade eight, and for small school plants within any school district which enroll more than twenty-five average annual full time equivalent kindergarten through eighth grade students and have been judged to be remote and necessary by the state board of education:

(i) For enrollment of up to sixty annual average full time equivalent students in kindergarten through grade six, 2.76 certificated instructional staff units and 0.24 certificated administrative staff units; and

(ii) For enrollment of up to twenty annual average full time equivalent students in grades seven and eight, 0.92 certificated instructional staff units and 0.08 certificated administrative staff units.

(f) For districts operating no more than two high schools with enrollments of less than three hundred average annual full time equivalent students, for enrollment in grades nine through twelve in each such school, other than alternative schools:

(i) For remote and necessary schools enrolling students in any grades nine through twelve but no more than twenty-five average annual full time equivalent kindergarten through twelfth grade students, four and one-half certificated instructional staff units and one-quarter of a certificated administrative staff unit;

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

Units calculated under (f)(ii) of this subsection shall be reduced by certificated staff units at the rate of forty-six certificated instructional staff units and four certificated administrative staff units per thousand vocational and handicapped full time equivalent students.

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

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

(3) Allocations for classified salaries for the 1991-92 and 1992-93 school years shall be calculated using formula-generated classified staff units determined as follows:

(a) For enrollments generating certificated staff unit allocations under subsection (2) (d) through (h) of this section, one classified staff unit for each three certificated staff units allocated under such subsections.

(b) For all other enrollment in grades kindergarten through twelve, including vocational but excluding handicapped full time equivalent enrollments, one classified staff unit for each sixty average annual full time equivalent students.

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

(4) Fringe benefit allocations shall be calculated at a rate of ~~((21.11))~~ 21.25 percent in the 1991-92 school year and ~~((20.30))~~ 20.75 percent in the 1992-93 school year of certificated salary allocations provided under subsection (2) of this section, and a rate of ~~((18.84))~~ 19.09 percent in the 1991-92 school year and ~~((18.53))~~ 18.66 percent in the 1992-93 school year of classified salary allocations provided under subsection (3) of this section.

(5) Insurance benefit allocations shall be calculated at the rates specified in section 505 of this act, based on:

(a) The number of certificated staff units determined in subsection (2) of this section; and

(b) The number of classified staff units determined in subsection (3) of this section multiplied by 1.152. This factor is intended to adjust allocations so that, for the purposes of distributing insurance benefits, full time equivalent classified employees may be calculated on the basis of 1440 hours of work per year, with no individual employee counted as more than one full time equivalent.

(6)(a) For nonemployee-related costs associated with each certificated staff unit allocated under subsection (2) (a), (b), and (d) through (h) of this section, there shall be provided a maximum of \$6,848 per certificated staff unit in the 1991-92 school year and a maximum of \$7,060 per certificated staff unit in the 1992-93 school year.

(b) For nonemployee-related costs associated with each certificated staff unit allocated under subsection (2)(c) of this section, there shall be provided a maximum of \$13,049 per certificated staff unit in the 1991-92 school year and a maximum of \$13,454 per certificated staff unit in the 1992-93 school year.

(7) Allocations for substitute costs for classroom teachers shall be distributed at a maximum rate of \$318 for the 1991-92 school year and \$318 per year for the 1992-93 school year for allocated classroom teachers. Solely for the purposes of this subsection, allocated classroom teachers shall be equal to the number of certificated instructional staff units allocated under subsection (2) of this section, multiplied by the ratio between the number of actual basic education certificated teachers and the number of actual basic education certificated instructional staff reported state-wide for the 1990-91 school year.

(8) The superintendent may distribute a maximum of \$4,690,000 outside the basic education formula during fiscal years 1992 and 1993 as follows:

(a) For fire protection for school districts located in a fire protection district as now or hereafter established pursuant to chapter 52.04 RCW, a maximum of \$386,000 may be expended in fiscal year 1992 and a maximum of \$398,000 may be expended in fiscal year 1993.

(b) For summer vocational programs at skills centers, a maximum of \$1,766,000 may be expended in fiscal year 1992 and a maximum of \$1,856,000 may be expended in fiscal year 1993.

(c) A maximum of \$284,000 may be expended for school district emergencies.

(9) For the purposes of RCW 84.52.0531, the increase per full time equivalent student in state basic education appropriations provided under this act, including appropriations for salary and benefits increases, is 5.6 percent from the 1990-91 school year to the 1991-92 school year, and 5.0 percent from the 1991-92 school year to the 1992-93 school year.

(10) A maximum of \$2,450,000 may be expended in the 1991-92 fiscal year and a maximum of \$2,450,000 may be expended in the 1992-93 fiscal year for high technology vocational equipment for secondary vocational education programs and skill centers.

(11)(a) Funds provided under subsection (2)(a)(ii) of this section in excess of the amount required to maintain the statutory minimum ratio established under RCW 28A.150.260(2)(c), shall be allocated only if the district documents an actual ratio equal to or greater than 54.3 certificated instructional staff per thousand full time equivalent students in grades K-3. For any school district documenting a lower certificated instructional staff ratio, the allocation shall be based on the district's actual K-3 certificated instructional staff ratio achieved in that school year, or the statutory minimum ratio established under RCW 28A.150.260(2)(c), if greater.

(b) Districts at or above 51.0 certificated instructional staff per one thousand full time equivalent students in grades K-3 may dedicate up to 1.3 of the 54.3 funding ratio to employ additional classified instructional assistants assigned to basic education classrooms in grades K-3. For purposes of documenting a district's staff ratio under subsection (11)(a) and (c) of this section, funds used by the district to employ additional classified instructional assistants shall be converted to a certificated staff equivalent and added to the district's actual certificated instructional staff ratio. Additional classified instructional assistants, for the purposes of this subsection, shall be determined using the 1989-90 school year as the base year.

(c) Any district maintaining a ratio equal to or greater than 54.3 certificated instructional staff per thousand full time equivalent students in grades K-3 may use allocations generated under subsection (2)(a)(ii) in excess of that required to maintain the minimum ratio established under RCW 28A.150.260(2)(c) to employ additional basic education certificated instructional staff or classified instructional assistants in grades 4-6. Funds allocated under this section shall only be expended to reduce class size in grades K-6. No more than 1.3 of the certificated instructional funding ratio amount may be expended for provision of classified instructional assistants.

(12) The superintendent of public instruction shall study the rate of staff per student if current levels of certificated instructional staffing and paraprofessionals are counted together as "classroom resources." A report identifying "classroom resource" per pupil rates shall be provided to the appropriate fiscal and policy committees of the house of representatives and senate by January 10, 1992.

Sec. 502. 1992 c 232 s 503 is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—BASIC EDUCATION EMPLOYEE COMPENSATION INCREASES

General Fund Appropriation \$ ~~((206,433,000))~~
208,927,000

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

(1) The following calculations determine the salaries used in the general fund allocations for certificated instructional, certificated administrative, and classified staff units under section 502 of this act:

(a) Salary allocations for certificated instructional staff units shall be determined for each district by multiplying the district's certificated instructional derived base salary shown on LEAP Document 12A, by the district's average staff mix factor for basic education certificated instructional staff in that school year, computed using LEAP Document 1A.

(b) Salary allocations for certificated administrative staff units and classified staff units for each district shall be based on the district's certificated administrative and classified salary allocation amounts shown on LEAP Document 12A.

(2) For the purposes of this section:

(a) "Basic education certificated instructional staff" is defined as provided in RCW 28A.150.100.

(b) "LEAP Document 1A" means the computerized tabulation establishing staff mix factors for basic education certificated instructional staff according to education and years of experience, as developed by the legislative evaluation and accountability program committee on April 8, 1991, at 13:35 hours.

(c) "LEAP Document 12A" means the computerized tabulation of 1990-91, 1991-92, and 1992-93 school year salary allocations for basic education certificated administrative staff and basic education classified staff and derived base salaries for basic education certificated instructional staff as developed by the legislative evaluation and accountability program committee on January 15, 1992, at 12:00 hours.

(3) Incremental fringe benefits factors shall be applied to salary increases at a rate of ~~((1.2047))~~ 1.2061 for certificated salaries and ~~((1.1534))~~ 1.1559 for classified salaries for the 1991-92 school year. For the 1992-93 school year, the rate for certificated salaries shall be ~~((1.1966))~~ 1.2011 and the rate for classified salaries shall be ~~((1.1503))~~ 1.1516.

(4) The increase for each certificated administrative staff unit provided under section 502 of this act shall be the 1990-91 state-wide average certificated administrative salary increased by 4.0 percent for the 1991-92 school year, and further increased by 3.0 percent for the 1992-93 school year, as shown on LEAP Document 12A.

(5) The increase for each classified staff unit provided under section 502 of this act shall be the 1990-91 state-wide average classified salary increased by 4.0

percent for the 1991-92 school year and further increased by 3.0 percent for the 1992-93 school year, as shown on LEAP Document 12A.

(6) Increases for certificated instructional staff units provided under section 502 of this act shall be the difference between the salary allocation specified in subsection (1)(a) of this section and the salary allocation specified as follows:

(a) For the 1991-92 school year, the allocation for each certificated instructional staff unit shall be the 1991-92 derived base salary, as shown on LEAP Document 12A, multiplied by the district's average staff mix factor for actual 1991-92 full time equivalent basic education certificated instructional staff using LEAP Document 1A.

(b) For the 1992-93 school year, the allocation for each certificated instructional staff unit shall be the 1992-93 derived base salary, as shown on LEAP Document 12A, multiplied by the district's average staff mix factor for actual 1992-93 full time equivalent basic education certificated instructional staff using LEAP Document 1A.

(7)(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 for the 1991-92 and 1992-93 school years:

1991-92 STATE-WIDE SALARY ALLOCATION SCHEDULE
FOR INSTRUCTIONAL STAFF

Years of Service	BA	BA+15	BA+30	BA+45	BA+90
0	20,801	21,363	21,945	22,528	24,400
1	21,482	22,063	22,664	23,285	25,212
2	22,178	22,776	23,395	24,076	26,035
3	22,908	23,525	24,161	24,880	26,874
4	23,652	24,307	24,961	25,718	27,764
5	24,430	25,102	25,775	26,589	28,668
6	25,240	25,910	26,620	27,492	29,603
7	26,064	26,750	27,478	28,407	30,569
8	26,899	27,624	28,368	29,374	31,566
9		28,528	29,309	30,352	32,595
10			30,262	31,379	33,653
11				32,437	34,760
12				33,461	35,897
13					37,062
14					38,233
15 or more					39,227

Years of Service	BA+135	MA	MA+45	MA+90 or PHD
0	25,606	24,939	26,811	28,018
1	26,434	25,696	27,624	28,846
2	27,295	26,488	28,447	29,706
3	28,188	27,292	29,286	30,600
4	29,115	28,130	30,176	31,527
5	30,073	29,000	31,080	32,485
6	31,043	29,904	32,015	33,455
7	32,065	30,818	32,981	34,476
8	33,116	31,786	33,978	35,528
9	34,198	32,762	35,007	36,609
10	35,308	33,791	36,064	37,720
11	36,449	34,849	37,172	38,861
12	37,637	35,949	38,309	40,049
13	38,854	37,086	39,474	41,265
14	40,116	38,258	40,720	42,528
15 or more	41,159	39,252	41,779	43,634

1992-93 STATE-WIDE SALARY ALLOCATION SCHEDULE
FOR INSTRUCTIONAL STAFF

Years of Service	BA+135	MA	MA+45	MA+90 or PHD
0	26,514	25,824	27,762	29,012
1	27,372	26,608	28,603	29,869
2	28,263	27,428	29,456	30,759
3	29,188	28,260	30,324	31,685
4	30,148	29,128	31,246	32,645
5	31,139	30,029	32,182	33,637
6	32,144	30,965	33,150	34,642
7	33,202	31,912	34,151	35,699
8	34,290	32,913	35,183	36,788
9	35,411	33,924	36,248	37,908
10	36,561	34,989	37,344	39,058
11	37,742	36,085	38,490	40,239
12	38,972	37,224	39,667	41,469
13	40,232	38,401	40,874	42,729
14	41,539	39,615	42,165	44,036
15 or more	42,619	40,644	43,261	45,181

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Years of Service	BA	BA+15	BA+30	BA+45	BA+90
0	21,425	22,003	22,603	23,203	25,131
1	22,126	22,724	23,343	23,983	25,968
2	22,843	23,459	24,096	24,798	26,816
3	23,595	24,230	24,886	25,626	27,679
4	24,361	25,036	25,709	26,489	28,596
5	25,162	25,854	26,547	27,386	29,527
6	25,997	26,686	27,418	28,317	30,490
7	26,845	27,552	28,302	29,258	31,485
8	27,705	28,452	29,219	30,255	32,513
9		29,384	30,188	31,261	33,572
10			31,169	32,320	34,661
11				33,409	35,802
12				34,464	36,973
13					38,173
14					39,379
15 or more					40,403

Years of Service	BA+135	MA	MA+45	MA+90 or PHD
0	26,374	25,687	27,615	28,858
1	27,226	26,467	28,452	29,710
2	28,113	27,282	29,300	30,596
3	29,033	28,110	30,163	31,517
4	29,988	28,973	31,080	32,472
5	30,974	29,870	32,011	33,458
6	31,974	30,801	32,974	34,458
7	33,026	31,742	33,969	35,510
8	34,109	32,739	34,997	36,593
9	35,223	33,744	36,056	37,707
10	36,367	34,804	37,145	38,851
11	37,542	35,893	38,286	40,026
12	38,765	37,027	39,457	41,249
13	40,018	38,197	40,657	42,502
14	41,319	39,404	41,941	43,803
15 or more	42,393	40,429	43,032	44,942

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

(c) For credits earned after the baccalaureate degree but before the masters degree, any credits in excess of forty-five credits may be counted after the

masters degree. Thus, as used in this subsection, the column headings "MA+(N)" refer to the total of:

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

(8) For the purposes of this section:

- (a) "BA" means a baccalaureate degree.
- (b) "MA" means a masters degree.
- (c) "PHD" means a doctorate degree.

(d) "Years of service" shall be calculated under the same rules used by the superintendent of public instruction for salary allocations in the 1990-91 school year.

(e) "Credits" means college quarter hour credits and equivalent inservice credits computed in accordance with RCW 28A.415.020.

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

(10) The superintendent of public instruction, in cooperation with the legislative budget committee, shall conduct a study to verify the accuracy of education credits reported by school districts to the superintendent for purposes of calculating staff-mix ratios used in the 1991-93 biennial operating budget process. The study shall be presented to the fiscal committees of the senate and house of representatives by November 1, 1992.

NEW SECTION. Sec. 503. 1992 c 239 s 5 (uncodified) is repealed.

Sec. 504. 1992 c 232 s 504 is amended to read as follows:

**FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—
CATEGORICAL PROGRAM SALARY INCREASES**

General Fund Appropriation	\$	((42,885,000))
		<u>42,986,000</u>

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

(1) The incremental fringe benefits factors applied to salary increases in subsection (3) of this section shall be the same as those specified in section 503(3) of this act.

(2) Salary increases for each school year for state-supported formula units in the following categorical programs include costs of incremental fringe benefits and shall be distributed by increasing allocation rates for each school year by the amounts specified below:

(a) Transitional bilingual instruction: The rates specified in section 519 of this act shall be increased by \$~~((48.66))~~ 18.68 per pupil for the 1991-92 school year and by \$~~((32.99))~~ 33.11 per pupil for the 1992-93 school year.

(b) Learning assistance: The rates specified in section 520 of this act shall be increased by \$~~((14-15))~~ 14.18 per pupil for the 1991-92 school year and by \$~~((25-42))~~ 25.15 per pupil for the 1992-93 school year.

(c) Education of highly capable students: The rates specified in section 515 of this act shall be increased by \$~~((4-05))~~ 11.06 per pupil for the 1991-92 school year and by \$~~((47-59))~~ 17.65 per pupil for the 1992-93 school year.

(d) Pupil transportation: The rates provided under section 506 of this act shall be increased by \$.72 per weighted pupil-mile for the 1991-92 school year, and by \$1.28 per weighted pupil-mile for the 1992-93 school year.

(3) The superintendent of public instruction shall distribute salary increases and incremental fringe benefits for state-supported staff unit allocations in the handicapped program (section 509 of this act), in the educational service districts (section 511 of this act), and in the institutional education program (section 514 of this act), in the same manner as salary increases are provided for basic education staff.

Sec. 505. 1992 c 232 s 505 is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR SCHOOL EMPLOYEE INSURANCE BENEFIT INCREASES

General Fund Appropriation \$ ~~((84,890,000))~~
84,866,000

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

(1) Allocations for insurance benefits from general fund appropriations provided under section 502 of this act shall be calculated at a rate of \$246.24 per month for each certificated staff unit, and for each classified staff unit adjusted pursuant to section 502(5)(b) of this act.

(2) The appropriation in this section is provided solely to increase insurance benefit allocations for state-funded certificated and classified staff for the 1991-92 school year, effective October 1, 1991, to a rate of \$289.95 per month, and for the 1992-93 school year, effective October 1, 1992, to a rate of \$317.79 as distributed pursuant to this section.

(3) The increase in insurance benefit allocations for basic education staff units under section 502(5) of this act, for handicapped program staff units as calculated under section 509 of this act, for state-funded staff in educational service districts, and for institutional education programs is \$43.71 per month for the 1991-92 school year and an additional \$27.84 per month in the 1992-93 school year.

(4) The increases in insurance benefit allocations for the following categorical programs shall be calculated by increasing the annual state funding rates by the amounts specified in this subsection. Effective October 1 of each school year, the maximum rate adjustments provided on an annual basis under this section are:

(a) For pupil transportation, an increase of \$.40 per weighted pupil-mile for the 1991-92 school year and an additional \$.25 per weighted pupil-mile for the 1992-93 school year;

(b) For learning assistance, an increase of \$10.92 per pupil for the 1991-92 school year and an additional \$6.96 for the 1992-93 school year;

(c) For education of highly capable students, an increase of \$3.72 per pupil for the 1991-92 school year and an additional \$2.13 per pupil for the 1992-93 school year;

(d) For transitional bilingual education, an increase of \$7.08 per pupil for the 1991-92 school year and an additional \$4.51 per pupil for the 1992-93 school year.

Sec. 506. 1992 c 232 s 506 is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR PUPIL TRANSPORTATION

General Fund Appropriation	\$	((299,292,000))
		<u>303,484,000</u>

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

(1) \$26,183,000 is provided solely for distribution to school districts for the remaining months of the 1990-91 school year.

(2) A maximum of \$873,000 may be expended for regional transportation coordinators.

(3) A maximum of \$65,000 may be expended for bus driver training.

(4) For eligible school districts, the small-fleet maintenance factor shall be funded at a rate of \$1.65 in the 1991-92 school year and \$1.70 in the 1992-93 school year per weighted pupil-mile.

(5) The superintendent shall ensure that, by the 1992-93 school year, school districts in accordance with RCW 28A.160.160(4) are making good faith efforts to alleviate the problem of hazardous walking conditions for students.

(6) \$755,000 of the general fund—state appropriation is provided solely to implement chapter 166, Laws of 1991 (Engrossed Substitute Senate Bill No. 5114, school bus safety crossing arms). Moneys provided in this subsection may be expended to reimburse school districts that purchased school bus safety crossing arms during the 1990-91 school year, subject to criteria and rules adopted by the superintendent.

(7) \$90,000 is provided solely for the 1992-93 school year for transportation of students enrolled in "choice" programs. Transportation shall be limited to low-income students who are transferring to "choice" programs solely for educational reasons. The superintendent shall provide a report to the legislature concerning the use of these moneys by November 1, 1993.

Sec. 507. 1992 c 232 s 508 is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR HANDICAPPED EDUCATION PROGRAMS

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General Fund—State Appropriation	\$	((691,264,000))
		<u>691,418,000</u>
General Fund—Federal Appropriation	\$	83,900,000
TOTAL APPROPRIATION	\$	((775,164,000))
		<u>775,318,000</u>

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

(1) \$62,792,000 of the general fund—state appropriation is provided solely for the remaining months of the 1990-91 school year.

(2) The superintendent of public instruction shall distribute state funds for the 1991-92 and 1992-93 school years in accordance with districts' actual handicapped enrollments and the allocation model established in LEAP Document 13 as developed on June 26, 1991, at 13:02 hours.

(3) A maximum of \$614,000 may be expended from the general fund—state appropriation to fund 5.43 full time equivalent teachers and 2.1 full time equivalent aides at Children's Orthopedic Hospital and Medical Center. This amount is in lieu of money provided through the home and hospital allocation and the handicapped program.

(4) \$192,000 of the general fund—state appropriation is provided solely for the early childhood home instruction program for hearing impaired infants and their families.

(5) \$1,000,000 of the general fund—federal appropriation is provided solely for projects to provide handicapped students with appropriate job and independent living skills, including work experience where possible, to facilitate their successful transition out of the public school system. The funds provided by this subsection shall be from federal discretionary grants.

(6) \$300,000 of the general fund—federal appropriation is provided solely for inservice training, technical assistance, and evaluation of the special services demonstration projects authorized in chapter 265, Laws of 1991 (Engrossed Substitute House Bill No. 1329, special services demonstration projects).

(7) Project funding for special services demonstration projects shall be allocated and disbursed under chapter 265, Laws of 1991 (Engrossed Substitute House Bill No. 1329, special services demonstration projects).

Sec. 508. 1992 c 232 s 509 is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR TRAFFIC SAFETY EDUCATION PROGRAMS

Public Safety and Education

Account Appropriation	\$	8,358,000
General Fund—State Appropriation	\$	((2,203,000))
		<u>2,002,000</u>
TOTAL APPROPRIATION	\$	((+0,561,000))
		<u>10,360,000</u>

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

(1) \$1,086,000 is provided solely for the remaining months of the 1990-91 school year.

(2) Not more than \$596,000 may be expended for regional traffic safety education coordinators.

(3) A maximum of \$2,300,000 may be expended in the 1991-92 fiscal year and \$2,425,000 in the 1992-93 fiscal year to provide tuition assistance for traffic safety education for students from low-income families.

(4) The remainder of the appropriation shall be expended to provide up to \$137.16 for other students completing the program. School districts receiving moneys from this appropriation may make refunds to traffic safety students for program fee increases implemented during the 1991-92 school year as a result of funding reductions under section 510, chapter 16, Laws of 1991 sp. sess.

Sec. 509. 1992 c 232 s 510 is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR EDUCATIONAL SERVICE DISTRICTS

General Fund Appropriation	\$	((10,466,000))
		<u>10,478,000</u>

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

(1) The educational service districts shall continue to furnish financial services required by the superintendent of public instruction and RCW 28A.310.190 (3) and (4).

(2) \$475,000 is provided solely to implement chapter 285, Laws of 1991 (Engrossed Substitute House Bill No. 1813, E.S.D. teacher recruitment coordination).

Sec. 510. 1992 c 232 s 511 is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR LOCAL EFFORT ASSISTANCE

General Fund Appropriation	\$	((149,244,000))
		<u>149,578,000</u>

The appropriation in this section is provided for state matching funds pursuant to RCW 28A.500.010.

Sec. 511. 1992 c 232 s 513 is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR INSTITUTIONAL EDUCATION PROGRAMS

General Fund—State Appropriation	\$	((24,906,000))
		<u>25,036,000</u>
General Fund—Federal Appropriation	\$	7,700,000
TOTAL APPROPRIATION	\$	((32,606,000))
		<u>32,736,000</u>

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

(1) \$4,071,000 of the general fund—state appropriation is provided solely for the remaining months of the 1990-91 school year.

(2) A maximum of \$950,000 of the general fund—state appropriation may be expended for juvenile parole learning centers in the 1991-92 school year and \$950,000 in the 1992-93 school year at a rate not to exceed \$2,351 per full time equivalent student.

(3) State funding provided under this section is based on salaries and other expenditures for a 220-day school year. The superintendent of public instruction shall monitor school district expenditure plans for institutional education programs to ensure that districts plan for a full-time summer program.

(4) Average staffing ratios for each category of institution, excluding juvenile parole learning centers, shall not exceed the rates specified in the legislative budget notes.

(5) The superintendent of public instruction shall:

(a) Define what constitutes a full time equivalent student;

(b) In cooperation with the secretary of social and health services, define responsibility for the variety of services offered through the common schools and the department of social and health services;

(c) Convene meetings of the parties responsible for the well-being of children in the institutional education programs for purpose of identifying and resolving problems associated with service delivery; and

(d) Report to the appropriate fiscal and policy committees of the legislature on (a), (b), and (c) of this subsection by January 10, 1992.

Sec. 512. 1992 c 232 s 514 is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR PROGRAMS FOR HIGHLY CAPABLE STUDENTS

General Fund Appropriation \$ ~~(9,926,000)~~
9,966,000

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

(1) Up to \$975,000 is for distribution to school districts for the remaining months of the 1990-91 school year.

(2) Allocations for school district programs for highly capable students during the 1991-92 school year shall be distributed at a maximum rate of \$~~(397.16)~~ 397.48 per student and for the 1992-93 school year shall be distributed at a maximum rate of \$~~(355.77)~~ 356.70 per student for up to one and one-half percent of each district's full time equivalent enrollment.

(3) A maximum of \$494,000 is provided to contract for gifted programs to be conducted at Fort Worden state park.

Sec. 513. 1992 c 232 s 517 is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR TRANSITIONAL BILINGUAL PROGRAMS

General Fund Appropriation \$ ~~((29,687,000))~~
29,808,000

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

(1) \$2,395,000 is provided solely for the remaining months of the 1990-91 school year.

(2) The superintendent shall distribute funds for the 1991-92 and 1992-93 school years at the rates of \$~~((508.82))~~ 509.37 and \$~~((505.69))~~ 507.43, respectively, per eligible student.

(3) For a student served more than twenty-five percent of the school day in a transitional bilingual program, the superintendent of public instruction shall ensure that state basic education funds generated by the student are expended, to the greatest extent practical, in the instruction of that student.

(4) Project funding for special services demonstration projects shall be allocated and disbursed under chapter 265, Laws of 1991 (Engrossed Substitute House Bill No. 1329, special services demonstration projects).

Sec. 514. 1992 c 232 s 518 is amended to read as follows:

FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR THE LEARNING ASSISTANCE PROGRAM

General Fund Appropriation \$ ~~((92,442,000))~~
93,529,000

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

(1) \$8,817,000 is provided solely for the remaining months of the 1990-91 school year.

(2) Funding for school district learning assistance programs serving kindergarten through grade nine shall be distributed during the 1991-92 and 1992-93 school years at a maximum rate of \$~~((426))~~ 426.77 and \$425 per unit, respectively, as calculated pursuant to this subsection. The number of units for each school district in each school year shall be the sum of: (a) The number of full time equivalent students enrolled in kindergarten through grade six in the district multiplied by the percentage of the district's students taking the fourth grade basic skills test who scored in the lowest quartile as compared to national norms, and then reduced by the number of students ages eleven and below in the district who are identified as specific learning disabled and are served through programs established pursuant to chapter 28A.155 RCW; and (b) the number of full time equivalent students enrolled in grades seven through nine in the district multiplied by the percentage of the district's students taking the eighth grade basic skills test who scored in the lowest quartile as compared to national norms, and then reduced by the number of students ages twelve through fourteen in the

district who are identified as specific learning disabled and are served through programs established pursuant to chapter 28A.155 RCW. In determining these allocations, the superintendent shall use the most recent prior five-year average scores on the fourth grade and eighth grade state-wide basic skills tests.

(3) Project funding for special services demonstration projects shall be allocated and disbursed under chapter 265, Laws of 1991 (Engrossed Substitute House Bill No. 1329, special services demonstration projects).

Sec. 515. 1992 c 232 s 520 is amended to read as follows:

**FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—
LOCAL EDUCATION PROGRAM ENHANCEMENT FUNDS**

General Fund Appropriation \$ ~~(57,710,000)~~
57,745,000

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

(1) \$5,605,000 of the general fund appropriation is provided solely for the remaining months of the 1990-91 school year.

(2) School districts receiving moneys pursuant to this section shall expend such moneys to meet educational needs identified by the district within the following program areas:

- (a) Prevention and intervention services in the elementary grades;
- (b) Reduction of class size;
- (c) Early childhood education;
- (d) Student-at-risk programs, including dropout prevention and retrieval, and substance abuse awareness and prevention;
- (e) Staff development and in-service programs;
- (f) Student logical reasoning and analytical skill development;
- (g) Programs for highly capable students;
- (h) Programs involving students in community services;
- (i) Senior citizen volunteer programs; and
- (j) Other purposes that enhance a school district's basic education program

including purchase of instructional materials and supplies and other nonemployee-related costs.

Program enhancements funded pursuant to this section do not fall within the definition of basic education for purposes of Article IX of the state Constitution and the state's funding duty thereunder, nor shall such funding as now or hereafter appropriated and allocated constitute levy reduction funds for purposes of RCW 84.52.0531.

(3)(a) Allocation to eligible school districts for the 1991-92 and 1992-93 school years shall be calculated on the basis of average annual full time equivalent enrollment, at an annual rate of up to \$35.26 per pupil. For school districts enrolling not more than one hundred average annual full time equivalent students, and for small school plants within any school district designated as remote and necessary schools, the allocations shall be determined as follows:

(i) Enrollment of not more than sixty average annual full time equivalent students in grades kindergarten through six shall generate funding based on sixty full time equivalent students;

(ii) Enrollment of not more than twenty average annual full time equivalent students in grades seven and eight shall generate funding based on twenty full time equivalent students; and

(iii) Enrollment of sixty or fewer average annual full time equivalent students in grades nine through twelve shall generate funding based on sixty full time equivalent students.

(b) Allocations shall be distributed on a school-year basis pursuant to RCW 28A.510.250.

NEW SECTION. Sec. 516. The appropriations in sections 501, 502, 504, 506, 507, 509, and 511 through 514 of this act include amounts sufficient for state retirement system contributions by school districts and educational service districts to implement the following:

(1) In addition to any cost-of-living adjustments provided under RCW 41.32.575, 41.32.487, 41.40.325, or 41.40.1981, on February 1, 1992, the department of retirement systems shall also pay an additional adjustment to any retiree of plan I of the public employees' retirement system or plan I of the teachers' retirement system whose state retirement benefit has a purchasing power of less than 60 percent of the purchasing power of the retiree's age sixty-five allowance. Each such retiree shall be given a one-time increase sufficient, when combined with any other adjustment received on July 1, 1991, to restore the purchasing power of the retiree's state retirement benefit to 60 percent of the purchasing power of the retiree's age sixty-five allowance. This increase shall be calculated using the formulas and definitions contained in RCW 41.32.575 and 41.40.325 except that: (a) In calculating the increase to be paid from May 1, 1992, through June 30, 1993, to members who retired after age 65, "Index A" shall be the index for the calendar year prior to the year the member retired; and (b) the limitations imposed by RCW 41.32.575(2)(b) and 41.40.325(2)(b) do not apply. The increase provided in this subsection shall be effective for the remainder of the 1991-93 biennium.

(2) Chapter 234, Laws of 1992 (early retirement).

PART VI HIGHER EDUCATION

Sec. 601. 1992 c 238 s 1 is amended to read as follows:

HIGHER EDUCATION. The appropriations in sections 602 through 610 of this act are subject to the following conditions and limitations:

(1) "Institutions of higher education" means the institutions receiving appropriations pursuant to sections 602 through 610 of this act.

(2)(a) "Student quality standard" means, for each four-year institution and the community and technical colleges as a whole, the following amount divided by the budgeted enrollment levels specified in (b) of this subsection: The

combined operating appropriations under this act from the general fund—state and the institutional operating fees account, less expenditures for plant maintenance and operation, with the exception of Washington State University, where cooperative extension and agriculture research expenditures are excluded, and with the exception of the state board for community and technical colleges, where technical college operations and FTE enrollments, the Seattle vocational institute operations and FTE enrollments, and supplemental funding and enrollments for timber-dependent communities are excluded.

(b) Budgeted Enrollments: Each institution shall enroll to its budgeted biennial average full time equivalent enrollments, plus four percent or minus two percent (~~(, except each branch campus shall enroll within plus or minus twelve percent)~~). If the estimated 1991-93 average biennial full time equivalent student enrollment of an institution (~~(or branch campus)~~) (as estimated on April 30, 1993, by the office of financial management using spring enrollment reports submitted by the institutions) varies from the biennial budgeted amount by more than four percent above or two percent below the budgeted amount, (~~(or twelve percent above or below the budgeted amount for each branch campus)~~) then an amount equal to the student quality standard multiplied by the number of full time equivalent students above or below the variances shall revert to the state general fund. The variance allowance for the state board for community and technical colleges excludes the technical colleges.

	Average 1991-93 Budgeted FTEs
University of Washington <u>TOTAL</u>	<u>30,674</u>
Main campus	29,981
Tacoma branch	345
Bothell branch	348
Washington State University <u>TOTAL</u>	<u>16,776</u>
Main campus	15,806
Tri-Cities branch	467
Vancouver branch	343
Spokane branch	160
Eastern Washington University	7,281
Central Washington University	6,361
The Evergreen State College	3,159
Western Washington University	8,913
State Board for Community and Technical Colleges	88,350

(c) Facilities Quality Standard: During the 1991-93 biennium, no institution of higher education may allow its expenditures for plant operation and

maintenance to fall more than five percent below the amounts allotted for this purpose.

(3)(a) Each four-year institution of higher education shall reduce the amount of operating fee foregone revenue from tuition waivers by 6.6 percent of the fiscal year 1993 projection under the office of financial management tuition and fee model used in the governor's February 1992 forecast.

(b) The state board for community and technical colleges shall reduce the amount of operating fee foregone revenue from tuition waivers, for the community college system as a whole, by 6.6 percent of the fiscal year 1993 projection under the office of financial management tuition and fee model used in the governor's February 1992 forecast, excluding the adult basic education program.

(4)(a) The amounts specified in (b), (c), and (d) of this subsection are maximum amounts that each institution may spend from the appropriations in sections 602 through 610 of this act for staff salary increases on January 1, 1992, and January 1, 1993, excluding classified staff salary increases, and subject to all the limitations contained in this section.

(b) The following amounts shall be used to provide instruction and research faculty at each four-year institution an average salary increase of 3.9 percent on January 1, 1992, and 3.0 percent on January 1, 1993.

	1991-92	1992-93
University of Washington	\$ 2,888,000	7,391,000
Washington State University	\$ 1,157,000	3,264,000
Eastern Washington University	\$ 435,000	1,084,000
Central Washington University	\$ 393,000	958,000
The Evergreen State College	\$ 185,000	459,000
Western Washington University	\$ 540,000	1,317,000

(c) The following amounts shall be used to provide exempt professional staff, academic administrators, academic librarians, counselors, and teaching and research assistants as classified by the office of financial management, at each four-year institution, and the higher education coordinating board an average salary increase of 3.9 percent on January 1, 1992, and 3.0 percent on January 1, 1993. In providing these increases, institutions shall ensure that each person employed in these classifications is granted a salary increase of 3.1 percent on January 1, 1992, and 2.5 percent on January 1, 1993. The remaining amounts shall be used by each institution to grant salary increases on January 1, 1992, and on January 1, 1993 that address its most serious salary inequities among exempt staff within these classifications.

	1991-92	1992-93
University of Washington	\$ 918,000	2,500,000
Washington State University	\$ 625,000	1,748,000

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Eastern Washington University	\$	118,000	320,000
Central Washington University	\$	93,000	253,000
The Evergreen State College	\$	79,000	212,000
Western Washington University	\$	138,000	374,000
Higher Education Coordinating Board	\$	25,000	69,000

(d) \$4,342,000 for fiscal year 1992 and \$10,657,000 for fiscal year 1993 are provided solely for the state board for community and technical colleges to provide faculty and exempt staff for the community college system as a whole excluding the technical colleges, average salary increases of 3.9 percent on January 1, 1992, and 3.0 percent on January 1, 1993.

(e) The salary increases authorized under this subsection may be granted to state employees at Washington State University who are supported in full or in part by federal land grant formula funds.

(5)(a) The following amounts from the appropriations in sections 602 and 610 of this act, or as much thereof as may be necessary, shall be spent to provide employees classified by the higher education personnel board a 3.6 percent across-the-board salary increase effective January 1, 1992, and an additional 3.0 percent across-the-board increase effective January 1, 1993. The amount identified for the state board for community and technical colleges excludes employees of the technical colleges.

		1991-92	1992-93
University of Washington	\$	1,422,000	4,068,000
Washington State University	\$	868,000	2,496,000
Eastern Washington University	\$	214,000	613,000
Central Washington University	\$	172,000	494,000
The Evergreen State College	\$	131,000	374,000
Western Washington University	\$	232,000	683,000
State Board for Community and Technical Colleges	\$	1,323,000	3,800,000
Higher Education Coordinating Board	\$	12,000	34,000

(b) The salary increases granted in this subsection (5) of this section shall be implemented in compliance and conformity with all requirements of the comparable worth agreement ratified by the 1986 Senate Concurrent Resolution No. 126, where applicable.

(c) No salary increases may be paid under this subsection (5) of this section to any person whose salary has been Y-rated pursuant to rules adopted by the higher education personnel board.

(6) The following amounts are provided to fund as much as may be required for salary increases resulting from the higher education personnel board's job classification revision of clerical support staff, as adopted by the board on January 3, 1991, and revised by the board on February 14, 1991. The amount

identified for the state board for community and technical colleges excludes employees of the technical colleges.

University of Washington	\$	2,386,000
Washington State University	\$	1,057,000
Eastern Washington University	\$	239,000
Central Washington University	\$	198,000
The Evergreen State College	\$	265,000
Western Washington University	\$	289,000
State Board for Community College Education	\$	1,634,000
Higher Education Coordinating Board	\$	26,000

Sec. 602. 1992 c 238 s 2 is amended to read as follows:

FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

General Fund—State Appropriation	\$	((735,024,000))
		<u>735,984,000</u>
Community Colleges Operating Fees Account		
Appropriation	\$	62,123,000
General Fund—Federal Appropriation	\$	4,700,000
TOTAL APPROPRIATION	\$	((801,847,000))
		<u>802,807,000</u>

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

(1) \$3,549,000 of the general fund—state appropriation is provided solely for assessment of student outcomes.

(2) \$1,463,000 of the general fund—state appropriation is provided solely to recruit and retain minorities.

(3) The 1991-93 enrollment increases funded by this appropriation shall be distributed among the community college districts based on the weighted prorated percentage enrollment plan developed by the state board for community and technical colleges, and contained in the legislative budget notes.

(4) \$2,204,000 of the general fund—state appropriation is provided solely for 500 supplemental FTE enrollment slots to implement section 17, chapter 315, Laws of 1991 (Engrossed Substitute Senate Bill No. 5555, timber-dependent communities).

(5) \$1,000,000 of the general fund—state appropriation is provided solely for grants to the community college districts to fund unusually high start-up costs for training programs.

(6) In addition to any other compensation adjustments provided in this act, salary increments may be funded by community college districts to the extent that funds are available from staff turnover. An ~~((maximum))~~ amount of \$1,000,000 for fiscal years 1992 and 1993 and \$1,240,000 for fiscal year 1993 of the appropriation in this section may be expended to supplement savings from staff turnover for the payment of faculty salary increments. The state board for

community and technical colleges shall issue system-wide guidelines for the payment of salary increments for full time faculty by community college districts and monitor compliance with those guidelines.

(7) \$78,731,000 of the general fund—state appropriation is provided solely for vocational programs and adult basic education at technical colleges. ~~((Of this amount, \$7,800,000 of expenditures may be accrued but not disbursed.))~~

(8) \$2,315,000 of the general fund—state appropriation is provided solely for technical college employee salary increases of four percent in fiscal year 1992 and three percent in fiscal year 1993.

(9) \$783,000 of the general fund—state appropriation is provided solely for technical college employees' insurance benefit increases. A maximum of \$307,325 is provided for fiscal year 1992 and \$475,675 is provided for fiscal year 1993.

(10) \$1,414,000 of the general fund—state appropriation is provided solely to lease computer equipment, reprogram software and data bases, and to provide for other initial operating costs necessary to merge the computer systems of the technical colleges into the community and technical college system created under chapter 238, Laws of 1991. The apportionment of this amount among the technical colleges shall be made by the director of the state board for community and technical colleges.

(11) \$1,481,000 of the general fund—state appropriation is provided solely for grants to public or private nonprofit organizations to assist parents of children in headstart or early childhood education and assistance programs who are enrolled in adult literacy classes or tutoring programs under RCW 28A.610.010 through 28A.610.020. Grants provided under this subsection may be used for scholarships, transportation, child care, and other support services.

(12) \$4,700,000 of the general fund—federal appropriation is provided solely for adult basic education and other related purposes as may be defined by federal regulations.

(13) \$3,064,000 of the general fund—state appropriation is provided solely for the Seattle vocational institute.

(14) The state board for community and technical colleges shall reduce spending for the entire system by \$625,000 for travel. These funds are to be used to mitigate enrollment reductions as part of the agency's 2.5 percent allotment reduction.

(15) \$585,000 of the general fund—state appropriation is provided solely for English instruction to non-English speaking immigrants.

(16) \$500,000 of the general fund—state appropriation is provided solely for 225 supplemental FTE enrollment slots for Grays Harbor Community College to expand educational and training opportunities for workers displaced from the timber and wood products industries.

(17) \$175,000 of the general fund—state appropriation is provided solely for mitigation of the effect of Renton Technical College business and technical building connection to the Renton sewer system.

(18) \$225,000 of the general fund—state appropriation is provided solely to Renton Technical College to settle a negotiated construction contract claim.

Sec. 603. 1992 c 238 s 3 is amended to read as follows:

FOR THE UNIVERSITY OF WASHINGTON

General Fund Appropriation	\$	((596,503,000))
		<u>598,810,000</u>
University of Washington Operating Fees Account		
Appropriation	\$	73,803,000
Medical Aid Fund Appropriation	\$	3,818,000
Accident Fund Appropriation	\$	3,818,000
Death Investigations Account Appropriation	\$	((1,145,000))
		<u>1,257,000</u>
Oil Spill Administration Account Appropriation	\$	229,000
TOTAL APPROPRIATION	\$	((679,316,000))
		<u>681,735,000</u>

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

(1) \$8,782,000 of the general fund appropriation is provided solely to operate upper-division and graduate level courses offered at the Bothell branch campus. The amount referenced in this subsection does not include amounts authorized for 1991-93 salary increases.

(2) \$7,472,000 of the general fund appropriation is provided solely to operate upper-division and graduate level courses offered at the Tacoma branch campus. The amount referenced in this subsection does not include amounts authorized for 1991-93 salary increases.

(3) \$390,000 of the general fund appropriation is provided solely for assessment of student outcomes.

(4) \$679,000 of the general fund appropriation is provided solely to recruit and retain minorities.

(5) \$561,000 is provided solely to operate the Olympic natural resources center.

(6) \$229,000 of the oil spill administration account appropriation is provided solely to implement section 10, chapter 200, Laws of 1991 (Engrossed Substitute House Bill No. 1027, hazardous substance spills).

(7) \$4,255,000 of the general fund appropriation is provided solely for evening degree program enrollment levels of 337 student FTEs in the first year and 375 student FTEs in the second year.

(8) The University of Washington shall reduce spending by \$630,000 for travel. These funds are to be used to mitigate enrollment reductions planned as part of the agency's 2.5 percent allotment reduction and to improve instruction.

(9) \$40,000 of the general fund appropriation is provided solely for the planning for learning project.

Sec. 604. 1992 c 238 s 4 is amended to read as follows:

FOR WASHINGTON STATE UNIVERSITY

General Fund Appropriation	\$	((336,148,000))
		<u>336,816,000</u>
Washington State University Operating Fees Account		
Appropriation	\$	35,977,000
<u>Industrial Insurance Premium Refund Account</u>		
<u>Appropriation</u>	<u>\$</u>	<u>27,920</u>
TOTAL APPROPRIATION	\$	((372,125,000))
		<u>372,820,920</u>

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

(1) \$7,719,000 of the general fund appropriation is provided solely to operate upper-division and graduate level courses offered at the Tri-Cities branch campus. At least \$500,000 of this amount is provided solely to implement sections 6, 7, and 8, chapter 341, Laws of 1991 (Engrossed Substitute House Bill No. 1426, research and extension programs). The amount referenced in this subsection does not include amounts authorized for 1991-93 salary increases.

(2) \$6,947,000 of the general fund appropriation is provided solely to operate upper-division and graduate level courses offered at the Vancouver branch campus. The amount referenced in this subsection does not include amounts authorized for 1991-93 salary increases.

(3) \$6,929,000 of the general fund appropriation is provided solely to operate graduate level courses offered at the Spokane branch campus. The amount referenced in this subsection does not include amounts authorized for 1991-93 salary increases.

(4) \$390,000 of the general fund appropriation is provided solely for assessment of student outcomes.

(5) \$293,000 of the general fund appropriation is provided solely to recruit and retain minorities.

(6) \$60,000 of the general fund appropriation is provided solely for the aquatic animal health program.

(7) \$779,000 of the general fund appropriation is provided solely to operate the international marketing program for agriculture commodities and trade (IMPACT). If House Bill No. 2316 (IMPACT sunset termination) is not enacted by June 30, 1992, the amount provided in this subsection shall lapse.

(8) Washington State University shall reduce spending by \$562,000 for travel. These funds are to be used to mitigate enrollment reductions of planned as part of the agency's 2.5 percent allotment reduction and to improve instruction.

(9) Funding for the agricultural experimental stations shall not be reduced by more than 2.5 percent from the initial 1991-93 biennial allotted level.

Sec. 605. 1992 c 238 s 6 is amended to read as follows:

FOR CENTRAL WASHINGTON UNIVERSITY

General Fund Appropriation	\$	((75,926,000))
		<u>76,059,000</u>
Central Washington University Operating Fees		
Account Appropriation	\$	9,727,000
<u>Industrial Insurance Premium Refund Account</u>		
<u>Appropriation</u>	\$	<u>13,000</u>
TOTAL APPROPRIATION	\$	((85,653,000))
		<u>85,799,000</u>

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

- (1) \$390,000 of the general fund appropriation is provided solely for assessment of student outcomes.
- (2) \$147,000 of the general fund appropriation is provided solely to recruit and retain minorities.
- (3) Central Washington University shall reduce spending by \$111,000 for travel. These funds are to be used to improve instruction.

Sec. 606. 1992 c 232 s 613 is amended to read as follows:

FOR THE WORK FORCE TRAINING AND EDUCATION COORDINATING BOARD

General Fund—State Appropriation	\$	((3,921,000))
		<u>3,971,000</u>
General Fund—Federal Appropriation	\$	33,067,000
TOTAL APPROPRIATION	\$	((36,988,000))
		<u>37,038,000</u>

**PART VII
SPECIAL APPROPRIATIONS**

Sec. 701. 1992 c 232 s 706 is amended to read as follows:

FOR THE GOVERNOR—TORT DEFENSE SERVICES

General Fund Appropriation	\$	((1,503,000))
		<u>3,003,000</u>
Special Fund Agency Tort Defense Services		
Revolving Fund Appropriation	\$	850,000
TOTAL APPROPRIATION	\$	((2,353,000))
		<u>3,853,000</u>

The appropriations in this section are subject to the following conditions and limitations: To facilitate payment of tort defense services from special funds, ~~((the state treasurer))~~ each affected agency is directed to transfer sufficient moneys from each special fund to the special fund tort defense services revolving fund, in accordance with schedules provided by the office of financial management. The governor shall distribute the moneys appropriated in this section to agencies to pay for tort defense services.

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NEW SECTION. **Sec. 702.** A new section is added to chapter 16, Laws of 1991 sp.s. to read as follows:

FOR THE GOVERNOR—FIRE PROTECTION CONTRACTS

General Fund—State Appropriation \$ 155,000

The appropriation in this section is subject to the following conditions and limitations: The governor shall distribute the moneys appropriated in this section to agencies engaged in mandatory negotiations with cities for fire protection contracts. The funding is based on one cent per square foot valuation of state property subject to negotiations. State agencies may request the money from the office of financial management and the money will be released based on demonstrated need.

Sec. 703. 1992 c 232 s 707 is amended to read as follows:

FOR THE OFFICE OF FINANCIAL MANAGEMENT—BELATED CLAIMS

(1) There is appropriated to the office of financial management for payment of supplies and services furnished in previous biennia, from the General Fund \$ ~~((762,000))~~
1,578,000

(2) The following sums, or so much thereof as shall severally be found necessary, are hereby appropriated and authorized to be expended out of the several funds indicated, for the period from the effective date of this act to June 30, 1993, in order to reimburse the general fund for expenditures from belated claims, to be disbursed on vouchers approved by the office of financial management:

Archives and Records Management Account	\$	((871)) <u>1,005</u>
Winter Recreational Program Account	\$	75
Snowmobile Account	\$	226
Flood Control Assistance Account	\$	((1,354)) <u>34,460</u>
Aquatic Lands Enhancement	\$	110
State Investment Board Expense Account	\$	((1,995)) <u>4,330</u>
State Toxics Control Account	\$	((671)) <u>161,542</u>
State Emergency Water Projects Revolving Account	\$	16
Charitable, Educational Penal (CEP), and Reformatory Institutions (RI) Account . . .	\$	19,384
State and Local Improvement Revolving Account—Waste Disposal Facilities	\$	384
Local Toxics Control Account	\$	51,879
Litter Control Account	\$	((299))

		<u>1,564</u>
State Patrol Highway Account	\$	120,300
State Wildlife Fund	\$	31,900
Highway Safety Account	\$	597
Motor Vehicle Fund	\$	46,932
High Capacity Transportation Account	\$	7,110
Public Service Revolving Account	\$	((3,038))
		<u>5,346</u>
Insurance Commissioner's Regulatory Account	\$	((2,079))
		<u>13,041</u>
Water Quality Account	\$	((88,565))
		<u>89,017</u>
State Treasurer's Service Fund	\$	546
Drug Enforcement and Education Account	\$	400
Legal Services Revolving Fund	\$	24,362
Municipal Revolving Account	\$	((6,249))
		<u>9,512</u>
Department of Personnel Service Fund	\$	((1,238))
		<u>1,283</u>
State Auditing Services Revolving Account	\$	((2,878))
		<u>3,044</u>
Liquor Revolving Fund	\$	((22,597))
		<u>23,201</u>
Convention and Trade Center Operations		
Account	\$	4,037
Department of Retirement Systems		
Expense Fund	\$	2,415
Accident Fund	\$	((3,034))
		<u>4,994</u>
Medical Aid Fund	\$	((3,034))
		<u>4,994</u>
<u>Hospital Commission Account</u>	<u>\$</u>	<u>37</u>
<u>Health Professions Account</u>	<u>\$</u>	<u>3,952</u>
<u>Grade Crossing Protective Account</u>	<u>\$</u>	<u>33,791</u>
<u>Vehicle Tire Recycling Account</u>	<u>\$</u>	<u>149</u>
<u>Water Quality Permit Account</u>	<u>\$</u>	<u>12</u>
<u>Solid Waste Management Account</u>	<u>\$</u>	<u>1,127</u>
<u>Hazardous Waste Assistance Account</u>	<u>\$</u>	<u>98</u>
<u>Puget Sound Ferry Operations Account</u>	<u>\$</u>	<u>429</u>
<u>Public Safety and Education Account</u>	<u>\$</u>	<u>1,381</u>
<u>Forest Development Account</u>	<u>\$</u>	<u>2,034</u>
<u>Resource Management Cost Account</u>	<u>\$</u>	<u>7,734</u>
<u>State Capital Historical Association Museum</u>		
<u>Account</u>	<u>\$</u>	<u>37</u>

Special Wildlife Account \$ 868

Sec. 704. 1992 c 232 s 708 is amended to read as follows:

FOR SUNDRY CLAIMS. The following sums, or so much thereof as may be necessary, are appropriated from the general fund, unless otherwise indicated, for relief of various individuals, firms, and corporations for sundry claims. These appropriations are to be disbursed on vouchers approved by the director of general administration, except as otherwise provided, as follows:

- (1) Pay'n Save Drug Stores, Inc., in settlement of medical assistance pharmacy billings during the 1989-91 biennium: PROVIDED, That the department of social and health services shall seek reimbursement from federal funds to the maximum extent permitted by federal law \$ 8,111.92
- (2) State Auditor, for payment of weed district assessments against state lands pursuant to RCW 17.04.180 \$ 1,715.72
- (3) City of Tacoma, in settlement of all claims per Pierce County Superior Court, Cause No. 86-2-09014-8 \$ 758,052.07
- (4) Charles Bauleke, for payment of claim number SCJ-91-13 \$ 3,347
- (5) Carol Berg, for payment of claim number SCJ-91-18 \$ 5,120.22
- (6) Denny Flatz, for payment of claim number SCJ-91-21 \$ 6,603.87
- (7) Cynthia A. Fonken, for payment of claim numbers SCJ-91-17 and SCJ-91-15 \$ 6,815.93
- (8) Wesley A. Grow, for payment of claim number SCJ-90-16 \$ 2,143
- (9) Larry Harris, for payment of claim number SCJ-91-20 \$ 2,379
- (10) Steve Allen Rice, for payment of claim number SCJ-91-25 \$ 4,031.11
- (11) Mark Stewart, for payment of claim number SCJ-91-29 \$ 17,919.89
- (12) Ryan Chapin, for payment of claim number SCJ-92-05 \$ 4,765.81
- (13) Gene Lindsey, for payment of claim number SCJ-92-06 \$ 4,259.44
- (14) Donald Inman, for payment of claim number SCJ-92-07 \$ 8,115.72
- (15) Jeffrey Turner, for payment of claim number SCJ-92-08 \$ 20,778.30
- (16) Anson Avery, for payment of claim number SCJ-92-09 \$ 3,828.00
- (17) Joseph Flarity, for payment of claim number SCJ-92-12 \$ 70,018.03
- (18) Al Smithson, for payment of claim number

<u>SCJ-90-08 from the state wildlife account</u>	<u>\$ 27,411.94</u>
<u>(19) Barbara Burton, for payment of claim number</u>	
<u>SCJ-92-01 from the state wildlife account</u>	<u>8,250.00</u>
<u>(20) Sound Anesthesia, for payment of claim number</u>	
<u>SCJ-92-03</u>	<u>35,314.70</u>
<u>(21) Al Smithson, for payment of claim number</u>	
<u>SCJ-93-01 from the state wildlife account</u>	<u>21,056.88</u>
<u>(22) Pat L. Thompson, for payment of claim number</u>	
<u>SCJ-92-10</u>	<u>10,278.93</u>
<u>(23) Kenneth G. Bussey, for payment of claim number</u>	
<u>SCJ-93-01</u>	<u>11,386.98</u>
<u>(24) Ronald N. Wilson, for payment of claim number</u>	
<u>SCJ-93-03</u>	<u>3,343.75</u>
<u>(25) John Peil (Goodman) for payment of claim number</u>	
<u>SCJ-93-04</u>	<u>2,779.80</u>
<u>(26) Bob Klingenstein, for payment of claim number</u>	
<u>SCG-93-05 from the state wildlife account</u>	<u>4,459.00</u>
<u>(27) Lester Eaton, Jr., for payment of claim numbers</u>	
<u>SCG-93-03 and SCG-93-04 from the state wildlife</u>	
<u>account</u>	<u>\$ 19,302.84</u>
<u>(28) Daniel Nix, for payment of claim number</u>	
<u>SCJ-92-16</u>	<u>38,581.20</u>
<u>(29) Wyman K. Dobson, for payment of claim number</u>	
<u>SCJ-93-09</u>	<u>6,946.38</u>
<u>(30) Gabriel Valdez, for payment of claim number</u>	
<u>SCJ-93-05</u>	<u>3,141.57</u>
<u>(31) John Garrett, for payment of claim number</u>	
<u>SCO-91-20 from the state wildlife account</u>	<u>\$ 42,605.20</u>
<u>(32) Orion Corporation, for payment of claim number</u>	
<u>SCJ-93-02 from the state building construction account,</u>	
<u>including interest through April 30, 1993</u>	<u>\$ 3,570,000.00</u>

NEW SECTION. Sec. 705. The following acts or parts of acts are each repealed:

- (1) 1992 c 232 s 705 (uncodified); and
- (2) 1992 c 232 s 712 (uncodified) and 1991 sp.s. c 16 s 716 (uncodified).

**PART VIII
OTHER TRANSFERS AND APPROPRIATIONS**

Sec. 801. 1992 c 232 s 802 is amended to read as follows:

FOR THE STATE TREASURER—TRANSFERS

General Government Special Revenue Fund—State
Treasurer’s Service Account: For transfer to
the general fund on or before June 30, 1993,
an amount up to \$16,627,000 in excess of the

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cash requirements in the State Treasurer's Service Account for fiscal year 1994, for credit to the fiscal year in which earned	\$ 16,627,000
General Fund—State: For transfer to the Flood Control Assistance Account	\$ 3,700,000
Public Facilities Construction Loan and Grant Revolving Fund: For transfer to the General Fund	\$ 631,400
Water Quality Account: For transfer to the water pollution revolving fund. Transfers shall be made at intervals coinciding with deposits of federal capitalization grant money into the revolving fund. The amounts transferred shall not exceed the match required for each federal deposit	\$ 14,500,000
Disability Accommodation Revolving Account: For transfer to the General Fund	\$ 190,000
Local Toxics Control Account: For transfer to the general fund for reimbursement of expenses paid by the general fund in support of grants to local governments for water quality, remedial actions, and solid and hazardous waste planning purposes	\$ 2,003,000
State Employees' Insurance Account: For transfer to the general fund (Northwestern National Life Insurance Refund)	\$ 8,310,000
Department of Personnel Service Fund: For transfer to the general fund	\$ 820,000
Trust Land Purchase Account: For transfer to the general fund	\$ 18,575,000
Motor Transport Account: For transfer to the general fund	\$ 947,000
<u>Resource Management Cost Account: For transfer to the agricultural permanent account, the University of Washington bond retirement account, the charitable, educational, penal and reformatory institutions account, the capitol building construction account, the normal school permanent account, and the scientific permanent account a maximum of \$20,000,000. The distribution of the transfer to these beneficiary accounts will be determined by the department of natural resources</u>	<u>\$ 20,000,000</u>

Sec. 802. 1991 sp.s. c 16 s 802 is amended to read as follows:

FOR THE STATE TREASURER—STATE REVENUES FOR DISTRIBUTION

General Fund Appropriation for fire insurance premiums tax distribution	\$	4,600,000
General Fund Appropriation for public utility district excise tax distribution	\$	24,314,000
General Fund Appropriation for prosecuting attorneys' salaries	\$	2,704,000
General Fund Appropriation for motor vehicle excise tax distribution	\$	83,075,000
General Fund Appropriation for local mass transit assistance	\$	275,140,000
General Fund Appropriation for camper and travel trailer excise tax distribution	\$	2,585,000
General Fund Appropriation for Boating Safety/ Education and Law Enforcement Distribution	\$	760,000
Aquatic Lands Enhancement Account Appropriation for harbor improvement revenue distribution	\$	90,000
Liquor Excise Tax Fund Appropriation for liquor excise tax distribution	\$	22,000,000
Motor Vehicle Fund Appropriation for motor vehicle fuel tax and overload penalties distribution	\$	359,745,000
Liquor Revolving Fund Appropriation for liquor profits distribution	\$	45,645,850
Timber Tax Distribution Account Appropriation for distribution to "Timber" counties	\$	83,100,000
Municipal Sales and Use Tax Equalization Account Appropriation	\$	44,690,000
County Sales and Use Tax Equalization Account Appropriation	\$	15,100,000
Death Investigations Account Appropriation for distribution to counties for publicly funded autopsies	\$	((750,000))
		<u>1,100,000</u>
County Criminal Justice Account Appropriation	\$	56,152,000
Municipal Criminal Justice Account Appropriation . . .	\$	22,460,000
TOTAL APPROPRIATION	\$	((1,042,910,850))
		<u>1,043,260,850</u>

**PART IX
MISCELLANEOUS**

NEW SECTION. Sec. 901. APPLICABILITY OF OTHER PROVISIONS.

This act is subject to the provisions, definitions, conditions, and limitations of chapter 16, Laws of 1991 sp. sess., as amended by chapter 232, Laws of 1992, chapter 238, Laws of 1992, and this act.

NEW SECTION. Sec. 902. A new section is added to chapter 16, Laws of 1991 sp.s. to read as follows:

SPENDING CONTROLS. (1) All agencies, including those headed by elected officials and appointed boards or commissions, shall control costs to ensure that operating expenditures for capital outlays and noncapitalized fixed assets for the period beginning April 1, 1993, and ending June 30, 1993, will not exceed the sum of that agency's monthly allotments for capital outlays and noncapitalized fixed assets for that same time period.

(2) All agencies, including those headed by elected officials and appointed boards or commissions, shall control costs to ensure that expenditures of state general fund appropriations for the period beginning April 1, 1993, and ending June 30, 1993, will not exceed the sum of that agency's monthly allotments of state general fund expenditures for that same time period.

(3) All agencies over one hundred employees, including those headed by elected officials and appointed boards or commissions, are directed to place into reserve status one percent of their April through June allotments for salaries. It is intended that these savings be achieved through the fiscal limitations imposed in the Governor's January 13, 1993, directive. Expenditure control mechanisms are assumed to include attrition, administrative efficiencies, and reductions in nonessential travel and purchases. The office of financial management shall issue agency savings targets and instructions for allotment amendment submittals.

Exceptions for the limitations described in subsections (1) through (3) of this section may be granted by the office of financial management only in cases of preexisting legal obligations or emergency conditions.

For the purposes of this section, "allotments" are considered to be the January 31, 1993, office of financial management approved expenditure plan as revised for any 1993 supplemental appropriations.

NEW SECTION. Sec. 903. A new section is added to chapter 43.105 RCW to read as follows:

UNAUTHORIZED DATA PROCESSING EXPENDITURES. No state agency may expend any moneys for major information technology projects subject to review by the department of information services under RCW 43.105.190 unless specifically authorized by the legislature. An intentional or negligent violation of this section constitutes a violation of RCW 43.88.290 and shall subject the head of the agency to forfeiture of office and other civil penalties as provided under RCW 43.88.300.

If the director of information services intentionally or negligently approved an expenditure in violation of this section, then all sanctions described in this section and RCW 43.88.300 shall also apply to the director of information services.

NEW SECTION. Sec. 904. SEVERABILITY. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of

the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. **Sec. 905. EMERGENCY CLAUSE.** This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect immediately.

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Passed the House May 5, 1993.
 Passed the Senate May 5, 1993.
 Approved by the Governor May 18, 1993.
 Filed in Office of Secretary of State May 18, 1993.

Reviser's note: In the 1992-93 state-wide teacher's salary allocation schedule shown on page 2479, the material in the first part of the schedule under the columns "BA+135" through "MA+90 or PHD" with dollar amounts from 26,514 for 0 years of service through 45,181 for 15 or more years of service was previously removed by section 503, chapter 232, Laws of 1992 (uncodified). Through a clerical error in the 1993 legislative process, this material was inadvertently reinserted into the section.

CHAPTER 2

[Engrossed Substitute House Bill 2055]

DEPARTMENT OF FISH AND WILDLIFE

Effective Date: 8/5/93 - Except Sections 1 through 6, 8 through 59, & 61 through 79 which take effect on 7/1/94; & Sections 7, 60, 80, & 82 through 100 which take effect on 7/1/93

AN ACT Relating to the creation of the department of fish and wildlife; amending RCW 41.06.070, 43.17.010, 43.17.020, 42.17.2401, 43.51.955, 75.08.014, 75.08.035, 75.08.055, 75.08.400, 75.10.010, 75.10.200, 75.12.040, 75.20.005, 75.20.050, 75.20.100, 75.20.1001, 75.20.103, 75.20.104, 75.20.1041, 75.20.106, 75.20.110, 75.20.130, 75.20.300, 75.20.310, 75.24.065, 75.25.005, 75.25.080, 75.25.170, 75.25.180, 75.50.010, 75.50.070, 75.50.080, 75.50.130, 75.52.010, 75.52.020, 75.52.035, 75.52.100, 75.52.110, 75.52.160, 75.58.010, 75.58.020, 75.58.030, 75.58.040, 77.04.020, 77.04.030, 77.04.040, 77.04.055, 77.04.080, 77.04.100, 77.08.010, 77.12.055, 77.12.103, 77.12.440, 77.12.710, 77.12.730, 77.12.750, 77.16.060, 77.16.135, 77.16.170, 77.18.010, and 77.32.380; reenacting and amending RCW 75.08.011 and 77.04.060; adding a new section to chapter 77.12 RCW; adding a new section to chapter 75.08 RCW; adding a new chapter to Title 43 RCW; adding a new chapter to Title 75 RCW; creating new sections; repealing RCW 43.131.375 and 43.131.376; making an appropriation; providing effective dates; and declaring an emergency.

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

NEW SECTION. **Sec. 1.** Perpetuation of fish and wildlife in Washington requires clear, efficient, streamlined, scientific, management from a single state fish and wildlife agency. Such a consolidation will focus existing funds for the greatest protection of species and stocks. It will bring combined resources to bear on securing, managing, and enhancing habitats. It will simplify licensing, amplify research, increase field staff, avoid duplication, and magnify enforcement of laws and rules. It will provide all fishers, hunters, and observers of fish and wildlife with a single source of consistent policies, procedures, and access.

NEW SECTION. **Sec. 2.** There is hereby created a department of state government to be known as the department of fish and wildlife. The department shall be vested with all powers and duties transferred to it under this chapter and such other powers and duties as may be authorized by law. All powers, duties, and functions of the department of fisheries and the department of wildlife are transferred to the department of fish and wildlife. All references in the Revised Code of Washington to the director or the department of fisheries or the director or department of wildlife shall be construed to mean the director or department of fish and wildlife.

NEW SECTION. Sec. 3. As used in this chapter, unless the context indicates otherwise:

- (1) "Department" means the department of fish and wildlife.
- (2) "Director" means the director of fish and wildlife.
- (3) "Commission" means the fish and wildlife commission.

NEW SECTION. Sec. 4. The executive head and appointing authority of the department shall be the director. The director shall be appointed by the governor, with the consent of the senate, and shall serve at the pleasure of the governor. The director shall be paid a salary to be fixed by the governor in accordance with RCW 43.03.040.

NEW SECTION. Sec. 5. In addition to other powers and duties granted or transferred to the director, the director shall have the following powers and duties:

- (1) Supervise and administer the department in accordance with law;
- (2) Appoint personnel and prescribe their duties. Except as otherwise provided, personnel of the department are subject to chapter 41.06 RCW, the state civil service law;
- (3) Enter into contracts on behalf of the agency;
- (4) Adopt rules in accordance with chapter 34.05 RCW, the administrative procedure act;
- (5) Delegate powers, duties, and functions as the director deems necessary for efficient administration but the director shall be responsible for the official acts of the officers and employees of the department;
- (6) Appoint advisory committees and undertake studies, research, and analysis necessary to support the activities of the department;
- (7) Accept and expend grants, gifts, or other funds to further the purposes of the department;
- (8) Carry out the policies of the governor and the basic goals and objectives as prescribed by the fish and wildlife commission pursuant to RCW 77.04.055; and
- (9) Perform other duties as are necessary and consistent with law.

NEW SECTION. Sec. 6. The director shall appoint such deputy directors, assistant directors, and up to seven special assistants as may be needed to administer the department. These employees are exempt from the provisions of chapter 41.06 RCW.

NEW SECTION. Sec. 7. The director of fisheries and the director of wildlife shall, by November 15, 1993, jointly submit a plan to the governor for the consolidation and smooth transition of the department of fisheries and the department of wildlife into the department of fish and wildlife so that the department of fish and wildlife will operate as a single entity on July 1, 1994. The wildlife commission shall make recommendations for the consolidation of the agencies to the governor and the two directors. The fish and wildlife commission shall review its area of responsibility in the consolidated agency and

submit recommendations by December 1, 1994, to the governor and the appropriate standing committees of the legislature on any necessary changes in its statutory authority. The legislative budget committee shall study the role of the fish and wildlife commission and prepare a report on recommended changes to the governor and the appropriate standing committees of the legislature by December 1, 1994.

NEW SECTION. Sec. 8. The department of fisheries and the department of wildlife are abolished and their powers, duties, and functions are transferred to the department of fish and wildlife.

NEW SECTION. Sec. 9. All reports, documents, surveys, books, records, files, papers, or written material connected with the powers, duties, and functions transferred in this act shall be delivered to the custody of the department of fish and wildlife. All cabinets, furniture, office equipment, motor vehicles, and other tangible property employed in connection with the powers, duties, and functions transferred shall be made available to the department of fish and wildlife. All funds, credits, or other assets held in connection with the powers, duties, and functions transferred shall be assigned to the department of fish and wildlife.

Any appropriations made in connection with the powers, duties, and functions transferred shall, on the effective date of this section, be transferred and credited to the department of fish and wildlife.

Whenever any question arises as to the transfer of any personnel, funds, books, documents, records, papers, files, equipment, or other tangible property used or held in the exercise of the powers and the performance of the duties and functions transferred, or as to the powers, duties, and functions transferred, the director of financial management shall make a determination as to the proper allocation and certify the same to the state agencies concerned.

NEW SECTION. Sec. 10. All classified employees employed in connection with the powers, duties, and functions transferred are transferred to the jurisdiction of the department of fish and wildlife. All employees classified under chapter 41.06 RCW, the state civil service law, are assigned to the department of fish and wildlife to perform their usual duties upon the same terms as formerly, without any loss of rights, subject to any action that may be appropriate thereafter in accordance with the laws and rules governing state civil service.

NEW SECTION. Sec. 11. All rules and all pending business before any agency of state government pertaining to the powers, duties, and functions transferred shall be continued and acted upon by the department of fish and wildlife. All existing contracts, obligations, and agreements shall remain in full force and shall be performed by the department of fish and wildlife.

NEW SECTION. Sec. 12. The transfer of the powers, duties, functions, and personnel shall not affect the validity of any act performed by any employee before the effective date of this section.

NEW SECTION. **Sec. 13.** If apportionments of budgeted funds are required because of the transfers directed by sections 9 through 12 of this act, the director of financial management shall certify the apportionments to the agencies affected, the state auditor, and the state treasurer. Each of these shall make the appropriate transfer and adjustments in funds and appropriation accounts and equipment records in accordance with the certification.

NEW SECTION. **Sec. 14.** Nothing contained in sections 9 through 13 of this act may be construed to alter any existing collective bargaining unit or the provisions of any existing collective bargaining agreement until the agreement has expired or until the bargaining unit has been modified by action of the personnel board as provided by law.

Sec. 15. RCW 41.06.070 and 1990 c 60 s 101 are each amended to read as follows:

The provisions of this chapter do not apply to:

(1) The members of the legislature or to any employee of, or position in, the legislative branch of the state government including members, officers, and employees of the legislative council, legislative budget committee, statute law committee, and any interim committee of the legislature;

(2) The justices of the supreme court, judges of the court of appeals, judges of the superior courts or of the inferior courts, or to any employee of, or position in the judicial branch of state government;

(3) Officers, academic personnel, and employees of state institutions of higher education, the state board for community and technical colleges (~~(education)~~), and the higher education personnel board;

(4) The officers of the Washington state patrol;

(5) Elective officers of the state;

(6) The chief executive officer of each agency;

(7) In the departments of employment security, (~~(fisheries)~~) social and health services, the director and (~~(his)~~) the director's confidential secretary; in all other departments, the executive head of which is an individual appointed by the governor, the director, (~~(his)~~) the director's confidential secretary, and (~~(his)~~) the director's statutory assistant directors;

(8) In the case of a multimember board, commission, or committee, whether the members thereof are elected, appointed by the governor or other authority, serve ex officio, or are otherwise chosen:

(a) All members of such boards, commissions, or committees;

(b) If the members of the board, commission, or committee serve on a part-time basis and there is a statutory executive officer: (i) The secretary of the board, commission, or committee; (ii) the chief executive officer of the board, commission, or committee; and (iii) the confidential secretary of the chief executive officer of the board, commission, or committee;

(c) If the members of the board, commission, or committee serve on a full-time basis: (i) The chief executive officer or administrative officer as designated

by the board, commission, or committee; and (ii) a confidential secretary to the chairman of the board, commission, or committee;

(d) If all members of the board, commission, or committee serve ex officio: (i) The chief executive officer; and (ii) the confidential secretary of such chief executive officer;

(9) The confidential secretaries and administrative assistants in the immediate offices of the elective officers of the state;

(10) Assistant attorneys general;

(11) Commissioned and enlisted personnel in the military service of the state;

(12) Inmate, student, part-time, or temporary employees, and part-time professional consultants, as defined by the state personnel board or the board having jurisdiction;

(13) The public printer or to any employees of or positions in the state printing plant;

(14) Officers and employees of the Washington state fruit commission;

(15) Officers and employees of the Washington state apple advertising commission;

(16) Officers and employees of the Washington state dairy products commission;

(17) Officers and employees of the Washington tree fruit research commission;

(18) Officers and employees of the Washington state beef commission;

(19) Officers and employees of any commission formed under the provisions of chapter 191, Laws of 1955, and chapter 15.66 RCW;

(20) Officers and employees of the state wheat commission formed under the provisions of chapter 87, Laws of 1961 (chapter 15.63 RCW);

(21) Officers and employees of agricultural commissions formed under the provisions of chapter 256, Laws of 1961 (chapter 15.65 RCW);

(22) Officers and employees of the nonprofit corporation formed under chapter 67.40 RCW;

(23) Liquor vendors appointed by the Washington state liquor control board pursuant to RCW 66.08.050: PROVIDED, HOWEVER, That rules and regulations adopted by the state personnel board pursuant to RCW 41.06.150 regarding the basis for, and procedures to be followed for, the dismissal, suspension, or demotion of an employee, and appeals therefrom shall be fully applicable to liquor vendors except those part time agency vendors employed by the liquor control board when, in addition to the sale of liquor for the state, they sell goods, wares, merchandise, or services as a self-sustaining private retail business;

(24) Executive assistants for personnel administration and labor relations in all state agencies employing such executive assistants including but not limited to all departments, offices, commissions, committees, boards, or other bodies subject to the provisions of this chapter and this subsection shall prevail over any

provision of law inconsistent herewith unless specific exception is made in such law;

(25) In each agency with fifty or more employees: Deputy agency heads, assistant directors or division directors, and not more than three principal policy assistants who report directly to the agency head or deputy agency heads;

(26) All employees of the marine employees' commission;

(27) Up to a total of five senior staff positions of the western library network under chapter 27.26 RCW responsible for formulating policy or for directing program management of a major administrative unit. This subsection shall expire on June 30, 1997;

(28) In addition to the exemptions specifically provided by this chapter, the state personnel board may provide for further exemptions pursuant to the following procedures. The governor or other appropriate elected official may submit requests for exemption to the personnel board stating the reasons for requesting such exemptions. The personnel board shall hold a public hearing, after proper notice, on requests submitted pursuant to this subsection. If the board determines that the position for which exemption is requested is one involving substantial responsibility for the formulation of basic agency or executive policy or one involving directing and controlling program operations of an agency or a major administrative division thereof, the personnel board shall grant the request and such determination shall be final. The total number of additional exemptions permitted under this subsection shall not exceed one hundred eighty-seven for those agencies not directly under the authority of any elected public official other than the governor, and shall not exceed a total of twenty-five for all agencies under the authority of elected public officials other than the governor. The state personnel board shall report to each regular session of the legislature during an odd-numbered year all exemptions granted under subsections (24), (25), and (28) of this section, together with the reasons for such exemptions.

The salary and fringe benefits of all positions presently or hereafter exempted except for the chief executive officer of each agency, full-time members of boards and commissions, administrative assistants and confidential secretaries in the immediate office of an elected state official, and the personnel listed in subsections (10) through (22) of this section, shall be determined by the state personnel board.

Any person holding a classified position subject to the provisions of this chapter shall, when and if such position is subsequently exempted from the application of this chapter, be afforded the following rights: If such person previously held permanent status in another classified position, such person shall have a right of reversion to the highest class of position previously held, or to a position of similar nature and salary.

Any classified employee having civil service status in a classified position who accepts an appointment in an exempt position shall have the right of

reversion to the highest class of position previously held, or to a position of similar nature and salary.

A person occupying an exempt position who is terminated from the position for gross misconduct or malfeasance does not have the right of reversion to a classified position as provided for in this section.

Sec. 16. RCW 43.17.010 and 1989 1st ex.s. c 9 s 810 are each amended to read as follows:

There shall be departments of the state government which shall be known as (1) the department of social and health services, (2) the department of ecology, (3) the department of labor and industries, (4) the department of agriculture, (5) ~~((the department of fisheries, (6)))~~ the department of fish and wildlife, ~~((7))~~ (6) the department of transportation, ~~((8))~~ (7) the department of licensing, ~~((9))~~ (8) the department of general administration, ~~((10))~~ (9) the department of trade and economic development, ~~((11))~~ (10) the department of veterans affairs, ~~((12))~~ (11) the department of revenue, ~~((13))~~ (12) the department of retirement systems, ~~((14))~~ (13) the department of corrections, ~~((15))~~ (14) the department of community development, and ~~((16))~~ (15) the department of health, which shall be charged with the execution, enforcement, and administration of such laws, and invested with such powers and required to perform such duties, as the legislature may provide.

Sec. 17. RCW 43.17.020 and 1989 1st ex.s. c 9 s 811 are each amended to read as follows:

There shall be a chief executive officer of each department to be known as: (1) The secretary of social and health services, (2) the director of ecology, (3) the director of labor and industries, (4) the director of agriculture, (5) ~~((the director of fisheries, (6)))~~ the director of fish and wildlife, ~~((7))~~ (6) the secretary of transportation, ~~((8))~~ (7) the director of licensing, ~~((9))~~ (8) the director of general administration, ~~((10))~~ (9) the director of trade and economic development, ~~((11))~~ (10) the director of veterans affairs, ~~((12))~~ (11) the director of revenue, ~~((13))~~ (12) the director of retirement systems, ~~((14))~~ (13) the secretary of corrections, ~~((15))~~ (14) the director of community development, and ~~((16))~~ (15) the secretary of health.

Such officers, except the secretary of transportation, shall be appointed by the governor, with the consent of the senate, and hold office at the pleasure of the governor. ~~((The director of wildlife, however, shall be appointed according to the provisions of RCW 77.04.080. If a vacancy occurs while the senate is not in session, the governor shall make a temporary appointment until the next meeting of the senate. A temporary director of wildlife shall not serve more than one year.))~~ The secretary of transportation shall be appointed by the transportation commission as prescribed by RCW 47.01.041.

Sec. 18. RCW 42.17.2401 and 1991 c 200 s 404 are each amended to read as follows:

For the purposes of RCW 42.17.240, the term "executive state officer" includes:

(1) The chief administrative law judge, the director of agriculture, the administrator of the office of marine safety, the administrator of the Washington basic health plan, the director of the department of services for the blind, the director of the state system of community and technical colleges, the director of community development, the secretary of corrections, the director of ecology, the commissioner of employment security, the chairman of the energy facility site evaluation council, the director of the energy office, the secretary of the state finance committee, the director of financial management, the director of ~~((fisheries))~~ fish and wildlife, the executive secretary of the forest practices appeals board, the director of the gambling commission, the director of general administration, the secretary of health, the administrator of the Washington state health care authority, the executive secretary of the health care facilities authority, the executive secretary of the higher education facilities authority, the director of the higher education personnel board, the executive secretary of the horse racing commission, the executive secretary of the human rights commission, the executive secretary of the indeterminate sentence review board, the director of the department of information services, the director of the interagency committee for outdoor recreation, the executive director of the state investment board, the director of labor and industries, the director of licensing, the director of the lottery commission, the director of the office of minority and women's business enterprises, the director of parks and recreation, the director of personnel, the executive director of the public disclosure commission, the director of retirement systems, the director of revenue, the secretary of social and health services, the chief of the Washington state patrol, the executive secretary of the board of tax appeals, the director of trade and economic development, the secretary of transportation, the secretary of the utilities and transportation commission, the director of veterans affairs, ~~((the director of wildlife,))~~ the president of each of the regional and state universities and the president of The Evergreen State College, each district and each campus president of each state community college;

(2) Each professional staff member of the office of the governor;

(3) Each professional staff member of the legislature; and

(4) Central Washington University board of trustees, board of trustees of each community college, each member of the state board for community and technical colleges ~~((education))~~, state convention and trade center board of directors, committee for deferred compensation, Eastern Washington University board of trustees, Washington economic development finance authority, The Evergreen State College board of trustees, forest practices appeals board, forest practices board, gambling commission, Washington health care facilities authority, higher education coordinating board, higher education facilities authority, higher education personnel board, horse racing commission, state housing finance commission, human rights commission, indeterminate sentence

review board, board of industrial insurance appeals, information services board, interagency committee for outdoor recreation, state investment board, liquor control board, lottery commission, marine oversight board, oil and gas conservation committee, Pacific Northwest electric power and conservation planning council, parks and recreation commission, personnel appeals board, personnel board, board of pilotage (~~(commissioners)~~) commissioners, pollution control hearings board, public disclosure commission, public pension commission, shorelines hearing board, state employees' benefits board, board of tax appeals, transportation commission, University of Washington board of regents, utilities and transportation commission, Washington state maritime commission, Washington public power supply system executive board, Washington State University board of regents, Western Washington University board of trustees, and fish and wildlife commission.

Sec. 19. RCW 43.51.955 and 1987 c 506 s 93 are each amended to read as follows:

Nothing in RCW 43.51.946 through 43.51.956 shall be construed to interfere with the powers, duties, and authority of the state department of fish and wildlife or the state fish and wildlife commission to regulate, manage, conserve, and provide for the harvest of wildlife within such area: PROVIDED, HOWEVER, That no hunting shall be permitted in any state park.

Sec. 20. RCW 75.08.011 and 1990 c 63 s 6 and 1990 c 35 s 3 are each reenacted and amended to read as follows:

As used in this title or rules of the director, unless the context clearly requires otherwise:

- (1) "Director" means the director of (~~(fisheries)~~) fish and wildlife.
- (2) "Department" means the department of (~~(fisheries)~~) fish and wildlife.
- (3) "Person" means an individual or a public or private entity or organization. The term "person" includes local, state, and federal government agencies, and all business organizations.

(4) "Fisheries patrol officer" means a person appointed and commissioned by the director, with authority to enforce this title, rules of the director, and other statutes as prescribed by the legislature. Fisheries patrol officers are peace officers.

(5) "Ex officio fisheries patrol officer" means a commissioned officer of a municipal, county, state, or federal agency having as its primary function the enforcement of criminal laws in general, while the officer is in the appropriate jurisdiction. The term "ex officio fisheries patrol officer" also includes wildlife agents, special agents of the national marine fisheries service, United States fish and wildlife special agents, state parks commissioned officers, department of natural resources enforcement officers, and United States forest service officers, while the agents and officers are within their respective jurisdictions.

(6) "To fish" and "to take" and their derivatives mean an effort to kill, injure, harass, or catch food fish or shellfish.

(7) "State waters" means all marine waters and fresh waters within ordinary high water lines and within the territorial boundaries of the state.

(8) "Offshore waters" means marine waters of the Pacific Ocean outside the territorial boundaries of the state, including the marine waters of other states and countries.

(9) "Concurrent waters of the Columbia river" means those waters of the Columbia river that coincide with the Washington-Oregon state boundary.

(10) "Resident" means a person who has for the preceding ninety days maintained a permanent abode within the state, has established by formal evidence an intent to continue residing within the state, and is not licensed to fish as a resident in another state.

(11) "Nonresident" means a person who has not fulfilled the qualifications of a resident.

(12) "Food fish" means those species of the classes Osteichthyes, Agnatha, and Chondrichthyes that shall not be fished for except as authorized by rule of the director. The term "food fish" includes all stages of development and the bodily parts of food fish species.

(13) "Shellfish" means those species of marine and freshwater invertebrates that shall not be taken except as authorized by rule of the director. The term "shellfish" includes all stages of development and the bodily parts of shellfish species.

(14) "Salmon" means all species of the genus *Oncorhynchus*, except those classified as game fish in Title 77 RCW, and includes:

Scientific Name	Common Name
<i>Oncorhynchus tshawytscha</i>	Chinook salmon
<i>Oncorhynchus kisutch</i>	Coho salmon
<i>Oncorhynchus keta</i>	Chum salmon
<i>Oncorhynchus gorbuscha</i>	Pink salmon
<i>Oncorhynchus nerka</i>	Sockeye salmon

(15) "Commercial" means related to or connected with buying, selling, or bartering. Fishing for food fish or shellfish with gear unlawful for fishing for personal use, or possessing food fish or shellfish in excess of the limits permitted for personal use are commercial activities.

(16) "To process" and its derivatives mean preparing or preserving food fish or shellfish.

(17) "Personal use" means for the private use of the individual taking the food fish or shellfish and not for sale or barter.

(18) "Angling gear" means a line attached to a rod and reel capable of being held in hand while landing the fish or a hand-held line operated without rod or reel to which are attached no more than two single hooks or one artificial bait with no more than four multiple hooks.

(19) "Open season" means those times, manners of taking, and places or waters established by rule of the director for the lawful fishing, taking, or

possession of food fish or shellfish. "Open season" includes the first and last days of the established time.

(20) "Emerging commercial fishery" means any commercial fishery:

(a) For food fish or shellfish so designated by rule of the director, except that no species harvested under a license limitation program contained in chapter 75.30 RCW may be designated as a species in an emerging commercial fishery.

(b) Which will include, subject to the limitation in (a) of this subsection, all species harvested for commercial purposes as of June 7, 1990, and the future commercial harvest of all other species in the waters of the state of Washington.

(21) "Experimental fishery permit" means a permit issued by the director to allow the recipient to engage in an emerging commercial fishery.

Sec. 21. RCW 75.08.014 and 1983 1st ex.s. c 46 s 6 are each amended to read as follows:

The director (~~(of fisheries)~~) shall supervise the administration and operation of the department (~~(of fisheries)~~) and perform the duties prescribed by law. The director may appoint and employ necessary personnel. The director may delegate, in writing, to department personnel the duties and powers necessary for efficient operation and administration of the department.

Only persons having general knowledge of the fisheries and wildlife resources and of the commercial and recreational fishing industry in this state are eligible for appointment as director. The director shall not have a financial interest in the fishing industry or a directly related industry.

Sec. 22. RCW 75.08.035 and 1992 c 63 s 11 are each amended to read as follows:

(1) The department (~~(of fisheries)~~) shall have the following powers and duties in carrying out its responsibilities for the senior environmental corps created under RCW 43.63A.247:

Appoint a representative to the coordinating council;

Develop project proposals;

Administer project activities within the agency;

Develop appropriate procedures for the use of volunteers;

Provide project orientation, technical training, safety training, equipment, and supplies to carry out project activities;

Maintain project records and provide project reports;

Apply for and accept grants or contributions for corps approved projects;

and

With the approval of the council, enter into memoranda of understanding and cooperative agreements with federal, state, and local agencies to carry out corps approved projects.

(2) The department shall not use corps volunteers to displace currently employed workers.

Sec. 23. RCW 75.08.055 and 1987 c 506 s 94 are each amended to read as follows:

(1) The director(~~(, and the director of wildlife with the concurrence of the wildlife commission,)~~) may enter into agreements with and receive funds from the United States for the construction, maintenance, and operation of fish cultural stations, laboratories, and devices in the Columbia River basin for improvement of feeding and spawning conditions for fish, for the protection of migratory fish from irrigation projects and for facilitating free migration of fish over obstructions.

(2) The director and the (~~(wildlife commission)~~) department may acquire by gift, purchase, lease, easement, or condemnation the use of lands where the construction or improvement is to be carried on by the United States.

Sec. 24. RCW 75.08.400 and 1989 c 336 s 1 are each amended to read as follows:

The legislature finds that:

(1) The fishery resources of Washington are critical to the social and economic needs of the citizens of the state;

(2) Salmon production is dependent on both wild and artificial production;

(3) The department (~~(of fisheries)~~) is directed to enhance Washington's salmon runs; and

(4) Full utilization of the state's salmon rearing facilities is necessary to enhance commercial and recreational fisheries.

Sec. 25. RCW 75.10.010 and 1985 c 155 s 1 are each amended to read as follows:

(1) Fisheries patrol officers and ex officio fisheries patrol officers within their respective jurisdictions, shall enforce this title, rules of the director, and other statutes as prescribed by the legislature.

(2) When acting within the scope of subsection (1) of this section and when an offense occurs in the presence of the fisheries patrol officer who is not an ex officio fisheries patrol officer, the fisheries patrol officer may enforce all criminal laws of the state. The fisheries patrol officer must have successfully completed the basic law enforcement academy course sponsored by the criminal justice training commission, or a supplemental course in criminal law enforcement as approved by the department and the criminal justice training commission and provided by the department or the criminal justice training commission, prior to enforcing the criminal laws of the state.

(3) Any liability or claim of liability which arises out of the exercise or alleged exercise of authority by a fisheries patrol officer rests with the department (~~(of fisheries)~~) unless the fisheries patrol officer acts under the direction and control of another agency or unless the liability is otherwise assumed under a written agreement between the department (~~(of fisheries)~~) and another agency.

(4) Fisheries patrol officers may serve and execute warrants and processes issued by the courts.

Sec. 26. RCW 75.10.200 and 1990 c 144 s 3 are each amended to read as follows:

Persons who violate this title or the rules of the director shall be subject to the following penalties:

(1) The following violations are gross misdemeanors and are punishable under RCW 9.92.020:

(a) Violating RCW 75.20.100; and

(b) Violating department statutes that require fish screens, fish ladders, and other protective devices for fish.

(2) The following violations are a class C felony and are punishable under RCW 9A.20.021(1)(c):

(a) Discharging explosives in waters that contain adult salmon or sturgeon: PROVIDED, That lawful discharge of devices for the purpose of frightening or killing marine mammals or for the lawful removal of snags or for actions approved under RCW 75.20.100 or 75.12.070(2) are exempt from this subsection; and

(b) To knowingly purchase food fish or shellfish with a wholesale value greater than two hundred fifty dollars that were taken by methods or during times not authorized by department (~~(of fisheries)~~) rules, or were taken by someone who does not have a valid commercial fishing license, a valid fish buyer's license, or a valid wholesale dealer's license, or were taken with fishing gear authorized for personal use.

Sec. 27. RCW 75.12.040 and 1985 c 147 s 1 are each amended to read as follows:

(1) It is unlawful to use, operate, or maintain a gill net which exceeds 250 fathoms in length or a drag seine in the waters of the Columbia river for catching salmon.

(2) It is unlawful to construct, install, use, operate, or maintain within state waters a pound net, round haul net, lampara net, fish trap, fish wheel, scow fish wheel, set net, weir, or fixed appliance for catching salmon. The director may authorize the use of this gear for scientific investigations.

(3) The department (~~(of fisheries)~~), in coordination with the Oregon department of fish and wildlife, shall adopt rules to regulate the use of monofilament in gill net webbing on the Columbia river.

Sec. 28. RCW 75.20.005 and 1991 c 322 s 21 are each amended to read as follows:

The department of (~~(fisheries, the department of)~~) fish and wildlife, the department of ecology, and the department of natural resources shall jointly develop an informational brochure that describes when permits and any other authorizations are required for flood damage prevention and reduction projects, and recommends ways to best proceed through the various regulatory permitting processes.

Sec. 29. RCW 75.20.050 and 1988 c 36 s 32 are each amended to read as follows:

It is the policy of this state that a flow of water sufficient to support game fish and food fish populations be maintained at all times in the streams of this state.

The director of ecology shall give the director (~~(of fisheries and the director of wildlife)~~) notice of each application for a permit to divert or store water. The director (~~(of fisheries and director of wildlife have)~~) has thirty days after receiving the notice to state (~~(their)~~) his or her objections to the application. The permit shall not be issued until the thirty-day period has elapsed.

The director of ecology may refuse to issue a permit if, in the opinion of the director (~~(of fisheries or director of wildlife)~~), issuing the permit might result in lowering the flow of water in a stream below the flow necessary to adequately support food fish and game fish populations in the stream.

The provisions of this section shall in no way affect existing water rights.

Sec. 30. RCW 75.20.100 and 1991 c 322 s 30 are each amended to read as follows:

In the event that any person or government agency desires to construct any form of hydraulic project or perform other work that will use, divert, obstruct, or change the natural flow or bed of any of the salt or fresh waters of the state, such person or government agency shall, before commencing construction or work thereon and to ensure the proper protection of fish life, secure the written approval of the department (~~(of fisheries or the department of wildlife)~~) as to the adequacy of the means proposed for the protection of fish life. This approval shall not be unreasonably withheld. Except as provided in RCW 75.20.1001 and 75.20.1002, the department (~~(of fisheries or the department of wildlife)~~) shall grant or deny approval within forty-five calendar days of the receipt of a complete application and notice of compliance with any applicable requirements of the state environmental policy act, made in the manner prescribed in this section. The applicant may document receipt of application by filing in person or by registered mail. A complete application for approval shall contain general plans for the overall project, complete plans and specifications of the proposed construction or work within the mean higher high water line in salt water or within the ordinary high water line in fresh water, and complete plans and specifications for the proper protection of fish life. The forty-five day requirement shall be suspended if (1) after ten working days of receipt of the application, the applicant remains unavailable or unable to arrange for a timely field evaluation of the proposed project; (2) the site is physically inaccessible for inspection; or (3) the applicant requests delay. Immediately upon determination that the forty-five day period is suspended, the department (~~(of fisheries or the department of wildlife)~~) shall notify the applicant in writing of the reasons for the delay. Approval is valid for a period of up to five years from date of issuance. The permittee must demonstrate substantial progress on construction of that portion of the project relating to the approval within two years of the date

of issuance. If ~~((either))~~ the department ~~((of fisheries or the department of wildlife))~~ denies approval, ~~((that))~~ the department shall provide the applicant, in writing, a statement of the specific reasons why and how the proposed project would adversely affect fish life. Protection of fish life shall be the only ground upon which approval may be denied or conditioned. Chapter 34.05 RCW applies to any denial of project approval, conditional approval, or requirements for project modification upon which approval may be contingent. If any person or government agency commences construction on any hydraulic works or projects subject to this section without first having obtained written approval of the department ~~((of fisheries or the department of wildlife))~~ as to the adequacy of the means proposed for the protection of fish life, or if any person or government agency fails to follow or carry out any of the requirements or conditions as are made a part of such approval, the person or director of the agency is guilty of a gross misdemeanor. If any such person or government agency is convicted of violating any of the provisions of this section and continues construction on any such works or projects without fully complying with the provisions hereof, such works or projects are hereby declared a public nuisance and shall be subject to abatement as such.

For the purposes of this section and RCW 75.20.103, "bed" shall mean the land below the ordinary high water lines of state waters. This definition shall not include irrigation ditches, canals, storm water run-off devices, or other artificial watercourses except where they exist in a natural watercourse that has been altered by man.

The phrase "to construct any form of hydraulic project or perform other work" shall not include the act of driving across an established ford. Driving across streams or on wetted stream beds at areas other than established fords requires approval. Work within the ordinary high water line of state waters to construct or repair a ford or crossing requires approval.

~~((For each application, the department of fisheries and the department of wildlife shall mutually agree on whether the department of fisheries or the department of wildlife shall administer the provisions of this section, in order to avoid duplication of effort. The department designated to act shall cooperate with the other department in order to protect all species of fish life found at the project site. If the department of fisheries or the department of wildlife receives an application concerning a site not in its jurisdiction, it shall transmit the application to the other department within three days and notify the applicant.))~~

In case of an emergency arising from weather or stream flow conditions or other natural conditions, the department ~~((of fisheries or department of wildlife))~~, through ~~((their))~~ its authorized representatives, shall issue immediately upon request oral approval for removing any obstructions, repairing existing structures, restoring stream banks, or to protect property threatened by the stream or a change in the stream flow without the necessity of obtaining a written approval prior to commencing work. Conditions of an oral approval shall be reduced to writing within thirty days and complied with as provided for in this section. Oral

approval shall be granted immediately upon request, for a stream crossing during an emergency situation.

This section shall not apply to the construction of any form of hydraulic project or other work which diverts water for agricultural irrigation or stock watering purposes authorized under or recognized as being valid by the state's water codes, or when such hydraulic project or other work is associated with streambank stabilization to protect farm and agricultural land as defined in RCW 84.34.020. These irrigation or stock watering diversion and streambank stabilization projects shall be governed by RCW 75.20.103.

Sec. 31. RCW 75.20.1001 and 1991 c 322 s 12 are each amended to read as follows:

The department (~~(of fisheries and the department of wildlife)~~) shall process hydraulic project applications submitted under RCW 75.20.100 or 75.20.103 within thirty days of receipt of the application. This requirement is only applicable for the repair and reconstruction of legally constructed dikes, seawalls, and other flood control structures damaged as a result of flooding or windstorms that occurred in November and December 1990.

Sec. 32. RCW 75.20.103 and 1991 c 322 s 31 are each amended to read as follows:

In the event that any person or government agency desires to construct any form of hydraulic project or other work that diverts water for agricultural irrigation or stock watering purposes, or when such hydraulic project or other work is associated with streambank stabilization to protect farm and agricultural land as defined in RCW 84.34.020, and when such diversion or streambank stabilization will use, divert, obstruct, or change the natural flow or bed of any river or stream or will utilize any waters of the state or materials from the stream beds, the person or government agency shall, before commencing construction or work thereon and to ensure the proper protection of fish life, secure a written approval from the department (~~(of fisheries or the department of wildlife)~~) as to the adequacy of the means proposed for the protection of fish life. This approval shall not be unreasonably withheld. Except as provided in RCW 75.20.1001 and 75.20.1002, the department (~~(of fisheries or the department of wildlife)~~) shall grant or deny the approval within forty-five calendar days of the receipt of a complete application and notice of compliance with any applicable requirements of the state environmental policy act, made in the manner prescribed in this section. The applicant may document receipt of application by filing in person or by registered mail. A complete application for an approval shall contain general plans for the overall project, complete plans and specifications of the proposed construction or work within ordinary high water line, and complete plans and specifications for the proper protection of fish life. The forty-five day requirement shall be suspended if (1) after ten working days of receipt of the application, the applicant remains unavailable or unable to arrange for a timely

field evaluation of the proposed project; (2) the site is physically inaccessible for inspection; or (3) the applicant requests delay.

Immediately upon determination that the forty-five day period is suspended, the department (~~(of fisheries or the department of wildlife)~~) shall notify the applicant in writing of the reasons for the delay.

An approval shall remain in effect without need for periodic renewal for projects that divert water for agricultural irrigation or stock watering purposes and that involve seasonal construction or other work. Approval for streambank stabilization projects shall remain in effect without need for periodic renewal if the problem causing the need for the streambank stabilization occurs on an annual or more frequent basis. The permittee must notify the appropriate agency before commencing the construction or other work within the area covered by the approval.

The permittee must demonstrate substantial progress on construction of that portion of the project relating to the approval within two years of the date of issuance. If ~~((either))~~ the department (~~(of fisheries or the department of wildlife)~~) denies approval, ~~((that))~~ the department shall provide the applicant, in writing, a statement of the specific reasons why and how the proposed project would adversely affect fish life. Protection of fish life shall be the only ground upon which approval may be denied or conditioned. Issuance, denial, conditioning, or modification shall be appealable to the hydraulic appeals board established in RCW 43.21B.005 within thirty days of the notice of decision. The burden shall be upon the department (~~(of fisheries or the department of wildlife)~~) to show that the denial or conditioning of an approval is solely aimed at the protection of fish life.

The department (~~(granting approval)~~) may, after consultation with the permittee, modify an approval due to changed conditions. The modifications shall become effective unless appealed to the hydraulic appeals board within thirty days from the notice of the proposed modification. The burden is on the department (~~(issuing the approval)~~) to show that changed conditions warrant the modification in order to protect fish life.

A permittee may request modification of an approval due to changed conditions. The request shall be processed within forty-five calendar days of receipt of the written request. A decision by the department (~~(that issued the approval)~~) may be appealed to the hydraulic appeals board within thirty days of the notice of the decision. The burden is on the permittee to show that changed conditions warrant the requested modification and that such modification will not impair fish life.

If any person or government agency commences construction on any hydraulic works or projects subject to this section without first having obtained written approval of the department (~~(of fisheries or the department of wildlife)~~) as to the adequacy of the means proposed for the protection of fish life, or if any person or government agency fails to follow or carry out any of the requirements or conditions as are made a part of such approval, the person or director of the

agency is guilty of a gross misdemeanor. If any such person or government agency is convicted of violating any of the provisions of this section and continues construction on any such works or projects without fully complying with the provisions hereof, such works or projects are hereby declared a public nuisance and shall be subject to abatement as such.

~~((For each application, the department of fisheries and the department of wildlife shall mutually agree on whether the department of fisheries or the department of wildlife shall administer the provisions of this section, in order to avoid duplication of effort. The department designated to act shall cooperate with the other department in order to protect all species of fish life found at the project site. If the department of fisheries or the department of wildlife receives an application concerning a site not in its jurisdiction, it shall transmit the application to the other department within three days and notify the applicant.))~~

In case of an emergency arising from weather or stream flow conditions or other natural conditions, the department ~~((of fisheries or department of wildlife)),~~ through ~~((their))~~ its authorized representatives, shall issue immediately upon request oral approval for removing any obstructions, repairing existing structures, restoring stream banks, or to protect property threatened by the stream or a change in the stream flow without the necessity of obtaining a written approval prior to commencing work. Conditions of an oral approval shall be reduced to writing within thirty days and complied with as provided for in this section.

For purposes of this chapter, "streambank stabilization" shall include but not be limited to log and debris removal, bank protection (including riprap, jetties, and groins), gravel removal and erosion control.

Sec. 33. RCW 75.20.104 and 1991 c 322 s 18 are each amended to read as follows:

Whenever the placement of woody debris is required as a condition of a hydraulic permit approval issued pursuant to RCW 75.20.100 or 75.20.103, the department ~~((of fisheries and the department of wildlife)),~~ upon request, shall invite comment regarding that placement from the local governmental authority, affected tribes, affected federal and state agencies, and the project applicant.

Sec. 34. RCW 75.20.1041 and 1991 c 322 s 19 are each amended to read as follows:

The department ~~((of fisheries, the department of wildlife,))~~ and the department of ecology will work cooperatively with the United States army corps of engineers to develop a memorandum of agreement outlining dike vegetation management guidelines so that dike owners are eligible for coverage under P.L. 84-99, and state requirements established pursuant to RCW 75.20.100 and 75.20.103 are met.

Sec. 35. RCW 75.20.106 and 1988 c 36 s 35 are each amended to read as follows:

The department ~~((of fisheries and the department of wildlife))~~ may ~~((each))~~ levy civil penalties of up to one hundred dollars per day for violation of any

provisions of RCW 75.20.100 or 75.20.103. The penalty provided shall be imposed by notice in writing, either by certified mail or personal service to the person incurring the penalty, from the director ~~((of the appropriate department))~~ or ~~((that))~~ the director's designee describing the violation. Any person incurring any penalty under this chapter may appeal the same under chapter 34.05 RCW to the director ~~((of the department levying the penalty))~~. Appeals shall be filed within thirty days of receipt of notice imposing any penalty. The penalty imposed shall become due and payable thirty days after receipt of a notice imposing the penalty unless an appeal is filed. Whenever an appeal of any penalty incurred under this chapter is filed, the penalty shall become due and payable only upon completion of all review proceedings and the issuance of a final order confirming the penalty in whole or in part.

If the amount of any penalty is not paid within thirty days after it becomes due and payable the attorney general, upon the request of the director ~~((of the department of fisheries or the department of wildlife))~~ shall bring an action in the name of the state of Washington in the superior court of Thurston county or of any county in which such violator may do business, to recover such penalty. In all such actions the procedure and rules of evidence shall be the same as an ordinary civil action. All penalties recovered under this section shall be paid into the state's general fund.

Sec. 36. RCW 75.20.110 and 1988 c 36 s 36 are each amended to read as follows:

(1) Except for the north fork of the Lewis river and the White Salmon river, all streams and rivers tributary to the Columbia river downstream from McNary dam are established as an anadromous fish sanctuary. This sanctuary is created to preserve and develop the food fish and game fish resources in these streams and rivers and to protect them against undue industrial encroachment.

(2) Within the sanctuary area:

(a) It is unlawful to construct a dam greater than twenty-five feet high within the migration range of anadromous fish as ~~((jointly))~~ determined by the director ~~((of fisheries and the director of wildlife))~~.

(b) Except by ~~((concurrent))~~ order of the director ~~((of fisheries and director of wildlife))~~, it is unlawful to divert water from rivers and streams in quantities that will reduce the respective stream flow below the annual average low flow, based upon data published in United States geological survey reports.

(3) The director ~~((of fisheries and the director of wildlife))~~ may acquire and abate a dam or other obstruction, or acquire any water right vested on a sanctuary stream or river, which is in conflict with the provisions of subsection (2) of this section.

(4) Subsection (2)(a) of this section does not apply to the sediment retention structure to be built on the North Fork Toutle river by the United States army corps of engineers.

Sec. 37. RCW 75.20.130 and 1989 c 175 s 160 are each amended to read as follows:

(1) There is hereby created within the environmental hearings office under RCW 43.21B.005 the hydraulic appeals board of the state of Washington.

(2) The hydraulic appeals board shall consist of three members: The director of the department of ecology or the director's designee, the director of the department of agriculture or the director's designee, and the director or the director's designee of the department whose action is appealed under subsection (6) of this section. A decision must be agreed to by at least two members of the board to be final.

(3) The board may adopt rules necessary for the conduct of its powers and duties or for transacting other official business.

(4) The board shall make findings of fact and prepare a written decision in each case decided by it, and that finding and decision shall be effective upon being signed by two or more board members and upon being filed at the hydraulic appeals board's principal office, and shall be open to public inspection at all reasonable times.

(5) The board has exclusive jurisdiction to hear appeals arising from the approval, denial, conditioning, or modification of a hydraulic approval issued by ~~((either))~~ the department ~~((of fisheries or the department of wildlife))~~ under the authority granted in RCW 75.20.103 for the diversion of water for agricultural irrigation or stock watering purposes or when associated with streambank stabilization to protect farm and agricultural land as defined in RCW 84.34.020.

(6)(a) Any person aggrieved by the approval, denial, conditioning, or modification of a hydraulic approval pursuant to RCW 75.20.103 may seek review from the board by filing a request for the same within thirty days of notice of the approval, denial, conditioning, or modification of such approval.

(b) The review proceedings authorized in (a) of this subsection are subject to the provisions of chapter 34.05 RCW pertaining to procedures in adjudicative proceedings.

Sec. 38. RCW 75.20.300 and 1989 c 213 s 3 are each amended to read as follows:

(1) The legislature intends to expedite flood-control, acquisition of sites for sediment retention, and dredging operations in those rivers affected by the May 1980 eruption of Mt. St. Helens, while continuing to protect the fish resources of these rivers.

(2) The director ~~((of fisheries and director of wildlife))~~ shall process hydraulic project applications submitted under RCW 75.20.100 within fifteen working days of receipt of the application. This requirement is only applicable to flood control and dredging projects located in the Cowlitz river from mile 22 to the confluence with the Columbia, and in the Toutle river from the mouth to the North Fork Toutle sediment dam site at North Fork mile 12, and to river mile 3 on the South Fork Toutle river, and volcano-affected areas of the Columbia river.

(3) For the purposes of this section, the emergency provisions of RCW 75.20.100 may be initiated by the county legislative authority if the project is necessary to protect human life or property from flood hazards, including:

(a) Flood fight measures necessary to provide protection during a flood event; or

(b) Measures necessary to reduce or eliminate a potential flood threat when other alternative measures are not available or cannot be completed prior to the expected flood threat season; or

(c) Measures which must be initiated and completed within an immediate period of time and for which processing of the request through normal methods would cause a delay to the project and such delay would significantly increase the potential for damages from a flood event.

(4) This section does not apply to the sediment retention structure to be built on the North Fork Toutle river by the United States army corps of engineers.

(5) This section expires on June 30, 1995.

Sec. 39. RCW 75.20.310 and 1988 c 36 s 39 are each amended to read as follows:

The legislature recognizes the need to mitigate the effects of sedimentary build-up and resultant damage to fish population in the Toutle river resulting from the Mt. St. Helens eruption. The state has entered into a contractual agreement with the United States army corps of engineers designed to minimize fish habitat disruption created by the sediment retention structure on the Toutle river, under which the corps has agreed to construct a fish collection facility at the sediment retention structure site conditional upon the state assuming the maintenance and operation costs of the facility. The department ~~((of wildlife and the department of fisheries))~~ shall ~~((cooperatively))~~ operate and maintain a fish collection facility on the Toutle river. ~~((Each agency shall share in the cost of operating and maintaining the facility.))~~

Sec. 40. RCW 75.24.065 and 1985 c 256 s 2 are each amended to read as follows:

The legislature finds that current environmental and economic conditions warrant a renewal of the state's historical practice of actively cultivating and managing its oyster reserves in Puget Sound to produce the state's native oyster, the Olympia oyster. The department ~~((of fisheries))~~ shall reestablish dike cultivated production of Olympia oysters on such reserves on a trial basis as a tool for planning more comprehensive cultivation by the state.

Sec. 41. RCW 75.25.005 and 1989 c 305 s 1 are each amended to read as follows:

The following recreational fishing licenses are administered and issued by the department ~~((of fisheries))~~ under authority of the director ~~((of fisheries))~~:

- (1) Hood Canal shrimp license;
- (2) Razor clam license;
- (3) Personal use fishing license;

- (4) Salmon license; and
- (5) Sturgeon license.

Sec. 42. RCW 75.25.080 and 1989 c 305 s 4 are each amended to read as follows:

(1) It is lawful to dig the personal-use daily bag limit of razor clams for another person if that person has in possession a physical disability permit issued by the director.

(2) An application for a physical disability permit must be submitted on a department (~~(of fisheries)~~) official form and must be accompanied by a licensed medical doctor's certification of disability.

Sec. 43. RCW 75.25.170 and 1989 c 305 s 16 are each amended to read as follows:

Fees received for recreational licenses required under this chapter shall be deposited in the general fund and shall be appropriated for management, enhancement, research, and enforcement purposes of the shellfish, salmon, and marine fish programs of the department (~~(of fisheries)~~).

Sec. 44. RCW 75.25.180 and 1989 c 305 s 14 are each amended to read as follows:

Recreational licenses issued by the department (~~(of fisheries)~~) under this chapter are valid for the following periods:

(1) Recreational licenses issued without charge to persons designated by this chapter are valid:

- (a) For life for blind persons;
- (b) For the period of continued state residency for qualified disabled veterans;
- (c) For the period of continued state residency for persons sixty-five years of age or more;
- (d) For the period of the disability for persons with a developmental disability;
- (e) For life for handicapped persons confined to a wheelchair who have been issued a permanent disability card; and
- (f) Until a child reaches fifteen years of age.

(2) Two-consecutive-day personal use licenses expire at midnight on the day following the validation date written on the license by the license dealer, except two-consecutive-day personal use licenses validated for December 31 expire at midnight on that date.

(3) An annual salmon license is valid for a maximum catch of fifteen salmon, after which another salmon license may be purchased. A salmon license is valid only for the calendar year for which it is issued.

(4) An annual sturgeon license is valid for a maximum catch of fifteen sturgeon. A sturgeon license is valid only for the calendar year for which it is issued.

(5) All other recreational licenses are valid for the calendar year for which they are issued.

Sec. 45. RCW 75.50.010 and 1985 c 458 s 1 are each amended to read as follows:

Currently, many of the salmon stocks of Washington state are critically reduced from their sustainable level. The best interests of all fishing groups and the citizens as a whole are served by a stable and productive salmon resource. Immediate action is needed to reverse the severe decline of the resource and to insure its very survival. The legislature finds a state of emergency exists and that immediate action is required to restore its fishery.

Disagreement and strife have dominated the salmon fisheries for many years. Conflicts among the various fishing interests have only served to erode the resource. It is time for the state of Washington to make a major commitment to increasing productivity of the resource and to move forward with an effective rehabilitation and enhancement program. The department (~~(of fisheries)~~) is directed to dedicate its efforts (~~(to make increasing the productivity of the salmon resource a first priority and)~~) to seek resolution to the many conflicts that involve the resource.

Success of the enhancement program can only occur if projects efficiently produce salmon or restore habitat. The expectation of the program is to optimize the efficient use of funding on projects that will increase artificially and naturally produced salmon, restore and improve habitat, or identify ways to increase the survival of salmon. The full utilization of state resources and cooperative efforts with interested groups are essential to the success of the program.

Sec. 46. RCW 75.50.070 and 1989 c 426 s 1 are each amended to read as follows:

The legislature finds that it is in the best interest of the salmon resource of the state to encourage the development of regional fisheries enhancement groups. The accomplishments of one existing group, the Grays Harbor fisheries enhancement task force, have been widely recognized as being exemplary. The legislature recognizes the potential benefits to the state that would occur if each region of the state had a similar group of dedicated citizens working to enhance the salmon resource.

The legislature authorizes the formation of regional fisheries enhancement groups. These groups shall be eligible for state financial support and shall be actively supported by the department (~~(of fisheries)~~). The regional groups shall be operated on a strictly nonprofit basis, and shall seek to maximize the efforts of volunteer and private donations to improve the salmon resource for all citizens of the state.

Sec. 47. RCW 75.50.080 and 1989 c 426 s 4 are each amended to read as follows:

Regional fisheries enhancement groups, consistent with the long-term regional policy statements developed under RCW 75.50.020, shall seek to:

- (1) Enhance the salmon resource of the state;
- (2) Maximize volunteer efforts and private donations to improve the salmon resource for all citizens;
- (3) Assist the department in achieving the goal to double the state-wide salmon catch by the year 2000 under chapter 214, Laws of 1988; and
- (4) Develop projects designed to supplement the fishery enhancement capability of the department (~~(of fisheries)~~).

Sec. 48. RCW 75.50.130 and 1992 c 88 s 1 are each amended to read as follows:

The director (~~(of fisheries)~~) shall prepare a salmon recovery plan for the Skagit river. The plan shall include strategies for employing displaced timber workers to conduct salmon restoration and other tasks identified in the plan. The plan shall incorporate the best available technology in order to achieve maximum restoration of depressed salmon stocks. The plan must encourage the restoration of natural spawning areas and natural rearing of salmon but must not preclude the development of an active hatchery program.

Sec. 49. RCW 75.52.010 and 1988 c 36 s 41 are each amended to read as follows:

The fish and (~~(game)~~) wildlife resources of the state benefit by the contribution of volunteer recreational and commercial fishing organizations, schools, and other volunteer groups in cooperative projects under agreement with the department (~~(of fisheries or the department of wildlife)~~). These projects provide educational opportunities, improve the communication between the natural resources agencies and the public, and increase the fish and game resources of the state. In an effort to increase these benefits and realize the full potential of cooperative projects, the department (~~(of fisheries and the department of wildlife each)~~) shall administer a cooperative fish and wildlife enhancement program and enter agreements with volunteer groups relating to the operation of cooperative projects.

Sec. 50. RCW 75.52.020 and 1988 c 36 s 42 are each amended to read as follows:

Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Volunteer group" means any person or group of persons interested in or party to an agreement with the department (~~(of fisheries or the department of wildlife)~~) relating to a cooperative fish or (~~(game)~~) wildlife project.

(2) "Cooperative project" means a project conducted by a volunteer group that will benefit the fish, shellfish, game bird, nongame wildlife, or game animal resources of the state and for which the benefits of the project, including fish and (~~(game)~~) wildlife reared and released, are available to all citizens of the state. Indian tribes may elect to participate in cooperative fish and wildlife projects with the department.

(3) "Department" means ~~((either)) the department of ((fisheries or the department of))~~ fish and wildlife~~((, whichever is responsible for managing the species of fish or game most affected by the cooperative project))~~.

Sec. 51. RCW 75.52.035 and 1987 c 48 s 1 are each amended to read as follows:

The department ~~((of fisheries))~~ may authorize the sale of surplus salmon eggs and carcasses by permitted cooperative projects for the purposes of defraying the expenses of the cooperative project. In no instance shall the department allow a profit to be realized through such sales. The department shall adopt rules to implement this section pursuant to chapter 34.05 RCW.

Sec. 52. RCW 75.52.100 and 1989 c 85 s 3 are each amended to read as follows:

A salmon spawning channel shall be constructed on the Cedar river with the assistance and cooperation of the ~~((state))~~ department ~~((of fisheries))~~. The department shall use existing personnel and the volunteer fisheries enhancement program outlined under chapter 75.52 RCW to assist in the planning, construction, and operation of the spawning channel.

Sec. 53. RCW 75.52.110 and 1989 c 85 s 4 are each amended to read as follows:

The department ~~((of fisheries))~~ shall chair a technical committee, which shall review the preparation of enhancement plans and construction designs for a Cedar river sockeye spawning channel. The technical committee shall consist of not more than eight members: One representative each from the department ~~((of fisheries))~~, national marine fisheries service, United States fish and wildlife service, and Muckleshoot Indian tribe; and four representatives from the public utility described in RCW 75.52.130. The technical committee will be guided by a policy committee, also to be chaired by the department ~~((of fisheries))~~, which shall consist of not more than six members: One representative from the department ~~((of fisheries))~~, one from the Muckleshoot Indian tribe, and one from either the national marine fisheries service or the United States fish and wildlife service; and three representatives from the public utility described in RCW 75.52.130. The policy committee shall present a progress report to the senate and house of representatives natural resources and environment committees by January 1, 1990, and shall oversee the operation and evaluation of the spawning channel. The policy committee will continue its oversight until the policy committee concludes that the channel is meeting the production goals specified in RCW 75.52.120.

Sec. 54. RCW 75.52.160 and 1989 c 85 s 10 are each amended to read as follows:

Should the requirements of RCW 75.52.100 through 75.52.160 not be met, the department ~~((of fisheries))~~ shall seek immediate legal clarification of the steps which must be taken to fully mitigate water diversion projects on the Cedar river.

Sec. 55. RCW 75.58.010 and 1988 c 36 s 43 are each amended to read as follows:

(1) The director of agriculture and the director (~~(of fisheries)~~) shall jointly develop a program of disease inspection and control for aquatic farmers as defined in RCW 15.85.020. The program shall be administered by the department (~~(of fisheries)~~) under rules established under this section. The purpose of the program is to protect the aquaculture industry and wildstock fisheries from a loss of productivity due to aquatic diseases or maladies. As used in this section "diseases" means, in addition to its ordinary meaning, infestations of parasites or pests. The disease program may include, but is not limited to, the following elements:

- (a) Disease diagnosis;
- (b) Import and transfer requirements;
- (c) Provision for certification of stocks;
- (d) Classification of diseases by severity;
- (e) Provision for treatment of selected high-risk diseases;
- (f) Provision for containment and eradication of high-risk diseases;
- (g) Provision for destruction of diseased cultured aquatic products;
- (h) Provision for quarantine of diseased cultured aquatic products;
- (i) Provision for coordination with state and federal agencies;
- (j) Provision for development of preventative or control measures;
- (k) Provision for cooperative consultation service to aquatic farmers; and
- (l) Provision for disease history records.

(2) The director (~~(of fisheries)~~) shall adopt rules implementing this section. However, such rules shall have the prior approval of the director of agriculture and shall provide therein that the director of agriculture has provided such approval. The director of agriculture or the director's designee shall attend the rule-making hearings conducted under chapter 34.05 RCW and shall assist in conducting those hearings. The authorities granted the department (~~(of fisheries)~~) by these rules and by RCW 75.08.080(1)(g), 75.24.080, 75.24.110, 75.28.125, 75.58.020, 75.58.030, and 75.58.040 constitute the only authorities of the department (~~(of fisheries)~~) to regulate private sector cultured aquatic products and aquatic farmers as defined in RCW 15.85.020. Except as provided in subsection (3) of this section, no action may be taken against any person to enforce these rules unless the department has first provided the person an opportunity for a hearing. In such a case, if the hearing is requested, no enforcement action may be taken before the conclusion of that hearing.

(3) The rules adopted under this section shall specify the emergency enforcement actions that may be taken by the department (~~(of fisheries)~~), and the circumstances under which they may be taken, without first providing the affected party with an opportunity for a hearing. Neither the provisions of this subsection nor the provisions of subsection (2) of this section shall preclude the department (~~(of fisheries)~~) from requesting the initiation of criminal proceedings for violations of the disease inspection and control rules.

(4) It is unlawful for any person to violate the rules adopted under subsection (2) or (3) of this section or to violate RCW 75.58.040.

(5) In administering the program established under this section, the department (~~(of fisheries)~~) shall use the services of a pathologist licensed to practice veterinary medicine.

(6) The director in administering the program shall not place constraints on or take enforcement actions in respect to the aquaculture industry that are more rigorous than those placed on the department (~~(of fisheries, the department of wildlife,)~~) or other fish-rearing entities.

Sec. 56. RCW 75.58.020 and 1985 c 457 s 9 are each amended to read as follows:

The directors of agriculture and (~~(fisheries)~~) fish and wildlife shall jointly adopt by rule, in the manner prescribed in RCW 75.58.010(2), a schedule of user fees for the disease inspection and control program established under RCW 75.58.010. The fees shall be established such that the program shall be entirely funded by revenues derived from the user fees by the beginning of the 1987-89 biennium.

There is established in the state treasury an account known as the aquaculture disease control account which is subject to appropriation. Proceeds of fees charged under this section shall be deposited in the account. Moneys from the account shall be used solely for administering the disease inspection and control program established under RCW 75.58.010.

Sec. 57. RCW 75.58.030 and 1988 c 36 s 44 are each amended to read as follows:

(1) The director (~~(of fisheries)~~) shall consult regarding the disease inspection and control program established under RCW 75.58.010 with (~~(the department of wildlife,)~~) federal agencies(~~(r)~~) and Indian tribes to assure protection of state, federal, and tribal aquatic resources and to protect private sector cultured aquatic products from disease that could originate from waters or facilities managed by those agencies.

(2) With regard to the program, the director (~~(of fisheries)~~) may enter into contracts or interagency agreements for diagnostic field services with government agencies and institutions of higher education and private industry.

(3) The director (~~(of fisheries)~~) shall provide for the creation and distribution of a roster of biologists having a speciality [specialty] in the diagnosis or treatment of diseases of fish or shellfish. The director shall adopt rules specifying the qualifications which a person must have in order to be placed on the roster.

Sec. 58. RCW 75.58.040 and 1988 c 36 s 45 are each amended to read as follows:

All aquatic farmers as defined in RCW 15.85.020 shall register with the department (~~(of fisheries)~~). The director shall develop and maintain a registration list of all aquaculture farms. Registered aquaculture farms shall provide the

department production statistical data. The state veterinarian (~~and the department of wildlife~~) shall be provided with registration and statistical data by the department.

Sec. 59. RCW 77.04.020 and 1987 c 506 s 4 are each amended to read as follows:

The department (~~(of wildlife)~~) consists of the state fish and wildlife commission and the director (~~(of wildlife)~~). The director is responsible for the administration and operation of the department, subject to the provisions of this title. The commission may delegate to the director additional duties and powers necessary and appropriate to carry out this title. The director shall perform the duties prescribed by law and shall carry out the basic goals and objectives prescribed pursuant to RCW 77.04.055.

Sec. 60. RCW 77.04.030 and 1987 c 506 s 5 are each amended to read as follows:

The state wildlife commission consists of (~~six~~) nine registered voters of the state. In January of each odd-numbered year, the governor shall appoint with the advice and consent of the senate two registered voters to the commission to serve for terms of six years from that January or until their successors are appointed and qualified. If a vacancy occurs on the commission prior to the expiration of a term, the governor shall appoint a registered voter within sixty days to complete the term. Three members shall be residents of that portion of the state lying east of the summit of the Cascade mountains, and three shall be residents of that portion of the state lying west of the summit of the Cascade mountains. Three additional members shall be appointed at-large effective July 1, 1993; one of whom shall serve a one and one-half year term to end December 31, 1994; one of whom shall serve a three and one-half year term to end December 31, 1996; and one of whom shall serve a five and one-half year term to end December 31, 1998. Thereafter all members are to serve a six-year term. No two members may be residents of the same county. The legal office of the commission is at the administrative office of the department in Olympia.

Sec. 61. RCW 77.04.040 and 1987 c 506 s 6 are each amended to read as follows:

Persons eligible for appointment as members of the commission shall have general knowledge of the habits and distribution of game fish and wildlife and shall not hold another state, county, or municipal elective or appointive office. In making these appointments, the governor shall seek to maintain a balance reflecting all aspects of game fish and wildlife. Persons eligible for appointment as wildlife commissioners shall not have a monetary interest in any private business that is involved with consumptive or nonconsumptive use of game fish or wildlife.

Sec. 62. RCW 77.04.055 and 1990 c 84 s 2 are each amended to read as follows:

(1) ~~((In addition to any other duties and responsibilities, the commission shall establish, and periodically review with the governor and the legislature, the department's basic goals and objectives to preserve, protect, and perpetuate wildlife and wildlife habitat. The commission shall maximize hunting and fishing recreational opportunities))~~ In establishing policies to preserve, protect, and perpetuate wildlife, game fish, and wildlife and game fish habitat, the commission shall meet annually with the governor to:

(a) Review and prescribe basic goals and objectives related to those policies; and

(b) Review the performance of the department in implementing game fish and wildlife policies.

The commission shall maximize game fish, hunting, and outdoor recreational opportunities compatible with healthy and diverse fish and wildlife populations.

(2) The commission shall establish hunting, trapping, and fishing seasons and prescribe the time, place, manner, and methods that may be used to harvest or enjoy game fish and wildlife.

Sec. 63. RCW 77.04.060 and 1987 c 506 s 8 and 1987 c 114 s 1 are each reenacted and amended to read as follows:

The commission shall hold at least one regular meeting during the first two months of each calendar quarter, and special meetings when called by the ~~((chairman or))~~ chair and by ~~((four))~~ five members. ~~((Four))~~ Five members constitute a quorum for the transaction of business.

The commission at a meeting in each odd-numbered year shall elect one of its members as chairman and another member as vice chairman, each of whom shall serve for a term of two years or until a successor is elected and qualified.

Members of the commission shall be compensated in accordance with RCW 43.03.250. In addition, members are allowed their travel expenses incurred while absent from their usual places of residence in accordance with RCW 43.03.050 and 43.03.060.

Sec. 64. RCW 77.04.080 and 1987 c 506 s 9 are each amended to read as follows:

Persons eligible for appointment by the governor as director shall have practical knowledge of the habits and distribution of fish and wildlife. The governor shall seek recommendations from the commission on the qualifications, skills, and experience necessary to discharge the duties of the position. When considering and selecting the director, the governor shall consult with and be advised by the commission. The director shall receive the salary fixed by the governor under RCW 43.03.040.

The director is the ex officio secretary of the commission and shall attend its meetings and keep a record of its business.

The director may appoint and employ necessary departmental personnel. The director may delegate to department personnel the duties and powers

necessary for efficient operation and administration of the department. The department shall provide staff for the commission.

Sec. 65. RCW 77.04.100 and 1985 c 208 s 2 are each amended to read as follows:

The director(~~(, in cooperation with the director of fisheries))~~ shall develop proposals to reinstate the natural salmon and steelhead trout fish runs in the Tilton and upper Cowlitz rivers in accordance with RCW 75.08.020(3).

Sec. 66. RCW 77.08.010 and 1989 c 297 s 7 are each amended to read as follows:

As used in this title or rules adopted pursuant to this title, unless the context clearly requires otherwise:

- (1) "Director" means the director of fish and wildlife.
- (2) "Department" means the department of fish and wildlife.
- (3) "Commission" means the state fish and wildlife commission.
- (4) "Person" means and includes an individual, a corporation, or a group of two or more individuals acting with a common purpose whether acting in an individual, representative, or official capacity.
- (5) "Wildlife agent" means a person appointed and commissioned by the director, with authority to enforce laws and rules adopted pursuant to this title, and other statutes as prescribed by the legislature.
- (6) "Ex officio wildlife agent" means a commissioned officer of a municipal, county, state, or federal agency having as its primary function the enforcement of criminal laws in general, while the officer is in the appropriate jurisdiction. The term "ex officio wildlife agent" includes fisheries patrol officers, special agents of the national marine fisheries (~~(commission))~~ service, state parks commissioned officers, United States fish and wildlife special agents, department of natural resources enforcement officers, and United States forest service officers, while the agents and officers are within their respective jurisdictions.
- (7) "To hunt" and its derivatives means an effort to kill, injure, capture, or harass a wild animal or wild bird.
- (8) "To trap" and its derivatives means a method of hunting using devices to capture wild animals or wild birds.
- (9) "To fish" and its derivatives means an effort to kill, injure, harass, or catch a game fish.
- (10) "Open season" means those times, manners of taking, and places or waters established by rule of the commission for the lawful hunting, fishing, or possession of game animals, game birds, or game fish. "Open season" includes the first and last days of the established time.
- (11) "Closed season" means all times, manners of taking, and places or waters other than those established as an open season.
- (12) "Closed area" means a place where the hunting of some species of wild animals or wild birds is prohibited.

(13) "Closed waters" means all or part of a lake, river, stream, or other body of water, where fishing for game fish is prohibited.

(14) "Game reserve" means a closed area where hunting for all wild animals and wild birds is prohibited.

(15) "Bag limit" means the maximum number of game animals, game birds, or game fish which may be taken, caught, killed, or possessed by a person, as specified by rule of the commission for a particular period of time, or as to size, sex, or species.

(16) "Wildlife" means all species of the animal kingdom whose members exist in Washington in a wild state. This includes but is not limited to mammals, birds, reptiles, amphibians, fish, and invertebrates. The term "wildlife" does not include feral domestic mammals, the family Muridae of the order Rodentia (old world rats and mice), or those fish, shellfish, and marine invertebrates classified as food fish or shellfish by the director (~~of fisheries~~). The term "wildlife" includes all stages of development and the bodily parts of wildlife members.

(17) "Wild animals" means those species of the class Mammalia whose members exist in Washington in a wild state and the species *Rana catesbeiana* (bullfrog). The term "wild animal" does not include feral domestic mammals or the family Muridae of the order Rodentia (old world rats and mice).

(18) "Wild birds" means those species of the class Aves whose members exist in Washington in a wild state.

(19) "Protected wildlife" means wildlife designated by the commission that shall not be hunted or fished.

(20) "Endangered species" means wildlife designated by the commission as seriously threatened with extinction.

(21) "Game animals" means wild animals that shall not be hunted except as authorized by the commission.

(22) "Fur-bearing animals" means game animals that shall not be trapped except as authorized by the commission.

(23) "Game birds" means wild birds that shall not be hunted except as authorized by the commission.

(24) "Predatory birds" means wild birds that may be hunted throughout the year as authorized by the commission.

(25) "Deleterious exotic wildlife" means species of the animal kingdom not native to Washington and designated as dangerous to the environment or wildlife of the state.

(26) "Game farm" means property on which wildlife is held or raised for commercial purposes, trade, or gift. The term "game farm" does not include publicly owned facilities.

(27) "Person of disability" means a permanently disabled person who is not ambulatory without the assistance of a wheelchair, crutches, or similar devices.

Sec. 67. RCW 77.12.055 and 1988 c 36 s 50 are each amended to read as follows:

(1) Jurisdiction and authority granted under RCW 77.12.060, 77.12.070, and 77.12.080 to the director, wildlife agents, and ex officio wildlife agents is limited to the laws and rules adopted pursuant to this title pertaining to wildlife or to the management, operation, maintenance, or use of or conduct on real property used, owned, leased, or controlled by the department and other statutes as prescribed by the legislature. However, when acting within the scope of these duties and when an offense occurs in the presence of the wildlife agent who is not an ex officio wildlife agent, the wildlife agent may enforce all criminal laws of the state. The wildlife agent must have successfully completed the basic law enforcement academy course sponsored by the criminal justice training commission, or a supplemental course in criminal law enforcement as approved by the department and the criminal justice training commission and provided by the department or the criminal justice training commission, prior to enforcing the criminal laws of the state.

(2) Wildlife agents are peace officers.

(3) Any liability or claim of liability which arises out of the exercise or alleged exercise of authority by a wildlife agent rests with the department unless the wildlife agent acts under the direction and control of another agency or unless the liability is otherwise assumed under a written agreement between the department (~~(of wildlife)~~) and another agency.

(4) Wildlife agents may serve and execute warrants and processes issued by the courts.

Sec. 68. RCW 77.12.103 and 1989 c 314 s 3 are each amended to read as follows:

(1) The burden of proof of any exemption or exception to seizure or forfeiture of personal property involved with wildlife offenses is upon the person claiming it.

(2) An authorized state, county, or municipal officer may be subject to civil liability under RCW 77.12.101 for willful misconduct or gross negligence in the performance of his or her duties.

(3) The director (~~(of wildlife)~~), the fish and wildlife commission, or the department (~~(of wildlife)~~) may be subject to civil liability for their willful or reckless misconduct in matters involving the seizure and forfeiture of personal property involved with wildlife offenses.

Sec. 69. RCW 77.12.440 and 1987 c 506 s 47 are each amended to read as follows:

The state assents to the act of congress entitled: "An Act to provide that the United States shall aid the states in fish restoration and management projects, and for other purposes," (64 Stat. 430; 16 U.S.C. Sec. 777). The department (~~(of wildlife and the department of fisheries)~~) shall establish, conduct, and maintain fish restoration and management projects, as defined in the act, and shall comply with the act and related rules adopted by the secretary of the interior.

Sec. 70. RCW 77.12.710 and 1990 c 110 s 2 are each amended to read as follows:

The legislature hereby directs the department (~~(of wildlife)~~) to determine the feasibility and cost of doubling the state-wide game fish production by the year 2000. The department shall seek to equalize the effort and investment expended on anadromous and resident game fish programs. The department (~~(of wildlife)~~) shall provide the legislature with a specific plan for legislative approval that will outline the feasibility of increasing game fish production by one hundred percent over current levels by the year 2000. The plan shall contain specific provisions to increase both hatchery and naturally spawning game fish to a level that will support the production goal established in this section consistent with (~~(wildlife commission)~~) department policies. Steelhead trout, searun cutthroat trout, resident trout, and warmwater fish producing areas of the state shall be included in the plan. The department (~~(of wildlife)~~) shall provide the plan to the house of representatives and senate ways and means, environment and natural resources, environmental affairs, fisheries and wildlife, and natural resources committees by December 31, 1990.

The plan shall include the following critical elements:

- (1) Methods of determining current catch and production, and catch and production in the year 2000;
- (2) Methods of involving fishing groups, including Indian tribes, in a cooperative manner;
- (3) Methods for using low capital cost projects to produce game fish as inexpensively as possible;
- (4) Methods for renovating and modernizing all existing hatcheries and rearing ponds to maximize production capability;
- (5) Methods for increasing the productivity of natural spawning game fish;
- (6) Application of new technology to increase hatchery and natural productivity;
- (7) Analysis of the potential for private contractors to produce game fish for public fisheries;
- (8) Methods to optimize public volunteer efforts and cooperative projects for maximum efficiency;
- (9) Methods for development of trophy game fish fisheries;
- (10) Elements of coordination with the Pacific Northwest Power Council programs to ensure maximum Columbia river benefits;
- (11) The role that should be played by private consulting companies in developing and implementing the plan;
- (12) Coordination with federal fish and wildlife agencies, Indian tribes, and department (~~(of fisheries)~~) fish production programs;
- (13) Future needs for game fish predator control measures;
- (14) Development of disease control measures;
- (15) Methods for obtaining access to waters currently not available to anglers; and

(16) Development of research programs to support game fish management and enhancement programs.

The department (~~(of wildlife)~~), in cooperation with the department of revenue, shall assess various funding mechanisms and make recommendations to the legislature in the plan. The department (~~(of wildlife)~~), in cooperation with the department of trade and economic development, shall prepare an analysis of the economic benefits to the state that will occur when the game fish production is increased by one hundred percent in the year 2000.

Sec. 71. RCW 77.12.730 and 1990 c 195 s 3 are each amended to read as follows:

(1) A ten-member firearms range advisory committee is hereby created to provide advice and counsel to the interagency committee for outdoor recreation. The members shall be appointed by the director of the interagency committee for outdoor recreation from the following groups:

- (a) Law enforcement;
- (b) Washington military department;
- (c) Black powder shooting sports;
- (d) Rifle shooting sports;
- (e) Pistol shooting sports;
- (f) Shotgun shooting sports;
- (g) Archery shooting sports;
- (h) Hunter education;
- (i) Hunters; and
- (j) General public.

(2) The firearms range advisory committee members shall serve two-year terms with five new members being selected each year beginning with the third year of the committee's existence. The firearms range advisory committee members shall not receive compensation from the firearms range account. However, travel and per diem costs shall be paid consistent with regulations for state employees.

(3) The interagency committee for outdoor recreation shall provide administrative, operational, and logistical support for the firearms range advisory committee. Expenses directly incurred for supporting this program may be charged by the interagency committee for outdoor recreation against the firearms range account. Expenses shall not exceed ten percent of the yearly income for the range account.

(4) The interagency committee for outdoor recreation shall in cooperation with the firearms range advisory committee:

- (a) Develop an application process;
- (b) Develop an audit and accountability program;
- (c) Screen, prioritize, and approve grant applications; and
- (d) Monitor compliance by grant recipients.

(5) The department of natural resources, the department of fish and wildlife, and the Washington military department are encouraged to provide land, facilitate land exchanges, and support the development of shooting range facilities.

Sec. 72. RCW 77.12.750 and 1992 c 63 s 13 are each amended to read as follows:

(1) The department (~~(of wildlife)~~) shall have the following powers and duties in carrying out its responsibilities for the senior environmental corps created under RCW 43.63A.247:

- Appoint a representative to the coordinating council;
 - Develop project proposals;
 - Administer project activities within the agency;
 - Develop appropriate procedures for the use of volunteers;
 - Provide project orientation, technical training, safety training, equipment, and supplies to carry out project activities;
 - Maintain project records and provide project reports;
 - Apply for and accept grants or contributions for corps approved projects;
- and

With the approval of the council, enter into memoranda of understanding and cooperative agreements with federal, state, and local agencies to carry out corps approved projects.

(2) The department shall not use corps volunteers to displace currently employed workers.

Sec. 73. RCW 77.16.060 and 1987 c 506 s 61 are each amended to read as follows:

It is unlawful to lay, set, or use a net or other device capable of taking game fish in the waters of this state except as authorized by the commission or director (~~(of fisheries)~~). Game fish taken incidental to a lawful season established by the director (~~(of fisheries)~~) shall be returned immediately to the water.

A landing net may be used to land fish otherwise legally hooked.

Sec. 74. RCW 77.16.135 and 1991 c 211 s 1 are each amended to read as follows:

(1) The director shall revoke all licenses and privileges extended under Title 77 RCW of a person convicted of assault on a state wildlife agent or other law enforcement officer provided that:

- (a) The wildlife agent or other law enforcement officer was on duty at the time of the assault; and
- (b) The wildlife agent or other law enforcement officer was enforcing the provisions of Title 77 RCW.

(2) For the purposes of this section, the definition of assault includes:

- (a) RCW 9A.32.030; murder in the first degree;
- (b) RCW 9A.32.050; murder in the second degree;
- (c) RCW 9A.32.060; manslaughter in the first degree;
- (d) RCW 9A.32.070; manslaughter in the second degree;

- (e) RCW 9A.36.011; assault in the first degree;
- (f) RCW 9A.36.021; assault in the second degree; and
- (g) RCW 9A.36.031; assault in the third degree.

(3) For the purposes of this section, a conviction includes:

- (a) A determination of guilt by the court;
- (b) The entering of a guilty plea to the charge or charges by the accused;
- (c) A forfeiture of bail or a vacation of bail posted to the court; or
- (d) The imposition of a deferred or suspended sentence by the court.

(4) No license described under Title 77 RCW shall be reissued to a person violating this section for a minimum of ten years, at ~~((that [which]))~~ which time a person may petition the director ~~((of wildlife))~~ for a reinstatement of his or her license or licenses. The ten-year period shall be tolled during any time the convicted person is incarcerated in any state or local correctional or penal institution, in community supervision, or home detention for an offense under this section. Upon review by the director, and if all provisions of the court that imposed sentencing have been completed, the director may reinstate in whole or in part the licenses and privileges under Title 77 RCW.

Sec. 75. RCW 77.16.170 and 1988 c 36 s 51 are each amended to read as follows:

It is unlawful to take a wild animal from another person's trap without permission, or to spring, pull up, damage, possess, or destroy the trap; however, it is not unlawful for a property owner, lessee, or tenant to remove a trap placed on the owner's, lessee's, or tenant's property by a trapper.

Trappers shall attach to the chain of their traps or devices a legible metal tag with either the department ~~((of wildlife))~~ identification number of the trapper or the name and address of the trapper in English letters not less than one-eighth inch in height.

When an individual presents a trapper identification number to the department ~~((of wildlife))~~ and requests identification of the trapper, the department ~~((of wildlife))~~ shall provide the individual with the name and address of the trapper. Prior to disclosure of the trapper's name and address, the department ~~((of wildlife))~~ shall obtain the name and address of the requesting individual in writing and after disclosing the trapper's name and address to the requesting individual, the requesting individual's name and address shall be disclosed in writing to the trapper whose name and address was disclosed.

Sec. 76. RCW 77.18.010 and 1991 c 253 s 2 are each amended to read as follows:

Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Department" means the ~~((Washington))~~ department of fish and wildlife.

(2) "Contract" means an agreement setting at a minimum, price, quantity of fish to be delivered, time of delivery, and fish health requirements.

(3) "Fish health requirements" means those site specific fish health and genetic requirements actually used by the department of fish and wildlife in fish stocking.

(4) "Aquatic farmer" means a private sector person who commercially farms and manages private sector cultured aquatic products on the person's own land or on land in which the person has a present right of possession.

(5) "Person" means a natural person, corporation, trust, or other legal entity.

Sec. 77. RCW 77.32.380 and 1991 sp.s. c 7 s 12 are each amended to read as follows:

Persons sixteen years of age or older who use clearly identified department lands and access facilities are required to possess a conservation license or a hunting, fishing, trapping, or free license on their person while using the facilities. The fee for this license is ten dollars annually.

The spouse, all children under eighteen years of age, and guests under eighteen years of age of the holder of a valid conservation license may use department lands and access facilities when accompanied by the license holder.

Youth groups may use department lands and game access facilities without possessing a conservation license when accompanied by a license holder.

The conservation license is nontransferable and must be validated by the signature of the holder. Upon request of a wildlife agent or ex officio wildlife agent a person using clearly identified department (~~(of wildlife)~~) lands shall exhibit the required license.

NEW SECTION. **Sec. 78.** A new section is added to chapter 77.12 RCW to read as follows:

Steelhead trout shall be managed solely as a recreational fishery for non-Indian fishermen under the rule-setting authority of the fish and wildlife commission.

Commercial non-Indian steelhead fisheries are not authorized.

NEW SECTION. **Sec. 79.** On July 1, 1994, the state treasurer shall follow the recommendations of the director of financial management on the disbursement of funds from the state wildlife fund to the department of fish and wildlife solely for the purposes of funding programs for wildlife and game fish. Funds from the state wildlife fund shall be used only for the department of fish and wildlife after June 30, 1994.

NEW SECTION. **Sec. 80.** The following acts or parts of acts are each repealed:

(1) RCW 43.131.375 and 1991 c 253 s 5; and

(2) RCW 43.131.376 and 1991 c 253 s 6.

NEW SECTION. **Sec. 81.** Sections 1 through 6 of this act shall constitute a new chapter in Title 43 RCW.

NEW SECTION. **Sec. 82.** The legislature finds that recreational fishing opportunities for salmon and marine bottomfish have been dwindling in recent

years. It is important to restore diminished recreational fisheries and to enhance the salmon and marine bottomfish resource to assure sustained productivity. Investments made in recreational fishing programs will repay the people of the state many times over in increased economic activity and in an improved quality of life.

NEW SECTION. Sec. 83. There is created within the department of fish and wildlife the Puget Sound recreational salmon and marine fish enhancement program. The department of fish and wildlife shall identify a coordinator for the program who shall act as spokesperson for the program and shall:

(1) Coordinate the activities of the Puget Sound recreational salmon and marine fish enhancement program, including the Lake Washington salmon fishery;

(2) Provide reports as needed to the legislature and the public; and

(3) Work within and outside of the department to achieve the goals stated in this chapter.

NEW SECTION. Sec. 84. The department shall: Develop a short-term program of hatchery-based salmon enhancement using freshwater pond sites for the final rearing phase; solicit support from cooperative projects, regional enhancement groups, and other supporting organizations; conduct comprehensive research on resident and migratory salmon production opportunities; and conduct research on marine bottomfish production limitations and on methods for artificial propagation of marine bottomfish.

Long-term responsibilities of the department are to: Fully implement enhancement efforts for Puget Sound and Hood Canal resident salmon and marine bottomfish; identify opportunities to reestablish salmon runs into areas where they no longer exist; encourage naturally spawning salmon populations to develop to their fullest extent; and fully utilize hatchery programs to improve recreational fishing.

NEW SECTION. Sec. 85. The department shall seek recommendations from persons who are expert on the planning and operation of programs for enhancement of recreational fisheries. The department shall fully use the expertise of the University of Washington college of fisheries and the sea grant program to develop research and enhancement programs.

NEW SECTION. Sec. 86. The department shall develop new locations for the freshwater rearing of delayed-release chinook salmon. In calendar year 1994, at least one freshwater pond chinook salmon rearing site shall be developed and begin production in each of the following areas: South Puget Sound, central Puget Sound, north Puget Sound, and Hood Canal. Natural or artificial pond sites shall be preferred to net pens due to higher survival rates experienced from pond rearing. Rigorous predatory bird control measures shall be implemented. The goal of the program is to increase the production and planting of delayed release chinook salmon to a level of three million fish annually by the year 2000.

NEW SECTION. **Sec. 87.** The department shall conduct research, develop methods, and implement programs for the artificial rearing and release of marine bottomfish species. Lingcod, halibut, rockfish, and Pacific cod shall be the species of primary emphasis due to their importance in the recreational fishery.

NEW SECTION. **Sec. 88.** The department shall undertake additional research to more fully evaluate improved enhancement techniques, hooking mortality rates, methods of mass marking, improvement of catch models, and sources of marine bottomfish mortality. Research shall be designed to give the best opportunity to provide information that can be applied to real-world recreational fishing needs.

NEW SECTION. **Sec. 89.** The department shall work with the department of ecology, the department of wildlife, and local government entities to streamline the siting process for new enhancement projects. The department is encouraged to work with the legislature to develop statutory changes that enable expeditious processing and granting of permits for fish enhancement projects.

NEW SECTION. **Sec. 90.** The department's information and education section shall develop a public awareness program designed to educate the public on the elements of the recreational fishing program and to recruit volunteers to assist the department in implementing recreational fishing projects. Economic benefits of the program shall be emphasized.

NEW SECTION. **Sec. 91.** The department shall increase efforts to document the effects of bird predators, harbor seals, sea lions, and predatory fish upon the salmon and marine fish resource. Every opportunity shall be explored to convince the federal government to amend the marine mammal protection act to allow for balanced management of predators, as well as to work with the United States fish and wildlife service to achieve workable control measures for predatory birds.

NEW SECTION. **Sec. 92.** Indian tribal fishing interests and non-Indian commercial fishing groups shall be invited to participate in development of plans for selective fisheries that target hatchery-produced fish and minimize catch of naturally spawned fish. In addition, talks shall be initiated on the feasibility of altering the rearing programs of department hatcheries to achieve higher survival and greater production of chinook and coho salmon.

NEW SECTION. **Sec. 93.** The department shall coordinate the sport fishing program with the wild stock initiative to assure that the two programs are compatible and potential conflicts are avoided.

NEW SECTION. **Sec. 94.** The department shall develop plans for increased recreational access to salmon and marine fish resources. Proposals for new boat launching ramps and pier fishing access shall be developed.

NEW SECTION. Sec. 95. The department shall contract with private consultants, aquatic farms, or construction firms, where appropriate, to achieve the highest benefit-to-cost ratio for recreational fishing projects.

***NEW SECTION.** Sec. 96. *The requirements and provisions of this chapter are to be performed in addition to and not at the expense of existing salmon programs of the department. Nothing in this chapter shall be construed to authorize the department to advocate or to improve recreational fishing at the expense of commercial fishing or to increase recreational enhancement to the detriment of commercial enhancement.*

*Sec. 96 was vetoed, see message at end of chapter.

NEW SECTION. Sec. 97. Beginning January 1, 1994, persons who recreationally fish for salmon or marine bottomfish in marine area codes 5 through 13 and Lake Washington shall be assessed an annual recreational surcharge of ten dollars, in addition to other licensing requirements. Funds from the surcharge shall be deposited in the recreational fisheries enhancement account created in section 98 of this act, except that the first five hundred thousand dollars shall be deposited in the general fund before June 30, 1995, to repay the appropriation made by section 104, chapter . . . , Laws of 1993 (section 104 of this act).

NEW SECTION. Sec. 98. The recreational fisheries enhancement account is created in the state treasury. All receipts from section 97 of this act shall be deposited into the account. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only for recreational fisheries enhancement programs.

NEW SECTION. Sec. 99. A new section is added to chapter 75.08 RCW to read as follows:

The department may adopt rules pertaining to harvest of fish and wildlife in the federal exclusive economic zone by vessels or individuals registered or licensed under the laws of this state.

NEW SECTION. Sec. 100. The department shall develop and present to the legislature, no later than January 1, 1994, proposed legislation for a recreational fishing capital facilities improvement program financed through general obligation bonds.

NEW SECTION. Sec. 101. (1) As used in sections 82 through 100 of this act, "department of fish and wildlife" means the department of fisheries.

(2) This section expires June 30, 1994.

NEW SECTION. Sec. 102. Sections 1 through 6, 8 through 59, and 61 through 79 of this act shall take effect July 1, 1994.

NEW SECTION. Sec. 103. Sections 83 through 98 of this act shall constitute a new chapter in Title 75 RCW.

NEW SECTION. Sec. 104. The sum of five hundred thousand dollars, or as much thereof as may be necessary, is appropriated for the biennium ending June 30, 1995, from the general fund to the recreational fisheries enhancement account created in section 98 of this act for the purpose of achieving early implementation of this act. Funds appropriated by this section shall be repaid to the general fund from the proceeds of the surcharge established in section 97 of this act. Repayment shall occur before June 30, 1995.

NEW SECTION. Sec. 105. Sections 7, 60, 80, and 82 through 100 of this act are necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect July 1, 1993.

NEW SECTION. Sec. 106. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

Passed the House April 29, 1993.

Passed the Senate April 30, 1993.

Approved by the Governor May 28, 1993, with the exception of certain items which were vetoed.

Filed in Office of Secretary of State May 28, 1993.

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

"I am returning herewith, without my approval as to section 96, Engrossed Substitute House Bill No. 2055 entitled:

"AN ACT Relating to the creation of the department of fish and wildlife;"

I congratulate the Legislature for passing Engrossed Substitute House Bill No. 2055. This bill, like other agency consolidation measures enacted this year, will have a major positive impact on how we organize work and serve the public in our state agencies. The merger of fisheries and wildlife functions will save money, result in more accountable and efficient management, and eliminate overlap and duplication of effort. By improving management, we will be better able to focus the combined resources of the two departments on protecting the valuable fish and wildlife resources and habitat of this state for future generations.

However, a portion of section 96 would limit the ability of the new agency to wisely manage the resource under the new recreational salmon and marine fisheries enhancement program. The second sentence in that section constrains the Department of Fisheries and the new combined department from making decisions that may adversely affect a particular interest group. While decisions adverse to any interest group are never the preferred choice of the department, responsible stewardship and wise use of the resource occasionally require difficult decisions. The Governor and the department must retain the authority to make those decisions.

In order to maintain the intent of the remainder of section 96, I am directing the department to implement new recreational fishing enhancement activities prescribed by this act in a manner that clearly differentiates these activities from existing salmon programs of the department.

With the exception of section 96, Engrossed Substitute House Bill No. 2055 is approved."

CHAPTER 3

[Engrossed Substitute Senate Bill 5966]

VETERANS' HOMES—REVISED PROVISIONS**Effective Date: 7/1/93**

AN ACT Relating to state institutions; amending RCW 72.36.020, 72.36.030, 72.36.035, 72.36.120, and 74.09.120; adding new sections to chapter 72.36 RCW; creating a new section; repealing RCW 72.36.080 and 72.36.130; providing an effective date; and declaring an emergency. Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. The legislature finds that continued operation of state veterans' homes is necessary to meet the needs of eligible veterans for shelter, personal and nursing care, and related services; that certain residents of veterans' homes or services provided to them may be eligible for participation in the state's medicaid reimbursement system; and that authorizing medicaid participation is appropriate to address the homes' long-term funding needs. The legislature also finds that it is important to maintain the dignity and self-respect of residents of veterans' homes, by providing for continued resident involvement in the homes' operation, and through retention of current law guaranteeing a minimum amount of allowable personal income necessary to meet the greater costs for these residents of transportation, communication, and participation in family and community activities that are vitally important to their maintenance and rehabilitation.

NEW SECTION. Sec. 2. A new section is added to chapter 72.36 RCW to read as follows:

Qualifying operations at state veterans' homes operated by the department of veterans affairs, may be provided under the state's medicaid reimbursement system as administered by the department of social and health services.

The department of veterans affairs may contract with the department of social and health services under the authority of RCW 74.09.120 but shall be exempt from RCW 74.46.660(6), and the provisions of RCW 74.46.420 through 74.46.590 shall not apply to the medicaid rate-setting and reimbursement systems. The nursing care operations at the state veterans' homes shall be subject to inspection by the department of social and health services. This includes every part of the state veterans' home's premises, an examination of all records, including financial records, methods of administration, general and special dietary programs, the disbursement of drugs, methods of supply, and any other records the department of social and health services deems relevant.

NEW SECTION. Sec. 3. A new section is added to chapter 72.36 RCW to read as follows:

The department of veterans affairs shall provide by rule for the annual election of a resident council for each state veterans' home. The council shall annually elect a chair from among its members, who shall call and preside at council meetings. The resident council shall serve in an advisory capacity to the director of the department of veterans affairs and to the superintendent in all

matters related to policy and operational decisions affecting resident care and life in the home.

By October 31, 1993, the department shall adopt rules that provide for specific duties and procedures of the resident council which create an appropriate and effective relationship between residents and the administration. These rules shall be adopted after consultation with the resident councils and the state long-term care ombuds, and shall include, but not be limited to the following:

- (1) Provision of staff technical assistance to the councils;
- (2) Provision of an active role for residents in developing choices regarding activities, foods, living arrangements, personal care, and other aspects of resident life;
- (3) A procedure for resolving resident grievances; and
- (4) The role of the councils in assuring that resident rights are observed.

The development of these rules should include consultation with all residents through the use of both questionnaires and group discussions.

The resident council for each state veterans' home shall annually review the proposed expenditures from the benefit fund that shall contain all private donations to the home, all bequeaths, and gifts. Disbursements from each benefit fund shall be for the benefit and welfare of the residents of the state veterans' homes. Disbursements from the benefits funds shall be on the authorization of the superintendent or his or her authorized representative after approval has been received from the home's resident council.

The superintendent or his or her designated representative shall meet with the resident council at least monthly. The director of the department of veterans affairs shall meet with each resident council at least three times each year.

Sec. 4. RCW 72.36.020 and 1977 c 31 s 2 are each amended to read as follows:

The director of the department of veterans affairs shall appoint a superintendent for ~~((the state soldiers' home and colony, and a superintendent for the Washington veterans' home, who, with the consent of the director, may be styled, respectively, "commandant of the home"))~~ each state veterans' home. The superintendent shall exercise management and control of the institution in accordance with either policies ~~((and/or))~~ or procedures promulgated by the director of the department of veterans affairs, or both, and rules and regulations of the department. In accordance with chapter 18.52 RCW, the individual appointed as superintendent for either state veterans' home shall be a licensed nursing home administrator. The department may request a waiver to, or seek an alternate method of compliance with, the federal requirement for a licensed on-site administrator during a transition phase from July 1, 1993, to June 30, 1994.

Sec. 5. RCW 72.36.030 and 1977 ex.s. c 186 s 1 are each amended to read as follows:

~~((All honorably discharged veterans who have served the United States government in any of its wars, and members of the state militia disabled while in the line of duty, may be admitted to the state soldiers' home at Orting under such rules and regulations as may be adopted by the department: PROVIDED, That such applicants have been actual bona fide residents of this state at the time of their application, and are indigent and unable to support themselves: PROVIDED FURTHER, That the surviving spouses of all veterans and members of the state militia disabled while in the line of duty, who were members of a soldiers' home or colony or veterans' home in this state or entitled to admission thereto at the time of death, and surviving spouses of all such veterans and members of the state militia, who would have been entitled to admission to a soldiers' home or colony or veterans' home in this state at the time of death, but for the fact that they were not indigent and unable to earn a support for themselves and families, which spouses have since the death of their husbands or wives, become indigent and unable to earn a support for themselves shall be admitted to such home: PROVIDED, FURTHER, That such spouses are not less than fifty years of age and were married and living with their husbands or wives on or before three years prior to the date of their application, and have not been married since the decease of their husbands or wives to any person not a member of a soldiers' home or colony or veterans' home in this state or entitled to admission thereto: AND PROVIDED, FURTHER, That sufficient facilities and resources are available to accommodate such applicant:))~~ All of the following persons who have been actual bona fide residents of this state at the time of their application, and who are indigent and unable to support themselves and their families may be admitted to a state veterans' home under rules as may be adopted by the director of the department, unless sufficient facilities and resources are not available to accommodate these people:

(1)(a) All honorably discharged veterans of a branch of the armed forces of the United States or merchant marines; (b) members of the state militia disabled while in the line of duty; and (c) the spouses of these veterans, merchant marines, and members of the state militia. However, it is required that the spouse was married to and living with the veteran three years prior to the date of application for admittance, or, if married to him or her since that date, was also a resident of a state veterans' home in this state or entitled to admission thereto;

(2)(a) The spouses of: (i) All honorably discharged veterans of the United States armed forces; (ii) merchant marines; and (iii) members of the state militia who were disabled while in the line of duty and who were residents of a state veterans' home in this state or were entitled to admission to one of this state's state veteran homes at the time of death; (b) the spouses of: (i) All honorably discharged veterans of a branch of the United States armed forces; (ii) merchant marines; and (iii) members of the state militia who would have been entitled to admission to one of this state's state veterans' homes at the time of death, but for the fact that the spouse was not indigent, but has since become indigent and

unable to support himself or herself and his or her family. However, the included spouse shall be at least fifty years old and have been married to and living with their husband or wife for three years prior to the date of their application. The included spouse shall not have been married since the death of his or her husband or wife to a person who is not a resident of one of this state's state veterans' homes or entitled to admission to one of this state's state veterans' homes; and

(3) All applicants for admission to a state veterans' home shall apply for all federal and state benefits for which they may be eligible, including medical assistance under chapter 74.09 RCW.

Sec. 6. RCW 72.36.035 and 1991 c 240 s 2 are each amended to read as follows:

For purposes of this chapter, unless the context clearly indicates otherwise(7):

(1) "Actual bona fide residents of this state" ((shall mean)) means persons who have a domicile in the state of Washington immediately prior to application for ((membership in the soldiers' home or colony or veterans')) admission to a state veterans' home.

~~((The term))~~ (2) "Department" means the Washington state department of veterans affairs.

(3) "Domicile" ((shall mean)) means a person's true, fixed, and permanent home and place of habitation, and shall be the place where the person intends to remain, and to which the person expects to return when the person leaves without intending to establish a new domicile elsewhere.

(4) "State veterans' home" means either the Washington soldiers' home and colony in Orting, or the Washington veterans' home in Retsil, or both.

(5) "Veteran" has the same meaning established in RCW 41.04.005.

Sec. 7. RCW 72.36.120 and 1977 ex.s. c 186 s 7 are each amended to read as follows:

~~((All income of members of the soldiers' home in excess of allowable income shall be deposited in the soldiers' home revolving fund as established in section 55, chapter 269, Laws of 1975 1st ex. sess. (uncodified, and herein continued and reenacted):~~

~~(1) Allowable income shall be defined by the rules and regulations adopted by the department: PROVIDED, That the allowable income of members accepted for membership shall not be decreased below one hundred sixty dollars per month during periods that such members are resident thereat.~~

~~(2) Disbursements from the soldiers' home revolving fund shall be for the benefit and welfare of all members of the soldiers' home and such disbursements shall be on the authorization of the superintendent or his authorized representative after approval has been received from a duly constituted body representative of the members.~~

~~(3) In order to maintain an effective expenditure and revenue control, the soldiers' home revolving fund shall be subject in all respects to chapter 43.88 RCW, but no appropriation shall be required to permit expenditures from such funds.)~~ All income of residents of a state veterans' home, other than the personal needs allowance and income from therapeutic employment, shall be deposited in the state general fund—local and be available to apply against the cost of care provided by the state veterans' homes. The resident council created under section 3 of this act may make recommendations on expenditures under this section. All expenditures and revenue control shall be subject to chapter 43.88 RCW.

Sec. 8. RCW 74.09.120 and 1992 c 8 s 1 are each amended to read as follows:

The department shall purchase necessary physician and dentist services by contract or "fee for service." The department shall purchase nursing home care by contract. The department shall establish regulations for reasonable nursing home accounting and reimbursement systems which shall provide that no payment shall be made to a nursing home which does not permit inspection by the department of social and health services of every part of its premises and an examination of all records, including financial records, methods of administration, general and special dietary programs, the disbursement of drugs and methods of supply, and any other records the department deems relevant to the establishment of such a system.

The department may purchase nursing home care by contract in veterans' homes operated by the state department of veterans affairs. The department shall establish rules for reasonable accounting and reimbursement systems for such care.

The department may purchase care in institutions for the mentally retarded, also known as intermediate care facilities for the mentally retarded. The department shall establish rules for reasonable accounting and reimbursement systems for such care. Institutions for the mentally retarded include licensed nursing homes, public institutions, licensed boarding homes with fifteen beds or less, and hospital facilities certified as intermediate care facilities for the mentally retarded under the federal medicaid program to provide health, habilitative, or rehabilitative services and twenty-four hour supervision for mentally retarded individuals or persons with related conditions and includes in the program "active treatment" as federally defined.

The department may purchase care in institutions for mental diseases by contract. The department shall establish rules for reasonable accounting and reimbursement systems for such care. Institutions for mental diseases are certified under the federal medicaid program and primarily engaged in providing diagnosis, treatment, or care to persons with mental diseases, including medical attention, nursing care, and related services.

The department may purchase all other services provided under this chapter by contract or at rates established by the department.

NEW SECTION. Sec. 9. A new section is added to chapter 72.36 RCW to read as follows:

The legislature finds that to meet the objectives of section 1, chapter . . . , Laws of 1993 1st sp. sess. (section 1 of this act), the personal needs allowance for all nursing care residents of the state veterans' homes shall be an amount approved by the federal health care financing authority, but not less than ninety dollars or more than one hundred sixty dollars per month during periods of residency. For all domiciliary [domiciliary] residents, the personal needs allowance shall be one hundred sixty dollars per month, or a higher amount defined in rules adopted by the department.

NEW SECTION. Sec. 10. A new section is added to chapter 72.36 RCW to read as follows:

No reduction in the allowable income provided for in current department rules may take effect until the effective date of certification of qualifying operations at state veterans' homes for participation in the state's medicaid reimbursement system.

NEW SECTION. Sec. 11. The following acts or parts of acts are each repealed:

- (1) RCW 72.36.080 and 1977 ex.s. c 186 s 5, 1975 c 13 s 2, 1973 1st ex.s. c 154 s 104, & 1959 c 28 s 72.36.080; and
- (2) RCW 72.36.130 and 1977 ex.s. c 186 s 8.

NEW SECTION. Sec. 12. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect July 1, 1993.

Passed the Senate May 5, 1993.

Passed the House May 5, 1993.

Approved by the Governor May 28, 1993.

Filed in Office of Secretary of State May 28, 1993.

CHAPTER 4

[Second Engrossed Substitute House Bill 1309]

FISH AND WILDLIFE RESOURCE MANAGEMENT

Effective Date: 8/5/93

AN ACT Relating to fish and wildlife management; amending RCW 43.20.230, 90.03.360, and 90.42.010; adding a new section to chapter 75.28 RCW; adding a new section to chapter 79.01 RCW; adding a new section to chapter 77.12 RCW; adding a new section to chapter 43.20 RCW; adding a new section to chapter 90.54 RCW; adding a new section to chapter 90.22 RCW; adding a new chapter to Title 28A RCW; and creating new sections.

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

NEW SECTION. Sec. 1. The legislature finds that many wild stocks of salmonids in the state of Washington are in a state of decline. Stocks of salmon on the Columbia and Snake rivers have been listed under the federal endangered

species act, and the bull trout has been petitioned for listing. Some scientists believe that numerous other stocks of salmonids in the Pacific Northwest are in decline or possibly extinct. The legislature declares that to lose wild stocks is detrimental to the genetic diversity of the fisheries resource and the economy, and will represent the loss of a vital component of Washington's aquatic ecosystems. The legislature further finds that there is a continuing loss of habitat for fish and wildlife. The legislature declares that steps must be taken in the areas of wildlife and fish habitat management, water conservation, wild salmonid stock protection, and education to prevent further losses of Washington's fish and wildlife heritage from a number of causes including urban and rural subdivisions, shopping centers, industrial park, and other land use activities.

The legislature finds that the maintenance and restoration of Washington's rangelands and shrub-steppe vegetation is vital to the long-term benefit of the people of the state. The legislature finds that approximately one-fourth of the state is open range or open-canopied grazable woodland. The legislature finds that these lands provide forage for livestock, habitat for wildlife, and innumerable recreational opportunities including hunting, hiking, and fishing.

The legislature finds that the development of coordinated resource management plans, that take into consideration the needs of wildlife, fish, livestock, timber production, water quality protection, and rangeland conservation on all state-owned grazing lands will improve the stewardship of these lands and allow for the increased development and maintenance of fish and wildlife habitat and other multipurpose benefits the public derives from these lands.

The legislature finds that the state currently provides insufficient technical support for coordinated resource management plans to be developed for all state-owned lands and for many of the private lands desiring to develop such plans. As a consequence of this lack of technical assistance, our state grazing lands, including fish and wildlife habitat and other resources provided by these lands, are not achieving their potential. The legislature also finds that with many state lands being intermixed with private grazing lands, development of coordinated resource management plans on state-owned and managed lands provides an opportunity to improve the management and enhance the conditions of adjacent private lands.

A purpose of this act is to establish state grazing lands as the model in the state for the development and implementation of standards that can be used in coordinated resource management plans and to thereby assist the timely development of coordinated resource management plans for all state-owned grazing lands. Every lessee of state lands who wishes to participate in the development and implementation of a coordinated resource management plan shall have the opportunity to do so.

NEW SECTION. Sec. 2. By July 1, 1994, the departments of fisheries and wildlife jointly with the appropriate Indian tribes, shall each establish a wild salmonid policy. The policy shall ensure that department actions and programs

are consistent with the goals of rebuilding wild stock populations to levels that permit commercial and recreational fishing opportunities.

NEW SECTION. **Sec. 3.** By July 1, 1994, the department of fisheries and the department of wildlife shall jointly, with input from the Indian tribes and after coordination with California, Oregon, Idaho, Montana, Alaska, British Columbia, and appropriate federal agencies, report to the appropriate legislative committees on the feasibility of implementing selective marking techniques that can be used to minimize impacts of fishing on wild or natural stocks of salmonids. The report shall address costs, benefits, and risks associated with marking.

NEW SECTION. **Sec. 4.** A new section is added to chapter 75.28 RCW to read as follows:

The department of fisheries shall evaluate and recommend, in consultation with the Indian tribes, salmon fishery management strategies and gear types, as well as a schedule for implementation, that will minimize the impact of commercial and recreational fishing in the mixed stock fishery on critical and depressed wild stocks of salmonids. As part of this evaluation, the department, in conjunction with the commercial and recreational fishing industries, shall evaluate commercial and recreational salmon fishing gear types developed by these industries. The department of fisheries shall present status reports to the appropriate committees of the legislature by December 31 of each year in 1993, 1994, and 1995, and shall present the final evaluation and recommendations by December 31, 1996.

NEW SECTION. **Sec. 5.** A new section is added to chapter 79.01 RCW to read as follows:

(1) By December 31, 1993, the department of wildlife and the department of fisheries shall each develop goals for the wildlife and fish that these agencies respectively manage, to preserve, protect, and perpetuate wildlife and fish on shrub steppe habitat or on lands that are presently agricultural lands, rangelands, or grazable woodlands. These goals shall be consistent with the maintenance of a healthy ecosystem.

(2) By July 31, 1993, the conservation commission shall appoint a technical advisory committee to develop standards that achieve the goals developed in subsection (1) of this section. The committee members shall include but not be limited to technical experts representing the following interests: Agriculture, academia, range management, utilities, environmental groups, commercial and recreational fishing interests, the Washington rangelands committee, Indian tribes, the department of wildlife, the department of fisheries, the department of natural resources, the department of ecology, conservation districts, and the department of agriculture. A member of the conservation commission shall chair the committee.

(3) By December 31, 1994, the committee shall develop standards to meet the goals developed under subsection (1) of this section. These standards shall

not conflict with the recovery of wildlife or fish species that are listed or proposed for listing under the federal endangered species act. These standards shall be utilized to the extent possible in development of coordinated resource management plans to provide a level of management that sustains and perpetuates renewable resources, including fish and wildlife, riparian areas, soil, water, timber, and forage for livestock and wildlife. Furthermore, the standards are recommended for application to model watersheds designated by the Northwest power planning council in conjunction with the conservation commission. The maintenance and restoration of sufficient habitat to preserve, protect, and perpetuate wildlife and fish shall be a major component included in the standards and coordinated resource management plans. Application of standards to privately owned lands is voluntary and may be dependent on funds to provide technical assistance through conservation districts.

(4) The conservation commission shall approve the standards and shall provide them to the departments of natural resources and wildlife, each of the conservation districts, Washington State University cooperative extension service, and the appropriate committees of the legislature. The conservation districts shall make these standards available to the public and for coordinated resource management planning. Application to private lands is voluntary.

(5) The department of natural resources shall implement practices necessary to meet the standards developed pursuant to this section on department managed agricultural and grazing lands, consistent with the trust mandate of the Washington state Constitution and Title 79 RCW. The standards may be modified on a site-specific basis as needed to achieve the fish and wildlife goals, and as determined by the department of fisheries or wildlife, and the department of natural resources. Existing lessees shall be provided an opportunity to participate in any site-specific field review. Department agricultural and grazing leases issued after December 31, 1994, shall be subject to practices to achieve the standards that meet those developed pursuant to this section.

NEW SECTION. Sec. 6. A new section is added to chapter 77.12 RCW to read as follows:

The department of wildlife shall implement practices necessary to meet the standards developed under section 5 of this act on agency-owned and managed agricultural and grazing lands. The standards may be modified on a site-specific basis as necessary and as determined by the department of fisheries or wildlife, for species that these agencies respectively manage, to achieve the goals established under section 5(1) of this act. Existing lessees shall be provided an opportunity to participate in any site-specific field review. Department agricultural and grazing leases issued after December 31, 1994, shall be subject to practices to achieve the standards that meet those developed pursuant to section 5 of this act.

This section shall in no way prevent the department of wildlife from managing its lands to accomplish its statutory mandate pursuant to RCW

77.12.010, nor shall it prevent the department from managing its lands according to the provisions of RCW 77.12.210 or rules adopted pursuant to this chapter.

NEW SECTION. Sec. 7. Washington State University shall report to the appropriate legislative committees by December 31, 1993, on how to best integrate fish and wildlife considerations with the existing curriculum in the university's agriculture department and with the university cooperative extension service. The university shall also report on the feasibility and cost of creating a rotational assignment with the department of wildlife to accomplish cross-training in wildlife and fish habitat management and farm and grazing management.

NEW SECTION. Sec. 8. By July 1, 1993, the departments of fisheries and wildlife shall provide information on salmonid stock status, by individual stock, to the department of ecology, the Washington association of cities, the Washington state association of counties, and water purveyors.

Sec. 9. RCW 43.20.230 and 1989 c 348 s 12 are each amended to read as follows:

Consistent with the water resource planning process of the department of ecology, the department of ~~((social and))~~ health ~~((services))~~ shall ~~((contingent on the availability of funds))~~:

(1) Develop procedures and guidelines relating to water use efficiency, as defined in section 4(3) ~~((of this act))~~, chapter 348, Laws of 1989, to be included in the development and approval of cost-efficient water system plans required under RCW 43.20.050;

(2) Develop criteria, with input from technical experts, with the objective of encouraging the cost-effective reuse of greywater and other water recycling practices, consistent with protection of public health and water quality; ~~((and))~~

(3) Provide advice and technical assistance upon request in the development of water use efficiency plans; and

(4) Provide advice and technical assistance on request for development of model ~~((rate setting formulas))~~ conservation rate structures for public water systems. Subsections (1), (2), and (3) of this section are subject to the availability of funding.

NEW SECTION. Sec. 10. A new section is added to chapter 43.20 RCW to read as follows:

Water purveyors required to develop a water system plan pursuant to RCW 43.20.230 shall evaluate the feasibility of adopting and implementing water delivery rate structures that encourage water conservation. This information shall be included in water system plans submitted to the department of health for approval after July 1, 1993. The department shall evaluate the following:

(1) Rate structures currently used by public water systems in Washington; and

(2) Economic and institutional constraints to implementing conservation rate structures.

The department shall provide its findings to the appropriate committees of the legislature no later than December 31, 1995.

NEW SECTION. **Sec. 11.** A new section is added to chapter 90.54 RCW to read as follows:

The department, in cooperation with the Washington state water resources association, shall accomplish the following:

- (1) Determine and evaluate rate structures currently used by irrigation districts in the state of Washington;
- (2) Identify economic and institutional constraints to implementing conservation rate structures; and
- (3) Develop model conservation rate structures for consideration by irrigation districts.

The department shall provide its findings to the appropriate committees of the legislature no later than December 31, 1993.

Sec. 12. RCW 90.03.360 and 1989 c 348 s 6 are each amended to read as follows:

(1) The owner or owners of any ~~((ditch or canal))~~ water diversion shall maintain, to the satisfaction of the department of ecology, substantial controlling works~~(;)~~ and a measuring device ~~((at the point where the water is diverted, and these shall be so))~~ constructed and maintained ~~((as))~~ to permit accurate measurement and practical regulation of the flow of water diverted ~~((into said ditch or canal))~~. Every owner or manager of a reservoir for the storage of water shall construct and maintain, when required by the department, any measuring device necessary to ascertain the natural flow into and out of said reservoir.

Metering of diversions or measurement by other approved methods shall be required as a condition for all new surface water right permits, and except as provided in subsection (2) of this section, may be required as a condition for all ((new)) previously existing surface water ((right permits)) rights. The department may also require, as a condition for ~~((such permits))~~ all water rights, metering of diversions, and reports regarding such metered diversions as to the amount of water being diverted. Such reports shall be in a form prescribed by the department.

(2) Where water diversions are from waters in which the salmonid stock status is depressed or critical, as determined by the departments of fisheries and wildlife, or where the volume of water being diverted exceeds one cubic foot per second, the department shall require metering or measurement by other approved methods as a condition for all new and previously existing water rights or claims. The department shall attempt to integrate the requirements of this subsection into its existing compliance workload priorities, but shall prioritize the requirements of this subsection ahead of the existing compliance workload where a delay may cause the decline of wild salmonids. The department shall notify the departments of fisheries and wildlife of the status of fish screens associated with these diversions.

This subsection (2) shall not apply to diversions for public or private hatcheries or fish rearing facilities if the diverted water is returned directly to the waters from which it was diverted.

NEW SECTION. Sec. 13. A new section is added to chapter 90.22 RCW to read as follows:

By December 31, 1993, the department of ecology shall, in cooperation with the Indian tribes, and the departments of fisheries and wildlife, establish a state-wide list of priorities for evaluation of instream flows. In establishing these priorities, the department shall consider the achievement of wild salmonid production as its primary goal.

The priority list shall be presented to the appropriate legislative committees and to the water resources forum by December 31, 1993.

Sec. 14. RCW 90.42.010 and 1991 c 347 s 5 are each amended to read as follows:

(1) The legislature finds that a need exists to develop and test a means to facilitate the voluntary transfer of water and water rights, including conserved water, to provide water for presently unmet needs and emerging needs. Further, the legislature finds that water conservation activities have the potential of affecting the quantity of return flow waters to which existing water right holders have a right to and rely upon. It is the intent of the legislature that persons holding rights to water, including return flows, not be adversely affected in the implementation of the provisions of this chapter.

The purpose of this chapter is to provide the mechanism for accomplishing this in a manner that will not impair existing rights to water and to test the mechanism in two pilot planning areas designated pursuant to RCW 90.54.045(2) and in the water resource inventory areas designated under subsection (2) of this section.

(2) The department may designate up to four water resource inventory areas west of the crest of the Cascade mountains and up to four water resource inventory areas east of the crest of the Cascade mountains, as identified pursuant to chapter 90.54 RCW. The areas designated shall contain critical water supply problems and shall provide an opportunity to test and evaluate a variety of applications of RCW 90.42.010 through 90.42.090, including application to municipal, industrial, and agricultural use. The department shall seek advice from appropriate state agencies, Indian tribes, local governments, representatives of water right holders, and interested parties before identifying such water resource inventory areas.

(3) The department shall provide to the appropriate legislative committees by December 31, 1993, a written evaluation of the implementation of RCW 90.42.010 through 90.42.090 and recommendations for future application. Recommendations shall include methods of applying RCW 90.42.010 through 90.42.090 to the rivers that are designated as high priority by the department of

ecology under section 13 of this act in order to use net water savings to enhance stream flows.

NEW SECTION. **Sec. 15.** The governor's council on environmental education created in 1990 by executive order 90-06, shall accomplish the following:

(1) Raise and distribute public and private funds for the purpose of providing environmental education programs and projects in fish and wildlife preservation and management to public and private elementary and secondary schools, emphasizing the importance of species conservation and fish and wildlife as indicators of ecosystem health; and

(2) Support interdisciplinary programs that integrate fish and wildlife preservation and management with other areas of environmental education.

NEW SECTION. **Sec. 16.** Section 15 of this act shall constitute a new chapter in Title 28A RCW.

NEW SECTION. **Sec. 17.** (1) If specific funding for sections 1 through 6 and 8 through 15 of this act, referencing this act by bill and section numbers, is not provided by June 30, 1993, in the omnibus appropriations act, sections 1 through 6 and 8 through 15 of this act are null and void.

(2) If specific funding for section 7 of this act, referencing this act by bill and section number, is not provided by June 30, 1993, in the omnibus appropriations act, section 7 of this act is null and void.

Passed the House April 27, 1993.

Passed the Senate April 30, 1993.

Approved by the Governor May 28, 1993.

Filed in Office of Secretary of State May 28, 1993.

CHAPTER 5

[Engrossed Substitute House Bill 1458]

ASSIGNMENT OF RETAIL CHARGE AGREEMENTS

Effective Date: 5/28/93

AN ACT Relating to regulating the assignment of retail charge agreements; amending RCW 63.14.010; adding new sections to chapter 63.14 RCW; and declaring an emergency.

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

Sec. 1. RCW 63.14.010 and 1992 c 134 s 16 are each amended to read as follows:

In this chapter, unless the context otherwise requires:

(1) "Goods" means all chattels personal when purchased primarily for personal, family, or household use and not for commercial or business use, but not including money or, except as provided in the next sentence, things in action. The term includes but is not limited to merchandise certificates or coupons, issued by a retail seller, to be used in their face amount in lieu of cash in

exchange for goods or services sold by such a seller and goods which, at the time of sale or subsequently, are to be so affixed to real property as to become a part thereof, whether or not severable therefrom;

(2) "Lender credit card" means a card or device under a lender credit card agreement pursuant to which the issuer gives to a cardholder residing in this state the privilege of obtaining credit from the issuer or other persons in purchasing or leasing property or services, obtaining loans, or otherwise, and the issuer of which is not: (a) Principally engaged in the business of selling goods; or (b) a financial institution;

(3) "Lender credit card agreement" means an agreement entered into or performed in this state prescribing the terms of retail installment transactions pursuant to which the issuer may, with the buyer's consent, purchase or acquire one or more retail sellers' indebtedness of the buyer under a sales slip or memorandum evidencing the purchase, lease, loan, or otherwise to be paid in accordance with the agreement. The issuer of a lender credit card agreement shall not be principally engaged in the business of selling goods or be a financial institution;

(4) "Financial institution" means any bank or trust company, mutual savings bank, credit union, or savings and loan association organized pursuant to the laws of any one of the United States of America or the United States of America, or the laws of a foreign country if also qualified to conduct business in any one of the United States of America or pursuant to the laws of the United States of America;

(5) "Services" means work, labor, or services of any kind when purchased primarily for personal, family, or household use and not for commercial or business use whether or not furnished in connection with the delivery, installation, servicing, repair, or improvement of goods and includes repairs, alterations, or improvements upon or in connection with real property, but does not include services for which the price charged is required by law to be determined or approved by or to be filed, subject to approval or disapproval, with the United States or any state, or any department, division, agency, officer, or official of either as in the case of transportation services;

(6) "Retail buyer" or "buyer" means a person who buys or agrees to buy goods or obtain services or agrees to have services rendered or furnished, from a retail seller;

(7) "Retail seller" or "seller" means a person engaged in the business of selling goods or services to retail buyers;

(8) "Retail installment transaction" means any transaction in which a retail buyer purchases goods or services from a retail seller pursuant to a retail installment contract, a retail charge agreement, or a lender credit card agreement, as defined in this section, which provides for a service charge, as defined in this section, and under which the buyer agrees to pay the unpaid balance in one or more installments or which provides for no service charge and under which the buyer agrees to pay the unpaid balance in more than four installments;

(9) "Retail installment contract" or "contract" means a contract, other than a retail charge agreement, a lender credit card agreement, or an instrument reflecting a sale made pursuant thereto, entered into or performed in this state for a retail installment transaction. The term "retail installment contract" may include a chattel mortgage, a conditional sale contract, and a contract in the form of a bailment or a lease if the bailee or lessee contracts to pay as compensation for their use a sum substantially equivalent to or in excess of the value of the goods sold and if it is agreed that the bailee or lessee is bound to become, or for no other or a merely nominal consideration, has the option of becoming the owner of the goods upon full compliance with the provisions of the bailment or lease. The term "retail installment contract" does not include: (a) A "consumer lease," heretofore or hereafter entered into, as defined in RCW 63.10.020; (b) a lease which would constitute such "consumer lease" but for the fact that: (i) It was entered into before April 29, 1983; (ii) the lessee was not a natural person; (iii) the lease was not primarily for personal, family, or household purposes; or (iv) the total contractual obligations exceeded twenty-five thousand dollars; or (c) a lease-purchase agreement under chapter 63.19 RCW;

(10) "Retail charge agreement," "revolving charge agreement," or "charge agreement" means an agreement between a retail buyer and a retail seller that is entered into or performed in this state ((prescribing)) and that prescribes the terms of retail installment transactions with one or more sellers which may be made thereunder from time to time and under the terms of which a service charge, as defined in this section, is to be computed in relation to the buyer's unpaid balance from time to time;

(11) "Service charge" however denominated or expressed, means the amount which is paid or payable for the privilege of purchasing goods or services to be paid for by the buyer in installments over a period of time. It does not include the amount, if any, charged for insurance premiums, delinquency charges, attorneys' fees, court costs, or official fees;

(12) "Sale price" means the price for which the seller would have sold or furnished to the buyer, and the buyer would have bought or obtained from the seller, the goods or services which are the subject matter of a retail installment transaction. The sale price may include any taxes, registration and license fees, and charges for transferring vehicle titles, delivery, installation, servicing, repairs, alterations, or improvements;

(13) "Official fees" means the amount of the fees prescribed by law for filing, recording, or otherwise perfecting, and releasing or satisfying, a retained title, lien, or other security interest created by a retail installment transaction;

(14) "Time balance" means the principal balance plus the service charge;

(15) "Principal balance" means the sale price of the goods or services which are the subject matter of a retail installment contract less the amount of the buyer's down payment in money or goods or both, plus the amounts, if any, included therein, if a separate identified charge is made therefor and stated in the contract, for insurance and official fees;

(16) "Person" means an individual, partnership, joint venture, corporation, association, or any other group, however organized;

(17) "Rate" means the percentage which, when multiplied times the outstanding balance for each month or other installment period, yields the amount of the service charge for such month or period.

NEW SECTION. Sec. 2. A new section is added to chapter 63.14 RCW to read as follows:

(1) A retail seller may sell, transfer, or assign a retail installment contract or charge agreement. After such sale, transfer, or assignment, the retail installment contract or charge agreement remains a retail installment contract or charge agreement.

(2) Nothing contained in this chapter shall be deemed to limit any charge made by an assignee of a retail installment contract or charge agreement to the seller-assignor upon the sale, transfer, assignment, or discount of the contract or agreement, notwithstanding retention by the assignee of recourse rights against the seller-assignor and notwithstanding duties retained by the seller-assignor to service delinquencies, perform service or warranty agreements regarding the property which is the subject matter of the assigned or discounted contracts or charge agreements, or to do or perform any other duty with respect to the contract or agreement assigned or the subject matter of such contract or agreement.

NEW SECTION. Sec. 3. A new section is added to chapter 63.14 RCW to read as follows:

No person may pursue any remedy alleging a violation of this chapter on the basis of any act or omission that does not constitute a violation of this chapter as amended by this act. For purposes of this section, the phrase "pursue any remedy" includes pleading a defense, asserting a counterclaim or right of offset or recoupment, commencing, maintaining, or continuing any legal action, or pursuing or defending any appeal.

NEW SECTION. Sec. 4. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect immediately.

NEW SECTION. Sec. 5. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

Passed the House May 5, 1993.

Passed the Senate May 5, 1993.

Approved by the Governor May 28, 1993.

Filed in Office of Secretary of State May 28, 1993.

CHAPTER 6

[Engrossed Substitute House Bill 1761]

GROWTH MANAGEMENT ACT—REVISIONS AND
EXTENSION OF COMPLIANCE DATES

Effective Date: 6/1/93

AN ACT Relating to clarifying and extending dates established under the growth management act by no more than two years; amending RCW 36.70A.040, 36.70A.110, 36.70A.120, 36.70A.210, and 82.02.050; adding a new section to chapter 36.70A RCW; providing an effective date; and declaring an emergency.

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

Sec. 1. RCW 36.70A.040 and 1990 1st ex.s. c 17 s 4 are each amended to read as follows:

(1) Each county that has both a population of fifty thousand or more and has had its population increase by more than ten percent in the previous ten years, and the cities located within such county, and any other county regardless of its population that has had its population increase by more than twenty percent in the previous ten years, and the cities located within such county, shall ~~((adopt comprehensive land use plans and development regulations under))~~ conform with all of the requirements of this chapter. However, the county legislative authority of such a county with a population of less than fifty thousand population may adopt a resolution removing the county, and the cities located within the county, from the requirements of adopting comprehensive land use plans and development regulations under this chapter if this resolution is adopted and filed with the department by December 31, 1990, for counties initially meeting this set of criteria, or within sixty days of the date the office of financial management certifies that a county meets this set of criteria under subsection (5) of this section.

Once a county meets either of these sets of criteria, the requirement to conform with ~~((RCW 36.70A.040 through 36.70A.160))~~ all of the requirements of this chapter remains in effect, even if the county no longer meets one of these sets of criteria.

(2) The county legislative authority of any county that does not meet ~~((the requirements of))~~ either of the sets of criteria established under subsection (1) of this section may adopt a resolution indicating its intention to have subsection (1) of this section apply to the county. Each city, located in a county that chooses to plan under this subsection, shall ~~((adopt a comprehensive land use plan in accordance with))~~ conform with all of the requirements of this chapter. Once such a resolution has been adopted, the county ~~((cannot remove itself from))~~ and the cities located within the county remain subject to all of the requirements of this chapter.

(3) Any county or city that is initially required to ~~((adopt a comprehensive land use plan))~~ conform with all of the requirements of this chapter under subsection (1) of this section shall take actions under this chapter as follows: (a) The county legislative authority shall adopt a county-wide planning policy under

RCW 36.70A.210; (b) the county and each city located within the county shall designate critical areas, agricultural lands, forest lands, and mineral resource lands, and adopt development regulations conserving these designated agricultural lands, forest lands, and mineral resource lands and protecting these designated critical areas, under RCW 36.70A.170 and 36.70A.060; (c) the county shall designate and take other actions related to urban growth areas under RCW 36.70A.110; (d) if the county has a population of fifty thousand or more, the county and each city located within the county shall adopt ~~((the))~~ a comprehensive plan under this chapter and development regulations that are consistent with and implement the comprehensive plan on or before July 1, ~~((1993))~~ 1994, and if the county has a population of less than fifty thousand, the county and each city located within the county shall adopt a comprehensive plan under this chapter and development regulations that are consistent with and implement the comprehensive plan by January 1, 1995, but if the governor makes written findings that a county with a population of less than fifty thousand or a city located within such a county is not making reasonable progress toward adopting a comprehensive plan and development regulations the governor may reduce this deadline for such actions to be taken by no more than one hundred eighty days. Any county or city subject to this subsection may obtain an additional six months before it is required to have adopted its development regulations by submitting a letter notifying the department of community development of its need prior to the deadline for adopting both a comprehensive plan and development regulations.

~~(4)~~ Any county or city that is required to ~~((adopt a comprehensive land use plan))~~ conform with all the requirements of this chapter, as a result of the county legislative authority adopting its resolution of intention under subsection (2) of this section, shall take actions under this chapter as follows: (a) The county legislative authority shall adopt a county-wide planning policy under RCW 36.70A.210; (b) the county and each city that is located within the county shall adopt development regulations conserving agricultural lands, forest lands, and mineral resource lands it designated under RCW 36.70A.060 within one year of the date the county legislative authority adopts its resolution of intention; (c) the county shall designate and take other actions related to urban growth areas under RCW 36.70A.110; and (d) the county and each city that is located within the county shall adopt ~~((the))~~ a comprehensive plan and development regulations that are consistent with and implement the comprehensive plan not later than ~~((three))~~ four years from the date the county legislative ~~((body takes action as required by subsection (2) of this section))~~ authority adopts its resolution of intention, but a county or city may obtain an additional six months before it is required to have adopted its development regulations by submitting a letter notifying the department of community development of its need prior to the deadline for adopting both a comprehensive plan and development regulations.

~~((4))~~ (5) If the office of financial management certifies that the population of a county that previously had not been required to plan under subsection (1)

or (2) of this section has changed sufficiently to meet either of the ((requirements of)) sets of criteria specified under subsection (1) of this section, and where applicable, the county legislative authority has not adopted a resolution removing the county from these requirements as provided in subsection (1) of this section, the county and each city within such county shall ((adopt)) take actions under this chapter as follows: (a) The county legislative authority shall adopt a county-wide planning policy under RCW 36.70A.210; (b) the county and each city located within the county shall adopt development regulations under RCW 36.70A.060 conserving agricultural lands, forest lands, and mineral resource lands it designated within one year of the certification by the office of financial management; ((b)) (c) the county shall designate and take other actions related to urban growth areas under RCW 36.70A.110; and (d) the county and each city located within the county shall adopt a comprehensive land use plan ((under this chapter)) and development regulations that are consistent with and implement the comprehensive plan within ((three)) four years of the certification by the office of financial management((; and (e) development regulations pursuant to this chapter within one year of having adopted its comprehensive land use plan)), but a county or city may obtain an additional six months before it is required to have adopted its development regulations by submitting a letter notifying the department of community development of its need prior to the deadline for adopting both a comprehensive plan and development regulations.

(6) A copy of each document that is required under this section shall be submitted to the department at the time of its adoption.

Sec. 2. RCW 36.70A.110 and 1991 sp.s. c 32 s 29 are each amended to read as follows:

(1) Each county that is required or chooses to ~~((adopt a comprehensive land use))~~ plan under RCW 36.70A.040 shall designate an urban growth area or areas within which urban growth shall be encouraged and outside of which growth can occur only if it is not urban in nature. Each city that is located in such a county shall be included within an urban growth area. An urban growth area may include more than a single city. An urban growth area may include territory that is located outside of a city only if such territory already is characterized by urban growth or is adjacent to territory already characterized by urban growth.

(2) Based upon the population growth management planning population projection made for the county by the office of financial management, the urban growth areas in the county shall include areas and densities sufficient to permit the urban growth that is projected to occur in the county for the succeeding twenty-year period. Each urban growth area shall permit urban densities and shall include greenbelt and open space areas. Within one year of July 1, 1990, each county ~~((required to designate urban growth areas))~~ that as of June 1, 1991, was required or chose to plan under RCW 36.70A.040, shall begin consulting with each city located within its boundaries and each city shall propose the location of an urban growth area. Within sixty days of the date the county legislative authority of a county adopts its resolution of intention or of

certification by the office of financial management, all other counties that are required or choose to plan under RCW 36.70A.040 shall begin this consultation with each city located within its boundaries. The county shall attempt to reach agreement with each city on the location of an urban growth area within which the city is located. If such an agreement is not reached with each city located within the urban growth area, the county shall justify in writing why it so designated the area an urban growth area. A city may object formally with the department over the designation of the urban growth area within which it is located. Where appropriate, the department shall attempt to resolve the conflicts, including the use of mediation services.

(3) Urban growth should be located first in areas already characterized by urban growth that have existing public facility and service capacities to serve such development, and second in areas already characterized by urban growth that will be served by a combination of both existing public facilities and services and any additional needed public facilities and services that are provided by either public or private sources. Further, it is appropriate that urban government services be provided by cities, and urban government services should not be provided in rural areas.

(4) On or before October 1, 1993, each county that was initially required to plan under RCW 36.70A.040(1) shall adopt development regulations designating interim urban growth areas under this chapter. Within three years and three months of the date the county legislative authority of a county adopts its resolution of intention or of certification by the office of financial management, all other counties that are required or choose to plan under RCW 36.70A.040 shall adopt development regulations designating interim urban growth areas under this chapter. Adoption of the interim urban growth areas may only occur after public notice; public hearing; and compliance with the state environmental policy act, chapter 43.21C RCW, and RCW 36.70A.110. Such action may be appealed to the appropriate growth planning hearings board under RCW 36.70A.280. Final urban growth areas shall be adopted at the time of comprehensive plan adoption under this chapter.

(5) Each county shall include designations of urban growth areas in its comprehensive plan.

Sec. 3. RCW 36.70A.120 and 1990 1st ex.s. c 17 s 12 are each amended to read as follows:

~~((Within one year of the adoption of its comprehensive plan, each county and city that is required or chooses to plan under RCW 36.70A.040 shall enact development regulations that are consistent with and implement the comprehensive plan. These counties and cities))~~ Each county and city that is required or chooses to plan under RCW 36.70A.040 shall perform ((their)) its activities and make capital budget decisions in conformity with ((their)) its comprehensive plan((s)).

Sec. 4. RCW 36.70A.210 and 1991 sp.s. c 32 s 2 are each amended to read as follows:

(1) The legislature recognizes that counties are regional governments within their boundaries, and cities are primary providers of urban governmental services within urban growth areas. For the purposes of this section, a "county-wide planning policy" is a written policy statement or statements used solely for establishing a county-wide framework from which county and city comprehensive plans are developed and adopted pursuant to this chapter. This framework shall ensure that city and county comprehensive plans are consistent as required in RCW 36.70A.100. Nothing in this section shall be construed to alter the land-use powers of cities.

(2) The legislative authority of a county that plans under RCW 36.70A.040 shall adopt a county-wide planning policy in cooperation with the cities located in whole or in part within the county as follows:

(a) No later than sixty calendar days from July 16, 1991, the legislative authority of ~~((the))~~ each county that as of June 1, 1991, was required or chose to plan under RCW 36.70A.040 shall convene a meeting with representatives of each city located within the county for the purpose of establishing a collaborative process that will provide a framework for the adoption of a county-wide planning policy~~((;))~~. In other counties that are required or choose to plan under RCW 36.70A.040, this meeting shall be convened no later than sixty days after the date the county adopts its resolution of intention or was certified by the office of financial management.

(b) The process and framework for adoption of a county-wide planning policy specified in (a) of this subsection shall determine the manner in which the county and the cities agree to all procedures and provisions including but not limited to desired planning policies, deadlines, ratification of final agreements and demonstration thereof, and financing, if any, of all activities associated therewith~~((;))~~.

(c) If a county fails for any reason to convene a meeting with representatives of cities as required in (a) of this subsection, the governor may immediately impose any appropriate sanction or sanctions on the county from those specified under RCW 36.70A.340~~((;))~~.

(d) If there is no agreement by October 1, 1991, in a county that was required or chose to plan under RCW 36.70A.040 as of June 1, 1991, or if there is no agreement within one hundred twenty days of the date the county adopted its resolution of intention or was certified by the office of financial management in any other county that is required or chooses to plan under RCW 36.70A.040, the governor shall first inquire of the jurisdictions as to the reason or reasons for failure to reach an agreement. If the governor deems it appropriate, the governor may immediately request the assistance of the department of community development to mediate any disputes that preclude agreement. If mediation is unsuccessful in resolving all disputes that will lead to agreement, the governor may impose appropriate sanctions from those specified under RCW 36.70A.340

on the county, city, or cities for failure to reach an agreement as provided in this section. The governor shall specify the reason or reasons for the imposition of any sanction(~~(+and)~~).

(e) No later than July 1, 1992, the legislative authority of ~~((the))~~ each county that was required or chose to plan under RCW 36.70A.040 as of June 1, 1991, or no later than fourteen months after the date the county adopted its resolution of intention or was certified by the office of financial management the county legislative authority of any other county that is required or chooses to plan under RCW 36.70A.040, shall adopt a county-wide planning policy according to the process provided under this section and that is consistent with the agreement pursuant to (b) of this subsection, and after holding a public hearing or hearings on the proposed county-wide planning policy.

(3) A county-wide planning policy shall at a minimum, address the following:

- (a) Policies to implement RCW 36.70A.110;
- (b) Policies for promotion of contiguous and orderly development and provision of urban services to such development;
- (c) Policies for siting public capital facilities of a county-wide or state-wide nature;
- (d) Policies for county-wide transportation facilities and strategies;
- (e) Policies that consider the need for affordable housing, such as housing for all economic segments of the population and parameters for its distribution;
- (f) Policies for joint county and city planning within urban growth areas;
- (g) Policies for county-wide economic development and employment; and
- (h) An analysis of the fiscal impact.

(4) Federal agencies and Indian tribes may participate in and cooperate with the county-wide planning policy adoption process. Adopted county-wide planning policies shall be adhered to by state agencies.

(5) Failure to adopt a county-wide planning policy that meets the requirements of this section may result in the imposition of a sanction or sanctions on a county or city within the county, as specified in RCW 36.70A.340. In imposing a sanction or sanctions, the governor shall specify the reasons for failure to adopt a county-wide planning policy in order that any imposed sanction or sanctions are fairly and equitably related to the failure to adopt a county-wide planning policy.

(6) Cities and the governor may appeal an adopted county-wide planning policy to the growth planning hearings board within sixty days of the adoption of the county-wide planning policy.

(7) Multicounty planning policies shall be adopted by two or more counties, each with a population of four hundred fifty thousand or more, with contiguous urban areas and may be adopted by other counties, according to the process established under this section or other processes agreed to among the counties and cities within the affected counties throughout the multicounty region.

NEW SECTION. Sec. 5. A new section is added to chapter 36.70A RCW to read as follows:

The governor may impose a sanction or sanctions specified under RCW 36.70A.340 on: (1) A county or city that fails to designate critical areas, agricultural lands, forest lands, or mineral resource lands under RCW 36.70A.170 by the date such action was required to have been taken; (2) a county or city that fails to adopt development regulations under RCW 36.70A.060 protecting critical areas or conserving agricultural lands, forest lands, or mineral resource lands by the date such action was required to have been taken; (3) a county that fails to designate urban growth areas under RCW 36.70A.110 by the date such action was required to have been taken; and (4) a county or city that fails to adopt its comprehensive plan or development regulations when such actions are required to be taken.

Imposition of a sanction or sanctions under this section shall be preceded by written findings by the governor, that either the county or city is not proceeding in good faith to meet the requirements of the act; or that the county or city has unreasonably delayed taking the required action. The governor shall consult with and communicate his or her findings to the appropriate growth planning hearings board prior to imposing the sanction or sanctions. For those counties or cities that are not required to plan or have not opted in, the governor in imposing sanctions shall consider the size of the jurisdiction relative to the requirements of this chapter and the degree of technical and financial assistance provided.

Sec. 6. RCW 82.02.050 and 1990 1st ex.s. c 17 s 43 are each amended to read as follows:

(1) It is the intent of the legislature:

(a) To ensure that adequate facilities are available to serve new growth and development;

(b) To promote orderly growth and development by establishing standards by which counties, cities, and towns may require, by ordinance, that new growth and development pay a proportionate share of the cost of new facilities needed to serve new growth and development; and

(c) To ensure that impact fees are imposed through established procedures and criteria so that specific developments do not pay arbitrary fees or duplicative fees for the same impact.

(2) Counties, cities, and towns that are required or choose to plan under RCW 36.70A.040 are authorized to impose impact fees on development activity as part of the financing for public facilities, provided that the financing for system improvements to serve new development must provide for a balance between impact fees and other sources of public funds and cannot rely solely on impact fees.

(3) The impact fees:

(a) Shall only be imposed for system improvements that are reasonably related to the new development;

(b) Shall not exceed a proportionate share of the costs of system improvements that are reasonably related to the new development; and

(c) Shall be used for system improvements that will reasonably benefit the new development.

(4) Impact fees may be collected and spent only for the public facilities defined in RCW 82.02.090 which are addressed by a capital facilities plan element of a comprehensive land use plan adopted pursuant to the provisions of RCW 36.70A.070 or the provisions for comprehensive plan adoption contained in chapter 36.70, 35.63, or 35A.63 RCW. After ~~((July 1, 1993))~~ the date a county, city, or town is required to adopt its comprehensive plan and development regulations under chapter 36.70A RCW, continued authorization to collect and expend impact fees shall be contingent on the county, city, or town adopting or revising a comprehensive plan in compliance with RCW 36.70A.070, and on the capital facilities plan identifying:

(a) Deficiencies in public facilities serving existing development and the means by which existing deficiencies will be eliminated within a reasonable period of time;

(b) Additional demands placed on existing public facilities by new development; and

(c) Additional public facility improvements required to serve new development.

If the capital facilities plan of the county, city, or town is complete other than for the inclusion of those elements which are the responsibility of a special district, the county, city, or town may impose impact fees to address those public facility needs for which the county, city, or town is responsible.

NEW SECTION. **Sec. 7.** This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect June 1, 1993.

Passed the House May 3, 1993.

Passed the Senate April 30, 1993.

Approved by the Governor May 28, 1993.

Filed in Office of Secretary of State May 28, 1993.

CHAPTER 7

[Substitute House Bill 1969]

WASHINGTON SERVES PROGRAM

Effective Date: 8/5/93

AN ACT Relating to the Washington serves program; adding new sections to chapter 50.65 RCW; and creating new sections.

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

NEW SECTION. Sec. 1. The legislature finds that:

(1) Budget constraints are causing severe gaps and reductions in vital services to local communities and citizens. Some of these gaps in services can be filled by citizen volunteers through an organized program to recruit and place volunteers and to expand opportunities for volunteers to serve their communities;

(2) The federal government is proposing expansion of national services programs. These programs may require significant matching resources from states. State funds supporting the Washington serves program can serve as a required matching source to leverage additional federal national service resources;

(3) Washington state has, through the Washington service corps, successfully offered service opportunities and meaningful work experience to young adults between the ages of eighteen and twenty-five years;

(4) The need exists to expand full-time volunteer opportunities to citizens age twenty-one and over, to encourage senior citizens, college graduates, professional and technically skilled persons, and other adult citizens, to contribute their critical expertise, experience, labor, and commitment to meeting the needs of their communities;

(5) It is appropriate and in the public's interest for Washington state to create opportunities for citizens to engage in full-time, meaningful volunteer service in governmental or private nonprofit agencies, institutions, programs, or activities that address the social, economic, educational, civic, cultural, or environmental needs of local communities;

(6) Through volunteer service, citizens apply their skills and knowledge to the resolution of critical problems or meeting unmet needs, gain valuable experience, refine or develop new skills, and instill a sense of civic pride and commitment to their community;

(7) There is a need to coordinate state and federally funded volunteer service programs that provide living allowances and other benefits to volunteers to maximize the benefits to volunteers and the organizations in which they serve.

It is therefore the legislature's desire to expand full-time volunteer opportunities for citizens age twenty-one and over and to provide appropriate incentives to those who serve. Such a program should be implemented state-wide and coordinated across programs.

NEW SECTION. Sec. 2. Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Commissioner" means the commissioner of the employment security department.

(2) "Council" means the Washington council on volunteerism and citizen service authorized by chapter 43.150 RCW.

(3) "Department" means the employment security department.

(4) "Volunteer" means a person at least twenty-one years of age who, upon application and acceptance into the program, is placed in a governmental or private, nonprofit organization to perform full-time service for the benefit of the community, and who receives a living allowance and other benefits as authorized under this chapter.

NEW SECTION. Sec. 3. There is hereby created within the employment security department a program for full-time community service that shall be known and referred to as the Washington serves program. The department shall recruit, train, place, and evaluate applicants to the program. The department may accept applications and enter into agreements or contracts with any governmental or private nonprofit organization appropriate for placement of volunteers under this program. The commissioner, after consultation with the council, may adopt rules as needed to carry out the intent and purposes of this program. It is the intent of the legislature that the commissioner coordinate this program with all volunteer service programs, whether funded with state or federal dollars, in order to maximize the benefits to volunteers and the communities served under the program. It is also the legislature's intent that to the extent that state funds are paid directly to persons that participate in the program, whether to reimburse, support, assist, or provide other direct payment, no volunteer may have such reimbursement, support, assistance, or other payment reduced or withheld for having served in the program.

NEW SECTION. Sec. 4. (1) Applicants to the Washington serves program shall be at least twenty-one years of age and a resident of Washington state.

(2) Applicants may apply to serve for a period of service of one year, except that volunteers may serve for periods of service of less than one year if it is determined by the commissioner, on an individual basis, that a period of service of less than one year is necessary to meet a critical scarce skill or necessary to enable a person or organization to participate in the program.

(3) Volunteers may reapply for periods of service totaling not more than two additional years.

(4) Applicants to the program shall be committed to providing full-time service to the community.

NEW SECTION. Sec. 5. (1) Program volunteers shall be selected from among qualified individuals submitting applications for full-time service at such time, in such form, and containing such information as may be necessary to evaluate the suitability of each individual for service, and available placements. The commissioner or the commissioner's designee shall review the application of each individual who applies in conformance with selection criteria established

by the commissioner after consultation with the council, and who, on the basis of the information provided in the application, is determined to be suitable to serve as a volunteer under the Washington serves program.

(2) Within available funds, volunteers may be placed with any public or private nonprofit organization, program, or project that qualifies to accept program volunteers according to the rules and application procedures established by the commissioner. Work shall benefit the community or state at-large and may include but is not limited to programs, projects, or activities that:

(a) Address the problems of jobless, homeless, hungry, illiterate, or functionally illiterate persons, and low-income youths;

(b) Provide support and a special focus on those project activities that address the needs of the unemployed and those in need of job training or retraining;

(c) Address significant health care problems, including services to homeless individuals and other low-income persons, especially children, through prevention and treatment;

(d) Meet the health, education, welfare, or related needs of low-income persons, particularly children and low-income minority communities;

(e) Provide care or rehabilitation services to the mentally ill, developmentally disabled, or other persons with disabilities;

(f) Address the educational and education-related needs of children, youth, families, and young adults within public educational institutions or related programs;

(g) Address alcohol and drug abuse prevention, education, and related activities; and

(h) Seek to enhance, improve, or restore the environment or that educate or advocate for a sustainable environment.

(3) Every reasonable effort shall be made to place participants in programs, projects, or activities of their choice if the agencies, programs, or activities are consistent with the intent and purposes of the Washington serves program, if there is mutual agreement between the agency, program, or activity and the volunteer, and if the volunteer's service is consistent with the intent and purpose of the program and would benefit the community or the state as a whole.

NEW SECTION. Sec. 6. (1) Volunteers accepted into the Washington serves program and placed in an approved agency, program, or activity, shall be provided a monthly subsistence allowance in an amount determined by the commissioner taking into consideration the allowance given to VISTA, Washington service corps, and other similar service programs. For those persons who qualify and are granted a deferment of federal student loan payments while serving in the program, the rate of compensation shall be equal to but not greater than the monthly subsistence allowance granted Volunteers In Service To America (VISTA) serving in this state, as determined by the national ACTION agency or its successor, in accordance with section 105 (b)(2) of the Domestic Volunteer Service Act of 1973, P.L. 93-113, as amended.

(2) The commissioner or the commissioner's designee shall, within available funds, ensure that each volunteer has available support to enable the volunteer to perform the work to which the volunteer is assigned. Such support may include, but is not limited to, reimbursement for travel expenses, payment for education and training expenses, including preservice and on-the-job training necessary for the performance of duties, technical assistance, and other support deemed necessary and appropriate.

(3) At the end of each volunteer's period of service of not less than one year, each volunteer may receive a postservice stipend for each month of completed service in an amount determined by the commissioner. The postservice stipend for those persons who qualify and are granted a deferment of federal student loan payments while serving in this program shall be an amount equal to but not greater than the amount or rate determined by the national ACTION agency or its successor, in accordance with section 105(b)(2) of the Domestic Volunteer Service Act of 1973, P.L. 93-113 as amended, for Volunteers In Service To America (VISTA), who are providing services in this state. Volunteers under the Washington serves program may accrue the stipend for each month of their service period of not less than one year, including any month during which they were in training. The commissioner or the commissioner's designee may, on an individual basis, make an exception to provide a stipend to a volunteer who has served less than one year.

(4) Stipends shall be payable to the volunteer only upon completion of the period of service. Under circumstances determined by the commissioner, the stipend may be paid on behalf of the volunteer to members of the volunteer's family or others designated by the volunteer.

NEW SECTION. Sec. 7. Within available funds, medical aid coverage under chapter 51.36 RCW and medical insurance shall be provided to all volunteers under this program. The department shall give notice of medical aid coverage to the director of labor and industries upon acceptance of the volunteer into the program. The department shall not be deemed an employer of any volunteer under the Washington serves program for any other purpose. Other provisions of law relating to civil service, hours of work, rate of compensation, sick leave, unemployment compensation, old age, health and survivor's insurance, state retirement plans, and vacation leave do not apply to volunteers under this program.

NEW SECTION. Sec. 8. The assignment of volunteers under the Washington serves program shall not result in the displacement of currently employed workers, including partial displacement such as would result from a reduction in hours of nonovertime work, wages, or other employment benefits. Participating agencies, programs, or activities may not terminate, layoff, or reduce the working hours of any employee for the purpose of using volunteers under the Washington serves program. In circumstances where substantial efficiencies or a public purpose may result, participating agencies may use

volunteers to carry out essential agency work or contractual functions without displacing current employees.

NEW SECTION. Sec. 9. The services of volunteers placed with participating agencies described in chapter 50.44 RCW are not eligible for unemployment compensation coverage. Each volunteer shall be so advised by the commissioner or the commissioner's designee.

NEW SECTION. Sec. 10. The commissioner or the commissioner's designee may assist any volunteer serving full-time under the Washington serves program in obtaining a service deferment of federally funded student loan payments during his or her period of service.

NEW SECTION. Sec. 11. The commissioner or the commissioner's designee may provide or arrange for educational, vocational, or job counseling for program volunteers at the end of their period of service to (1) encourage volunteers to use the skills and experience which they have derived from their training and service, and (2) promote the development of appropriate opportunities for the use of such skills and experience, and the placement therein of such volunteers. The commissioner or the commissioner's designee may also assist volunteers in developing a plan for gainful employment.

The commissioner shall provide for an appropriate means of recognition or certification of volunteer service.

NEW SECTION. Sec. 12. The executive administrator of the Washington serves program shall recruit and develop service placements and may enter into work agreements or contracts as needed to implement the Washington serves program. The commissioner, after consultation with the council, may adopt rules for participating agencies which rules may include, but are not limited to: Supervision of volunteers, reasonable work space or other working environment conditions, ongoing training, the handling of grievances or disputes, performance evaluations, frequency of agency contacts, and liability insurance coverage. The commissioner shall determine financial support levels for organizations receiving volunteer placements that will provide matching funds for enrollees in service projects under work agreements.

NEW SECTION. Sec. 13. The department may receive such gifts, grants, and endowments from private or public sources that may be made from time to time, in trust or otherwise, for the use and benefit of the Washington serves program and spend the same or any income therefrom according to the terms of the gifts, grants, or endowments.

The department may also use funds appropriated for the purposes of this chapter as matching funds for federal or private source funds to accomplish the purposes of this chapter.

NEW SECTION. Sec. 14. If any part of this act is found to be in conflict with federal requirements which are prescribed conditions to the receipt of federal funds or participation in any federal program, such conflicting part of this

act is declared to be inoperative solely to the extent of the conflict, and such finding or determination shall not affect the operation of the remainder of the act. Rules adopted pursuant to this act shall meet federal requirements which are a necessary condition to the receipt of federal funds by the state.

NEW SECTION. **Sec. 15.** Sections 1 through 13 of this act may be known and cited as the Washington serves act.

NEW SECTION. **Sec. 16.** Sections 1 through 13 of this act are each added to chapter 50.65 RCW.

NEW SECTION. **Sec. 17.** The commissioner shall report to the appropriate committees of the legislature on the success and impact of the Washington serves program by January 1, 1996.

NEW SECTION. **Sec. 18.** If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. **Sec. 19.** If specific funding for the purposes of this act, referencing this act by bill number, is not provided by June 30, 1993, in the omnibus appropriations act, this act is null and void.

Passed the House April 30, 1993.

Passed the Senate May 5, 1993.

Approved by the Governor May 28, 1993.

Filed in Office of Secretary of State May 28, 1993.

CHAPTER 8

[Engrossed House Bill 2114]

TREASURY ACCOUNTS—EARNINGS ON BALANCES IN

Effective Date: 7/1/93

AN ACT Relating to earnings on the balances of certain treasury accounts; amending RCW 43.84.092 and 43.79A.040; and providing an effective date.

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

Sec. 1. RCW 43.84.092 and 1992 c 235 s 4 are each amended to read as follows:

(1) All earnings of investments of surplus balances in the state treasury shall be deposited to the treasury income account, which account is hereby established in the state treasury.

(2) Monthly, the state treasurer shall distribute the earnings credited to the treasury income account. The state treasurer shall credit the general fund with all the earnings credited to the treasury income account except:

(a) The following accounts and funds shall receive their proportionate share of earnings based upon each account's and fund's average daily balance for the period: The capitol building construction account, the Cedar River channel

construction and operation account, the Central Washington University capital projects account, the charitable, educational, penal and reformatory institutions account, the common school construction fund, the county criminal justice assistance account, the county sales and use tax equalization account, the data processing building construction account, the deferred compensation administrative account, the deferred compensation principal account, the department of retirement systems expense account, the Eastern Washington University capital projects account, the federal forest revolving account, the industrial insurance premium refund account, the judges' retirement account, the judicial retirement administrative account, the judicial retirement principal account, the local leasehold excise tax account, the local sales and use tax account, the medical aid account, the municipal criminal justice assistance account, the municipal sales and use tax equalization account, the natural resources deposit account, the perpetual surveillance and maintenance account, the public employees' retirement system plan I account, the public employees' retirement system plan II account, the Puyallup tribal settlement account, the resource management cost account, the site closure account, the special wildlife account, the state employees' insurance account, the state employees' insurance reserve account, the state investment board expense account, the state investment board commingled trust fund accounts, the supplemental pension account, the teachers' retirement system plan I account, the teachers' retirement system plan II account, the University of Washington bond retirement fund, the University of Washington building account, the volunteer fire fighters' relief and pension principal account, the volunteer fire fighters' relief and pension administrative account, the Washington judicial retirement system account, the Washington law enforcement officers' and fire fighters' system plan I retirement account, the Washington law enforcement officers' and fire fighters' system plan II retirement account, the Washington state patrol retirement account, the Washington State University building account, the Washington State University bond retirement fund, and the Western Washington University capital projects account. Earnings derived from investing balances of the agricultural permanent fund, the normal school permanent fund, the permanent common school fund, the scientific permanent fund, and the state university permanent fund shall be allocated to their respective beneficiary accounts. All earnings to be distributed under this subsection (2)(a) shall first be reduced by the allocation to the state treasurer's service fund pursuant to RCW 43.08.190.

(b) The following accounts and funds shall receive eighty percent of their proportionate share of earnings based upon each account's or fund's average daily balance for the period: ~~The ((central Puget Sound public transportation account, the city hardship assistance account, the county arterial preservation account, the economic development account, the essential rail assistance account, the essential rail banking account, the ferry bond retirement fund, the grade crossing protective fund, the high capacity transportation account, the highway bond retirement fund, the highway construction stabilization account, the~~

~~highway safety account, the)) motor vehicle fund((, the motorcycle safety education account, the pilotage account, the public transportation systems account, the Puget Sound capital construction account, the Puget Sound ferry operations account, the recreational vehicle account, the rural arterial trust account, the special category C account, the state patrol highway account, the transfer relief account, the transportation capital facilities account, the transportation equipment fund,)) and the transportation fund((, the transportation improvement account, and the urban arterial trust account)).~~

(3) In conformance with Article II, section 37 of the state Constitution, no treasury accounts or funds shall be allocated earnings without the specific affirmative directive of this section.

Sec. 2. RCW 43.79A.040 and 1991 sp.s. c 13 s 82 are each amended to read as follows:

(1) Money in the treasurer's trust fund may be deposited, invested and reinvested by the state treasurer in accordance with RCW 43.84.080 in the same manner and to the same extent as if the money were in the state treasury.

(2)(a) All income received from investment of the treasurer's trust fund shall be set aside in an account in the treasury trust fund to be known as the investment income account. Monthly, the state treasurer shall distribute the earnings credited to the investment income account to the state general fund ~~except((:))~~ under (b) of this subsection.

~~((a))~~ (b) The following accounts and funds shall receive their proportionate share of earnings based upon each account's or fund's average daily balance for the period: The American Indian scholarship endowment fund, the energy account, the game farm alternative account, and the self-insurance revolving fund. However, the earnings to be distributed shall first be reduced by the allocation to the state treasurer's service ~~((account {fund}))~~ fund pursuant to RCW 43.08.190.

~~((b) The following accounts and funds shall receive eighty percent of their proportionate share of earnings based upon each account's or fund's average daily balance for the period: The advanced right of way revolving fund, the federal narcotics asset forfeitures account, the ferry system account, the ferry system insurance claim reserve account, the ferry system operation and maintenance account, the ferry system revenue account, the ferry system revenue bond account, the high occupancy vehicle account, and the local rail service assistance account.))~~

(3) In conformance with Article II, section 37 of the state Constitution, no trust accounts or funds shall be allocated earnings without the specific affirmative directive of this section.

NEW SECTION. Sec. 3. This act shall take effect July 1, 1993, but shall not be effective for earnings on balances prior to July 1, 1993.

Passed the House May 4, 1993.

Passed the Senate May 5, 1993.

Approved by the Governor May 28, 1993.

Filed in Office of Secretary of State May 28, 1993.

CHAPTER 9

[Engrossed House Bill 2123]

GRADUATE SERVICE APPOINTEES—HEALTH CARE INSURANCE FOR

Effective Date: 8/5/93

AN ACT Relating to graduate service appointments; and amending RCW 28B.10.660.

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

Sec. 1. RCW 28B.10.660 and 1979 ex.s. c 88 s 1 are each amended to read as follows:

(1) The ~~((regents or trustees))~~ governing boards of any of the state's institutions of higher education may make available liability, life, health, health care, accident, disability and salary protection or insurance or any one of, or a combination of, the enumerated types of insurance, or any other type of insurance or protection, for the regents or trustees and students of the institution. Except as provided in subsection (2) of this section, the premiums due on such protection or insurance shall be borne by the assenting regents, trustees, or students. The regents or trustees of any of the state institutions of higher education may make liability insurance available for employees of the institutions. The premiums due on such liability insurance shall be borne by the university or college.

(2) A governing board of a public four-year institution of higher education may make available, and pay the costs of, health benefits for graduate students holding graduate service appointments, designated as such by the institution. Such health benefits may provide coverage for spouses and dependents of such graduate student appointees.

Passed the House May 5, 1993.

Passed the Senate May 5, 1993.

Approved by the Governor May 28, 1993.

Filed in Office of Secretary of State May 28, 1993.

CHAPTER 10

[House Bill 2129]

STATE AGENCIES—DIRECT PURCHASE OF GOODS AND SERVICES

Effective Date: 8/5/93

AN ACT Relating to state agency purchasing; amending RCW 43.19.190 and 43.19.1905; and creating new sections.

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

NEW SECTION. **Sec. 1.** The legislature recognizes the need for state agencies to maximize the buying power of increasingly scarce resources for the purchase of goods and services. The legislature seeks to provide state agencies with the ability to purchase goods and services at the lowest cost.

Sec. 2. RCW 43.19.190 and 1991 c 238 s 135 are each amended to read as follows:

The director of general administration, through the state purchasing and material control director, shall:

(1) Establish and staff such administrative organizational units within the division of purchasing as may be necessary for effective administration of the provisions of RCW 43.19.190 through 43.19.1939;

(2) Purchase all material, supplies, services, and equipment needed for the support, maintenance, and use of all state institutions, colleges, community colleges, technical colleges, college districts, and universities, the offices of the elective state officers, the supreme court, the court of appeals, the administrative and other departments of state government, and the offices of all appointive officers of the state: **PROVIDED**, That the provisions of RCW 43.19.190 through 43.19.1937 do not apply in any manner to the operation of the state legislature except as requested by ~~((said))~~ the legislature: **PROVIDED**, That any agency may purchase material, supplies, services, and equipment for which the agency has notified the purchasing and material control director that it is more cost-effective for the agency to make the purchase directly from the vendor: **PROVIDED**, That primary authority for the purchase of specialized equipment, instructional, and research material for their own use shall rest with the colleges, community colleges, and universities: **PROVIDED FURTHER**, That universities operating hospitals and the state purchasing and material control director, as the agent for state hospitals as defined in RCW 72.23.010, and for health care programs provided in state correctional institutions as defined in RCW 72.65.010(3) and veterans' institutions as defined in RCW 72.36.010 and 72.36.070, may make purchases for hospital operation by participating in contracts for materials, supplies, and equipment entered into by cooperative hospital service organizations as defined in section 501(e) of the Internal Revenue Code, or its successor: **PROVIDED FURTHER**, That primary authority for the purchase of materials, supplies, and equipment for resale to other than public agencies shall rest with the state agency concerned: **PROVIDED FURTHER**, That authority to purchase services as included herein does not apply

to personal services as defined in chapter 39.29 RCW, unless such organization specifically requests assistance from the division of purchasing in obtaining personal services and resources are available within the division to provide such assistance: PROVIDED FURTHER, That the authority for the purchase of insurance and bonds shall rest with the risk manager under RCW 43.19.1935 as now or hereafter amended;

(3) Provide the required staff assistance for the state supply management advisory board through the division of purchasing;

(4) Have authority to delegate to state agencies authorization to purchase or sell, which authorization shall specify restrictions as to dollar amount or to specific types of material, equipment, services, and supplies: PROVIDED, That acceptance of the purchasing authorization by a state agency does not relieve such agency from conformance with other sections of RCW 43.19.190 through 43.19.1939, as now or hereafter amended, or from policies established by the director after consultation with the state supply management advisory board: PROVIDED FURTHER, That delegation of such authorization to a state agency, including an educational institution, to purchase or sell material, equipment, services, and supplies shall not be granted, or otherwise continued under a previous authorization, if such agency is not in substantial compliance with overall state purchasing and material control policies as established herein;

(5) Contract for the testing of material, supplies, and equipment with public and private agencies as necessary and advisable to protect the interests of the state;

(6) Prescribe the manner of inspecting all deliveries of supplies, materials, and equipment purchased through the division;

(7) Prescribe the manner in which supplies, materials, and equipment purchased through the division shall be delivered, stored, and distributed;

(8) Provide for the maintenance of a catalogue library, manufacturers' and wholesalers' lists, and current market information;

(9) Provide for a commodity classification system and may, in addition, provide for the adoption of standard specifications after receiving the recommendation of the supply management advisory board;

(10) Provide for the maintenance of inventory records of supplies, materials, and other property;

(11) Prepare rules and regulations governing the relationship and procedures between the division of purchasing and state agencies and vendors;

(12) Publish procedures and guidelines for compliance by all state agencies, including educational institutions, which implement overall state purchasing and material control policies;

(13) Conduct periodic visits to state agencies, including educational institutions, to determine if statutory provisions and supporting purchasing and material control policies are being fully implemented, and based upon such visits, take corrective action to achieve compliance with established purchasing and material control policies under existing statutes when required.

Sec. 3. RCW 43.19.1905 and 1987 c 504 s 16 are each amended to read as follows:

The director of general administration, after consultation with the supply management advisory board shall establish overall state policy for compliance by all state agencies, including educational institutions, regarding the following purchasing and material control functions:

~~((a))~~ (1) Development of a state commodity coding system, including common stock numbers for items maintained in stores for reissue;

~~((b))~~ (2) Determination where consolidations, closures, or additions of stores operated by state agencies and educational institutions should be initiated;

~~((c))~~ (3) Institution of standard criteria for determination of when and where an item in the state supply system should be stocked;

~~((d))~~ (4) Establishment of stock levels to be maintained in state stores, and formulation of standards for replenishment of stock;

~~((e))~~ (5) Formulation of an overall distribution and redistribution system for stock items which establishes sources of supply support for all agencies, including interagency supply support;

~~((f))~~ (6) Determination of what function data processing equipment, including remote terminals, shall perform in state-wide purchasing and material control for improvement of service and promotion of economy;

~~((g))~~ (7) Standardization of records and forms used state-wide for supply system activities involving purchasing, receiving, inspecting, storing, requisitioning, and issuing functions under the provisions of RCW 43.19.510, including a standard notification form for state agencies to report cost-effective direct purchases, which shall at least identify the price of the goods as available through the division of purchasing, the price of the goods as available from the alternative source, the total savings, and the signature of the notifying agency's director or the director's designee;

~~((h))~~ (8) Screening of supplies, material, and equipment excess to the requirements of one agency for overall state need before sale as surplus;

~~((i))~~ (9) Establishment of warehouse operation and storage standards to achieve uniform, effective, and economical stores operations;

~~((j))~~ (10) Establishment of time limit standards for the issuing of material in store and for processing requisitions requiring purchase;

~~((k))~~ (11) Formulation of criteria for determining when centralized rather than decentralized purchasing shall be used to obtain maximum benefit of volume buying of identical or similar items, including procurement from federal supply sources;

~~((l))~~ (12) Development of criteria for use of leased, rather than state owned, warehouse space based on relative cost and accessibility;

~~((m))~~ (13) Institution of standard criteria for purchase and placement of state furnished materials, carpeting, furniture, fixtures, and nonfixed equipment, in newly constructed or renovated state buildings;

~~((n))~~ (14) Determination of how transportation costs incurred by the state for materials, supplies, services, and equipment can be reduced by improved freight and traffic coordination and control;

~~((o))~~ (15) Establishment of a formal certification program for state employees who are authorized to perform purchasing functions as agents for the state under the provisions of chapter 43.19 RCW;

~~((p))~~ (16) Development of performance measures for the reduction of total overall expense for material, supplies, equipment, and services used each biennium by the state;

~~((q))~~ (17) Establishment of a standard system for all state organizations to record and report dollar savings and cost avoidance which are attributable to the establishment and implementation of improved purchasing and material control procedures;

~~((r))~~ (18) Development of procedures for mutual and voluntary cooperation between state agencies, including educational institutions, and political subdivisions for exchange of purchasing and material control services;

~~((s))~~ (19) Resolution of all other purchasing and material matters referred to him by a member of the advisory board which require the establishment of overall state-wide policy for effective and economical supply management;

~~((t))~~ (20) Development of guidelines and criteria for the purchase of vehicles, alternate vehicle fuels and systems, equipment, and materials that reduce overall energy-related costs and energy use by the state, including the requirement that new passenger vehicles purchased by the state meet the minimum standards for passenger automobile fuel economy established by the United States secretary of transportation pursuant to the energy policy and conservation act (15 U.S.C. Sec. 2002).

NEW SECTION. Sec. 4. The department of general administration shall forward copies of notification forms required under RCW 43.19.1905(7) to the office of financial management. By September 1, 1994, the department of general administration shall report to the house of representatives fiscal committees and senate ways and means committee on the volume and type of purchases made and the aggregate savings identified by state agencies making purchases as authorized by this act for fiscal year 1994.

Passed the House May 3, 1993.

Passed the Senate May 5, 1993.

Approved by the Governor May 28, 1993.

Filed in Office of Secretary of State May 28, 1993.

CHAPTER 11

[Senate Bill 5370]

HIGHWAY BONDS—STATE CONTRIBUTION TO PROJECTS
FUNDED BY OTHER GOVERNMENT ENTITIES

Effective Date: 8/5/93

AN ACT Relating to state highway bonds; and amending RCW 47.10.761 and 47.10.762.

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

Sec. 1. RCW 47.10.761 and 1984 c 7 s 111 are each amended to read as follows:

It is the purpose of RCW 47.10.761 through 47.10.771 to provide reserve funds to the department for the following purposes:

(1) For construction, reconstruction, or repair of any state highway made necessary by slides, storm damage, or other unexpected or unusual causes;

(2) For construction or improvement of any state highway when necessary to alleviate or prevent intolerable traffic congestion caused by extraordinary and unanticipated economic development within any area of the state;

(3) To advance funds to any city or county to be used exclusively for the construction or improvement of any city street or county road when necessary to alleviate or prevent intolerable traffic congestion caused by extraordinary and unanticipated economic development within a particular area of the state. Before funds provided by the sale of bonds as authorized in RCW 47.10.761 through 47.10.770, are loaned to any city or county for the purposes specified herein, the department shall enter into an agreement with the city or county providing for repayment to the motor vehicle fund of such funds, together with the amount of bond interest thereon, from the city's or the county's share of the motor vehicle funds arising from excise taxes on motor vehicle fuels, over a period not to exceed twenty-five years; and

(4) To participate in projects on state highways or projects benefiting state highways that have been selected for funding by entities other than the Washington state department of transportation and require a financing contribution by the department of transportation.

Sec. 2. RCW 47.10.762 and 1967 ex.s. c 7 s 14 are each amended to read as follows:

In order to provide reserve funds for the purposes specified in RCW 47.10.761, there shall be issued and sold (~~(limited)~~) general obligation bonds of the state of Washington in the sum of twenty-five million dollars or such amount thereof and at such times as may be determined to be necessary by the state (~~(highway)~~) transportation commission. The issuance, sale and retirement of said bonds shall be under the supervision and control of the state finance committee which, upon request being made by the Washington state (~~(highway)~~) transportation commission, shall provide for the issuance, sale and retirement of coupon or registered bonds to be dated, issued and sold from time to time in such

amounts as may be necessary for the ~~((orderly-scheduled-construction-of-the-interstate-highway-system))~~ purposes enumerated in RCW 47.10.761.

Passed the Senate May 5, 1993.

Passed the House May 5, 1993.

Approved by the Governor May 28, 1993.

Filed in Office of Secretary of State May 28, 1993.

CHAPTER 12

[Second Engrossed Senate Bill 5719]

GENERAL OBLIGATION BONDS—AUTHORITY TO ISSUE FOR COSTS ASSOCIATED WITH 1993-95 BIENNIUM

Effective Date: 8/5/93

AN ACT Relating to general obligation bonds; amending RCW 67.40.045; and adding a new chapter to Title 43 RCW.

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

NEW SECTION. **Sec. 1.** For the purpose of providing funds to finance the projects described and authorized by the legislature in the capital and operating appropriations acts for the 1993-95 fiscal biennium, and all costs incidental thereto, the state finance committee is authorized to issue general obligation bonds of the state of Washington in the sum of nine hundred twenty-six million seven hundred thirty-seven thousand dollars, or so much thereof as may be required, to finance these projects and all costs incidental thereto. Bonds authorized in this section may be sold at such price as the state finance committee shall determine. No bonds authorized in this section may be offered for sale without prior legislative appropriation of the net proceeds of the sale of the bonds.

NEW SECTION. **Sec. 2.** The proceeds from the sale of the bonds authorized in section 1 of this act shall be deposited in the state building construction account created by RCW 43.83.020. The proceeds shall be transferred as follows:

(1) Nine hundred three million dollars to remain in the state building construction account created by RCW 43.83.020; and

(2) One million five hundred thousand dollars to the fruit commission facility account.

These proceeds shall be used exclusively for the purposes specified in this section, and for the payment of expenses incurred in the issuance and sale of the bonds issued for the purposes of this section, and shall be administered by the office of financial management subject to legislative appropriation.

NEW SECTION. **Sec. 3.** (1) The state general obligation bond retirement fund shall be used for the payment of the principal of and interest on the bonds authorized in section 2 of this act.

(2) The state finance committee shall, on or before June 30th of each year, certify to the state treasurer the amount needed in the ensuing twelve months to meet the bond retirement and interest requirements. On the date on which any interest or principal and interest payment is due, the state treasurer shall withdraw from any general state revenues received in the state treasury and deposit in the general obligation bond retirement fund an amount equal to the amount certified by the state finance committee to be due on the payment date.

(3) Bonds issued under section 1 of this act shall state that they are a general obligation of the state of Washington, shall pledge the full faith and credit of the state to the payment of the principal thereof and the interest thereon, and shall contain an unconditional promise to pay the principal and interest as the same shall become due.

(4) The owner and holder of each of the bonds or the trustee for the owner and holder of any of the bonds may by mandamus or other appropriate proceeding require the transfer and payment of funds as directed in this section.

NEW SECTION. Sec. 4. On each date on which any interest or principal and interest payment is due for the purposes of section 2(2) of this act, the Washington state fruit commission shall cause the amount computed by the state finance committee in section 3 of this act for the purposes of section 2(2) of this act to be paid out of the commission's general operating fund to the state treasurer for deposit into the general fund of the state treasury.

NEW SECTION. Sec. 5. The bonds authorized in section 2(2) of this act may be issued only after the director of financial management has: (1) Certified that, based on the future income from assessments levied under this chapter and other revenues collected by the commission, an adequate balance will be maintained in the commission's general operating fund to pay the interest or principal and interest payments due under section 4 of this act for the life of the bonds; and (2) approved the plans for facility.

NEW SECTION. Sec. 6. The fruit commission facility account is created in the state treasury. Moneys in the account may be spent only after appropriation.

NEW SECTION. Sec. 7. The legislature may provide additional means for raising moneys for the payment of the principal of and interest on the bonds authorized in section 1 of this act, and section 3 of this act shall not be deemed to provide an exclusive method for the payment.

NEW SECTION. Sec. 8. The bonds authorized in section 1 of this act shall be a legal investment for all state funds or funds under state control and for all funds of any other public body.

Sec. 9. RCW 67.40.045 and 1992 c 4 s 1 are each amended to read as follows:

(1) The director of financial management, in consultation with the chairpersons of the ways and means committees of the senate and house of

representatives, may authorize temporary borrowing from the state treasury for the purpose of covering cash deficiencies in the state convention and trade center account resulting from project completion costs. Subject to the conditions and limitations provided in this section, lines of credit may be authorized at times and in amounts as the director of financial management determines are advisable to meet current and/or anticipated cash deficiencies. Each authorization shall distinctly specify the maximum amount of cash deficiency which may be incurred and the maximum time period during which the cash deficiency may continue. The total amount of borrowing outstanding at any time shall never exceed the lesser of:

(a) \$58,275,000; or

(b) An amount, as determined by the director of financial management from time to time, which is necessary to provide for payment of project completion costs.

(2) Unless the due date under this subsection is extended by statute, all amounts borrowed under the authority of this section shall be repaid to the state treasury by June 30, (~~(1995)~~ 1997), together with interest at a rate determined by the state treasurer to be equivalent to the return on investments of the state treasury during the period the amounts are borrowed. Borrowing may be authorized from any excess balances in the state treasury, except the agricultural permanent fund, the Millersylvania park permanent fund, the state university permanent fund, the normal school permanent fund, the permanent common school fund, and the scientific permanent fund.

(3) As used in this section, "project completion" means:

(a) All remaining development, construction, and administrative costs related to completion of the convention center; and

(b) Costs of the McKay building demolition, Eagles building rehabilitation, development of low-income housing, and construction of rentable retail space and an operable parking garage.

(4) It is the intent of the legislature that project completion costs be paid ultimately from the following sources:

(a) \$29,250,000 to be received by the corporation under an agreement and settlement with Industrial Indemnity Co.;

(b) \$1,070,000 to be received by the corporation as a contribution from the city of Seattle;

(c) \$20,000,000 from additional general obligation bonds to be repaid from the special excise tax under RCW 67.40.090;

(d) \$4,765,000 for contingencies and project reserves from additional general obligation bonds to be repaid from the special excise tax under RCW 67.40.090;

(e) \$13,000,000 for conversion of various retail and other space to meeting rooms, from additional general obligation bonds to be repaid from the special excise tax under RCW 67.40.090;

(f) \$13,300,000 for expansion at the 900 level of the facility, from additional general obligation bonds to be repaid from the special excise tax under RCW 67.40.090;

(g) \$10,400,000 for purchase of the land and building known as the McKay Parcel, for development of low-income housing, for development, construction, and administrative costs related to completion of the state convention and trade center, including settlement costs related to construction litigation, and for partially refunding obligations under the parking garage revenue note issued by the corporation to Industrial Indemnity Company in connection with the agreement and settlement identified in (a) of this subsection, from additional general obligation bonds to be repaid from the special excise tax under RCW 67.40.090. All proceeds from any sale of the McKay parcel shall be deposited in the state convention and trade center account and shall not be expended without appropriation by law;

(h) \$300,000 for Eagles building exterior cleanup and repair, from additional general obligation bonds to be repaid from the special excise tax under RCW 67.40.090; and

(i) The proceeds of the sale of any properties owned by the state convention and trade center that are not planned for use for state convention and trade center operations, with the proceeds to be used for development, construction, and administrative costs related to completion of the state convention and trade center, including settlement costs related to construction litigation.

(5) The borrowing authority provided in this section is in addition to the authority to borrow from the general fund to meet the bond retirement and interest requirements set forth in RCW 67.40.060. To the extent the specific conditions and limitations provided in this section conflict with the general conditions and limitations provided for temporary cash deficiencies in RCW 43.88.260 (section 7, chapter 502, Laws of 1987), the specific conditions and limitations in this section shall govern.

NEW SECTION. Sec. 10. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 11. Sections 1 through 8 of this act shall constitute a new chapter in Title 43 RCW.

Passed the Senate May 6, 1993.

Passed the House May 6, 1993.

Approved by the Governor May 28, 1993.

Filed in Office of Secretary of State May 28, 1993.

CHAPTER 13

[Engrossed Substitute Senate Bill 5724]

NURSING HOME AUDITING AND COST REIMBURSEMENT—REVISIONS

Effective Date: 7/1/93

AN ACT Relating to nursing home auditing and reimbursement; amending RCW 74.46.020, 74.46.230, 74.46.280, 74.46.380, 74.46.410, 74.46.420, 74.46.430, 74.46.450, 74.46.460, 74.46.470, 74.46.481, 74.46.490, 74.46.500, 74.46.510, and 74.46.530; reenacting and amending RCW 74.46.180; adding a new section to chapter 74.46 RCW; creating new sections; repealing RCW 74.46.260 and 74.46.495; providing an effective date; and declaring an emergency.

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

Sec. 1. RCW 74.46.020 and 1991 sp.s. c 8 s 11 are each amended to read as follows:

Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Accrual method of accounting" means a method of accounting in which revenues are reported in the period when they are earned, regardless of when they are collected, and expenses are reported in the period in which they are incurred, regardless of when they are paid.

(2) "Ancillary care" means those services required by the individual, comprehensive plan of care provided by qualified therapists.

(3) "Appraisal" means the process of estimating the fair market value or reconstructing the historical cost of an asset acquired in a past period as performed by a professionally designated real estate appraiser with no pecuniary interest in the property to be appraised. It includes a systematic, analytic determination and the recording and analyzing of property facts, rights, investments, and values based on a personal inspection and inventory of the property.

(4) "Arm's-length transaction" means a transaction resulting from good-faith bargaining between a buyer and seller who are not related organizations and have adverse positions in the market place. Sales or exchanges of nursing home facilities among two or more parties in which all parties subsequently continue to own one or more of the facilities involved in the transactions shall not be considered as arm's-length transactions for purposes of this chapter. Sale of a nursing home facility which is subsequently leased back to the seller within five years of the date of sale shall not be considered as an arm's-length transaction for purposes of this chapter.

(5) "Assets" means economic resources of the contractor, recognized and measured in conformity with generally accepted accounting principles.

(6) "Bad debts" means amounts considered to be uncollectable from accounts and notes receivable.

(7) "Beds" means the number of set-up beds in the facility, not to exceed the number of licensed beds.

(8) "Beneficial owner" means:

(a) Any person who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise has or shares:

(i) Voting power which includes the power to vote, or to direct the voting of such ownership interest; and/or

(ii) Investment power which includes the power to dispose, or to direct the disposition of such ownership interest;

(b) Any person who, directly or indirectly, creates or uses a trust, proxy, power of attorney, pooling arrangement, or any other contract, arrangement, or device with the purpose or effect of divesting himself of beneficial ownership of an ownership interest or preventing the vesting of such beneficial ownership as part of a plan or scheme to evade the reporting requirements of this chapter;

(c) Any person who, subject to subparagraph (b) of this subsection, has the right to acquire beneficial ownership of such ownership interest within sixty days, including but not limited to any right to acquire:

(i) Through the exercise of any option, warrant, or right;

(ii) Through the conversion of an ownership interest;

(iii) Pursuant to the power to revoke a trust, discretionary account, or similar arrangement; or

(iv) Pursuant to the automatic termination of a trust, discretionary account, or similar arrangement;

except that, any person who acquires an ownership interest or power specified in subparagraphs (i), (ii), or (iii) of this subparagraph (c) with the purpose or effect of changing or influencing the control of the contractor, or in connection with or as a participant in any transaction having such purpose or effect, immediately upon such acquisition shall be deemed to be the beneficial owner of the ownership interest which may be acquired through the exercise or conversion of such ownership interest or power;

(d) Any person who in the ordinary course of business is a pledgee of ownership interest under a written pledge agreement shall not be deemed to be the beneficial owner of such pledged ownership interest until the pledgee has taken all formal steps necessary which are required to declare a default and determines that the power to vote or to direct the vote or to dispose or to direct the disposition of such pledged ownership interest will be exercised; except that:

(i) The pledgee agreement is bona fide and was not entered into with the purpose nor with the effect of changing or influencing the control of the contractor, nor in connection with any transaction having such purpose or effect, including persons meeting the conditions set forth in subparagraph (b) of this subsection; and

(ii) The pledgee agreement, prior to default, does not grant to the pledgee:

(A) The power to vote or to direct the vote of the pledged ownership interest; or

(B) The power to dispose or direct the disposition of the pledged ownership interest, other than the grant of such power(s) pursuant to a pledge agreement under which credit is extended and in which the pledgee is a broker or dealer.

(9) "Capitalization" means the recording of an expenditure as an asset.

(10) "Contractor" means an entity which contracts with the department to provide services to medical care recipients in a facility and which entity is responsible for operational decisions.

(11) "Department" means the department of social and health services (DSHS) and its employees.

(12) "Depreciation" means the systematic distribution of the cost or other basis of tangible assets, less salvage, over the estimated useful life of the assets.

(13) "Direct care supplies" means medical, pharmaceutical, and other supplies required for the direct nursing and ancillary care of medical care recipients.

(14) "Entity" means an individual, partnership, corporation, or any other association of individuals capable of entering enforceable contracts.

(15) "Equity" means the net book value of all tangible and intangible assets less the recorded value of all liabilities, as recognized and measured in conformity with generally accepted accounting principles.

(16) "Facility" means a nursing home licensed in accordance with chapter 18.51 RCW, excepting nursing homes certified as institutions for mental diseases, or that portion of a hospital licensed in accordance with chapter 70.41 RCW which operates as a nursing home.

(17) "Fair market value" means the replacement cost of an asset less observed physical depreciation on the date for which the market value is being determined.

(18) "Financial statements" means statements prepared and presented in conformity with generally accepted accounting principles including, but not limited to, balance sheet, statement of operations, statement of changes in financial position, and related notes.

~~(19) ("Gain on sale" means the difference between the total net book value of nursing home assets, including but not limited to land, building and equipment, and the total sales price of all such assets.~~

~~(20))~~ "Generally accepted accounting principles" means accounting principles approved by the financial accounting standards board (FASB).

~~((21))~~ (20) "Generally accepted auditing standards" means auditing standards approved by the American institute of certified public accountants (AICPA).

~~((22))~~ (21) "Goodwill" means the excess of the price paid for a business over the fair market value of all other identifiable, tangible, and intangible assets acquired.

~~((23))~~ (22) "Historical cost" means the actual cost incurred in acquiring and preparing an asset for use, including feasibility studies, architect's fees, and engineering studies.

~~((24))~~ (23) "Imprest fund" means a fund which is regularly replenished in exactly the amount expended from it.

~~((25))~~ (24) "Joint facility costs" means any costs which represent resources which benefit more than one facility, or one facility and any other entity.

~~((26))~~ (25) "Lease agreement" means a contract between two parties for the possession and use of real or personal property or assets for a specified period of time in exchange for specified periodic payments. Elimination (due to any cause other than death or divorce) or addition of any party to the contract, expiration, or modification of any lease term in effect on January 1, 1980, or termination of the lease by either party by any means shall constitute a termination of the lease agreement. An extension or renewal of a lease agreement, whether or not pursuant to a renewal provision in the lease agreement, shall be considered a new lease agreement. A strictly formal change in the lease agreement which modifies the method, frequency, or manner in which the lease payments are made, but does not increase the total lease payment obligation of the lessee, shall not be considered modification of a lease term.

~~((27))~~ (26) "Medical care program" means medical assistance provided under RCW 74.09.500 or authorized state medical care services.

~~((28))~~ (27) "Medical care recipient" or "recipient" means an individual determined eligible by the department for the services provided in chapter 74.09 RCW.

~~((29))~~ (28) "Net book value" means the historical cost of an asset less accumulated depreciation.

~~((30))~~ (29) "Net invested funds" means the net book value of tangible fixed assets employed by a contractor to provide services under the medical care program, including land, buildings, and equipment as recognized and measured in conformity with generally accepted accounting principles, plus an allowance for working capital which shall be five percent of the ~~((allowable costs))~~ product of the per patient day rate multiplied by the prior calendar year reported total patient days of each contractor ~~((for the previous calendar year))~~.

~~((31))~~ (30) "Operating lease" means a lease under which rental or lease expenses are included in current expenses in accordance with generally accepted accounting principles.

~~((32))~~ (31) "Owner" means a sole proprietor, general or limited partners, and beneficial interest holders of five percent or more of a corporation's outstanding stock.

~~((33))~~ (32) "Ownership interest" means all interests beneficially owned by a person, calculated in the aggregate, regardless of the form which such beneficial ownership takes.

~~((34))~~ (33) "Patient day" or "client day" means a calendar day of care which will include the day of admission and exclude the day of discharge; except that, when admission and discharge occur on the same day, one day of care shall be deemed to exist.

~~((35))~~ (34) "Professionally designated real estate appraiser" means an individual who is regularly engaged in the business of providing real estate valuation services for a fee, and who is deemed qualified by a nationally recognized real estate appraisal educational organization on the basis of extensive practical appraisal experience, including the writing of real estate valuation

reports as well as the passing of written examinations on valuation practice and theory, and who by virtue of membership in such organization is required to subscribe and adhere to certain standards of professional practice as such organization prescribes.

~~((36))~~ (35) "Qualified therapist" means:

(a) An activities specialist who has specialized education, training, or experience as specified by the department;

(b) An audiologist who is eligible for a certificate of clinical competence in audiology or who has the equivalent education and clinical experience;

(c) A mental health professional as defined by chapter 71.05 RCW;

(d) A mental retardation professional who is either a qualified therapist or a therapist approved by the department who has had specialized training or one year's experience in treating or working with the mentally retarded or developmentally disabled;

(e) A social worker who is a graduate of a school of social work;

(f) A speech pathologist who is eligible for a certificate of clinical competence in speech pathology or who has the equivalent education and clinical experience;

(g) A physical therapist as defined by chapter 18.74 RCW; ~~(and)~~

(h) An occupational therapist who is a graduate of a program in occupational therapy, or who has the equivalent of such education or training; and

(i) A respiratory care practitioner certified under chapter 18.89 RCW.

~~((37))~~ (36) "Questioned costs" means those costs which have been determined in accordance with generally accepted accounting principles but which may constitute disallowed costs or departures from the provisions of this chapter or rules and regulations adopted by the department.

~~((38))~~ (37) "Records" means those data supporting all financial statements and cost reports including, but not limited to, all general and subsidiary ledgers, books of original entry, and transaction documentation, however such data are maintained.

~~((39))~~ (38) "Related organization" means an entity which is under common ownership and/or control with, or has control of, or is controlled by, the contractor.

(a) "Common ownership" exists when an entity is the beneficial owner of five percent or more ownership interest in the contractor and any other entity.

(b) "Control" exists where an entity has the power, directly or indirectly, significantly to influence or direct the actions or policies of an organization or institution, whether or not it is legally enforceable and however it is exercisable or exercised.

~~((40))~~ (39) "Restricted fund" means those funds the principal and/or income of which is limited by agreement with or direction of the donor to a specific purpose.

~~((41))~~ (40) "Secretary" means the secretary of the department of social and health services.

~~((42))~~ (41) "Title XIX" or "Medicaid" means the 1965 amendments to the social security act, P.L. 89-07, as amended.

~~((43))~~ (42) "Physical plant capital improvement" means a capitalized improvement that is limited to an improvement to the building or the related physical plant.

Sec. 2. RCW 74.46.180 and 1987 c 476 s 1 and 1987 c 283 s 9 are each reenacted and amended to read as follows:

(1) The state shall make payment of any underpayments within thirty days after the date the preliminary or final settlement report is submitted to the contractor.

(2) A contractor found to have received either overpayments or erroneous payments under a preliminary or final settlement shall refund such payments to the state within thirty days after the date the preliminary or final settlement report is submitted to the contractor, subject to the provisions of subsections (3), (4), and (7) of this section.

(3) Within the cost centers of nursing services and food, all savings resulting from the respective allowable costs being lower than the respective reimbursement rate paid to the contractor during the report period shall be refunded to the department. However, in computing a preliminary or final settlement, savings in a cost center may be shifted to cover a deficit in another cost center up to the amount of any savings~~((= PROVIDED, That))~~. Not more than twenty percent of the rate in a cost center may be shifted into that cost center and no shifting may be made into the property cost center~~((= PROVIDED FURTHER, That))~~. There shall be no shifting out of nursing services, and savings in food shall be shifted only to cover deficits in the nursing services cost center. There shall be no shifting from the operational to the administrative cost center.

(4) Within the administrative and property cost centers ~~((of administration and operations and property))~~, the contractor shall retain at least fifty percent, but not more than seventy-five percent, of any savings resulting from the respective audited allowable costs being lower than the respective reimbursement rates paid to the contractor during the report period multiplied by the number of authorized medical care client days in which said rates were in effect, except that no savings may be retained if reported costs in the administrative and property cost centers ~~((and the administration and operations cost center))~~ exceed audited allowable costs in these cost areas by a total of ten cents or more per patient day. The secretary, by rule ~~((and regulation))~~, shall establish the basis for the specific percentages of savings to the contractors. Such rules ~~((and regulations))~~ may provide for differences in the percentages allowed for each cost center to individual facilities based on performance measures related to administrative efficiency.

(5) All ~~((allowances))~~ return on investment rate payments provided by RCW 74.46.530 shall be retained by the contractor to the extent net invested funds are substantiated by department field audit. Any industrial insurance dividend or premium discount under RCW 51.16.035 shall be retained by the contractor to

the extent that such dividend or premium discount is attributable to the contractor's private patients.

(6) In the event the contractor fails to make repayment in the time provided in subsection (2) of this section, the department shall either:

(a) Deduct the amount of refund due, plus any interest accrued under RCW 43.20B.695, from payment amounts due the contractor; or

(b) In the instance the contract has been terminated, (i) deduct the amount of refund due, plus interest assessed at the rate and in the manner provided in RCW 43.20B.695, from any payments due; or (ii) recover the amount due, plus any interest assessed under RCW 43.20B.695, from security posted with the department or by any other lawful means.

(7) Where the facility is pursuing timely-filed judicial or administrative remedies in good faith regarding settlement issues, the contractor need not refund nor shall the department withhold from the facility current payment amounts the department claims to be due from the facility but which are specifically disputed by the contractor. If the judicial or administrative remedy sought by the facility is not granted after all appeals are exhausted or mutually terminated, the facility shall make payment of such amounts due plus interest accrued from the date of filing of the appeal, as payable on judgments, within sixty days of the date such decision is made.

Sec. 3. RCW 74.46.230 and 1980 c 177 s 23 are each amended to read as follows:

(1) The necessary and ordinary one-time expenses directly incident to the preparation of a newly constructed or purchased building by a contractor for operation as a licensed facility shall be allowable costs. These expenses shall be limited to start-up and organizational costs incurred prior to the admission of the first patient.

(2) Start-up costs shall include, but not be limited to, administrative and nursing salaries, utility costs, taxes, insurance, repairs and maintenance, and training; except, that they shall exclude expenditures for capital assets. These costs will be allowable in the (~~administration and operations~~) administrative cost center if they are amortized over a period of not less than sixty months beginning with the month in which the first patient is admitted for care.

(3) Organizational costs are those necessary, ordinary, and directly incident to the creation of a corporation or other form of business of the contractor including, but not limited to, legal fees incurred in establishing the corporation or other organization and fees paid to states for incorporation; except, that they do not include costs relating to the issuance and sale of shares of capital stock or other securities. Such organizational costs will be allowable in the (~~administration and operations~~) administrative cost center if they are amortized over a period of not less than sixty months beginning with the month in which the first patient is admitted for care.

Sec. 4. RCW 74.46.280 and 1980 c 177 s 28 are each amended to read as follows:

(1) Management fees will be allowed only if:

(a) A written management agreement both creates a principal/agent relationship between the contractor and the manager, and sets forth the items, services, and activities to be provided by the manager; and

(b) Documentation demonstrates that the services contracted for were actually delivered.

(2) To be allowable, fees must be for necessary, nonduplicative services. ~~((Allowable fees for general management services, including the portion of a management fee which is not allocated to specific services such as accounting, are limited to~~

~~(a) the maximum allowable compensation under RCW 74.46.260 of the licensed administrator and, if the facility has at least eighty beds, of an assistant administrator, less~~

~~(b) actual compensation received by the licensed administrator and by the assistant administrator and administrator in training, if any.~~

~~In computing maximum allowable compensation under RCW 74.46.260 for a facility with at least eighty beds, include the maximum compensation of an assistant administrator even if an assistant administrator is not employed.))~~

(3) A management fee paid to or for the benefit of a related organization will be allowable to the extent it does not exceed the lower of ~~((±~~

~~(a) The limits set out in subsection (2) of this section; or~~

~~(b) The lower of))~~ the actual cost to the related organization of providing necessary services related to patient care under the agreement ~~((±))~~ or the cost of comparable services purchased elsewhere. Where costs to the related organization represent joint facility costs, the measurement of such costs shall comply with RCW 74.46.270.

(4) A copy of the agreement must be received by the department at least sixty days before it is to become effective. A copy of any amendment to a management agreement must also be received by the department at least thirty days in advance of the date it is to become effective.

~~((5) Central office costs for general management services, including the portion of a management expense which is not allocated to specific services, such as accounting, shall be subject to the management fee limits determined in subsections (2) and (3) of this section.))~~

Sec. 5. RCW 74.46.380 and 1991 sp.s. c 8 s 12 are each amended to read as follows:

(1) Where depreciable assets are disposed of through sale, trade-in, scrapping, exchange, theft, wrecking, or fire or other casualty, depreciation shall no longer be taken on the assets. No further depreciation shall be taken on permanently abandoned assets.

(2) Where an asset has been retired from active use but is being held for stand-by or emergency service, and the department has determined that it is needed and can be effectively used in the future, depreciation may be taken.

~~((3) If there is a sale of a nursing facility on or after July 1, 1991, that results in a gain on sale, the actual reimbursement for depreciation paid to the selling contractor through the medicaid reimbursement program shall be recovered by the department to the extent of any gain on sale. The purchaser is obligated to reimburse the department, whether or not the purchaser is a medicaid contractor. If the department is unable to collect from the purchaser, then the seller is responsible for reimbursing the department. The department may establish an appropriate repayment schedule to recover depreciation. If the purchaser is a medicaid contractor and the contractor does not comply with the repayment schedule established by the department, the department may deduct the recovery from the contractor's monthly medicaid payments. The department may adopt rules, as appropriate, to insure that the principles of this section are implemented with respect to leased assets, or with respect to sales of intangibles or specific assets only.))~~

Sec. 6. RCW 74.46.410 and 1991 sp.s. c 8 s 15 are each amended to read as follows:

(1) Costs will be unallowable if they are not documented, necessary, ordinary, and related to the provision of care services to authorized patients.

(2) Unallowable costs include, but are not limited to, the following:

(a) Costs of items or services not covered by the medical care program. Costs of such items or services will be unallowable even if they are indirectly reimbursed by the department as the result of an authorized reduction in patient contribution;

(b) Costs of services and items provided to recipients which are covered by the department's medical care program but not included in care services established by the department under this chapter;

(c) Costs associated with a capital expenditure subject to section 1122 approval (part 100, Title 42 C.F.R.) if the department found it was not consistent with applicable standards, criteria, or plans. If the department was not given timely notice of a proposed capital expenditure, all associated costs will be unallowable up to the date they are determined to be reimbursable under applicable federal regulations;

(d) Costs associated with a construction or acquisition project requiring certificate of need approval pursuant to chapter 70.38 RCW if such approval was not obtained;

(e) Interest costs other than those provided by RCW 74.46.290 on and after the effective date of RCW 74.46.530;

(f) Salaries or other compensation of owners, officers, directors, stockholders, and others associated with the contractor or home office, except compensation paid for service related to patient care;

(g) Costs in excess of limits or in violation of principles set forth in this chapter;

(h) Costs resulting from transactions or the application of accounting methods which circumvent the principles of the cost-related reimbursement system set forth in this chapter;

(i) Costs applicable to services, facilities, and supplies furnished by a related organization in excess of the lower of the cost to the related organization or the price of comparable services, facilities, or supplies purchased elsewhere;

(j) Bad debts of non-Title XIX recipients. Bad debts of Title XIX recipients are allowable if the debt is related to covered services, it arises from the recipient's required contribution toward the cost of care, the provider can establish that reasonable collection efforts were made, the debt was actually uncollectible when claimed as worthless, and sound business judgment established that there was no likelihood of recovery at any time in the future;

(k) Charity and courtesy allowances;

(l) Cash, assessments, or other contributions, excluding dues, to charitable organizations, professional organizations, trade associations, or political parties, and costs incurred to improve community or public relations;

(m) Vending machine expenses;

(n) Expenses for barber or beautician services not included in routine care;

(o) Funeral and burial expenses;

(p) Costs of gift shop operations and inventory;

(q) Personal items such as cosmetics, smoking materials, newspapers and magazines, and clothing, except those used in patient activity programs;

(r) Fund-raising expenses, except those directly related to the patient activity program;

(s) Penalties and fines;

(t) Expenses related to telephones, televisions, radios, and similar appliances in patients' private accommodations;

(u) Federal, state, and other income taxes;

(v) Costs of special care services except where authorized by the department;

(w) Expenses of key-man insurance and other insurance or retirement plans not made available to all employees;

(x) Expenses of profit-sharing plans;

(y) Expenses related to the purchase and/or use of private or commercial airplanes which are in excess of what a prudent contractor would expend for the ordinary and economic provision of such a transportation need related to patient care;

(z) Personal expenses and allowances of owners or relatives;

(aa) All expenses of maintaining professional licenses or membership in professional organizations;

(bb) Costs related to agreements not to compete;

(cc) Amortization of goodwill;

(dd) Expenses related to vehicles which are in excess of what a prudent contractor would expend for the ordinary and economic provision of transportation needs related to patient care;

(ee) Legal and consultant fees in connection with a fair hearing against the department where a decision is rendered in favor of the department or where otherwise the determination of the department stands;

(ff) Legal and consultant fees of a contractor or contractors in connection with a lawsuit against the department;

(gg) Lease acquisition costs and other intangibles not related to patient care;

(hh) All rental or lease costs other than those provided in RCW 74.46.300 on and after the effective date of RCW 74.46.510 and 74.46.530;

(ii) Postsurvey charges incurred by the facility as a result of subsequent inspections under RCW 18.51.050 which occur beyond the first postsurvey visit during the certification survey calendar year;

~~(jj) ((Costs and fees otherwise allowable for legal services, whether purchased, allocated by a home office, regional office or management company, or performed by the contractor or employees of the contractor, in excess of the eighty fifth percentile of such costs reported by all contractors for the most recent cost report period: PROVIDED, That this limit shall not apply if a contractor has not exceeded this percentile in any of the preceding three annual cost report periods;~~

~~(kk) Costs and fees otherwise allowable for accounting and bookkeeping services, whether purchased, allocated by a home office, regional office or management company, or performed by the contractor or employees of the contractor, in excess of the eighty fifth percentile of such costs reported by all contractors for the most recent cost report period: PROVIDED, That this limit shall not apply if a contractor has not exceeded this percentile in any of the preceding three annual cost report periods;~~

(H)) Compensation paid for any purchased nursing care services, including registered nurse, licensed practical nurse, and nurse assistant services, obtained through service contract arrangement in excess of the amount of compensation paid for such hours of nursing care service had they been paid at the average hourly wage, including related taxes and benefits, for in-house nursing care staff of like classification at the same nursing facility, as reported in the most recent cost report period;

~~((mm))~~ (kk) For all partial or whole rate periods after July 17, 1984, costs of land and depreciable assets that cannot be reimbursed under the Deficit Reduction Act of 1984 and implementing state statutory and regulatory provisions.

Sec. 7. RCW 74.46.420 and 1985 c 361 s 18 are each amended to read as follows:

The following principles are inherent in RCW 74.46.430 through 74.46.590:

(1) Reimbursement rates will be set prospectively on a per patient day basis on a two-year cycle corresponding to each state biennium; and

(2) The rates ((so established with)), in the nursing services, food, administrative, and operational cost centers, shall be adjusted downward or upward when set effective July 1 of the first fiscal year of the two-year rate-setting cycle and adjusted again downward or upward effective July 1 of the second fiscal year of the rate-setting cycle for economic ((conditions and)) trends ((in accordance with appropriations made by the legislature as consistent with federal requirements for the period to be covered by such rates)) and conditions.

(3) The July 1 rates for the first year of each biennium shall be adjusted by the change in the implicit price deflator for personal consumption expenditures index published by the bureau of labor statistics of the United States department of labor. The period used to measure the increase or decrease to be applied to these first year biennial rates shall be the calendar year preceding the July 1 commencement of the state biennium.

(4) The July 1 rates for the second year of each biennium shall be adjusted by the change in the nursing home input price index without capital costs published by the health care financing administration of the department of health and human services, HCFA index, however, any increase shall be multiplied by one and one-half. The period used to measure the HCFA index increase to be multiplied by one and one-half and applied or decrease to be applied to these second-year biennial rates shall also be the calendar year preceding the July 1 commencement of the state biennium: PROVIDED, However, That in the event the change in the HCFA index measured over the following calendar year, the one terminating six months after the start of the state biennium, is twenty-five percent greater or less than the change in the HCFA index measured over the calendar year preceding commencement of the state biennium, the department shall use the HCFA index increase multiplied by one and one-half or decrease in such following calendar year to inflate or decrease nursing facilities' nursing services, food, administrative, and operational rates for July 1 of the second biennial year.

(5) If either the implicit price deflator index or the health care financing administration index ceases to be published in the future, the department shall select by rule and use in their place one or more measures of change from an alternate source or sources for the same or comparable time periods.

Sec. 8. RCW 74.46.430 and 1987 2nd ex.s. c 1 s 2 are each amended to read as follows:

(1) The department, as provided by this chapter, will determine prospective cost-related reimbursement rates for services provided to medical care recipients. Each rate so determined shall represent the contractor's maximum compensation within each cost center for each patient day for such medical care recipient.

(2) As required, the department may modify such maximum per patient day rates pursuant to the administrative review provisions of RCW 74.46.780.

~~(3) ((Until the effective date of RCW 74.46.510 and 74.46.530, the maximum prospective reimbursement rates for the administration and operations~~

and the property cost centers shall be established based upon a minimum facility occupancy level of eighty-five percent.

~~(4) On and after the effective date of RCW 74.46.510 and 74.46.530,)~~ The maximum prospective reimbursement rates for the ((administration and operations)) administrative, operational, and ((the)) property cost centers, and the return on investment ((allowance)) rate shall be established based upon a minimum facility occupancy level of eighty-five percent.

~~((5)) (4) All contractors shall be required to adjust and maintain wages for all employees to a minimum hourly wage ((established by the legislature in the biennial appropriations act, if the legislature appropriates moneys to fund prospectively the portion of the minimum wage attributable to services to medicaid patients. Prospective rate revisions to fund any minimum wage increases shall be made only on the dates authorized in the appropriation act. The department shall by regulation limit reimbursement to the amount appropriated for legislatively authorized enhancement for nonadministrative wages and benefits above the moneys necessary to fund minimum wages specified in this section. The department in considering reimbursement for legislatively authorized wage enhancements will take into consideration facility wage history over the past three cost report periods)) of four dollars and seventy-six cents per hour beginning January 1, 1988, and five dollars and fifteen cents per hour beginning January 1, 1989.~~

Sec. 9. RCW 74.46.450 and 1983 1st ex.s. c 67 s 20 are each amended to read as follows:

(1) Prospective reimbursement rates for a new contractor will be established within sixty days following receipt by the department of the properly completed projected budget required by RCW 74.46.670. Such reimbursement rates will become effective as of the effective date of the contract and shall remain in effect until ~~((rates can be established under RCW 74.46.460 based on a contractor's cost report including at least six months of cost data))~~ adjusted or reset as provided in this chapter.

(2) Such reimbursement rates will be based on the contractor's projected cost of operations and on costs and payment rates of the prior contractor, if any, or of other contractors in comparable circumstances.

(3) If a properly completed budget is not received at least sixty days prior to the effective date of the contract, the department will establish preliminary rates based on the other factors specified in subsection (2) of this section. These preliminary rates will remain in effect until ~~((a determination is made pursuant to RCW 74.46.460))~~ adjusted or reset as provided in this chapter.

(4) The department is authorized to develop policies and procedures in rule to address the computation of rates for the first and second fiscal years of each biennium, including steps necessary to prorate rate adjustments for economic trends and conditions as authorized in RCW 74.46.420, for contractors having less than twelve months of cost report data for the prior calendar year.

Sec. 10. RCW 74.46.460 and 1987 c 476 s 3 are each amended to read as follows:

(1) Each contractor's reimbursement rates will be determined or adjusted prospectively at least once each calendar year, as provided in this chapter, to be effective July 1st. Provided, that a contractor's rate for the first fiscal year of each biennium must be established upon its own prior calendar period report of at least six months of cost data.

(2) Rates may be adjusted as determined by the department to take into account variations in the distribution of patient classifications or changes in patient characteristics from the prior reporting year, program changes required by the department, or changes in staffing levels at a facility required by the department. ~~((Rates shall be adjusted by the amount of legislatively authorized enhancements in accordance with RCW 74.46.430(5) and 74.46.470(2).))~~ Rates may also be adjusted to cover costs associated with placing a nursing home in receivership which costs are not covered by the rate of the former contractor, including: Compensation of the receiver, reasonable expenses of receivership and transition of control, and costs incurred by the receiver in carrying out court instructions or rectifying deficiencies found. Rates shall be adjusted for any capitalized additions or replacements made as a condition for licensure or certification. Rates shall be adjusted for capitalized improvements done under RCW 74.46.465.

~~((3) Where the contractor participated in the provisions of prospective cost-related reimbursement in effect prior to July 1, 1983, such contractor's prospective rate effective July 1, 1983, will be determined utilizing the contractor's desk-reviewed allowable costs for calendar year 1982.~~

~~(4) All prospective reimbursement rates for 1984 and thereafter shall be determined utilizing the prior year's desk-reviewed cost reports.))~~

Sec. 11. RCW 74.46.470 and 1987 c 476 s 4 are each amended to read as follows:

(1) A contractor's reimbursement rates for medical care recipients will be determined utilizing net invested funds and desk-reviewed cost report data within the following cost centers:

- (a) Nursing services;
- (b) Food;
- (c) ~~((Administration and operations))~~ Administrative; ~~((and))~~
- (d) Operational; and
- (e) Property.

(2) There shall be for the time period January 1988 through June 1990 only an enhancement cost center established to reimburse contractors for specific legislatively authorized enhancements for nonadministrative wages and benefits to ensure that such enhancements are used exclusively for the legislatively authorized purposes. For purposes of settlement, funds appropriated to this cost center shall only be used for expenditures for which the legislative authorization is granted. Such funds may be used only in the following circumstances:

(a) The contractor has increased expenditures for which legislative authorization is granted to at least the highest level paid in any of the last three cost years, plus, beginning July 1, 1987, any percentage inflation adjustment as was granted each year under RCW 74.46.495; and

(b) All funds shifted from the enhancement cost center are shown to have been expended for legislatively authorized enhancements.

(3) If the contractor does not spend the amount appropriated to this cost center in the legislatively authorized manner, then the amounts not appropriately spent shall be recouped at preliminary or final settlement pursuant to RCW 74.46.160.

(4) For purposes of this section, "nonadministrative wages and benefits" means wages and payroll taxes paid with respect to, and the employer share of the cost of benefits provided to, employees in job classes specified in an appropriation, which may not include administrators, assistant administrators, or administrators in training.

(5) Amounts expended in the enhancement cost center in excess of the minimum wage established under RCW 74.46.430 are subject to all provisions contained in this chapter.

Sec. 12. RCW 74.46.481 and 1991 sp.s. c 8 s 16 are each amended to read as follows:

(1) The nursing services cost center shall include for reporting and audit purposes all costs related to the direct provision of nursing and related care, including fringe benefits and payroll taxes for the nursing and related care personnel, and the cost of nursing supplies. ~~((For rates effective for state fiscal year 1984,))~~ The department shall adopt by administrative rule a definition of "related care" ~~((which shall incorporate, but not exceed services reimbursable as of June 30, 1983. For rates effective for state fiscal year 1985, the definition of related care shall include ancillary care)).~~ For rates effective after June 30, 1991, nursing services costs, as reimbursed within this chapter ~~((and as tested for reasonableness within this section)),~~ shall not include costs of any purchased nursing care services, including registered nurse, licensed practical nurse, and nurse assistant services, obtained through service contract arrangement in excess of the amount of compensation paid for such hours of nursing care service had they been paid at the average hourly wage, including related taxes and benefits, for in-house nursing care staff of like classification at the same nursing facility, as reported in the most recent cost report period.

(2) The department shall adopt ~~((by))~~ through administrative rules a method for establishing a nursing services cost center rate consistent with the principles stated in this section.

(3) Utilizing regression or other statistical technique, the department shall determine a reasonable limit on facility nursing staff taking into account facility patient characteristics. For purposes of this section, facility nursing staff refers to registered nurses, licensed practical nurses and nursing assistants employed by the facility or obtained through temporary labor contract arrangements. Effective

January 1, 1988, the hours associated with the training of nursing assistants and the supervision of that training for nursing assistants shall not be included in the calculation of facility nursing staff. In selecting a measure of patient characteristics, the department shall take into account:

(a) The correlation between alternative measures and facility nursing staff; and

(b) The cost of collecting information for and computation of a measure.

If regression is used, the limit shall be set at predicted nursing staff plus 1.75 regression standard errors. If another statistical method is utilized, the limit shall be set at a level corresponding to 1.75 standard errors above predicted staffing computed according to a regression procedure. A regression calculated shall be effective for the entire biennium.

(4) No facility shall receive reimbursement for nursing staff levels in excess of the limit(~~(, except that, if a facility was reimbursed for a nursing staff level in excess of the limit as of June 30, 1983, the facility may chose [choose] to continue to receive its June, 1983 nursing services rate plus any adjustments in rates, such as adjustments for economic trends, made available to all facilities)).~~ However, nursing staff levels established under subsection (3) of this section shall not apply to the nursing services cost center reimbursement rate only for the pilot facility especially designed to meet the needs of persons living with AIDS as defined by RCW 70.24.017 and specifically authorized for this purpose under the 1989 amendment to the Washington state health plan. (~~The reasonableness limit established pursuant to this subsection shall remain in effect for the period July 1, 1983 through June 30, 1985. At that time the department may revise the measure of patient characteristics or method used to establish the limit.~~)

(5) (~~The department shall select an index of cost increase relevant to the nursing and related services cost area. In the absence of a more representative index, the department shall use the medical care component index as maintained by the United States bureau of labor statistics.~~) Every two years when rates are set at the beginning of each new biennium, the department shall divide into two peer groups nursing facilities located in the state of Washington providing services to medicaid residents: (a) Those facilities located within a metropolitan statistical area as defined and determined by the United States office of management and budget or other applicable federal office and (b) those not located in such an area. The facilities in each peer group shall then be arrayed from lowest to highest by magnitude of per patient day adjusted nursing services cost from the prior report year, regardless of whether any such adjustments are contested by the nursing facility, and the median or fiftieth percentile cost for each peer group shall be determined. Nursing services rates for facilities within each peer group for the first year of the biennium shall be set at the lower of the facility's adjusted per patient day nursing services cost from the prior report period or the median cost for the facility's peer group plus twenty-five percent. This rate shall be reduced or inflated as authorized by RCW 74.46.420.

However, the per patient day peer group median cost plus twenty-five percent limit shall not apply to the nursing services cost center reimbursement rate only for the pilot facility especially designed to meet the needs of persons living with AIDS as defined by RCW 70.24.017 and specifically authorized for this purpose under the 1989 amendment to the Washington state health plan.

~~(6) (If a facility's nursing staff level is below the limit specified in subsection (3) of this section, the department shall determine the percentage increase for all items included in the nursing services cost center between the facility's most recent cost reporting period and the next prior cost reporting period.~~

~~(a) If the percentage cost increase for a facility is below the increase in the selected index for the same time period, the facility's reimbursement rate in the nursing services cost center shall equal the facility's cost from the most recent cost reporting period plus any allowance for inflation provided by legislative appropriation.~~

~~(b) If the percentage cost increase for a facility exceeds the increase in the selected index, the department shall limit the cost used for setting the facility's rate in the nursing services cost area to a level reflecting the increase in the selected index.~~

~~(7) If the facility's nursing staff level exceeds the reasonableness limit established in subsection (3) of this section, the department shall determine the increase for all items included in the nursing services cost center between the facility's most recent cost reporting period and the next prior cost reporting period.~~

~~(a) If the percentage cost increase for a facility is below the increase in the index selected pursuant to subsection (5) of this section, the facility's reimbursement rate in the nursing cost center shall equal the facility's cost from the most recent cost reporting period adjusted downward to reflect the limit on nursing staff, plus any allowance for inflation provided by legislative appropriation subject to the provisions of subsection (4) of this section.~~

~~(b) If the percentage cost increase for a facility exceeds the increase in the selected index, the department shall limit the cost used for setting the facility's rate in the nursing services cost center to a level reflecting the nursing staff limit and the cost increase limit, subject to the provisions of subsection (4) of this section, plus any allowance for inflation provided by legislative appropriation.~~

~~(8) Prospective rates for the nursing services cost center, for state fiscal year 1992 only, shall not be subject to the cost growth index lid in subsections (5), (6), and (7) of this section. The lid shall apply for state fiscal year 1991 rate setting and all state fiscal years subsequent to fiscal year 1992.~~

(9)) If a nursing facility is impacted by the limit authorized in subsection (5) of this section, it shall not receive a prospective rate in nursing services for July 1, 1993, less than the same facility's prospective rate in nursing services as of June 30, 1993, adjusted by any increase in the implicit price deflator for

personal consumption expenditures, IPD index, as measured over the period authorized by RCW 74.46.420(3).

(7) A nursing facility's rate in nursing services for the second year of each biennium shall be that facility's rate as of July 1 of the first year of that biennium reduced or inflated as authorized by RCW 74.46.420. The alternating procedures prescribed in this section for a facility's two July 1 nursing services rates occurring within each biennium shall be followed in the same order for each succeeding biennium.

(8) Median costs for peer groups shall be calculated initially as provided in this chapter on the basis of the most recent adjusted cost information available to the department prior to the calculation of the new rate for July 1 of the first fiscal year of each biennium, regardless of whether the adjustments are contested or subject to pending administrative or judicial review. Median costs for peer groups shall be recalculated as provided in this chapter on the basis of the most recent adjusted cost information available to the department on October 31 of the first fiscal year of each biennium, and shall apply retroactively to the prior July 1 rate, regardless of whether the adjustments are contested or subject to pending administrative or judicial review. Median costs shall not be adjusted to reflect subsequent administrative or judicial rulings, whether final or not.

(9) The department is authorized to determine on a systematic basis facilities with unmet patient care service needs. The department may increase the nursing services cost center prospective rate for a facility beyond the level determined in accordance with subsection (6) of this section if the facility's actual and reported nursing staffing is one standard error or more below predicted staffing as determined according to the method selected pursuant to subsection (3) of this section and the facility has unmet patient care service needs: PROVIDED, That prospective rate increases authorized by this subsection shall be funded only from legislative appropriations made for this purpose during the periods authorized by such appropriations or other laws and the increases shall be conditioned on specified improvements in patient care at such facilities.

(10) The department shall establish a method for identifying patients with exceptional care requirements and a method for establishing or negotiating on a consistent basis rates for such patients.

(11) The department, in consultation with interested parties, shall adopt rules to establish the criteria the department will use in reviewing any requests by a contractor for a prospective rate adjustment to be used to increase the number of nursing staff. These rules shall also specify the time period for submission and review of staffing requests: PROVIDED, That a decision on a staffing request shall not take longer than sixty days from the date the department receives such a complete request. In establishing the criteria, the department may consider, but is not limited to, the following:

(a) Increases in ((acuity)) debility levels of contractors' residents determined in accordance with the department's assessment and reporting procedures and requirements utilizing the minimum data set;

- (b) Staffing patterns for similar facilities in the same peer group;
- (c) Physical plant of contractor; and
- (d) Survey, inspection of care, and department consultation results.

Sec. 13. RCW 74.46.490 and 1983 1st ex.s. c 67 s 25 are each amended to read as follows:

(1) The food cost center shall include for reporting purposes all costs for bulk and raw food and beverages purchased for the dietary needs of medical care recipients.

(2) ~~((Reimbursement for the food cost center shall be at the January 1, 1983, reimbursement rate, adjusted annually for inflation.))~~ Every two years when rates are set at the beginning of each new biennium, the department shall divide into two peer groups nursing facilities located in the state of Washington providing services to medicaid residents: (a) Those facilities located within a metropolitan statistical area as defined and determined by the United States office of management and budget or other applicable federal office and (b) those not located in such an area. The facilities in each peer group shall then be arrayed from lowest to highest by magnitude of per patient day adjusted food cost from the prior report year, regardless of whether any such adjustments are contested by the nursing facility, and the median or fiftieth percentile cost for each peer group shall be determined. Food rates for facilities within each peer group for the first year of the biennium shall be set at the lower of the facility's adjusted per patient day food cost from the prior report period or the median cost for the facility's peer group plus twenty-five percent. This rate shall be reduced or inflated as authorized by RCW 74.46.420.

(3) A nursing facility's food rate for the second year of each biennium shall be that facility's rate as of July 1 of the first year of that biennium reduced or inflated as authorized by RCW 74.46.420. The alternating procedures prescribed in this section for a facility's two July 1 food rates occurring within each biennium shall be followed in the same order for each succeeding biennium.

(4) Median costs for peer groups shall be calculated initially as provided in this chapter on the basis of the most recent adjusted cost information available to the department prior to the calculation of the new rate for July 1 of the first fiscal year of each biennium, regardless of whether the adjustments are contested or subject to pending administrative or judicial review. Median costs for peer groups shall be recalculated as provided in this chapter on the basis of the most recent adjusted cost information available to the department on October 31 of the first fiscal year of each biennium, and shall apply retroactively to the prior July 1 rate, regardless of whether the adjustments are contested or subject to pending administrative or judicial review. Median costs shall not be adjusted to reflect subsequent administrative or judicial rulings, whether final or not.

Sec. 14. RCW 74.46.500 and 1992 c 182 s 1 are each amended to read as follows:

(1) The ~~((administration and operations))~~ administrative cost center shall include ~~((all items not included in the cost centers of nursing services, food, and property.~~

~~(2) Subject to subsection (4) of this section, the administration and operations cost center reimbursement rate for each facility shall be based on the computation in this subsection and shall not exceed the eighty fifth percentile of (a) the rates of all reporting facilities derived from the computation below, or (b) reporting facilities grouped in accordance with subsection (3) of this section:~~

~~AR = TAC/TPD, where~~

~~AR = the administration and operations cost center reimbursement rate for a facility;~~

~~TAC = the total costs of the administration and operations cost center plus the retained savings from such cost center as provided in RCW 74.46.180 of a facility; and~~

~~TPD = the total patient days for a facility for the prior year.~~

~~(3) The secretary may group facilities based on factors which could reasonably influence cost requirements of this cost center, other than ownership or legal organization characteristics.~~

~~(4) In applying the eighty fifth percentile reimbursement limit authorized by subsection (2) of this section to the pilot facility specially designed to meet the needs of persons living with AIDS as defined by RCW 70.24.017, and specifically authorized for this purpose under the 1989 amendment to the Washington state health plan, the department shall exempt the cost of nursing supplies reported by the pilot facility in excess of the average of nursing supplies cost for medicaid nursing facilities state wide)) for cost reporting purposes all administrative, oversight, and management costs whether facility on-site or allocated in accordance with a department-approved joint-cost allocation methodology. Such costs shall be identical to the cost report line item costs categorized under "general and administrative" in the "administration and operations" combined cost center existing prior to January 1, 1993, except for nursing supplies and purchased medical records.~~

(2) Every two years when rates are set at the beginning of each new biennium, the department shall divide into two peer groups nursing facilities located in the state of Washington providing services to medicaid residents: (a) Those facilities located within a metropolitan statistical area as defined and determined by the United States office of management and budget or other applicable federal office and (b) those not located in such an area. The facilities in each peer group shall then be arrayed from lowest to highest by magnitude of per patient day adjusted administrative cost from the prior report year, regardless of whether any such adjustments are contested by the nursing facility, and the median or fiftieth percentile cost for each peer group shall be determined. Administrative rates for facilities within each peer group for the first year of the biennium shall be set at the lower of the facility's adjusted per patient day

administrative cost from the prior report period or the median cost for the facility's peer group plus ten percent. This rate shall be reduced or inflated as authorized by RCW 74.46.420.

(3) A nursing facility's administrative rate for the second year of each biennium shall be that facility's rate as of July 1 of the first year of that biennium reduced or inflated as authorized by RCW 74.46.420. The alternating procedures prescribed in this section for a facility's two July 1 administrative rates occurring within each biennium shall be followed in the same order for each succeeding biennium.

(4) Median costs for peer groups shall be calculated initially as provided in this chapter on the basis of the most recent adjusted cost information available to the department prior to the calculation of the new rate for July 1 of the first fiscal year of each biennium, regardless of whether the adjustments are contested or subject to pending administrative or judicial review. Median costs for peer groups shall be recalculated as provided in this chapter on the basis of the most recent adjusted cost information available to the department on October 31 of the first fiscal year of each biennium, and shall apply retroactively to the prior July 1 rate, regardless of whether the adjustments are contested or subject to pending administrative or judicial review. Median costs shall not be adjusted to reflect subsequent administrative or judicial rulings, whether final or not.

NEW SECTION. Sec. 15. A new section is added to chapter 74.46 RCW to read as follows:

(1) The operational cost center shall include for cost reporting purposes all allowable costs of the daily operation of the facility not included in nursing services and related care, food, administrative, or property costs, whether such costs are facility on-site or allocated in accordance with a department-approved joint-cost allocation methodology.

(2) Every two years when rates are set at the beginning of each new biennium, the department shall divide into two peer groups nursing facilities located in the state of Washington providing services to medicaid residents: (a) Those facilities located within a metropolitan statistical area as defined and determined by the United States office of management and budget or other applicable federal office and (b) those not located in such an area. The facilities in each peer group shall then be arrayed from lowest to highest by magnitude of per patient day adjusted operational cost from the prior report year, regardless of whether any such adjustments are contested by the nursing facility, and the median or fiftieth percentile cost for each peer group shall be determined. Operational rates for facilities within each peer group for the first year of the biennium shall be set at the lower of the facility's adjusted per patient day operational cost from the prior report period or the median cost for the facility's peer group plus twenty-five percent. This rate shall be reduced or inflated as authorized by RCW 74.46.420.

(3) A nursing facility's operational rate for the second year of each biennium shall be that facility's rate as of July 1 of the first year of that biennium reduced

or inflated as authorized by RCW 74.46.420. The alternating procedures prescribed in this section for a facility's two July 1 operational rates occurring within each biennium shall be followed in the same order for each succeeding biennium.

(4) Median costs for peer groups shall be calculated initially as provided in this chapter on the basis of the most recent adjusted cost information available to the department prior to the calculation of the new rate for July 1 of the first fiscal year of each biennium, regardless of whether the adjustments are contested or subject to pending administrative or judicial review. Median costs for peer groups shall be recalculated as provided in this chapter on the basis of the most recent adjusted cost information available to the department on October 31 of the first fiscal year of each biennium, and shall apply retroactively to the prior July 1 rate, regardless of whether the adjustments are contested or subject to pending administrative or judicial review. Median costs shall not be adjusted to reflect subsequent administrative or judicial rulings, whether final or not.

Sec. 16. RCW 74.46.510 and 1980 c 177 s 51 are each amended to read as follows:

(1) The property cost center rate for each facility shall be determined by dividing the sum of the reported allowable prior period actual depreciation (~~costs~~), subject to RCW 74.46.310 through 74.46.380, adjusted for any capitalized additions or replacements approved by the department, and the retained savings from such cost center, as provided in RCW 74.46.180, by the total patient days for the facility in the prior period. If a capitalized addition or retirement of an asset will result in a different licensed bed capacity during the ensuing period, the prior period total patient days used in computing the property cost center rate shall be adjusted to anticipated patient day level.

(2) A nursing facility's property rate shall be rebased annually, effective July 1, in accordance with this section regardless of whether the rate is for the first or second year of the biennium.

(3) When a certificate of need for a new facility is requested, the department, in reaching its decision, shall take into consideration per-bed land and building construction costs for the facility which shall not exceed a maximum to be established by the secretary.

Sec. 17. RCW 74.46.530 and 1991 sp.s. c 8 s 17 are each amended to read as follows:

(1) The department shall establish for ~~((individual facilities))~~ each medicaid nursing facility a return on investment ((allowances)) rate composed of two parts: A financing allowance and a variable return allowance. A facility's return on investment rate shall be rebased annually, effective July 1, in accordance with this section, regardless of whether the rate is for the first or second year of the biennium.

(a) The financing allowance shall be determined by multiplying the net invested funds of each facility by .10, and dividing by the contractor's total

patient days from the most recent cost report period. If a capitalized addition or retirement of an asset will result in a different licensed bed capacity during the ensuing period, the prior period total patient days used in computing the financing and variable return allowances shall be adjusted to the anticipated patient day level.

(b) In computing the portion of net invested funds representing the net book value of tangible fixed assets, the same assets, depreciation bases, lives, and methods referred to in RCW 74.46.330, 74.46.350, 74.46.360, 74.46.370, and 74.46.380, including owned and leased assets, shall be utilized, except that the capitalized cost of land upon which the facility is located and such other contiguous land which is reasonable and necessary for use in the regular course of providing patient care shall also be included. Subject to provisions and limitations contained in this chapter, for land purchased by owners or lessors before July 18, 1984, capitalized cost of land shall be the buyer's capitalized cost. For all partial or whole rate periods after July 17, 1984, if the land is purchased after July 17, 1984, capitalized cost shall be that of the owner of record on July 17, 1984, or buyer's capitalized cost, whichever is lower. In the case of leased facilities where the net invested funds are unknown or the contractor is unable to provide necessary information to determine net invested funds, the secretary shall have the authority to determine an amount for net invested funds based on an appraisal conducted according to RCW 74.46.360(1).

(c) In determining the variable return allowance:

(i) Every two years at the start of each new biennium, the department, without utilizing peer groups, will first rank all facilities in numerical order from highest to lowest according to their ((average per diem)) per patient day adjusted allowable costs for ((the sum of the administration and operations and property cost centers)) nursing services, food, administrative, and operational costs combined for the previous cost report period.

(ii) The department shall then compute the variable return allowance by multiplying the appropriate percentage amounts, which shall not be less than one percent and not greater than four percent, by the ((total prospective rate for each facility, as determined in RCW 74.46.450 through 74.46.510)) sum of the facility's nursing services, food, administrative, and operational rate components. The percentage amounts will be based on groupings of facilities according to the rankings ((as established)) prescribed in (i) of this subsection (1)(c). The percentages calculated and assigned will remain the same for the next variable return allowance paid in the second year of the biennium. Those groups of facilities with lower per diem costs shall receive higher percentage amounts than those with higher per diem costs.

(d) The sum of the financing allowance and the variable return allowance shall be the return on investment rate for each facility, and shall be added to the prospective rates of each contractor as determined in RCW 74.46.450 through 74.46.510.

(e) In the case of a facility which was leased by the contractor as of January 1, 1980, in an arm's-length agreement, which continues to be leased under the same lease agreement, and for which the annualized lease payment, plus any interest and depreciation expenses associated with contractor-owned assets, for the period covered by the prospective rates, divided by the contractor's total patient days, minus the property cost center determined according to RCW 74.46.510, is more than the return on investment (~~(allowance)~~) rate determined according to subsection (1)(d) of this section, the following shall apply:

(i) The financing allowance shall be recomputed substituting the fair market value of the assets as of January 1, 1982, as determined by the department of general administration through an appraisal procedure, less accumulated depreciation on the lessor's assets since January 1, 1982, for the net book value of the assets in determining net invested funds for the facility. A determination by the department of general administration of fair market value shall be final unless the procedure used to make such determination is shown to be arbitrary and capricious.

(ii) The sum of the financing allowance computed under subsection (1)(e)(i) of this section and the variable allowance shall be compared to the annualized lease payment, plus any interest and depreciation (~~(expenses)~~) associated with contractor-owned assets, for the period covered by the prospective rates, divided by the contractor's total patient days, minus the property cost center rate determined according to RCW 74.46.510. The lesser of the two amounts shall be called the alternate return on investment (~~(allowance)~~) rate.

(iii) The return on investment (~~(allowance)~~) rate determined according to subsection (1)(d) of this section or the alternate return on investment (~~(allowance)~~) rate, whichever is greater, shall be the return on investment (~~(allowance)~~) rate for the facility and shall be added to the prospective rates of the contractor as determined in RCW 74.46.450 through 74.46.510.

(f) In the case of a facility which was leased by the contractor as of January 1, 1980, in an arm's-length agreement, if the lease is renewed or extended pursuant to a provision of the lease, the treatment provided in subsection (1)(e) of this section shall be applied except that in the case of renewals or extensions made subsequent to April 1, 1985, reimbursement for the annualized lease payment shall be no greater than the reimbursement for the annualized lease payment for the last year prior to the renewal or extension of the lease.

~~(2) ((In the event that the department of health and human services disallows the application of the return on investment allowances to nonprofit facilities, the department shall modify the measurements of net invested funds used for computing individual facility return on investment allowances as follows: Net invested funds for each nonprofit facility shall be multiplied by one minus the ratio of equity funds to the net invested funds of all nonprofit facilities.~~

~~(3))~~ Each biennium, beginning in 1985, the secretary shall review the adequacy of return on investment (~~(allowances)~~) rates in relation to anticipated requirements for maintaining, reducing, or expanding nursing care capacity. The

secretary shall report the results of such review to the legislature and make recommendations for adjustments in the return on investment rates utilized in this section, if appropriate.

NEW SECTION. Sec. 18. By November 15, 1994, the legislative budget committee shall complete a study of the nursing home reimbursement system. The study shall include an assessment of the financial stability of the nursing home industry, to the extent sufficient information is available from the industry and other sources to make such an assessment; an evaluation of the adequacy of the nursing home reimbursement system for promoting cost-effective, quality care; and, if appropriate, recommendations for improving the reimbursement system's capacity to promote sufficient availability of efficient and quality care. In conducting the study, the legislative budget committee shall consult with the nursing home industry, consumer groups, health care professionals, and the department of social and health services.

NEW SECTION. Sec. 19. The following acts or parts of acts are each repealed:

- (1) RCW 74.46.260 and 1980 c 177 s 26; and
- (2) RCW 74.46.495 and 1983 1st ex.s. c 67 s 26.

****NEW SECTION. Sec. 20. The department of social and health services shall provide a prospective rate enhancement for nursing homes meeting all of the following conditions: (1) The nursing home entered into an arms-length agreement for a facility lease prior to January 1, 1980; (2) the lessee purchased the leased facility after January 1, 1980; (3) the lessor defaulted on its loan or mortgage for the assets of the facility; (4) the facility is located in a county with a 1989 population of less than 45,000 and an area more than 5,000 square miles. The rate enhancement increase shall be effective July 1, 1993. To the extent possible, the increase shall recognize the 1982 fair market value of the nursing home's assets as determined by an appraisal contracted by the department of general administration. If necessary, the increase shall be granted from state funds only. In no case shall the annual value of the rate increase exceed \$50,000. The rate adjustment in this section shall not be implemented if it jeopardizes federal matching funds for qualifying facilities or the long-term care program in general. Funds may be disbursed on a monthly basis.***

*Sec. 20 was vetoed, see message at end of chapter.

NEW SECTION. Sec. 21. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect July 1, 1993.

Passed the Senate May 6, 1993.

Passed the House May 6, 1993.

Approved by the Governor May 28, 1993, with the exception of certain items which were vetoed.

Filed in Office of Secretary of State May 28, 1993.

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

"I am returning herewith, without my approval as to section 20, Engrossed Substitute Senate Bill No. 5724, entitled:

"AN ACT Relating to nursing home auditing and reimbursement;"

Section 20 of Engrossed Substitute Senate Bill No. 5724 directs the Department of Social and Health Services to provide a prospective rate enhancement of \$50,000 per year to all nursing homes meeting four specific criteria.

Because this rate enhancement will be included in the reimbursement statute, it will become part of the state plan which must be submitted to the federal government. Since it has never been a part of the nursing home rate-setting mechanism, the enhancement jeopardizes federal matching funds and will ultimately be disallowed.

Additionally, I believe Washington's nursing home reimbursement system adequately reimburses facilities for their allowable expenses, and this rate enhancement creates an irreparable situation.

With the exception of section 20, Engrossed Substitute Senate Bill No. 5724 is approved."

CHAPTER 14

[Substitute Senate Bill 5753]

COWLITZ COUNTY SUPERIOR COURT—ADDITIONAL JUDGE AUTHORIZED

Effective Date: 8/5/93

AN ACT Relating to superior courts; amending RCW 2.08.064; and creating new sections.

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

Sec. 1. RCW 2.08.064 and 1992 c 189 s 4 are each amended to read as follows:

There shall be in the counties of Benton and Franklin jointly, five judges of the superior court; in the county of Clallam, two judges of the superior court; in the county of Jefferson, one judge of the superior court; in the county of Snohomish, thirteen judges of the superior court; in the counties of Asotin, Columbia and Garfield jointly, one judge of the superior court; in the county of Cowlitz, (~~three~~) four judges of the superior court; in the counties of Klickitat and Skamania jointly, one judge of the superior court.

NEW SECTION. Sec. 2. The additional judicial position created by section 1 of this act shall be effective only if Cowlitz county through its duly constituted legislative authority documents its approval of the additional position and its agreement that it will pay out of county funds, without reimbursement from the state, the expenses of the additional judicial position as provided by statute.

NEW SECTION. Sec. 3. If specific funding for the purposes of this act, referencing this act by bill number, is not provided by June 30, 1993, in the omnibus appropriations act, this act shall be null and void.

Passed the Senate May 5, 1993.

Passed the House May 5, 1993.

Approved by the Governor May 28, 1993.

Filed in Office of Secretary of State May 28, 1993.

CHAPTER 15

[Engrossed Second Substitute Senate Bill 5781]

HIGHER EDUCATION ENROLLMENT LEVEL POLICY

Effective Date: 7/1/93

AN ACT Relating to higher education; amending RCW 28B.15.515; adding new sections to chapter 28B.10 RCW; creating a new section; providing an effective date; and declaring an emergency.

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

NEW SECTION. Sec. 1. The legislature finds that the proportion of the state budget dedicated to postsecondary educational programs has decreased for two decades. At the same time, major technological, economic, and demographic changes have exacerbated the need for improved training and education to maintain a high-quality, competitive work force, and a well-educated populace to meet the challenges of the twenty-first century. Therefore, the legislature finds that there is increasing need for postsecondary educational opportunities for citizens of the state of Washington.

The legislature declares that the policy of the state of Washington shall be to improve the access to, and the quality of, this state's postsecondary educational system. The budgetary policy of the state of Washington shall be to provide a level of protection and commitment to the state's postsecondary educational system commensurate with the responsibility of this state to the educational and professional improvement of its citizens and work force.

NEW SECTION. Sec. 2. It is the policy of the state of Washington that the essential requirements level budget calculation for institutions of higher education include enrollment levels necessary to maintain, by educational sector, the participation rate funded in the 1993 fiscal year. The participation rate shall be based on the state's estimated population ages seventeen and above by appropriate age groups.

NEW SECTION. Sec. 3. It is the policy of the state of Washington that, for new enrollments provided under section 2 of this act, the essential requirements level budget calculation for those enrollments shall, each biennium, at a minimum, include a funding level per full-time equivalent student that is equal to the rate assumed in the omnibus appropriations act for the last fiscal year of the previous biennium for the instructional, primary support, and library programs, plus an inflation factor. The inflation factor should be equivalent to the inflation factor used to calculate basic education in the common school system budget request submitted by the governor.

NEW SECTION. Sec. 4. It is the policy of the state of Washington that the essential requirements level budget calculation for state institutions of higher education include a funding level per full-time equivalent student that is, each biennium, at a minimum, equal to the general fund—state and tuition fund rate per student assumed in the omnibus appropriations act for the last fiscal year of the previous biennium for the state-funded programs, minus one-time expenditures and plus an inflation factor. The inflation factor should be equivalent to the inflation factor used to calculate basic education in the common school system budget request submitted by the governor.

NEW SECTION. Sec. 5. It is the policy of the state of Washington that higher education enrollments be increased in increments each biennium in order to achieve, by the year 2010, the goals, by educational sector, adopted by the higher education coordinating board in its enrollment plan entitled "Design for the 21st Century: Expanding Higher Education Opportunities in Washington," or subsequent revisions adopted by the board.

Per student costs for additional students to achieve this policy shall be at the same rate per student as enrollments mandated in section 2 of this act.

For each public college and university, and for the community and technical college system, budget documents generated by the governor and the legislature in the development and consideration of the biennial omnibus appropriations act shall display an enrollment target level. The enrollment target level is the biennial state-funded enrollment increase necessary to fulfill the state policy set forth in this section. The budget documents shall compare the enrollment target level with the state-funded enrollment increases contained in the biennial budget proposals of the governor and each house of the legislature. The information required by this section shall be set forth in the budget documents so that enrollment and cost information concerning the number of students and additional funds needed to reach the enrollment goals are prominently displayed and easily understood.

For the governor's budget request, the information required by this section shall be made available in the document entitled "Operating Budget Supporting Data" or its successor document.

NEW SECTION. Sec. 6. The participation rate used to calculate enrollment levels under sections 2 and 5 of this act shall be based on fall enrollment reported in the higher education enrollment report as maintained by the office of financial management, fall enrollment as reported in the management information system of the state board for community and technical colleges, and the corresponding fall population forecast by the office of financial management. Formal estimates of the state participation rates and enrollment levels necessary to fulfill the requirements of sections 2 and 5 of this act shall be determined by the office of financial management as part of its responsibility to develop and maintain student enrollment forecasts for colleges and universities under RCW 43.62.050. Formal estimates of the state participation rates and

enrollment levels required by this section shall be based on procedures and standards established by a technical work group consisting of staff from the higher education coordinating board, the public four-year institutions of higher education, the state board for community and technical colleges, the fiscal and higher education committees of the house of representatives and the senate, and the office of financial management. Formal estimates of the state participation rates and enrollment levels required by this section shall be submitted to the fiscal committees of the house of representatives and senate on or before November 15th of each even-numbered year. The higher education coordinating board shall periodically review the enrollment goals set forth in sections 2 and 5 of this act and submit recommendations concerning modification of these goals to the governor and to the higher education committees of the house of representatives and the senate.

NEW SECTION. Sec. 7. It is the policy of the state of Washington that financial need not be a barrier to participation in higher education. It is also the policy of the state of Washington that the essential requirements level budget calculation include funding for state student financial aid programs. The calculation should, at a minimum, include a funding level equal to the amount provided in the second year of the previous biennium in the omnibus appropriations act, adjusted for the percentage of needy resident students, by educational sector, likely to be included in any enrollment increases necessary to maintain, by educational sector, the participation rate funded in the 1993 fiscal year. The calculation should also be adjusted to reflect, by educational sector, any increases in cost of attendance. The cost of attendance figures should be calculated by the higher education coordinating board and provided to the office of financial management and appropriate legislative committees by June 30th of each even-numbered year.

Sec. 8. RCW 28B.15.515 and 1991 c 353 s 1 are each amended to read as follows:

(1) The boards of trustees of the community college districts may operate summer schools on either a self-supporting or a state-funded basis.

If summer school is operated on a self-supporting basis, the fees charged shall be retained by the colleges, and shall be sufficient to cover the direct costs, which are instructional salaries and related benefits, supplies, publications, and records.

Community colleges that have self-supporting summer schools shall continue to receive general fund state support for vocational programs that require that students enroll in a four quarter sequence of courses that includes summer quarter due to clinical or laboratory requirements and for ungraded courses limited to adult basic education, vocational apprenticeship, aging and retirement, small business management, industrial first aid, and parent education.

(2)((a)) The board of trustees of a community college district may permit the district's state-funded, full-time equivalent enrollment level, as provided in

the operating budget appropriations act, to vary ~~((by plus or minus two percent each fiscal year unless otherwise authorized in the operating budget appropriations act))~~. If the variance is above the state-funded level, the district may charge those students above the state-funded level a fee equivalent to the amount of tuition and fees that are charged students enrolled in state-funded courses. These fees shall be retained by the colleges.

~~((b) Any community college that in 1990-91 has an enrollment above the state-funded level but below the authorized variance may increase its excess enrollments to within the variance.~~

~~(c) Community colleges that currently have excess enrollments more than the authorized variance, by means of enrollments that would have otherwise been eligible for state funding, shall reduce those excess enrollments to within the authorized variance by September 1, 1995, in at least equal annual reductions, commencing with the 1991-92 fiscal year.~~

~~(d) Except as permitted by (c) of this subsection, should the number of student supported, full-time equivalent enrollments in any fiscal year fall outside the authorized variance, the college shall return by September 1st to the state general fund, an amount equal to the college's full average state appropriations per full-time equivalent student for such student-funded full-time equivalent outside the variance, unless otherwise provided in the operating budget appropriations act.)~~

(3) The state board for community and technical colleges ~~((education))~~ shall ensure compliance with this section.

NEW SECTION. **Sec. 9.** Sections 2 through 7 of this act are each added to chapter 28B.10 RCW.

NEW SECTION. **Sec. 10.** This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect July 1, 1993.

Passed the Senate May 5, 1993.

Passed the House May 5, 1993.

Approved by the Governor May 28, 1993.

Filed in Office of Secretary of State May 28, 1993.

CHAPTER 16

[Engrossed Senate Bill 5925]

LODGING TAX TO FUND MT. ST. HELENS TOURIST FACILITIES

Effective Date: 8/5/93

AN ACT Relating to excise taxation of lodging; amending RCW 67.28.240; and adding new sections to chapter 67.28 RCW.

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

NEW SECTION. Sec. 1. A new section is added to chapter 67.28 RCW to read as follows:

(1) The legislative body of any county with a population greater than seventy-five thousand in which is located all or part of a national monument is authorized to levy and collect a special excise tax not to exceed two percent on the sale of or charge made for the furnishing of lodging by a hotel, rooming house, tourist court, motel, trailer camp, and the granting of any similar license to use real property, as distinguished from the renting or leasing of real property. For the purposes of this tax, it shall be presumed that the occupancy of real property for a continuous period of one month or more constitutes a rental or lease of real property and not a mere license to use or to enjoy the same.

(2) The tax authorized in subsection (1) of this section is in addition to any other tax authorized by law.

(3) Any seller, as defined in RCW 82.08.010, who is required to collect any tax under this section shall pay over the tax to the county as provided in RCW 67.28.200. The deduction from state taxes under RCW 67.28.190 does not apply to the tax imposed under this section.

(4) All taxes levied and collected under this section shall be credited to a special fund in the treasury of the county. The taxes shall only be used for the acquisition, construction, repair, and improvement of a rest area for tourists which includes restrooms, picnic areas, trails and viewpoints, emergency facilities, transient parking facilities, concession and gift sales, and marketing of facilities for tourists visiting the county or the national monument, or to pay or secure the payment of all or any portion of general obligation bonds issued for such purposes. As used in this section, "transient parking facilities" does not include parking spaces to be used for overnight stays.

(5) The tax authorized in subsection (1) of this section may only be imposed if the county and at least one of the two largest cities in the county provide moneys for the project described in subsection (4) of this section from revenue received under RCW 67.28.180 or if the county provides moneys for the project from revenue received under RCW 82.14.030. Moneys provided under this section shall be deposited in the special fund created under subsection (4) of this section and may be used only as provided in subsection (4) of this section.

***NEW SECTION.** Sec. 2. A new section is added to chapter 67.28 RCW to read as follows:

The department of revenue shall perform the collection of taxes under section 1 of this act on behalf of the county at no cost to the county.

*Sec. 2 was vetoed, see message at end of chapter.

Sec. 3. RCW 67.28.240 and 1991 c 363 s 140 are each amended to read as follows:

(1) The legislative body of a county that qualified under RCW 67.28.180(2)(b) other than a county with a population of one million or more and the legislative bodies of cities in the qualifying county are each authorized to levy and collect a special excise tax of ~~((two))~~ three percent on the sale of or charge made for the furnishing of lodging by a hotel, rooming house, tourist court, motel, trailer camp, and the granting of any similar license to use real property, as distinguished from the renting or leasing of real property. For the purposes of this tax, it shall be presumed that the occupancy of real property for a continuous period of one month or more constitutes a rental or lease of real property and not a mere license to use or to enjoy the same.

(2) No city may impose the special excise tax authorized in subsection (1) of this section during the time the city is imposing the tax under RCW 67.28.180, and no county may impose the special excise tax authorized in subsection (1) of this section until such time as those cities within the county containing at least one-half of the total incorporated population have imposed the tax.

(3) Any county ordinance or resolution adopted under this section shall contain, in addition to all other provisions required to conform to this chapter, a provision allowing a credit against the county tax for the full amount of any city tax imposed under this section upon the same taxable event.

(4) Any seller, as defined in RCW 82.08.010, who is required to collect any tax under this section shall pay over such tax to the county or city as provided in RCW 67.28.200. The deduction from state taxes under RCW 67.28.190 does not apply to taxes imposed under this section.

Passed the Senate April 30, 1993.

Passed the House April 29, 1993.

Approved by the Governor May 28, 1993, with the exception of certain items which were vetoed.

Filed in Office of Secretary of State May 28, 1993.

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

"I am returning herewith, without my approval as to section 2, Engrossed Senate Bill No. 5925 entitled:

"AN ACT Relating to excise taxation of lodging;"

This bill relates to the assessment and usage of local option hotel/motel taxes.

Section 2 of this bill directs the Department of Revenue to collect the hotel/motel taxes addressed in the bill on behalf of the county and at no cost to the county. Section 2 is not necessary since revenue collection provisions of the hotel/motel tax were amended in Engrossed Substitute House Bill No. 1862 which I signed on May 15th. Engrossed Substitute House Bill No. 1862 contains a more comprehensive treatment of

hotel/motel tax collections and is designed to cover all applications of this tax. That bill contains the preferred wording for implementation of both bills.

With the exception of section 2, Engrossed Senate Bill No. 5925 is approved."

CHAPTER 17

[Engrossed Substitute Senate Bill 5980]

FISHING LICENSES, FEES, AND TAXES

Effective Date: 1/1/94 - Except Section 32 of this act provides that Sections 13 through 30 do not take effect if SB 5124 became law by 8/1/93. SB 5124 is now identified as Chapter 340, Laws of 1993

AN ACT Relating to fishing licenses; amending RCW 75.25.005, 75.25.080, 75.25.110, 75.25.120, 75.25.140, 75.25.150, 75.25.180, 75.50.100, 82.27.020, 75.28.035, 75.28.110, 75.28.113, 75.28.116, 75.28.120, 75.28.125, 75.28.130, 75.28.134, 75.28.140, 75.28.255, 75.28.280, 75.28.290, 75.28.300, 75.28.340, 75.28.690, 75.28.710, 75.30.160, 75.28.110, 75.28.113, 75.28.116, 75.28.120, 75.28.125, 75.28.130, 75.28.300, 75.28.030, and 75.28.340; reenacting and amending RCW 75.28.095 and 75.28.095; adding new sections to chapter 75.25 RCW; adding new sections to chapter 75.28 RCW; creating a new section; repealing RCW 75.25.015, 75.25.040, 75.25.090, 75.25.100, 75.25.126, and 75.28.065; making an appropriation; providing a contingent effective date; providing an effective date; and providing an expiration date.

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

NEW SECTION. Sec. 1. The legislature finds that additional cost savings can be realized by simplifying the department of fisheries recreational licensing system. The legislature finds that significant benefits will accrue to recreational fishers from streamlining the department of fisheries recreational licensing system. The legislature finds recreational license fees and commercial landing taxes have not been increased in recent years. The legislature finds that reduction in important department of fisheries programs can be avoided by increasing license fees and commercial landing taxes. The legislature finds that it is in the best interest of the state to avoid significant reductions in current department of fisheries activities.

NEW SECTION. Sec. 2. A new section is added to chapter 75.25 RCW to read as follows:

(1) A personal use food fish license is required for all persons other than residents under fifteen years of age, honorably discharged veterans with service-connected disabilities of thirty percent or more who have resided in the state for one year or more, or residents seventy years of age or older to fish for, take, or possess food fish for personal use from state waters or offshore waters. A personal use food fish license is not required under this section to fish for, take, or possess carp, smelt, or albacore.

(2) The fees for personal use food fish licenses are:

(a) For a resident fifteen years of age or older and under seventy years of age, seven dollars; and

(b) For a nonresident, nineteen dollars.

(3) The fee for a two-consecutive-day personal use food fish license is four dollars.

NEW SECTION. Sec. 3. A new section is added to chapter 75.25 RCW to read as follows:

(1) A personal use shellfish license is required for all persons other than residents under fifteen years of age or honorably discharged veterans with service-connected disabilities of thirty percent or more who have resided in the state for one year or more to fish for, take, dig for, or possess shellfish for personal use from state waters or offshore waters including national park beaches.

(2) The fees for personal use shellfish licenses are:

(a) For a resident fifteen years of age or older and under seventy years of age, five dollars;

(b) For a resident seventy years of age or older, three dollars; and

(c) For a nonresident, twenty dollars.

(3) The fee for a two-consecutive-day personal use shellfish license is five dollars.

Sec. 4. RCW 75.25.005 and 1989 c 305 s 1 are each amended to read as follows:

The following recreational fishing licenses are administered and issued by the department of fisheries under authority of the director of fisheries:

(1) ~~((Hood Canal shrimp license))~~ Personal use food fish license; and

(2) ~~((Razor clam license;~~

~~(3) Personal use fishing license;~~

~~(4) Salmon license; and~~

~~(5) Sturgeon license))~~ Personal use shellfish and seaweed license.

Sec. 5. RCW 75.25.080 and 1989 c 305 s 4 are each amended to read as follows:

(1) It is lawful to ~~((dig))~~ fish for, take, or possess the personal-use daily bag limit of ~~((razor clams))~~ shellfish or food fish for ~~((another))~~ a disabled person if ~~((that person has))~~ the harvester is licensed and if the disabled person is licensed and present on site and in possession of a physical disability permit issued by the director.

(2) An application for a physical disability permit must be submitted on a department of fisheries official form and must be accompanied by a licensed medical doctor's certification of disability.

(3) A person with a physical disability permit is not required to be present at the location where another person is digging razor clams for the disabled person. The physical disability permittee is required to be in the direct line of sight of the person digging razor clams for him or her, unless it is not possible to be in a direct line of sight because of a physical obstruction or other barrier. If such a barrier or obstruction exists, the physical disability permittee is required

to be within one-quarter mile of the person who is digging razor clams for him or her.

Sec. 6. RCW 75.25.110 and 1989 c 305 s 8 are each amended to read as follows:

(1) Any of the recreational fishing licenses required by this chapter shall, upon request, be issued without charge to the following individuals upon request:

(a) Residents under fifteen years of age (~~and residents seventy years of age or older~~);

(b) Residents who submit applications attesting that they are a person sixty-five years of age or older who is an honorably discharged veteran of the United States armed forces with a service-connected disability and who has been a resident of this state for the preceding ninety days;

(c) A blind person;

(d) A person with a developmental disability as defined in RCW 71A.10.020 with documentation of the disability from the department of social and health services; and

(e) A person who is physically handicapped and confined to a wheelchair.

(2) (~~Personal use licenses, salmon licenses, and sturgeon licenses shall, upon request, be issued to nonresidents under fifteen years of age.~~

(3)) A blind person or a physically handicapped person confined to a wheelchair who has been issued a card for a permanent disability under RCW 46.16.381 may use that card in place of a fishing license (~~unless a punchcard is required by the director~~).

Sec. 7. RCW 75.25.120 and 1989 c 305 s 9 are each amended to read as follows:

In concurrent waters of the Columbia river and in Washington coastal territorial waters from the Oregon-Washington boundary to a point five nautical miles north, an Oregon angling license comparable to the Washington personal use food fish license(~~(?)~~) or two-consecutive-day personal use food fish license(~~(?)~~, ~~salmon license, or sturgeon license~~) is valid if Oregon recognizes as valid the Washington personal use food fish license(~~(?)~~) or two-consecutive-day personal use food fish license(~~(?)~~, ~~salmon license, or sturgeon license~~) in comparable Oregon waters.

If Oregon recognizes as valid the Washington personal use food fish license(~~(?)~~) or two-consecutive-day personal use food fish license(~~(?)~~, ~~salmon license, or sturgeon license~~) southward to Cape Falcon in the coastal territorial waters from the Washington-Oregon boundary and in concurrent waters of the Columbia river then Washington shall recognize a valid Oregon license comparable to the Washington personal use food fish license(~~(?)~~) or two-consecutive-day personal use food fish license(~~(?)~~, ~~salmon license, or sturgeon license~~) northward to Leadbetter Point.

Oregon licenses are not valid for the taking of food fish when angling in concurrent waters of the Columbia river from the Washington shore.

Sec. 8. RCW 75.25.140 and 1989 c 305 s 12 are each amended to read as follows:

(1) Recreational licenses are not transferable. Upon request of a fisheries patrol officer, ex officio fisheries patrol officer, or authorized fisheries employee, a person digging for, fishing for, or possessing (~~((razor elams))~~) shellfish, seaweed or fishing for or possessing (~~((Hood Canal shrimp or))~~) food fish for personal use shall exhibit the required recreational license and write his or her signature for comparison with the signature on the license. Failure to comply with the request is prima facie evidence that the person does not have a license or is not the person named on the license.

(2) The (~~((razor elam))~~) personal use shellfish and seaweed license shall be visible on the licensee while (~~((digging for razor elams))~~) harvesting shellfish or seaweed.

Sec. 9. RCW 75.25.150 and 1989 c 305 s 13 are each amended to read as follows:

It is unlawful to dig for, fish for, or possess (~~((razor elams, fish for))~~) shellfish or (~~((possess))~~) food fish (~~((; or take or possess Hood Canal shrimp))~~) without the licenses required by this chapter.

Sec. 10. RCW 75.25.180 and 1989 c 305 s 14 are each amended to read as follows:

Recreational licenses issued by the department of fisheries under this chapter are valid for the following periods:

(1) Recreational licenses issued without charge to persons designated by this chapter are valid for a period of five years:

(a) For (~~((life for))~~) blind persons;

(b) For the period of continued state residency for qualified disabled veterans:

(c) (~~((For the period of continued state residency for persons sixty-five years of age or more;~~

~~((d)))~~ For (~~((the period of the disability for))~~) persons with a developmental disability; and

~~((e)))~~ (d) For (~~((life for))~~) handicapped persons confined to a wheelchair who have been issued a permanent disability card (~~((; and~~

~~((f) Until a child reaches fifteen years of age).~~

(2) Two-consecutive-day personal use food fish and shellfish licenses expire at midnight on the day following the validation date written on the license by the license dealer, except two-consecutive-day personal use food fish and shellfish licenses validated for December 31 expire at midnight on that date.

(3) (~~((An annual salmon))~~) A personal use food fish license is valid for a maximum catch of fifteen salmon, after which another (~~((salmon))~~) personal use food fish license may be purchased. A (~~((salmon))~~) personal use food fish license is valid only for the calendar year for which it is issued.

(4) ~~((An annual sturgeon))~~ A personal use food fish license is valid for ~~((a))~~ an annual maximum catch of fifteen sturgeon. ~~((A sturgeon license is valid only for the calendar year for which it is issued.))~~

(5) ~~((All other recreational))~~ Personal use shellfish licenses are valid for the calendar year for which they are issued.

Sec. 11. RCW 75.50.100 and 1990 c 58 s 3 are each amended to read as follows:

The dedicated regional fisheries enhancement group account is created in the custody of the state treasurer. Only the director or the director's designee may authorize expenditures from the account. The account is subject to allotment procedures under chapter 43.88 RCW, but no appropriation is required for expenditures.

A surcharge of one dollar shall be collected on each recreational ~~((salmon))~~ personal use food fish license sold in the state. A surcharge of one hundred dollars shall be collected on each commercial salmon fishing license and each charter boat "salmon and other food fish" license sold in the state. The department shall study methods for collecting and making available, an annual list, including names and addresses, of all persons who obtain recreational and commercial salmon fishing licenses. This list may be used to assist formation of the regional fisheries enhancement groups and allow the broadest participation of license holders in enhancement efforts. The results of the study shall be reported to the house of representatives fisheries and wildlife committee and the senate environment and natural resources committee by October 1, 1990. All receipts shall be placed in the regional fisheries enhancement group account and shall be used exclusively for regional fisheries enhancement group projects for the purposes of RCW 75.50.110. Funds from the regional fisheries enhancement group account shall not serve as replacement funding for department operated salmon projects that exist on January 1, 1991.

All revenue from the department's sale of salmon carcasses and eggs that return to group facilities shall be deposited in the regional fisheries enhancement group account for use by the regional fisheries enhancement group that produced the surplus. The department shall adopt rules to implement this section pursuant to chapter 34.05 RCW.

Sec. 12. RCW 82.27.020 and 1985 c 413 s 2 are each amended to read as follows:

(1) In addition to all other taxes, licenses, or fees provided by law there is established an excise tax on the commercial possession of enhanced food fish as provided in this chapter. The tax is levied upon and shall be collected from the owner of the enhanced food fish whose possession constitutes the taxable event. The taxable event is the first possession in Washington by an owner. Processing and handling of enhanced food fish by a person who is not the owner is not a taxable event to the processor or handler.

(2) A person in possession of enhanced food fish and liable to this tax may deduct from the price paid to the person from which the enhanced food fish (except oysters) are purchased an amount equal to a tax at one-half the rate levied in this section upon these products.

(3) The measure of the tax is the value of the enhanced food fish at the point of landing.

(4) The tax shall be equal to the measure of the tax multiplied by the rates for enhanced food fish as follows:

(a) Chinook, coho, and chum salmon and anadromous game fish: Five and twenty-five one-hundredths percent.

(b) Pink and sockeye salmon: Three and fifteen one-hundredths percent.

(c) Other food fish and shellfish, except oysters: Two and one-tenth percent.

(d) Oysters: ~~((Seven))~~ Eight one-hundredths of one percent.

(5) An additional tax is imposed equal to the rate specified in RCW 82.02.030 multiplied by the tax payable under subsection (4) of this section.

Sec. 13. RCW 75.28.035 and 1989 c 316 s 1 are each amended to read as follows:

An application for issuance or renewal of a commercial fishing license shall contain the name and address of the vessel owner, the name and address of the vessel operator, the name and number of the vessel, a description of the vessel and fishing gear to be carried on the vessel, and other information required by the department.

At the time of issuance of a commercial fishing license the director shall furnish the licensee with a vessel registration and two license decals.

Vessel registrations and license decals issued by the director shall be displayed as provided by rule of the director.

A commercial fishing license is not valid if the vessel is operated by a person other than the operator listed on the license. The director may authorize additional operators for the license. ~~((Unless adjusted by the director pursuant to the director's authority granted in RCW 75.28.065,))~~ The fee for an additional operator is ~~((twenty))~~ thirty-five dollars.

The vessel owner shall notify the director on forms provided by the department of changes of ownership or ~~((operator))~~ vessel and a new license shall be issued upon payment of a fee ~~((of twenty dollars))~~.

(1) For a change in vessel with no change in ownership, the fee shall be thirty-five dollars;

(2) For a change in ownership:

(a) The fee shall be equal to three and one-half times the annual renewal fee for the particular license if the license is limited under chapter 75.30 RCW; and

(b) The fee shall be equal to the annual renewal fee for the particular license if the license is not limited under chapter 75.30 RCW.

A defaced, mutilated, or lost license or license decal shall be replaced immediately. ~~((Unless adjusted by the director pursuant to the director's~~

~~authority granted in RCW 75.28.065,)~~ The replacement fee is ~~((ten))~~ twenty dollars.

As used in this section, "change in ownership" has its ordinary meaning and includes transfers to corporations, partnerships, or other entities, and transfers by the current owner to the current owner and others jointly in joint tenancy, as tenants in common, or otherwise.

Sec. 14. RCW 75.28.095 and 1989 c 316 s 2, 1989 c 147 s 1, and 1989 c 47 s 2 are each reenacted and amended to read as follows:

(1) A charter boat license is required for a vessel to be operated as a charter boat from which food fish are taken for personal use. ~~((Unless adjusted by the director pursuant to the director's authority granted in RCW 75.28.065,))~~ The annual license fees are:

Species	Resident Fee	Nonresident Fee
(a) Food fish other than salmon	\$((135)) <u>225</u>	\$((270)) <u>375</u>
(b) Salmon and other food fish	\$((275)) <u>480</u>	\$((550)) <u>785</u>

The license fees in this subsection include the regional enhancement fee required for salmon licenses under RCW 75.50.100.

(2) "Charter boat" means a vessel from which persons may, for a fee, fish for food fish, and which delivers food fish into state ports or delivers food fish taken from state waters into United States ports. "Charter boat" does not mean:

(a) Vessels not generally engaged in charter boat fishing which are under private lease or charter and operated by the lessee for the lessee's personal recreational enjoyment; or

(b) Vessels used by guides for clients fishing for food fish for personal use in freshwater rivers, streams, and lakes, other than Lake Washington or that part of the Columbia River below the bridge at Longview.

(3) A charter boat licensed in Oregon shall be permitted to fish without a charter boat license in ocean waters within the jurisdiction of Washington state from the southern border of the state of Washington to Leadbetter Point under the same regulations as Washington charter boat operators, as long as the Oregon vessel does not land at any Washington port with the purpose of taking on or discharging passengers. The provisions of this subsection shall be in effect as long as the state of Oregon has reciprocal laws and regulations.

(4) A vessel shall not engage in both charter or sports fishing and commercial fishing on the same day.

Sec. 15. RCW 75.28.110 and 1989 c 316 s 3 are each amended to read as follows:

(1) The following commercial salmon fishing licenses are required for the licensee to use the specified gear to fish for salmon and other food fish in state

waters. ~~((Unless adjusted by the director pursuant to the director's authority granted in RCW 75.28.065,))~~ The annual license fees are:

Gear	Resident Fee	Nonresident Fee
(a) Purse seine	\$((410)) <u>630</u>	\$((820)) <u>1085</u>
(b) Gill net	\$((275)) <u>480</u>	\$((550)) <u>785</u>
(c) Troll	\$((275)) <u>480</u>	\$((550)) <u>785</u>
(d) Reef net	\$((275)) <u>480</u>	\$((550)) <u>785</u>

The license fees in this subsection include the regional enhancement fee required for salmon licenses under RCW 75.50.100.

(2) Holders of commercial salmon fishing licenses may retain incidentally caught food fish other than salmon, subject to rules of the director.

(3) A salmon troll license allows fishing in all licensing districts and includes a salmon delivery license.

(4) A separate gill net license is required to fish for salmon in each of the licensing districts established in RCW 75.28.012.

Sec. 16. RCW 75.28.113 and 1989 c 316 s 4 are each amended to read as follows:

(1) A person operating a commercial fishing vessel used in taking salmon in offshore waters and delivering the salmon to a place or port in the state shall obtain a salmon delivery license from the director. ~~((Unless adjusted by the director pursuant to the director's authority granted in RCW 75.28.065,))~~ The annual fee for a salmon delivery license is ((two hundred seventy-five)) four hundred eighty dollars for residents and ((five hundred fifty)) seven hundred eighty-five dollars for nonresidents. The license fees in this subsection include the regional enhancement fee required for salmon licenses under RCW 75.50.100. Persons operating fishing vessels licensed under RCW 75.28.125 may apply the delivery license fee ~~((of fifty dollars))~~ against the salmon delivery license fee.

(2) If the director determines that the operation of a vessel under a salmon delivery license results in the depletion or destruction of the state's salmon resource or the delivery into this state of salmon products prohibited by law, the director may revoke the license.

Sec. 17. RCW 75.28.116 and 1989 c 316 s 5 are each amended to read as follows:

The owner of a commercial salmon fishing vessel which is not qualified for a license under RCW 75.30.120 is required to obtain a salmon single delivery license in order to make one landing of salmon taken in offshore waters. The director shall not issue a salmon single delivery license unless, as determined by the director, a bona fide emergency exists. ~~((Unless adjusted by the director pursuant to the director's authority granted in RCW 75.28.065,))~~ The license fee is ((one hundred thirty-five)) three hundred twenty-five dollars for residents and

~~((two hundred seventy))~~ four hundred seventy-five dollars for nonresidents. The license fees in this section include the regional enhancement fee required for salmon licenses under RCW 75.50.100.

Sec. 18. RCW 75.28.120 and 1989 c 316 s 6 are each amended to read as follows:

The following commercial fishing licenses are required for the licensee to use the specified gear to fish for food fish other than salmon in state waters. ~~((Unless adjusted by the director pursuant to the director's authority granted in RCW 75.28.065,))~~ The annual license fees are:

Gear	Resident Fee	Nonresident Fee
(1) Jig	\$((50)) <u>130</u>	\$((+00)) <u>185</u>
(2) Set line	\$((50)) <u>130</u>	\$((+00)) <u>185</u>
(3) Set net	\$((50)) <u>130</u>	\$((+00)) <u>185</u>
(4) Drag seine	\$((50)) <u>130</u>	\$((+00)) <u>185</u>
(5) Gill net	\$((275)) <u>380</u>	\$((550)) <u>685</u>
(6) Purse seine	\$((4+0)) <u>530</u>	\$((820)) <u>985</u>
(7) Troll	\$((50)) <u>130</u>	\$((+00)) <u>185</u>
(8) Bottom fish pots	\$((50)) <u>130</u>	\$((+00)) <u>185</u>
(9) Lampara	\$((+00)) <u>185</u>	\$((200)) <u>295</u>
(10) Dip bag net	\$((50)) <u>130</u>	\$((+00)) <u>185</u>
(11) Brush weir	\$((+00)) <u>185</u>	\$((200)) <u>295</u>
(12) Other gear	\$((+00)) <u>185</u>	\$((200)) <u>295</u>

Sec. 19. RCW 75.28.125 and 1989 c 316 s 7 are each amended to read as follows:

A delivery license is required to deliver shellfish or food fish other than salmon taken in offshore waters to a port in the state. ~~((Unless adjusted by the director pursuant to the director's authority granted in RCW 75.28.065,))~~ The annual license fee is ((fifty)) one hundred fifteen dollars for residents and ((one hundred)) two hundred twenty-five dollars for nonresidents. Licenses issued under RCW 75.28.113 (salmon delivery license), RCW 75.28.130(4) (crab pot, other than Puget Sound), or RCW 75.28.140(2) (trawl, other than Puget Sound) shall include a delivery license.

Sec. 20. RCW 75.28.130 and 1989 c 316 s 8 are each amended to read as follows:

The following commercial fishing licenses are required for the licensee to use the specified gear to fish for shellfish in state waters. ~~((Unless adjusted by the director pursuant to the director's authority granted in RCW 75.28.065,))~~ The annual license fees are:

Gear	Resident Fee	Nonresident Fee
(1) Ring net	\$((50)) <u>130</u>	\$((+00)) <u>185</u>
(2) Shellfish pots (excluding crab)	\$((50)) <u>130</u>	\$((+00)) <u>185</u>
(3) Crab pots (Puget Sound)	\$((50)) <u>130</u>	\$((+00)) <u>185</u>
(4) Crab pots (other than Puget Sound))	\$((200)) <u>295</u>	\$((400)) <u>520</u>
(5) Shellfish diver (excluding clams)	\$((50)) <u>525</u>	\$((+00)) <u>1045</u>
(6) Squid gear, all types	\$((+00)) <u>185</u>	\$((200)) <u>295</u>
(7) Ghost shrimp gear	\$((+00)) <u>185</u>	\$((200)) <u>295</u>
(8) Commercial razor clam license	\$((50)) <u>130</u>	\$((+00)) <u>185</u>
(9) Geoduck diver license	\$((+00)) <u>185</u>	\$((200)) <u>295</u>
(10) Other shellfish gear	\$((+00)) <u>185</u>	\$((200)) <u>295</u>

Sec. 21. RCW 75.28.134 and 1989 c 316 s 9 are each amended to read as follows:

(1) In addition to a shellfish pot license, a Hood Canal shrimp endorsement is required to take shrimp commercially in that portion of Hood Canal lying south of the Hood Canal floating bridge. ~~((Unless adjusted by the director pursuant to the director's authority granted in RCW 75.28.065,))~~ The annual endorsement fee is ((two hundred twenty-five)) three hundred twenty-five dollars for a resident and ((four hundred fifty)) five hundred seventy-five dollars for a nonresident.

(2) Not more than fifty shrimp pots may be used while commercially fishing for shrimp in that portion of Hood Canal lying south of the Hood Canal floating bridge.

Sec. 22. RCW 75.28.140 and 1989 c 316 s 10 are each amended to read as follows:

The following commercial fishing licenses are required for the licensee to use the specified gear to fish for shellfish and food fish other than salmon in state waters. ~~((Unless adjusted by the director pursuant to the director's authority granted in RCW 75.28.065,))~~ The annual license fees are:

Gear	Resident Fee	Nonresident Fee
(1) Trawl (Puget Sound)	\$((+00)) <u>185</u>	\$((200)) <u>295</u>
(2) Trawl (other than Puget Sound)	\$((+50)) <u>240</u>	\$((300)) <u>405</u>

Sec. 23. RCW 75.28.255 and 1989 c 316 s 11 are each amended to read as follows:

The following commercial fishing licenses are required for the licensee to fish for the specified species in state waters with gear authorized by rule of the director. ~~((Unless adjusted by the director pursuant to the director's authority granted in RCW 75.28.065,))~~ The annual license fees are:

Species	Resident Fee	Nonresident Fee
(1) Columbia <u>river</u> smelt	\$(275)) <u>380</u>	\$(550)) <u>685</u>
(2) Carp	\$(50)) <u>130</u>	\$(400)) <u>185</u>

Sec. 24. RCW 75.28.280 and 1989 c 316 s 12 are each amended to read as follows:

A mechanical harvester license is required to operate a mechanical or hydraulic device for commercially harvesting clams, other than geoduck clams, on a clam farm unless the requirements of RCW 75.20.100 are fulfilled for the proposed activity. ~~((Unless adjusted by the director pursuant to the director's authority granted in RCW 75.28.065,))~~ The annual license fee is ((four hundred ten)) five hundred thirty dollars for residents and ((eight hundred twenty)) nine hundred eighty-five dollars for nonresidents.

Sec. 25. RCW 75.28.290 and 1989 c 316 s 14 are each amended to read as follows:

An oyster reserve license is required for the commercial taking of shellfish from state oyster reserves. ~~((Unless adjusted by the director pursuant to the director's authority granted in RCW 75.28.065,))~~ The annual license fee is ((fifty)) one hundred thirty dollars for residents and one hundred eighty-five dollars for nonresidents.

Sec. 26. RCW 75.28.300 and 1989 c 316 s 16 are each amended to read as follows:

A wholesale fish dealer's license is required for:

(1) A business in the state to engage in the commercial processing of food fish or shellfish, including custom canning or processing of personal use food fish or shellfish.

(2) A business in the state to engage in the wholesale selling, buying, or brokering of food fish or shellfish. A wholesale fish dealer's license is not required of those businesses which buy exclusively from Washington licensed wholesale dealers and sell solely at retail.

(3) Fishermen who land and sell their catch or harvest in the state to anyone other than a licensed wholesale dealer within or outside the state.

(4) A business to engage in the commercial manufacture or preparation of fertilizer, oil, meal, caviar, fish bait, or other byproducts from food fish or shellfish.

(5) A business employing a fish buyer as defined under RCW 75.28.340.

~~((Unless adjusted by the director pursuant to the director's authority granted in RCW 75.28.065, the annual license fee is one hundred dollars.))~~ The annual license fee is two hundred fifty dollars. A wholesale fish dealer's license is not required for persons engaged in the processing, wholesale selling, buying, or brokering of private sector cultured aquatic products as defined in RCW 15.85.020. However, if a means of identifying such products is required by rules adopted under RCW 15.85.060, the exemption from licensing requirements established by this subsection applies only if the aquatic products are identified in conformance with those rules.

Sec. 27. RCW 75.28.340 and 1989 c 316 s 17 are each amended to read as follows:

(1) A fish buyer's license is required of and shall be carried by each individual engaged by a wholesale fish dealer to purchase food fish or shellfish from a licensed commercial fisherman. A fish buyer may represent only one wholesale fish dealer.

(2) ~~((Unless adjusted by the director pursuant to the director's authority granted in RCW 75.28.065,))~~ The annual fee for a fish buyer's license is ((twenty)) ninety-five dollars.

Sec. 28. RCW 75.28.690 and 1989 c 316 s 18 are each amended to read as follows:

(1) A deckhand license is required for a crew member on a licensed salmon charter boat to sell salmon roe as provided in subsection (2) of this section. ~~((Unless adjusted by the director pursuant to the director's authority granted in RCW 75.28.065,))~~ The annual license fee is ((twenty)) ninety-five dollars.

(2) A deckhand on a licensed salmon charter boat may sell salmon roe taken from fish caught for personal use, subject to rules of the director and the following conditions:

- (a) The salmon is taken while fishing on the charter boat;
- (b) The roe is the property of the angler until the roe is given to the deckhand. The charter boat's passengers are notified of this fact by the deckhand;
- (c) The roe is sold to a licensed wholesale dealer; and
- (d) The deckhand is licensed as provided in subsection (1) of this section and has the license in possession whenever salmon roe is sold.

Sec. 29. RCW 75.28.710 and 1991 c 362 s 2 are each amended to read as follows:

A professional salmon guide license is required for the holder to offer or perform the services of a professional salmon guide in the taking of salmon for personal use in freshwater rivers and streams, other than in that part of the Columbia river below the bridge at Longview. The annual license fees are ((fifty)) one hundred fifty dollars for residents and ((five hundred)) seven hundred thirty dollars for nonresidents. The license fees include a surcharge of twenty dollars ((shall be)) assessed on each resident guide license and a

surcharge of one hundred dollars (~~shall be~~) assessed on each nonresident guide license for the purposes of RCW 75.50.100.

Sec. 30. RCW 75.30.160 and 1986 c 198 s 6 are each amended to read as follows:

In addition to any other license, a Puget Sound commercial whiting endorsement is required to take whiting in the waters of marine fish-shell fish management and catch reporting areas 24B, Port Susan; 24C, Saratoga Passage; 26A, Possession Sound; or any other area designated by the department. An annual endorsement fee is two hundred ninety-five dollars for residents and (~~four~~) five hundred twenty dollars for nonresidents. The license shall be affixed to the licensed vessel.

NEW SECTION. Sec. 31. The following acts or parts of acts are each repealed:

- (1) RCW 75.25.015 and 1989 c 305 s 2, 1984 c 80 s 6, & 1983 1st ex.s. c 31 s 1;
- (2) RCW 75.25.040 and 1989 c 305 s 3, 1983 1st ex.s. c 46 s 91, 1980 c 81 s 1, & 1979 ex.s. c 243 s 4;
- (3) RCW 75.25.090 and 1989 c 305 s 5 & 1987 c 87 s 1;
- (4) RCW 75.25.100 and 1989 c 305 s 6, 1987 c 87 s 2, 1983 1st ex.s. c 46 s 94, & 1977 ex.s. c 327 s 11;
- (5) RCW 75.25.126 and 1989 c 305 s 7; and
- (6) RCW 75.28.065 and 1989 c 316 s 19.

NEW SECTION. Sec. 32. This act shall take effect January 1, 1994, except that sections 13 through 30 of this act shall take effect only if Senate Bill No. 5124 does not become law by August 1, 1993.

***NEW SECTION. Sec. 33.** *This act shall expire January 1, 1998.*

*Sec. 33 was vetoed, see message at end of chapter.

NEW SECTION. Sec. 34. A new section is added to chapter 75.28 RCW to read as follows:

- (1) Unless otherwise provided in this title, a license issued under this chapter is not transferable from the license holder to any other person.
- (2) The following restrictions apply to transfers of commercial fishery licenses, salmon delivery licenses, and salmon charter licenses that are transferable between license holders:
 - (a) The license holder shall surrender the previously issued license to the department.
 - (b) The department shall complete no more than one transfer of the license in any seven-day period.
 - (c) The fee to transfer a license from one license holder to another is: (i) The same as the resident license renewal fee if the license is not limited under chapter 75.30 RCW; or (ii) three and one-half times the resident renewal fee if the license is limited under chapter 75.30 RCW.

(d) If a license is transferred from a resident to a nonresident, the transferee shall pay the difference between the resident and nonresident license fees at the time of transfer.

(3) A commercial license that is transferable under this title survives the death of the holder. Though such licenses are not personal property, they shall be treated as analogous to personal property for purposes of inheritance and intestacy. Such licenses are subject to state laws governing wills, trusts, estates, intestate succession, and community property, except that such licenses are exempt from claims of creditors of the estate and tax liens. The surviving spouse, estate, or beneficiary of the estate may apply for a renewal of the license. There is no fee for transfer of a license from a license holder to the license holder's surviving spouse or estate, or to a beneficiary of the estate.

Sec. 35. RCW 75.28.110 and 1989 c 316 s 3 are each amended to read as follows:

(1) The following commercial salmon (~~((fishing))~~) fishery licenses are required for the (~~((licensee))~~) license holder to use the specified gear to fish for salmon (~~(and other food fish)~~) in state waters. (~~((Unless adjusted by the director pursuant to the director's authority granted in RCW 75.28.065,))~~) Only a person who meets the qualifications of RCW 75.30.120 may hold a license listed in this subsection. The licenses and their annual ((license)) fees and surcharges under RCW 75.50.100 are:

((Gear)) <u>Fishery License</u>	Resident Fee	Nonresident Fee	<u>Surcharge</u>
(a) <u>Salmon Gill Net—Grays Harbor-Columbia river</u>	<u>\$380</u>	<u>\$685</u>	<u>plus \$100</u>
(b) <u>Salmon Gill Net—Puget Sound</u>	<u>\$380</u>	<u>\$685</u>	<u>plus \$100</u>
(c) <u>Salmon Gill Net—Willapa Bay-Columbia river</u>	<u>\$380</u>	<u>\$685</u>	<u>plus \$100</u>
(d) <u>Salmon purse seine</u>	(((\$410))) <u>\$530</u>	(((\$820))) <u>\$985</u>	<u>plus \$100</u>
((b)) <u>Gill net</u>	\$275	\$550	
(e)) <u>Troll</u>	\$275	\$550	
((d)) (e) <u>Salmon reef net</u>	(((\$275))) <u>\$380</u>	(((\$550))) <u>\$685</u>	<u>plus \$100</u>
(f) <u>Salmon troll</u>	<u>\$380</u>	<u>\$685</u>	<u>plus \$100</u>

(2) A license issued under this section authorizes no taking or delivery of salmon or other food fish unless a vessel is designated under RCW 75.28.—(section 7 of Senate Bill No. 5124).

(3) Holders of commercial salmon (~~((fishing))~~) fishery licenses may retain incidentally caught food fish other than salmon, subject to rules of the director.

~~((3))~~ (4) A salmon troll license (~~((allows fishing in all licensing districts and))~~) includes a salmon delivery license.

~~((4))~~ (5) A (~~((separate))~~) salmon gill net license (~~((is required to fish for salmon in each of the licensing districts established in RCW 75.28.012))~~)

authorizes the taking of salmon only in the geographical area for which the license is issued. The geographical designations in subsection (1) of this section have the following meanings:

(a) "Puget Sound" includes waters of the Strait of Juan de Fuca, Georgia Strait, Puget Sound and all bays, inlets, canals, coves, sounds, and estuaries lying easterly and southerly of the international boundary line and a line at the entrance to the Strait of Juan de Fuca projected northerly from Cape Flattery to the lighthouse on Tatoosh Island and then to Bonilla Point on Vancouver Island.

(b) "Grays Harbor-Columbia river" includes waters of Grays Harbor and tributary estuaries lying easterly of a line projected northerly from Point Chehalis Light to Point Brown and those waters of the Columbia river and tributary sloughs and estuaries easterly of a line at the entrance to the Columbia river projected southerly from the most westerly point of the North jetty to the most westerly point of the South jetty.

(c) "Willapa Bay-Columbia river" includes waters of Willapa Bay and tributary estuaries and easterly of a line projected northerly from Leadbetter Point to the Cape Shoalwater tower and those waters of the Columbia river and tributary sloughs described in (b) of this subsection.

Sec. 36. RCW 75.28.113 and 1989 c 316 s 4 are each amended to read as follows:

(1) ~~((A person operating a commercial fishing vessel used in taking))~~ ~~It is unlawful to deliver salmon taken~~ in offshore waters ~~((and delivering the salmon))~~ to a place or port in the state ~~((shall obtain))~~ without a salmon delivery license from the director. ~~((Unless adjusted by the director pursuant to the director's authority granted in RCW 75.28.065,))~~ The annual fee for a salmon delivery license is ~~((two hundred seventy five))~~ three hundred eighty dollars for residents and ~~((five hundred fifty))~~ six hundred eighty-five dollars for nonresidents. ~~((Persons operating fishing vessels licensed))~~ The annual surcharge under RCW 75.50.100 is one hundred dollars for each license. Holders of nonsalmon delivery licenses issued under RCW 75.28.125 may apply the nonsalmon delivery license fee ~~((of fifty dollars))~~ against the salmon delivery license fee.

(2) Only a person who meets the qualifications established in RCW 75.30.120 may hold a salmon delivery license issued under this section.

(3) A salmon delivery license authorizes no taking of salmon or other food fish or shellfish from the waters of the state.

(4) If the director determines that the operation of a vessel under a salmon delivery license results in the depletion or destruction of the state's salmon resource or the delivery into this state of salmon products prohibited by law, the director may revoke the license under the procedures of chapter 34.05 RCW.

Sec. 37. RCW 75.28.116 and 1989 c 316 s 5 are each amended to read as follows:

~~((The owner of a commercial salmon fishing vessel which is))~~ A person who does not ~~((qualified))~~ qualify for a license under RCW 75.30.120 ~~((is required~~

~~to~~) shall obtain a nontransferable emergency salmon ((single)) delivery license ((in order)) to make one ((landing)) delivery of salmon taken in offshore waters. The director shall not issue ~~((a))~~ an emergency salmon ((single)) delivery license unless, as determined by the director, a bona fide emergency exists. ((Unless adjusted by the director pursuant to the director's authority granted in RCW 75.28.065,)) The license fee is ((one hundred thirty five)) two hundred twenty-five dollars for residents and ((two hundred seventy)) four hundred seventy-five dollars for nonresidents. An applicant for an emergency salmon delivery license shall designate no more than one vessel that will be used with the license. Alternate operator licenses are not required of persons delivering salmon under an emergency salmon delivery license. Emergency salmon delivery licenses are not renewable.

Sec. 38. RCW 75.28.120 and 1989 c 316 s 6 are each amended to read as follows:

~~((The following commercial fishing licenses are required for the licensee to use the specified gear to fish for food fish other than salmon in state waters. Unless adjusted by the director pursuant to the director's authority granted in RCW 75.28.065, the annual license fees are:~~

Gear	Resident	Nonresident
	Fee	Fee
(1) Jig	\$50	\$100
(2) Set line	\$50	\$100
(3) Set net	\$50	\$100
(4) Drag seine	\$50	\$100
(5) Gill net	\$275	\$550
(6) Purse seine	\$410	\$820
(7) Troll	\$50	\$100
(8) Bottom fish pots	\$50	\$100
(9) Lampara	\$100	\$200
(10) Dip bag net	\$50	\$100
(11) Brush weir	\$100	\$200
(12) Other gear	\$100	\$200))

(1) This section establishes commercial fishery licenses required for food fish fisheries and the annual fees for those licenses. As used in this section, "food fish" does not include salmon. The director may issue a limited-entry commercial fishery license only to a person who meets the qualifications established in applicable governing sections of this title.

Fishery (Governing section(s))	Annual Fee		Vessel Required?	Limited Entry?
	Resident	Nonresident		
(a) Baitfish Lampara	\$185	\$295	Yes	No
(b) Baitfish purse seine	\$530	\$985	Yes	No
(c) Bottom fish jig	\$130	\$185	Yes	No
(d) Bottom fish pot	\$130	\$185	Yes	No

<u>(e) Bottom fish troll</u>	<u>\$130</u>	<u>\$185</u>	<u>Yes</u>	<u>No</u>
<u>(f) Carp</u>	<u>\$130</u>	<u>\$185</u>	<u>No</u>	<u>No</u>
<u>(g) Columbia river smelt</u>	<u>\$380</u>	<u>\$685</u>	<u>No</u>	<u>No</u>
<u>(h) Dog fish set net</u>	<u>\$130</u>	<u>\$185</u>	<u>Yes</u>	<u>No</u>
<u>(i) Emerging commercial fishery (RCW 75.30.220 and 75.28.— (section 18 of Senate Bill No. 5124))</u>	<u>\$185</u>	<u>\$295</u>	<u>Determined by rule</u>	<u>Determined by rule</u>
<u>(j) Food fish drag seine</u>	<u>\$130</u>	<u>\$185</u>	<u>Yes</u>	<u>No</u>
<u>(k) Food fish set line</u>	<u>\$130</u>	<u>\$185</u>	<u>Yes</u>	<u>No</u>
<u>(l) Food fish trawl— Non-Puget Sound</u>	<u>\$240</u>	<u>\$405</u>	<u>Yes</u>	<u>No</u>
<u>(m) Food fish trawl— Puget Sound</u>	<u>\$185</u>	<u>\$295</u>	<u>Yes</u>	<u>No</u>
<u>(n) Herring dip bag net (RCW 75.30.140)</u>	<u>\$175</u>	<u>\$275</u>	<u>Yes</u>	<u>Yes</u>
<u>(o) Herring drag seine (RCW 75.30.140)</u>	<u>\$175</u>	<u>\$275</u>	<u>Yes</u>	<u>Yes</u>
<u>(p) Herring gill net (RCW 75.30.140)</u>	<u>\$175</u>	<u>\$275</u>	<u>Yes</u>	<u>Yes</u>
<u>(q) Herring Lampara (RCW 75.30.140)</u>	<u>\$175</u>	<u>\$275</u>	<u>Yes</u>	<u>Yes</u>
<u>(r) Herring purse seine (RCW 75.30.140)</u>	<u>\$175</u>	<u>\$275</u>	<u>Yes</u>	<u>Yes</u>
<u>(s) Herring spawn-on-kelp (RCW 75.28.245 as recodified by section 54, chapter . . . (Senate Bill No. 5124), Laws of 1993)</u>	<u>N/A</u>	<u>N/A</u>	<u>Yes</u>	<u>Yes</u>
<u>(t) Smelt dip bag net</u>	<u>\$130</u>	<u>\$185</u>	<u>No</u>	<u>No</u>
<u>(u) Smelt gill net</u>	<u>\$380</u>	<u>\$685</u>	<u>Yes</u>	<u>No</u>
<u>(v) Whiting—Puget Sound (RCW 75.30.170)</u>	<u>\$295</u>	<u>\$520</u>	<u>Yes</u>	<u>Yes</u>

(2) The director may by rule determine the species of food fish that may be taken with the commercial fishery licenses established in this section, the gear that may be used with the licenses, and the areas or waters in which the licenses may be used. Where a fishery license has been established for a particular species, gear, geographical area, or combination thereof, a more general fishery license may not be used to take food fish in that fishery.

Sec. 39. RCW 75.28.125 and 1989 c 316 s 7 are each amended to read as follows:

~~((A delivery license is required to deliver shellfish or food fish other than salmon taken in offshore waters to a port in the state. Unless adjusted by the director pursuant to the director's authority granted in RCW 75.28.065,)) (1) Except as provided in subsection (2) of this section, it is unlawful to deliver with a commercial fishing vessel food fish or shellfish taken in offshore waters to a port in the state without a nonsalmon delivery license. As used in this section, "food fish" does not include salmon. The annual license fee for a nonsalmon delivery license is ~~((fifty))~~ one hundred ten dollars for residents and ~~((one))~~ two hundred dollars for nonresidents. ~~((Licenses issued under RCW 75.28.113 (salmon delivery license), RCW 75.28.130(4) (crab pot, other than Puget Sound), or RCW 75.28.140(2) (trawl, other than Puget Sound) shall include a delivery license.))~~~~

(2) Holders of salmon troll fishery licenses issued under RCW 75.28.110, salmon delivery licenses issued under RCW 75.28.113, crab pot fishery licenses issued under RCW 75.28.130, food fish trawl—Non-Puget Sound fishery licenses issued under RCW 75.28.120, and shrimp trawl—Non-Puget Sound fishery licenses issued under RCW 75.28.130 may deliver food fish or shellfish taken in offshore waters without a nonsalmon delivery license.

(3) A nonsalmon delivery license authorizes no taking of food fish or shellfish from state waters.

Sec. 40. RCW 75.28.130 and 1989 c 316 s 8 are each amended to read as follows:

~~((The following commercial fishing licenses are required for the licensee to use the specified gear to fish for shellfish in state waters. Unless adjusted by the director pursuant to the director's authority granted in RCW 75.28.065, the annual license fees are:~~

Gear	Resident	Nonresident
	Fee	Fee
(1) Ring net	\$50	\$100
(2) Shellfish pots (excluding crab)	\$50	\$100
(3) Crab pots (Puget Sound)	\$50	\$100
(4) Crab pots (other than Puget Sound)	\$200	\$400
(5) Shellfish diver (excluding clams)	\$50	\$100
(6) Squid gear, all types	\$100	\$200
(7) Ghost shrimp gear	\$100	\$200
(8) Commercial razor clam license	\$50	\$100
(9) Geoduck diver license	\$100	\$200
(10) Other shellfish gear	\$100	\$200

(1) This section establishes commercial fishery licenses required for shellfish fisheries and the annual fees for those licenses. The director may issue a limited-entry commercial fishery license only to a person who meets the qualifications established in applicable governing sections of this title.

<u>Fishery</u> <u>(Governing section(s))</u>	<u>Annual Fee</u>		<u>Vessel</u> <u>Required?</u>	<u>Limited</u> <u>Entry?</u>
	<u>Resident</u>	<u>Nonresident</u>		
<u>(a) Burrowing shrimp</u>	<u>\$185</u>	<u>\$295</u>	<u>Yes</u>	<u>No</u>
<u>(b) Crab pot</u>	<u>\$295</u>	<u>\$520</u>	<u>Yes</u>	<u>No</u>
<u>(c) Crab pot—</u> <u>Puget Sound</u>	<u>\$130</u>	<u>\$185</u>	<u>Yes</u>	<u>No</u>
<u>(d) Crab ring net—</u> <u>Non-Puget Sound</u>	<u>\$130</u>	<u>\$185</u>	<u>Yes</u>	<u>No</u>
<u>(e) Crab ring net—</u> <u>Puget Sound</u>	<u>\$130</u>	<u>\$185</u>	<u>Yes</u>	<u>No</u>
<u>(f) Dungeness crab—</u> <u>Puget Sound</u> <u>(RCW 75.30.130)</u>	<u>\$130</u>	<u>\$185</u>	<u>Yes</u>	<u>Yes</u>
<u>(g) Emerging commercial</u> <u>fishery (RCW 75.30.220</u> <u>and 75.28.— (section</u> <u>18 of Senate Bill No.</u> <u>5124))</u>	<u>\$185</u>	<u>\$295</u>	<u>Determined</u> <u>by rule</u>	<u>Determined</u> <u>by rule</u>
<u>(h) Geoduck (RCW</u> <u>75.30.— (section 46 of</u> <u>Senate Bill No. 5124))</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>Yes</u>	<u>Yes</u>
<u>(i) Hardshell clam</u> <u>mechanical harvester</u> <u>(RCW 75.28.280)</u>	<u>\$530</u>	<u>\$985</u>	<u>Yes</u>	<u>No</u>
<u>(j) Oyster reserve</u> <u>(RCW 75.28.290)</u>	<u>\$130</u>	<u>\$185</u>	<u>No</u>	<u>No</u>
<u>(k) Razor clam</u>	<u>\$130</u>	<u>\$185</u>	<u>No</u>	<u>No</u>
<u>(l) Sea cucumber dive</u> <u>(RCW 75.30.250)</u>	<u>\$130</u>	<u>\$185</u>	<u>Yes</u>	<u>Yes</u>
<u>(m) Sea urchin dive</u> <u>(RCW 75.30.210)</u>	<u>\$130</u>	<u>\$185</u>	<u>Yes</u>	<u>Yes</u>
<u>(n) Shellfish dive</u>	<u>\$525</u>	<u>\$1045</u>	<u>Yes</u>	<u>No</u>
<u>(o) Shellfish pot</u>	<u>\$130</u>	<u>\$185</u>	<u>Yes</u>	<u>No</u>
<u>(p) Shrimp pot—</u> <u>Hood Canal</u>	<u>\$325</u>	<u>\$575</u>	<u>Yes</u>	<u>No</u>
<u>(q) Shrimp trawl—</u> <u>Non-Puget Sound</u>	<u>\$240</u>	<u>\$405</u>	<u>Yes</u>	<u>No</u>
<u>(r) Shrimp trawl—</u> <u>Puget Sound</u>	<u>\$185</u>	<u>\$295</u>	<u>Yes</u>	<u>No</u>
<u>(s) Squid</u>	<u>\$185</u>	<u>\$295</u>	<u>Yes</u>	<u>No</u>

(2) The director may by rule determine the species of shellfish that may be taken with the commercial fishery licenses established in this section, the gear that may be used with the licenses, and the areas or waters in which the licenses may be used. Where a fishery license has been established for a particular species, gear, geographical area, or combination thereof, a more general fishery license may not be used to take shellfish in that fishery.

Sec. 41. RCW 75.28.095 and 1989 c 316 s 2, 1989 c 147 s 1, and 1989 c 47 s 2 are each reenacted and amended to read as follows:

(1) ~~((A charter boat license is required for a vessel to be operated as a charter boat from which food fish are taken for personal use. Unless adjusted by the director pursuant to the director's authority granted in RCW 75.28.065.))~~ The director shall issue the charter licenses and angler permits listed in this section according to the requirements of this title. The licenses and permits and their annual ~~((license))~~ fees and surcharges are:

<u>((Species))</u> <u>License or Permit</u>	<u>((Resident)) Annual</u> <u>Fee</u>		<u>((Nonresident</u> <u>Fee))</u> <u>Governing</u> <u>Section</u>
	<u>(RCW 75.50.100</u> <u>Resident</u>	<u>Surcharge)</u> <u>Nonresident</u>	
<u>(a) ((Food fish other than salmon))</u> <u>Nonsalmon charter</u>	<u>((135)) \$225</u>	<u>((270)) \$375</u>	
<u>(b) Salmon (and other food fish))</u> <u>charter</u>	<u>((275)) \$380</u> <u>(plus \$100)</u>	<u>((550)) \$685</u> <u>(plus \$100)</u>	<u>RCW</u> <u>75.30.065</u>
<u>(c) Salmon angler</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>RCW</u> <u>75.30.070</u>
<u>(d) Salmon roe</u>	<u>\$ 95</u>	<u>\$ 95</u>	<u>RCW</u> <u>75.28.690</u>

(2) Except as provided in subsection (5) of this section, it is unlawful to operate a vessel as a charter boat from which salmon or salmon and other food fish are taken without a salmon charter license designating the vessel. The director may issue a salmon charter license only to a person who meets the qualifications of RCW 75.30.065.

(3) Except as provided in subsections (2) and (5) of this section, it is unlawful to operate a vessel as a charter boat from which food fish or shellfish are taken without a nonsalmon charter license. As used in this subsection, "food fish" does not include salmon.

(4) "Charter boat" means a vessel from which persons may, for a fee, fish for food fish or shellfish for personal use, and ~~((which delivers))~~ that brings food fish or shellfish into state ports or ~~((delivers))~~ brings food fish or shellfish taken from state waters into United States ports. The director may specify by rule

when a vessel is a "charter boat" within this definition. "Charter boat" does not mean(

~~(a) Vessels not generally engaged in charter boat fishing which are under private lease or charter and operated by the lessee for the lessee's personal recreational enjoyment; or~~

~~(b) Vessels)~~ a vessel used by ~~((guides))~~ a guide for clients fishing for food fish for personal use in freshwater rivers, streams, and lakes, other than Lake Washington or that part of the Columbia River below the bridge at Longview.

~~((3))~~ (5) A charter boat licensed in Oregon ~~((shall be permitted to))~~ may fish without a Washington charter boat operators license under the same rules as Washington charter boat operators in ocean waters within the jurisdiction of Washington state from the southern border of the state of Washington to Leadbetter Point ~~((under the same regulations as Washington charter boat operators))~~, as long as the Oregon vessel does not land at any Washington port with the purpose of taking on or discharging passengers. The provisions of this subsection shall be in effect as long as the state of Oregon has reciprocal laws and regulations.

~~((4) A vessel shall not engage in both charter or sports fishing and commercial fishing on the same day.))~~

NEW SECTION. Sec. 42. A new section is added to chapter 75.28 RCW to read as follows:

The director shall issue the personal licenses listed in this section according to the requirements of this title. The licenses and their annual fees are:

Personal License	Annual Fee (RCW 75.50.100 Surcharge)		Governing Section RCW 75.28.— (section 25 of Senate Bill No. 5124)
	Resident	Nonresident	
(1) Alternate Operator	\$ 35	\$ 35	
(2) Geoduck Diver	\$185	\$295	RCW 75.28.287 (as recodified by section 54, chapter . . . (Senate Bill No. 5124), Laws of 1993)
(3) Salmon Guide	\$130 (plus \$20)	\$630 (plus \$100)	RCW 75.28.710

Sec. 43. RCW 75.28.300 and 1989 c 316 s 16 are each amended to read as follows:

A wholesale fish dealer's license is required for:

(1) A business in the state to engage in the commercial processing of food fish or shellfish, including custom canning or processing of personal use food fish or shellfish.

(2) A business in the state to engage in the wholesale selling, buying, or brokering of food fish or shellfish. A wholesale fish dealer's license is not required of those businesses which buy exclusively from Washington licensed wholesale dealers and sell solely at retail.

(3) Fishermen who land and sell their catch or harvest in the state to anyone other than a licensed wholesale dealer within or outside the state.

(4) A business to engage in the commercial manufacture or preparation of fertilizer, oil, meal, caviar, fish bait, or other byproducts from food fish or shellfish.

(5) A business employing a fish buyer as defined under RCW 75.28.340.

~~((Unless adjusted by the director pursuant to the director's authority granted in RCW 75.28.065, the annual license fee is one hundred dollars.))~~ The annual license fee for a wholesale dealer is two hundred fifty dollars. A wholesale fish dealer's license is not required for persons engaged in the processing, wholesale selling, buying, or brokering of private sector cultured aquatic products as defined in RCW 15.85.020. However, if a means of identifying such products is required by rules adopted under RCW 15.85.060, the exemption from licensing requirements established by this subsection applies only if the aquatic products are identified in conformance with those rules.

Sec. 44. RCW 75.28.030 and 1983 1st ex.s. c 46 s 105 are each amended to read as follows:

(1) Except as otherwise provided in this title, the director shall issue commercial licenses and permits to a qualified person((;)) upon ((the receipt of an)) receiving a completed application accompanied by the required fee. ((Applications shall be submitted on forms provided by the department. Applicants for commercial licenses and permits shall indicate at the time of application the species of food fish or shellfish they intend to take and the type of gear they intend to use.))

(2) An application submitted to the department under this chapter shall contain the name and address of the applicant and any other information required by the department or this title. An applicant for a commercial fishery license, delivery license, or charter license may designate a vessel to be used with the license and up to two alternate operators.

(3) An application submitted to the department under this chapter shall contain the applicant's declaration under penalty of perjury that the information on the application is true and correct.

(4) Upon issuing a commercial license under this chapter, the director shall assign the license a unique number that the license shall retain upon renewal.

The department shall use the number to record any commercial catch under the license. This does not preclude the department from using other, additional, catch record methods.

(5) The fee to replace a license that has been lost or destroyed is twenty dollars.

NEW SECTION. Sec. 45. A new section is added to chapter 75.28 RCW to read as follows:

This section applies to all commercial fishery licenses, delivery licenses, and charter licenses, except for emergency salmon delivery licenses.

(1) The holder of a license subject to this section may substitute the vessel designated on the license or designate a vessel if none has previously been designated if the license holder:

(a) Surrenders the previously issued license to the department;

(b) Submits to the department an application that identifies the currently designated vessel, the vessel proposed to be designated, and any other information required by the department; and

(c) Pays to the department a fee of thirty-five dollars.

(2) Unless the license holder owns all vessels identified on the application described in subsection (1)(b) of this section, the following restrictions apply to changes in vessel designation:

(a) The department shall change the vessel designation on the license no more than four times per calendar year.

(b) The department shall change the vessel designation on the license no more than once in any seven-day period.

Sec. 46. RCW 75.28.340 and 1989 c 316 s 17 are each amended to read as follows:

(1) A fish buyer's license is required of and shall be carried by each individual engaged by a wholesale fish dealer to purchase food fish or shellfish from a licensed commercial fisherman. A fish buyer may represent only one wholesale fish dealer.

(2) Unless adjusted by the director pursuant to the director's authority granted in RCW 75.28.065, the annual fee for a fish buyer's license is ~~((twenty))~~ ninety-five dollars.

NEW SECTION. Sec. 47. The following acts or parts of acts are each repealed:

(1) 1993 c — s 5 (section 5 of Senate Bill No. 5124);

(2) 1993 c — s 8 (section 8 of Senate Bill No. 5124);

(3) 1993 c — s 11 (section 11 of Senate Bill No. 5124);

(4) 1993 c — s 12 (section 12 of Senate Bill No. 5124);

(5) 1993 c — s 13 (section 13 of Senate Bill No. 5124);

(6) 1993 c — s 14 (section 14 of Senate Bill No. 5124);

(7) 1993 c — s 15 (section 15 of Senate Bill No. 5124);

(8) 1993 c — s 16 (section 16 of Senate Bill No. 5124);

- (9) 1993 c — s 17 (section 17 of Senate Bill No. 5124);
(10) 1993 c — s 21 (section 21 of Senate Bill No. 5124); and
(11) 1993 c — s 23 (section 23 of Senate Bill No. 5124).

NEW SECTION. Sec. 48. Sections 34 through 47 of this act shall take effect only if Senate Bill No. 5124 becomes law by August 1, 1993.

NEW SECTION. Sec. 49. The sum of eighty-five thousand dollars of the revenues derived from increases in personal use and commercial license fees pursuant to sections 2, 34, 42, and 45 of this act and RCW 75.28.030, 75.28.035, 75.28.095, 75.28.110, 75.28.113, 75.28.116, 75.28.120, 75.28.125, 75.28.130, 75.28.134, 75.28.140, 75.28.255, 75.28.280, 75.28.290, 75.28.300, 75.28.340, 75.28.690, 75.28.710, and 75.30.160, is appropriated for the biennium ending June 30, 1995, from the general fund to Washington State University for the purposes of implementation of the provision of chapter . . . (House Bill No. 1309), Laws of 1993.

***NEW SECTION.** Sec. 50. *A new section is added to chapter 75.28 RCW to read as follows:*

Unless the context clearly requires otherwise, the definition in this section applies throughout this chapter.

"Coastal crab" means Dungeness crab (Cancer magister) taken in all Washington territorial and offshore water south of the United States-Canada boundary and west of the Bonilla-Tatoosh Line (a line from the western end of Cape Flattery to Tatoosh Island Lighthouse, then to the buoy adjacent to Duntz Rock, then in a straight line to Bonilla Point of Vancouver Island), Grays Harbor, Willapa Bay, and the Columbia river.

**Sec. 50 was vetoed, see message at end of chapter.*

***NEW SECTION.** Sec. 51. *A new section is added to chapter 75.28 RCW to read as follows:*

Effective January 1, 1994, it is unlawful to fish for coastal crab in Washington state waters or to deliver coastal crab to a port in the state if the crab is harvested with a vessel equipped with more than four hundred crab pots. This section shall not apply to deliveries that are necessary due to bona fide emergencies as determined by the director.

**Sec. 51 was vetoed, see message at end of chapter.*

NEW SECTION. Sec. 52. If the director of the department of fisheries develops proposed legislation as a result of its study on coastal crab pursuant to chapter 9, Laws of 1992, the director shall involve the commercial crab industry in the preparation of such legislation.

NEW SECTION. Sec. 53. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

Passed the Senate May 6, 1993.

Passed the House May 5, 1993.

Approved by the Governor May 28, 1993, with the exception of certain items which were vetoed.

Filed in Office of Secretary of State May 28, 1993.

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

"I am returning herewith, without my approval as to sections 33, 50, and 51 of Engrossed Substitute Senate Bill No. 5980, entitled:

"AN ACT Relating to fishing licenses:"

This bill provides important new revenues to the Department of Fisheries which will be used to maintain production at state salmon hatcheries, and other important programs of the Department. The bill also consolidates existing recreational fishing licenses. However, several sections of this legislation present potential problems.

Section 33 provides for the act to expire on January 1, 1998. Allowing this Act to expire would not only remove an important source of revenue for the Department, but would also require the Department to revert back to the current system of multiple recreational licenses. In order to remove an undue administrative burden on the Department of Fisheries and avoid consumer confusion, I am vetoing section 33.

Sections 50 and 51 establish a 400 crab pot limit for commercial fishers of coastal crab. The Department of Fisheries, in conjunction with Oregon, California, and the Pacific States Marine Fisheries Commission, is to complete a report on the economic viability of the coastal crab fishery. While I understand the concern of some segments of the commercial crab industry, establishing such a limit before a final report is completed is premature.

With the exception of sections 33, 50, and 51, Engrossed Substitute Senate Bill No. 5980 is approved."

CHAPTER 18

[Second Engrossed Substitute Senate Bill 5982]

HIGHER EDUCATION—TUITION INCREASES

Effective Date: 7/1/93

AN ACT Relating to higher education tuition; amending RCW 28B.10.265, 28B.10.800, 28B.12.060, 28B.15.014, 28B.15.031, 28B.15.100, 28B.15.202, 28B.15.225, 28B.15.380, 28B.15.402, 28B.15.502, 28B.15.515, 28B.15.520, 28B.15.522, 28B.15.527, 28B.15.543, 28B.15.545, 28B.15.556, 28B.15.600, 28B.15.615, 28B.15.620, 28B.15.628, 28B.15.725, 28B.15.730, 28B.15.740, 28B.15.750, 28B.15.756, 28B.15.910, 28B.50.259, 28B.70.050, 28B.80.580, 28B.101.040, 28B.102.020, and 82.04.170; reenacting and amending RCW 28B.15.012; creating a new section; repealing RCW 28B.15.824, 28B.35.361, and 28B.40.361; providing an effective date; and declaring an emergency.

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

Sec. 1. RCW 28B.10.265 and 1992 c 231 s 2 are each amended to read as follows:

Subject to the limitations of RCW 28B.15.910, the governing boards of the state universities, the regional universities, The Evergreen State College, and the community colleges may waive all or a portion of the tuition, operating, and services and activities fees for children of any person who was a Washington

domiciliary and who within the past eleven years has been determined by the federal government to be a prisoner of war or missing in action in Southeast Asia, including Korea, or who shall become so hereafter, if the children meet such other educational qualifications as such institution of higher education shall deem reasonable and necessary under the circumstances. Applicants for free or reduced tuition shall provide institutional administrative personnel with documentation of their rights under this section.

~~((Before June 30, 1995, no individual waiver program under this section may be reduced by more than twice the percentage reduction required in operating fee foregone revenue from tuition waivers in the biennial state appropriations act.))~~

Sec. 2. RCW 28B.10.800 and 1969 ex.s. c 222 s 7 are each amended to read as follows:

The sole purpose of RCW 28B.10.800 through 28B.10.824 is to establish a state of Washington student financial aid program, thus assisting financially needy or disadvantaged students domiciled in Washington to obtain the opportunity of attending an accredited institution of higher education, as defined in RCW 28B.10.802(1). Financial aid under RCW 28B.10.800 through 28B.10.824 is available only to students who are resident students as defined in RCW 28B.15.012(2) (a) through (d).

Sec. 3. RCW 28B.12.060 and 1987 c 330 s 202 are each amended to read as follows:

The higher education coordinating board shall adopt rules and regulations as may be necessary or appropriate for effecting the provisions of this chapter, and not in conflict with this chapter, in accordance with the provisions of chapter 34.05 RCW, the state higher education administrative procedure act. Such rules and regulations shall include provisions designed to make employment under such work-study program reasonably available, to the extent of available funds, to all eligible students in eligible post-secondary institutions in need thereof. Such rules and regulations shall include:

(1) Providing work under the college work-study program which will not result in the displacement of employed workers or impair existing contracts for services.

(2) Furnishing work only to a student who:

(a) Is capable, in the opinion of the eligible institution, of maintaining good standing in such course of study while employed under the program covered by the agreement; and

(b) Has been accepted for enrollment as at least a half-time student at the eligible institution or, in the case of a student already enrolled in and attending the eligible institution, is in good standing and in at least half-time attendance there either as an undergraduate, graduate or professional student; and

(c) Is not pursuing a degree in theology.

(3) Placing priority on the securing of work opportunities for students who are residents of the state of Washington as defined in RCW (~~28B.15.011 through 28B.15.014~~) 28B.15.012 and 28B.15.013 except resident students defined in RCW 28B.15.012(2)(e).

(4) Provisions to assure that in the state institutions of higher education utilization of this student work-study program:

(a) Shall only supplement and not supplant classified positions under jurisdiction of chapter 28B.16 RCW;

(b) That all positions established which are comparable shall be identified to a job classification under the higher education personnel board's classification plan and shall receive equal compensation;

(c) Shall not take place in any manner that would replace classified positions reduced due to lack of funds or work; and

(d) That work study positions shall only be established at entry level positions of the classified service.

Sec. 4. RCW 28B.15.012 and 1987 c 137 s 1 and 1987 c 96 s 1 are each reenacted and amended to read as follows:

Whenever used in chapter 28B.15 RCW:

(1) The term "institution" shall mean a public university, college, or community college within the state of Washington.

(2) The term "resident student" shall mean: (a) A financially independent student who has had a domicile in the state of Washington for the period of one year immediately prior to the time of commencement of the first day of the semester or quarter for which the student has registered at any institution and has in fact established a bona fide domicile in this state primarily for purposes other than educational; (b) a dependent student, if one or both of the student's parents or legal guardians have maintained a bona fide domicile in the state of Washington for at least one year immediately prior to commencement of the semester or quarter for which the student has registered at any institution; (c) a student classified as a resident based upon domicile by an institution on or before May 31, 1982, who was enrolled at a state institution during any term of the 1982-1983 academic year, so long as such student's enrollment (excepting summer sessions) at an institution in this state is continuous; ~~((or))~~ (d) any student who has spent at least seventy-five percent of both his or her junior and senior years in high schools in this state, whose parents or legal guardians have been domiciled in the state for a period of at least one year within the five-year period before the student graduates from high school, and who enrolls in a public institution of higher education within six months of leaving high school, for as long as the student remains continuously enrolled for three quarters or two semesters in any calendar year; or (e) a student who is the spouse or a dependent of a person who is on active military duty stationed in the state; **PROVIDED,** That a nonresident student enrolled for more than six hours per semester or quarter shall be considered as attending for primarily educational purposes, and for tuition and fee paying purposes only such period of enrollment shall not be

counted toward the establishment of a bona fide domicile of one year in this state unless such student proves that the student has in fact established a bona fide domicile in this state primarily for purposes other than educational.

(3) The term "nonresident student" shall mean any student who does not qualify as a "resident student" under the provisions of RCW (~~28B.15.011 through 28B.15.014 and 28B.15.015, each as now or hereafter amended~~) 28B.15.012 and 28B.15.013. A nonresident student shall include:

(a) A student attending an institution with the aid of financial assistance provided by another state or governmental unit or agency thereof, such nonresidency continuing for one year after the completion of such semester or quarter.

(b) A person who is not a citizen of the United States of America who does not have permanent or temporary resident status or does not hold "Refugee-Parolee" or "Conditional Entrant" status with the United States immigration and naturalization service or is not otherwise permanently residing in the United States under color of law and who does not also meet and comply with all the applicable requirements in RCW (~~28B.15.011 through 28B.15.014 and 28B.15.015, each as now or hereafter amended~~) 28B.15.012 and 28B.15.013.

(4) The term "domicile" shall denote a person's true, fixed and permanent home and place of habitation. It is the place where the student intends to remain, and to which the student expects to return when the student leaves without intending to establish a new domicile elsewhere. The burden of proof that a student, parent or guardian has established a domicile in the state of Washington primarily for purposes other than educational lies with the student.

(5) The term "dependent" shall mean a person who is not financially independent. Factors to be considered in determining whether a person is financially independent shall be set forth in rules and regulations adopted by the higher education coordinating board and shall include, but not be limited to, the state and federal income tax returns of the person and/or the student's parents or legal guardian filed for the calendar year prior to the year in which application is made and such other evidence as the board may require.

Sec. 5. RCW 28B.15.014 and 1992 c 231 s 3 are each amended to read as follows:

Subject to the limitations of RCW 28B.15.910, the governing boards of the state universities, the regional universities, The Evergreen State College, and the community colleges may exempt the following nonresidents from paying all or a portion of the nonresident tuition fees differential:

(1) Any person who resides in the state of Washington and who holds a graduate service appointment designated as such by a public institution of higher education or is employed for an academic department in support of the instructional or research programs involving not less than twenty hours per week during the term such person shall hold such appointment.

(2) Any faculty member, classified staff member or administratively exempt employee holding not less than a half time appointment at an institution who

resides in the state of Washington, and the dependent children and spouse of such persons.

(3) Active-duty military personnel stationed in the state of Washington (~~and the spouses and dependents of such military personnel~~).

(4) Any immigrant refugee and the spouse and dependent children of such refugee, if the refugee (a) is on parole status, or (b) has received an immigrant visa, or (c) has applied for United States citizenship.

(5) Domestic exchange students participating in the program created under RCW 28B.15.725.

(6) Any dependent of a member of the United States congress representing the state of Washington.

~~((Before June 30, 1995, no individual waiver program under this section may be reduced by more than twice the percentage reduction required in operating fee foregone revenue from tuition waivers in the biennial state appropriations act.))~~

Sec. 6. RCW 28B.15.031 and 1987 c 15 s 2 are each amended to read as follows:

The term "operating fees" as used in this chapter shall include the fees, other than building fees, charged all students registering at the state's colleges and universities but shall not include fees for short courses, self-supporting degree credit programs and courses, marine station work, experimental station work, correspondence or extension courses, and individual instruction and student deposits or rentals, disciplinary and library fines, which colleges and universities shall have the right to impose, laboratory, gymnasium, health, and student activity fees, or fees, charges, rentals, and other income derived from any or all revenue producing lands, buildings and facilities of the colleges or universities heretofore or hereafter acquired, constructed or installed, including but not limited to income from rooms, dormitories, dining rooms, hospitals, infirmaries, housing or student activity buildings, vehicular parking facilities, land, or the appurtenances thereon, or such other special fees as may be established by any college or university board of trustees or regents from time to time. All moneys received as operating fees at any institution of higher education shall be ~~((transmitted to the state treasurer within thirty five days of receipt to be deposited in the state general fund))~~ deposited in a local account containing only operating fees revenue and related interest: PROVIDED, That two and one-half percent of ~~((moneys received as))~~ operating fees ~~((be exempt from such deposit and))~~ shall be retained by the institutions, except the technical colleges, for the purposes of RCW 28B.15.820~~((: PROVIDED FURTHER, That money received by institutions of higher education from the periodic payment plan authorized by RCW 28B.15.411 shall be transmitted to the state treasurer within five days following the close of registration of the appropriate quarter or semester))~~. Local operating fee accounts shall not be subject to appropriation by the legislature or allotment procedures under chapter 43.88 RCW.

Sec. 7. RCW 28B.15.100 and 1992 c 231 s 6 are each amended to read as follows:

(1) The governing boards of the state universities, the regional universities, The Evergreen State College, and the community colleges shall charge to and collect from each of the students registering at the particular institution for any quarter or semester such tuition fees and services and activities fees, and other fees as such board shall in its discretion determine. The total of all fees shall be rounded to the nearest whole dollar amount: PROVIDED, That such tuition fees for other than the summer term shall be in the amounts for the respective institutions as otherwise set forth in this chapter.

(2) Part time students shall be charged tuition and services and activities fees proportionate to full time student rates established for residents and nonresidents: PROVIDED, That students registered for fewer than two credit hours shall be charged tuition and services and activities fees at the rate established for two credit hours: PROVIDED FURTHER, That, subject to the limitations of RCW 28B.15.910, residents of Idaho or Oregon who are enrolled in community college district number twenty for six or fewer credits during any quarter or semester may be exempted from payment of all or a portion of the nonresident tuition fees differential upon a declaration by the higher education coordinating board that it finds Washington residents from the community college district are afforded substantially equivalent treatment by such other states.

(3) Full-time students registered for more than eighteen credit hours shall be charged an additional operating fee for each credit hour in excess of eighteen hours at the applicable established per credit hour tuition fee rate for part-time students: PROVIDED, That, subject to the limitations of RCW 28B.15.910, the governing boards of the state universities and the community colleges may exempt all or a portion of the additional charge, for students who are registered exclusively in first professional programs in medicine, dental medicine, veterinary medicine, or law, or who are registered exclusively in required courses in vocational preparatory programs.

~~((4) Before June 30, 1995, no individual waiver program under this section may be reduced by more than twice the percentage reduction required in operating fee foregone revenue from tuition waivers in the biennial state appropriations act.))~~

Sec. 8. RCW 28B.15.202 and 1992 c 231 s 7 are each amended to read as follows:

Tuition fees and maximum services and activities fees at the University of Washington and at Washington State University for other than the summer term shall be as follows:

(1) For full time resident undergraduate students and all other full time resident students not in graduate study programs or enrolled in programs leading to the degrees of doctor of medicine, doctor of dental surgery, and doctor of veterinary medicine, the total tuition fees for the 1993-94 academic year shall be ((thirty-three)) thirty-six and three-tenths percent and thereafter total tuition fees

shall be forty-one and one-tenth percent of the per student undergraduate educational costs at the state universities computed as provided in RCW 28B.15.067 and 28B.15.070: PROVIDED, That the building fees for each academic year shall be one hundred and twenty dollars. Beginning with the 1995-96 academic year the building fee for each academic year shall be a percentage of total tuition fees. This percentage shall be calculated by the higher education coordinating board and be based on the actual percentage the building fee is of total tuition in the 1994-95 academic year, rounded up to the nearest half percent.

(2) For full time resident graduate and law students not enrolled in programs leading to the degrees of doctor of medicine, doctor of dental surgery, and doctor of veterinary medicine, the total tuition fees for the 1993-94 academic year shall be ((twenty-three)) twenty-five and two-tenths percent and thereafter total tuition fees shall be twenty-eight and four-tenths percent of the per student graduate educational costs at the state universities computed as provided in RCW 28B.15.067 and 28B.15.070: PROVIDED, That the building fees for each academic year shall be one hundred and twenty dollars. Beginning with the 1995-96 academic year the building fee for each academic year shall be a percentage of total tuition fees. This percentage shall be calculated by the higher education coordinating board and be based on the actual percentage the building fee is of total tuition in the 1994-95 academic year, rounded up to the nearest half percent.

(3) For full time resident students enrolled in programs leading to the degrees of doctor of medicine, doctor of dental surgery, and doctor of veterinary medicine, the total tuition fees shall be one hundred sixty-seven percent of such fees charged in subsection (2) of this section: PROVIDED, That the building fees for each academic year shall be three hundred and forty-two dollars. Beginning with the 1995-96 academic year the building fee for each academic year shall be a percentage of total tuition fees. This percentage shall be calculated by the higher education coordinating board and be based on the actual percentage the building fee is of total tuition in the 1994-95 academic year, rounded up to the nearest half percent.

(4) For full time nonresident undergraduate students and such other full time nonresident students not in graduate study programs or enrolled in programs leading to the degrees of doctor of medicine, doctor of dental surgery, or doctor of veterinary medicine, the total tuition fees for the 1993-94 academic year shall be one hundred nine and three-tenths percent and thereafter total tuition fees shall be one hundred twenty-two and nine-tenths percent of the per student undergraduate educational costs at the state universities computed as provided in RCW 28B.15.067 and 28B.15.070: PROVIDED, That the building fees for each academic year shall be three hundred and fifty-four dollars. Beginning with the 1995-96 academic year the building fee for each academic year shall be a percentage of total tuition fees. This percentage shall be calculated by the higher education coordinating board and be based on the actual percentage the building

fee is of total tuition in the 1994-95 academic year, rounded up to the nearest half percent.

(5) For full time nonresident graduate and law students not enrolled in programs leading to the degrees of doctor of medicine, doctor of dental surgery, and doctor of veterinary medicine, the total tuition fees for the 1993-94 academic year shall be sixty-five and six-tenths percent and thereafter total tuition fees shall be seventy-three and six-tenths percent of the per student graduate educational costs at the state universities computed as provided in RCW 28B.15.067 and 28B.15.070: PROVIDED, That the building fees for each academic year shall be three hundred and fifty-four dollars. Beginning with the 1995-96 academic year the building fee for each academic year shall be a percentage of total tuition fees. This percentage shall be calculated by the higher education coordinating board and be based on the actual percentage the building fee is of total tuition in the 1994-95 academic year, rounded up to the nearest half percent.

(6) For full time nonresident students enrolled in programs leading to the degrees of doctor of medicine, doctor of dental surgery, and doctor of veterinary medicine, the total tuition fees shall be one hundred sixty-seven percent of such fees charged in subsection (5) of this section: PROVIDED, That the building fees for each academic year shall be five hundred and fifty-five dollars. Beginning with the 1995-96 academic year the building fee for each academic year shall be a percentage of total tuition fees. This percentage shall be calculated by the higher education coordinating board and be based on the actual percentage the building fee is of total tuition in the 1994-95 academic year, rounded up to the nearest half percent.

(7) The governing boards of the state universities shall charge to and collect from each student, a services and activities fee. The governing board may increase the existing fee annually, consistent with budgeting procedures set forth in RCW 28B.15.045, by a percentage not to exceed the annual percentage increase in resident undergraduate tuition fees: PROVIDED, That such percentage increase shall not apply to that portion of the services and activities fee previously committed to the repayment of bonded debt. For the 1993-94 academic year, services and activities fees shall not exceed two hundred forty-three dollars per student. For the 1994-95 academic year, services and activities fees shall not exceed two hundred forty-nine dollars per student. The services and activities fee committee provided for in RCW 28B.15.045 may initiate a request to the governing board for a fee increase.

Sec. 9. RCW 28B.15.225 and 1992 c 231 s 8 are each amended to read as follows:

Subject to the limitations of RCW 28B.15.910, the governing board of the University of Washington may exempt the following students from the payment of all or a portion of the nonresident tuition fees differential: Students admitted to the university's school of medicine pursuant to contracts with the states of Alaska, Montana, or Idaho, or agencies thereof, providing for a program of

regionalized medical education conducted by the school of medicine; or students admitted to the university's school of dentistry pursuant to contracts with the states of Utah, Idaho, or any other western state which does not have a school of dentistry, or agencies thereof, providing for a program of regionalized dental education conducted by the school of dentistry. The proportional cost of the program, in excess of resident student tuition and fees, will be reimbursed to the university by or on behalf of participating states or agencies. Subject to the limitations of RCW 28B.15.910, the governing board of Washington State University may exempt from payment all or a portion of the nonresident tuition ~~((fees))~~ fees differential for any student admitted to the University of Washington's school of medicine and attending Washington State University as a participant in the Washington, Alaska, Montana, or Idaho program in this section. Washington State University may reduce the professional student tuition for students enrolled in this program by the amount the student pays the University of Washington as a registration fee.

~~((Before June 30, 1995, no individual waiver program under this section may be reduced by more than twice the percentage reduction required in operating fee foregone revenue from tuition waivers in the biennial state appropriations act.))~~

Sec. 10. RCW 28B.15.380 and 1992 c 231 s 9 are each amended to read as follows:

Subject to the limitations of RCW 28B.15.910, the governing boards of the state universities, the regional universities, and The Evergreen State College may exempt the following students from the payment of all or a portion of tuition fees and services and activities fees:

(1) All veterans as defined in RCW 41.04.005: PROVIDED, That such persons are no longer entitled to federal vocational or educational benefits conferred by virtue of their military service: AND PROVIDED FURTHER, That if any such veterans have not resided in this state for one year prior to registration, the board may exempt the student from paying up to fifty percent of the nonresident tuition fees differential. Such exemptions may be provided only to those persons otherwise covered who were enrolled in universities on or before October 1, 1977.

(2) Children of any law enforcement officer or fire fighter who lost his or her life or became totally disabled in the line of duty while employed by any public law enforcement agency or full time or volunteer fire department in this state: PROVIDED, That such persons may receive the exemption only if they begin their course of study at a state-supported college or university within ten years of their graduation from high school.

~~((Before June 30, 1995, no individual waiver program under this section may be reduced by more than twice the percentage reduction required in operating fee foregone revenue from tuition waivers in the biennial state appropriations act.))~~

Sec. 11. RCW 28B.15.402 and 1992 c 231 s 10 are each amended to read as follows:

Tuition fees and maximum services and activities fees at the regional universities and The Evergreen State College for other than the summer term shall be as follows:

(1) For full time resident undergraduate students and all other full time resident students not in graduate study programs, the total tuition fees for the 1993-94 academic year shall be ((~~twenty-five~~) twenty-seven and seven-tenths percent and thereafter total tuition fees shall be thirty-one and five-tenths percent of the per student undergraduate educational costs at the regional universities computed as provided in RCW 28B.15.067 and 28B.15.070: PROVIDED, That the building fees for each academic year shall be seventy-six dollars and fifty cents. Beginning with the 1995-96 academic year the building fee for each academic year shall be a percentage of total tuition fees. This percentage shall be calculated by the higher education coordinating board and be based on the actual percentage the building fee is of total tuition in the 1994-95 academic year, rounded up to the nearest half percent.

(2) For full time resident graduate students, the total tuition fees for the 1993-94 academic year shall be ((~~twenty-three~~) twenty-five and three-tenths percent and thereafter total tuition fees shall be twenty-eight and six-tenths percent of the per student graduate educational costs at the regional universities computed as provided in RCW 28B.15.067 and 28B.15.070: PROVIDED, That the building fees for each academic year shall be seventy-six dollars and fifty cents. Beginning with the 1995-96 academic year the building fee for each academic year shall be a percentage of total tuition fees. This percentage shall be calculated by the higher education coordinating board and be based on the actual percentage the building fee is of total tuition in the 1994-95 academic year, rounded up to the nearest half percent.

(3) For full time nonresident undergraduate students and all other full time nonresident students not in graduate study programs, the total tuition fees for the 1993-94 academic year shall be one hundred nine and four-tenths percent and thereafter total tuition fees shall be one hundred twenty-three percent of the per student undergraduate educational costs at the regional universities computed as provided in RCW 28B.15.067 and 28B.15.070: PROVIDED, That the building fees for each academic year shall be two hundred and ninety-five dollars and fifty cents. Beginning with the 1995-96 academic year the building fee for each academic year shall be a percentage of total tuition fees. This percentage shall be calculated by the higher education coordinating board and be based on the actual percentage the building fee is of total tuition in the 1994-95 academic year, rounded up to the nearest half percent.

(4) For full time nonresident graduate students, the total tuition fees for the 1993-94 academic year shall be ((~~seventy-five~~) eighty-two percent and thereafter total tuition fees shall be ninety-two percent of the per student graduate educational costs at the regional universities computed as provided in RCW

28B.15.067 and 28B.15.070: PROVIDED, That the building fees for each academic year shall be two hundred and ninety-five dollars and fifty cents. Beginning with the 1995-96 academic year the building fee for each academic year shall be a percentage of total tuition fees. This percentage shall be calculated by the higher education coordinating board and be based on the actual percentage the building fee is of total tuition in the 1994-95 academic year, rounded up to the nearest half percent.

(5) The governing boards of each of the regional universities and The Evergreen State College shall charge to and collect from each student, a services and activities fee. The governing board may increase the existing fee annually, consistent with budgeting procedures set forth in RCW 28B.15.045, by a percentage not to exceed the annual percentage increase in resident undergraduate tuition fees: PROVIDED, That such percentage increase shall not apply to that portion of the services and activities fee previously committed to the repayment of bonded debt. For the 1993-94 academic year, services and activities fees shall not exceed two hundred eight-four dollars per student. For the 1994-95 academic year, services and activities fees shall not exceed two hundred ninety dollars per student. The services and activities fee committee provided for in RCW 28B.15.045 may initiate a request to the governing board for a fee increase.

Sec. 12. RCW 28B.15.502 and 1992 c 231 s 11 are each amended to read as follows:

Tuition fees and maximum services and activities fees at each community college for other than the summer term shall be set by the state board for community and technical colleges as follows:

(1) For full time resident students, the total tuition fees for the 1993-94 academic year shall be ((~~twenty-three~~) twenty-five and four-tenths percent and thereafter total tuition fees shall be twenty-eight and eight-tenths percent of the per student educational costs at the community colleges computed as provided in RCW 28B.15.067 and 28B.15.070: PROVIDED, That the building fees for each academic year shall be one hundred and twenty-seven dollars and fifty cents. Beginning with the 1995-96 academic year the building fee for each academic year shall be a percentage of total tuition fees. This percentage shall be calculated by the higher education coordinating board and be based on the actual percentage the building fee is of total tuition in the 1994-95 academic year, rounded up to the nearest half percent.

(2) For full time nonresident students, the total tuition fees for the 1993-94 academic year shall be one hundred nine and three-tenths percent and thereafter total tuition fees shall be one hundred twenty-two and seven-tenths percent of the per student educational costs at the community colleges computed as provided in RCW 28B.15.067 and 28B.15.070: PROVIDED, That the building fees for each academic year shall be four hundred and three dollars and fifty cents. Beginning with the 1995-96 academic year the building fee for each academic year shall be a percentage of total tuition fees. This percentage shall be

calculated by the higher education coordinating board and be based on the actual percentage the building fee is of total tuition in the 1994-95 academic year, rounded up to the nearest half percent.

(3) The governing boards of each of the state community colleges shall charge to and collect from each student a services and activities fee. Each governing board may increase the existing fee annually, consistent with budgeting procedures set forth in RCW 28B.15.045, by a percentage not to exceed the annual percentage increase in resident student tuition fees: PROVIDED, That such percentage increase shall not apply to that portion of the services and activities fee previously committed to the repayment of bonded debt. For the 1993-94 academic year, services and activities fees shall not exceed one hundred twenty-eight dollars per student. For the 1994-95 academic year, services and activities fees shall not exceed one hundred thirty-one dollars per student. The services and activities fee committee provided for in RCW 28B.15.045 may initiate a request to the governing board for a fee increase.

(4) Tuition and services and activities fees consistent with subsection (3) of this section shall be set by the state board for community and technical colleges for summer school students unless the community college charges fees in accordance with RCW 28B.15.515.

Subject to the limitations of RCW 28B.15.910, each governing board may charge such fees for ungraded courses, noncredit courses, community services courses, and self-supporting courses as it, in its discretion, may determine, consistent with the rules and regulations of the state board for community and technical colleges.

~~((Before June 30, 1995, no individual waiver program under this section may be reduced by more than twice the percentage reduction required in operating fee foregone revenue from tuition waivers in the biennial state appropriations act.))~~

Sec. 13. RCW 28B.15.515 and 1991 c 353 s 1 are each amended to read as follows:

(1) The boards of trustees of the community college districts may operate summer schools on either a self-supporting or a state-funded basis.

If summer school is operated on a self-supporting basis, the fees charged shall be retained by the colleges, and shall be sufficient to cover the direct costs, which are instructional salaries and related benefits, supplies, publications, and records.

Community colleges that have self-supporting summer schools shall continue to receive general fund state support for vocational programs that require that students enroll in a four quarter sequence of courses that includes summer quarter due to clinical or laboratory requirements and for ungraded courses limited to adult basic education, vocational apprenticeship, aging and retirement, small business management, industrial first aid, and parent education.

(2)~~((a))~~ The board of trustees of a community college district may permit the district's state-funded, full-time equivalent enrollment level, as provided in

the ~~((operating budget))~~ omnibus state appropriations act, to vary ~~((by plus or minus two percent each fiscal year unless otherwise authorized in the operating budget appropriations act))~~. If the variance is above the state-funded level, the district may charge those students above the state-funded level a fee equivalent to the amount of tuition and fees that are charged students enrolled in state-funded courses. These fees shall be retained by the colleges.

~~((b) Any community college that in 1990-91 has an enrollment above the state-funded level but below the authorized variance may increase its excess enrollments to within the variance.~~

~~(c) Community colleges that currently have excess enrollments more than the authorized variance, by means of enrollments that would have otherwise been eligible for state funding, shall reduce those excess enrollments to within the authorized variance by September 1, 1995, in at least equal annual reductions, commencing with the 1991-92 fiscal year.~~

~~(d) Except as permitted by (c) of this subsection, should the number of student supported, full-time equivalent enrollments in any fiscal year fall outside the authorized variance, the college shall return by September 1st to the state general fund, an amount equal to the college's full average state appropriations per full-time equivalent student for such student-funded full-time equivalent outside the variance, unless otherwise provided in the operating budget appropriations act.)~~

(3) The state board for community and technical colleges ~~((education))~~ shall ensure compliance with this section.

NEW SECTION. Sec. 14. The following acts or parts of acts are each repealed:

(1) RCW 28B.15.824 and 1992 c 231 s 36;

(2) RCW 28B.35.361 and 1990 c 154 s 3, 1985 c 390 s 46, 1977 ex.s. c 322 s 12, & 1977 ex.s. c 169 s 59; and

(3) RCW 28B.40.361 and 1990 c 154 s 4, 1985 c 390 s 53, 1977 ex.s. c 322 s 11, 1977 ex.s. c 169 s 78, 1973 1st ex.s. c 191 s 3, 1971 ex.s. c 279 s 16, & 1969 ex.s. c 269 s 9.

NEW SECTION. Sec. 15. All moneys in the accounts established under RCW 28B.15.824 on the effective date of this section are hereby appropriated to the respective institutions of higher education for deposit in the institution's local account established under RCW 28B.15.031.

Sec. 16. RCW 28B.15.520 and 1992 c 231 s 12 are each amended to read as follows:

Subject to the limitations of RCW 28B.15.910, the governing boards of the community colleges may:

(1) Waive all or a portion of tuition fees and services and activities fees for:

(a) Students nineteen years of age or older who are eligible for resident tuition and fee rates as defined in RCW 28B.15.012 through 28B.15.015 and who

enroll in a course of study or program which will enable them to finish their high school education and obtain a high school diploma or certificate; and

(b) Children of any law enforcement officer or fire fighter who lost his or her life or became totally disabled in the line of duty while employed by any public law enforcement agency or full time or volunteer fire department in this state: PROVIDED, That such persons may receive the waiver only if they begin their course of study at a community college within ten years of their graduation from high school;

(2) Waive all or a portion of the nonresident tuition fees differential for:

(a) Nonresident students enrolled in a community college course of study or program which will enable them to finish their high school education and obtain a high school diploma or certificate. The waiver shall be in effect only for those courses which lead to a high school diploma or certificate; and

(b) Up to forty percent of the students enrolled in the regional education program for deaf students, subject to federal funding of such program.

~~((3) Before June 30, 1995, no individual waiver program under this section may be reduced by more than twice the percentage reduction required in operating fee foregone revenue from tuition waivers in the biennial state appropriations act.))~~

Sec. 17. RCW 28B.15.522 and 1992 c 231 s 13 are each amended to read as follows:

(1) The governing boards of the community colleges may waive all or a portion of the tuition and services and activities fees for persons under subsection (2) of this section pursuant to the following conditions:

(a) Such persons shall register for and be enrolled in courses on a space available basis and new course sections shall not be created as a result of the registration;

(b) Enrollment information on persons registered pursuant to this section shall be maintained separately from other enrollment information and shall not be included in official enrollment reports, nor shall such persons be considered in any enrollment statistics which would affect budgetary determinations; and

(c) Persons who enroll under this section shall have the same access to support services as do all other students and shall be subject to all course prerequisite requirements.

(2) A person is eligible for the waiver under subsection (1) of this section if the person:

(a) Meets the requirements for a resident student under RCW 28B.15.011 through 28B.15.015;

(b) Is twenty-one years of age or older;

(c) At the time of initial enrollment under subsection (1) of this section, has not attended an institution of higher education for the previous six months;

(d) Is not receiving or is not entitled to receive unemployment compensation of any nature under Title 50 RCW; and

(e) Has an income at or below the need standard established under chapter 74.04 RCW by the department of social and health services.

(3) The state board for community and technical colleges shall adopt rules to carry out this section.

~~((4) Before June 30, 1995, no individual waiver program under this section may be reduced by more than twice the percentage reduction required in operating fee foregone revenue from tuition waivers in the biennial state appropriations act.))~~

Sec. 18. RCW 28B.15.527 and 1992 c 231 s 14 are each amended to read as follows:

Subject to the limitations of RCW 28B.15.910, the governing boards of the community colleges may waive all or a portion of the nonresident tuition fees differential for undergraduate students of foreign nations as follows:

(1) Priority in the awarding of waivers shall be given to students on academic exchanges and students participating in special programs recognized through formal agreements between states, cities, or institutions;

(2) The waiver programs under this section shall promote reciprocal placements and waivers in foreign nations for Washington residents. The number of foreign students granted waivers through this program shall not exceed the number of that institution's own students enrolled in approved study programs abroad during the same period;

(3) No reciprocal placements shall be required for up to thirty students participating in the Georgetown University scholarship program funded by the United States agency for international development;

(4) Participation shall be limited to one hundred full-time foreign students each year.

~~((5) Before June 30, 1995, no individual waiver program under this section may be reduced by more than twice the percentage reduction required in operating fee foregone revenue from tuition waivers in the biennial state appropriations act.))~~

Sec. 19. RCW 28B.15.543 and 1992 c 231 s 17 are each amended to read as follows:

Subject to the limitations of RCW 28B.15.910, the governing boards of the state universities, the regional universities, The Evergreen State College, and the community colleges shall waive tuition and service and activities fees for recipients of the Washington scholars award under RCW 28A.600.100 through 28A.600.150 who received their awards before June 30, ~~((1992))~~ 1994. The governing boards may waive all or a portion of tuition and services and activities fees for those recipients of the Washington scholars award who received their awards after June 30, ~~((1992))~~ 1994. The waivers shall be used only for undergraduate studies. To qualify for the waiver, recipients shall enter the college or university within three years of high school graduation and maintain a minimum grade point average at the college or university equivalent to 3.30.

Students shall be eligible for waivers for a maximum of twelve quarters or eight semesters and may transfer among state-supported institutions of higher education during that period and continue to have the tuition and services and activities fees waived by the state-supported institution of higher education that the student attends. Should the student's cumulative grade point average fall below 3.30 during the first three quarters or two semesters, that student may petition the higher education coordinating board which shall have the authority to establish a probationary period until such time as the student's grade point average meets required standards.

~~((Before June 30, 1995, no individual waiver program under this section may be reduced by more than twice the percentage reduction required in operating fee foregone revenue from tuition waivers in the biennial state appropriations act.))~~

Sec. 20. RCW 28B.15.545 and 1992 c 231 s 18 are each amended to read as follows:

Subject to the limitations of RCW 28B.15.910, the governing boards of the state universities, the regional universities, The Evergreen State College, and the community colleges shall waive tuition and services and activities fees for those recipients of the Washington award for vocational excellence established under RCW 28C.04.520 through 28C.04.540 who received their awards before June 30, ~~((1992))~~ 1994. The governing boards may waive all or a portion of tuition and services and activities fees for those recipients of the Washington award for vocational excellence who received their awards after June 30, ~~((1992))~~ 1994. Each recipient shall not receive a waiver for more than six quarters or four semesters. To qualify for the waiver, recipients shall enter the college or university within three years of receiving the award. A minimum grade point average at the college or university equivalent to 3.00, or an above-average rating at a technical college, shall be required in the first year to qualify for the second-year waiver. The tuition waiver shall be granted for undergraduate studies only.

~~((Before June 30, 1995, no individual waiver program under this section may be reduced by more than twice the percentage reduction required in operating fee foregone revenue from tuition waivers in the biennial state appropriations act.))~~

Sec. 21. RCW 28B.15.556 and 1992 c 231 s 19 are each amended to read as follows:

Subject to the limitations of RCW 28B.15.910, the governing boards of the state universities, the regional universities, and The Evergreen State College may waive all or a portion of the tuition, and services and activities fees for undergraduate or graduate students of foreign nations subject to the following limitations:

(1) No more than the equivalent of one hundred waivers may be awarded to undergraduate or graduate students of foreign nations at each of the two state universities;

(2) No more than the equivalent of twenty waivers may be awarded to undergraduate or graduate students of foreign nations at each of the regional universities and The Evergreen State College;

(3) Priority in the awarding of waivers shall be given to students on academic exchanges or academic special programs sponsored by recognized international educational organizations; and

(4) An undergraduate or graduate student of a foreign nation receiving a waiver under this section is not eligible for any other waiver.

The waiver programs under this section, to the greatest extent possible, shall promote reciprocal placements and waivers in foreign nations for Washington residents. The number of waivers awarded by each institution shall not exceed the number of that institution's own students enrolled in approved study programs abroad during the same period.

~~((5) Before June 30, 1995, no individual waiver program under this section may be reduced by more than twice the percentage reduction required in operating fee foregone revenue from tuition waivers in the biennial state appropriations act.))~~

Sec. 22. RCW 28B.15.600 and 1991 c 164 s 5 are each amended to read as follows:

The ~~((boards of regents))~~ governing boards of the ~~((state's))~~ state universities ~~((and the boards of trustees of))~~, the regional universities ~~((and))~~, The Evergreen State College, and the community colleges may refund or cancel in full the tuition and services and activities fees if the student withdraws from a university or college course or program prior to the sixth day of instruction of the quarter or semester for which ~~((said))~~ the fees have been paid or are due. If the student withdraws on or after the sixth day of instruction, ~~((said))~~ the governing boards ~~((of regents and trustees))~~ may refund or cancel up to one-half of ~~((said))~~ the fees, provided such withdrawal occurs within the first thirty calendar days following the beginning of instruction. However, if a different policy is required by federal law in order for the institution of higher education to maintain eligibility for federal funding of programs, the governing board may adopt a refund policy that meets the minimum requirements of the federal law, and the policy may treat all students attending the institution in the same manner.

The ~~((regents or trustees))~~ governing boards of the respective universities and colleges may adopt rules for the refund of tuition and fees for courses or programs that begin after the start of the regular quarter or semester. ~~((Said))~~ The governing boards ~~((of regents and trustees))~~ may adopt rules to comply with RCW 28B.15.623 and may extend the refund or cancellation period for students who withdraw for medical reasons or who are called into the military service of the United States(-

~~Said boards of regents and trustees))~~ and may refund other fees pursuant to such rules as they may prescribe.

Sec. 23. RCW 28B.15.615 and 1992 c 231 s 21 are each amended to read as follows:

Subject to the limitations of RCW 28B.15.910, the governing boards of the state universities and the regional universities may exempt the following students from paying all or a portion of the resident operating fee: Students granted a graduate service appointment, designated as such by the institution, involving not less than twenty hours of work per week. The exemption shall be for the term of the appointment. The stipend paid to persons holding graduate student appointments from nonstate funds shall be reduced and the institution reimbursed from such funds in an amount equal to the resident operating fee which funds shall be transmitted to the general fund.

~~((Before June 30, 1995, no individual waiver program under this section may be reduced by more than twice the percentage reduction required in operating fee foregone revenue from tuition waivers in the biennial state appropriations act.))~~

Sec. 24. RCW 28B.15.620 and 1992 c 231 s 22 are each amended to read as follows:

Subject to the limitations of RCW 28B.15.910, the governing boards of the state universities, the regional universities, The Evergreen State College, and the community colleges may exempt veterans of the Vietnam conflict who have served in the southeast Asia theater of operations from the payment of any increase in tuition and fees otherwise applicable to any other resident or nonresident student. In such cases, the veteran shall not be required to pay more than the total amount of tuition and fees paid by veterans of the Vietnam conflict on October 1, 1977: PROVIDED, That for the purposes of this exemption, "veterans of the Vietnam conflict" shall be those persons who have been on active federal service as a member of the armed military or naval forces of the United States between a period commencing August 5, 1964, and ending on May 7, 1975, and who qualify as a resident student under RCW 28B.15.012, and who enrolled in state institutions of higher education on or before May 7, 1990. This section shall expire June 30, 1995.

~~((Before June 30, 1995, no individual waiver program under this section may be reduced by more than twice the percentage reduction required in operating fee foregone revenue from tuition waivers in the biennial state appropriations act.))~~

Sec. 25. RCW 28B.15.628 and 1992 c 231 s 23 are each amended to read as follows:

Subject to the limitations of RCW 28B.15.910, the governing boards of the state universities, the regional universities, The Evergreen State College, and the community colleges may exempt veterans of the Persian Gulf combat zone from increases in tuition and fees that occur during and after their period of service. In such cases, the veteran shall not be required to pay more than the total amount of tuition and fees established for the 1990-91 academic year, if the veteran

could have qualified as a Washington resident student under RCW 28B.15.012(2), had he or she been enrolled as a student on August 1, 1990, and if the veteran's adjusted gross family income as most recently reported to the internal revenue service does not exceed Washington state's median family income as established by the federal bureau of the census. For the purposes of this section, "a veteran of the Persian Gulf combat zone" means a person who during any portion of calendar year 1991, served in active federal service as a member of the armed military or naval forces of the United States in a combat zone as designated by the president of the United States by executive order.

~~((Before June 30, 1995, no individual waiver program under this section may be reduced by more than twice the percentage reduction required in operating fee foregone revenue from tuition waivers in the biennial state appropriations act.))~~

Sec. 26. RCW 28B.15.725 and 1992 c 231 s 24 are each amended to read as follows:

Subject to the limitations of RCW 28B.15.910, the governing boards of the state universities, the regional universities, and The Evergreen State College may enter into undergraduate upper division student exchange agreements with comparable public four-year institutions of higher education of other states and agree to exempt participating undergraduate upper division students from payment of all or a portion of the nonresident tuition fees differential subject to the following restrictions:

(1) In any given academic year, the number of students receiving a waiver at a state institution shall not exceed the number of that institution's students receiving nonresident tuition waivers at participating out-of-state institutions. Waiver imbalances that may occur in one year shall be off-set in the year immediately following.

(2) Undergraduate upper division student participation in an exchange program authorized by this section is limited to one academic year.

~~((Before June 30, 1995, no individual waiver program under this section may be reduced by more than twice the percentage reduction required in operating fee foregone revenue from tuition waivers in the biennial state appropriations act.))~~

Sec. 27. RCW 28B.15.730 and 1992 c 231 s 25 are each amended to read as follows:

Subject to the limitations of RCW 28B.15.910, the state board for community and technical colleges and the governing boards of the state universities, the regional universities, the community colleges, and The Evergreen State College may waive all or a portion of the nonresident tuition fees differential for residents of Oregon, upon completion of and to the extent permitted by an agreement between the higher education coordinating board and appropriate officials and agencies in Oregon granting similar waivers for residents of the state of Washington.

~~((Before June 30, 1995, no individual waiver program under this section may be reduced by more than twice the percentage reduction required in operating fee foregone revenue from tuition waivers in the biennial state appropriations act.))~~

Sec. 28. RCW 28B.15.740 and 1992 c 231 s 26 are each amended to read as follows:

Subject to the limitations of RCW 28B.15.910, the governing boards of the state universities, the regional universities, The Evergreen State College, and the community colleges may waive all or a portion of tuition and fees subject to the following restrictions:

(1) Except as provided in subsection (2) of this section, the total dollar amount of tuition and fee waivers awarded by the governing boards shall not exceed four percent, except for the community colleges considered as a whole, such amount shall not exceed three percent of an amount determined by estimating the total collections from tuition and services and activities fees had no such waivers been made, and deducting the portion of that total amount that is attributable to the difference between resident and nonresident fees: **PROVIDED**, That at least three-fourths of the dollars waived shall be for needy students who are eligible for resident tuition and fee rates pursuant to RCW 28B.15.012 ~~((through 28B.15.015))~~ and 28B.15.013: **PROVIDED FURTHER**, That the remainder of the dollars waived, not to exceed one-fourth of the total, may be applied to other students at the discretion of the governing boards, except on the basis of participation in intercollegiate athletic programs: **PROVIDED FURTHER**, That the waivers for undergraduate and graduate students of foreign nations under RCW 28B.15.556 are not subject to the limitation under this section.

(2) In addition to the tuition and fee waivers provided in subsection (1) of this section and subject to the provisions of RCW 28B.15.455 and 28B.15.460, a total dollar amount of tuition and fee waivers awarded by any state university, regional university, or state college under this chapter, not to exceed one percent, as calculated in subsection (1) of this section, may be used for the purpose of achieving or maintaining gender equity in intercollegiate athletic programs. At any institution that has an underrepresented gender class in intercollegiate athletics, any such waivers shall be awarded:

(a) First, to members of the underrepresented gender class who participate in intercollegiate athletics, where such waivers result in saved or displaced money that can be used for athletic programs for the underrepresented gender class. Such saved or displaced money shall be used for programs for the underrepresented gender class; and

(b) Second, (i) to nonmembers of the underrepresented gender class who participate in intercollegiate athletics, where such waivers result in saved or displaced money that can be used for athletic programs for members of the underrepresented gender class. Such saved or displaced money shall be used for programs for the underrepresented gender class; or (ii) to members of the

underrepresented gender class who participate in intercollegiate athletics, where such waivers do not result in any saved or displaced money that can be used for athletic programs for members of the underrepresented gender class.

~~((3) Before June 30, 1995, no individual waiver program under this section may be reduced by more than twice the percentage reduction required in operating fee foregone revenue from tuition waivers in the biennial state appropriations act.))~~

Sec. 29. RCW 28B.15.750 and 1992 c 231 s 27 are each amended to read as follows:

Subject to the limitations of RCW 28B.15.910, the governing boards of the state universities, the regional universities, and The Evergreen State College and the state board for community and technical colleges may waive all or a portion of the nonresident tuition fees differential for residents of Idaho, upon completion of and to the extent permitted by an agreement between the higher education coordinating board and appropriate officials and agencies in Idaho granting similar waivers for residents of the state of Washington.

~~((Before June 30, 1995, no individual waiver program under this section may be reduced by more than twice the percentage reduction required in operating fee foregone revenue from tuition waivers in the biennial state appropriations act.))~~

Sec. 30. RCW 28B.15.756 and 1992 c 231 s 28 are each amended to read as follows:

Subject to the limitations of RCW 28B.15.910, the governing boards of the state universities, the regional universities, and The Evergreen State College and the state board for community and technical colleges may waive all or a portion of the nonresident tuition fees differential for residents of the Canadian province of British Columbia, upon completion of and to the extent permitted by an agreement between the higher education coordinating board and appropriate officials and agencies in the Canadian province of British Columbia providing for enrollment opportunities for residents of the state of Washington without payment of tuition or fees in excess of those charged to residents of British Columbia.

~~((Before June 30, 1995, no individual waiver program under this section may be reduced by more than twice the percentage reduction required in operating fee foregone revenue from tuition waivers in the biennial state appropriations act.))~~

Sec. 31. RCW 28B.15.910 and 1992 c 231 s 33 are each amended to read as follows:

(1) Except for revenue waived under programs listed in subsection (3) of this section, and unless otherwise expressly provided in the omnibus state appropriations act, the total amount of operating fees revenue waived, exempted, or reduced by a state university, a regional university, The Evergreen State College, or the community colleges as a whole, shall not exceed the percentage

of total (~~(net)~~) gross authorized operating fees revenue set forth below. As used in this section, "~~(net)~~ gross authorized operating fees revenue" means the estimated gross operating fees revenue as estimated under RCW 82.33.020 or as revised by the office of financial management, before granting any waivers(~~(; minus obligations under RCW 28B.15.820)~~). This limitation applies to all tuition waiver programs established before or after July 1, 1992.

- | | |
|-----------------------------------|------------|
| (a) University of Washington | 21 percent |
| (b) Washington State University | 20 percent |
| (c) Eastern Washington University | 11 percent |
| (d) Central Washington University | 8 percent |
| (e) Western Washington University | 10 percent |
| (f) The Evergreen State College | 6 percent |
| (g) Community colleges as a whole | 35 percent |

(2) The limitations in subsection (1) of this section apply to waivers, exemptions, or reductions in operating fees contained in the following:

- (a) RCW 28B.10.265;
- (b) RCW 28B.15.014;
- (c) RCW 28B.15.100;
- (d) RCW 28B.15.225;
- (e) RCW 28B.15.380;
- (f) Ungraded courses under RCW 28B.15.502(4);
- (g) RCW 28B.15.520;
- (h) RCW 28B.15.526;
- (i) RCW 28B.15.527;
- (j) RCW 28B.15.543;
- (k) RCW 28B.15.545;
- (l) RCW 28B.15.555;
- (m) RCW 28B.15.556;
- (n) RCW 28B.15.615;
- (o) RCW 28B.15.620;
- (p) RCW 28B.15.628;
- (q) RCW 28B.15.725;
- (r) RCW 28B.15.730;
- (s) RCW 28B.15.740;
- (t) RCW 28B.15.750;
- (u) RCW 28B.15.756;
- (v) RCW 28B.50.259;
- (w) RCW 28B.70.050; and
- (x) RCW 28B.80.580.

(3) The limitations in subsection (1) of this section do not apply to waivers, exemptions, or reductions in services and activities fees contained in the following:

- (a) RCW 28B.15.522;
- (b) RCW 28B.15.535;

- (c) RCW 28B.15.540; and
- (d) RCW 28B.15.558.

Sec. 32. RCW 28B.50.259 and 1992 c 231 s 29 are each amended to read as follows:

(1) The state board for community and technical colleges shall administer a program designed to provide higher education opportunities to dislocated forest products workers and their unemployed spouses who are enrolled in a community or technical college for ten or more credit hours per quarter. In administering the program, the college board shall have the following powers and duties:

(a) With the assistance of an advisory committee, design a procedure for selecting dislocated forest products workers to participate in the program;

(b) Allocate funding to community and technical colleges attended by participants;

(c) Monitor the program and report on participants' progress and outcomes; and

(d) Report to the legislature by December 1, 1993, on the status of the program.

(2) Unemployed spouses of eligible dislocated forest products workers may participate in the program, but tuition and fees may be waived under the program only for the worker or the spouse and not both.

(3) Subject to the limitations of RCW 28B.15.910, the governing boards of the community and technical colleges may waive all or a portion of tuition and fees for program participants, for a maximum of six quarters within a two-year period.

(4) During any biennium, the number of full-time equivalent students to be served in this program shall be determined by the applicable omnibus appropriations act, and shall be in addition to the community college enrollment level funded by the applicable omnibus appropriations act.

~~((5) Before June 30, 1995, no individual waiver program under this section may be reduced by more than twice the percentage reduction required in operating fee foregone revenue from tuition waivers in the biennial state appropriations act.))~~

Sec. 33. RCW 28B.70.050 and 1992 c 231 s 30 are each amended to read as follows:

When said compact becomes operative the governing board of each institution of higher education in this state, to the extent necessary to conform with the terms of the contractual agreement, subject to the limitations of RCW 28B.15.910, may exempt from payment all or a portion of the nonresident tuition fees differential, any student admitted to such institution under the terms of a contractual agreement entered into with the commission in accord with the provisions of Article VIII(a) of the compact.

~~((Before June 30, 1995, no individual waiver program under this section may be reduced by more than twice the percentage reduction required in~~

~~operating fee foregone revenue from tuition waivers in the biennial state appropriations act.))~~

Sec. 34. RCW 28B.80.580 and 1992 c 231 s 31 are each amended to read as follows:

(1) The board shall contract with institutions of higher education to provide upper division classes to serve additional placebound students in the timber impact areas meeting the following criteria, as determined by the employment security department: (a) A lumber and wood products employment location quotient at or above the state average; (b) a direct lumber and wood products job loss of one hundred positions or more; and (c) an annual unemployment rate twenty percent above the state average; and which are not served by an existing state-funded upper division degree program. The number of full-time equivalent students served in this manner shall be determined by the applicable omnibus appropriations act. The board may direct that all the full-time equivalent enrollments be served in one of the eligible timber impact areas if it should determine that this would be the most viable manner of establishing the program and using available resources. The institutions shall utilize telecommunication technology, if available, to carry out the purposes of this section. Subject to the limitations of RCW 28B.15.910, the institutions providing the service may waive all or a portion of the tuition, ~~((and))~~ and service and activities fees for dislocated forest products workers or their unemployed spouses enrolled as one of the full-time equivalent students allocated to the college under this section.

(2) Unemployed spouses of eligible dislocated forest products workers may participate in the program, but tuition and fees may be waived under the program only for the worker or the spouse and not both.

(3) Subject to the limitations of RCW 28B.15.910, for any eligible participant, all or a portion of tuition may be waived for a maximum of four semesters or six quarters within a two-year time period. The participant must be enrolled for a minimum of ten credits per semester or quarter.

~~((Before June 30, 1995, no individual waiver program under this section may be reduced by more than twice the percentage reduction required in operating fee foregone revenue from tuition waivers in the biennial state appropriations act.))~~

Sec. 35. RCW 28B.101.040 and 1990 c 288 s 6 are each amended to read as follows:

Grants may be used by eligible participants to attend any public or private college or university in the state of Washington that has an existing unused capacity. Grants shall not be used to attend any branch campus or educational program established under chapter 28B.45 RCW. The participant shall not be eligible for a grant if it will be used for any programs that include religious worship, exercise, or instruction or to pursue a degree in theology. Each participating student may receive up to two thousand five hundred dollars per academic year, not to exceed the student's demonstrated financial need for the

course of study. Resident students as defined in RCW 28B.15.012(2)(e) are not eligible for grants under this chapter.

Sec. 36. RCW 28B.102.020 and 1987 c 437 s 2 are each amended to read as follows:

Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Conditional scholarship" means a loan that is forgiven in whole or in part if the recipient renders service as a teacher in the public schools of this state.

(2) "Institution of higher education" or "institution" means a college or university in the state of Washington which is accredited by an accrediting association recognized as such by rule of the higher education coordinating board.

(3) "Board" means the higher education coordinating board.

(4) "Eligible student" means a student who is registered for at least ten credit hours or the equivalent, demonstrates achievement of at least a 3.30 grade point average for students entering an institution of higher education directly from high school or maintains at least a 3.00 grade point average or the equivalent for each academic year in an institution of higher education, is a resident student as defined by RCW 28B.15.012 (~~through 28B.15.015~~) and 28B.15.013, and has a declared intention to complete an approved preparation program leading to initial teacher certification or required for earning an additional endorsement, or a college or university graduate who meets the same credit hour requirements and is seeking an additional teaching endorsement or initial teacher certification. Resident students defined in RCW 28B.15.012(2)(e) are not eligible students under this chapter.

(5) "Public school" means an elementary school, a middle school, junior high school, or high school within the public school system referred to in Article IX of the state Constitution.

(6) "Forgiven" or "to forgive" or "forgiveness" means to render service as a teacher at a public school in the state of Washington in lieu of monetary repayment.

(7) "Satisfied" means paid-in-full.

(8) "Participant" means an eligible student who has received a conditional scholarship under this chapter.

(9) "Targeted ethnic minority" means a group of Americans with a common ethnic or racial heritage selected by the board for program consideration due to societal concerns such as high dropout rates or low rates of college participation by members of the group.

Sec. 37. RCW 82.04.170 and 1992 c 206 s 1 are each amended to read as follows:

"Tuition fee" includes library, laboratory, health service and other special fees, and amounts charged for room and board by an educational institution when

the property or service for which such charges are made is furnished exclusively to the students or faculty of such institution. "Educational institution," as used in this section, means only those institutions created or generally accredited as such by the state and includes educational programs that such educational institution cosponsors with a nonprofit organization, as defined by the internal revenue code Sec. 501(c)(3), if such educational institution grants college credit for coursework successfully completed through the educational program, or defined as a degree granting institution under RCW 28B.85.010(3) and accredited by an accrediting association recognized by the United States secretary of education, and offering to students an educational program of a general academic nature or those institutions which are not operated for profit and which are privately endowed under a deed of trust to offer instruction in trade, industry, and agriculture, but not including specialty schools, business colleges, other trade schools, or similar institutions.

NEW SECTION. Sec. 38. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect July 1, 1993.

Passed the Senate May 5, 1993.

Passed the House May 5, 1993.

Approved by the Governor May 28, 1993.

Filed in Office of Secretary of State May 28, 1993.

CHAPTER 19

[Second Engrossed Senate Bill 5983]

AGRICULTURAL LICENSING AND REGISTRATION FEES INCREASED

Effective Date: 8/5/93

AN ACT Relating to fees; and amending RCW 15.36.105, 15.53.9014, 15.58.415, 17.21.070, 17.21.110, 17.21.122, 17.21.126, 17.21.129, 17.21.220, 17.21.360, 69.07.040, and 69.25.250.

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

Sec. 1. RCW 15.36.105 and 1992 c 160 s 1 are each amended to read as follows:

There is levied on all milk processed in this state an assessment not to exceed ~~((one-half))~~ fifty-four one-hundredths of one cent per hundredweight. The director shall determine, by rule, an assessment, that with contribution from the general fund, will support an inspection program to maintain compliance with the provisions of the pasteurized milk ordinance of the national conference on interstate milk shipment. All assessments shall be levied on the operator of the first milk plant receiving the milk for processing. This shall include milk plants that produce their own milk for processing and milk plants that receive milk from other sources. All moneys collected under this section shall be paid to the director by the twentieth day of the succeeding month for the previous month's

assessments. The director shall deposit the funds into the dairy inspection account hereby created within the agricultural local fund established in RCW 43.23.230. The funds shall be used only to provide inspection services to the dairy industry. If the operator of a milk plant fails to remit any assessments, that sum shall be a lien on any property owned by him or her, and shall be reported by the director and collected in the manner and with the same priority over other creditors as prescribed for the collection of delinquent taxes under chapters 84.60 and 84.64 RCW.

This section shall take effect July 1, 1992, and shall expire June 30, 1994.

Sec. 2. RCW 15.53.9014 and 1982 c 177 s 2 are each amended to read as follows:

(1) Each commercial feed shall be registered with the department and such registration shall be renewed annually before such commercial feed may be distributed in this state: PROVIDED, That sales of food processing byproducts from fruit, vegetable, or potato processing plants, freezing or dehydrating facilities, or juice or jelly preserving plants; unmixed seed, whole or processed, made directly from the entire seed; unground hay, straw, stover, silage, cobs, husks, and hulls, when not mixed with other material; bona fide experimental feeds on which accurate records and experimental programs are maintained; and customer-formula feeds are exempt from such registration. The exemption for byproducts provided by this subsection does not apply to byproducts or products of sugar refineries or to materials used in the preparation of pet foods.

(a) Beginning July 1, (~~1982~~) 1993, each registration for a commercial feed product distributed in packages of ten pounds or more shall be accompanied by a fee of (~~ten~~) eleven dollars. If such commercial feed is also distributed in packages of less than ten pounds it shall be registered under subsection (b) of this section.

(b) Beginning July 1, (~~1982~~) 1993, each registration for a commercial feed product distributed in packages of less than ten pounds shall be accompanied by an annual registration fee of forty-five dollars on each such commercial feed so distributed, but no inspection fee may be collected on packages of less than ten pounds of the commercial feed so registered.

(2) The application for registration shall be on forms provided by the department.

(3) The department may require that such application be accompanied by a label and/or other printed matter describing the product. All registrations expire on December 31st of each year, and are renewable unless such registration is canceled by the department or it has called for a new registration, or unless canceled by the registrant.

(4) The application shall include the information required by RCW 15.53.9016(1)(b) through (1)(e).

(5) A distributor shall not be required to register any commercial feed brand or product which is already registered under the provisions of this chapter.

(6) Changes in the guarantee of either chemical or ingredient composition of a commercial feed registered under the provisions of this chapter may be permitted if there is satisfactory evidence that such changes would not result in a lowering of the feed value of the product for the purpose for which designed.

(7) The department is empowered to refuse registration of any application not in compliance with the provisions of this chapter and to cancel any registration subsequently found to be not in compliance with any provisions of this chapter, but a registration shall not be refused or canceled until the registrant has been given opportunity to be heard before the department and to amend his application in order to comply with the requirements of this chapter.

(8) If an application for renewal of the registration provided for in this section is not filed prior to January 1st of any one year, a penalty of ten dollars shall be assessed and added to the original fee and shall be paid by the applicant before the renewal registration may be issued, unless the applicant furnishes an affidavit that he has not distributed this feed subsequent to the expiration of his or her prior registration.

Sec. 3. RCW 15.58.415 and 1989 c 380 s 32 are each amended to read as follows:

Each registration and licensing fee under this chapter is increased by a surcharge of ~~((five))~~ six dollars to be deposited in the ~~((agriculture—))~~ agricultural local fund, provided that an additional one-time surcharge of five dollars shall be collected on January 1, 1990. The revenue raised by the imposition of this surcharge shall be used to assist in funding the pesticide incident reporting and tracking review panel, department of social and health services' pesticide investigations, and the department of agriculture's pesticide investigations.

Sec. 4. RCW 17.21.070 and 1991 c 109 s 30 are each amended to read as follows:

It shall be unlawful for any person to engage in the business of applying pesticides to the land of another without a commercial pesticide applicator license. Application for the license shall be accompanied by a fee of one hundred ~~((twenty-five))~~ thirty-six dollars and in addition a fee of ~~((ten))~~ eleven dollars for each apparatus, exclusive of one, used by the applicant in the application of pesticides: PROVIDED, That the provisions of this section shall not apply to any person employed only to operate any apparatus used for the application of any pesticide, and in which such person has no financial interest or other control over such apparatus other than its day to day mechanical operation for the purpose of applying any pesticide. Commercial pesticide applicator licenses shall expire annually on a date set by rule by the director. License fees shall be prorated where necessary to accommodate staggering of expiration dates of a license or licenses.

Sec. 5. RCW 17.21.110 and 1992 c 170 s 5 are each amended to read as follows:

It shall be unlawful for any person to act as an employee of a commercial pesticide applicator and apply pesticides manually or as the operator directly in charge of any apparatus which is licensed or should be licensed under the provisions of this chapter for the application of any pesticide, without having obtained a commercial pesticide operator license from the director. The commercial pesticide operator license shall be in addition to any other license or permit required by law for the operation or use of any such apparatus. Application for a commercial operator license shall be accompanied by a license fee of thirty-three dollars. The provisions of this section shall not apply to any individual who is a licensed commercial pesticide applicator. Commercial pesticide operator licenses shall expire annually on a date set by rule by the director. License fees shall be prorated where necessary to accommodate staggering of expiration dates of a license or licenses.

Sec. 6. RCW 17.21.122 and 1992 c 170 s 6 are each amended to read as follows:

It shall be unlawful for any person to act as a private-commercial applicator without having obtained a private-commercial applicator license from the director. Application for a private-commercial applicator license shall be accompanied by a license fee of ~~((fifteen))~~ seventeen dollars before a license may be issued. Private-commercial applicator licenses issued by the director shall be annual licenses expiring on a date set by rule by the director. License fees shall be prorated where necessary to accommodate staggering of expiration dates of a license or licenses.

Sec. 7. RCW 17.21.126 and 1992 c 170 s 7 are each amended to read as follows:

It shall be unlawful for any person to act as a private applicator without first complying with the certification requirements determined by the director as necessary to prevent unreasonable adverse effects on the environment, including injury to the applicator or other persons, for that specific pesticide use. Certification standards to determine the individual's competency with respect to the use and handling of the pesticide or class of pesticides the private applicator is to be certified to use shall be relative to hazards according to RCW 17.21.030 as now or hereafter amended. In determining these standards the director shall take into consideration standards of the EPA and is authorized to adopt by rule these standards. Application for private applicator certification shall be accompanied by a license fee of ~~((fifteen))~~ seventeen dollars before a certification may be issued. Individuals with a valid certified applicator license, pest control consultant license, or dealer manager license who qualify in the appropriate license categories are exempt from this fee requirement provided that licensed public operators exempted from that license fee requirement are not exempted from the private applicator fee requirement. Private applicator certification issued by the director shall expire annually on a date set by rule by

the director. License fees shall be prorated where necessary to accommodate staggering of expiration dates of a license or licenses.

Sec. 8. RCW 17.21.129 and 1992 c 170 s 8 are each amended to read as follows:

Except as provided in RCW 17.21.203(1), it is unlawful for a person to use or supervise the use of any pesticide which is restricted to use by certified applicators, on small experimental plots for research purposes when no charge is made for the pesticide and its application, without a demonstration and research applicator's license.

A license fee of (~~(fifteen)~~) seventeen dollars shall be paid before a demonstration and research license may be issued. The demonstration and research applicator license shall be an annual license expiring on a date set by rule by the director. License fees shall be prorated where necessary to accommodate staggering of expiration dates of a license or licenses.

Sec. 9. RCW 17.21.220 and 1991 c 109 s 37 are each amended to read as follows:

(1) All state agencies, municipal corporations, and public utilities or any other governmental agency shall be subject to the provisions of this chapter and rules adopted thereunder concerning the application of pesticides.

(2) It shall be unlawful for any employee of a state agency, municipal corporation, public utility, or any other government agency to use or to supervise the use of any pesticide restricted to use by certified applicators, or any pesticide by means of an apparatus, without having obtained a public operator license from the director. A license fee of (~~(fifteen)~~) seventeen dollars shall be paid before a public operator license may be issued. The license fee shall not apply to public operators licensed and working in the health vector field. Public operator licenses shall expire annually on a date set by rule by the director. License fees shall be prorated where necessary to accommodate staggering of expiration dates of a license or licenses. The public operator license shall be valid only when the operator is acting as an employee of a government agency.

(3) The jurisdictional health officer or his or her duly authorized representative is exempt from this licensing provision when applying pesticides not restricted to use by certified applicators to control pests other than weeds.

(4) Such agencies, municipal corporations and public utilities shall be subject to legal recourse by any person damaged by such application of any pesticide, and such action may be brought in the county where the damage or some part thereof occurred.

Sec. 10. RCW 17.21.360 and 1989 c 380 s 66 are each amended to read as follows:

Each registration and licensing fee under this chapter is increased by a surcharge of (~~(five)~~) six dollars to be deposited in the (~~(agriculture)~~) agricultural local fund, provided that an additional one-time surcharge of five dollars shall be collected on January 1, 1990. The revenue raised by the imposition of this

surcharge shall be used to assist in funding the pesticide incident reporting and tracking review panel, department of social and health services' pesticide investigations, and the department of agriculture's pesticide investigations.

Sec. 11. RCW 69.07.040 and 1992 c 160 s 3 are each amended to read as follows:

It shall be unlawful for any person to operate a food processing plant or process foods in the state without first having obtained an annual license from the department, which shall expire on a date set by rule by the director. License fees shall be prorated where necessary to accommodate staggering of expiration dates. Application for a license shall be on a form prescribed by the director and accompanied by the license fee. The license fee is determined by computing the gross annual sales for the accounting year immediately preceding the license year. If the license is for a new operator, the license fee shall be based on an estimated gross annual sales for the initial license period.

If gross annual sales are:	The license fee is:
\$0 to \$50,000	\$(50.00) <u>55.00</u>
\$50,001 to \$500,000	\$(100.00) <u>110.00</u>
\$500,001 to \$1,000,000	\$(200.00) <u>220.00</u>
\$1,000,001 to \$5,000,000	\$(350.00) <u>385.00</u>
\$5,000,001 to \$10,000,000	\$(500.00) <u>550.00</u>
Greater than \$10,000,000	\$(750.00) <u>825.00</u>

Such application shall include the full name of the applicant for the license and the location of the food processing plant he or she intends to operate. If such applicant is an individual, receiver, trustee, firm, partnership, association or corporation, the full name of each member of the firm or partnership, or names of the officers of the association or corporation shall be given on the application. Such application shall further state the principal business address of the applicant in the state and elsewhere and the name of a person domiciled in this state authorized to receive and accept service of summons of legal notices of all kinds for the applicant. The application shall also specify the type of food to be processed and the method or nature of processing operation or preservation of that food and any other necessary information. Upon the approval of the application by the director and compliance with the provisions of this chapter, including the applicable regulations adopted hereunder by the department, the applicant shall be issued a license or renewal thereof.

Licenses shall be issued to cover only those products, processes, and operations specified in the license application and approved for licensing. Wherever a license holder wishes to engage in processing a type of food product that is different than the type specified on the application supporting the licensee's existing license and processing that type of food product would require a major addition to or modification of the licensee's processing facilities or has a high potential for harm, the licensee shall submit an amendment to the current license application. In such a case, the licensee may engage in processing the

new type of food product only after the amendment has been approved by the department.

If upon investigation by the director, it is determined that a person is processing food for retail sale and is not under permit, license, or inspection by a local health authority, then that person may be considered a food processor and subject to the provisions of this chapter.

Sec. 12. RCW 69.25.250 and 1975 1st ex.s. c 201 s 26 are each amended to read as follows:

There is hereby levied an assessment not to exceed (~~two and one-half~~) three mills per dozen eggs entering intrastate commerce, as prescribed by rules and regulations issued by the director. Such assessment shall be applicable to all eggs entering intrastate commerce except as provided in RCW 69.25.170 and 69.25.290. Such assessment shall be paid to the director on a monthly basis on or before the tenth day following the month such eggs enter intrastate commerce. The director may require reports by egg handlers or dealers along with the payment of the assessment fee. Such reports may include any and all pertinent information necessary to carry out the purposes of this chapter. The director may, by regulations, require egg container manufacturers to report on a monthly basis all egg containers sold to any egg handler or dealer and bearing such egg handler or dealer's license number.

Passed the Senate May 5, 1993.

Passed the House May 5, 1993.

Approved by the Governor May 28, 1993.

Filed in Office of Secretary of State May 28, 1993.

CHAPTER 20

[Engrossed Senate Bill 5989]

CORRECTIONAL INDUSTRIES EXPANSION

Effective Date: 8/5/93 - Except Section 2 which takes effect on 6/30/94

AN ACT Relating to a six-year phased expansion of class I and class II correctional industries while revising the deductions from inmate wages; amending RCW 43.19.534, 72.09.070, 72.09.080, and 72.09.110; adding a new section to chapter 72.09 RCW; creating new sections; repealing RCW 72.09.102 and 72.60.190; and providing an effective date.

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

Sec. 1. RCW 43.19.534 and 1986 c 94 s 2 are each amended to read as follows:

State agencies, the legislature, and departments shall purchase for their use all (~~articles or products~~) goods and services required by the legislature, agencies, or departments (~~which~~) that are produced or provided in whole or in part from class II inmate work programs operated by the department of corrections through state contract. These (~~articles and products~~) goods and services shall not be purchased from any other source unless, upon application

by the department or agency: (1) The department of general administration finds that the articles or products do not meet the reasonable requirements of the agency or department, (2) are not of equal or better quality, or (3) the price of the product or service is higher than that produced by the private sector. However, the criteria contained in (1), (2), and (3) of this section for purchasing goods and services from sources other than correctional industries do not apply to goods and services produced by correctional industries that primarily replace goods manufactured or services obtained from outside the state. The department of corrections and department of general administration shall adopt administrative rules that implement this section.

NEW SECTION. Sec. 2. A new section is added to chapter 72.09 RCW to read as follows:

(1) The secretary shall deduct from the gross wages or gratuities of each inmate working in class I or class II correctional industries work programs, or of any inmate earning more than the state minimum wage, other than an inmate under the jurisdiction of the division of community corrections, taxes and legal financial obligations. Following the deductions for legal financial obligations and taxes, deductions from the remaining wages or gratuities shall be:

(a) Ten percent to the public safety and education account for the purpose of crime victims' compensation;

(b) Ten percent to a department personal inmate savings account until such account has a balance of at least nine hundred fifty dollars; and

(c) Thirty percent to the department to contribute to the cost of incarceration.

Any person sentenced to life imprisonment without possibility of release or parole under chapter 10.95 RCW shall be exempt from the requirement under (b) of this subsection, but shall have a forty percent deduction taken under (c) of this subsection.

The department personal inmate savings account, together with any accrued interest, shall only be available to an inmate at the time of his or her release from confinement. Once the department personal inmate savings account for an inmate has a balance of at least nine hundred fifty dollars, the ten percent deduction shall continue to be taken and be used to contribute to the cost of incarceration.

(2) The department shall explore other methods of recovering a portion of the cost of the inmate's incarceration and for encouraging participation in work programs, including development of incentive programs that offer inmates benefits and amenities paid for only from wages earned while working in a correctional industries work program.

(3) The department shall develop the necessary administrative structure to recover inmates' wages and keep records of the amount inmates pay for the costs of incarceration and amenities. All funds deducted from inmate wages under subsection (1) of this section for the purpose of contributions to the cost of incarceration under subsection (1)(c) of this section shall be deposited in a

dedicated fund with the department and shall be used only for the purpose of enhancing and maintaining correctional industries work programs until December 31, 2000, and thereafter all such funds shall be deposited in the general fund.

(4) The expansion of inmate employment in class I and class II correctional industries shall be implemented according to the following schedule:

(a) Not later than June 30, 1995, the secretary shall achieve a net increase of at least two hundred in the number of inmates employed in class I or class II correctional industries work programs above the number so employed on the effective date of this act;

(b) Not later than June 30, 1996, the secretary shall achieve a net increase of at least four hundred in the number of inmates employed in class I or class II correctional industries work programs above the number so employed on the effective date of this act;

(c) Not later than June 30, 1997, the secretary shall achieve a net increase of at least six hundred in the number of inmates employed in class I or class II correctional industries work programs above the number so employed on the effective date of this act;

(d) Not later than June 30, 1998, the secretary shall achieve a net increase of at least nine hundred in the number of inmates employed in class I or class II correctional industries work programs above the number so employed on the effective date of this act;

(e) Not later than June 30, 1999, the secretary shall achieve a net increase of at least one thousand two hundred in the number of inmates employed in class I or class II correctional industries work programs above the number so employed on the effective date of this act;

(f) Not later than June 30, 2000, the secretary shall achieve a net increase of at least one thousand five hundred in the number of inmates employed in class I or class II correctional industries work programs above the number so employed on the effective date of this act.

(5) It shall be in the discretion of the secretary to apportion the inmates between class I and class II depending on available contracts and resources.

Sec. 3. RCW 72.09.070 and 1989 c 185 s 4 are each amended to read as follows:

(1) There is created a correctional industries board of directors which shall have the composition provided in RCW 72.09.080.

(2) Consistent with general department of corrections policies and procedures pertaining to the general administration of correctional facilities, the board shall establish and implement policy for correctional industries programs designed to:

(a) Offer inmates meaningful employment, work experience, and training in vocations (~~which may provide~~) that are specifically designed to reduce recidivism and thereby enhance public safety by providing opportunities for legitimate means of livelihood upon their release from custody;

(b) Provide industries which will reduce the tax burden of corrections and save taxpayers money through production of goods and services for sale and use;

(c) Operate correctional work programs in an effective and efficient manner which are as similar as possible to those provided by the private sector;

(d) Encourage the development of and provide for selection of, contracting for, and supervision of work programs with participating private enterprise firms;

(e) Develop and design correctional industries work programs;

(f) Invest available funds in correctional industries enterprises and meaningful work programs that minimize the impact on in-state jobs and businesses.

(3) The board of directors shall at least annually review the work performance of the director of correctional industries division with the secretary.

(4) The director of correctional industries division shall review and evaluate the productivity, funding, and appropriateness of all correctional work programs and report on their effectiveness to the board and to the secretary.

(5) The board of directors shall have the authority to identify and establish trade advisory or apprenticeship committees to advise them on correctional industries work programs. The secretary shall appoint the members of the committees.

Where a labor management trade advisory and apprenticeship committee has already been established by the department pursuant to RCW 72.62.050 the existing committee shall also advise the board of directors.

Sec. 4. RCW 72.09.080 and 1989 c 185 s 5 are each amended to read as follows:

(1) The correctional industries board of directors shall consist of nine voting members, appointed by the governor (~~(upon recommendation by the secretary)~~). Each member shall serve a three-year staggered term. Initially, the governor shall appoint three members to one-year terms, three members to two-year terms, and three members to three-year terms. The speaker of the house of representatives and the president of the senate shall each appoint one member from each of the two largest caucuses in their respective houses. The legislators so appointed shall be nonvoting members and shall serve two-year terms, or until they cease to be members of the house from which they were appointed, whichever occurs first. The nine members appointed by the governor shall include three representatives from (~~both~~) labor (~~and industry~~), three representatives from business representing cross-sections of industries and all sizes of employers, and three members from the general public.

(2) The board of directors shall elect a chair and such other officers as it deems appropriate from among the voting members.

(3) The voting members of the board of directors shall serve with compensation pursuant to RCW 43.03.240 and shall be reimbursed by the department for travel expenses and per diem under RCW 43.03.050 and 43.03.060, as now or hereafter amended. Legislative members shall be reimbursed under RCW 44.04.120, as now or hereafter amended.

(4) The secretary shall provide such staff services, facilities, and equipment as the board shall require to carry out its duties.

Sec. 5. RCW 72.09.110 and 1991 c 133 s 1 are each amended to read as follows:

All inmates working in prison industries shall participate in the cost of corrections, including costs to develop and implement correctional industries programs(~~(— The secretary shall develop a formula which can be used to determine the extent to which the wages of these inmates will be deducted for this purpose. The amount so deducted shall be placed in the general fund and shall be a reasonable amount which will not unduly discourage the incentive to work)~~), by means of deductions from their gross wages. The secretary may direct the state treasurer to deposit a portion of these moneys in the crime victims compensation account. ~~((Except))~~ The secretary shall direct that all moneys received by an inmate(—) for testifying in any judicial proceeding(—go) shall be deposited into the crime victims compensation account.

When the secretary finds it appropriate and not unduly destructive of the work incentive, the secretary ~~((shall))~~ may also provide deductions for ~~((restitution;))~~ savings(—) and family support.

NEW SECTION. **Sec. 6.** The secretary of corrections shall submit to the legislature by January 1, 1994, an implementation plan for this act. The plan shall assume a level of funding based on revenue received from inmate wages under section 2 of this act to accomplish expansion of class I and class II correctional industries work programs. The plan shall consider, but not be limited to, the following:

- (1) Maximizing the use of existing facilities and any facilities authorized in the 1993-1995 capital and operating budgets;
- (2) The appropriate number of work shifts at each facility; and
- (3) Appropriate inmate housing arrangements.

NEW SECTION. **Sec. 7.** By January 1, 1994, the secretary of corrections shall submit a report to the appropriate standing committees of the legislature containing an identification and description of any impediments which the secretary believes might prevent the department from achieving compliance with section 2 of this act. The secretary also shall include, in the report, alternative ways to remove any identified impediments.

NEW SECTION. **Sec. 8.** The following acts or parts of acts are each repealed:

- (1) RCW 72.09.102 and 1986 c 94 s 1; and
- (2) RCW 72.60.190 and 1981 c 136 s 104, 1979 ex.s. c 160 s 4, & 1959 c 28 s 72.60.190.

NEW SECTION. **Sec. 9.** If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. **Sec. 10.** Section 2 of this act shall take effect June 30, 1994.

Passed the Senate April 30, 1993.

Passed the House May 4, 1993.

Approved by the Governor May 28, 1993.

Filed in Office of Secretary of State May 28, 1993.

CHAPTER 21

[Second Engrossed Second Substitute Senate Bill 5521]

CRIMINAL JUSTICE SERVICES FUNDING ASSISTANCE

Effective Date: 7/1/93 - Except Section 4 which becomes effective on 5/28/93; & Sections 1 through 3, 5, & 7 which become effective on 1/1/94

AN ACT Relating to criminal justice programs; amending RCW 82.14.310, 82.14.320, 82.14.330, 43.101.200, 82.44.110, and 72.09.300; reenacting and amending RCW 82.14.340; adding a new section to chapter 82.14 RCW; making an appropriation; providing effective dates; and declaring an emergency.

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

Sec. 1. RCW 82.14.310 and 1991 c 311 s 1 are each amended to read as follows:

(1) The county criminal justice assistance account is created in the state treasury. ~~((The account shall consist of all motor vehicle excise tax receipts deposited into the account under chapter 82.44 RCW.))~~

(2) The moneys deposited in the county criminal justice assistance account for distribution under this section shall be distributed at such times as distributions are made under RCW 82.44.150 and on the relative basis of each county's funding factor as determined under this subsection.

(a) A county's funding factor is the sum of:

(i) The population of the county, divided by one thousand, and multiplied by two-tenths;

(ii) The crime rate of the county, multiplied by three-tenths; and

(iii) The annual number of criminal cases filed in the county superior court, for each one thousand in population, multiplied by five-tenths.

(b) Under this section and RCW 82.14.320 and 82.14.330:

(i) The population of the county or city shall be as last determined by the office of financial management;

(ii) The crime rate of the county or city is the annual occurrence of specified criminal offenses, as calculated in the most recent annual report on crime in Washington state as published by the Washington association of sheriffs and police chiefs, for each one thousand in population;

(iii) The annual number of criminal cases filed in the county superior court shall be determined by the most recent annual report of the courts of Washington, as published by the office of the administrator for the courts.

(iv) Distributions and eligibility for distributions in the 1989-91 biennium shall be based on 1988 figures for both the crime rate as described under (ii) of this subsection and the annual number of criminal cases that are filed as described under (iii) of this subsection. Future distributions shall be based on the most recent figures for both the crime rate as described under (ii) of this subsection and the annual number of criminal cases that are filed as described under (iii) of this subsection.

(3) Moneys distributed under this section shall be expended exclusively for criminal justice purposes and shall not be used to replace or supplant existing funding. Criminal justice purposes are defined as activities that substantially assist the criminal justice system, which may include circumstances where ancillary benefit to the civil justice system occurs, and which includes domestic violence services such as those provided by domestic violence programs, community advocates, and legal advocates, as defined in RCW 70.123.020. Existing funding for purposes of this subsection is defined as calendar year 1989 actual operating expenditures for criminal justice purposes. Calendar year 1989 actual operating expenditures for criminal justice purposes exclude the following: Expenditures for extraordinary events not likely to reoccur, changes in contract provisions for criminal justice services, beyond the control of the local jurisdiction receiving the services, and major nonrecurring capital expenditures.

~~((4) This section expires January 1, 1994.))~~

Sec. 2. RCW 82.14.320 and 1992 c 55 s 1 are each amended to read as follows:

(1) The municipal criminal justice assistance account is created in the state treasury. ~~((The account shall consist of all motor vehicle excise tax receipts deposited into the account under chapter 82.44 RCW.))~~

(2) No city may receive a distribution under this section from the municipal criminal justice assistance account unless:

(a) The city has a crime rate in excess of one hundred twenty-five percent of the state-wide average as calculated in the most recent annual report on crime in Washington state as published by the Washington association of sheriffs and police chiefs;

(b) The city has levied the tax authorized in RCW 82.14.030(2) at the maximum rate or the tax authorized in RCW 82.46.010~~((2))~~ (3) at the maximum rate; and

(c) The city has a per capita yield from the tax imposed under RCW 82.14.030(1) at the maximum rate of less than one hundred fifty percent of the state-wide average per capita yield for all cities from such local sales and use tax.

(3) The moneys deposited in the municipal criminal justice assistance account for distribution under this section shall be distributed at such times as distributions are made under RCW 82.44.150. The distributions shall be made as follows:

(a) Unless reduced by this subsection, thirty percent of the moneys shall be distributed ratably based on population as last determined by the office of financial management to those cities eligible under subsection (2) of this section that have a crime rate determined under subsection (2)(a) of this section which is greater than one hundred seventy-five percent of the state-wide average crime rate. No city may receive more than fifty percent of any moneys distributed under this subsection (a) but, if a city distribution is reduced as a result of exceeding the fifty percent limitation, the amount not distributed shall be distributed under (b) of this subsection.

(b) The remainder of the moneys, including any moneys not distributed in subsection (2)(a) of this section, shall be distributed to all cities eligible under subsection (2) of this section ratably based on population as last determined by the office of financial management.

(4) No city may receive more than thirty percent of all moneys distributed under subsection (3) of this section.

(5) Notwithstanding other provisions of this section, the distributions to any city that substantially decriminalizes or repeals its criminal code after July 1, 1990, and that does not reimburse the county for costs associated with criminal cases under RCW 3.50.800 or 3.50.805(2), shall be made to the county in which the city is located.

(6) Moneys distributed under this section shall be expended exclusively for criminal justice purposes and shall not be used to replace or supplant existing funding. Criminal justice purposes are defined as activities that substantially assist the criminal justice system, which may include circumstances where ancillary benefit to the civil justice system occurs, and which includes domestic violence services such as those provided by domestic violence programs, community advocates, and legal advocates, as defined in RCW 70.123.020. Existing funding for purposes of this subsection is defined as calendar year 1989 actual operating expenditures for criminal justice purposes. Calendar year 1989 actual operating expenditures for criminal justice purposes exclude the following: Expenditures for extraordinary events not likely to reoccur, changes in contract provisions for criminal justice services, beyond the control of the local jurisdiction receiving the services, and major nonrecurring capital expenditures.

~~((6) This section expires January 1, 1994.))~~

Sec. 3. RCW 82.14.330 and 1991 c 311 s 4 are each amended to read as follows:

(1) The moneys deposited in the municipal criminal justice assistance account for distribution under this section shall be distributed ~~((at such times as distributions are made under RCW 82.44.150. Such moneys shall be distributed))~~ to the cities of the state as follows:

~~(a) ((For fiscal year 1991, each city with a population of under ten thousand shall receive a distribution of three thousand two hundred fifty dollars. Any remaining moneys shall be distributed to all cities ratably on the basis of population as last determined by the office of financial management.~~

~~(b) For fiscal year 1992 and thereafter, each city with a population of under ten thousand shall receive a distribution of two thousand seven hundred fifty dollars. Any remaining moneys shall be distributed to all cities ratably on the basis of population as last determined by the office of financial management.~~

(2)) Twenty percent appropriated for distribution shall be distributed to cities with a three-year average violent crime rate for each one thousand in population in excess of one hundred fifty percent of the state-wide three-year average violent crime rate for each one thousand in population. The three-year average violent crime rate shall be calculated using the violent crime rates for each of the preceding three years from the annual reports on crime in Washington state as published by the Washington association of sheriffs and police chiefs. Moneys shall be distributed under this subsection (1)(a) ratably based on population as last determined by the office of financial management, but no city may receive more than one dollar per capita.

(b) Sixteen percent shall be distributed to cities ratably based on population as last determined by the office of financial management, but no city may receive less than one thousand dollars.

The moneys deposited in the municipal criminal justice assistance account for distribution under this subsection shall be distributed at such times as distributions are made under RCW 82.44.150.

Moneys distributed under this ((section)) subsection shall be expended exclusively for criminal justice purposes and shall not be used to replace or supplant existing funding. Criminal justice purposes are defined as activities that substantially assist the criminal justice system, which may include circumstances where ancillary benefit to the civil justice system occurs, and which includes domestic violence services such as those provided by domestic violence programs, community advocates, and legal advocates, as defined in RCW 70.123.020. Existing funding for purposes of this subsection is defined as calendar year 1989 actual operating expenditures for criminal justice purposes. Calendar year 1989 actual operating expenditures for criminal justice purposes exclude the following: Expenditures for extraordinary events not likely to reoccur, changes in contract provisions for criminal justice services, beyond the control of the local jurisdiction receiving the services, and major nonrecurring capital expenditures.

(2) In addition to the distributions under subsection (1) of this section:

(a) Fourteen percent shall be distributed to cities that have initiated innovative law enforcement strategies, including alternative sentencing and crime prevention programs. No city may receive more than one dollar per capita under this subsection (2)(a).

(b) Twenty percent shall be distributed to cities that have initiated programs to help at-risk children or child abuse victim response programs. No city may receive more than fifty cents per capita under this subsection (2)(b).

(c) Twenty percent shall be distributed to cities that have initiated programs designed to reduce the level of domestic violence within their jurisdictions or to

provide counseling for domestic violence victims. No city may receive more than fifty cents per capita under this subsection (2)(c).

(d) Ten percent shall be distributed to cities that contract with another governmental agency for a majority of the city's law enforcement services.

Moneys distributed under this subsection shall be distributed to those cities that submit funding requests under this subsection to the department of community development based on criteria developed under section 4 of this act. Allocation of funds shall be in proportion to the population of qualified jurisdictions, but the distribution to a city shall not exceed the amount of funds requested. Cities shall submit requests for program funding to the department of community development by November 1 of each year for funding the following year. The department shall certify to the state treasurer the cities eligible for funding under this subsection and the amount of each allocation.

One-half of the moneys distributed under (a) through (d) of this subsection shall be distributed on March 1st and the remaining one-half of the moneys shall be distributed on September 1st. Moneys remaining undistributed under this subsection at the end of each calendar year shall be distributed to the criminal justice training commission to reimburse participating city law enforcement agencies with ten or fewer full-time commissioned patrol officers the cost of temporary replacement of each officer who is enrolled in basic law enforcement training, as provided in RCW 43.101.200.

If a city is found by the state auditor to have expended funds received under this subsection in a manner that does not comply with the criteria under which the moneys were received, the city shall be ineligible to receive future distributions under this subsection until the use of the moneys are justified to the satisfaction of the director or are repaid to the state general fund. The director may allow noncomplying use of moneys received under this subsection upon a showing of hardship or other emergent need.

(3) (~~This section expires January 1, 1994~~) Notwithstanding other provisions of this section, the distributions to any city that substantially decriminalizes or repeals its criminal code after July 1, 1990, and that does not reimburse the county for costs associated with criminal cases under RCW 3.50.800 or 3.50.805(2), shall be made to the county in which the city is located.

NEW SECTION. Sec. 4. A new section is added to chapter 82.14 RCW to read as follows:

The department of community development shall adopt criteria to be used in making grants to cities under RCW 82.14.330(2). In developing the criteria, the department shall create a temporary advisory committee consisting of the director of community development, two representatives nominated by the association of Washington cities, and two representatives nominated by the Washington association of sheriffs and police chiefs.

Sec. 5. RCW 43.101.200 and 1989 c 299 s 2 are each amended to read as follows:

(1) All law enforcement personnel, except volunteers, and reserve officers whether paid or unpaid, initially employed on or after January 1, 1978, shall engage in basic law enforcement training which complies with standards adopted by the commission pursuant to RCW 43.101.080 (~~and 43.101.160~~). For personnel initially employed before January 1, 1990, such training shall be successfully completed during the first fifteen months of employment of such personnel unless otherwise extended or waived by the commission and shall be requisite to the continuation of such employment. Personnel initially employed on or after January 1, 1990, shall commence basic training during the first six months of employment unless the basic training requirement is otherwise waived or extended by the commission. Successful completion of basic training is requisite to the continuation of employment of such personnel initially employed on or after January 1, 1990.

(2) The commission shall provide the aforementioned training together with necessary facilities, supplies, materials, and the board and room of noncommuting attendees for seven days per week. Additionally, to the extent funds are provided for this purpose, the commission shall reimburse to participating law enforcement agencies with ten or less full-time commissioned patrol officers the cost of temporary replacement of each officer who is enrolled in basic law enforcement training: PROVIDED, That such reimbursement shall include only the actual cost of temporary replacement not to exceed the total amount of salary and benefits received by the replaced officer during his training period.

Sec. 6. RCW 82.14.340 and 1991 c 311 s 5 and 1991 c 301 s 16 are each reenacted and amended to read as follows:

The legislative authority of any county (~~with a population of two hundred thousand or more, any county located east of the crest of the Cascade mountains with a population of one hundred fifty thousand or more, and any other county with a population of one hundred fifty thousand or more that has had its population increase by at least twenty-four percent during the preceding nine years, as certified by the office of financial management for the first day of April of each year, may and, if requested by resolution of the governing bodies of cities in the county with an aggregate population equal to or greater than fifty percent of the total population of the county, as last determined by the office of financial management, shall submit an authorizing proposition to the voters of the county and if approved by a majority of persons voting,)) may fix and impose a sales and use tax in accordance with the terms of this chapter, provided that such sales and use tax is subject to repeal by referendum, using the procedures provided in RCW 82.14.036. The referendum procedure provided in RCW 82.14.036 is the exclusive method for subjecting any county sales and use tax ordinance or resolution to a referendum vote.~~

The tax authorized in this section shall be in addition to any other taxes authorized by law and shall be collected from those persons who are taxable by the state pursuant to chapters 82.08 and 82.12 RCW upon the occurrence of any

taxable event within such county. The rate of tax shall equal one-tenth of one percent of the selling price (in the case of a sales tax) or value of the article used (in the case of a use tax).

When distributing moneys collected under this section, the state treasurer shall distribute ten percent of the moneys to the county in which the tax was collected. The remainder of the moneys collected under this section shall be distributed to the county and the cities within the county ratably based on population as last determined by the office of financial management. In making the distribution based on population, the county shall receive that proportion that the unincorporated population of the county bears to the total population of the county and each city shall receive that proportion that the city incorporated population bears to the total county population.

Moneys received from any tax imposed under this section shall be expended exclusively for criminal justice purposes and shall not be used to replace or supplant existing funding. Criminal justice purposes are defined as activities that substantially assist the criminal justice system, which may include circumstances where ancillary benefit to the civil justice system occurs, and which includes domestic violence services such as those provided by domestic violence programs, community advocates, and legal advocates, as defined in RCW 70.123.020. Existing funding for purposes of this subsection is defined as calendar year 1989 actual operating expenditures for criminal justice purposes. Calendar year 1989 actual operating expenditures for criminal justice purposes exclude the following: Expenditures for extraordinary events not likely to reoccur, changes in contract provisions for criminal justice services, beyond the control of the local jurisdiction receiving the services, and major nonrecurring capital expenditures. ~~((Moneys received by the county and the cities within the county from any tax imposed under this section may be expended for domestic violence community advocates, as defined in RCW 70.123.020, if, prior to July 28, 1991, and prior to approval of the voters, the legislative authority of the county, which submitted an authorizing proposition to the voters of the county, adopted by ordinance a financial plan that included expenditure of a portion of the moneys received for domestic violence community advocates.~~

~~This section expires January 1, 1994.))~~

Sec. 7. RCW 82.44.110 and 1993 c . . . (Engrossed Senate Bill No. 5978) s 1 are each amended to read as follows:

The county auditor shall regularly, when remitting license fee receipts, pay over and account to the director of licensing for the excise taxes collected under the provisions of this chapter. The director shall forthwith transmit the excise taxes to the state treasurer.

(1) The state treasurer shall deposit the excise taxes collected under RCW 82.44.020(1) as follows:

(a) 1.60 percent into the motor vehicle fund to defray administrative and other expenses incurred by the department in the collection of the excise tax.

(b) 8.15 percent into the Puget Sound capital construction account in the motor vehicle fund.

(c) 4.07 percent into the Puget Sound ferry operations account in the motor vehicle fund.

(d) 8.83 percent into the general fund to be distributed under RCW 82.44.155.

(e) 4.75 percent into the municipal sales and use tax equalization account in the general fund created in RCW 82.14.210.

(f) 1.60 percent into the county sales and use tax equalization account in the general fund created in RCW 82.14.200.

(g) 62.6440 percent into the general fund through ~~((December 31, 1993, 71 percent into the general fund beginning January 1, 1994))~~ June 30, 1995, and ~~((66))~~ 57.6440 percent into the general fund beginning July 1, 1995.

(h) 5 percent into the transportation fund created in RCW 82.44.180 beginning July 1, 1995.

(i) 5.9686 percent into the county criminal justice assistance account created in RCW 82.14.310 ~~((through December 31, 1993))~~.

(j) 1.1937 percent into the municipal criminal justice assistance account for distribution under RCW 82.14.320 ~~((through December 31, 1993))~~.

(k) 1.1937 percent into the municipal criminal justice assistance account for distribution under RCW 82.14.330 ~~((through December 31, 1993))~~.

Notwithstanding (i) through (k) of this subsection, no more than sixty million dollars shall be deposited into the accounts specified in (i) through (k) of this subsection for the period January 1, 1994, through June 30, 1995. For the fiscal year ending June 30, 1998, and for each fiscal year thereafter, the amounts deposited into the accounts specified in (i) through (k) of this subsection shall not increase by more than the amounts deposited into those accounts in the previous fiscal year increased by the implicit price deflator for the previous fiscal year. Any revenues in excess of this amount shall be deposited into the general fund.

(2) The state treasurer shall deposit the excise taxes collected under RCW 82.44.020(2) into the transportation fund.

(3) The state treasurer shall deposit the excise tax imposed by RCW 82.44.020(3) into the air pollution control account created by RCW 70.94.015.

Sec. 8. RCW 72.09.300 and 1991 c 363 s 148 are each amended to read as follows:

(1) ~~((A))~~ Every county legislative authority ~~((may))~~ shall by resolution or ordinance establish a local law and justice council. The county legislative authority shall determine the size and composition of the council, which shall include the county sheriff and a representative of the municipal police departments within the county, the county prosecutor and a representative of the municipal prosecutors within the county, a representative of the city legislative authorities within the county, a representative of the county's superior, district, and municipal courts, the county jail administrator, the county clerk, the county

risk manager, and the secretary of corrections. Officials designated may appoint representatives.

(2) A combination of counties may establish a local law and justice council by intergovernmental agreement. The agreement shall comply with the requirements of this section.

(3) The local law and justice council shall develop a local law and justice plan for the county. The council shall design the elements and scope of the plan, subject to final approval by the county legislative authority. The general intent of the plan shall include seeking means to maximize local resources including personnel and facilities, reduce duplication of services, and share resources between local and state government in order to accomplish local efficiencies without diminishing effectiveness. The plan shall also include a section on jail management. This section may include the following elements:

(a) A description of current jail conditions, including whether the jail is overcrowded;

(b) A description of potential alternatives to incarceration;

(c) A description of current jail resources;

(d) A description of the jail population as it presently exists and how it is projected to change in the future;

(e) A description of projected future resource requirements;

(f) A proposed action plan, which shall include recommendations to maximize resources, maximize the use of intermediate sanctions, minimize overcrowding, avoid duplication of services, and effectively manage the jail and the offender population;

(g) A list of proposed advisory jail standards and methods to effect periodic quality assurance inspections of the jail;

(h) A proposed plan to collect, synthesize, and disseminate technical information concerning local criminal justice activities, facilities, and procedures;

(i) A description of existing and potential services for offenders including employment services, substance abuse treatment, mental health services, and housing referral services.

(4) The council may propose other elements of the plan, which shall be subject to review and approval by the county legislative authority, prior to their inclusion into the plan.

(5) The county legislative authority may request technical assistance in developing or implementing the plan from other units or agencies of state or local government, which shall include the department, the office of financial management, and the Washington association of sheriffs and police chiefs.

(6) Upon receiving a request for assistance from a county, the department may provide the requested assistance.

(7) The secretary may adopt rules for the submittal, review, and approval of all requests for assistance made to the department. The secretary may also appoint an advisory committee of local and state government officials to recommend policies and procedures relating to the state and local correctional

systems and to assist the department in providing technical assistance to local governments. The committee shall include representatives of the county sheriffs, the police chiefs, the county prosecuting attorneys, the county and city legislative authorities, and the jail administrators. The secretary may contract with other state and local agencies and provide funding in order to provide the assistance requested by counties.

(8) The department shall establish a base level of state correctional services, which shall be determined and distributed in a consistent manner state-wide. The department's contributions to any local government, approved pursuant to this section, shall not operate to reduce this base level of services.

NEW SECTION. Sec. 9. The sum of sixty million dollars is appropriated as follows:

(1) The sum of forty-two million eight hundred fifty-seven thousand three hundred forty-eight dollars, or so much thereof as may be necessary, is appropriated from the county criminal justice assistance account in the general fund to the state treasurer for the biennium ending June 30, 1995, for county criminal justice assistance under RCW 82.14.310.

(2) The sum of seventeen million one hundred forty-two thousand six hundred fifty-two dollars, or so much thereof as may be necessary, is appropriated from the municipal criminal justice assistance account in the general fund to the state treasurer for the biennium ending June 30, 1995, for municipal criminal justice assistance under RCW 82.14.320 and 82.14.330.

NEW SECTION. Sec. 10. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect July 1, 1993, except for section 4 of this act, which shall take effect immediately, and sections 1 through 3, 5, and 7 of this act, which shall take effect January 1, 1994.

Passed the Senate May 5, 1993.

Passed the House May 5, 1993.

Approved by the Governor May 28, 1993.

Filed in Office of Secretary of State May 28, 1993.

Reviser's note: Section numbers 9 and 10 above have been corrected from the pamphlet edition.

CHAPTER 22

[Substitute Senate Bill 5717]

CAPITAL BUDGET, 1993-1995

Effective Date: 5/28/93

AN ACT Relating to the capital budget; making appropriations and authorizing expenditures for the capital improvements; amending RCW 90.70.011; creating new sections; and declaring an emergency.

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

NEW SECTION. Sec. 1. A capital budget is hereby adopted and, subject to the provisions set forth in this act, the several dollar amounts hereinafter

specified, or so much thereof as shall be sufficient to accomplish the purposes designated, are hereby appropriated and authorized to be incurred for capital projects during the period ending June 30, 1995, out of the several funds specified in this act.

NEW SECTION. Sec. 2. As used in this act, the following phrases have the following meanings:

"CEP & RI Acct" means Charitable, Educational, Penal, and Reformatory Institutions Account;

"CWU Cap Proj Acct" means Central Washington University Capital Projects Account;

"Cap Bldg Constr Acct" means Capitol Building Construction Account;

"Cap Purch & Dev Acct" means Capitol Purchase and Development Account;

"Capital improvements" or "capital projects" means acquisition of sites, easements, rights of way, or improvements thereon and appurtenances thereto, construction and initial equipment, reconstruction, demolition, or major alterations of new or presently owned capital assets;

"Common School Constr Fund" means Common School Construction Fund;

"Common School Reimb Constr Acct" means Common School Reimbursable Construction Account;

"Drug Enf & Ed Acct" means Drug Enforcement and Education Account;

"DSHS Constr Acct" means State Social and Health Services Construction Account;

"Energy Eff Constr Acct" means Energy Efficiency Construction Account;

"Energy Eff Svcs Acct" means Energy Efficiency Services Account;

"ESS Rail Assis Acct" means Essential Rail Assistance Account;

"ESS Rail Bank Acct" means Essential Rail Bank Account;

"EWU Cap Proj Acct" means Eastern Washington University Capital Projects Account;

"East Cap Constr Acct" means East Capitol Construction Account;

"East Cap Devel Acct" means East Campus Development Account;

"Fish Cap Proj Acct" means Fisheries Capital Projects Account;

"For Dev Acct" means Forest Development Account;

"Fruit Comm Fac Acct" means Fruit Commission Facility Account;

"Game Spec Wildlife Acct" means Game Special Wildlife Account;

"H Ed Constr Acct" means Higher Education Construction Account 1979;

"H Ed Reimb Constr Acct" means Higher Education Reimbursable Construction Account;

"H Ed Reimb S/T bonds Acct" means Higher Education Reimbursable Short-Term Bonds Account;

"Hndcp Fac Constr Acct" means Handicapped Facilities Construction Account;

"L & I Constr Acct" means Labor and Industries Construction Account;

"LIRA" means State and Local Improvement Revolving Account;

"LIRA, DSHS Fac" means Local Improvements Revolving Account—Department of Social and Health Services Facilities;

"LIRA, Public Rec Fac" means State and Local Improvement Revolving Account—Public Recreation Facilities;

"LIRA, Waste Disp Fac" means State and Local Improvement Revolving Account—Waste Disposal Facilities;

"LIRA, Waste Fac 1980" means State and Local Improvement Revolving Account—Waste Disposal Facilities 1980;

"LIRA, Water Sup Fac" means State and Local Improvements Revolving Account—Water supply facilities;

"Lapse" or "revert" means the amount shall return to an unappropriated status;

"Local Jail Imp & Constr Acct" means Local Jail Improvement and Construction Account;

"Nat Res Prop Repl Acct" means Natural Resources Property Replacement Account;

"ORA" means Outdoor Recreation Account;

"ORV" means off road vehicle;

"Provided solely" means the specified amount may be spent only for the specified purpose. Unless otherwise specifically authorized in this act, any portion of an amount provided solely for a specified purpose which is unnecessary to fulfill the specified purpose shall lapse;

"Pub Fac Constr Loan Rev Acct" means Public Facility Construction Loan Revolving Account;

"Public Safety and Education Acct" means Public Safety and Education Account;

"Res Mgmt Cost Acct" means Resource Management Cost Account;

"Sal Enhmt Constr Acct" means Salmon Enhancement Construction Account;

"St Conv & Trade Ctr Acct" means State Convention and Trade Center Account;

"St Bldg Constr Acct" means State Building Construction Account;

"St Fac Renew Acct" means State Facilities Renewal Account;

"St H Ed Constr Acct" means State Higher Education Construction Account;

"State Emerg Water Proj Rev" means Emergency Water Project Revolving Account—State;

"TESC Cap Proj Acct" means The Evergreen State College Capital Projects Account;

"UW Bldg Acct" means University of Washington Building Account;

"Unemp Comp Admin Acct" means Unemployment Compensation Administration Account;

"WA St Dairy Prod Comm Fac Acct" means Washington State Dairy Products Commission Facilities Account;

"WA St Dev Loan Acct" means Washington State Development Loan Account;

"Water Pollution Cont Rev Fund" means Water Pollution Control Revolving Fund;

"WSP Constr Acct" means Washington State Patrol Construction Account;

"WSP Highway Acct" means Washington State Patrol Highway Account;

"WSU Bldg Acct" means Washington State University Building Account;

"WWU Cap Proj Acct" means Western Washington University Capital Projects Account.

Numbers shown in parentheses refer to project identifier codes established by the office of financial management.

**PART 1
GENERAL GOVERNMENT**

NEW SECTION. Sec. 101. FOR THE COURT OF APPEALS

Division III: Vault enlargement (93-2-001)

Appropriation:

St Bldg Constr Acct	\$	65,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	65,000

NEW SECTION. Sec. 102. FOR THE SECRETARY OF STATE

Central Washington Regional Archives—Central Washington University Campus (93-2-001)

The appropriation in this section shall not be expended until the capital project review requirements of section 1015 of this act have been met.

Reappropriation:

St Bldg Constr Acct	\$	150,000
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Appropriation:

St Bldg Constr Acct	\$	3,934,000
Prior Biennia (Expenditures)	\$	259,000
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	4,343,000

NEW SECTION. Sec. 103. FOR THE SECRETARY OF STATE

Northwest Washington Regional Branch Archives (90-1-003)

Reappropriation:

St Bldg Constr Acct	\$	200,000
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Prior Biennia (Expenditures)	\$	3,199,000
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Future Biennia (Projected Costs)	\$	0
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TOTAL \$ 3,399,000

NEW SECTION. Sec. 104. FOR THE SECRETARY OF STATE

Puget Sound Regional Branch Archives predesign and maintenance (94-2-003)

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

(1) \$40,000 of this appropriation shall be used to conduct a predesign study to determine if the agency should remodel the existing facility, build a new structure, or relocate to a new leased or other state-owned facility. The study shall determine the availability of existing state land and cost of adapting an existing regional archives design.

(2) \$100,000 of this appropriation is for critical deferred maintenance at the existing Puget Sound Regional Archives.

Appropriation:

St Bldg Constr Acct	\$	140,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	3,839,000
TOTAL	\$	3,979,000

NEW SECTION. Sec. 105. FOR THE SECRETARY OF STATE

Eastern Washington Regional Archives predesign (94-2-002)

Appropriation:

St Bldg Constr Acct	\$	58,200
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	6,000,000
TOTAL	\$	6,058,200

NEW SECTION. Sec. 106. FOR THE OFFICE OF FINANCIAL MANAGEMENT

To purchase land for new higher education institution

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

(1) The appropriation in this section is provided to acquire property for a new institution of higher education to meet the higher education needs of the north King and south Snohomish county area. A minimum of four sites shall be evaluated by the higher education coordinating board for purchase with this appropriation;

(2) The appropriation in this section shall not be expended to purchase property unless the office of financial management has made a reasonable determination that potential storm water and flood water will not damage

property or buildings to be constructed on the proposed site, result in mitigation actions that cost more than comparable property in the general area, or possess characteristics which require extraordinary environmental mitigation or engineering safeguards;

(3) The appropriation in this section shall not be expended to purchase property until a site development plan is proposed for the site that accommodates all proposed buildings outside of any potential flood plain;

(4) The legislature recognizes that additional appropriations may be required for development of the new institution in future biennia; and

(5) The office of financial management may consider any studies, whether or not still in progress, relevant to this appropriation.

Appropriation:

St Bldg Constr Acct	\$	4,500,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	4,500,000

NEW SECTION. Sec. 107. FOR THE OFFICE OF FINANCIAL MANAGEMENT

Underground storage tank pool (94-1-001)

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

(1) The moneys provided in this section shall be allocated to agencies and institutions for removal, replacement, and environmental cleanup projects related to underground storage tanks.

(2) No moneys appropriated in this section or in any section specifically referencing this section may be expended unless the office of financial management, in consultation with the department of general administration, has reviewed and approved the cost estimates for the project. Projects to replace underground storage tanks shall conform with guidelines to minimize the risk of environmental contamination and reduce unnecessary duplication of tanks. The guidelines shall be adopted by the department of general administration and shall provide for consideration of environmental risks associated with tank installations, interagency agreements for sharing fueling facilities, and the feasibility of alternative fueling systems.

Reappropriation:

St Bldg Constr Acct	\$	1,748,146
CEP & RI Acct	\$	<u>150,000</u>
Subtotal Reappropriation	\$	1,898,146

Appropriation:

St Bldg Constr Acct	\$	3,120,000
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Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>6,000,000</u>
TOTAL	\$	11,018,146

NEW SECTION. Sec. 108. FOR THE OFFICE OF FINANCIAL MANAGEMENT

Asbestos removal or abatement pool (94-1-002)

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

(1) The moneys provided in this section shall be allocated to agencies and institutions for asbestos removal or abatement projects.

(2) Moneys may be allocated for an asbestos removal or abatement project only to the extent that the project is necessary to eliminate or reduce a hazard to human health and the project is completed in compliance with asbestos project standards adopted by the department of general administration. The department of general administration shall adopt standards to restrict the amount of asbestos removal to the minimum amount necessary.

(3) Subsection (2) of this section does not apply to moneys reappropriated in this act for projects for which the design has been completed, bids have been requested, or a contract has been entered into before the effective date of this act.

Reappropriation:

St Bldg Constr Acct	\$	2,338,088
CEP & RI Acct	\$	<u>268,500</u>
Subtotal Reappropriation	\$	2,606,588

Appropriation:

St Bldg Constr Acct	\$	7,020,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>14,000,000</u>
TOTAL	\$	23,626,588

NEW SECTION. Sec. 109. FOR THE OFFICE OF FINANCIAL MANAGEMENT

Americans with disabilities act modifications pool (94-2-001)

Appropriation:

St Bldg Constr Acct	\$	9,360,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>31,000,000</u>
TOTAL	\$	40,360,000

NEW SECTION. Sec. 110. FOR THE OFFICE OF FINANCIAL MANAGEMENT

Capital budget system improvements (94-2-002)

Reappropriation:

St Bldg Constr Acct \$ 100,000

Appropriation:

St Bldg Constr Acct \$ 300,000

Prior Biennia (Expenditures) \$ 0

Future Biennia (Projected Costs) \$ 1,200,000

TOTAL \$ 1,600,000

NEW SECTION. Sec. 111. FOR THE DEPARTMENT OF GENERAL ADMINISTRATION

Cherberg Building remodel (88-2-040)

The reappropriation in this section is subject to the following conditions and limitations: The project shall include review and development of program requirements for current and future facilities needs, including furnishings and equipment, for the Washington State Senate whose offices are currently located in the Institutions, Legislative, and John A. Cherberg Buildings. The project shall also include review and redesign, as necessary, of the proposed John A. Cherberg Building remodel, including construction and the acquisition of all furnishings and equipment required.

Reappropriation:

St Bldg Constr Acct \$ 2,960,000

Prior Biennia (Expenditures) \$ 40,000

Future Biennia (Projected Costs) \$ 0

TOTAL \$ 3,000,000

NEW SECTION. Sec. 112. FOR THE DEPARTMENT OF GENERAL ADMINISTRATION

Natural Resources Building: To complete construction of the Natural Resources Building (90-5-003)

Reappropriation:

East Cap Constr Acct \$ 750,000

Prior Biennia (Expenditures) \$ 72,250,000

Future Biennia (Projected Costs) \$ 0

TOTAL \$ 73,000,000

NEW SECTION. Sec. 113. FOR THE DEPARTMENT OF GENERAL ADMINISTRATION

Highways-Licenses Building: To complete the construction to renovate the Highway-Licenses Building on the capitol campus (88-5-011) (92-2-003)

The appropriation shall not be expended until the capital project review requirements of section 1015 of this act have been met.

Reappropriation:

St Bldg Constr Acct	\$ 18,000,000
Prior Biennia (Expenditures)	\$ 4,938,000
Future Biennia (Projected Costs)	\$ <u>0</u>
TOTAL	\$ 22,938,000

NEW SECTION. Sec. 114. FOR THE DEPARTMENT OF GENERAL ADMINISTRATION

Capitol Campus minor works: Boiler plant structural repairs (92-5-901)

Reappropriation:

Cap Bldg Constr Acct	\$ 75,000
Prior Biennia (Expenditures)	\$ 2,790,000
Future Biennia (Projected Costs)	\$ <u>0</u>
TOTAL	\$ 2,865,000

NEW SECTION. Sec. 115. FOR THE DEPARTMENT OF GENERAL ADMINISTRATION

Condition assessment: By December 31, 1993, develop a prototype condition assessment methodology, assess the condition of facilities owned by the department of general administration, and prepare a facility maintenance strategy that emphasizes preventive maintenance (92-2-007)

Reappropriation:

St Bldg Constr Acct	\$ 500,000
Cap Bldg Constr Acct	\$ <u>340,000</u>
Subtotal Reappropriation	\$ 840,000
Prior Biennia (Expenditures)	\$ 251,000
Future Biennia (Projected Costs)	\$ <u>0</u>
TOTAL	\$ 1,091,000

NEW SECTION. Sec. 116. FOR THE DEPARTMENT OF GENERAL ADMINISTRATION

Minor works: Inadequate building systems and Northern State multiservice center repairs (92-5-900)

Reappropriation:

St Bldg Constr Acct	\$ 270,000
Prior Biennia (Expenditures)	\$ 8,559,000
Future Biennia (Projected Costs)	\$ <u>0</u>
TOTAL	\$ 8,829,000

NEW SECTION. Sec. 117. FOR THE DEPARTMENT OF GENERAL ADMINISTRATION

Plaza garage: Elevator repairs (92-2-009)

Reappropriation:

St Bldg Constr Acct	\$	1,500,000
Prior Biennia (Expenditures)	\$	133,000
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	1,633,000

NEW SECTION. Sec. 118. FOR THE DEPARTMENT OF GENERAL ADMINISTRATION**Campus control system improvements: Phase 2 (92-2-014)****Reappropriation:**

Cap Bldg Constr Acct	\$	850,000
Prior Biennia (Expenditures)	\$	521,000
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	1,371,000

NEW SECTION. Sec. 119. FOR THE DEPARTMENT OF GENERAL ADMINISTRATION**Minor works: Capitol Campus voltage improvements (92-5-904)****Reappropriation:**

St Bldg Constr Acct	\$	1,000,000
Prior Biennia (Expenditures)	\$	9,484,000
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	10,484,000

NEW SECTION. Sec. 120. FOR THE DEPARTMENT OF GENERAL ADMINISTRATION

Capitol Lake repairs: To repair dam gates and shoreline areas damaged by erosion (92-2-015)

Reappropriation:

St Bldg Constr Acct	\$	1,100,000
Prior Biennia (Expenditures)	\$	25,000
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	1,125,000

NEW SECTION. Sec. 121. FOR THE DEPARTMENT OF GENERAL ADMINISTRATION**Minor works: Utilities and grounds (92-2-016)****Reappropriation:**

Cap Bldg Constr Acct	\$	200,000
Prior Biennia (Expenditures)	\$	1,287,000
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	1,487,000

NEW SECTION. Sec. 122. FOR THE DEPARTMENT OF GENERAL ADMINISTRATION

Tumwater Satellite Campus Land Acquisition: To purchase in fee simple real property for future state development in the city of Tumwater (92-5-000)

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

(1) The appropriations are provided solely for land acquisition, and shall not be expended until the office of financial management has approved a specific plan for development of the Tumwater satellite campus.

(2) Before expending any moneys from the appropriations, the department shall obtain a written agreement from the city of Tumwater, the port of Olympia, and the Tumwater school district requiring the consent of the office of financial management for any state responsibility or liability associated with general infrastructure development or facility relocation within the Tumwater campus planning area.

Reappropriation:

St Bldg Constr Acct \$ 890,000

Appropriation:

St Bldg Constr Acct \$ 3,600,000

Prior Biennia (Expenditures) \$ 0

Future Biennia (Projected Costs) \$ 0

TOTAL \$ 4,490,000

NEW SECTION. Sec. 123. FOR THE DEPARTMENT OF GENERAL ADMINISTRATION

Minor works: Building exterior repairs (92-2-017)

Reappropriation:

St Bldg Constr Acct \$ 200,000

Cap Bldg Constr Acct \$ 300,000

Subtotal Reappropriation \$ 500,000

Prior Biennia (Expenditures) \$ 1,485,000

Future Biennia (Projected Costs) \$ 0

TOTAL \$ 1,985,000

NEW SECTION. Sec. 124. FOR THE DEPARTMENT OF GENERAL ADMINISTRATION

Minor works: Building interior repairs (92-2-018)

Reappropriation:

Cap Bldg Constr Acct \$ 160,000

St Bldg Constr Acct \$ 450,000

Subtotal Reappropriation \$ 610,000

Prior Biennia (Expenditures) \$ 1,917,000

Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	2,527,000

NEW SECTION. Sec. 125. FOR THE DEPARTMENT OF GENERAL ADMINISTRATION

Minor works: Building mechanical system improvements (92-2-020)

Reappropriation:

St Bldg Constr Acct	\$	200,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	200,000

NEW SECTION. Sec. 126. FOR THE DEPARTMENT OF GENERAL ADMINISTRATION

Collocation and consolidation of state facilities: To identify the current locations of major concentrations of state facilities within the state and determine where state facilities can be collocated and consolidated (92-5-004)

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

(1) The department shall prepare policy recommendations and cost estimates for opportunities to collocate and consolidate state facilities, including a comparison of the benefits and costs of purchasing or leasing such facilities and an analysis of private sector impacts.

(2) The appropriations shall not be spent until a detailed scope of work has been reviewed and approved by the office of financial management.

(3) The reappropriation is provided solely to complete phase one of the project, begun in the 1991-93 biennium.

Reappropriation:

St Bldg Constr Acct	\$	105,000
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Appropriation:

St Bldg Constr Acct	\$	300,000
Prior Biennia (Expenditures)	\$	120,000
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	525,000

NEW SECTION. Sec. 127. FOR THE DEPARTMENT OF GENERAL ADMINISTRATION

Capitol Lake: To develop a dredging plan and to dredge Capitol Lake (92-3-019)

\$200,000 of the appropriation in this section is provided solely to develop a management plan and to implement projects to reduce sedimentation and other pollution in the Deschutes river watershed. Eligible projects shall include, but are not limited to, stream corridor conservation, bank stabilization, agricultural

soil conservation, silvicultural soil conservation, and sedimentation and pollution monitoring. When implementing this section, the department shall coordinate with the departments of natural resources, ecology, fisheries, wildlife, and transportation, and with affected local governments and Indian tribes.

Reappropriation:

St Bldg Constr Acct	\$	1,900,000
Prior Biennia (Expenditures)	\$	100,000
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	2,000,000

NEW SECTION. Sec. 128. FOR THE DEPARTMENT OF GENERAL ADMINISTRATION

State facilities—Thurston county: To develop designs and plans to accommodate agency housing needs in Thurston county (92-5-100)

This appropriation is provided solely to develop a facility implementation strategy for Thurston county. The implementation strategy shall include, but not be limited to, identification of agency space requirements and opportunities for collocation with other agencies, and an organizational process for developing specific project proposals and establishing implementation timelines.

Reappropriation:

St Bldg Constr Acct	\$	100,000
Prior Biennia (Expenditures)	\$	200,000
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	300,000

NEW SECTION. Sec. 129. FOR THE DEPARTMENT OF GENERAL ADMINISTRATION

State Capitol satellite campuses: To develop designs and plans to accommodate agency housing needs in Thurston county (92-5-101)

The appropriation in this section is provided to develop master plans for satellite campuses to be located in the cities of Lacey and Tumwater, and a facility plan, developed in consultation with the city of Olympia, which includes mixed use in the downtown Olympia area. The plans shall provide for the siting of consumer services within walking distance of the major areas of concentration of state employees.

Reappropriation:

St Bldg Constr Acct	\$	100,000
Prior Biennia (Expenditures)	\$	650,000
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	750,000

NEW SECTION. Sec. 130. FOR THE DEPARTMENT OF GENERAL ADMINISTRATION

Business park facilities: Master plan (92-5-102)**Reappropriation:**

St Bldg Constr Acct	\$	175,000
Prior Biennia (Expenditures)	\$	75,000
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	250,000

NEW SECTION. Sec. 131. TO THE DEPARTMENT OF GENERAL ADMINISTRATION

Heritage Park: Acquisition. To complete the purchase of property for Heritage Park (92-5-105)

The appropriations in this section are provided solely to complete acquisition of the property forming the southern boundary of the park and to update the predesign for the park. The appropriations shall not be used to purchase the two residential properties along Columbia street.

Reappropriation:

St Bldg Constr Acct	\$	4,500,000
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Appropriation:

St Bldg Constr Acct	\$	330,000
Prior Biennia (Expenditures)	\$	2,200,000
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	7,030,000

NEW SECTION. Sec. 132. FOR THE DEPARTMENT OF GENERAL ADMINISTRATION**Capitol Campus geotechnical and hydrologic survey (92-5-108)****Reappropriation:**

St Bldg Constr Acct	\$	185,000
Prior Biennia (Expenditures)	\$	15,000
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	200,000

NEW SECTION. Sec. 133. FOR THE DEPARTMENT OF GENERAL ADMINISTRATION

Office Building 2: To upgrade the air supply system by rebuilding the existing system, changing the emergency diesel exhaust system and investigating energy savings to reduce operating and maintenance costs (93-2-025)

Reappropriation:

St Bldg Constr Acct	\$	1,000,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	1,000,000

NEW SECTION. Sec. 134. FOR THE DEPARTMENT OF GENERAL ADMINISTRATION

Small and emergency repairs (94-1-001)

Appropriation:

St Bldg Constr Acct	\$	275,000
Cap Bldg Constr Acct	\$	671,000
Subtotal Appropriation	\$	946,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	4,373,380
TOTAL	\$	5,319,380

NEW SECTION. Sec. 135. FOR THE DEPARTMENT OF GENERAL ADMINISTRATION

Underground storage tanks: To remove and replace underground storage tanks on the Capitol Campus and at the Northern State multiservice center (94-1-007)

That portion of the appropriation related to underground storage tanks may be expended only after compliance with section 107 of this act.

Appropriation:

St Bldg Constr Acct	\$	90,000
CEP & RI Acct	\$	60,000
Subtotal Appropriation	\$	150,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	150,000

NEW SECTION. Sec. 136. FOR THE DEPARTMENT OF GENERAL ADMINISTRATION

CFC/Halon fire control systems: Removal and replacement (94-1-009)

Appropriation:

Cap Bldg Constr Acct	\$	464,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	1,534,000
TOTAL	\$	1,998,000

NEW SECTION. Sec. 137. FOR THE DEPARTMENT OF GENERAL ADMINISTRATION

Capitol Campus preservation (94-1-010)

Appropriation:

St Bldg Constr Acct	\$	3,037,000
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Cap Bldg Constr Acct	\$	<u>388,000</u>
Subtotal Appropriation	\$	3,425,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>27,259,550</u>
TOTAL	\$	30,684,550

NEW SECTION. Sec. 138. FOR THE DEPARTMENT OF GENERAL ADMINISTRATION

Legislative Building preservation (94-1-011)

Appropriation:

St Bldg Constr Acct	\$	<u>304,000</u>
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	304,000

NEW SECTION. Sec. 139. FOR THE DEPARTMENT OF GENERAL ADMINISTRATION

Temple of Justice preservation (94-1-012)

Appropriation:

St Bldg Constr Acct	\$	<u>147,000</u>
Cap Bldg Constr Acct	\$	<u>277,000</u>
Subtotal Appropriation	\$	424,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	424,000

NEW SECTION. Sec. 140. FOR THE DEPARTMENT OF GENERAL ADMINISTRATION

Northern State Multiservice Center: For critical life/safety and preservation projects (94-1-014)

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

(1) The department shall report to the legislature by November 1, 1994, with options for the disposition of the nonstate-occupied portions of the campus after the reduction or closure of state programs.

(2) The appropriation shall not be spent until the office of financial management has approved a facility repair and preservation plan for the campus.

Appropriation:

CEP & RI Acct	\$	<u>872,000</u>
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	872,000

NEW SECTION. Sec. 141. FOR THE DEPARTMENT OF GENERAL ADMINISTRATION

Office Building 2 preservation (94-1-015)

Appropriation:

St Bldg Constr Acct	\$	250,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>2,339,000</u>
TOTAL	\$	2,589,000

NEW SECTION. Sec. 142. FOR THE DEPARTMENT OF GENERAL ADMINISTRATION

Modular Building preservation (94-1-016)

Appropriation:

St Bldg Constr Acct	\$	251,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>800,000</u>
TOTAL	\$	1,051,000

NEW SECTION. Sec. 143. FOR THE DEPARTMENT OF GENERAL ADMINISTRATION

Employment Security Building preservation (94-1-017)

Appropriation:

St Bldg Constr Acct	\$	74,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>575,000</u>
TOTAL	\$	649,000

NEW SECTION. Sec. 144. FOR THE DEPARTMENT OF GENERAL ADMINISTRATION

Plaza garage: Repair and study (94-1-023)

Appropriation:

St Bldg Constr Acct	\$	235,000
Motor Vehicle Acct	\$	<u>26,000</u>
Subtotal Appropriation	\$	261,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>3,627,000</u>
TOTAL	\$	3,888,000

NEW SECTION. Sec. 145. FOR THE DEPARTMENT OF GENERAL ADMINISTRATION

Old Capitol Building preservation (94-1-025)

Appropriation:

St Bldg Constr Acct	\$	1,179,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	1,179,000

NEW SECTION. Sec. 146. FOR THE DEPARTMENT OF GENERAL ADMINISTRATION

Burien conference center preservation (94-1-026)

Appropriation:

St Bldg Constr Acct	\$	238,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	1,675,000
TOTAL	\$	1,913,000

NEW SECTION. Sec. 147. FOR THE DEPARTMENT OF GENERAL ADMINISTRATION

Lacey light industrial park acquisition (94-2-003)

Appropriation:

St Bldg Constr Acct	\$	1,100,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	18,200,000
TOTAL	\$	19,300,000

NEW SECTION. Sec. 148. FOR THE DEPARTMENT OF GENERAL ADMINISTRATION

General Administration Engineering and Architectural Services Division: Project management (94-2-010)

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

(1) The appropriation in this section shall be used to provide those services to state agencies required by RCW 43.19.450 that are essential and mandated activities defined as core services and are included in the engineering and architectural services responsibilities and task list for general public works projects of normal complexity. The department may negotiate agreements with agencies for additional fees to manage exceptional projects or projects that require services in addition to core services and that are described as optional and extra services in the task list.

(2) The department shall utilize a project management cost allocation procedure approved by the office of financial management to allocate costs under the appropriation, and costs under any negotiated agreements for additional services, at the agency, object, and subobject levels. In addition, the department shall allocate costs at the project level for projects valued over \$500,000.

Appropriation:

St Bldg Constr Acct	\$	8,000,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	38,563,092
TOTAL	\$	46,563,092

NEW SECTION. Sec. 149. FOR THE DEPARTMENT OF GENERAL ADMINISTRATION

Library for the Blind and Physically Handicapped: To acquire and renovate space for the Washington library for the blind and physically handicapped (92-5-001)

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

(1) The facility acquired under this section shall be owned, operated, managed, and maintained by the city of Seattle.

(2) The appropriation in this section shall complete the state's capital obligation for the facility.

(3) In accepting the ownership of the facility and the renovation funding provided in this section, the city of Seattle agrees to provide rent-free space to the library for the blind and physically handicapped equal to the same amount as the library currently occupies for as long as the state contracts services from the Seattle public library.

Reappropriation:

St Bldg Constr Acct	\$	1,900,000
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Appropriation:

St Bldg Constr Acct	\$	1,400,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	3,300,000

NEW SECTION. Sec. 150. FOR THE LIQUOR CONTROL BOARD

Distribution Center: Floor voids and wall repair (94-1-002)

Appropriation:

Liquor Revolving Acct	\$	50,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	50,000

NEW SECTION. Sec. 151. FOR THE LIQUOR CONTROL BOARD

Distribution Center: Security fence replacement (94-1-003)

Appropriation:

Liquor Revolving Acct	\$	28,800
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Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	28,800

NEW SECTION. Sec. 152. FOR THE LIQUOR CONTROL BOARD

Distribution Center: Receiving dock cut-outs (94-1-004)

Appropriation:

Liquor Revolving Acct	\$	40,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	40,000

NEW SECTION. Sec. 153. FOR THE LIQUOR CONTROL BOARD

Distribution Center: Warehouse reroof (94-1-005)

Appropriation:

Liquor Revolving Acct	\$	3,500,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	3,500,000

NEW SECTION. Sec. 154. FOR THE MILITARY DEPARTMENT

Armory life and safety code compliance projects (88-1-005)

The appropriation in this section is subject to the conditions and limitations of section 1017(2) (a) and (b) of this act.

Reappropriation:

St Bldg Constr Acct	\$	260,000
Prior Biennia (Expenditures)	\$	1,025,000
Future Biennia (Projected Costs)	\$	1,535,000
TOTAL	\$	2,820,000

NEW SECTION. Sec. 155. FOR THE MILITARY DEPARTMENT

Minor works (92-5-900)

In support of federal construction projects (86-1-005) (86-1-006) (88-3-006) (88-3-004) (86-2-004)

The appropriation in this section is subject to the conditions and limitations of section 1017(2) (a) and (b) of this act.

Reappropriation:

St Bldg Constr Acct	\$	288,624
General Fund—Federal	\$	615,000
Subtotal Reappropriation	\$	903,624
Prior Biennia (Expenditures)	\$	9,305,376

Future Biennia (Projected Costs)	\$ 8,691,000
TOTAL	\$ 18,900,000

NEW SECTION. Sec. 156. FOR THE MILITARY DEPARTMENT

Minors works: Support of federal construction projects (93-1-007)

Appropriation:

St Bldg Constr Acct	\$ 406,200
General Fund—Federal	\$ 3,998,000
Subtotal Appropriation	\$ 4,404,200
Prior Biennia (Expenditures)	\$ 8,456,500
Future Biennia (Projected Costs)	\$ 17,777,000
TOTAL	\$ 30,637,700

NEW SECTION. Sec. 157. FOR THE MILITARY DEPARTMENT

State-wide preservation (93-1-008)

Appropriation:

St Bldg Constr Acct	\$ 2,518,400
Prior Biennia (Expenditures)	\$ 800,000
Future Biennia (Projected Costs)	\$ 1,766,000
TOTAL	\$ 5,084,400

NEW SECTION. Sec. 158. FOR THE MILITARY DEPARTMENT

Buckley Armory construction (93-2-001)

Reappropriation:

St Bldg Constr Acct	\$ 1,127,000
General Fund—Federal	\$ 1,728,000
Subtotal Reappropriation	\$ 2,855,000

Appropriation:

General Fund—Federal	\$ 311,000
Prior Biennia (Expenditures)	\$ 170,245
Future Biennia (Projected Costs)	\$ 0
TOTAL	\$ 3,336,245

NEW SECTION. Sec. 159. FOR THE MILITARY DEPARTMENT

Grandview Armory construction (93-2-002)

Reappropriation:

St Bldg Constr Acct	\$ 1,102,000
General Fund—Federal	\$ 1,602,000
Subtotal Reappropriation	\$ 2,704,000

Appropriation:

General Fund—Federal	\$ 225,000
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Prior Biennia (Expenditures)	\$	162,130
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	3,091,130

NEW SECTION. Sec. 160. FOR THE MILITARY DEPARTMENT

Moses Lake Armory construction (93-2-003)

Reappropriation:

St Bldg Constr Acct	\$	1,206,000
General Fund—Federal	\$	<u>1,804,000</u>
Subtotal Reappropriation	\$	3,010,000

Appropriation:

General Fund—Federal	\$	229,000
Prior Biennia (Expenditures)	\$	177,245
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	3,416,245

NEW SECTION. Sec. 161. FOR THE MILITARY DEPARTMENT

Camp Murray—Agency Headquarters predesign (93-2-004)

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

(1) The department shall conduct a predesign of the project described in this section in accordance with the predesign manual published by the office of financial management. Future appropriations for this project are subject to the submittal of completed predesign requirements by July 1, 1994.

(2) The department shall ensure the continued preservation of the exterior appearance of building number one at Camp Murray.

Appropriation:

St Bldg Constr Acct	\$	102,948
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>8,579,000</u>
TOTAL	\$	8,681,948

NEW SECTION. Sec. 162. FOR THE WASHINGTON HORSE RACING COMMISSION

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

(1) The appropriation in this section is provided solely for the benefit and support of thoroughbred horse racing;

(2) No expenditure from this appropriation may be made to construct horse race or related facilities until the commission has made a determination that the applicant has the ability to complete the construction of a facility and fund its operation and the applicant has completed all state and federal permitting requirements;

(3) The Washington horse racing commission shall insure that any expenditure from this appropriation will protect the state's long-term interest in the continuation and development of thoroughbred horse racing.

Appropriation:

Washington Thoroughbred

Racing Fund	\$	8,200,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	8,200,000

PART 2

HUMAN SERVICES

NEW SECTION. Sec. 201. FOR THE DEPARTMENT OF COMMUNITY DEVELOPMENT

Development loan fund recapitalization (88-2-002)

The appropriations in this section are subject to the following conditions and limitations: One million dollars of the state building construction account appropriation is provided solely for loans to minority and women-owned businesses under Engrossed Substitute House Bill No. 1493.

Appropriation:

St Bldg Constr Acct	\$	2,000,000
WA St Dev Loan Acct	\$	<u>2,000,000</u>
Subtotal Appropriation	\$	4,000,000
Prior Biennia (Expenditures)	\$	5,429,699
Future Biennia (Projected Costs)	\$	<u>17,000,000</u>
TOTAL	\$	26,429,699

NEW SECTION. Sec. 202. FOR THE DEPARTMENT OF COMMUNITY DEVELOPMENT

Grays Harbor dredging (88-3-006)

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

(1) The appropriation is provided solely for the state's share of costs for Grays Harbor dredging, dike construction, bridge relocation, and related expenses.

(2) Expenditure of moneys from this appropriation is contingent on the authorization of \$40,000,000 and an initial appropriation of at least \$13,000,000 from the United States army corps of engineers and the authorization of at least \$10,000,000 from the local government for the project. Up to \$3,500,000 of the local government contribution for the first year on the project may be composed of property, easements, rent adjustments, and other expenditures specifically for the purposes of this appropriation if approved by the army corps of engineers.

State funds shall be disbursed at a rate not to exceed one dollar for every four dollars of federal funds expended by the army corps of engineers and one dollar from other nonstate sources.

(3) Expenditure of moneys from this appropriation is contingent on a cost-sharing arrangement and the execution of a local cooperation agreement between the port of Grays Harbor and the army corps of engineers pursuant to P.L. 99-662, the federal water resources development act of 1986, whereby the corps of engineers will construct the project as authorized by that federal act.

(4) The port of Grays Harbor shall make the best possible effort to acquire additional project funding from nonstate public grants and/or other governmental sources other than those in subsection (2) of this section. Any money, up to \$10,000,000 provided from such sources other than those in subsection (2) of this section, shall be used to reimburse or replace state building construction account money. In the event the project cost is reduced, any resulting reduction or reimbursement of nonfederal costs realized by the port of Grays Harbor shall be shared proportionally with the state.

Reappropriation:

St Bldg Constr Acct	\$	5,688,000
Prior Biennia (Expenditures)	\$	4,312,000
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	10,000,000

NEW SECTION. Sec. 203. FOR THE DEPARTMENT OF COMMUNITY DEVELOPMENT

Housing assistance program (88-5-015)

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

(1) The \$2,000,000 appropriation from the charitable, educational, penal, and reformatory institutions account is provided to promote development of at least 120 safe and affordable housing units for persons eligible for services from the division of developmental disabilities in the department of social and health services. The housing assistance program shall convene an advisory group of developmental disabilities service agencies and family members to plan implementation of this initiative.

(2) The department of community development shall conduct a study on the feasibility of providing financial guarantees to housing authorities. The department shall submit its findings to the appropriate legislative committees by December 15, 1993.

(3) It is the intent of the legislature that, in addition to the moneys provided under subsection (1) of this section, a portion of the state building construction account appropriation be used to develop safe and affordable housing for the developmentally disabled.

Reappropriation:

St Bldg Constr Acct	\$ 22,000,000
Appropriation:	
St Bldg Constr Acct	\$ 34,000,000
CEP & RI Acct	\$ <u>2,000,000</u>
Subtotal Appropriation	\$ 36,000,000
Prior Biennia (Expenditures)	\$ 35,449,197
Future Biennia (Projected Costs)	\$ <u>136,000,000</u>
TOTAL	\$ 229,449,197

NEW SECTION. Sec. 204. FOR THE DEPARTMENT OF COMMUNITY DEVELOPMENT

A Contemporary Theatre, Seattle (90-1-006)

The reappropriation in this section is subject to the following conditions and limitations: This reappropriation is provided solely for the construction or renovation of a new theater in Seattle.

Reappropriation:	
St Bldg Constr Acct	\$ 1,000,000
Prior Biennia (Expenditures)	\$ 0
Future Biennia (Projected Costs)	\$ <u>0</u>
TOTAL	\$ 1,000,000

NEW SECTION. Sec. 205. FOR THE DEPARTMENT OF COMMUNITY DEVELOPMENT

Seattle Center redevelopment: For upgrading the Coliseum, including engineering and other studies to determine renovation alternatives for the Coliseum, the International Fountain mall, Memorial Stadium, the Center House, the Pacific Arts Center, the Opera House, and central plant; converting the northwest rooms to a conference and exhibit facility; adding parking; renovating and developing open space areas; making improvements to mechanical, electrical, and other high-priority building systems; and making general improvements to the site, including but not limited to signs, fountains, portable stages and fencing (92-1-019)

The reappropriation in this section shall be matched by moneys from nonstate sources sufficient to pay at least seventy-five percent of the total capital costs of these projects.

Reappropriation:	
St Bldg Constr Acct	\$ 6,525,000
Prior Biennia (Expenditures)	\$ 1,975,000
Future Biennia (Projected Costs)	\$ <u>0</u>
TOTAL	\$ 8,500,000

NEW SECTION. Sec. 206. FOR THE DEPARTMENT OF COMMUNITY DEVELOPMENT

Mystic Lake Flood Assistance: For mitigation of development-induced flooding of the lake (92-2-000)

Reappropriation:

St Bldg Constr Acct	\$	39,000
Prior Biennia (Expenditures)	\$	14,000
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	53,000

NEW SECTION. Sec. 207. FOR THE DEPARTMENT OF COMMUNITY DEVELOPMENT

Yakima criminal justice facility: For a grant to the city of Yakima for the construction of a new criminal justice facility (92-2-001)

The reappropriation in this section is subject to the following conditions and limitations:

(1) Before receiving the grant, the city shall demonstrate to the satisfaction of the department an ability to complete the construction of the facility and fund its operation.

(2) The grant may not exceed sixty-six percent of the total project capital costs as determined by the department. The remaining portion of project capital costs shall be a match provided from nonstate sources.

Reappropriation:

St Bldg Constr Acct	\$	3,000,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	3,000,000

NEW SECTION. Sec. 208. FOR THE DEPARTMENT OF COMMUNITY DEVELOPMENT

Asian Resource Center: To construct an Asian Resource Center in Seattle (92-2-002)

This reappropriation shall be matched by at least \$600,000 cash provided from nonstate sources.

Reappropriation:

St Bldg Constr Acct	\$	50,000
Prior Biennia (Expenditures)	\$	100,000
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	150,000

NEW SECTION. Sec. 209. FOR THE DEPARTMENT OF COMMUNITY DEVELOPMENT

Low-income weatherization: For the low-income weatherization program under chapter 70.164 RCW (92-2-005)

Reappropriation:

St Bldg Constr Acct \$ 3,500,000

Appropriation:

St Bldg Constr Acct \$ 8,000,000

Prior Biennia (Expenditures) \$ 4,500,000

Future Biennia (Projected Costs) \$ 32,000,000

TOTAL \$ 48,000,000

NEW SECTION. Sec. 210. FOR THE DEPARTMENT OF COMMUNITY DEVELOPMENT

Emergency Management Building: Minor works (92-2-009)

Reappropriation:

St Bldg Constr Acct \$ 120,000

General Fund—Federal \$ 69,000

Subtotal Reappropriation \$ 189,000

Prior Biennia (Expenditures) \$ 97,000

Future Biennia (Projected Costs) \$ 0

TOTAL \$ 286,000

NEW SECTION. Sec. 211. FOR THE DEPARTMENT OF COMMUNITY DEVELOPMENT

Snohomish county drainage district number 6: To purchase drainage district number 6 and construct a cross-levee on it, in order to decrease damaging flooding of adjacent lands and to reestablish wetlands (92-2-011)

The reappropriation in this section shall be matched by at least \$585,000 provided from nonstate sources for capital costs of this project.

Reappropriation:

St Bldg Constr Acct \$ 350,000

Prior Biennia (Expenditures) \$ 0

Future Biennia (Projected Costs) \$ 0

TOTAL \$ 350,000

NEW SECTION. Sec. 212. FOR THE DEPARTMENT OF COMMUNITY DEVELOPMENT

Mecker Mansion (92-2-500)

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

(1) The reappropriation shall be matched by at least \$100,000 provided from the Ezra Mecker Historical Society for land acquisition and development.

(2) The department shall consult with the Washington State Historical Society before expending any portion of this appropriation.

Reappropriation:

St Bldg Constr Acct	\$	200,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	200,000

NEW SECTION. Sec. 213. FOR THE DEPARTMENT OF COMMUNITY DEVELOPMENT

Tacoma Educational Enrichment Center (92-2-999)

The reappropriation in this section shall be matched by a contribution of at least \$2,200,000 provided from the Tacoma school district or other local government entity for capital costs of this project. The appropriation in this section is provided to the Tacoma school district for a facility to be operated under contract by the metropolitan park district of Tacoma. No funds may be expended until a facility plan has been jointly approved by the Tacoma school district and the metropolitan park district.

Reappropriation:

St Bldg Constr Acct	\$	1,500,000
Prior Biennia (Expenditures)	\$	700,000
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	2,200,000

NEW SECTION. Sec. 214. FOR THE DEPARTMENT OF COMMUNITY DEVELOPMENT

Resource center for the handicapped: To acquire and improve the facilities in which the center currently operates (92-5-000)

The reappropriation in this section is subject to the following conditions and limitations: No expenditure may be made until an equal amount of nonstate moneys dedicated to the purchase of the facility have been raised. The matching money may include lease-purchase payments made by the center prior to the effective date of this section.

Reappropriation:

St Bldg Constr Acct	\$	1,200,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	1,200,000

NEW SECTION. Sec. 215. FOR THE DEPARTMENT OF COMMUNITY DEVELOPMENT

Columbia river dredging feasibility study: For completing a study on the feasibility of deepening the navigation channel from Astoria to Vancouver (92-5-006)

Expenditure of this reappropriation is contingent on \$1,200,000 from the federal government and \$600,000 from the state of Oregon being appropriated for the same purpose.

Reappropriation:

St Bldg Constr Acct	\$	600,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	600,000

NEW SECTION. Sec. 216. FOR THE DEPARTMENT OF COMMUNITY DEVELOPMENT

Tears of Joy Theatre (92-5-018)

The reappropriation in this section shall be matched by at least \$1,950,000 from nonstate sources provided for capital costs of the project. The match may include cash, land value, and other in-kind contributions.

Reappropriation:

St Bldg Constr Acct	\$	1,850,000
Prior Biennia (Expenditures)	\$	100,000
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	1,950,000

NEW SECTION. Sec. 217. FOR THE DEPARTMENT OF COMMUNITY DEVELOPMENT

Carolyn Downs Family Medical Center (92-5-021)

The reappropriation in this section shall be matched by at least \$2,050,000 provided from nonstate sources for capital costs of this project.

Reappropriation:

St Bldg Constr Acct	\$	500,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	500,000

NEW SECTION. Sec. 218. FOR THE DEPARTMENT OF COMMUNITY DEVELOPMENT

Columbia Gorge Interpretive Center (92-5-101)

The reappropriation in this section shall be matched by at least \$5,000,000 from nonstate sources provided for capital costs of the project. The match may include cash, land value, and other in-kind contributions.

Reappropriation:

St Bldg Constr Acct	\$	4,500,000
Prior Biennia (Expenditures)	\$	500,000

Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	5,000,000

NEW SECTION. Sec. 219. FOR THE DEPARTMENT OF COMMUNITY DEVELOPMENT

Columbia River Renaissance (93-5-001)

The reappropriation in this section shall be matched by an equal amount of money from nonstate sources for the same purpose.

Reappropriation:

St Bldg Constr Acct	\$	900,000
Prior Biennia (Expenditures)	\$	900,000
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	1,800,000

NEW SECTION. Sec. 220. FOR THE DEPARTMENT OF COMMUNITY DEVELOPMENT

Pacific Science Center (93-5-002)

Each dollar expended from the reappropriation in this section shall be matched by at least three dollars from nonstate sources expended for the same purpose.

Reappropriation:

St Bldg Constr Acct	\$	1,061,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	1,061,000

NEW SECTION. Sec. 221. FOR THE DEPARTMENT OF COMMUNITY DEVELOPMENT

Tri-Cities Trade Center (93-5-003)

The appropriations in this section may be used only for capital development of an arena multi-purpose facility and adjacent recreation space in the city of Pasco. These appropriations shall be matched by at least two million eight hundred thousand dollars provided from nonstate sources.

Reappropriation:

St Bldg Constr Acct	\$	1,800,000
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Appropriation:

St Bldg Constr Acct	\$	1,000,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	2,800,000

NEW SECTION. Sec. 222. FOR THE DEPARTMENT OF COMMUNITY DEVELOPMENT

Whatcom Museum (93-5-004)

Expenditures from the reappropriation in this section shall not exceed fifteen percent of the total estimated capital costs of the project. The remaining portions of the project costs shall be a match from nonstate sources. The match may include cash and land value received after January 1, 1990.

Reappropriation:

St Bldg Constr Acct	.....	\$	6,750
Prior Biennia (Expenditures)	.....	\$	293,250
Future Biennia (Projected Costs)	.....	\$	0
TOTAL	.....	\$	300,000

NEW SECTION. Sec. 223. FOR THE DEPARTMENT OF COMMUNITY DEVELOPMENT

Martin Luther King Jr. Memorial (93-5-005)

Each dollar expended from the reappropriation in this section shall be matched by at least one dollar from other sources expended for the same purpose.

Reappropriation:

St Bldg Constr Acct	.....	\$	100,000
Prior Biennia (Expenditures)	.....	\$	0
Future Biennia (Projected Costs)	.....	\$	0
TOTAL	.....	\$	100,000

NEW SECTION. Sec. 224. FOR THE DEPARTMENT OF COMMUNITY DEVELOPMENT

Challenger Learning Center (93-5-006)

The reappropriation in this section is subject to the following conditions and limitations:

(1) The appropriation is provided solely for support of science education at the Challenger learning center at the museum of flight; and

(2) Each dollar expended from the appropriation in this section shall be matched by at least one dollar from nonstate sources for the same purpose.

Reappropriation:

St Bldg Constr Acct	.....	\$	500,000
Prior Biennia (Expenditures)	.....	\$	300,000
Future Biennia (Projected Costs)	.....	\$	0
TOTAL	.....	\$	800,000

NEW SECTION. Sec. 225. FOR THE DEPARTMENT OF COMMUNITY DEVELOPMENT

Science Hall, Walla Walla (93-5-007)

The reappropriation in this section is provided solely for a grant to the Downtown Walla Walla Foundation for facade restoration and preservation of Science Hall, the site of the 1878 constitutional convention. The appropriation in this section shall be matched by an equal amount of nonstate moneys.

Reappropriation:

St Bldg Constr Acct	\$	75,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	75,000

NEW SECTION. Sec. 226. FOR THE DEPARTMENT OF COMMUNITY DEVELOPMENT

Fire Training Academy preservation (94-1-016)

The appropriation in this section is subject to the following conditions and limitations: That portion of the appropriation related to underground storage tanks may be expended only after compliance with section 107 of this act.

Appropriation:

St Bldg Constr Acct	\$	1,350,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	3,639,904
TOTAL	\$	4,989,904

NEW SECTION. Sec. 227. FOR THE DEPARTMENT OF COMMUNITY DEVELOPMENT

Emergency management building preservation (94-1-018)

Appropriation:

St Bldg Constr Acct	\$	85,084
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	200,000
TOTAL	\$	285,084

NEW SECTION. Sec. 228. FOR THE DEPARTMENT OF COMMUNITY DEVELOPMENT

Public works trust fund loans (94-2-001)

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

(1) \$7,000,000 of the reappropriation is provided solely for the purposes of chapter 314, Laws of 1991.

(2) \$7,500,000 of the appropriation may be used for projects authorized in House Bill No. 1790 (chapter 3, Laws of 1993).

Reappropriation:

Public Works Assistance Acct	\$ 76,357,632
Appropriation:	
Public Works Assistance Acct	\$ 93,876,640
Prior Biennia (Expenditures)	\$ 81,376,520
Future Biennia (Projected Costs)	\$ 583,400,000
TOTAL	\$ 835,010,792

NEW SECTION. Sec. 229. FOR THE DEPARTMENT OF COMMUNITY DEVELOPMENT

Affordable housing program (94-2-019)

Reappropriation:	
St Bldg Constr Acct	\$ 6,000,000
Appropriation:	
St Bldg Constr Acct	\$ 8,000,000
Prior Biennia (Expenditures)	\$ 2,000,000
Future Biennia (Projected Costs)	\$ 24,000,000
TOTAL	\$ 40,000,000

NEW SECTION. Sec. 230. FOR THE DEPARTMENT OF COMMUNITY DEVELOPMENT

Building for the arts-Phases 1 and 2 (92-5-100) (94-2-021)

For grants to local performing arts and art museum organizations for facility improvements or additions.

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

(1) Grants are limited to the following projects:

Phase 1 (92-5-100)

	Estimated Total Capital Cost	State Grant	State Share @ 15%
Seattle Children's Theatre	\$ 8,000,000	\$ 1,200,000	15%
Admiral Theatre (Bremerton)	\$ 4,261,000	\$ 639,000	15%
Pacific Northwest Ballet	\$ 7,500,000	\$ 1,125,000	15%
Seattle Symphony	\$ 54,000,000	\$ 8,100,000	15%
Seattle Repertory Theatre (Phase 1)	\$ 4,000,000	\$ 600,000	15%
Intiman Theatre	\$ 800,000	\$ 120,000	15%
Broadway Theatre District (Tacoma)	\$ 11,800,000	\$ 1,770,000	15%
Allied Arts of Yakima	\$ 500,000	\$ 75,000	15%

Spokane Art School	\$ 454,000	\$ 68,000	15%
Seattle Art Museum	<u>\$ 4,862,500</u>	<u>\$ 729,000</u>	15%
Total	\$ 96,177,500	\$ 14,426,000	

Phase 2 (94-2-021)

	Estimated Total Capital Cost	State Grant	State Share @ 15%
Bainbridge Performing Arts Center	\$ 1,200,000	\$ 180,000	15%
The Children's Museum	\$ 2,850,000	\$ 427,500	15%
Everett Community Theatre	\$ 12,119,063	\$ 1,817,859	15%
Kirkland Center for the Performing Arts	\$ 2,500,000	\$ 375,000	15%
Makah Cultural and Research Center	\$ 1,600,000	\$ 240,000	15%
Mount Baker Theatre Center	\$ 1,581,000	\$ 237,150	15%
Seattle Group Theatre	\$ 334,751	\$ 50,213	15%
Seattle Opera Association	\$ 985,000	\$ 147,750	15%
Seattle Repertory Theatre (Phase 2)	\$ 4,000,000	\$ 600,000	15%
Tacoma Little Theatre	\$ 1,250,000	\$ 187,500	15%
Valley Museum of Northwest Art	\$ 1,100,000	\$ 165,000	15%
Village Theatre	\$ 6,000,000	\$ 900,000	15%
The Washington Center for the Performing Arts	\$ 400,000	\$ 60,000	15%
Whidbey Island Center for the Arts	<u>\$ 1,200,000</u>	<u>\$ 180,000</u>	15%
Total	\$ 38,119,814	\$ 5,567,972	

(2) The state grant may provide no more than fifteen percent of the estimated total capital cost or actual total capital cost of the project, whichever is less. The remaining portions of project capital costs shall be a match from nonstate sources. The match may include cash and land value.

(3) State funding shall be distributed to projects in the order in which matching requirements have been met.

(4) The department shall submit a list of recommended performing arts, museum, and cultural organization projects for funding in the 1995-97 capital budget. The list shall result from a competitive grants program developed by the department providing for:

(a) A maximum state funding amount of \$4 million in the 1995-97 biennium for new projects not previously authorized by the legislature. Maximum state

grant awards shall be limited to fifteen percent of the total cost of each qualified project;

(b) Uniform criteria for the selection of projects and awarding of grants. The criteria shall address, at a minimum: The administrative and financial capability of the organization to complete and operate the project; local community support for the project; the contribution the project makes to the diversity of performing arts, museum, and cultural organizations operating in the state; and the geographic distribution of projects; and

(c) A process to provide information describing application procedures to performing arts, museum, and cultural organizations state-wide.

The department may consult with and utilize existing arts organizations to assist with developing the grant criteria and administering the grant program.

Reappropriation:

St Bldg Constr Acct \$ 9,475,000

Appropriation:

St Bldg Constr Acct \$ 5,961,086

Prior Biennia (Expenditures) \$ 1,773,900

Future Biennia (Projected Costs) \$ 2,783,986

TOTAL \$ 19,993,972

NEW SECTION. Sec. 231. FOR THE DEPARTMENT OF COMMUNITY DEVELOPMENT

Emergency management building replacement predesign (94-2-026)

The appropriation in this section may be expended solely to conduct a predesign of the project described in this section in accordance with the predesign manual published by the office of financial management. Future appropriations for this project are subject to the submittal of completed predesign requirements on or before July 1, 1994.

Appropriation:

St Bldg Constr Acct \$ 53,425

Prior Biennia (Expenditures) \$ 0

Future Biennia (Projected Costs) \$ 8,900,000

TOTAL \$ 8,953,425

NEW SECTION. Sec. 232. FOR THE DEPARTMENT OF COMMUNITY DEVELOPMENT

Tall ships tourist attraction (86-4-002)

The reappropriation in this section is subject to the following conditions and limitations:

(1) The reappropriation is provided solely to contract with the Grays Harbor Historical Seaport Authority to design and construct a tall ship tourist attraction.

(2) The reappropriation shall be matched by at least \$513,105 from nonstate sources provided solely for capital costs of the project. The match may include cash and in-kind contributions, but may not include cash or in-kind contributions used to match other state moneys provided to the Grays Harbor Historical Seaport Authority.

(3) The department shall ensure that the state's interest is protected by requiring that if the tall ship tourist attraction is sold or its use is changed, the Grays Harbor Historical Seaport Authority shall return to the state of Washington an amount equal to the state's total contribution to the project.

(4) The reappropriation in this subsection is subject to the conditions and limitations of section 1017(2)(b) of this act.

Reappropriation:

St Bldg Constr Acct	\$	200,000
Prior Biennia (Expenditures)	\$	800,000
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	1,000,000

NEW SECTION. Sec. 233. FOR THE DEPARTMENT OF COMMUNITY DEVELOPMENT

Historic community theaters (90-5-014)

The reappropriation in this section is provided solely for grants to preserve historic community theaters. No portion of the reappropriation in this section may be spent unless an equal amount from nonstate sources is provided for the same purposes. No more than \$50,000 of the total amount shall be expended for renovation of the Admiral Theatre in West Seattle.

Reappropriation:

St Bldg Constr Acct	\$	25,000
Prior Biennia (Expenditures)	\$	475,000
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	500,000

NEW SECTION. Sec. 234. FOR THE DEPARTMENT OF COMMUNITY DEVELOPMENT

Childhaven: Therapeutic Child Day Treatment and Family Support Center (94-2-051)

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

(1) The appropriation is provided solely for the capital costs of a new facility to house a treatment program for abused and neglected preschool children.

(2) Each dollar expended from the appropriation shall be matched by at least five dollars from nonstate sources for the same purpose.

Appropriation:

St Bldg Constr Acct	\$	975,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	975,000

NEW SECTION. Sec. 235. FOR THE DEPARTMENT OF COMMUNITY DEVELOPMENT

Daybreak Star Center Remodel (94-2-100)

Appropriation:

St Bldg Constr Acct	\$	227,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	227,000

NEW SECTION. Sec. 236. FOR THE DEPARTMENT OF COMMUNITY DEVELOPMENT

Sisters of Visitation Monastery and Retreat Center: For the City of Federal Way to provide up to fifteen percent of the cost of acquiring the Sisters of Visitation Monastery and Retreat Center.

The appropriation in this section is subject to the following conditions and limitations: The city of Federal Way shall ensure public access to the grounds of the monastery and retreat center during standard accepted park operating hours.

Appropriation:

St Bldg Constr Acct	\$	405,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	405,000

NEW SECTION. Sec. 237. FOR THE DEPARTMENT OF COMMUNITY DEVELOPMENT

Sand Point Naval Station Planning: For the city of Seattle for community liaison committee planning related to future use of the Sand Point Naval Station on Lake Washington. No more than one percent of the appropriation may be expended by the department of community development and the city of Seattle for administrative costs.

Appropriation:

St Bldg Constr Acct	\$	30,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	30,000

NEW SECTION. Sec. 238. FOR THE DEPARTMENT OF COMMUNITY DEVELOPMENT

Bigelow House: For restoration and renovation of this historic home to accommodate public visitors.

The appropriation in this section is contingent on the project being owned and operated by a public or nonprofit organization.

Appropriation:

St Bldg Constr Acct	\$	308,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	308,000

NEW SECTION. Sec. 239. FOR THE DEPARTMENT OF COMMUNITY DEVELOPMENT

Camp North Bend: For restoration of the historic Camp North Bend (Camp Waskowitz) owned and operated by the Highline school district as an environmental education center.

The appropriation in this section shall be matched by \$100,000 provided from nonstate sources for capital costs of this project.

Appropriation:

St Bldg Constr Acct	\$	200,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	200,000

NEW SECTION. Sec. 240. FOR THE DEPARTMENT OF COMMUNITY DEVELOPMENT

Camelot Community Flooding Assistance: To provide financial assistance to King county to relieve flooding in the Camelot community.

The appropriation in this section is subject to the following conditions and limitations: Each dollar expended from the appropriation shall be matched by at least five dollars from nonstate sources for the same purpose.

Appropriation:

St Bldg Constr Acct	\$	75,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	75,000

NEW SECTION. Sec. 241. FOR THE DEPARTMENT OF COMMUNITY DEVELOPMENT

Olympic Peninsula Natural History Museum: For development of the museum.

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

(1) Each two dollars expended from this appropriation shall be matched by at least one dollar from other sources. The match may include cash, land, and in-kind donations.

(2) It is the intent of the legislature that this appropriation represents a one time grant for this project.

Appropriation:

St Bldg Constr Acct	\$	300,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	300,000

NEW SECTION. Sec. 242. FOR THE DEPARTMENT OF COMMUNITY DEVELOPMENT

Kitsap Mental Health Services

The appropriation in this section is subject to the following conditions and limitations: Each dollar expended from the appropriation shall be matched by at least eight dollars from nonstate sources for the same purpose.

Appropriation:

St Bldg Constr Acct	\$	500,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	500,000

NEW SECTION. Sec. 243. FOR THE DEPARTMENT OF COMMUNITY DEVELOPMENT

Thorp Grist Mill: To develop the ice pond park and provide facilities to accommodate public access.

The appropriation in this section shall be matched by at least \$100,000 from nonstate and nonfederal sources. The match may include cash or in-kind contributions. The department shall assist the Thorp Mill Town Historical Preservation Society in soliciting moneys from the intermodal surface transportation efficiency act to support the project.

Appropriation:

St Bldg Constr Acct	\$	100,000
Prior Biennia (Expenditures)	\$	30,000
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	130,000

NEW SECTION. Sec. 244. FOR THE DEPARTMENT OF COMMUNITY DEVELOPMENT

Seventh Street Hoquiam Theatre (90-2-008)

The appropriation in this section is subject to the following conditions and limitations: The appropriation shall be matched by at least \$400,000 from nonstate sources. The match may include cash or in-kind contributions.

Appropriation:

St Bldg Constr Acct	\$	300,000
Prior Biennia (Expenditures)	\$	250,000
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	550,000

NEW SECTION. Sec. 245. FOR THE DEPARTMENT OF COMMUNITY DEVELOPMENT

Boren Field Repairs: To provide financial assistance to the Seattle school district for repairs to Boren Field.

The appropriation in this section shall be matched by at least \$50,000 from nonstate sources.

Appropriation:

St Bldg Constr Acct	\$	275,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	275,000

NEW SECTION. Sec. 246. FOR THE DEPARTMENT OF LABOR AND INDUSTRIES

Complete Labor and Industries Headquarters Building in Tumwater (90-4-004)

Reappropriation:

L&I Constr Acct	\$	900,000
Prior Biennia (Expenditures)	\$	62,100,000
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	63,000,000

NEW SECTION. Sec. 247. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES

Minor projects for Division of Alcohol and Substance Abuse (90-3-010)

Reappropriation:

CEP & RI Acct	\$	336,728
Prior Biennia (Expenditures)	\$	13,272
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	350,000

NEW SECTION. Sec. 248. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES

Echo Glen Childrens' Center: Security improvements (90-5-002)

The appropriation in this section is subject to the conditions and limitations of section 1017(2) (a) and (b) of this act.

Reappropriation:

St Bldg Constr Acct	\$	475,000
Prior Biennia (Expenditures)	\$	25,000
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	500,000

NEW SECTION. Sec. 249. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES

Western State Hospital—Ward phase 5 remodel (92-1-314)

Reappropriation:

St Bldg Constr Acct	\$	12,669,000
Prior Biennia (Expenditures)	\$	1,000,000
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	13,669,000

NEW SECTION. Sec. 250. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES

Eastern State Hospital—Ward phase 3 remodel (92-1-340)

Reappropriation:

St Bldg Constr Acct	\$	6,328,000
Prior Biennia (Expenditures)	\$	1,250,000
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	7,578,000

NEW SECTION. Sec. 251. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES

Minor projects for Alcohol and Substance Abuse Division (92-2-010)

Reappropriation:

CEP & RI Acct	\$	375,000
Prior Biennia (Expenditures)	\$	102,840
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	477,840

NEW SECTION. Sec. 252. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES

Maple Lane School: Construct a 64-bed, level one security facility (92-2-225)

Reappropriation:

St Bldg Constr Acct	\$ 6,215,800
Prior Biennia (Expenditures)	\$ 500,000
Future Biennia (Projected Costs)	\$ 0
TOTAL	\$ 6,715,800

NEW SECTION. Sec. 253. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES

Maple Lane School: Construct 48-bed, level 2 security facility (92-2-230)

Reappropriation:

St Bldg Constr Acct	\$ 1,553,500
Prior Biennia (Expenditures)	\$ 1,553,500
Future Biennia (Projected Costs)	\$ 0
TOTAL	\$ 3,107,000

NEW SECTION. Sec. 254. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES

Child Study and Treatment Center: Design and construct high school (92-2-319)

Reappropriation:

St Bldg Constr Acct	\$ 3,825,000
Prior Biennia (Expenditures)	\$ 617,300
Future Biennia (Projected Costs)	\$ 0
TOTAL	\$ 4,442,300

NEW SECTION. Sec. 255. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES

Child care facilities for state employees, including higher education employees (92-4-050)

Reappropriation:

St Bldg Constr Acct	\$ 1,700,000
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Appropriation:

St Bldg Constr Acct	\$ 1,000,000
Prior Biennia (Expenditures)	\$ 800,000
Future Biennia (Projected Costs)	\$ 0
TOTAL	\$ 3,500,000

NEW SECTION. Sec. 256. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES

Minor capital preservation (94-1-004)

Reappropriation:

CEP & RI Acct \$ 1,261,951

Appropriation:

St Bldg Constr Acct \$ 928,000

CEP & RI Acct \$ 3,000,000

Subtotal Appropriation \$ 3,928,000

Prior Biennia (Expenditures) \$ 3,735,931

Future Biennia (Projected Costs) \$ 22,727,750

TOTAL \$ 31,653,632

NEW SECTION. Sec. 257. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES

Environmental management and planning (94-1-005)

Reappropriation:

CEP & RI Acct \$ 137,576

Prior Biennia (Expenditures) \$ 221,424

Future Biennia (Projected Costs) \$ 0

TOTAL \$ 359,000

NEW SECTION. Sec. 258. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES

Energy conservation management and planning (94-1-006)

Reappropriation:

CEP & RI Acct \$ 230,476

Prior Biennia (Expenditures) \$ 330,624

Future Biennia (Projected Costs) \$ 0

TOTAL \$ 561,100

NEW SECTION. Sec. 259. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES

Emergency repairs (94-1-007)

Appropriation:

CEP & RI Acct \$ 250,000

Prior Biennia (Expenditures) \$ 0

Future Biennia (Projected Costs) \$ 1,266,250

TOTAL \$ 1,516,250

NEW SECTION. Sec. 260. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES

Chlorofluorocarbon abatement (94-1-008)

Appropriation:

CEP & RI Acct \$ 100,000

Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	250,000
TOTAL	\$	350,000

NEW SECTION. Sec. 261. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES

Predesign for future projects (94-1-009)

The agency shall conduct a predesign of future projects in accordance with the predesign manual published by the office of financial management. Future appropriations for these projects are subject to the submittal of completed predesign requirements on or before July 1, 1994.

Appropriation:

St Bldg Constr Acct	\$	350,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	350,000

NEW SECTION. Sec. 262. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES

Minor projects for Juvenile Rehabilitation Division (94-1-020)

Reappropriation:

CEP & RI Acct	\$	245,719
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Appropriation:

St Bldg Constr Acct	\$	2,079,600
Prior Biennia (Expenditures)	\$	1,177,843
Future Biennia (Projected Costs)	\$	11,237,000
TOTAL	\$	14,740,162

NEW SECTION. Sec. 263. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES

Minor projects for Mental Health Division (94-1-030)

Reappropriation:

CEP & RI Acct	\$	621,164
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Appropriation:

St Bldg Constr Acct	\$	1,845,300
Prior Biennia (Expenditures)	\$	74,872
Future Biennia (Projected Costs)	\$	15,338,000
TOTAL	\$	17,879,336

NEW SECTION. Sec. 264. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES

Minor projects for Developmental Disabilities Division (94-1-040)

Reappropriation:

CEP & RI Acct \$ 203,902

Appropriation:

CEP & RI Acct \$ 1,361,500

Prior Biennia (Expenditures) \$ 504,596

Future Biennia (Projected Costs) \$ 14,389,000

TOTAL \$ 16,458,998

NEW SECTION. Sec. 265. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES

Removal of underground storage tanks (94-1-060)

That portion of the appropriation related to underground storage tanks may be expended only after compliance with section 107 of this act.

Reappropriation:

CEP & RI Acct \$ 40,290

Appropriation:

CEP & RI Acct \$ 410,000

Prior Biennia (Expenditures) \$ 104,710

Future Biennia (Projected Costs) \$ 350,000

TOTAL \$ 905,000

NEW SECTION. Sec. 266. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES

Maple Lane School: Remodel of administrative building (94-1-127)

The appropriation in this section is subject to the following conditions and limitations: The department shall preserve the architectural style of the entrance to the building to the extent feasible.

Appropriation:

St Bldg Constr Acct \$ 3,273,500

Prior Biennia (Expenditures) \$ 0

Future Biennia (Projected Costs) \$ 0

TOTAL \$ 3,273,500

NEW SECTION. Sec. 267. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES

Fircrest School: Remodel apartment building (94-1-142)

Appropriation:

CEP & RI Acct \$ 2,133,112

Prior Biennia (Expenditures) \$ 0

Future Biennia (Projected Costs) \$ 0

TOTAL \$ 2,133,112

NEW SECTION. Sec. 268. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES

Maintenance management and planning (94-1-150)

Reappropriation:

CEP & RI Acct \$ 109,947

Appropriation:

CEP & RI Acct \$ 309,500

Prior Biennia (Expenditures) \$ 182,853

Future Biennia (Projected Costs) \$ 518,000

TOTAL \$ 1,120,300

NEW SECTION. Sec. 269. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES

Maple Lane School: Design and construct a wastewater treatment plant (94-1-201)

Appropriation:

St Bldg Constr Acct \$ 772,500

Prior Biennia (Expenditures) \$ 0

Future Biennia (Projected Costs) \$ 0

TOTAL \$ 772,500

NEW SECTION. Sec. 270. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES

Naselle Youth Camp: Design and construct a water system (94-1-202)

Appropriation:

St Bldg Constr Acct \$ 1,165,694

Prior Biennia (Expenditures) \$ 0

Future Biennia (Projected Costs) \$ 0

TOTAL \$ 1,165,694

NEW SECTION. Sec. 271. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES

Echo Glen Children's Center: Remodel and construct addition to clinic (94-1-207)

Appropriation:

St Bldg Constr Acct \$ 1,086,614

Prior Biennia (Expenditures) \$ 0

Future Biennia (Projected Costs) \$ 0

TOTAL \$ 1,086,614

NEW SECTION. Sec. 272. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES

Medical Lake: Replace wastewater treatment plant (94-1-301)

The appropriation in this section shall not be expended until the capital project review requirements of section 1015 of this act have been met.

Appropriation:

St Bldg Constr Acct	\$	750,444
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	7,250,000
TOTAL	\$	8,000,444

NEW SECTION. Sec. 273. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES

Child Study and Treatment Center: Remodel administration building (94-1-306)

Appropriation:

CEP & RI Acct	\$	777,600
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	777,600

NEW SECTION. Sec. 274. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES

Western State Hospital: Remodel ward, phase 6 (94-1-316)

The appropriation in this section shall not be expended until the capital project review requirements of section 1015 of this act have been met.

Appropriation:

St Bldg Constr Acct	\$	12,151,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	12,151,000

NEW SECTION. Sec. 275. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES

Eastern State Hospital: Remodel ward, phase 4 (94-1-341)

The appropriation in this section shall not be expended until the capital project review requirements of section 1015 of this act have been met.

Appropriation:

St Bldg Constr Acct	\$	9,266,900
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	9,266,900

NEW SECTION. Sec. 276. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES

Frances H. Morgan Center: Remodel facility (94-1-402)

Appropriation:

St Bldg Constr Acct	\$	1,721,300
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	1,721,300

NEW SECTION. Sec. 277. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES

Western State Hospital: Sanitary sewer (88-2-400)

The appropriation in this section is subject to the conditions and limitations of section 1017(2) (a) and (b) of this act.

Reappropriation:

St Bldg Constr Acct	\$	190,000
Prior Biennia (Expenditures)	\$	2,119,238
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	2,309,238

NEW SECTION. Sec. 278. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES

Referendum 37: For handicapped facilities construction pursuant to chapter 43.99C RCW (79-3-001)

Reappropriation:

St Bldg Constr Acct	\$	75,000
Prior Biennia (Expenditures)	\$	46,927
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	121,927

NEW SECTION. Sec. 279. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES

Naselle Youth Camp: Eagle Lodge Replacement

Appropriation:

St Bldg Constr Acct	\$	2,100,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	2,100,000

NEW SECTION. Sec. 280. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES

Green Hill School Repairs

The appropriation in this section is provided for minor repairs, including but not limited to fire and safety code repairs, and kitchen roof repair or replacement.

Appropriation:

St Bldg Constr Acct	\$	240,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	240,000

**NEW SECTION. Sec. 281. FOR THE DEPARTMENT OF HEALTH
Referendum 38 water bonds (86-2-099)**

Reappropriation:

LIRA, Water Sup Fac	\$	5,366,855
Prior Biennia (Expenditures)	\$	3,742,099
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	9,108,954

**NEW SECTION. Sec. 282. FOR THE DEPARTMENT OF HEALTH
Laboratory expansion, phase 2 (92-2-001)**

The appropriation in this section shall not be expended until the capital project review requirements of section 1015 of this act have been met.

Reappropriation:

St Bldg Constr Acct	\$	780,000
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Appropriation:

St Bldg Constr Acct	\$	12,583,468
Prior Biennia (Expenditures)	\$	420,000
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	13,783,468

**NEW SECTION. Sec. 283. FOR THE DEPARTMENT OF HEALTH
Fircrest Campus: Preservation of health laboratory (94-1-001)**

Reappropriation:

CEP & RI Acct	\$	251,318
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Appropriation:

CEP & RI Acct	\$	615,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	2,043,460
TOTAL	\$	2,909,778

**NEW SECTION. Sec. 284. FOR THE DEPARTMENT OF HEALTH
Remodel regional office in Wenatchee (94-1-002)**

Appropriation:

CEP & RI Acct	\$	91,947
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	91,947

NEW SECTION. Sec. 285. FOR THE DEPARTMENT OF VETERANS AFFAIRS

Complete facility improvements on building nine at Soldiers' Home (90-1-009)

Reappropriation:

CEP & RI Acct	\$	150,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	150,000

NEW SECTION. Sec. 286. FOR THE DEPARTMENT OF VETERANS AFFAIRS

Minor works at veterans' homes (92-2-008)

Reappropriation:

CEP & RI Acct	\$	30,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	30,000

NEW SECTION. Sec. 287. FOR THE DEPARTMENT OF VETERANS AFFAIRS

Underground storage tank replacement (92-1-001)

That portion of the appropriation related to underground storage tanks may be expended only after compliance with section 107 of this act.

Reappropriation:

CEP & RI Acct	\$	88,280
Prior Biennia (Expenditures)	\$	11,720
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	100,000

NEW SECTION. Sec. 288. FOR THE DEPARTMENT OF VETERANS AFFAIRS

Emergency repairs (94-1-018)

Appropriation:

CEP & RI Acct	\$	150,000
Prior Biennia (Expenditures)	\$	0

Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	150,000

NEW SECTION. Sec. 289. FOR THE DEPARTMENT OF VETERANS AFFAIRS

To replace underground storage tanks (94-1-019)

That portion of the appropriation related to underground storage tanks may be expended only after compliance with section 107 of this act.

Appropriation:

CEP & RI Acct	\$	155,902
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>293,320</u>
TOTAL	\$	449,222

NEW SECTION. Sec. 290. FOR THE DEPARTMENT OF VETERANS AFFAIRS

To repair mechanical, electrical, and heating, ventilation, and air conditioning systems at Soldiers' Home (94-1-100)

Appropriation:

CEP & RI Acct	\$	837,057
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>1,821,835</u>
TOTAL	\$	2,658,892

NEW SECTION. Sec. 291. FOR THE DEPARTMENT OF VETERANS AFFAIRS

To repair building exterior at Soldiers' Home (94-1-101)

Appropriation:

CEP & RI Acct	\$	541,570
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>937,546</u>
TOTAL	\$	1,479,116

NEW SECTION. Sec. 292. FOR THE DEPARTMENT OF VETERANS AFFAIRS

To remodel building interior at Soldiers' Home (94-1-102)

Appropriation:

CEP & RI Acct	\$	162,659
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	162,659

NEW SECTION. Sec. 293. FOR THE DEPARTMENT OF VETERANS AFFAIRS

To make grounds improvements at Soldiers' Home (94-4-103)

Appropriation:

CEP & RI Acct	\$	275,595
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>1,446,123</u>
TOTAL	\$	1,721,718

NEW SECTION. Sec. 294. FOR THE DEPARTMENT OF VETERANS AFFAIRS

To repair mechanical, electrical and heating, ventilation, and air conditioning systems at Veterans' Home (94-1-200)

Appropriation:

CEP & RI Acct	\$	1,246,611
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>726,722</u>
TOTAL	\$	1,973,333

NEW SECTION. Sec. 295. FOR THE DEPARTMENT OF VETERANS AFFAIRS

To repair building exterior at Veterans' Home (94-1-201)

Appropriation:

CEP & RI Acct	\$	377,895
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>605,939</u>
TOTAL	\$	983,834

NEW SECTION. Sec. 296. FOR THE DEPARTMENT OF VETERANS AFFAIRS

To remodel building interiors at Veterans' Home (94-1-202)

Appropriation:

CEP & RI Acct	\$	135,084
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>188,464</u>
TOTAL	\$	323,548

NEW SECTION. Sec. 297. FOR THE DEPARTMENT OF VETERANS AFFAIRS

To make grounds improvements at Veterans' Home (94-1-203)

Appropriation:

CEP & RI Acct	\$	139,485
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Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	949,612
TOTAL	\$	1,089,097

NEW SECTION. Sec. 298. FOR THE DEPARTMENT OF VETERANS AFFAIRS

Korean War Memorial: To complete the erection of the memorial on the capitol campus

Appropriation:

St Bldg Constr Acct	\$	20,000
Prior Biennia (Expenditures)	\$	50,000
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	70,000

NEW SECTION. Sec. 299. FOR THE DEPARTMENT OF CORRECTIONS

To make regulatory and code compliance improvements for the preservation of correctional facilities (94-1-001)

Reappropriation:

St Bldg Constr Acct	\$	4,390,000
CEP & RI Acct	\$	300,000
Subtotal Reappropriation	\$	4,690,000

Appropriation:

St Bldg Constr Acct	\$	10,736,573
CEP & RI Acct	\$	1,225,953
Subtotal Appropriation	\$	11,962,526
Prior Biennia (Expenditures)	\$	25,863,968
Future Biennia (Projected Costs)	\$	61,726,068
TOTAL	\$	104,242,562

NEW SECTION. Sec. 300. FOR THE DEPARTMENT OF CORRECTIONS

To make small repairs and improvements to correctional facilities (94-1-002)

The reappropriation in this section is subject to the conditions and limitations of section 1017(2)(b) of this act.

Reappropriation:

St Bldg Constr Acct	\$	10,650,000
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Appropriation:

St Bldg Constr Acct	\$	9,697,577
Prior Biennia (Expenditures)	\$	0

Future Biennia (Projected Costs)	\$ 44,652,002
TOTAL	\$ 64,999,579

NEW SECTION. Sec. 301. FOR THE DEPARTMENT OF CORRECTIONS

To replace roofs and associated building improvements for the preservation of correctional facilities (94-1-003)

Reappropriation:

St Bldg Constr Acct	\$ 900,000
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Appropriation:

St Bldg Constr Acct	\$ 4,938,000
Prior Biennia (Expenditures)	\$ 0
Future Biennia (Projected Costs)	\$ 35,037,216
TOTAL	\$ 40,875,216

NEW SECTION. Sec. 302. FOR THE DEPARTMENT OF CORRECTIONS

To repair internal building systems for the preservation of correctional facilities (94-1-004)

Appropriation:

St Bldg Constr Acct	\$ 8,779,445
CEP & RI Acct	\$ 431,568
Subtotal Appropriation	\$ 9,211,013
Prior Biennia (Expenditures)	\$ 0
Future Biennia (Projected Costs)	\$ 65,561,403
TOTAL	\$ 74,772,416

NEW SECTION. Sec. 303. FOR THE DEPARTMENT OF CORRECTIONS

Underground storage tanks (90-1-001)

That portion of the appropriation related to underground storage tanks may be expended only after compliance with section 107 of this act.

Reappropriation:

St Bldg Constr Acct	\$ 256,500
Prior Biennia (Expenditures)	\$ 0
Future Biennia (Projected Costs)	\$ 0
TOTAL	\$ 256,500

NEW SECTION. Sec. 304. FOR THE DEPARTMENT OF CORRECTIONS

To repair or replace leaking underground storage tanks (94-1-005)

That portion of the appropriation related to underground storage tanks may be expended only after compliance with section 107 of this act.

Appropriation:

St Bldg Constr Acct	\$	513,848
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	989,089
TOTAL	\$	1,502,937

NEW SECTION. Sec. 305. FOR THE DEPARTMENT OF CORRECTIONS

To continue to implement the master plan for capital improvements to McNeil Island Correctional Facility (94-2-001)

The appropriation in this section shall not be expended until the capital project review requirements of section 1015 of this act have been met.

Reappropriation:

St Bldg Constr Acct	\$	7,936,000
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Appropriation:

St Bldg Constr Acct	\$	12,878,689
Prior Biennia (Expenditures)	\$	36,153,201
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	56,967,890

NEW SECTION. Sec. 306. FOR THE DEPARTMENT OF CORRECTIONS

For state-wide repairs and improvements (94-2-002)

The reappropriation in this section is subject to the conditions and limitations of section 1017(2)(b) of this act.

Reappropriation:

St Bldg Constr Acct	\$	9,742,000
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Appropriation:

St Bldg Constr Acct	\$	17,767,557
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	110,387,730
TOTAL	\$	137,897,287

NEW SECTION. Sec. 307. FOR THE DEPARTMENT OF CORRECTIONS

Western Washington prerelease: For the acquisition and design of the replacement facility and necessary repairs at the current facility at Western State Hospital (94-2-003)

The appropriations in this section shall not be expended for a replacement facility until the capital project review requirements of section 1015 of this act have been met.

Reappropriation:

St Bldg Constr Acct	\$	3,839,510
Prior Biennia (Expenditures)	\$	249,091
Future Biennia (Projected Costs)	\$	14,780,396
TOTAL	\$	18,868,997

NEW SECTION. Sec. 308. FOR THE DEPARTMENT OF CORRECTIONS

Dayton: 300-bed minimum security facility (94-2-005)

The appropriation in this section shall not be expended until the capital project review requirements of section 1015 of this act have been met.

Reappropriation:

St Bldg Constr Acct	\$	300,000
Prior Biennia (Expenditures)	\$	2,783,000
Future Biennia (Projected Costs)	\$	19,388,011
TOTAL	\$	22,471,011

NEW SECTION. Sec. 309. FOR THE DEPARTMENT OF CORRECTIONS

Develop a predesign for a 356-bed reception center at the Washington Corrections Center (94-2-008)

The appropriation in this section shall be expended solely to conduct a predesign of the project described in this section in accordance with the predesign manual published by the office of financial management. Future appropriations for this project are subject to the submittal of completed predesign requirements on or before July 1, 1994.

Appropriation:

St Bldg Constr Acct	\$	266,400
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	39,851,000
TOTAL	\$	40,117,400

NEW SECTION. Sec. 310. FOR THE DEPARTMENT OF CORRECTIONS

Continuation of master plan implementation at the Washington Corrections Center for Women (94-2-015)

Reappropriation:

St Bldg Constr Acct	\$	6,157,000
Prior Biennia (Expenditures)	\$	6,682,943

Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	12,839,943

NEW SECTION. Sec. 311. FOR THE DEPARTMENT OF CORRECTIONS

Continue construction of Airway Heights and begin site preparation work for a 512-bed addition (94-2-016)

The appropriation in this section shall not be expended until the capital project review requirements of section 1015 of this act have been met.

Reappropriation:

St Bldg Constr Acct	\$	19,033,000
Prior Biennia (Expenditures)	\$	75,104,993
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	94,137,993

NEW SECTION. Sec. 312. FOR THE DEPARTMENT OF CORRECTIONS

New facilities: To design and construct a new 1,024-bed medium-security prison, and four minimum-security correctional facilities, for a total of 2,424 new beds and to begin site preparation work for a 512-bed addition to the Airway Height correctional center (90-2-001)

The reappropriation in this section shall not be expended until the capital project review requirements of section 1015 of this act have been met.

Reappropriation:

St Bldg Constr Acct	\$	6,072,000
Prior Biennia (Expenditures)	\$	48,010,052
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	54,082,052

NEW SECTION. Sec. 313. FOR THE DEPARTMENT OF CORRECTIONS

Washington State Reformatory: For initiation of a feasibility study for relocation of program and living space at the honor farm (92-2-029)

Reappropriation:

St Bldg Constr Acct	\$	200,000
Prior Biennia (Expenditures)	\$	30,000
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	230,000

NEW SECTION. Sec. 314. FOR THE DEPARTMENT OF CORRECTIONS

Airway Heights: 512-Bed addition

To design a 512-bed addition to the Airway Heights Corrections Center utilizing existing designs and for site preparation work. The appropriation in this section shall not be expended until the capital project review requirements of section 1015 of this act have been met.

Appropriation:

St Bldg Constr Acct	\$ 4,000,000
Prior Biennia (Expenditures)	\$ 0
Future Biennia (Projected Costs)	\$ 26,971,000
TOTAL	\$ 30,971,000

NEW SECTION. Sec. 315. FOR THE DEPARTMENT OF CORRECTIONS

1,936-Bed Multi-Custody Facility: Predesign and Site Selection (94-2-007)

To predesign and begin site selection for a 1,936-bed multi-custody facility. The predesign shall be conducted in accordance with the predesign manual published by the office of financial management. Future appropriations for this project are subject to the submittal of completed predesign requirements on or before July 1, 1994.

Appropriation:

St Bldg Constr Acct	\$ 1,000,000
Prior Biennia (Expenditures)	\$ 0
Future Biennia (Projected Costs)	\$ 100,020,760
TOTAL	\$ 101,020,760

PART 3

NATURAL RESOURCES

NEW SECTION. Sec. 401. FOR THE WASHINGTON STATE ENERGY OFFICE

Energy partnerships: Planning, development, and contract review of cogeneration projects, and development and financing of conservation capital projects, for schools and state agencies (92-1-003) (92-1-004) (94-1-002)

The reappropriations in this section are subject to the following conditions and limitations: \$2,000,000 of the energy efficiency construction account reappropriation is provided solely for financing conservation capital projects for schools under chapter 39.35C RCW.

Reappropriation:

St Bldg Constr Acct	\$ 358,000
Energy Eff Constr Acct	\$ 3,000,000
Subtotal Appropriation	\$ 3,358,000
Prior Biennia (Expenditures)	\$ 620,424

Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	3,978,424

NEW SECTION. Sec. 402. FOR THE DEPARTMENT OF ECOLOGY

Referendum 26 waste disposal facilities (74-2-004)

Reappropriation:

LIRA, Waste Disp Fac	\$	8,236,396
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Appropriation:

LIRA, Waste Disp Fac	\$	104,186
Prior Biennia (Expenditures)	\$	228,031,960
Future Biennia (Projected Costs)	\$	<u>863,843</u>
TOTAL	\$	237,236,385

NEW SECTION. Sec. 403. FOR THE DEPARTMENT OF ECOLOGY

Referendum 38 water supply facilities (74-2-006)

Reappropriation:

LIRA, Water Sup Fac	\$	11,300,000
Prior Biennia (Expenditures)	\$	57,081,346
Future Biennia (Projected Costs)	\$	<u>13,824,661</u>
TOTAL	\$	82,206,007

NEW SECTION. Sec. 404. FOR THE DEPARTMENT OF ECOLOGY

State emergency water project revolving account (76-2-003)

Reappropriation:

Emergency Water Proj	\$	8,835,351
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Appropriation:

Emergency Water Proj	\$	636,879
Prior Biennia (Expenditures)	\$	17,395,945
Future Biennia (Projected Costs)	\$	<u>223,290</u>
TOTAL	\$	27,091,465

NEW SECTION. Sec. 405. FOR THE DEPARTMENT OF ECOLOGY

Referendum 39 waste disposal facilities 1980 bond issue (82-2-005)

No expenditure from the reappropriation in this subsection shall be made for any grant valued over fifty million dollars to a city or county for solid waste disposal facilities unless the following conditions are met:

- (1) The city or county agrees to comply with all the terms of the grant contract between the city or county and the department of ecology;
- (2) The city or county agrees to implement curbside collection of recyclable materials as prescribed in the grant contract; and
- (3) The city or county does not begin actual construction of the solid waste disposal facility until it has obtained a permit for prevention of significant deterioration as required by the federal clean air act.

Reappropriation:

LIRA, Waste Disp Fac \$ 29,116,174

Appropriation:

LIRA, Waste Disp Fac \$ 42,000

Prior Biennia (Expenditures) \$ 426,649,138

Future Biennia (Projected Costs) \$ 28,000

TOTAL \$ 455,835,312

NEW SECTION. Sec. 406. FOR THE DEPARTMENT OF ECOLOGY

Centennial Clean Water Fund: Water Quality Account (86-2-007)

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

(1) In awarding grants, extending grant payments, or making loans from these appropriations for facilities that discharge directly into marine waters, the department shall:

(a) Give first priority to secondary wastewater treatment facilities that are mandated by both federal and state law;

(b) Give second priority to projects that reduce combined sewer overflows; and

(c) Encourage economies that are derived from any simultaneous projects that achieve the purposes of both subsections (1) and (2) of this section.

(2) The following limitations shall apply to the department's total distribution of funds appropriated under this section:

(a) Not more than fifty percent for water pollution control facilities that discharge directly into marine waters;

(b) Not more than twenty percent for water pollution control activities that prevent or mitigate pollution of underground waters and facilities that protect federally designated sole source aquifers with at least two-thirds for the Spokane-Rathdrum Prairie aquifer;

(c) Not more than ten percent for water pollution control activities that protect freshwater lakes and rivers including but not limited to Lake Chelan and the Yakima and Columbia rivers;

(d) Not more than ten percent for activities that control nonpoint source water pollution;

(e) Ten percent and such sums as may be remaining from the categories specified in (a) through (d) of this subsection for water pollution control activities or facilities as determined by the department.

(3) In determining compliance schedules for the greatest reasonable reduction of combined sewer overflows, the department shall consider the amount of grant or loan moneys available to assist local governments in the planning, design, acquisition, construction, and improvement of combined sewer overflow facilities.

(4) The department shall develop and implement a strategy for increasing the percentage of loans from the centennial clean water program.

(5) No later than December 1, 1993, the department of ecology shall provide to the appropriate committees of the legislature an implementation plan for making administrative efficiencies and service improvements to the grant and loan programs currently administered by the department. The plan shall include but not be limited to actions which: (a) Simplify application and funding cycle procedures; (b) eliminate duplicative oversight functions; (c) consolidate planning requirements as appropriate to be consistent with the growth management act; (d) reduce state and local administrative costs; (e) encourage demand management strategies; and (f) develop watershed or regional mechanisms for solving as completely as possible a community's environmental needs through coordinated cross program prioritization and administration of funding programs. The plan shall identify actions which the department has taken to implement administrative efficiencies and service improvements to the grant and loan programs. At the same time the implementation plan is submitted to the legislature, the department shall provide recommendations for any statutory changes that are needed to implement the plan. Recommendations may include a new method for distributing water quality account money after the current statutory allocation formula expires.

Reappropriation:	
Water Quality Acct	\$ 87,820,000
Appropriation:	
Water Quality Acct	\$ 63,899,000
Prior Biennia (Expenditures)	\$ 183,982,825
Future Biennia (Projected Costs)	\$ 305,676,000
TOTAL	\$ 641,377,825

NEW SECTION. Sec. 407. FOR THE DEPARTMENT OF ECOLOGY

Local toxics control account (88-2-008)

Reappropriation:	
Local Toxics Control Acct	\$ 55,848,951
Appropriation:	
Local Toxics Control Acct	\$ 41,167,432
Prior Biennia (Expenditures)	\$ 49,584,365
Future Biennia (Projected Costs)	\$ 192,012,768
TOTAL	\$ 337,613,516

NEW SECTION. Sec. 408. FOR THE DEPARTMENT OF ECOLOGY

Water pollution control facility loans (90-2-002)

Reappropriation:	
Water Pollution Cont Rev	
Fund—State	\$ 13,044,335
Water Pollution Cont Rev	
Fund—Federal	\$ 65,206,025

Subtotal Reappropriation \$ 78,250,360

Appropriation:

Water Pollution Cont Rev Fund—

State \$ 19,961,601

Water Pollution Cont—Federal \$ 78,689,866

Subtotal Appropriation \$ 98,651,467

Prior Biennia (Expenditures) \$ 54,871,279

Future Biennia (Projected Costs) \$ 283,370,816

TOTAL \$ 515,143,921

NEW SECTION. Sec. 409. FOR THE DEPARTMENT OF ECOLOGY

Methow Basin water conservation (92-2-009)

The reappropriation in this section shall be used to fund water use efficiency improvements in the Methow Basin, including the installation of headworks, weirs, and fish screens on existing irrigation diversions, metering of miscellaneous water uses, and lining of irrigation canals and ditches in identified high priority irrigation systems.

The appropriation in this section is subject to the conditions and limitations of section 1017(2)(b) of this act.

Reappropriation:

St Bldg Constr Acct \$ 300,000

Prior Biennia (Expenditures) \$ 100,000

Future Biennia (Projected Costs) \$ 0

TOTAL \$ 400,000

NEW SECTION. Sec. 410. FOR THE DEPARTMENT OF ECOLOGY

Improved water drainage and repair access roads, walks, and parking lots at the Padilla Bay Interpretive Center (94-1-012)

Appropriation:

St Bldg Constr Acct \$ 100,000

Prior Biennia (Expenditures) \$ 0

Future Biennia (Projected Costs) \$ 0

TOTAL \$ 100,000

NEW SECTION. Sec. 411. FOR THE STATE PARKS AND RECREATION COMMISSION

State-wide potable water system improvements (88-1-003)

The appropriation in this section is subject to the conditions and limitations of section 1017(2) (a) and (b) of this act.

Reappropriation:

LIRA, Water Sup Fac \$ 42,488

St Bldg Constr Acct	\$	<u>85,000</u>
Subtotal Reappropriation	\$	127,488
Prior Biennia (Expenditures)	\$	53,563
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	181,051

NEW SECTION. Sec. 412. FOR THE STATE PARKS AND RECREATION COMMISSION

State-wide sewer facility remodel (92-5-900)

Reappropriation:

LIRA, Waste Fac 1980	\$	118,226
St Bldg Constr Acct	\$	<u>40,000</u>
Subtotal Reappropriation	\$	158,226
Prior Biennia (Expenditures)	\$	35,458
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	193,684

NEW SECTION. Sec. 413. FOR THE STATE PARKS AND RECREATION COMMISSION

Construct state-wide boat pumpout facilities (92-5-901)

The appropriation in this section is subject to the conditions and limitations of section 1017(2) (a) and (b) of this act.

Reappropriation:

St Bldg Constr Acct	\$	96,131
ORA—State	\$	<u>203,419</u>
Subtotal Reappropriation	\$	299,550
Prior Biennia (Expenditures)	\$	128,275
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	427,825

NEW SECTION. Sec. 414. FOR THE STATE PARKS AND RECREATION COMMISSION

Maryhill State Park development (88-5-035)

The appropriation in this section is subject to the conditions and limitations of section 1017(2) (a) and (b) of this act.

Reappropriation:

St Bldg Constr Acct	\$	829,563
Prior Biennia (Expenditures)	\$	83,413
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	912,976

NEW SECTION. Sec. 415. FOR THE STATE PARKS AND RECREATION COMMISSION

Crystal Falls: Acquisition and development (88-5-057)

The appropriation in this section is subject to the conditions and limitations of section 1017(2) (a) and (b) of this act.

Reappropriation:

St Bldg Constr Acct	\$	24,761
Prior Biennia (Expenditures)	\$	239
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	25,000

NEW SECTION. Sec. 416. FOR THE STATE PARKS AND RECREATION COMMISSION

State-wide water supply facilities remodel (89-1-101)

The appropriation in this section is subject to the conditions and limitations of section 1017(2) (a) and (b) of this act.

Reappropriation:

St Bldg Constr Acct	\$	127,516
Prior Biennia (Expenditures)	\$	33,387
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	160,903

NEW SECTION. Sec. 417. FOR THE STATE PARKS AND RECREATION COMMISSION

State-wide sanitary facilities renovation (89-1-102)

The appropriation in this section is subject to the conditions and limitations of section 1017(2) (a) and (b) of this act.

Reappropriation:

St Bldg Constr Acct	\$	87,460
Prior Biennia (Expenditures)	\$	60,692
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	148,152

NEW SECTION. Sec. 418. FOR THE STATE PARKS AND RECREATION COMMISSION

State-wide electrical wiring and hookups (89-1-103)

The appropriation in this section is subject to the conditions and limitations of section 1017(2) (a) and (b) of this act.

Reappropriation:

St Bldg Constr Acct	\$	48,716
Prior Biennia (Expenditures)	\$	28,172

Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	76,888

NEW SECTION. Sec. 419. FOR THE STATE PARKS AND RECREATION COMMISSION

State-wide Clean Water Act code compliance (89-1-116)

The appropriation in this section is subject to the conditions and limitations of section 1017(2) (a) and (b) of this act.

Reappropriation:

St Bldg Constr Acct	\$	125,000
Prior Biennia (Expenditures)	\$	316,000
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	441,000

NEW SECTION. Sec. 420. FOR THE STATE PARKS AND RECREATION COMMISSION

Sacajawea: Launch, pilings, and float repair (89-1-129)

The appropriation in this section is subject to the conditions and limitations of section 1017(2) (a) and (b) of this act.

Reappropriation:

ORA—State	\$	180,000
Prior Biennia (Expenditures)	\$	10,000
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	190,000

NEW SECTION. Sec. 421. FOR THE STATE PARKS AND RECREATION COMMISSION

State-wide general construction (89-2-107)

The appropriation in this section is subject to the conditions and limitations of section 1017(2) (a) and (b) of this act.

Reappropriation:

St Bldg Constr Acct	\$	208,320
Prior Biennia (Expenditures)	\$	188,948
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	397,268

NEW SECTION. Sec. 422. FOR THE STATE PARKS AND RECREATION COMMISSION

State-wide special construction (89-2-109)

The appropriation in this section is subject to the conditions and limitations of section 1017(2) (a) and (b) of this act.

Reappropriation:

St Bldg Constr Acct	\$	114,782
Prior Biennia (Expenditures)	\$	65,898
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	180,680

NEW SECTION. Sec. 423. FOR THE STATE PARKS AND RECREATION COMMISSION

Westhaven: Comfort station and parking construction (89-2-119)

The appropriation in this section is subject to the conditions and limitations of section 1017(2) (a) and (b) of this act.

Reappropriation:

St Bldg Constr Acct	\$	311,349
Prior Biennia (Expenditures)	\$	85,448
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	396,797

NEW SECTION. Sec. 424. FOR THE STATE PARKS AND RECREATION COMMISSION

Lake Sammamish: Boat launch repairs (89-2-139)

The appropriation in this section is subject to the conditions and limitations of section 1017(2) (a) and (b) of this act.

Reappropriation:

ORA—State	\$	51,387
Prior Biennia (Expenditures)	\$	62,613
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	114,000

NEW SECTION. Sec. 425. FOR THE STATE PARKS AND RECREATION COMMISSION

State-wide site/environmental protection (89-3-104)

The appropriation in this section is subject to the conditions and limitations of section 1017(2) (a) and (b) of this act.

Reappropriation:

St Bldg Constr Acct	\$	150,475
Prior Biennia (Expenditures)	\$	104,917
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	255,392

NEW SECTION. Sec. 426. FOR THE STATE PARKS AND RECREATION COMMISSION

State-wide acquisition (92-5-904)

Reappropriation:

St Bldg Constr Acct	\$	50,256
General Fund—Federal	\$	<u>450,000</u>
Subtotal Reappropriation	\$	500,256
Prior Biennia (Expenditures)	\$	7,950,930
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	8,451,186

NEW SECTION. Sec. 427. FOR THE STATE PARKS AND RECREATION COMMISSION

Fort Worden: Rebuild boat launch (89-3-135)

The appropriation in this section is subject to the conditions and limitations of section 1017(2) (a) and (b) of this act.

Reappropriation:

ORA—State	\$	275,219
Prior Biennia (Expenditures)	\$	13,639
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	288,858

NEW SECTION. Sec. 428. FOR THE STATE PARKS AND RECREATION COMMISSION

Larrabee development (89-5-002)

The appropriation in this section is subject to the conditions and limitations of section 1017(2) (a) and (b) of this act.

Reappropriation:

St Bldg Constr Acct	\$	275,000
ORA—State	\$	<u>140,540</u>
Subtotal Reappropriation	\$	415,540
Prior Biennia (Expenditures)	\$	65,350
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	480,890

NEW SECTION. Sec. 429. FOR THE STATE PARKS AND RECREATION COMMISSION

Blake Island fire protection (89-1-050)

The appropriation in this section is subject to the conditions and limitations of section 1017(2) (a) and (b) of this act.

Reappropriation:

St Bldg Constr Acct	\$	29,312
Prior Biennia (Expenditures)	\$	73,386

Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	102,698

NEW SECTION. Sec. 430. FOR THE STATE PARKS AND RECREATION COMMISSION

Fort Canby initial development (89-5-115)

The appropriation in this section is subject to the conditions and limitations of section 1017(2) (a) and (b) of this act.

Reappropriation:

St Bldg Constr Acct	\$	232,813
Prior Biennia (Expenditures)	\$	26,774
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	259,587

NEW SECTION. Sec. 431. FOR THE STATE PARKS AND RECREATION COMMISSION

Ocean beach access (89-5-120)

Reappropriation:

ORA—State	\$	286,195
St Bldg Constr Acct	\$	250,000
Subtotal Reappropriation	\$	536,195
Prior Biennia (Expenditures)	\$	27,191
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	563,386

NEW SECTION. Sec. 432. FOR THE STATE PARKS AND RECREATION COMMISSION

Spokane Centennial Trail (89-5-166)

The appropriation in this section is subject to the conditions and limitations of section 1017(2) (a) and (b) of this act.

Reappropriation:

St Bldg Constr Acct	\$	223,507
Prior Biennia (Expenditures)	\$	3,456
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	226,963

NEW SECTION. Sec. 433. FOR THE STATE PARKS AND RECREATION COMMISSION

Ohme Gardens: Acquisition, safety, and irrigation (89-5-169)

Reappropriation:

St Bldg Constr Acct	\$	40,000
Prior Biennia (Expenditures)	\$	725,000

Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	765,000

NEW SECTION. Sec. 434. FOR THE STATE PARKS AND RECREATION COMMISSION

State-wide facilities preservation (90-1-001)

Reappropriation:

St Bldg Constr Acct	\$	352,835
Prior Biennia (Expenditures)	\$	7,165
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	360,000

NEW SECTION. Sec. 435. FOR THE STATE PARKS AND RECREATION COMMISSION

Dougs Beach initial development (90-1-171)

Reappropriation:

St Bldg Constr Acct	\$	62,206
Prior Biennia (Expenditures)	\$	57,440
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	119,646

NEW SECTION. Sec. 436. FOR THE STATE PARKS AND RECREATION COMMISSION

State-wide—Omnibus facility contingency (90-2-002)

Reappropriation:

St Bldg Constr Acct	\$	150,000
Prior Biennia (Expenditures)	\$	89,400
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	239,400

NEW SECTION. Sec. 437. FOR THE STATE PARKS AND RECREATION COMMISSION

State-wide underground storage tanks removal (90-2-003)

That portion of the appropriation related to underground storage tanks may be expended only after compliance with section 107 of this act.

Reappropriation:

St Bldg Constr Acct	\$	1,445,725
Prior Biennia (Expenditures)	\$	454,275
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	1,900,000

NEW SECTION. Sec. 438. FOR THE STATE PARKS AND RECREATION COMMISSION

State-wide minor works preservation (92-5-905)

Reappropriation:

St Bldg Constr Acct	\$	2,814,016
Prior Biennia (Expenditures)	\$	922,284
Future Biennia (Projected Costs)	\$	6,698,000
TOTAL	\$	10,434,300

NEW SECTION. Sec. 439. FOR THE STATE PARKS AND RECREATION COMMISSION

Deception Pass repairs (91-2-006)

Reappropriation:

St Bldg Constr Acct	\$	1,179,216
Prior Biennia (Expenditures)	\$	72,464
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	1,251,680

NEW SECTION. Sec. 440. FOR THE STATE PARKS AND RECREATION COMMISSION

Triton Cove remodel (91-2-008)

Reappropriation:

ORA—State	\$	572,000
Prior Biennia (Expenditures)	\$	10,000
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	582,000

NEW SECTION. Sec. 441. FOR THE STATE PARKS AND RECREATION COMMISSION

State-wide preservation (91-2-009)

Reappropriation:

ORA—State	\$	274,221
Prior Biennia (Expenditures)	\$	104,779
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	379,000

NEW SECTION. Sec. 442. FOR THE STATE PARKS AND RECREATION COMMISSION

St. Edwards—Gym remodel (92-2-501)

Reappropriation:

St Bldg Constr Acct	\$	575,079
Prior Biennia (Expenditures)	\$	89,921
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	665,000

NEW SECTION. Sec. 443. FOR THE STATE PARKS AND RECREATION COMMISSION

Lewis and Clark Equestrian Center predesign (92-5-502)

Reappropriation:

St Bldg Constr Acct	\$	140,000
Prior Biennia (Expenditures)	\$	60,000
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	200,000

NEW SECTION. Sec. 444. FOR THE STATE PARKS AND RECREATION COMMISSION

State-wide sewer facilities improvements (93-2-001)

Reappropriation:

LIRA, Waste Fac 1980	\$	1,313,681
Prior Biennia (Expenditures)	\$	272,139
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	1,585,820

NEW SECTION. Sec. 445. FOR THE STATE PARKS AND RECREATION COMMISSION

Saltwater State Park flood control (93-2-091)

Reappropriation:

St Bldg Constr Acct	\$	399,269
Prior Biennia (Expenditures)	\$	97,731
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	497,000

NEW SECTION. Sec. 446. FOR THE STATE PARKS AND RECREATION COMMISSION

Chuckanut Hill: Planning and acquisition for addition to Larrabee state park (93-5-001)

The reappropriation in this section is subject to the following conditions and limitations:

(1) The reappropriation in this section is provided solely for property acquisition, may not be used to acquire development rights, and is subject to chapter 43.99 RCW.

(2) Before the expenditure of any funds provided from this section, Whatcom county shall have acquired under forest board ownership a majority of the 1200-acre parcel of privately owned land adjacent and to the north of Larrabee state park. The county shall also have entered into an agreement with the board of natural resources committing the county to manage these lands, adjacent to Larrabee state park, as county park land under RCW 76.12.072.

(3) Before the expenditure of any funds provided from this section, either the city of Bellingham or Whatcom county shall have made application to the interagency committee for outdoor recreation for funding available through the wildlife and recreation program so that the city or county may acquire park lands adjacent to Larrabee state park. The application may provide for management of the lands by the state parks and recreation commission.

(4) No additional state funds may be expended for this acquisition unless authorized by the interagency committee for outdoor recreation in accordance with chapter 43.98A RCW.

Reappropriation:

ORA—State	\$	500,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	500,000

NEW SECTION. Sec. 447. FOR THE STATE PARKS AND RECREATION COMMISSION

Olmstead Place Interpretive Center (93-5-002)

Reappropriation:

St Bldg Constr Acct	\$	92,000
Prior Biennia (Expenditures)	\$	1,000
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	93,000

NEW SECTION. Sec. 448. FOR THE STATE PARKS AND RECREATION COMMISSION

State-wide emergency and unforeseen needs (94-1-001)

Appropriation:

St Bldg Constr Acct	\$	500,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	1,400,000
TOTAL	\$	1,900,000

NEW SECTION. Sec. 449. FOR THE STATE PARKS AND RECREATION COMMISSION

State-wide underground storage tank remediation (94-1-002)

That portion of the appropriation related to underground storage tanks may be expended only after compliance with section 107 of this act.

Appropriation:

St Bldg Constr Acct	\$	800,000
Prior Biennia (Expenditures)	\$	0

Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	800,000

NEW SECTION. Sec. 450. FOR THE STATE PARKS AND RECREATION COMMISSION

State-wide building systems preservation (94-1-003)

Appropriation:

St Bldg Constr Acct	\$	3,400,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>13,969,800</u>
TOTAL	\$	17,369,800

NEW SECTION. Sec. 451. FOR THE STATE PARKS AND RECREATION COMMISSION

State-wide preservation (94-1-004)

Appropriation:

St Bldg Constr Acct	\$	1,223,500
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>14,620,068</u>
TOTAL	\$	15,843,568

NEW SECTION. Sec. 452. FOR THE STATE PARKS AND RECREATION COMMISSION

State-wide roadway preservation (94-1-005)

Appropriation:

Motor Vehicle Acct	\$	2,000,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>15,957,673</u>
TOTAL	\$	17,957,673

NEW SECTION. Sec. 453. FOR THE STATE PARKS AND RECREATION COMMISSION

State-wide utility preservation (94-1-006)

Appropriation:

St Bldg Constr Acct	\$	4,500,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>16,195,890</u>
TOTAL	\$	20,695,890

NEW SECTION. Sec. 454. FOR THE STATE PARKS AND RECREATION COMMISSION

San Juan Islands—Phase 1 and 2 boating facilities (94-1-055)

Appropriation:

ORA—State	\$	1,212,500
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	1,212,500

NEW SECTION. Sec. 455. FOR THE STATE PARKS AND RECREATION COMMISSION

Puget Sound/Northwest Washington—Phase 1 and 2 boating facilities (94-1-056)

Appropriation:

ORA—State	\$	1,080,400
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	1,080,400

NEW SECTION. Sec. 456. FOR THE STATE PARKS AND RECREATION COMMISSION

Hood Canal to the coast—Phase 1 boating facilities (94-1-057)

Appropriation:

ORA—State	\$	488,100
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	488,100

NEW SECTION. Sec. 457. FOR THE STATE PARKS AND RECREATION COMMISSION. Expenditures by the state parks and recreation commission to develop utilities and other camping facilities specific to recreation vehicle use at a state park on the Miller peninsula in Clallam county shall be limited such that the annual debt service payments relating to those expenditures shall not exceed the anticipated revenues to be derived from the completed park.

NEW SECTION. Sec. 458. FOR THE STATE PARKS AND RECREATION COMMISSION

Steamboat Rock remodel (95-2-182)

Reappropriation:

St Bldg Constr Acct	\$	120,000
Prior Biennia (Expenditures)	\$	19,060
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	139,060

NEW SECTION. Sec. 459. FOR SPECIAL LAND PURCHASES AND COMMON SCHOOL CONSTRUCTION

Special land purchases and common school construction (94-2-000)

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

(1)(a) \$27,424,000 of the total appropriation is provided to the state parks and recreation commission ("commission") solely to acquire the following trust lands that have been identified by the department of natural resources and the commission as appropriate for state park use:

- (i) Squak mountain, King county;
- (ii) Miller peninsula, Clallam county;
- (iii) Hoko river, Clallam county;
- (iv) Cascade island, Skagit county;
- (v) Skykomish river, Snohomish county;
- (vi) Leadbetter point, Pacific county;
- (vii) Square lake, Kitsap county;
- (viii) Iron Horse/Ragner, King county;
- (ix) Robe gorge, Snohomish county.

(b) Acquisitions shall be made in priority order, as determined by the commission in consultation with the department of natural resources.

(c) \$4,975,000 of the total appropriation is provided to the department of wildlife solely to acquire the following trust lands that have been identified by the department of natural resources and the department of wildlife as appropriate for wildlife habitat:

- (i) Cabin creek, Kittitas county;
- (ii) Riffe lake, Lewis county;
- (iii) Divide ridge, Yakima county.

(d) \$17,953,000 of the total appropriation is provided to the department of natural resources solely to acquire the following prioritized list of trust lands appropriate for natural area preserve, natural resource conservation area, and/or recreation use:

- (i) Mount Pilchuck, Snohomish county;
- (ii) Mt. Si, King county.

(2) Lands acquired under this section shall be transferred in fee simple. Timber on these lands shall be commercially unsuitable for harvest due to economic considerations, good forest practices, or other interests of the state.

(3) Property transferred under this section shall be appraised and transferred at fair market value. The proceeds from the value of the timber transferred shall be deposited by the department of natural resources in the same manner as timber revenues from other common school trust lands. No deduction may be made for the resource management cost account under RCW 79.64.040. The proceeds from the value of the land transferred shall be used by the department of natural resources to acquire real property of equal value to be managed as common school trust land.

(4) The proceeds from the value of the land transferred under this section shall be deposited in the park land trust revolving account to be utilized by the

department of natural resources for the exclusive purpose of acquiring replace-
ment common school trust land.

(5) The department of natural resources shall attempt to maintain an
aggregate ratio of 85:15 timber-to-land value in these transactions.

(6) Intergrant exchanges between common school and noncommon school
trust lands of equal value may occur if the noncommon school trust land meets
the criteria established by the commission and the departments of natural
resources and wildlife for selection of sites and if the exchange is in the interest
of both trusts.

(7) Lands and timber purchased under subsection (1)(d) of this section shall
be managed under chapter 79.68, 79.70, or 79.71 RCW as determined by the
department of natural resources.

(8) The state parks and recreation commission shall identify appropriate sites
for a new marine state park in south Puget Sound as an alternative to the
Squaxin Island state park or may enter into agreements which will provide
permanent public access to Squaxin Island state park. Moneys provided under
subsection (1)(a) of this section may be expended for these purposes pursuant to
subsections (2) through (6) of this section.

Appropriation:

St Bldg Constr Acct	\$ 45,798,000
Aquatic Lands Acct	\$ 4,554,000
Subtotal Appropriation	\$ 50,352,000
Prior Biennia (Expenditures)	\$ 0
Future Biennia (Projected Costs)	\$ 0
TOTAL	\$ 50,352,000

**NEW SECTION. Sec. 460. FOR THE STATE PARKS AND RECRE-
ATION COMMISSION**

Timberland purchases and common school purchases (94-2-001)

This reappropriation is provided solely and expressly to reimburse the
department of natural resources for administrative expenses incurred for the
replacement of timberland and common school lands.

Reappropriation:

Trust Land Purchase Acct	\$ 750,000
Prior Biennia (Expenditures)	\$ 49,250,000
Future Biennia (Projected Costs)	\$ 0
TOTAL	\$ 50,000,000

**NEW SECTION. Sec. 461. FOR THE INTERAGENCY COMMITTEE
FOR OUTDOOR RECREATION**

Firearms range program and grants to public agencies (90-2-001)

Reappropriation:

Firearms Range Acct	\$	389,875
ORA—Federal	\$	<u>43,634</u>
Subtotal Reappropriation	\$	433,509

Appropriation:

Firearms Range Acct	\$	245,000
Prior Biennia (Expenditures)	\$	608,501
Future Biennia (Projected Costs)	\$	<u>1,050,000</u>
TOTAL	\$	2,337,010

NEW SECTION. Sec. 462. FOR THE INTERAGENCY COMMITTEE FOR OUTDOOR RECREATION

Washington wildlife and recreation program (90-5-002)

Reappropriation:

ORA—State	\$	1,265,227
Habitat Conservation Acct	\$	<u>1,426,962</u>
Subtotal Reappropriation	\$	2,692,189

Prior Biennia (Expenditures)	\$	32,425,345
Future Biennia (Projected Costs)	\$	<u>0</u>

TOTAL	\$	35,117,534
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NEW SECTION. Sec. 463. FOR THE INTERAGENCY COMMITTEE FOR OUTDOOR RECREATION

Grants to public agencies (92-2-001)

Reappropriation:

St Bldg Constr Acct	\$	6,048,754
ORA—Federal	\$	700,000
ORA—State	\$	<u>3,715,970</u>
Firearms Range Acct	\$	<u>136,892</u>

Subtotal Reappropriation	\$	10,601,616
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Prior Biennia (Expenditures)	\$	5,979,136
Future Biennia (Projected Costs)	\$	<u>0</u>

TOTAL	\$	16,580,752
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NEW SECTION. Sec. 464. FOR THE INTERAGENCY COMMITTEE FOR OUTDOOR RECREATION

Washington wildlife and recreation program (92-5-002)

Reappropriation:

ORA—State	\$	14,152,287
Habitat Conservation Acct	\$	<u>5,738,486</u>

Subtotal Reappropriation	\$	19,890,773
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Prior Biennia (Expenditures)	\$	30,109,227
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Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	50,000,000

NEW SECTION. Sec. 465. FOR THE INTERAGENCY COMMITTEE FOR OUTDOOR RECREATION

Clear creek dam: To rebuild the dam according to plans approved by the United States bureau of reclamation (93-2-002)

The appropriation in this subsection is contingent on at least \$3,250,000 being provided from federal and local sources. The state shall not be obligated for project costs that exceed this appropriation.

Reappropriation:

St Bldg Constr Acct	\$	1,550,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	1,550,000

NEW SECTION. Sec. 466. FOR THE INTERAGENCY COMMITTEE FOR OUTDOOR RECREATION

Grants to public agencies (94-3-001) (94-3-005)

Appropriation:

ORA—Federal	\$	1,000,000
ORA—State	\$	<u>5,653,614</u>
Subtotal Appropriation	\$	6,653,614
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	6,653,614

NEW SECTION. Sec. 467. FOR THE INTERAGENCY COMMITTEE FOR OUTDOOR RECREATION

Initiative 215 (94-3-003)

Appropriation:

ORA—State	\$	3,694,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>15,400,000</u>
TOTAL	\$	19,094,000

NEW SECTION. Sec. 468. FOR THE INTERAGENCY COMMITTEE FOR OUTDOOR RECREATION

NOVA projects (94-3-004)

Appropriation:

ORA—State	\$	4,996,000
Prior Biennia (Expenditures)	\$	0

Future Biennia (Projected Costs)	\$ 25,500,000
TOTAL	\$ 30,496,000

***NEW SECTION. Sec. 469. FOR THE INTERAGENCY COMMITTEE FOR OUTDOOR RECREATION**

Washington wildlife and recreation program (94-5-002)

(1) \$32,500,000 of the state building construction account appropriation in this section shall be deposited into and is hereby appropriated from the habitat conservation account for the Washington wildlife and recreation program as established under chapter 43.98A RCW. \$28,025,800 of the state building construction account appropriation and all of the aquatic lands enhancement account appropriation shall be deposited into and is hereby appropriated from the state outdoor recreation account for the Washington wildlife and recreation program as established under chapter 43.98A RCW.

(2) \$1,000,000 of the outdoor recreation account appropriation shall be expended for nonhighway projects and shall be included in the calculation of expenditure limitations in RCW 46.09.170(1)(d)(iii).

(3) \$1,000,000 of the outdoor recreation account appropriation shall be expended for marine recreation and water access projects and shall be part of the distribution of RCW 43.99.080(2).

(4) \$2,028,000 of the outdoor recreation account appropriation shall be expended for marine recreation and water access projects and shall be part of the distribution of RCW 43.99.080(1).

(5) All land acquired by a state agency with moneys from this appropriation shall comply with class A, B, and C weed control provisions of chapter 17.10 RCW.

(6) The following projects are deleted from the approved list of projects established under chapter 43.98A RCW:

(a) That portion of mule deer winter range (project number 92-638A) other than mule deer migration corridors in the Methow Valley.

(b) *Sharptailed grouse phase 2 (project number 92-636A).*

Appropriation:

St Bldg Constr Acct	\$ 60,525,800
ORA—State	\$ 4,028,200
Aquatic Lands Acct	\$ 446,000
Subtotal Appropriation	\$ 65,000,000
Prior Biennia (Expenditures)	\$ 0
Future Biennia (Projected Costs)	\$ 200,000,000
TOTAL	\$ 265,000,000

*Sec. 469 was partially vetoed, see message at end of chapter.

NEW SECTION. Sec. 470. FOR THE DEPARTMENT OF TRADE AND ECONOMIC DEVELOPMENT

Community economic revitalization board (86-1-001)

\$2,000,000 of the public works assistance account appropriation and the entire public facility construction loan revolving account appropriation in this section are provided solely for communities defined as timber-impact areas under chapter 314, Laws of 1991. In allocating these funds, the community economic revitalization board shall give priority to communities experiencing high unemployment or high timber unemployment.

Reappropriation:

St Bldg Constr Acct	\$ 5,911,000
Public Fac Constr Loan Rev Acct	\$ <u>2,940,000</u>
Subtotal Reappropriation	\$ 8,851,000

Appropriation:

Public Works Assistance Acct	\$ 4,000,000
Public Fac Constr Loan Rev Acct	\$ <u>1,195,000</u>
Subtotal Appropriation	\$ 5,195,000
Prior Biennia (Expenditures)	\$ 7,460,462
Future Biennia (Projected Costs)	\$ <u>0</u>
TOTAL	\$ 21,506,462

NEW SECTION. Sec. 471. FOR THE DEPARTMENT OF TRADE AND ECONOMIC DEVELOPMENT

Washington Technology Center (88-1-003) (92-5-001) (94-2-002)

The appropriation in this section is provided solely for equipment installations on the first floor of Fluke Hall. The appropriation shall be transferred to and administered by the University of Washington.

Reappropriation:

St Bldg Constr Acct	\$ 3,158,144
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Appropriation:

St Bldg Constr Acct	\$ 1,266,000
Prior Biennia (Expenditures)	\$ 7,243,571
Future Biennia (Projected Costs)	\$ <u>0</u>
TOTAL	\$ 11,667,715

NEW SECTION. Sec. 472. FOR THE DEPARTMENT OF TRADE AND ECONOMIC DEVELOPMENT

Timber ports capital asset improvement (94-2-004)

To assist the ports of Grays Harbor, Port Angeles, and Longview with infrastructure development and facilities improvements to increase economic diversity and enhance employment opportunities.

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

(1) Each port shall provide, at a minimum, six dollars of nonstate match for each five dollars received from this appropriation. The match may include cash and land value.

(2) State assistance to each port shall not exceed the following amounts:

<u>Port</u>	<u>Amount</u>
Port of Grays Harbor	\$ 564,000
Port of Port Angeles	\$1,500,000
Port of Longview	\$1,855,400

Appropriation:

St Bldg Constr Acct	\$ 3,900,000
Prior Biennia (Expenditures)	\$ 0
Future Biennia (Projected Costs)	\$ 0
TOTAL	\$ 3,900,000

NEW SECTION. Sec. 473. FOR THE DEPARTMENT OF TRADE AND ECONOMIC DEVELOPMENT

Johnston Ridge Observatory—Mt. St. Helens National Volcanic Monument (94-2-010)

Funds provided by the state to assist in accelerating the project are subject to restoration by the federal government when the total federal appropriation for the project is made available.

Appropriation:

St Bldg Constr Acct	\$ 5,000,000
Prior Biennia (Expenditures)	\$ 0
Future Biennia (Projected Costs)	\$ 0
TOTAL	\$ 5,000,000

NEW SECTION. Sec. 474. FOR THE STATE CONSERVATION COMMISSION

Water quality account projects: Provides grants to local conservation districts for resource conservation projects (90-2-001)

The appropriations in this section are subject to the following conditions and limitations: \$3,000,000 is provided solely for technical assistance and grants for dairy waste management and facility planning and implementation.

Reappropriation:

Water Quality Acct—State	\$ 348,652
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Appropriation:

Water Quality Acct—State	\$ 5,224,000
Prior Biennia (Expenditures)	\$ 1,791,348
Future Biennia (Projected Costs)	\$ 9,120,000
TOTAL	\$ 13,484,000

NEW SECTION. Sec. 475. FOR THE DEPARTMENT OF FISHERIES

Towhead Island public access renovation (86-3-028)

The appropriation in this section is subject to the conditions and limitations of section 1017(2) (a) and (b) of this act.

Reappropriation:

ORA—State	\$	190,000
Prior Biennia (Expenditures)	\$	21,000
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	211,000

NEW SECTION. Sec. 476. FOR THE DEPARTMENT OF FISHERIES**Shorefishing access (88-5-018)**

The appropriation in this section is subject to the conditions and limitations of section 1017(2) (a) and (b) of this act.

Reappropriation:

St Bldg Constr Acct	\$	400,000
Prior Biennia (Expenditures)	\$	671,946
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	1,071,946

NEW SECTION. Sec. 477. FOR THE DEPARTMENT OF FISHERIES**Ilwaco boat access expansion (90-2-023)**

The appropriation in this section is subject to the conditions and limitations of section 1017(2) (a) and (b) of this act.

Reappropriation:

ORA—State	\$	300,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	300,000

NEW SECTION. Sec. 478. FOR THE DEPARTMENT OF FISHERIES**Minter Creek hatchery phase 1 reconstruction (92-2-016)****Reappropriation:**

St Bldg Constr Acct	\$	2,700,000
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Appropriation:

St Bldg Constr Acct	\$	1,400,060
Prior Biennia (Expenditures)	\$	600,000
Future Biennia (Projected Costs)	\$	1,600,000
TOTAL	\$	5,700,000

NEW SECTION. Sec. 479. FOR THE DEPARTMENT OF FISHERIES**Willapa Interpretive Center construction (92-2-020)**

Reappropriation:

St Bldg Constr Acct	\$	200,000
Prior Biennia (Expenditures)	\$	100,000
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	300,000

**NEW SECTION. Sec. 480. FOR THE DEPARTMENT OF FISHERIES
Strait of Juan de Fuca shoreline acquisition (92-5-901)**

Reappropriation:

ORA—State	\$	350,000
Prior Biennia (Expenditures)	\$	80,000
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	430,000

**NEW SECTION. Sec. 481. FOR THE DEPARTMENT OF FISHERIES
Minor works: Code compliance (94-1-001)**

Reappropriation:

St Bldg Constr Acct	\$	300,000
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Appropriation:

St Bldg Constr Acct	\$	1,500,000
Prior Biennia (Expenditures)	\$	2,128,887
Future Biennia (Projected Costs)	\$	5,200,000
TOTAL	\$	9,128,887

**NEW SECTION. Sec. 482. FOR THE DEPARTMENT OF FISHERIES
Facilities rehabilitation and acquisition (94-1-002)**

The appropriations in this section are subject to the following conditions and limitations: \$100,000 of the appropriation in this section shall be used for a study on the consolidation of fish production facilities with the department of wildlife. The study shall consider existing and future water quality issues, condition of facilities, disease containment policies, wild stock restoration plans, and production goals. The department shall provide a progress report to the appropriate legislative committees by January 1994.

Reappropriation:

St Bldg Constr Acct	\$	650,000
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Appropriation:

St Bldg Constr Acct	\$	2,185,000
Prior Biennia (Expenditures)	\$	1,127,200
Future Biennia (Projected Costs)	\$	22,000,000
TOTAL	\$	25,962,200

NEW SECTION. Sec. 483. FOR THE DEPARTMENT OF FISHERIES

Sunset Falls fishway remodel (94-1-003)

Appropriation:

St Bldg Constr Acct	\$	690,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	690,000

NEW SECTION. Sec. 484. FOR THE DEPARTMENT OF FISHERIES

Skagit salmon hatchery facility upgrade (94-1-004)

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

(1) Subject to the passage of Substitute House Bill No. 2055 or substantially similar legislation, combining the Departments of Fisheries and Wildlife, the appropriation in this section shall not be expended until July 1, 1994.

(2) The appropriation in this section shall not be expended until the capital project review requirements of section 1015 of this act have been met.

Appropriation:

St Bldg Constr Acct	\$	722,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	722,000

NEW SECTION. Sec. 485. FOR THE DEPARTMENT OF FISHERIES

Dungeness hatchery facility upgrade (94-1-005)

Appropriation:

St Bldg Constr Acct	\$	837,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	610,000
TOTAL	\$	1,447,000

NEW SECTION. Sec. 486. FOR THE DEPARTMENT OF FISHERIES

Fishing reef marker buoys replacement (94-1-007)

Reappropriation:

St Bldg Constr Acct	\$	15,000
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Appropriation:

St Bldg Constr Acct	\$	50,000
Prior Biennia (Expenditures)	\$	60,000
Future Biennia (Projected Costs)	\$	150,000
TOTAL	\$	275,000

NEW SECTION. Sec. 487. FOR THE DEPARTMENT OF FISHERIES

Underground storage tanks: Removal and replacement (94-1-008)

That portion of the appropriation related to underground storage tanks may be expended only after compliance with section 107 of this act.

Appropriation:

St Bldg Constr Acct	\$	200,000
Prior Biennia (Expenditures)	\$	225,000
Future Biennia (Projected Costs)	\$	720,000
TOTAL	\$	1,145,000

NEW SECTION. Sec. 488. FOR THE DEPARTMENT OF FISHERIES

Pathogen-free water and incubation isolation systems development (94-2-001)

Reappropriation:

St Bldg Constr Acct	\$	200,000
Prior Biennia (Expenditures)	\$	300,000
Future Biennia (Projected Costs)	\$	1,900,000
TOTAL	\$	2,400,000

NEW SECTION. Sec. 489. FOR THE DEPARTMENT OF FISHERIES

Tidelands acquisition (94-2-003)

Appropriation:

General Fund—Federal	\$	5,000,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	5,000,000

NEW SECTION. Sec. 490. FOR THE DEPARTMENT OF FISHERIES

Fish protection facilities replacement (94-2-005)

Reappropriation:

St Bldg Constr Acct	\$	5,000
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Appropriation:

General Fund—Federal	\$	1,000,000
St Bldg Constr Acct	\$	600,000
Subtotal Appropriation	\$	1,600,000
Prior Biennia (Expenditures)	\$	445,894
Future Biennia (Projected Costs)	\$	9,270,100
TOTAL	\$	11,320,994

NEW SECTION. Sec. 491. FOR THE DEPARTMENT OF FISHERIES

Habitat and salmon enhancement program (94-2-006)

Reappropriation:

St Bldg Constr Acct	\$	20,000
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Appropriation:

St Bldg Constr Acct	\$	1,565,000
General Fund—Federal	\$	800,000
General Fund—Private/Local	\$	<u>800,000</u>
Subtotal Appropriation	\$	3,165,000
Prior Biennia (Expenditures)	\$	2,021,243
Future Biennia (Projected Costs)	\$	<u>13,510,000</u>
TOTAL	\$	18,716,243

NEW SECTION. Sec. 492. FOR THE DEPARTMENT OF FISHERIES

Habitat management shop building construction (94-3-007)

Appropriation:

St Bldg Constr Acct	\$	415,000
Prior Biennia (Expenditures)	\$	432,041
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	847,041

NEW SECTION. Sec. 493. FOR THE DEPARTMENT OF FISHERIES

Coast and Puget Sound wild stock restoration (94-2-008)

Reappropriation:

St Bldg Constr Acct	\$	1,480,397
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Appropriation:

St Bldg Constr Acct	\$	2,800,000
Prior Biennia (Expenditures)	\$	2,144,411
Future Biennia (Projected Costs)	\$	<u>4,500,000</u>
TOTAL	\$	10,924,808

NEW SECTION. Sec. 494. FOR THE DEPARTMENT OF FISHERIES

Field services storage units acquisition (94-2-012)

Reappropriation:

St Bldg Constr Acct	\$	94,500
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Appropriation:

St Bldg Constr Acct	\$	150,000
Prior Biennia (Expenditures)	\$	225,500
Future Biennia (Projected Costs)	\$	<u>220,000</u>
TOTAL	\$	690,000

NEW SECTION. Sec. 495. FOR THE DEPARTMENT OF FISHERIES

Clam and Oyster Beach enhancement and acquisition (95-2-004)

Reappropriation:

St Bldg Constr Acct	\$	30,000
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Appropriation:

St Bldg Constr Acct	\$ 1,200,000
Prior Biennia (Expenditures)	\$ 2,005,699
Future Biennia (Projected Costs)	\$ 3,300,000
TOTAL	\$ 6,535,699

NEW SECTION. Sec. 496. FOR THE DEPARTMENT OF FISHERIES

Ringold water—John Day Dam mitigation (95-2-015)

Appropriation:

General Fund—Federal	\$ 5,000,000
Prior Biennia (Expenditures)	\$ 0
Future Biennia (Projected Costs)	\$ 0
TOTAL	\$ 5,000,000

NEW SECTION. Sec. 497. FOR THE DEPARTMENT OF FISHERIES

Klickitat acclimation pond (95-2-016)

Appropriation:

General Fund—Federal	\$ 2,500,000
Prior Biennia (Expenditures)	\$ 0
Future Biennia (Projected Costs)	\$ 0
TOTAL	\$ 2,500,000

NEW SECTION. Sec. 498. FOR THE DEPARTMENT OF FISHERIES

Water access and development (95-2-017)

The entire state and local improvement revolving account—public recreation facilities appropriation is provided solely for improvements to the boat ramp and associated facilities at the Boston Harbor boat launch.

Reappropriation:

ORA—State	\$ 1,200,000
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Appropriation:

General Fund—Federal	\$ 280,000
ORA—State	\$ 150,000
LIRA, Public Rec Fac	\$ 25,000
Subtotal Appropriation	\$ 655,000
Prior Biennia (Expenditures)	\$ 250,000
Future Biennia (Projected Costs)	\$ 0
TOTAL	\$ 1,905,000

NEW SECTION. Sec. 499. FOR THE DEPARTMENT OF FISHERIES

South Sound net pens replacement (94-1-006)

Appropriation:

St Bldg Constr Acct	\$ 345,000
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Prior Biennia (Expenditures)	\$	178,000
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	523,000

NEW SECTION. Sec. 500. FOR THE DEPARTMENT OF WILDLIFE

Aberdeen hatchery expansion (89-5-017)

Reappropriation:

Game Spec Wildlife Acct	\$	8,554
Prior Biennia (Expenditures)	\$	731,446
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	740,000

NEW SECTION. Sec. 501. FOR THE DEPARTMENT OF WILDLIFE

Skagit wildlife area dike repair (93-3-008)

Reappropriation:

St Bldg Constr Acct	\$	150,000
Prior Biennia (Expenditures)	\$	21,250
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	171,250

NEW SECTION. Sec. 502. FOR THE DEPARTMENT OF WILDLIFE

Luhrs Landing access flood repair (92-5-016)

The appropriation in this section is subject to the conditions and limitations of section 1017(2) (a) and (b) of this act.

Reappropriation:

St Bldg Constr Acct	\$	40,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	40,000

NEW SECTION. Sec. 503. FOR THE DEPARTMENT OF WILDLIFE

Luhrs Landing interpretive center (92-5-017)

The appropriation in this section is subject to the conditions and limitations of section 1017(2)(a) of this act.

Reappropriation:

St Bldg Constr Acct	\$	405,029
Prior Biennia (Expenditures)	\$	44,971
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	450,000

NEW SECTION. Sec. 504. FOR THE DEPARTMENT OF WILDLIFE

Hood Canal wetlands center construction (93-5-001)

The appropriation in this section is subject to the conditions and limitations of section 1017(2)(a) of this act.

Reappropriation:

St Bldg Constr Acct	\$	491,000
Prior Biennia (Expenditures)	\$	9,000
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	500,000

**NEW SECTION. Sec. 505. FOR THE DEPARTMENT OF WILDLIFE
Health, safety, and code compliance (94-1-001)**

That portion of the appropriation related to underground storage tanks may be expended only after compliance with section 107 of this act.

Reappropriation:

St Bldg Constr Acct	\$	20,000
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Appropriation:

St Bldg Constr Acct	\$	830,000
Prior Biennia (Expenditures)	\$	1,080,000
Future Biennia (Projected Costs)	\$	3,900,000
TOTAL	\$	5,830,000

**NEW SECTION. Sec. 506. FOR THE DEPARTMENT OF WILDLIFE
Minor works: Emergency repair (94-1-002)**

Appropriation:

St Bldg Constr Acct	\$	500,000
Prior Biennia (Expenditures)	\$	349,233
Future Biennia (Projected Costs)	\$	1,625,000
TOTAL	\$	2,474,233

**NEW SECTION. Sec. 507. FOR THE DEPARTMENT OF WILDLIFE
Fishing access area redevelopment (94-1-003)**

The appropriation in this section is subject to the conditions and limitations of section 1017(2) (a) and (b) of this act.

Reappropriation:

Wildlife Acct—Federal	\$	107,000
ORA—State	\$	959,000
Subtotal Reappropriation	\$	1,066,000

Appropriation:

ORA—State	\$	887,000
Wildlife Acct—Federal	\$	500,000
Subtotal Appropriation	\$	1,387,000

Prior Biennia (Expenditures)	\$	1,456,000
Future Biennia (Projected Costs)	\$	<u>7,333,400</u>
TOTAL	\$	10,176,400

NEW SECTION. Sec. 508. FOR THE DEPARTMENT OF WILDLIFE

Hatchery remodel (94-1-004)

(1) \$100,000 of the state building construction account appropriation in this section shall be used for a study on the consolidation of fish production facilities with the department of fisheries. The study shall consider existing and future water quality issues, condition of facilities, disease containment policies, wild stock restoration plans, and production goals. The department shall provide a progress report to the appropriate legislative committees by January 1994.

(2) No funds are provided for increased residential capacity at state hatchery facilities.

Reappropriation:

St Bldg Constr Acct	\$	740,000
Wildlife Acct—Federal	\$	<u>300,000</u>
Subtotal Reappropriation	\$	1,040,000

Appropriation:

St Bldg Constr Acct	\$	2,275,000
Wildlife Acct—Federal	\$	<u>1,000,000</u>
Subtotal Appropriation	\$	3,275,000
Prior Biennia (Expenditures)	\$	1,672,155
Future Biennia (Projected Costs)	\$	<u>12,600,000</u>
TOTAL	\$	18,587,155

NEW SECTION. Sec. 509. FOR THE DEPARTMENT OF WILDLIFE

State-wide fence repair (94-1-005)

Reappropriation:

Wildlife Acct—State	\$	92,000
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Appropriation:

St Bldg Constr Acct	\$	122,500
Prior Biennia (Expenditures)	\$	1,375,000
Future Biennia (Projected Costs)	\$	<u>1,100,000</u>
TOTAL	\$	2,687,500

NEW SECTION. Sec. 510. FOR THE DEPARTMENT OF WILDLIFE

Wildlife area repair (94-1-006)

Appropriation:

St Bldg Constr Acct	\$	574,000
Wildlife Acct—Federal	\$	<u>50,000</u>
Subtotal Appropriation	\$	624,000

Prior Biennia (Expenditures)	\$	265,000
Future Biennia (Projected Costs)	\$	<u>2,900,000</u>
TOTAL	\$	3,789,000

NEW SECTION. Sec. 511. FOR THE DEPARTMENT OF WILDLIFE

Sprague Lake access area development (94-2-008)

Appropriation:

Wildlife Acct—Federal	\$	55,000
ORA—State	\$	<u>118,000</u>
Subtotal Appropriation	\$	173,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	173,000

NEW SECTION. Sec. 512. FOR THE DEPARTMENT OF WILDLIFE

State-wide fence construction (94-2-009)

Appropriation:

St Bldg Constr Acct	\$	627,500
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>1,500,000</u>
TOTAL	\$	2,127,500

NEW SECTION. Sec. 513. FOR THE DEPARTMENT OF WILDLIFE

Habitat acquisition (94-2-011)

Reappropriation:

Wildlife Acct—State	\$	599,920
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Appropriation:

Wildlife Acct—State	\$	1,300,000
Prior Biennia (Expenditures)	\$	996,562
Future Biennia (Projected Costs)	\$	<u>7,800,000</u>
TOTAL	\$	10,696,482

NEW SECTION. Sec. 514. FOR THE DEPARTMENT OF WILDLIFE

Migratory waterfowl habitat acquisition (94-2-013)

Appropriation:

Wildlife Acct—State	\$	350,000
Prior Biennia (Expenditures)	\$	949,335
Future Biennia (Projected Costs)	\$	<u>1,700,000</u>
TOTAL	\$	2,999,335

NEW SECTION. Sec. 515. FOR THE DEPARTMENT OF WILDLIFE

Regional office construction (94-2-010)

Appropriation:

Wildlife Acct—State	\$	138,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	138,000

NEW SECTION. Sec. 516. FOR THE DEPARTMENT OF WILDLIFE

Mitigation and dedicated fund projects (94-2-013)

Appropriation:

Wildlife—Federal	\$	6,000,000
Wildlife—Priv/Loc	\$	5,000,000
Game Spec Wildlife Acct—State	\$	50,000
Subtotal Appropriation	\$	11,050,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	44,800,000
TOTAL	\$	55,850,000

NEW SECTION. Sec. 517. FOR THE DEPARTMENT OF WILDLIFE

Game farm remodel (95-1-007)

Appropriation:

St Bldg Constr Acct	\$	275,000
Prior Biennia (Expenditures)	\$	850,000
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	1,125,000

NEW SECTION. Sec. 518. FOR THE DEPARTMENT OF WILDLIFE

Grandy Creek hatchery (92-5-024)

Expenditure of the appropriation in this section is contingent on an in-kind match of dollars or services from nonstate sources equal to at least \$200,000.

Reappropriation:

St Bldg Constr Acct	\$	4,500,000
Prior Biennia (Expenditures)	\$	184,166
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	4,684,166

NEW SECTION. Sec. 519. FOR THE DEPARTMENT OF WILDLIFE

Gloyd Seeps Fish Hatchery: For the purchase of the property by the Department of Wildlife

The appropriation in this section shall not be expended until the Department of Wildlife has made a determination that:

(1) The water rights to the property being transferred to the Department of Wildlife, as part of the purchase agreement, are sufficient to operate the hatchery; and

(2) The operation of a warm water fish hatchery on the property is feasible.

Appropriation:

St Bldg Constr Acct	\$	1,870,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	1,870,000

NEW SECTION. Sec. 520. FOR THE DEPARTMENT OF NATURAL RESOURCES

Aquatic land enhancement (86-3-030)

Reappropriation:

Aquatic Lands Acct	\$	1,123,000
Prior Biennia (Expenditures)	\$	6,124,236
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	7,247,236

NEW SECTION. Sec. 521. FOR THE DEPARTMENT OF NATURAL RESOURCES

Seattle waterfront phase 1 development (90-5-202)

Reappropriation:

ORA—State	\$	747,600
Prior Biennia (Expenditures)	\$	2,400
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	750,000

NEW SECTION. Sec. 522. FOR THE DEPARTMENT OF NATURAL RESOURCES

Irrigation development (92-2-410)

Reappropriation:

Res Mgmt Cost Acct	\$	569,000
Prior Biennia (Expenditures)	\$	40,000
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	609,000

NEW SECTION. Sec. 523. FOR THE DEPARTMENT OF NATURAL RESOURCES

Mountains to Sound acquisition (92-2-550)

The appropriation in this section shall be matched by \$2,000,000 in cash, land, or other consideration from nonstate moneys provided for the same

purpose. The acquired forest land shall be managed consistent with the purposes of chapter 79.71 RCW.

Reappropriation:

St Bldg Constr Acct \$ 999,000

Appropriation:

St Bldg Constr Acct \$ 1,500,000

Prior Biennia (Expenditures) \$ 1,000

Future Biennia (Projected Costs) \$ 0

TOTAL \$ 2,500,000

NEW SECTION. Sec. 524. FOR THE DEPARTMENT OF NATURAL RESOURCES

Cedar River dredging (92-3-000)

The appropriation in this section is contingent upon a match of at least \$500,000 from nonstate sources.

Reappropriation:

St Bldg Constr Acct \$ 700,000

Prior Biennia (Expenditures) \$ 100,000

Future Biennia (Projected Costs) \$ 0

TOTAL \$ 800,000

NEW SECTION. Sec. 525. FOR THE DEPARTMENT OF NATURAL RESOURCES

Aquatic land enhancement grants (93-3-501)

Reappropriation:

Aquatic Lands Acct \$ 1,762,000

Prior Biennia (Expenditures) \$ 4,798,884

Future Biennia (Projected Costs) \$ 0

TOTAL \$ 6,560,884

NEW SECTION. Sec. 526. FOR THE DEPARTMENT OF NATURAL RESOURCES

Recreation sites construction (92-5-201)

The appropriation in this section is subject to the conditions and limitations of section 1017(2)(a) of this act.

Reappropriation:

St Bldg Constr Acct \$ 144,000

ORA—State \$ 200,000

Subtotal Reappropriation \$ 344,000

Prior Biennia (Expenditures) \$ 506,000

Future Biennia (Projected Costs)	\$	0
TOTAL	\$	850,000

NEW SECTION. Sec. 527. FOR THE DEPARTMENT OF NATURAL RESOURCES

Americans with Disabilities Act modifications (94-1-101)

Appropriation:

St Bldg Constr Acct	\$	31,000
Res Mgmt Cost Acct	\$	54,500
For Dev Acct	\$	14,500
Subtotal Appropriation	\$	100,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	400,000
TOTAL	\$	500,000

NEW SECTION. Sec. 528. FOR THE DEPARTMENT OF NATURAL RESOURCES

Underground storage tanks removal (94-1-103)

That portion of the appropriation related to underground storage tanks may be expended only after compliance with section 107 of this act.

Appropriation:

St Bldg Constr Acct	\$	20,000
Res Mgmt Cost Acct	\$	15,600
For Dev Acct	\$	14,400
Subtotal Appropriation	\$	50,000
Prior Biennia (Expenditures)	\$	581,500
Future Biennia (Projected Costs)	\$	408,000
TOTAL	\$	1,039,500

NEW SECTION. Sec. 529. FOR THE DEPARTMENT OF NATURAL RESOURCES

State-wide emergency repairs (94-1-104)

Appropriation:

St Bldg Constr Acct	\$	31,000
Res Mgmt Cost Acct	\$	54,500
For Dev Acct	\$	14,500
Subtotal Appropriation	\$	100,000
Prior Biennia (Expenditures)	\$	100,000
Future Biennia (Projected Costs)	\$	400,000
TOTAL	\$	600,000

NEW SECTION. Sec. 530. FOR THE DEPARTMENT OF NATURAL RESOURCES

Environmental protection: Design and construction (94-1-105)**Appropriation:**

St Bldg Constr Acct	\$	33,800
Res Mgmt Cost Acct	\$	25,100
For Dev Acct	\$	<u>23,600</u>
Subtotal Appropriation	\$	82,500
Prior Biennia (Expenditures)	\$	208,600
Future Biennia (Projected Costs)	\$	<u>945,100</u>
TOTAL	\$	1,236,200

NEW SECTION. Sec. 531. FOR THE DEPARTMENT OF NATURAL RESOURCES**Snowbird: Well plug (94-1-106)****Appropriation:**

St Bldg Constr Acct	\$	179,500
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	179,500

NEW SECTION. Sec. 532. FOR THE DEPARTMENT OF NATURAL RESOURCES**Minor works: Facilities and site repair (94-1-107)****Appropriation:**

St Bldg Constr Acct	\$	391,200
Res Mgmt Cost Acct	\$	384,700
For Dev Acct	\$	<u>146,100</u>
Subtotal Appropriation	\$	922,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>4,445,200</u>
TOTAL	\$	5,267,200

NEW SECTION. Sec. 533. FOR THE DEPARTMENT OF NATURAL RESOURCES**Small repairs and improvements (94-1-108)****Appropriation:**

St Bldg Constr Acct	\$	31,000
Res Mgmt Cost Acct—State	\$	54,500
For Dev Acct	\$	<u>14,500</u>
Subtotal Appropriation	\$	100,000
Prior Biennia (Expenditures)	\$	100,100
Future Biennia (Projected Costs)	\$	<u>400,000</u>
TOTAL	\$	600,100

NEW SECTION. Sec. 534. FOR THE DEPARTMENT OF NATURAL RESOURCES

Recreation sites: Emergency repairs (94-4-201)

Appropriation:

St Bldg Constr Acct	\$	100,000
Prior Biennia (Expenditures)	\$	100,000
Future Biennia (Projected Costs)	\$	600,000
TOTAL	\$	800,000

NEW SECTION. Sec. 535. FOR THE DEPARTMENT OF NATURAL RESOURCES

Natural resource conservation areas: Emergency repairs (94-1-202)

Appropriation:

St Bldg Constr Acct	\$	200,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	800,000
TOTAL	\$	1,000,000

NEW SECTION. Sec. 536. FOR THE DEPARTMENT OF NATURAL RESOURCES

Natural area preserve management (94-1-203)

Appropriation:

St Bldg Constr Acct	\$	150,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	150,000

NEW SECTION. Sec. 537. FOR THE DEPARTMENT OF NATURAL RESOURCES

Recreation: Health and safety (94-1-204)

Appropriation:

St Bldg Constr Acct	\$	300,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	1,000,000
TOTAL	\$	1,300,000

NEW SECTION. Sec. 538. FOR THE DEPARTMENT OF NATURAL RESOURCES

Real estate property: Small repairs and improvements (94-1-401)

Appropriation:

Res Mgmt Cost Acct	\$	200,000
Prior Biennia (Expenditures)	\$	181,000

Future Biennia (Projected Costs)	\$	<u>1,000,000</u>
TOTAL	\$	1,381,000

NEW SECTION. Sec. 539. FOR THE DEPARTMENT OF NATURAL RESOURCES

Irrigation: Emergency repairs (94-1-402)

Appropriation:

Res Mgmt Cost Acct	\$	200,000
Prior Biennia (Expenditures)	\$	80,000
Future Biennia (Projected Costs)	\$	<u>500,000</u>
TOTAL	\$	780,000

NEW SECTION. Sec. 540. FOR THE DEPARTMENT OF NATURAL RESOURCES

Real estate tenant improvements (94-1-403)

Appropriation:

Res Mgmt Cost Acct	\$	700,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>2,700,000</u>
TOTAL	\$	3,400,000

NEW SECTION. Sec. 541. FOR THE DEPARTMENT OF NATURAL RESOURCES

Communication site repair (94-1-404)

Appropriation:

Res Mgmt Cost Acct	\$	190,000
For Dev Acct	\$	110,000
Subtotal Appropriation	\$	<u>300,000</u>
Prior Biennia (Expenditures)	\$	480,000
Future Biennia (Projected Costs)	\$	<u>385,000</u>
TOTAL	\$	1,165,000

NEW SECTION. Sec. 542. FOR THE DEPARTMENT OF NATURAL RESOURCES

Irrigation system replacement (94-1-405)

Appropriation:

Res Mgmt Cost Acct	\$	300,000
Prior Biennia (Expenditures)	\$	682,000
Future Biennia (Projected Costs)	\$	<u>1,175,000</u>
TOTAL	\$	2,157,000

NEW SECTION. Sec. 543. FOR THE DEPARTMENT OF NATURAL RESOURCES

Hazardous waste cleanup on state lands (94-1-406)

Appropriation:

Res Mgmt Cost Acct	\$	350,000
For Dev Acct	\$	150,000
Subtotal Appropriation	\$	500,000
Prior Biennia (Expenditures)	\$	50,000
Future Biennia (Projected Costs)	\$	1,585,000
TOTAL	\$	2,135,000

NEW SECTION. Sec. 544. FOR THE DEPARTMENT OF NATURAL RESOURCES

Minor works: Road maintenance (94-1-801)

Appropriation:

ORV Acct	\$	126,500
Access Road Revolving Acct	\$	802,000
Subtotal Appropriation	\$	928,500
Prior Biennia (Expenditures)	\$	89,000
Future Biennia (Projected Costs)	\$	400,000
TOTAL	\$	1,417,500

NEW SECTION. Sec. 545. FOR THE DEPARTMENT OF NATURAL RESOURCES

Fire control facilities upgrades (94-2-102)

Appropriation:

St Bldg Constr Acct	\$	170,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	126,200
TOTAL	\$	296,200

NEW SECTION. Sec. 546. FOR THE DEPARTMENT OF NATURAL RESOURCES

Minor works: Facilities and site repairs (94-2-103)

Appropriation:

St Bldg Constr Acct	\$	66,500
Res Mgmt Cost Acct	\$	63,500
For Dev Acct	\$	36,000
Subtotal Appropriation	\$	166,000
Prior Biennia (Expenditures)	\$	412,400
Future Biennia (Projected Costs)	\$	2,822,000
TOTAL	\$	3,400,400

NEW SECTION. Sec. 547. FOR THE DEPARTMENT OF NATURAL RESOURCES

Long Lake phase 3 development (94-2-201)

Appropriation:

ORA—State	\$	223,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	223,000

NEW SECTION. Sec. 548. FOR THE DEPARTMENT OF NATURAL RESOURCES

Seattle waterfront phase 2 development (94-2-202)

Appropriation:

ORA—State	\$	900,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	900,000

NEW SECTION. Sec. 549. FOR THE DEPARTMENT OF NATURAL RESOURCES

Commercial development: Local improvement district (94-2-401)

Appropriation:

Res Mgmt Cost Acct	\$	920,000
Prior Biennia (Expenditures)	\$	1,284,000
Future Biennia (Projected Costs)	\$	2,840,000
TOTAL	\$	5,044,000

NEW SECTION. Sec. 550. FOR THE DEPARTMENT OF NATURAL RESOURCES

Rights of way acquisition (94-2-402)

Appropriation:

Res Mgmt Cost Acct	\$	582,000
For Dev Acct	\$	611,000
Subtotal Appropriation	\$	1,193,000
Prior Biennia (Expenditures)	\$	1,048,000
Future Biennia (Projected Costs)	\$	4,400,000
TOTAL	\$	6,641,000

NEW SECTION. Sec. 551. FOR THE DEPARTMENT OF NATURAL RESOURCES

Communication sites construction (94-2-403)

Appropriation:

Res Mgmt Cost Acct	\$	160,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	735,000
TOTAL	\$	895,000

NEW SECTION. Sec. 552. FOR THE DEPARTMENT OF NATURAL RESOURCES

Irrigation development (94-2-404)

Appropriation:

Res Mgmt Cost Acct	\$	336,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	5,150,000
TOTAL	\$	5,486,000

NEW SECTION. Sec. 553. FOR THE DEPARTMENT OF NATURAL RESOURCES

Natural Resources Real Property Replacement Account (94-2-405)

Appropriation:

Nat Res Prop Repl Acct	\$	25,000,000
Prior Biennia (Expenditures)	\$	10,000,000
Future Biennia (Projected Costs)	\$	125,000,000
TOTAL	\$	160,000,000

NEW SECTION. Sec. 554. FOR THE DEPARTMENT OF NATURAL RESOURCES

Land bank acquisition (94-2-406)

Appropriation:

Res Mgmt Cost Acct	\$	18,000,000
Prior Biennia (Expenditures)	\$	21,176,000
Future Biennia (Projected Costs)	\$	60,000,000
TOTAL	\$	99,176,000

NEW SECTION. Sec. 555. FOR THE DEPARTMENT OF NATURAL RESOURCES

Mineral resource testing (94-2-407)

Appropriation:

Res Mgmt Cost Acct	\$	10,000
For Dev Acct	\$	10,000
Subtotal Appropriation	\$	20,000
Prior Biennia (Expenditures)	\$	0

Future Biennia (Projected Costs)	\$	104,000
TOTAL	\$	124,000

NEW SECTION. Sec. 556. FOR THE DEPARTMENT OF NATURAL RESOURCES

Aquatic lands enhancement grants (94-2-501)

Appropriation:

Aquatic Lands Acct	\$	2,776,000
Prior Biennia (Expenditures)	\$	3,541,000
Future Biennia (Projected Costs)	\$	32,885,000
TOTAL	\$	39,202,000

NEW SECTION. Sec. 557. FOR THE DEPARTMENT OF NATURAL RESOURCES

Minor works: Road construction and improvement (94-2-801)

Appropriation:

Res Mgmt Cost Acct	\$	641,500
For Dev Acct	\$	172,500
Subtotal Appropriation	\$	814,000
Prior Biennia (Expenditures)	\$	232,000
Future Biennia (Projected Costs)	\$	4,500,000
TOTAL	\$	5,546,000

NEW SECTION. Sec. 558. FOR THE STATE CONVENTION AND TRADE CENTER

Convention and Trade Center construction (89-5-001)

Reappropriation:

St Conv & Trade Ctr Acct	\$	348,250
Prior Biennia (Expenditures)	\$	2,651,750
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	3,000,000

NEW SECTION. Sec. 559. FOR THE STATE CONVENTION AND TRADE CENTER

Convention and Trade Center conversion (89-5-002)

Reappropriation:

St Conv & Trade Ctr Acct	\$	1,900,000
Prior Biennia (Expenditures)	\$	9,897,364
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	11,797,364

NEW SECTION. Sec. 560. FOR THE STATE CONVENTION AND TRADE CENTER

Convention and Trade Center expansion (89-5-003)

Reappropriation:

St Conv & Trade Ctr Acct	\$	461,190
Prior Biennia (Expenditures)	\$	11,755,390
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	12,216,580

NEW SECTION. Sec. 561. FOR THE STATE CONVENTION AND TRADE CENTER

Eagles Building exterior cleanup (89-5-005)

Reappropriation:

St Conv & Trade Ctr Acct	\$	267,360
Prior Biennia (Expenditures)	\$	32,640
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	300,000

NEW SECTION. Sec. 562. FOR THE STATE CONVENTION AND TRADE CENTER

Refunding of parking garage note

Reappropriation:

St Conv & Trade Ctr Acct	\$	387,076
Prior Biennia (Expenditures)	\$	1,912,924
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	2,300,000

NEW SECTION. Sec. 563. FOR THE STATE CONVENTION AND TRADE CENTER

Minor works (93-2-001)

Reappropriation:

St Conv & Trade Ctr Acct	\$	1,010,000
Prior Biennia (Expenditures)	\$	40,000
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	1,050,000

NEW SECTION. Sec. 564. FOR THE STATE CONVENTION AND TRADE CENTER

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

(1) The state convention and trade center shall assist in the rehabilitation of the Eagles building by transferring the state's right and title to the land and building as is, at no cost, to A Contemporary Theatre (ACT) and the Seattle Housing Resource Group (SHRG) subject to and following final action by the

city of Seattle to grant a new contract rezone for not less than ten years, on terms deemed acceptable to the state convention and trade center for the site rezoned under city ordinance 115663.

(2) \$2,700,000 is provided solely for payments to ACT and SHRG for the purchase by the state convention and trade center of a minimum of 225,000 square feet of theatre and housing floor area ratio bonuses to be generated by the restoration and development of the Eagles land and building by ACT and SHRG.

Appropriation:

St Conv & Trade Ctr Acct	\$	2,700,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	2,700,000

NEW SECTION. Sec. 565. FOR THE WASHINGTON STATE FRUIT COMMISSION

For land acquisition, design, construction, furnishing, equipping, and other costs related to the acquisition of a new headquarters and visitor center facility

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

(1) The appropriation may be spent only after the director of financial management has: (a) Certified that, based on the future income from the assessments levied under chapter 15.28 RCW, and other revenues collected by the commission, an adequate balance will be maintained in the commission's general operating fund to pay the interest or principal and interest payments on the bonds issued for the project; and (b) approved the plans for the facility.

(2) The appropriation shall be matched by at least \$200,000 from the commission's general operating fund provided for the capital costs of the project.

Appropriation:

Fruit Comm Fac Acct	\$	1,500,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	1,500,000

NEW SECTION. Sec. 566. FOR THE WASHINGTON STATE DAIRY PRODUCTS COMMISSION

Acquire permanent facility: To acquire a permanent facility to house the offices and operations of the commission (§2-5-001)

The appropriation in this subsection is subject to the following conditions and limitations: At least one dollar from the commission's operating funds shall be spent for each three dollars spent from this appropriation.

Reappropriation:

Wa St Dairy Prod Comm Fac Acct . . .	\$	900,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	900,000

**PART 4
TRANSPORTATION**

NEW SECTION. Sec. 601. FOR THE WASHINGTON STATE PATROL

To construct a new district headquarters building in Everett (90-2-018)

Reappropriation:

St Bldg Constr Acct	\$	90,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	90,000

NEW SECTION. Sec. 602. FOR THE WASHINGTON STATE PATROL

To construct a new crime lab in Tacoma (92-2-003)

Reappropriation:

St Bldg Constr Acct	\$	1,940,000
Prior Biennia (Expenditures)	\$	77,000
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	2,017,000

NEW SECTION. Sec. 603. FOR THE DEPARTMENT OF TRANSPORTATION

Funds to continue Mt. St. Helens recovery program (87-1-001)

Reappropriation:

St Bldg Constr Acct	\$	370,000
Prior Biennia (Expenditures)	\$	5,579,161
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	5,949,161

**PART 5
EDUCATION**

NEW SECTION. Sec. 701. FOR THE STATE BOARD OF EDUCATION

Public school building construction (83-2-001)

Reappropriation:

Common School Constr Fund	\$	110,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	110,000

NEW SECTION. Sec. 702. FOR THE STATE BOARD OF EDUCATION**Public school building construction (85-2-001)****Reappropriation:**

Common School Constr Fund	\$	830,000
Prior Biennia (Expenditures)	\$	270,000
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	1,100,000

NEW SECTION. Sec. 703. FOR THE STATE BOARD OF EDUCATION**Public school building construction (87-2-001)****Reappropriation:**

Common School Constr Fund	\$	2,346,000
Prior Biennia (Expenditures)	\$	1,654,000
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	4,000,000

NEW SECTION. Sec. 704. FOR THE STATE BOARD OF EDUCATION**Public school building construction (89-2-001)****Reappropriation:**

Common School Constr Fund	\$	7,294,260
Prior Biennia (Expenditures)	\$	21,712,889
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	29,007,159

NEW SECTION. Sec. 705. FOR THE STATE BOARD OF EDUCATION**Public school building construction (89-2-002)****Reappropriation:**

Common School Constr Fund	\$	4,266,450
Prior Biennia (Expenditures)	\$	16,734,725
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	21,001,175

NEW SECTION. Sec. 706. FOR THE STATE BOARD OF EDUCATION

Public school building construction (89-2-003)

Reappropriation:

Common School Constr Fund	\$ 15,000,000
Prior Biennia (Expenditures)	\$ 64,708,899
Future Biennia (Projected Costs)	\$ 0
TOTAL	\$ 79,708,899

NEW SECTION. Sec. 707. FOR THE STATE BOARD OF EDUCATION

Public school building construction (91-2-001)

Reappropriation:

Common School Reimb Constr Acct ..	\$ 124,101,800
Common School Constr Fund	\$ 85,817,008
Subtotal Reappropriation	\$ 209,918,808
Prior Biennia (Expenditures)	\$ 198,435,000
Future Biennia (Projected Costs)	\$ 0
TOTAL	\$ 408,353,808

NEW SECTION. Sec. 708. FOR THE STATE BOARD OF EDUCATION

Common schools: Design and construction (94-2-001)

The appropriations in this subsection are subject to the following conditions and limitations:

- (1) Not more than \$106,000,000 of this appropriation may be obligated in fiscal year 1994 for school district project design and construction.
- (2) A maximum of \$1,250,000 may be expended for direct costs of state administration of school construction funding.
- (3) A maximum of \$630,000 may be expended for three full-time equivalent field staff with construction or architectural experience to assist in evaluation of project requests and reviewing information reported by school districts and certifying the building condition data submitted by school districts.
- (4) A maximum of \$75,000 is provided solely for development of an automated state inventory and facility condition management database. This database shall utilize information obtained through implementation of the new priority system developed in the 1991-93 biennium and periodic updating.
- (5) Projects approved for state assistance by the state board after the effective date of this section, in which new construction will be in lieu of modernization of an existing instructional facility or space, shall receive state assistance only if the district certifies that the existing facility or space will not be used for instructional purposes, and that the facility or space will be ineligible

for any future state financial assistance. Further, if the district does return the facility or space to instructional purposes, the district shall become ineligible for state construction financial assistance for a period of at least five years as determined by the state board of education. The state board shall adopt regulations to implement this subsection.

Appropriation:

Common School Constr Fund	\$ 233,179,000
St Bldg Constr Acct	\$ <u>4,821,000</u>
Subtotal Appropriation	\$ 238,000,000
Prior Biennia (Expenditures)	\$ 0
Future Biennia (Projected Costs)	\$ <u>0</u>
TOTAL	\$ 238,000,000

NEW SECTION. Sec. 709. FOR THE STATE SCHOOL FOR THE BLIND

Demolish museum building (92-1-002)

Reappropriation:

St Bldg Constr Acct	\$ 237,051
Prior Biennia (Expenditures)	\$ 0
Future Biennia (Projected Costs)	\$ <u>0</u>
TOTAL	\$ 237,051

NEW SECTION. Sec. 710. FOR THE STATE SCHOOL FOR THE BLIND

Elevator in administration building (92-1-003)

Reappropriation:

St Bldg Constr Acct	\$ 234,745
Prior Biennia (Expenditures)	\$ 149,716
Future Biennia (Projected Costs)	\$ <u>0</u>
TOTAL	\$ 384,461

NEW SECTION. Sec. 711. FOR THE STATE SCHOOL FOR THE BLIND

Campus preservation (94-1-001)

Appropriation:

St Bldg Constr Acct	\$ 2,688,400
Prior Biennia (Expenditures)	\$ 0
Future Biennia (Projected Costs)	\$ <u>16,520,781</u>
TOTAL	\$ 19,209,181

NEW SECTION. Sec. 712. FOR THE STATE SCHOOL FOR THE BLIND

Demolish commissary building (94-1-002)

Appropriation:

St Bldg Constr Acct	\$	547,455
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	547,455

NEW SECTION. Sec. 713. FOR THE STATE SCHOOL FOR THE DEAF

Campus heating system repairs (92-2-008)

Reappropriation:

St Bldg Constr Acct	\$	16,500
Prior Biennia (Expenditures)	\$	15,845
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	32,345

NEW SECTION. Sec. 714. FOR THE STATE SCHOOL FOR THE DEAF

Campus preservation (94-1-001)

Reappropriation:

St Bldg Constr Acct	\$	200,000
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Appropriation:

St Bldg Constr Acct	\$	1,553,415
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	13,518,336
TOTAL	\$	15,271,751

NEW SECTION. Sec. 715. FOR THE STATE SCHOOL FOR THE DEAF

Building demolition of Mary Roberts Hospital (94-1-008)

Appropriation:

St Bldg Constr Acct	\$	59,566
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	59,566

NEW SECTION. Sec. 716. FOR THE HIGHER EDUCATION COORDINATING BOARD

Campus Planning

Appropriation:

St Bldg Constr Acct	\$	170,000
Prior Biennia (Expenditures)	\$	0

Future Biennia (Projected Costs)	\$ <u> 0</u>
TOTAL	\$ 170,000

The higher education coordinating board shall evaluate a variety of organizational models for meeting the higher education and work force training needs of the people in the North King/South Snohomish county area. The goal is to design the most effective delivery system of education opportunities for students and the region's population. By November 30, 1993, the board shall recommend the preferred organizational model, and report its decision to the governor, appropriate legislative committees, and affected institutions of higher education.

In developing the model, the board shall consider, but need not be limited to, the following:

- (1) Previously identified short and long-range higher education needs, including upper and lower division, graduate programs, work force training, and basic skills as updated for current circumstances;
- (2) Previous community studies, including their conclusion that a new community college is needed in the area;
- (3) Teaching as the primary mission;
- (4) The smooth and convenient student transfer, as appropriate, between lower and upper division programs and courses;
- (5) The capacity of nearby existing public institutions;
- (6) Transportation and growth management principles;
- (7) The consolidation of capital investment through a single campus, whether permanently or temporarily collocated, and consider potential future need for an additional site;
- (8) Alternative organizational arrangements; and
- (9) Recommendations of the community siting committee.

NEW SECTION. Sec. 717. FOR THE UNIVERSITY OF WASHINGTON

H Wing addition (86-2-021)

Reappropriation:

St Bldg Constr Acct	\$ 24,500,000
UW Building Acct—State	\$ <u>1,500,000</u>
Subtotal Reappropriation	\$ 26,000,000
Prior Biennia (Expenditures)	\$ 25,000,000
Future Biennia (Projected Costs)	\$ <u> 0</u>
TOTAL	\$ 51,000,000

NEW SECTION. Sec. 718. FOR THE UNIVERSITY OF WASHINGTON

Health Sciences Center H Wing remodel (88-2-015)

The appropriation in this section may be expended solely to conduct a predesign of the project described in this section in accordance with the predesign manual published by the office of financial management. Future appropriations for this project are subject to the submittal of completed predesign requirements on or before July 1, 1994.

Reappropriation:

St Bldg Constr Acct	\$	100,000
Prior Biennia (Expenditures)	\$	632,999
Future Biennia (Projected Costs)	\$	16,518,000
TOTAL	\$	17,250,999

NEW SECTION. Sec. 719. FOR THE UNIVERSITY OF WASHINGTON

Power plant boiler (88-2-022)

The appropriation in this section shall not be expended until the capital project review requirements of section 1015 of this act have been met.

Reappropriation:

St Bldg Constr Acct	\$	16,500,000
Prior Biennia (Expenditures)	\$	4,357,491
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	20,857,491

NEW SECTION. Sec. 720. FOR THE UNIVERSITY OF WASHINGTON

Biomedical Sciences Research Building financing (90-1-001)

The appropriations in this section are provided from the proceeds of state general obligation bonds reimbursed from university indirect cost revenues from federal research grants and contracts pursuant to RCW 43.99H.020(18).

Reappropriation:

H Ed Constr Acct	\$	24,500,000
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Appropriation:

H Ed Constr Acct	\$	20,000,000
Prior Biennia (Expenditures)	\$	20,500,000
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	65,000,000

NEW SECTION. Sec. 721. FOR THE UNIVERSITY OF WASHINGTON

Power generation, chiller, data communications, electrical distribution (90-2-001)

Reappropriation:

St Bldg Constr Acct	\$	5,440,000
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Prior Biennia (Expenditures)	\$ 11,457,222
Future Biennia (Projected Costs)	\$ <u>0</u>
TOTAL	\$ 16,897,222

NEW SECTION. Sec. 722. FOR THE UNIVERSITY OF WASHINGTON

Physics/Astronomy Building construction (90-2-009)

The appropriation in this section shall not be expended until the capital project review requirements of section 1015 of this act have been met.

Reappropriation:

H Ed Reimb Constr Acct	\$ 32,000,000
Prior Biennia (Expenditures)	\$ 40,564,000
Future Biennia (Projected Costs)	\$ <u>0</u>
TOTAL	\$ 72,564,000

NEW SECTION. Sec. 723. FOR THE UNIVERSITY OF WASHINGTON

Chemistry Building construction (90-2-011)

The appropriation in this section shall not be expended until the capital project review requirements of section 1015 of this act have been met.

Reappropriation:

St Bldg Constr Acct	\$ 28,500,000
Prior Biennia (Expenditures)	\$ 10,652,000
Future Biennia (Projected Costs)	\$ <u>0</u>
TOTAL	\$ 39,152,000

NEW SECTION. Sec. 724. FOR THE UNIVERSITY OF WASHINGTON

Electrical Engineering/Computer Sciences Engineering Building construction (90-2-013)

The appropriation in this section shall not be expended until the capital project review requirements of section 1015 of this act have been met.

Reappropriation:

St Bldg Constr Acct	\$ 2,547,000
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Appropriation:

St Bldg Constr Acct	\$ 89,997,000
UW Bldg Acct	\$ <u>536,000</u>
Subtotal Appropriation	\$ 90,533,000
Prior Biennia (Expenditures)	\$ 2,711,000
Future Biennia (Projected Costs)	\$ <u>0</u>
TOTAL	\$ 95,791,000

NEW SECTION. Sec. 725. FOR THE UNIVERSITY OF WASHINGTON

Nuclear reactor decommissioning (92-1-022)

Reappropriation:

St Bldg Constr Acct	\$	230,000
Prior Biennia (Expenditures)	\$	5,000
Future Biennia (Projected Costs)	\$	2,551,000
TOTAL	\$	2,786,000

NEW SECTION. Sec. 726. FOR THE UNIVERSITY OF WASHINGTON

Kincaid basement (zoology) (92-2-002)

The appropriation in this section shall not be expended until the capital project review requirements of section 1015 of this act have been met.

Reappropriation:

St Bldg Constr Acct	\$	1,500,000
Prior Biennia (Expenditures)	\$	1,814,000
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	3,314,000

NEW SECTION. Sec. 727. FOR THE UNIVERSITY OF WASHINGTON

Old Physics Hall design and construction (92-2-008)

The appropriation in this section shall not be expended until the capital project review requirements of section 1015 of this act have been met.

Reappropriation:

St Bldg Constr Acct	\$	2,400,000
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Appropriation:

St Bldg Constr Acct	\$	30,914,000
UW Bldg Acct	\$	1,650,000
Subtotal Appropriation	\$	32,564,000
Prior Biennia (Expenditures)	\$	143,000
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	35,107,000

NEW SECTION. Sec. 728. FOR THE UNIVERSITY OF WASHINGTON

Comparative medicine facility (92-2-017)

Reappropriation:

St Bldg Constr Acct	\$	690,000
Prior Biennia (Expenditures)	\$	10,000

Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	700,000

NEW SECTION. Sec. 729. FOR THE UNIVERSITY OF WASHINGTON

Ocean and Fishery Sciences II predesign (92-2-027)

The reappropriation in this section may be expended solely to conduct a predesign of the project described in this section in accordance with the predesign manual published by the office of financial management and for infrastructure improvements in the southwest campus. Future appropriations for this project are subject to the submittal of completed predesign requirements on or before July 1, 1994.

Reappropriation:

St Bldg Constr Acct	\$	1,550,000
Prior Biennia (Expenditures)	\$	300,000
Future Biennia (Projected Costs)	\$	<u>70,531,000</u>
TOTAL	\$	72,381,000

NEW SECTION. Sec. 730. FOR THE UNIVERSITY OF WASHINGTON

Olympic Natural Resource Center design and construction (92-2-202)

The reappropriation in this section shall not be expended until the capital project review requirements of section 1015 of this act have been met.

Reappropriation:

St Bldg Constr Acct	\$	5,450,000
Prior Biennia (Expenditures)	\$	225,000
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	5,675,000

NEW SECTION. Sec. 731. FOR THE UNIVERSITY OF WASHINGTON

Parrington Hall exterior (92-3-018)

Reappropriation:

UW Bldg Acct	\$	1,675,000
Prior Biennia (Expenditures)	\$	80,000
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	1,759,000

NEW SECTION. Sec. 732. FOR THE UNIVERSITY OF WASHINGTON

Meany Hall exterior renovation (92-3-019)

The reappropriation in this section shall not be expended until the capital project review requirements of section 1015 of this act have been met.

Reappropriation:

UW Bldg Acct	\$	7,200,000
Prior Biennia (Expenditures)	\$	38,000
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	7,238,000

NEW SECTION. Sec. 733. FOR THE UNIVERSITY OF WASHINGTON

Denny Hall exterior repair (92-3-020)

Reappropriation:

UW Bldg Acct	\$	1,550,000
Prior Biennia (Expenditures)	\$	835,508
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	2,385,508

NEW SECTION. Sec. 734. FOR THE UNIVERSITY OF WASHINGTON

Underground storage tanks (92-5-003)

That portion of the appropriation related to underground storage tanks may be expended only after compliance with section 107 of this act.

Reappropriation:

St Bldg Constr Acct	\$	300,000
Prior Biennia (Expenditures)	\$	800,000
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	1,100,000

NEW SECTION. Sec. 735. FOR THE UNIVERSITY OF WASHINGTON

Henry Gallery addition (93-2-001)

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

(1) The appropriation in this section shall not be expended until the capital project review requirements of section 1015 of this act have been met.

(2) The appropriation in this section shall be matched by at least \$4,050,000 in cash provided from nonstate sources.

Reappropriation:

St Bldg Constr Acct	\$	250,000
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Appropriation:

St Bldg Constr Acct	\$	8,316,000
Prior Biennia (Expenditures)	\$	50,000

Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	8,616,000

NEW SECTION. Sec. 736. FOR THE UNIVERSITY OF WASHINGTON

Burke Museum (93-2-002)

Reappropriation:

St Bldg Constr Acct	\$	2,175,000
Prior Biennia (Expenditures)	\$	25,000
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	2,200,000

NEW SECTION. Sec. 737. FOR THE UNIVERSITY OF WASHINGTON

Business Administration expansion (93-2-006)

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

- (1) The appropriation in this section shall not be expended until the capital project review requirements of section 1015 of this act have been met.
- (2) The appropriations in this section shall be matched by at least \$7,500,000 in cash provided from nonstate sources.

Reappropriation:

St Bldg Constr Acct	\$	500,000
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Appropriation:

St Bldg Constr Acct	\$	6,850,000
Prior Biennia (Expenditures)	\$	150,000
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	7,500,000

NEW SECTION. Sec. 738. FOR THE UNIVERSITY OF WASHINGTON

Minor repairs preservation (94-1-003)

That portion of the appropriation related to underground storage tanks may be expended only after compliance with section 107 of this act.

Reappropriation:

St Bldg Constr Acct	\$	10,000,000
UW Bldg Acct	\$	<u>6,300,000</u>
Subtotal Reappropriation	\$	16,300,000

Appropriation:

St Bldg Constr Acct	\$	3,148,000
UW Bldg Acct	\$	<u>299,000</u>
Subtotal Appropriation	\$	3,447,000

Prior Biennia (Expenditures)	\$ 4,942,625
Future Biennia (Projected Costs)	\$ <u>20,981,375</u>
TOTAL	\$ 45,671,000

NEW SECTION. Sec. 739. FOR THE UNIVERSITY OF WASHINGTON

Minor repairs (94-1-004)

Reappropriation:

St Bldg Constr Acct	\$ 3,000,000
UW Bldg Acct	\$ <u>4,500,000</u>
Subtotal Reappropriation	\$ 7,500,000

Appropriation:

UW Bldg Acct	\$ 8,250,000
Prior Biennia (Expenditures)	\$ 1,025,000
Future Biennia (Projected Costs)	\$ <u>33,221,000</u>
TOTAL	\$ 49,996,000

NEW SECTION. Sec. 740. FOR THE UNIVERSITY OF WASHINGTON

Utilities projects (94-1-008)

Reappropriation:

St Bldg Constr Acct	\$ 420,000
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Appropriation:

St Bldg Constr Acct	\$ 3,000,000
Prior Biennia (Expenditures)	\$ 40,000
Future Biennia (Projected Costs)	\$ <u>31,347,000</u>
TOTAL	\$ 34,807,000

NEW SECTION. Sec. 741. FOR THE UNIVERSITY OF WASHINGTON

Suzzallo Library predesign (94-1-015)

The appropriation in this section may be expended solely to conduct a predesign of the project described in this section in accordance with the predesign manual published by the office of financial management. Future appropriations for this project are subject to the submittal of completed predesign requirements on or before July 1, 1994.

Appropriation:

St Bldg Constr Acct	\$ 196,000
Prior Biennia (Expenditures)	\$ 0
Future Biennia (Projected Costs)	\$ <u>25,684,000</u>
TOTAL	\$ 25,880,000

NEW SECTION. Sec. 742. FOR THE UNIVERSITY OF WASHINGTON**Condon Law Library predesign (94-2-017)**

The appropriation in this section may be expended solely to conduct a predesign of the project described in this section in accordance with the predesign manual published by the office of financial management. Future appropriations for this project are subject to the submittal of completed predesign requirements on or before July 1, 1994.

Appropriation:

St Bldg Constr Acct	\$	128,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	16,655,000
TOTAL	\$	16,783,000

NEW SECTION. Sec. 743. FOR THE UNIVERSITY OF WASHINGTON**Minor repairs (94-2-005)****Reappropriation:**

St Bldg Constr Acct	\$	3,000,000
UW Bldg Acct	\$	3,300,000
Subtotal Reappropriation	\$	6,300,000

Appropriation:

UW Bldg Acct	\$	7,071,000
Prior Biennia (Expenditures)	\$	4,403,000
Future Biennia (Projected Costs)	\$	46,204,000
TOTAL	\$	63,978,000

NEW SECTION. Sec. 744. FOR THE UNIVERSITY OF WASHINGTON**Harborview Medical Center Research and Training Building—Design (94-2-013)**

The appropriation in this section shall not be expended until the capital project review requirements of section 1015 of this act have been met.

Appropriation:

St Bldg Constr Acct	\$	3,620,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	63,283,000
TOTAL	\$	66,903,000

NEW SECTION. Sec. 745. FOR THE UNIVERSITY OF WASHINGTON

Branch campuses (94-2-500)

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

(1) No money from this appropriation may be expended that would be inconsistent with the recommendations of the higher education coordinating board.

(2) The appropriation in this section shall not be expended until the capital project review requirements of section 1015 of this act and the allotment requirements of section 1016 of this act have been met.

(3) Of the appropriation in this section, \$23,000,000 is provided for the Bothell branch campus. The remaining \$30,983,320 is provided for the Tacoma branch campus.

Reappropriation:

St Bldg Constr Acct \$ 8,741,680

Appropriation:

St Bldg Constr Acct \$ 53,983,320

Prior Biennia (Expenditures) \$ 0

Future Biennia (Projected Costs) \$ 106,000,000

TOTAL \$ 168,725,000

NEW SECTION. Sec. 746. FOR THE UNIVERSITY OF WASHINGTON

Thomas Burke Memorial Washington State Museum: For a study of the museum's space needs, long-term physical facility needs, and options for future expansion

Appropriation:

St Bldg Constr Acct \$ 200,000

Prior Biennia (Expenditures) \$ 0

Future Biennia (Projected Costs) \$ 200,000

TOTAL \$ 200,000

NEW SECTION. Sec. 747. FOR THE UNIVERSITY OF WASHINGTON

Infrastructure projects savings (94-1-999)

Projects that are completed in accordance with section 1014 of this act that have been reviewed by the office of financial management may have their remaining funds transferred to this project for the following purposes: (1) Road and sidewalk repair; (2) roof repair; (3) electrical system repair; (4) steam/utility distribution system repair; (5) plumbing system repair; (6) heating, ventilation and air conditioning repairs; and (7) emergency repairs due to natural disasters or accidents.

A report of any transfer effected under this section shall be filed with the legislative fiscal committees of the senate and house of representatives by the director of financial management.

Appropriation:

St Bldg Constr Acct	\$	1
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	1

NEW SECTION. Sec. 748. FOR WASHINGTON STATE UNIVERSITY

Branch campus acquisition (90-5-002)

Reappropriation:

St Bldg Constr Acct	\$	933,731
Prior Biennia (Expenditures)	\$	896,469
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	1,830,200

NEW SECTION. Sec. 749. FOR WASHINGTON STATE UNIVERSITY

East campus substation: To provide an additional 15,000 KVA electrical power capacity to the existing east campus substation (92-1-015)

Reappropriation:

WSU Bldg Acct	\$	235,625
Prior Biennia (Expenditures)	\$	434,375
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	670,000

NEW SECTION. Sec. 750. FOR WASHINGTON STATE UNIVERSITY

Smith Gym electrical system replacement: To replace the entire building-wide electrical system (92-1-017)

Reappropriation:

WSU Bldg Acct	\$	713,645
Prior Biennia (Expenditures)	\$	405,708
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	1,119,353

NEW SECTION. Sec. 751. FOR WASHINGTON STATE UNIVERSITY

Hazardous, pathological, and radioactive waste (92-1-019)

Reappropriation:

St Bldg Constr Acct	\$	1,241,524
Prior Biennia (Expenditures)	\$	101,476
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	1,343,000

NEW SECTION. Sec. 752. FOR WASHINGTON STATE UNIVERSITY

Coliseum asbestos removal (92-1-020)

Reappropriation:

WSU Bldg Acct	\$	675,444
Prior Biennia (Expenditures)	\$	837,556
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	1,513,000

NEW SECTION. Sec. 753. FOR WASHINGTON STATE UNIVERSITY

Todd Hall renovation: To renovate the entire building, including upgrading electrical and other building-wide systems, modernizing and refurbishing of classrooms and offices (92-2-021)

The appropriation in this section shall not be expended until the capital project review requirements of section 1015 of this act have been met.

Reappropriation:

St Bldg Constr Acct	\$	673,109
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Appropriation:

St Bldg Constr Acct	\$	12,162,400
WSU Bldg Acct	\$	3,478,000
Subtotal Appropriation	\$	15,640,400
Prior Biennia (Expenditures)	\$	688,891
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	17,002,400

NEW SECTION. Sec. 754. FOR WASHINGTON STATE UNIVERSITY

Fulmer Hall/Fulmer Annex renovation: To renovate Fulmer Hall Annex to meet fire, safety, and handicap access code requirements and to make changes in functional use of space (92-1-022)

The appropriation in this section shall not be expended until the capital project review requirements of section 1015 of this act have been met.

Reappropriation:

St Bldg Constr Acct	\$	655,590
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Appropriation:

St Bldg Constr Acct	\$	12,511,500
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Prior Biennia (Expenditures)	\$	301,410
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	13,468,500

NEW SECTION. Sec. 755. FOR WASHINGTON STATE UNIVERSITY

Holland Library renewal predesign (92-2-003)

The reappropriation in this section may be expended solely to conduct a predesign of the project described in this section in accordance with the predesign manual published by the office of financial management. Future appropriations for this project are subject to the submittal of completed predesign requirements on or before July 1, 1994.

Reappropriation:

WSU Bldg Acct	\$	98,553
Prior Biennia (Expenditures)	\$	770,447
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	869,000

NEW SECTION. Sec. 756. FOR WASHINGTON STATE UNIVERSITY

Holland Library addition (90-2-013)

Reappropriation:

St Bldg Constr Acct	\$	8,535,913
Prior Biennia (Expenditures)	\$	21,955,820
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	30,491,733

NEW SECTION. Sec. 757. FOR WASHINGTON STATE UNIVERSITY

Veterinary teaching hospital construction: To construct and furnish a new teaching hospital for the department of veterinary medicine and surgery (92-2-013)

The reappropriation in this section shall not be expended until the capital project review requirements of section 1015 of this act have been met.

Reappropriation:

St Bldg Constr Acct	\$	32,310
H Ed Reimb Constr Acct	\$	<u>24,947,571</u>
Subtotal Reappropriation	\$	24,979,881
Prior Biennia (Expenditures)	\$	2,430,703
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	27,442,894

NEW SECTION. Sec. 758. FOR WASHINGTON STATE UNIVERSITY

Child care facility: Design, construct, and furnish a child care facility by remodeling the vacated Rogers-Orton Dining Hall (92-2-014)

Reappropriation:

St Bldg Constr Acct	\$	1,806,825
Prior Biennia (Expenditures)	\$	364,175
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	2,171,000

NEW SECTION. Sec. 759. FOR WASHINGTON STATE UNIVERSITY

Student services addition: To design and construct a building for consolidated student service functions (92-2-027)

The reappropriation in this section shall not be expended until the capital project review requirements of section 1015 of this act have been met.

Reappropriation:

St Bldg Constr Acct	\$	15,000,000
WSU Bldg Acct	\$	789,353
Subtotal Reappropriation	\$	15,534,772
Prior Biennia (Expenditures)	\$	177,647
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	15,967,000

NEW SECTION. Sec. 760. FOR WASHINGTON STATE UNIVERSITY

Records and maintenance materials: To construct a storage structure for inactive records, physical plant storage, and recycling storage (92-2-028)

Reappropriation:

WSU Bldg Acct	\$	1,657,046
Prior Biennia (Expenditures)	\$	103,954
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	1,761,000

NEW SECTION. Sec. 761. FOR WASHINGTON STATE UNIVERSITY

WHETS expansion: To add a fourth channel to the network that serves the Tri-Cities, Spokane, and Vancouver branch campuses, to add two classrooms in Pullman, Tri-Cities, and Vancouver, to add one classroom in Spokane, and to extend the network and add one classroom at Wenatchee Valley College in Wenatchee (92-2-908)

Any extension of educational telecommunications to the Wenatchee area shall be planned to allow for the possible future participation of multiple higher education institutions, especially those having direct program responsibility for the Wenatchee area. Implementation plans shall be approved by the higher education coordinating board, in conjunction with the department of information services.

Reappropriation:

WSU Bldg Acct	\$	1,331,176
Prior Biennia (Expenditures)	\$	989,824
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	2,321,000

NEW SECTION. Sec. 762. FOR WASHINGTON STATE UNIVERSITY

Dairy and forage facility: Design and construct a facility that includes a new dairy center and milking parlor, a freestall building, and offices and classrooms (92-3-024)

Reappropriation:

WSU Bldg Acct	\$	2,269,663
Prior Biennia (Expenditures)	\$	444,337
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	2,714,000

NEW SECTION. Sec. 763. FOR WASHINGTON STATE UNIVERSITY

Chilled water storage facility: Design and construct a 2,820,000-gallon chilled water storage tank (92-4-022)

Reappropriation:

St Bldg Constr Acct	\$	818,728
Prior Biennia (Expenditures)	\$	2,031,272
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	2,850,000

NEW SECTION. Sec. 764. FOR WASHINGTON STATE UNIVERSITY

Minor capital renewal (94-1-004)

Reappropriation:

St Bldg Constr Acct	\$	1,485,000
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Appropriation:

St Bldg Constr Acct	\$	6,000,000
Prior Biennia (Expenditures)	\$	4,015,000

Future Biennia (Projected Costs)	\$ 23,000,000
TOTAL	\$ 34,500,000

NEW SECTION. Sec. 765. FOR WASHINGTON STATE UNIVERSITY

Bohler Gym predesign (94-1-010)

The appropriation in this section may be expended solely to conduct a predesign of the project described in this section in accordance with the predesign manual published by the office of financial management. Future appropriations for this project are subject to the submittal of completed predesign requirements on or before July 1, 1994.

Appropriation:

WSU Bldg Acct	\$ 49,000
Prior Biennia (Expenditures)	\$ 0
Future Biennia (Projected Costs)	\$ 5,000,000
TOTAL	\$ 5,049,000

NEW SECTION. Sec. 766. FOR WASHINGTON STATE UNIVERSITY

Thompson Hall design (94-1-024)

The appropriation in this section shall not be expended until the capital project review requirements of section 1015 of this act have been met.

Appropriation:

St Bldg Constr Acct	\$ 697,000
Prior Biennia (Expenditures)	\$ 80,000
Future Biennia (Projected Costs)	\$ 8,485,000
TOTAL	\$ 9,262,000

NEW SECTION. Sec. 767. FOR WASHINGTON STATE UNIVERSITY

Prosser: Septic system (94-1-500)

Appropriation:

WSU Bldg Acct	\$ 1,250,000
Prior Biennia (Expenditures)	\$ 0
Future Biennia (Projected Costs)	\$ 0
TOTAL	\$ 1,250,000

NEW SECTION. Sec. 768. FOR WASHINGTON STATE UNIVERSITY

Minor works (94-2-001)

Appropriation:

St Bldg Constr Acct	\$ 3,000,000
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Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>16,420,000</u>
TOTAL	\$	19,420,000

NEW SECTION. Sec. 769. FOR WASHINGTON STATE UNIVERSITY

Chemical storage building predesign (94-2-005)

The appropriation in this section may be expended solely to conduct a predesign of the project described in this section in accordance with the predesign manual published by the office of financial management. Future appropriations for this project are subject to the submittal of completed predesign requirements on or before July 1, 1994.

Appropriation:

WSU Bldg Acct	\$	56,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>4,934,000</u>
TOTAL	\$	4,990,000

NEW SECTION. Sec. 770. FOR WASHINGTON STATE UNIVERSITY

Hazardous waste facilities predesign (94-2-006)

The appropriation in this section may be expended solely to conduct a predesign of the project described in this section in accordance with the predesign manual published by the office of financial management. Future appropriations for this project are subject to the submittal of completed predesign requirements on or before July 1, 1994.

Appropriation:

WSU Bldg Acct	\$	211,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>15,603,000</u>
TOTAL	\$	15,814,000

NEW SECTION. Sec. 771. FOR WASHINGTON STATE UNIVERSITY

Minor capital improvements (94-2-002)

Reappropriation:

WSU Bldg Acct	\$	2,412,890
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Appropriation:

WSU Bldg Acct	\$	6,000,000
Prior Biennia (Expenditures)	\$	4,087,110
Future Biennia (Projected Costs)	\$	<u>24,500,000</u>
TOTAL	\$	37,000,000

NEW SECTION. Sec. 772. FOR WASHINGTON STATE UNIVERSITY

Pathological and biomedical incinerator: Design and construction (94-2-012)

Appropriation:

St Bldg Constr Acct	\$ 3,443,000
Prior Biennia (Expenditures)	\$ 455,000
Future Biennia (Projected Costs)	\$ 0
TOTAL	\$ 3,898,000

NEW SECTION. Sec. 773. FOR WASHINGTON STATE UNIVERSITY

Communication infrastructure renewal: Campus network system (94-2-013)

The appropriation in this section shall not be expended until the capital project review requirements of section 1015 of this act have been met.

Reappropriation:

St Bldg Constr Acct	\$ 8,104,101
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Appropriation:

WSU Bldg Acct	\$ 5,000,000
St Bldg Constr Acct	\$ 7,000,000
Subtotal Appropriation	\$ 12,000,000
Prior Biennia (Expenditures)	\$ 1,895,899
Future Biennia (Projected Costs)	\$ 3,000,000
TOTAL	\$ 25,000,000

NEW SECTION. Sec. 774. FOR WASHINGTON STATE UNIVERSITY

Engineering teaching and research lab building design (94-2-014)

The appropriation in this section shall not be expended until the capital project review requirements of section 1015 of this act have been met.

Appropriation:

WSU Bldg Acct	\$ 1,200,000
Prior Biennia (Expenditures)	\$ 170,000
Future Biennia (Projected Costs)	\$ 17,061,000
TOTAL	\$ 18,431,000

NEW SECTION. Sec. 775. FOR WASHINGTON STATE UNIVERSITY

Chemical waste collection facilities: Design and construction (94-2-016)

Appropriation:

WSU Bldg Acct	\$	2,337,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	1,000,000
TOTAL	\$	3,337,000

NEW SECTION. Sec. 776. FOR WASHINGTON STATE UNIVERSITY

Bohler Gym addition: Design (94-2-017)

The appropriation in this section shall not be expended until the capital project review requirements of section 1015 of this act have been met.

Appropriation:

St Bldg Constr Acct	\$	900,000
Prior Biennia (Expenditures)	\$	94,000
Future Biennia (Projected Costs)	\$	8,630,000
TOTAL	\$	9,624,000

NEW SECTION. Sec. 777. FOR WASHINGTON STATE UNIVERSITY

Animal science laboratory building design (94-2-018)

Appropriation:

WSU Bldg Acct	\$	515,000
Prior Biennia (Expenditures)	\$	80,000
Future Biennia (Projected Costs)	\$	6,643,000
TOTAL	\$	7,238,000

NEW SECTION. Sec. 778. FOR WASHINGTON STATE UNIVERSITY

WSU-Vancouver: New campus construction (94-2-902)

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

(1) No money from this appropriation may be expended that would be inconsistent with the recommendations of the higher education coordinating board.

(2) The appropriation in this section shall not be expended until the capital project review requirements of section 1015 of this act and the allotment requirements of section 1016 of this act have been met.

Reappropriation:

St Bldg Constr Acct	\$	4,917,900
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Appropriation:

St Bldg Constr Acct	\$	29,656,462
Prior Biennia (Expenditures)	\$	1,448,000

Future Biennia (Projected Costs)	\$ 54,843,091
TOTAL	\$ 90,865,453

NEW SECTION. Sec. 779. FOR WASHINGTON STATE UNIVERSITY

Infrastructure projects savings (94-1-999)

Projects that are completed in accordance with section 1014 of this act which have been reviewed by the office of financial management may have their remaining funds transferred to this project for the following purposes: (1) Road and sidewalk repair; (2) roof repair; (3) electrical system repair; (4) steam/utility distribution system repair; (5) plumbing system repair; (6) heating, ventilation and air conditioning repairs; and (7) emergency repairs due to natural disasters or accidents.

A report of any transfer effected under this section shall be filed with the legislative fiscal committees of the senate and house of representatives by the director of financial management.

Appropriation:

St Bldg Constr Acct	\$ 1
Prior Biennia (Expenditures)	\$ 0
Future Biennia (Projected Costs)	\$ 0
TOTAL	\$ 1

NEW SECTION. Sec. 780. FOR WASHINGTON STATE UNIVERSITY

Greenhouse replacement repair (94-2-027)

Appropriation:

St Bldg Constr Acct	\$ 2,241,000
Prior Biennia (Expenditures)	\$ 0
Future Biennia (Projected Costs)	\$ 0
TOTAL	\$ 2,241,000

NEW SECTION. Sec. 781. FOR WASHINGTON STATE UNIVERSITY

Carpenter Hall equipment (94-2-020)

Appropriation:

WSU Bldg Acct	\$ 700,000
Prior Biennia (Expenditures)	\$ 0
Future Biennia (Projected Costs)	\$ 0
TOTAL	\$ 700,000

NEW SECTION. Sec. 782. FOR WASHINGTON STATE UNIVERSITY

Consolidated Information Center: For design of a new facility on the Tri-Cities campus

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

(1) The appropriation in this section is provided in anticipation of federal matching money to provide fifty percent of the construction costs for the project;

(2) Prior to requesting construction funds, Washington State University will have an agreement that includes a commitment from state, federal, and private scientific organizations that substantially all future operating costs of the project, exceeding Washington State's University's present operating costs, will be provided from nonstate general fund sources; and

(3) The appropriation in this section shall not be expended until the capital project review requirements of section 1015 of this act have been met.

Appropriation:

St Bldg Constr Acct	\$ 1,224,000
WSU Bldg Acct	\$ <u>186,000</u>
Subtotal Appropriation	\$ 1,410,000
Prior Biennia (Expenditures)	\$ 0
Future Biennia (Projected Costs)	\$ <u>7,724,500</u>
TOTAL	\$ 9,134,500

NEW SECTION. Sec. 783. FOR WASHINGTON STATE UNIVERSITY

Intercollegiate Center for Nursing Education: For constructing and equipping a new nursing education facility at Yakima

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

(1) The appropriation in this section is provided solely for a new nursing facility to be located on or adjacent to the Yakima Valley Community College unless the higher education coordinating board makes a finding that the location is not programmatically or financially feasible. The siting of the facility at a different location must be approved by the higher education coordinating board.

(2) The facility shall be equipped with a digital link to the Washington higher education telecommunications system (WHETS).

Appropriation:

St Bldg Constr Acct	\$ 3,500,000
Prior Biennia (Expenditures)	\$ 0
Future Biennia (Projected Costs)	\$ <u>0</u>
TOTAL	\$ 3,500,000

NEW SECTION. Sec. 784. FOR WASHINGTON STATE UNIVERSITY

International Marketing Program for Agricultural Commodities and Trade (IMPACT): For expenses of the IMPACT program.

Appropriation:

General Fund—State	\$	148,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	148,000

NEW SECTION. Sec. 785. FOR EASTERN WASHINGTON UNIVERSITY

Sutton Hall design and construction: To design the remodeling of Sutton Hall for offices and classroom space (81-2-002)

The appropriation in this section shall not be expended until the capital project review requirements of section 1015 of this act have been met.

Reappropriation:

St Bldg Constr Acct	\$	275,337
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Appropriation:

St Bldg Constr Acct	\$	4,875,000
Prior Biennia (Expenditures)	\$	13,655
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	5,163,992

NEW SECTION. Sec. 786. FOR EASTERN WASHINGTON UNIVERSITY

Science Building Addition and heating, ventilation, and air conditioning: To complete the remodeling of the existing science building (83-1-001)

The appropriation in this section shall not be expended until the capital project review requirements of section 1015 of this act have been met.

Reappropriation:

St Bldg Constr Acct	\$	9,000,000
Prior Biennia (Expenditures)	\$	12,035,472
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	21,035,472

NEW SECTION. Sec. 787. FOR EASTERN WASHINGTON UNIVERSITY

Electrical system renewal (86-1-002)

Reappropriation:

St Bldg Constr Acct	\$	279,000
Prior Biennia (Expenditures)	\$	551,506

Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	830,506

NEW SECTION. Sec. 788. FOR EASTERN WASHINGTON UNIVERSITY

Roof replacement and preservation: To replace roofs for the following buildings: Science, physical education activities, music, radio television center, theater, and Reid school (94-1-003)

Appropriation:

St Bldg Constr Acct	\$	450,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	450,000

NEW SECTION. Sec. 789. FOR EASTERN WASHINGTON UNIVERSITY

Energy conservation (86-2-006)

Reappropriation:

St H Ed Constr Acct	\$	124,000
Prior Biennia (Expenditures)	\$	630,000
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	754,000

NEW SECTION. Sec. 790. FOR EASTERN WASHINGTON UNIVERSITY

Life and safety code compliance asbestos (88-1-001)

Reappropriation:

EWU Cap Proj Acct	\$	597,180
Prior Biennia (Expenditures)	\$	252,820
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	850,000

NEW SECTION. Sec. 791. FOR EASTERN WASHINGTON UNIVERSITY

Telecommunications: Cable replacement (90-2-004)

Reappropriation:

St Bldg Constr Acct	\$	1,400,000
EWU Acct	\$	<u>97,000</u>
Subtotal Reappropriation	\$	1,497,000

Appropriation:

EWU Cap Proj Acct	\$	1,000,000
Prior Biennia (Expenditures)	\$	1,087,392

Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	3,584,392

NEW SECTION. Sec. 792. FOR EASTERN WASHINGTON UNIVERSITY

Seventh Street replacement (90-3-001)

Reappropriation:

EWU Cap Proj Acct	\$	26,000
Prior Biennia (Expenditures)	\$	312,000
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	338,000

NEW SECTION. Sec. 793. FOR EASTERN WASHINGTON UNIVERSITY

Minor capital renewal (90-3-002)

Reappropriation:

EWU Cap Proj Acct	\$	304,000
Prior Biennia (Expenditures)	\$	846,000
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	1,150,000

NEW SECTION. Sec. 794. FOR EASTERN WASHINGTON UNIVERSITY

JFK Library remodel and addition design (90-5-003)

Reappropriation:

EWU Cap Proj Acct	\$	24,000
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Appropriation:

St Bldg Constr Acct	\$	2,050,000
Prior Biennia (Expenditures)	\$	165,000
Future Biennia (Projected Costs)	\$	<u>19,950,000</u>
TOTAL	\$	22,189,000

NEW SECTION. Sec. 795. FOR EASTERN WASHINGTON UNIVERSITY

Minor works (92-1-001)

Reappropriation:

EWU Cap Proj Acct	\$	1,330,000
Prior Biennia (Expenditures)	\$	900,000
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	2,200,000

NEW SECTION. Sec. 796. FOR EASTERN WASHINGTON UNIVERSITY

Small repair projects (92-1-002)**Reappropriation:**

EWU Cap Proj Acct	\$	660,000
Prior Biennia (Expenditures)	\$	340,000
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	1,000,000

NEW SECTION. Sec. 797. FOR EASTERN WASHINGTON UNIVERSITY**Underground storage tank code compliance (92-1-003)**

That portion of the appropriation related to underground storage tanks may be expended only after compliance with section 107 of this act.

Reappropriation:

EWU Cap Proj Acct	\$	243,000
Prior Biennia (Expenditures)	\$	7,000
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	250,000

NEW SECTION. Sec. 798. FOR EASTERN WASHINGTON UNIVERSITY**Minor works (92-3-004)****Reappropriation:**

St Bldg Constr Acct	\$	1,800,000
Prior Biennia (Expenditures)	\$	200,000
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	2,000,000

NEW SECTION. Sec. 799. FOR EASTERN WASHINGTON UNIVERSITY**EWU Spokane Center: Fire egress and remodel (92-5-008)****Reappropriation:**

EWU Cap Proj Acct	\$	183,000
Prior Biennia (Expenditures)	\$	1,617,000
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	1,800,000

NEW SECTION. Sec. 800. FOR EASTERN WASHINGTON UNIVERSITY

Property acquisition: To acquire property within the campus boundary from the Department of Natural Resources (92-5-001)

The reappropriation in this section is in addition to the appropriation for same purpose in section 36, chapter 14, Laws of 1991 sp.s.

Reappropriation:

EWU Cap Proj Acct	\$	175,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	175,000

NEW SECTION. Sec. 801. FOR EASTERN WASHINGTON UNIVERSITY

Utility expansion joints and utility lines replacement (94-1-001)

Appropriation:

St Bldg Constr Acct	\$	500,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	2,753,000
TOTAL	\$	3,253,000

NEW SECTION. Sec. 802. FOR EASTERN WASHINGTON UNIVERSITY

Chillers, heating, ventilation, and air conditioning, boiler replacement (94-1-003)

Appropriation:

St Bldg Constr Acct	\$	2,410,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	1,900,000
TOTAL	\$	4,310,000

NEW SECTION. Sec. 803. FOR EASTERN WASHINGTON UNIVERSITY

Building exterior preservation (94-1-006)

Appropriation:

St Bldg Constr Acct	\$	255,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	2,000,000
TOTAL	\$	2,255,000

NEW SECTION. Sec. 804. FOR EASTERN WASHINGTON UNIVERSITY

Electrical systems and transformers and emergency lighting (94-1-010)

Appropriation:

EWU Cap Proj Acct	\$	900,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	849,000
TOTAL	\$	1,749,000

NEW SECTION. Sec. 805. FOR EASTERN WASHINGTON UNIVERSITY**Minor works preservation projects (94-1-014)****Appropriation:**

EWU Cap Proj Acct	\$	2,924,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	23,970,800
TOTAL	\$	26,894,800

NEW SECTION. Sec. 806. FOR EASTERN WASHINGTON UNIVERSITY**Minor works program projects (94-2-012)****Appropriation:**

EWU Cap Proj Acct	\$	3,700,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	23,900,000
TOTAL	\$	27,600,000

NEW SECTION. Sec. 807. FOR CENTRAL WASHINGTON UNIVERSITY**Handicap modifications (88-1-007)****Reappropriation:**

CWU Cap Proj Acct	\$	50,000
Prior Biennia (Expenditures)	\$	554,300
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	604,300

NEW SECTION. Sec. 808. FOR CENTRAL WASHINGTON UNIVERSITY**Psychology animal research facility (90-1-060)****Reappropriation:**

St Bldg Constr Acct	\$	80,000
Prior Biennia (Expenditures)	\$	1,620,000
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	1,700,000

NEW SECTION. Sec. 809. FOR CENTRAL WASHINGTON UNIVERSITY**Telecommunications phase II (90-2-003)****Reappropriation:**

CWU Cap Proj Acct	\$	300,000
Prior Biennia (Expenditures)	\$	1,143,600

Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	1,443,600

NEW SECTION. Sec. 810. FOR CENTRAL WASHINGTON UNIVERSITY

Shaw/Smyser Hall remodel (90-2-005)

The appropriation in this section shall not be expended until the capital project review requirements of section 1015 of this act have been met.

Reappropriation:

St Bldg Constr Acct	\$	1,000,000
H Ed Reimb Constr Acct	\$	7,027,000
CWU Cap Proj Acct	\$	<u>250,000</u>
Subtotal Reappropriation	\$	8,277,000
Prior Biennia (Expenditures)	\$	5,008,000
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	13,285,000

NEW SECTION. Sec. 811. FOR CENTRAL WASHINGTON UNIVERSITY

Life safety (92-1-030)

Reappropriation:

CWU Cap Proj Acct	\$	335,000
Prior Biennia (Expenditures)	\$	165,000
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	500,000

NEW SECTION. Sec. 812. FOR CENTRAL WASHINGTON UNIVERSITY

Asbestos and PCB abatement (92-1-040)

Reappropriation:

CWU Cap Proj Acct	\$	350,000
Prior Biennia (Expenditures)	\$	400,000
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	750,000

NEW SECTION. Sec. 813. FOR CENTRAL WASHINGTON UNIVERSITY

Barge Hall remodel (92-2-001)

The appropriation in this section shall not be expended until the capital project review requirements of section 1015 of this act have been met.

Reappropriation:

St Bldg Constr Acct	\$	2,550,000
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Prior Biennia (Expenditures)	\$	9,031,970
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	11,581,970

NEW SECTION. Sec. 814. FOR CENTRAL WASHINGTON UNIVERSITY

Minor works (94-2-006)

Reappropriation:

CWU Cap Proj Acct	\$	2,750,000
Prior Biennia (Expenditures)	\$	3,572,595
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	6,322,595

NEW SECTION. Sec. 815. FOR CENTRAL WASHINGTON UNIVERSITY

Bouillon Hall asbestos abatement (94-1-001)

The appropriation in this section shall not be expended until the capital project review requirements of section 1015 of this act have been met.

Appropriation:

St Bldg Constr Acct	\$	4,950,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	4,950,000

NEW SECTION. Sec. 816. FOR CENTRAL WASHINGTON UNIVERSITY

Asbestos and PCB abatement (94-1-003)

Reappropriation:

CWU Cap Proj Acct	\$	100,000
Prior Biennia (Expenditures)	\$	1,605,388
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	1,705,388

NEW SECTION. Sec. 817. FOR CENTRAL WASHINGTON UNIVERSITY

Minor works (94-1-005)

Appropriation:

CWU Cap Proj Acct	\$	3,562,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>26,432,000</u>
TOTAL	\$	29,994,000

NEW SECTION. Sec. 818. FOR CENTRAL WASHINGTON UNIVERSITY

Underground storage tank replacement (94-1-007)

That portion of the appropriation related to underground storage tanks may be expended only after compliance with section 107 of this act.

Appropriation:

St Bldg Constr Acct	\$	276,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	276,000

NEW SECTION. Sec. 819. FOR CENTRAL WASHINGTON UNIVERSITY

Electrical cable replacement (94-1-008)

Reappropriation:

CWU Cap Proj Acct	\$	600,000
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Appropriation:

St Bldg Constr Acct	\$	950,000
Prior Biennia (Expenditures)	\$	400,000
Future Biennia (Projected Costs)	\$	1,900,000
TOTAL	\$	3,850,000

NEW SECTION. Sec. 820. FOR CENTRAL WASHINGTON UNIVERSITY

Steamline replacement (94-1-009)

Appropriation:

St Bldg Constr Acct	\$	850,000
Prior Biennia (Expenditures)	\$	819,924
Future Biennia (Projected Costs)	\$	850,000
TOTAL	\$	2,519,924

NEW SECTION. Sec. 821. FOR CENTRAL WASHINGTON UNIVERSITY

Chilled water expansion (94-1-011)

Reappropriation:

St Bldg Constr Acct	\$	600,000
Prior Biennia (Expenditures)	\$	500,000
Future Biennia (Projected Costs)	\$	800,000
TOTAL	\$	1,900,000

NEW SECTION. Sec. 822. FOR CENTRAL WASHINGTON UNIVERSITY

Science facility design and construction (94-2-002)

The appropriation in this section shall not be expended until the capital project review requirements of section 1015 of this act have been met.

Appropriation:

St Bldg Constr Acct	\$ 54,200,000
CWU Cap Proj Acct	\$ 4,000,000
Subtotal Appropriation	\$ 58,200,000
Prior Biennia (Expenditures)	\$ 193,500
Future Biennia (Projected Costs)	\$ 0
TOTAL	\$ 58,393,500

NEW SECTION. Sec. 823. FOR CENTRAL WASHINGTON UNIVERSITY**Computing infrastructure (94-2-004)****Appropriation:**

CWU Cap Proj Acct	\$ 950,000
Prior Biennia (Expenditures)	\$ 0
Future Biennia (Projected Costs)	\$ 0
TOTAL	\$ 950,000

NEW SECTION. Sec. 824. FOR CENTRAL WASHINGTON UNIVERSITY**Minor works (94-2-006)****Reappropriation:**

CWU Cap Proj Acct	\$ 400,000
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Appropriation:

St Bldg Constr Acct	\$ 65,000
CWU Cap Proj Acct	\$ 2,507,000
Subtotal Appropriation	\$ 2,572,000
Prior Biennia (Expenditures)	\$ 0
Future Biennia (Projected Costs)	\$ 17,174,000
TOTAL	\$ 20,146,000

NEW SECTION. Sec. 825. FOR CENTRAL WASHINGTON UNIVERSITY**Black Hall predesign (94-2-010)**

The appropriation in this section may be expended solely to conduct a predesign of the project described in this section in accordance with the predesign manual published by the office of financial management. Future appropriations for this project are subject to the submittal of completed predesign requirements on or before July 1, 1994.

Appropriation:

CWU Cap Proj Acct	\$	159,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	13,000,000
TOTAL	\$	13,159,000

NEW SECTION. Sec. 826. FOR THE EVERGREEN STATE COLLEGE

Lab annex: Metal and wood shops (90-5-008)

Reappropriation:

St Bldg Constr Acct	\$	320,000
Prior Biennia (Expenditures)	\$	652,100
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	972,100

NEW SECTION. Sec. 827. FOR THE EVERGREEN STATE COLLEGE

Life safety and code compliance (92-1-001)

Reappropriation:

St Bldg Constr Acct	\$	119,000
Prior Biennia (Expenditures)	\$	1,647,500
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	1,766,500

NEW SECTION. Sec. 828. FOR THE EVERGREEN STATE COLLEGE

Minor works: Failed systems (92-2-004)

Reappropriation:

St Bldg Constr Acct	\$	50,000
Prior Biennia (Expenditures)	\$	917,000
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	967,000

NEW SECTION. Sec. 829. FOR THE EVERGREEN STATE COLLEGE

Campus preservation (94-1-001)

Appropriation:

St Bldg Constr Acct	\$	1,749,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	1,749,000

NEW SECTION. Sec. 830. FOR THE EVERGREEN STATE COLLEGE

Failed systems (94-1-006)**Appropriation:**

St Bldg Constr Acct	\$	955,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	4,700,000
TOTAL	\$	5,655,000

NEW SECTION. Sec. 831. FOR THE EVERGREEN STATE COLLEGE**Emergency repairs (94-1-007)****Appropriation:**

TESC Cap Proj Acct	\$	264,499
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	1,014,000
TOTAL	\$	1,278,499

NEW SECTION. Sec. 832. FOR THE EVERGREEN STATE COLLEGE**Small repairs and improvements (94-1-010)****Appropriation:**

TESC Cap Proj Acct	\$	272,500
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	966,000
TOTAL	\$	1,238,500

NEW SECTION. Sec. 833. FOR THE EVERGREEN STATE COLLEGE**Capital renewal (94-1-012)****Appropriation:**

St Bldg Constr Acct	\$	306,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	3,320,000
TOTAL	\$	3,626,000

NEW SECTION. Sec. 834. FOR THE EVERGREEN STATE COLLEGE**Longhouse classroom facility (94-2-008)****Appropriation:**

St Bldg Constr Acct	\$	2,200,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	2,200,000

NEW SECTION. Sec. 835. FOR THE EVERGREEN STATE COLLEGE

Campus computer network phase II (94-2-009)

Appropriation:

St Bldg Constr Acct	\$	390,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	162,000
TOTAL	\$	552,000

NEW SECTION. Sec. 836. FOR THE JOINT CENTER FOR HIGHER EDUCATION

Spokane Intercollegiate Research and Technology Institute (SIRTI)

Reappropriation:

St Bldg Constr Acct	\$	8,200,000
Prior Biennia (Expenditures)	\$	2,914,000
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	11,114,000

NEW SECTION. Sec. 837. FOR THE JOINT CENTER FOR HIGHER EDUCATION

Riverpoint Campus: Design and construction (94-2-001)

The appropriation in this section shall not be expended until the capital project review requirements of section 1015 of this act and the allotment requirements of section 1016 of this act have been met.

Appropriation:

St Bldg Constr Acct	\$	17,000,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	49,000,000
TOTAL	\$	66,000,000

NEW SECTION. Sec. 838. FOR WESTERN WASHINGTON UNIVERSITY

Science facility phase I construction (90-1-001)

Reappropriation:

St Bldg Constr Acct	\$	3,000,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	3,000,000

NEW SECTION. Sec. 839. FOR WESTERN WASHINGTON UNIVERSITY

Institute of Wildlife Toxicology (90-2-003)

Reappropriation:

WWU Cap Proj Acct	\$	650,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	650,000

NEW SECTION. Sec. 840. FOR WESTERN WASHINGTON UNIVERSITY

Wilson Library asbestos abatement (92-1-002)

Reappropriation:

St Bldg Constr Acct	\$	2,000,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	2,000,000

NEW SECTION. Sec. 841. FOR WESTERN WASHINGTON UNIVERSITY

Science facility phase II construction (92-1-007)

The appropriation in this section shall not be expended until the capital project review requirements of section 1015 of this act have been met.

Reappropriation:

St Bldg Constr Acct	\$	20,500,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	20,500,000

NEW SECTION. Sec. 842. FOR WESTERN WASHINGTON UNIVERSITY

Science facility phase III design (92-1-008)

The appropriation in this section shall not be expended until the capital project review requirements of section 1015 of this act have been met.

Reappropriation:

St Bldg Constr Acct	\$	450,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	450,000

NEW SECTION. Sec. 843. FOR WESTERN WASHINGTON UNIVERSITY

Minor works (94-2-028)

Reappropriation:

WWU Cap Proj Acct	\$	4,300,000
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Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	4,300,000

NEW SECTION. Sec. 844. FOR WESTERN WASHINGTON UNIVERSITY

Fire detection systems preservation (94-1-030)

Appropriation:

St Bldg Constr Acct	\$	743,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>2,300,000</u>
TOTAL	\$	3,043,000

NEW SECTION. Sec. 845. FOR WESTERN WASHINGTON UNIVERSITY

Underground storage tank removal (94-1-032)

That portion of the appropriation related to underground storage tanks may be expended only after compliance with section 107 of this act.

Appropriation:

St Bldg Constr Acct	\$	60,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	60,000

NEW SECTION. Sec. 846. FOR WESTERN WASHINGTON UNIVERSITY

Pool chlorine gas system replacement (94-1-033)

Appropriation:

WWU Cap Proj Acct	\$	35,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	35,000

NEW SECTION. Sec. 847. FOR WESTERN WASHINGTON UNIVERSITY

Exterior envelope and roofing (94-1-034)

Appropriation:

St Bldg Constr Acct	\$	601,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>2,400,000</u>
TOTAL	\$	3,001,000

NEW SECTION. Sec. 848. FOR WESTERN WASHINGTON UNIVERSITY

Electrical preservation (94-1-035)

Appropriation:

WWU Cap Proj Acct	\$	900,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	900,000

NEW SECTION. Sec. 849. FOR WESTERN WASHINGTON UNIVERSITY

Utility upgrade (94-1-037)

Appropriation:

St Bldg Constr Acct	\$	405,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	2,000,000
TOTAL	\$	2,405,000

NEW SECTION. Sec. 850. FOR WESTERN WASHINGTON UNIVERSITY

Interior renewal (94-1-038)

Appropriation:

WWU Cap Proj Acct	\$	98,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	800,000
TOTAL	\$	898,000

NEW SECTION. Sec. 851. FOR WESTERN WASHINGTON UNIVERSITY

Flooring (94-1-039)

Appropriation:

WWU Cap Proj Acct	\$	410,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	2,000,000
TOTAL	\$	2,410,000

NEW SECTION. Sec. 852. FOR WESTERN WASHINGTON UNIVERSITY

Interior painting (94-1-041)

Appropriation:

WWU Cap Proj Acct	\$	401,000
Prior Biennia (Expenditures)	\$	0

Future Biennia (Projected Costs)	\$	1,950,000
TOTAL	\$	2,351,000

NEW SECTION. Sec. 853. FOR WESTERN WASHINGTON UNIVERSITY

Science facility phase III construction (94-2-014)

The appropriation in this section shall not be expended until the capital project review requirements of section 1015 of this act have been met.

Appropriation:

St Bldg Constr Acct	\$	12,263,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	12,263,000

NEW SECTION. Sec. 854. FOR WESTERN WASHINGTON UNIVERSITY

Haggard Hall renovation and abatement design (94-2-015)

The appropriation in this section shall not be expended until the capital project review requirements of section 1015 of this act have been met.

Appropriation:

St Bldg Constr Acct	\$	1,116,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	16,197,000
TOTAL	\$	17,313,000

NEW SECTION. Sec. 855. FOR WESTERN WASHINGTON UNIVERSITY

Minor works (92-1-022)

Appropriation:

WWU Cap Proj Acct	\$	6,100,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	31,000,000
TOTAL	\$	37,100,000

NEW SECTION. Sec. 856. FOR THE WASHINGTON STATE HISTORICAL SOCIETY

Stadium Way facility preservation (94-1-002)

Appropriation:

St Bldg Constr Acct	\$	632,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	3,075,692
TOTAL	\$	3,707,692

NEW SECTION. Sec. 857. FOR THE WASHINGTON STATE HISTORICAL SOCIETY

Union Station Museum design and construction (94-2-001)

The appropriation in this section shall not be expended until the capital project review requirements of section 1015 of this act have been met. A portion of the appropriation may be used by the Washington State Historical Society as a match toward a challenge grant from the National Endowment for the Humanities.

Reappropriation:

St Bldg Constr Acct \$ 150,000

Appropriation:

St Bldg Constr Acct \$ 27,551,867

Prior Biennia (Expenditures) \$ 5,698,000

Future Biennia (Projected Costs) \$ 280,000

TOTAL \$ 33,679,867

NEW SECTION. Sec. 858. FOR THE WASHINGTON STATE HISTORICAL SOCIETY

Capital Museum: Replacement of building systems (92-1-003)

Reappropriation:

St Bldg Constr Acct \$ 14,000

Prior Biennia (Expenditures) \$ 0

Future Biennia (Projected Costs) \$ 0

TOTAL \$ 14,000

NEW SECTION. Sec. 859. FOR THE WASHINGTON STATE HISTORICAL SOCIETY

Coach House preservation (94-1-001)

Appropriation:

St Bldg Constr Acct \$ 107,500

Prior Biennia (Expenditures) \$ 0

Future Biennia (Projected Costs) \$ 533,994

TOTAL \$ 641,494

NEW SECTION. Sec. 860. FOR THE WASHINGTON STATE HISTORICAL SOCIETY

State Capital Museum preservation (94-1-013)

Appropriation:

St Bldg Constr Acct \$ 265,000

Prior Biennia (Expenditures) \$ 0

Future Biennia (Projected Costs)	\$	210,800
TOTAL	\$	475,800

NEW SECTION. Sec. 861. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

To remodel Tech Building at Skagit Valley (86-3-022)

Reappropriation:

St Bldg Constr Acct	\$	27,458
Prior Biennia (Expenditures)	\$	1,811
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	29,269

NEW SECTION. Sec. 862. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

To repair exterior walls (88-3-003)

Reappropriation:

St Bldg Constr Acct	\$	95,762
Prior Biennia (Expenditures)	\$	16,263
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	112,025

NEW SECTION. Sec. 863. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

To repair mechanical, ventilation, and air conditioning systems (88-3-004)

Reappropriation:

St Bldg Constr Acct	\$	45,672
Prior Biennia (Expenditures)	\$	179,294
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	224,966

NEW SECTION. Sec. 864. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

To construct learning resource center at Clark College (88-3-012)

Reappropriation:

St Bldg Constr Acct	\$	50,740
Prior Biennia (Expenditures)	\$	248,184
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	298,924

NEW SECTION. Sec. 865. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

To construct extension center at Yakima Valley (88-3-013)

Reappropriation:

St Bldg Constr Acct	\$	86,507
Prior Biennia (Expenditures)	\$	7,111
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	93,618

NEW SECTION. Sec. 866. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

To construct math and science building at Spokane Falls (88-3-015)

Reappropriation:

St Bldg Constr Acct	\$	57,192
Prior Biennia (Expenditures)	\$	161,650
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	218,842

NEW SECTION. Sec. 867. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

To construct learning resource center at Spokane (88-3-016)

Reappropriation:

St Bldg Constr Acct	\$	31,780
Prior Biennia (Expenditures)	\$	243,224
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	275,004

NEW SECTION. Sec. 868. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

To construct Whidbey Island learning resource center for Skagit Valley (88-5-020)

Reappropriation:

St Bldg Constr Acct	\$	781,285
Prior Biennia (Expenditures)	\$	1,341,714
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	2,122,999

NEW SECTION. Sec. 869. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

To construct science and fine arts building at South Puget Sound (88-5-021)

Reappropriation:

St Bldg Constr Acct	\$	238,424
Prior Biennia (Expenditures)	\$	5,759,575

Future Biennia (Projected Costs)	\$	0
TOTAL	\$	5,997,999

NEW SECTION. Sec. 870. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

To construct an early childhood education facility at Shoreline (88-5-022)

Reappropriation:

St Bldg Constr Acct	\$	1,247,598
Prior Biennia (Expenditures)	\$	77,936
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	1,325,534

NEW SECTION. Sec. 871. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

To remodel and make additions to library at Columbia Basin (88-5-023)

Reappropriation:

St Bldg Constr Acct	\$	113,307
Prior Biennia (Expenditures)	\$	1,869,398
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	1,982,705

NEW SECTION. Sec. 872. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

To construct vocational shop building at Centralia (88-5-024)

Reappropriation:

St Bldg Constr Acct	\$	216,393
Prior Biennia (Expenditures)	\$	1,855,432
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	2,071,825

NEW SECTION. Sec. 873. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

To remodel and make additions to library resource center at Tacoma (88-5-025)

Reappropriation:

St Bldg Constr Acct	\$	366,605
Prior Biennia (Expenditures)	\$	1,382,293
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	1,748,898

NEW SECTION. Sec. 874. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

To construct vocational food addition at Lower Columbia (88-5-026)**Reappropriation:**

St Bldg Constr Acct	\$	1,591,782
Prior Biennia (Expenditures)	\$	1,402,254
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	2,994,033

NEW SECTION. Sec. 875. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES**To construct business education building at Spokane (88-5-027)****Reappropriation:**

St Bldg Constr Acct	\$	819,778
Prior Biennia (Expenditures)	\$	5,492,190
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	6,311,968

NEW SECTION. Sec. 876. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES**To construct student activity center and physical education facility at Seattle Central (88-5-028)**

The appropriation in this section shall not be expended until the capital project review requirements of section 1015 of this act have been met.

Reappropriation:

St Bldg Constr Acct	\$	10,520,500
Prior Biennia (Expenditures)	\$	680,399
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	11,200,899

NEW SECTION. Sec. 877. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES**To make fire and security repairs at various colleges (90-1-004)****Reappropriation:**

St Bldg Constr Acct	\$	220,194
Prior Biennia (Expenditures)	\$	150,747
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	370,941

NEW SECTION. Sec. 878. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES**To remove minor asbestos problems at various colleges (90-1-008)****Reappropriation:**

St Bldg Constr Acct	\$	2,625,390
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Prior Biennia (Expenditures)	\$	566,394
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	3,191,784

NEW SECTION. Sec. 879. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

To repair roofs and structures at various colleges (90-2-002)

Reappropriation:

St Bldg Constr Acct	\$	318,665
Prior Biennia (Expenditures)	\$	396,628
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	715,293

NEW SECTION. Sec. 880. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

To repair air conditioning, heating, and ventilation systems at various colleges (90-2-003)

Reappropriation:

St Bldg Constr Acct	\$	421,926
Prior Biennia (Expenditures)	\$	576,457
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	998,383

NEW SECTION. Sec. 881. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

To repair electrical systems (90-2-005)

Reappropriation:

St Bldg Constr Acct	\$	14,355
Prior Biennia (Expenditures)	\$	55,399
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	69,754

NEW SECTION. Sec. 882. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

To make small repairs and improvements at various colleges (90-3-001)

Reappropriation:

St Bldg Constr Acct	\$	138,013
Prior Biennia (Expenditures)	\$	690,756
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	828,769

NEW SECTION. Sec. 883. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

To construct learning assistance resource center at Centralia (90-3-006)

Reappropriation:

St Bldg Constr Acct	.....	\$	4,410
Prior Biennia (Expenditures)	.....	\$	13,566
Future Biennia (Projected Costs)	.....	\$	0
TOTAL	.....	\$	17,976

NEW SECTION. Sec. 884. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

To make minor repairs at various facilities (90-3-007)

Reappropriation:

St Bldg Constr Acct	.....	\$	57,314
Prior Biennia (Expenditures)	.....	\$	470,702
Future Biennia (Projected Costs)	.....	\$	0
TOTAL	.....	\$	528,016

NEW SECTION. Sec. 885. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

To perform minor works for the preservation of community college facilities (90-5-009)

Reappropriation:

St Bldg Constr Acct	.....	\$	447,631
Prior Biennia (Expenditures)	.....	\$	2,577,893
Future Biennia (Projected Costs)	.....	\$	0
TOTAL	.....	\$	3,025,524

NEW SECTION. Sec. 886. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

To acquire site and construct technology center building at Whatcom (90-5-010)

The appropriation in this section shall not be expended until the capital project review requirements of section 1015 of this act have been met.

Reappropriation:

St Bldg Constr Acct	\$	247,562
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Appropriation:

St Bldg Constr Acct	\$	4,913,000
Prior Biennia (Expenditures)	\$	29,868
Future Biennia (Projected Costs)	.....	\$	0
TOTAL	.....	\$	5,190,430

NEW SECTION. Sec. 887. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

To design and construct physical education facility at North Seattle (90-5-011)

The appropriation in this section shall not be expended until the capital project review requirements of section 1015 of this act have been met.

Reappropriation:

St Bldg Constr Acct \$ 104,673

Appropriation:

St Bldg Constr Acct \$ 8,352,200

Prior Biennia (Expenditures) \$ 97,327

Future Biennia (Projected Costs) \$ 0

TOTAL \$ 8,554,200

NEW SECTION. Sec. 888. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

To design and construct applied arts facility at Spokane Falls (90-5-012)

The appropriation in this section shall not be expended until the capital project review requirements of section 1015 of this act have been met.

Reappropriation:

St Bldg Constr Acct \$ 291,510

Appropriation:

St Bldg Constr Acct \$ 5,191,000

Prior Biennia (Expenditures) \$ 9,579

Future Biennia (Projected Costs) \$ 0

TOTAL \$ 5,492,089

NEW SECTION. Sec. 889. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

To design and construct an industrial technology facility at Spokane (90-5-013)

The appropriation in this section shall not be expended until the capital project review requirements of section 1015 of this act have been met.

Reappropriation:

St Bldg Constr Acct \$ 296,143

Appropriation:

St Bldg Constr Acct \$ 6,625,000

Prior Biennia (Expenditures) \$ 10,932

Future Biennia (Projected Costs) \$ 0

TOTAL \$ 6,932,075

NEW SECTION. Sec. 890. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

To design and construct vocational arts facility at Shoreline (90-5-014)

The appropriation in this section shall not be expended until the capital project review requirements of section 1015 of this act have been met.

Reappropriation:

St Bldg Constr Acct \$ 88,719

Appropriation:

St Bldg Constr Acct \$ 2,886,000

Prior Biennia (Expenditures) \$ 90,686

Future Biennia (Projected Costs) \$ 0

TOTAL \$ 3,065,405

NEW SECTION. Sec. 891. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

To design and construct a business education facility at Clark (90-5-015)

The appropriation in this section shall not be expended until the capital project review requirements of section 1015 of this act have been met.

Reappropriation:

St Bldg Constr Acct \$ 250,836

Appropriation:

St Bldg Constr Acct \$ 5,953,000

Prior Biennia (Expenditures) \$ 87,430

Future Biennia (Projected Costs) \$ 0

TOTAL \$ 6,291,266

NEW SECTION. Sec. 892. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

To design and construct a student center at South Seattle (90-5-016)

The appropriation in this section shall not be expended until the capital project review requirements of section 1015 of this act have been met.

Reappropriation:

St Bldg Constr Acct \$ 248,817

Appropriation:

St Bldg Constr Acct \$ 5,122,000

Prior Biennia (Expenditures) \$ 11,276

Future Biennia (Projected Costs) \$ 0

TOTAL \$ 5,382,093

NEW SECTION. Sec. 893. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

To design and construct a library addition at Skagit Valley (90-5-017)

Reappropriation:

St Bldg Constr Acct \$ 43,627

Appropriation:

St Bldg Constr Acct	\$	1,890,000
Prior Biennia (Expenditures)	\$	72,372
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	2,005,999

NEW SECTION. Sec. 894. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

To remodel business complex at Clover Park (91-2-001)

Reappropriation:

St Bldg Constr Acct	\$	2,427,982
Prior Biennia (Expenditures)	\$	72,017
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	2,499,999

NEW SECTION. Sec. 895. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

To design and construct a vocational technical institute at Bellingham (91-3-002)

Reappropriation:

St Bldg Constr Acct	\$	1,561,287
Prior Biennia (Expenditures)	\$	50,713
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	1,612,000

NEW SECTION. Sec. 896. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

To acquire property for child care facility in Centralia (92-1-602)

Reappropriation:

St Bldg Constr Acct	\$	390
Prior Biennia (Expenditures)	\$	77,610
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	78,000

NEW SECTION. Sec. 897. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

To acquire auto shop at Olympic (92-1-604)

Reappropriation:

St Bldg Constr Acct	\$	700,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	700,000

NEW SECTION. Sec. 898. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

To acquire property and construct graphic arts building at Skagit (92-1-605)

Reappropriation:

St Bldg Constr Acct	\$	27,172
Prior Biennia (Expenditures)	\$	252,828
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	280,000

NEW SECTION. Sec. 899. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

To renovate or replace underground storage tanks (92-2-102)

That portion of the appropriation related to underground storage tanks may be expended only after compliance with section 107 of this act.

Reappropriation:

St Bldg Constr Acct	\$	765,978
Prior Biennia (Expenditures)	\$	630,874
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	1,396,852

NEW SECTION. Sec. 900. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

To repair campus facilities to meet legal and code requirements (92-2-103)

Reappropriation:

St Bldg Constr Acct	\$	506,163
Prior Biennia (Expenditures)	\$	665,837
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	1,172,000

NEW SECTION. Sec. 901. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

To repair roofs at various colleges (92-2-104)

Reappropriation:

St Bldg Constr Acct	\$	2,629,340
Prior Biennia (Expenditures)	\$	4,827,660
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	7,457,000

NEW SECTION. Sec. 902. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

To repair exterior structures at various colleges (92-2-105)

Reappropriation:

St Bldg Constr Acct	\$	454,837
Prior Biennia (Expenditures)	\$	362,163
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	817,000

NEW SECTION. Sec. 903. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

To repair heating, ventilation, and air conditioning systems at various colleges (92-2-106)

Reappropriation:

St Bldg Constr Acct	\$	2,727,942
Prior Biennia (Expenditures)	\$	346,057
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	3,073,999

NEW SECTION. Sec. 904. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

To repair electrical systems at various colleges (92-2-107)

Reappropriation:

St Bldg Constr Acct	\$	1,524,807
Prior Biennia (Expenditures)	\$	782,193
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	2,307,000

NEW SECTION. Sec. 905. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

To make mechanical repairs at various colleges (92-2-108)

Reappropriation:

St Bldg Constr Acct	\$	1,991,612
Prior Biennia (Expenditures)	\$	516,388
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	2,508,000

NEW SECTION. Sec. 906. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

To make fire and security repairs (92-2-109)

Reappropriation:

St Bldg Constr Acct	\$	665,234
Prior Biennia (Expenditures)	\$	26,765

Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	691,999

NEW SECTION. Sec. 907. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

To repair interiors at various community colleges (92-2-110)

Reappropriation:

St Bldg Constr Acct	\$	860,557
Prior Biennia (Expenditures)	\$	579,442
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	1,439,999

NEW SECTION. Sec. 908. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

To make site repairs at various colleges (92-2-111)

Reappropriation:

St Bldg Constr Acct	\$	626,461
Prior Biennia (Expenditures)	\$	702,538
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	1,328,999

NEW SECTION. Sec. 909. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

To repair pool at Pierce College (92-2-112)

Reappropriation:

St Bldg Constr Acct	\$	100,562
Prior Biennia (Expenditures)	\$	499,438
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	600,000

NEW SECTION. Sec. 910. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

To provide funding for emergency and unforeseen repairs at various colleges (92-5-001)

Reappropriation:

St Bldg Constr Acct	\$	3,715,444
Prior Biennia (Expenditures)	\$	2,540,556
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	6,256,000

NEW SECTION. Sec. 911. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

To construct an addition to administration building at Lake Washington (92-5-003)

The appropriation in this section shall not be expended until the capital project review requirements of section 1015 of this act have been met.

Reappropriation:

St Bldg Constr Acct	\$	2,337,110
Prior Biennia (Expenditures)	\$	6,805,089
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	9,142,199

NEW SECTION. Sec. 912. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

To construct a business technology building in Renton (92-5-004)

Reappropriation:

St Bldg Constr Acct	\$	2,701,102
Prior Biennia (Expenditures)	\$	1,283,898
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	3,985,000

NEW SECTION. Sec. 913. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

To provide funding for minor improvement projects at various colleges (92-5-200)

Reappropriation:

St Bldg Constr Acct	\$	9,092,760
Prior Biennia (Expenditures)	\$	7,837,239
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	16,929,999

NEW SECTION. Sec. 914. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

To acquire property for new college (92-5-701)

Reappropriation:

St Bldg Constr Acct	\$	35,130
Prior Biennia (Expenditures)	\$	264,870
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	300,000

NEW SECTION. Sec. 915. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

To provide equipment for L.H. Bates Technical College (93-2-001)

Reappropriation:

St Bldg Constr Acct	\$	108,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	108,000

NEW SECTION. Sec. 916. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES**To make roof repairs at Clover Park (93-2-002)****Reappropriation:**

St Bldg Constr Acct	\$	174,355
Prior Biennia (Expenditures)	\$	14,644
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	188,999

NEW SECTION. Sec. 917. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES**To make electrical repairs at Olympic (93-2-003)****Reappropriation:**

St Bldg Constr Acct	\$	3,347
Prior Biennia (Expenditures)	\$	96,652
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	99,999

NEW SECTION. Sec. 918. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES**To repair heating system at Columbia Basin (93-2-004)****Reappropriation:**

St Bldg Constr Acct	\$	29,117
Prior Biennia (Expenditures)	\$	252,483
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	281,600

NEW SECTION. Sec. 919. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES**To conduct Seattle Vocational Institute study at District 6 (93-5-001)****Reappropriation:**

St Bldg Constr Acct	\$	72,617
Prior Biennia (Expenditures)	\$	27,383
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	100,000

NEW SECTION. Sec. 920. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

Washington Higher Education telecommunications system (93-5-002)

Reappropriation:

St Bldg Constr Acct	\$	241,422
Prior Biennia (Expenditures)	\$	8,578
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	250,000

NEW SECTION. Sec. 921. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

Repairs: For small repairs and improvements; roof repairs; heating, ventilation, and air conditioning system repairs; mechanical repairs; electrical repairs; exterior repairs; interior repairs; site improvement repairs, and other repairs at various colleges.

The appropriation in this section shall not be allotted to the state board for community and technical colleges until the board submits for approval by the office of financial management a list describing the proposed projects to be funded from this appropriation. The office of financial management shall base its approval of listed projects on the severity ranking system implemented by the state board for community and technical colleges, recognizing the most current information available regarding repair needs.

Appropriation:

St Bldg Constr Acct	\$	37,900,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>46,000,000</u>
TOTAL	\$	83,000,000

NEW SECTION. Sec. 922. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

To provide funding for removal or replacement of underground storage tanks (94-1-370)

That portion of the appropriation related to underground storage tanks may be expended only after compliance with section 107 of this act.

Appropriation:

St Bldg Constr Acct	\$	202,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	202,000

NEW SECTION. Sec. 923. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

To provide funds for asbestos abatement (94-1-390)

Appropriation:

St Bldg Constr Acct	\$	451,327
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	451,327

NEW SECTION. Sec. 924. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

To provide funding for facility upgrades at Seattle Vocational Institute, including acquisition of property for parking (94-1-733)

The appropriation in this section is subject to the following conditions and limitations: The appropriation in this section shall not be expended until the capital project review requirements of section 1015 of this act have been met.

Appropriation:

St Bldg Constr Acct	\$	7,583,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	7,583,000

NEW SECTION. Sec. 925. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

To provide funding for minor project enhancements (94-2-400)

Appropriation:

St Bldg Constr Acct	\$	11,478,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	83,740,000
TOTAL	\$	95,218,000

NEW SECTION. Sec. 926. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

To provide funding for minor work projects (94-2-500)

Appropriation:

St Bldg Constr Acct	\$	629,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	629,000

NEW SECTION. Sec. 927. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

Design funds for Puyallup Campus phase II at Pierce College (94-2-601)

The appropriation in this section shall not be expended until the capital project review requirements of section 1015 of this act have been met.

Reappropriation:

St Bldg Constr Acct \$ 1,650

Appropriation:

St Bldg Constr Acct \$ 969,920

Prior Biennia (Expenditures) \$ 55,350

Future Biennia (Projected Costs) \$ 11,742,847

TOTAL \$ 12,769,767

NEW SECTION. Sec. 928. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

Design funds for vocational building at Skagit Valley (94-2-602)

Reappropriation:

St Bldg Constr Acct \$ 110

Appropriation:

St Bldg Constr Acct \$ 169,044

Prior Biennia (Expenditures) \$ 24,890

Future Biennia (Projected Costs) \$ 1,942,079

TOTAL \$ 2,136,123

NEW SECTION. Sec. 929. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

Design funds for learning research center/arts/student center building at Whatcom (94-2-603)

The appropriation in this section shall not be expended until the capital project review requirements of section 1015 of this act have been met.

Reappropriation:

St Bldg Constr Acct \$ 11,944

Appropriation:

St Bldg Constr Acct \$ 560,636

Prior Biennia (Expenditures) \$ 33,055

Future Biennia (Projected Costs) \$ 7,422,880

TOTAL \$ 8,028,515

NEW SECTION. Sec. 930. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

Design funds for classroom and laboratory building at Edmonds (94-2-604)

The appropriation in this section shall not be expended until the capital project review requirements of section 1015 of this act have been met.

Reappropriation:

St Bldg Constr Acct \$ 36,010

Appropriation:

St Bldg Constr Acct \$ 808,636

Prior Biennia (Expenditures) \$ 21,989

Future Biennia (Projected Costs) \$ 10,270,930

TOTAL \$ 11,137,565

NEW SECTION. Sec. 931. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

Design funds for technical education facility at South Puget Sound (94-2-605)

The appropriation in this section shall not be expended until the capital project review requirements of section 1015 of this act have been met.

Reappropriation:

St Bldg Constr Acct \$ 3,608

Appropriation:

St Bldg Constr Acct \$ 606,067

Prior Biennia (Expenditures) \$ 38,392

Future Biennia (Projected Costs) \$ 6,632,000

TOTAL \$ 7,280,067

NEW SECTION. Sec. 932. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

Design funds for information technology center at Green River (94-2-606)

The appropriation in this section shall not be expended until the capital project review requirements of section 1015 of this act have been met.

Reappropriation:

St Bldg Constr Acct \$ 3,124

Appropriation:

St Bldg Constr Acct \$ 1,335,729

Prior Biennia (Expenditures) \$ 54,876

Future Biennia (Projected Costs) \$ 14,608,996

TOTAL \$ 16,002,725

NEW SECTION. Sec. 933. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

Infrastructure project savings (94-1-999)

Projects which are completed in accordance with section 1014 of this act that have been reviewed by the office of financial management may have their remaining funds transferred to this project for the following purposes: (1) Road

and sidewalk repair; (2) roof repair; (3) electrical system repair; (4) steam and utility distribution system repair; (5) plumbing system repair; (6) heating, ventilation, and air conditioning repairs; and (7) emergency repairs due to natural disasters or accidents.

A report of any transfer effected under this section shall be filed with the legislative fiscal committees of the senate and house of representatives by the director of financial management.

Appropriation:

St Bldg Constr Acct	\$	1
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	1

NEW SECTION. Sec. 934. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

To predesign major construction projects

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

- (1) The appropriation in this section is provided solely for predesign for the system's highest priority design and construction projects that will be included in the community and technical college system's 1995-97 capital budget request;
- (2) The predesign documents shall be in accordance with the predesign manual published by the office of financial management; and
- (3) Future appropriations for these predesigned projects are subject to submittal of completed predesign documents to the office of financial management by July 1, 1994.

Appropriation:

St Bldg Constr Acct	\$	250,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	250,000

NEW SECTION. Sec. 935. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

To purchase land for child care facilities at Green River College, Walla Walla College at Clarkston, and Centralia College

Appropriation:

St Bldg Constr Acct	\$	509,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	<u>0</u>
TOTAL	\$	509,000

NEW SECTION. Sec. 936. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

To acquire parcels No. 3 and 4 of the Flett Dairy to be used as an outdoor environmental lab and education center for Clover Park Technical College

Appropriation:

St Bldg Constr Acct	\$	2,750,000
Prior Biennia (Expenditures)	\$	0
Future Biennia (Projected Costs)	\$	0
TOTAL	\$	2,750,000

**PART 6
MISCELLANEOUS**

NEW SECTION. Sec. 1001. The estimated debt service costs impacting future general fund expenditures related solely to new capital appropriations within this act are \$17,035,207 during the 1993-95 fiscal period; \$100,789,559 during the 1995-97 fiscal period; \$143,219,500 during the 1997-99 fiscal period; \$143,148,641 during the 1999-2001 fiscal period; and \$143,068,817 during the 2001-03 fiscal period.

NEW SECTION. Sec. 1002. ACQUISITION OF PROPERTIES AND FACILITIES THROUGH FINANCIAL CONTRACTS. The following agencies may enter into financial contracts, paid for from operating revenues, for the purposes indicated and in not more than the principal amounts indicated, plus financing expenses and required reserves pursuant to chapter 39.94 RCW. When securing properties under this section, agencies shall use the most economical financial contract option available, including long-term leases, lease-purchase agreements, lease-development with option to purchase agreements, or financial contracts using certificates of participation. The director of general administration shall ensure that the clustering of state facilities and the collocation and consolidation of state agencies takes place where such configurations are economical and consistent with agency space needs. Agencies shall assist the department of general administration with facility collocation and consolidation efforts.

(1) Department of social and health services:

(a) Lease-develop with option to purchase or lease-purchase a new West Seattle customer service office to combine staff currently housed in three locations for \$6,000,000. The department of social and health services and the employment security department shall evaluate collocation in this facility;

(b) Lease-develop the remodeling and expansion of the Mt. Vernon multiservice center for \$3,000,000;

(c) Enter into a long-term lease with option to purchase the existing facility used by the office of revenue collections in Olympia for \$11,000,000;

(d) Lease-develop with option to purchase or lease-purchase expanded office space for the office of revenue collections in Olympia for \$11,000,000;

(e) Lease-develop with option to purchase or lease-purchase space for consolidation of Thurston county service delivery programs for \$13,000,000. The department of social and health services and the employment security department shall evaluate collocation in this facility. The department shall follow the established office of financial management predesign process and receive approval from the office of financial management before initiating design of the project; and

(f) Lease-develop with option to purchase or lease-purchase space for consolidation of department programs in south Grays Harbor county for \$1,800,000. The department shall consider collocation with other state agencies in this facility.

(2) Department of ecology: Lease-purchase the eastern regional office facility currently leased by the department for \$2,300,000.

(3) Department of general administration:

(a) Lease-purchase and upgrade an existing building, and purchase adjacent property and develop a new building in Yakima for a state government service center for \$24,800,000;

(b) Lease-purchase the 9th and Columbia, 13th and Jefferson, and Capital Plaza buildings in Olympia for \$11,100,000. The department shall prepare an engineering evaluation, cost-benefit study, and life-cycle cost analysis reviewing the maintenance, utility, and future renovation costs for each building. The authority to acquire the buildings is contingent on approval of these studies by the office of financial management; and

(c) Refinance and upgrade the 600 Franklin street building in Olympia for \$527,000.

(4) Department of corrections:

(a) Lease-purchase property from the department of natural resources at the Cedar Creek, Indian Ridge, Larch, and Olympic correctional centers for \$1,000,000;

(b) Lease-develop with option to purchase or lease-purchase 296 work release beds in facilities located throughout the state for \$9,898,758.

(5) Western Washington University: Lease-purchase property adjacent to the campus for future expansion for \$5,000,000.

(6) Community and technical colleges:

(a) Lease-develop or lease-purchase off-campus program space for Clark College for \$6,000,000;

(b) Enter into a long-term lease for Green River Community College off-campus programs for approximately \$143,700 during the 1993-95 biennium;

(c) Lease-purchase 1.66 acres of land adjacent to Lake Washington Technical College for \$500,000;

(d) Lease-purchase a facility to provide instructional, meeting, and office space for Skagit Valley Community College on San Juan Island for \$600,000;

(e) Lease-purchase property on Whidbey Island for program space for Skagit Valley Community College for \$252,000;

(f) Lease-develop or lease-purchase space for the carpentry and electrical apprentice programs for Wenatchee Valley College for \$250,000;

(g) Lease-purchase 6 acres of property contiguous to Wenatchee Valley College for \$265,000;

(h) Lease-develop with option to purchase or lease-purchase expanded classroom space for Yakima Valley College in Ellensburg for \$625,000;

(i) Lease-develop or lease-purchase a central data processing and telecommunications facility to serve the 33 community and technical colleges for \$5,000,000 subject to approval of the office of financial management; and

(j) Lease-purchase 55 acres adjacent to Green River Community College for \$200,000.

NEW SECTION. Sec. 1003. STUDY OF POTENTIAL FUTURE LONG-TERM LEASES, LEASE-PURCHASES, AND LEASE-DEVELOPMENTS. The department of general administration and the office of the state treasurer, after consulting with the office of financial management, shall provide technical assistance to the community and technical colleges in analyzing the feasibility of entering into long-term lease, lease-purchase, or lease-development agreements in future biennia for the following projects. This section does not imply a future legislative commitment to develop these projects.

(1) Acquisition of a building currently leased for instruction and administration purposes at Edmonds Community College;

(2) Acquisition of land and two buildings, known as the South Annex, at Seattle Central Community College;

(3) Acquisition of approximately 1.72 acres of land and 108,721 square feet of buildings, known as the United Graphics property, at Seattle Central Community College;

(4) Long-term lease of aviation maintenance facilities at Boeing Field for South Seattle Community College;

(5) Acquisition of approximately 11 acres of trust land adjacent to the Duwamish Branch of South Seattle Community College;

(6) Acquisition of property for future expansion adjacent to Skagit Valley College;

(7) Acquisition or development of approximately 3,600 square feet of instructional space in Sunnyside for Yakima Valley Community College;

(8) Acquisition of approximately 12,000 square feet of space in Colville for training and retraining programs for the community colleges of Spokane;

(9) Acquisition of approximately 6.66 acres adjacent to South Puget Sound Community College;

(10) Acquisition of two dormitories on approximately 2.5 acres adjacent to Wenatchee Valley College; and

(11) Lease-development or acquisition of approximately 50,000 square feet of instruction space and up to 10 acres of land at the Tacoma Narrows Airport for Clover Park Technical College.

NEW SECTION. Sec. 1004. COORDINATED FACILITY PLANNING AND SERVICE DELIVERY. The Washington state patrol, the department of licensing, and the department of ecology shall coordinate their activities when siting facilities and setting program delivery approaches related to vehicle licensing and registration. This action shall result in the coordination of driver and vehicle licensing, vehicle emission testing, and vehicle inspection service whenever practical in order to improve client services. Collocation should be considered along with options in the operating budget related to integration of programs and changes in assignment of responsibility among affected agencies. A coordinated capital plan shall be submitted by the department of licensing, the Washington state patrol, and the department of ecology by September 15, 1993, for projects included in the 1993-95 capital budget. A coordinated evaluation policy and criteria for service improvement shall be submitted by the department of licensing, the Washington state patrol, and the department of ecology by June 30, 1994.

NEW SECTION. Sec. 1005. FOR THE ARTS COMMISSION--ART WORK ALLOWANCE POOLING. (1) One-half of one percent of moneys appropriated in this act for original construction of school plant facilities is provided solely for the purposes of RCW 28A.335.210. The Washington state arts commission may combine the proceeds from individual projects in order to fund larger works of art or mobile art displays in consultation with the superintendent of public instruction and representatives of school district boards of directors.

(2) One-half of one percent of moneys appropriated in this act for original construction or any major renovation or remodel work exceeding two hundred thousand dollars by colleges or universities is provided solely for the purposes of RCW 28B.10.027. The Washington state arts commission may combine the proceeds from individual projects in order to fund larger works of art or mobile art displays in consultation with the board of regents or trustees.

(3) One-half of one percent of moneys appropriated in this act for original construction of any public building by a state agency as defined in RCW 43.17.200 is provided solely for the purposes of RCW 43.17.200. The Washington state arts commission may combine the proceeds from individual projects in order to fund larger works of art or mobile art displays in consultation with the state agency. For department of corrections construction projects, the Washington state arts commission shall give priority to selecting works of art produced by inmates.

(4) At least 85% of the moneys spent by the Washington state arts commission during the 1993-95 biennium for the purposes of RCW 28A.335.210,

28B.10.027, and 43.17.200 shall be spent solely for direct acquisition of works of art.

NEW SECTION. Sec. 1006. The amounts shown under the headings "Prior Biennia," "Future Biennia," and "Total" in this act are for informational purposes only and do not constitute legislative approval of these amounts.

NEW SECTION. Sec. 1007. "Reappropriations" in this act are appropriations and, unless the context clearly provides otherwise, are subject to the relevant conditions and limitations applicable to appropriations. Reappropriations shall be limited to the unexpended balances remaining June 30, 1993, in the 1991-93 biennial appropriations for each project.

NEW SECTION. Sec. 1008. To carry out the provisions of this act, the governor may assign responsibility for predesign, design, construction, and other related activities to any appropriate agency.

NEW SECTION. Sec. 1009. As part of the annual update to the state facilities and capital plan, agencies shall provide information on lease-development and lease-purchase projects to the office of financial management.

NEW SECTION. Sec. 1010. If any federal moneys appropriated by this act for capital projects are not received by the state, the department or agency to which the moneys were appropriated may replace the federal moneys with moneys available from private or local sources. No replacement may occur under this section without the prior approval of the director of financial management in consultation with the senate committee on ways and means and the house of representatives committee on capital budget.

NEW SECTION. Sec. 1011. Unless otherwise stated, for all appropriations under this act that require a match of nonstate money or in-kind contributions, the following requirement, consistent with RCW 43.88.150, shall apply: Expenditures of state money shall be timed so that the state share of project expenditures never exceeds the intended state share of total project costs.

NEW SECTION. Sec. 1012. Notwithstanding any other provisions of law, for the 1993-95 biennium, transfers of reimbursement by the state treasurer to the general fund from the community college capital projects account for debt service payments made under Title 28B RCW shall occur only after such debt service payment has been made and only to the extent that funds are actually available to the account. Any unpaid reimbursements shall be a continuing obligation against the community college capital projects account until paid. The state board for community and technical colleges need not accumulate any specific balance in the community college capital projects account in anticipation of transfers to reimburse the general fund.

NEW SECTION. Sec. 1013. Any capital improvements or capital project involving construction or major expansion of a state office facility, including, but not limited to, district headquarters, detachment offices, and off-campus faculty

offices, shall be reviewed by the office of financial management and the department of general administration for possible consolidation, collocation, and compliance with state office standards before allotment of funds. The intent of the requirement imposed by this section is to eliminate duplication and reduce total office space requirements where feasible, while ensuring proper service to the public.

NEW SECTION. **Sec. 1014.** The governor, through the director of financial management, may authorize a transfer of appropriation authority provided for a capital project that is in excess of the amount required for the completion of such project to another capital project for which the appropriation is insufficient. No such transfer may be used to expand the capacity of any facility beyond that intended by the legislature in making the appropriation. Such transfers may be effected only between capital appropriations to a specific department, commission, agency, or institution of higher education and only between capital projects that are funded from the same fund or account.

For purposes of this section, the governor may find that an amount is in excess of the amount required for the completion of a project only if (1) the project as defined in the notes to the budget document is substantially complete and there are funds remaining or (2) bids have been let on a project and it appears to a substantial certainty that the project as defined in the notes to the budget document can be completed within the biennium for less than the amount appropriated in this act.

For the purposes of this section, the legislature intends that each project be defined as proposed to the legislature in the governor's budget document, unless it clearly appears from the legislative history that the legislature intended to define the scope of a project in a different way.

A report of any transfer effected under this section except emergency projects or any transfer under \$250,000 shall be filed with the legislative fiscal committees of the senate and house of representatives by the director of financial management at least thirty days before the date the transfer is effected, and shall report all transfers within thirty days from the date of transfer.

NEW SECTION. **Sec. 1015.** To ensure that major construction projects are carried out in accordance with legislative and executive intent, appropriations in this act referencing this section shall not be expended until the office of financial management has reviewed the agency's predesign and other documents and approved the project. The predesign document shall include but not be limited to program, site, and cost analysis in accordance with the predesign manual adopted by the office of financial management.

The office of financial management shall provide to the house of representatives capital budget committee and the senate ways and means committee a list of the program documents the office has reviewed and approved, changes made to the documents resulting from the review, and the estimated cost changes resulting from the review.

Allotments for appropriations shall be provided in accordance with the capital project review requirements adopted by the office of financial management.

NEW SECTION. Sec. 1016. Appropriations for design and construction of facilities on higher education branch campuses shall be allotted to institutions of higher education on the basis of: (1) Comparable unit cost standards, as determined by the office of financial management in consultation with the higher education coordinating board; (2) costs consistent with other higher education teaching facilities in the state; and (3) student full-time equivalent enrollment levels as established by the office of financial management in consultation with the higher education coordinating board.

NEW SECTION. Sec. 1017. (1) Agencies shall expedite the expenditure of reappropriations and appropriations in order to: (a) Rehabilitate infrastructure in a timely manner and prevent further deterioration of public facilities and resources; (b) accelerate environmental rehabilitation and restoration projects for the improvement of the state's natural environment; (c) reduce additional costs associated with acquisition and construction inflationary pressures; and (d) provide additional employment opportunities associated with capital expenditures.

(2) In order to meet the goals of this section, the following conditions apply to appropriations which reference this section:

(a) To the extent feasible, agencies are directed to manage accelerated expenditure rates at the current level of permanent employees and shall use contracted design and construction services wherever necessary to meet the goals of this section.

(b) Reappropriations which reference this subsection (2)(b) shall lapse on June 30, 1994. In developing the 1995-97 capital budget, the office of financial management shall consider all project requests which have been an element of an appropriation which references this section as a request for a new appropriation.

(3) The office of financial management shall report the following to the appropriate fiscal committees of the legislature by January 30, 1995:

(a) A listing of reappropriations in the governor's 1995-97 capital budget recommendation that have been reappropriated one or more times and have ten percent or more of the original appropriation unexpended; and

(b) An explanation of why the appropriation remains unexpended.

NEW SECTION. Sec. 1018. The higher education coordinating board shall develop and maintain an inventory system to account for all space in the state's higher education system. The institutions of higher education shall provide to the higher education coordinating board a complete inventory of space in the form determined by the higher education coordinating board.

NEW SECTION. Sec. 1019. DEPARTMENT OF FISH AND WILDLIFE. On July 1, 1994, all appropriations and all conditions and limitations in this act for the department of fisheries and the department of wildlife shall be provided

for the department of fish and wildlife. If Substitute House Bill No. 2055 or substantially similar legislation creating a department of fish and wildlife is not enacted by July 1, 1994, this section shall have no effect.

NEW SECTION. Sec. 1020. \$1,200,000 of the state and local improvement revolving account—waste disposal facilities and \$6,300,000 of the state and local improvement revolving account—waste disposal facilities 1980 are transferred to the water quality account, and shall be used for extended grant payments for public waste disposal facilities that discharge directly into marine waters. The funds shall be subject to the conditions and limitations set forth in section 406 of this act. These funds shall qualify as tax receipts in any calculation under RCW 70.146.080.

NEW SECTION. Sec. 1021. The department of information services shall act as lead agency in coordinating video telecommunications services for state agencies. As lead agency, the department shall develop standards and common specifications for leased and purchased telecommunications equipment and assist state agencies in developing a video telecommunications expenditure plan. No agency may spend any portion of any appropriation in this act for new video telecommunications equipment, new video telecommunications transmission, or new video telecommunications systems without first complying with chapter 43.105 RCW, including but not limited to RCW 43.105.041(2), and without first submitting a video telecommunications equipment expenditure plan, in accordance with the policies of the department of information services, for review and assessment by the department of information services under RCW 43.105.052. Before any such expenditure by a public school, a video telecommunications expenditure plan shall be approved by the superintendent of public instruction. The office of the superintendent of public instruction shall submit the plans to the department of information services in a form prescribed by the department. The office of the superintendent of public instruction shall coordinate the use of the video telecommunications in public schools by providing educational information to local school districts and shall assist local school districts and educational service districts in telecommunications planning and curriculum development. Before any such expenditure by a public institution of postsecondary education, a telecommunications expenditure plan shall be approved by the higher education coordinating board. The higher education coordinating board shall coordinate the use of video telecommunications for instruction and instructional support in postsecondary education, including the review and approval of instructional telecommunications course offerings.

NEW SECTION. Sec. 1022. The state investment board shall evaluate the feasibility of investing in office buildings expressly built for use by state agencies. The evaluation shall be performed in cooperation with the office of financial management, the department of general administration, and other appropriate state agencies and shall consider financing and construction alternatives to ensure cost-effective facilities for the state and an acceptable

return on the investment for the state investment board. The evaluation shall also consider opportunities for collocating and consolidating state agencies under section 1013 of this act. Upon completion of the evaluation, the state investment board shall report its findings to the senate ways and means and house capital budget committees.

**Sec. 1023. RCW 90.70.011 and 1990 c 115 s 2 are each amended to read as follows:*

(1) There is established the Puget Sound water quality authority composed of eleven members. Nine members shall be appointed by the governor and confirmed by the senate. In addition, the commissioner of public lands or the commissioner's designee and the director of ecology or the director's designee shall serve as ex officio members. Three of the members shall include a representative from the counties, a representative from the cities, and a tribal representative. The director of ecology shall be chair of the authority. In making these appointments, the governor shall seek to include representation of the variety of interested parties concerned about Puget Sound water quality. Of the appointed members, at least one shall be selected from each of the six congressional districts surrounding Puget Sound. Members shall serve four-year terms. Of the initial members appointed to the authority, two shall serve for two years, two shall serve for three years, and two shall serve for four years. Thereafter members shall be appointed to four-year terms. Members representing cities, counties, and the tribes shall also serve four-year staggered terms, as determined by the governor. Vacancies shall be filled by appointment for the remainder of the unexpired term of the position being vacated. The executive director of the authority shall be selected by the governor and shall serve at the pleasure of the governor. The executive director shall not be a member of the authority.

(2) Members shall be compensated as provided in RCW 43.03.250. Members shall be reimbursed for travel expenses as provided in RCW 43.03.050 and 43.03.060.

(3) The executive director of the authority shall be a full-time employee responsible for the administration of all functions of the authority, including hiring and terminating staff, contracting, coordinating with the governor, the legislature, and other state and local entities, and the delegation of responsibilities as deemed appropriate. The salary of the executive director shall be fixed by the governor, subject to RCW 43.03.040.

(4) The authority shall prepare a budget and a work plan.

(5) Not more than four employees of the authority may be exempt from the provisions of chapter 41.06 RCW.

(6) The executive director and staff of the authority shall be located in the Olympia area(~~(, as space becomes available. The department of general administration shall house the authority within the department of ecology).~~).

**Sec. 1023 was vetoed, see message at end of chapter.*

NEW SECTION. Sec. 1024. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 1025. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect immediately.

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Passed the Senate May 6, 1993.

Passed the House May 6, 1993.

Approved by the Governor May 28, 1993, with the exception of certain items which were vetoed.

Filed in Office of Secretary of State May 28, 1993.

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

"I am returning herewith, without my approval as to sections 469(6)(b) and 1023 of Substitute Senate Bill No. 5717, entitled:

"AN ACT Relating to the capital budget;"

My reasons for vetoing these sections are as follows:

Section 469(6)(b), page 79, Washington Wildlife and Recreation Program (Interagency Committee for Outdoor Recreation)

Section 469(6)(b) removes a specific project acquiring habitat for the sharp-tailed grouse from the Washington Wildlife and Recreation Program's approved project list for 1993-95. Acquisition and preservation of habitat for this species is critical as increasing agricultural development is threatening critical habitat and breeding grounds. Too, this project has already received careful scrutiny by the Interagency Committee for Outdoor Recreation during the project evaluation phase. For this reason, I am vetoing subsection (6)(b) of section 469 and allowing this valuable project to move forward as planned.

Section 1023, page 176, Puget Sound Water Quality Authority

Section 1023 amends the enabling legislation for the Puget Sound Water Quality Authority by removing the requirement that the Authority be housed with the Department of Ecology in Lacey. The state has been actively pursuing opportunities for collocation in agency housing, particularly in those situations where agency missions are compatible. In order to ensure better coordination of the implementation of the Puget Sound Water Quality Authority Management Plan, it makes sense to consider collocation of the PSWQA and the Department of Ecology. Therefore, I am vetoing Section 1023.

For the reasons stated above, I have vetoed sections 469(6)(b) and 1023 of Substitute Senate Bill No. 5717.

With the exceptions of sections 469(6)(b) and 1023, Substitute Senate Bill No. 5717 is approved."

CHAPTER 23

[Second Engrossed Substitute Senate Bill 5972]

TRANSPORTATION BUDGET, 1993-1995

Effective Date: 5/28/93 - Except Sections 60 & 61 which take effect on 1/1/94

AN ACT Relating to transportation appropriations; amending RCW 47.86.030, 82.44.020, and 81.112.030; amending 1991 sp.s. c 15 s 4 (uncodified); amending 1992 c 166 s 8 (uncodified); amending 1992 c 166 s 9 (uncodified); amending 1992 c 166 s 20 (uncodified); reenacting and amending RCW 46.16.070, 81.112.030, 43.89.010, and 82.44.180; adding a new section to chapter 46.01 RCW; creating new sections; repealing RCW 47.86.010, 47.86.020, 47.86.030, 47.86.035, 47.86.040, 47.86.050, 47.86.060, 47.86.900, and 47.86.901; making appropriations; providing effective dates; and declaring an emergency.

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

***NEW SECTION. Sec. 1.** The transportation budget of the state is hereby adopted and, subject to the provisions hereinafter set forth, the several amounts hereinafter specified, or as much thereof as may be necessary to accomplish the purposes designated, are hereby appropriated from the several accounts and funds hereinafter named to the designated state agencies and offices for salaries, wages, and other expenses, for capital projects, and for other specified purposes, including the payment of any final judgments arising out of such activities, for the period ending June 30, 1995.

Any bill enacted during the 1993 legislative session requiring expenditure from a transportation-related fund or account that was not heard by either of the transportation committees is not funded in this act.

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

***NEW SECTION. Sec. 2. FOR THE TRAFFIC SAFETY COMMISSION**

Highway Safety Fund—State Appropriation	\$	212,000
Highway Safety Fund—Federal Appropriation	\$	2,545,000
Transportation Fund—State Appropriation	\$	600,000
TOTAL APPROPRIATION	\$	3,357,000

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

(1) The appropriation from the public safety and education account shall be used solely to fund community DWI task forces. Funding from the public safety and education account for any community DWI task force may not exceed fifty percent of total expenditures in support of that task force.

(2) It is the intent of the legislature that the Washington traffic safety commission be abolished as of July 1, 1994. The office of the governor shall submit to the legislative transportation committee by December 15, 1993, a plan for transferring the responsibilities of the Washington traffic safety commission to an existing transportation agency. The appropriations from the highway safety fund—state and highway safety fund—federal represent funding necessary to operate the agency for fiscal year 1994 only.

(3) \$175,000 of the highway safety fund—federal appropriation may be used only to fund the law and justice program. As of July 1, 1993, the law

and justice program shall be transferred from the department of licensing to the Washington traffic safety commission.

*Sec. 2 was partially vetoed, see message at end of chapter.

NEW SECTION. Sec. 3. FOR THE BOARD OF PILOTAGE COMMISSIONERS

General Fund—Pilotage Account—State

Appropriation	\$	218,000
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NEW SECTION. Sec. 4. FOR THE COUNTY ROAD ADMINISTRATION BOARD

Motor Vehicle Fund—County Arterial Preservation

Account—State Appropriation	\$	24,247,000
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Motor Vehicle Fund—Rural Arterial Trust

Account—State Appropriation	\$	61,838,000
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Motor Vehicle Fund—Private Local Appropriation . . .

\$	508,000
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Motor Vehicle Fund—State Appropriation

\$	1,331,000
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TOTAL APPROPRIATION	\$	87,924,000
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NEW SECTION. Sec. 5. FOR THE TRANSPORTATION IMPROVEMENT BOARD

Motor Vehicle Fund—Transportation Improvement

Account—State Appropriation	\$	184,000,000
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Motor Vehicle Fund—Urban Arterial Trust

Account—State Appropriation	\$	26,322,000
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Motor Vehicle Fund—City Hardship Assistance

Account—State Appropriation	\$	1,500,000
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TOTAL APPROPRIATION	\$	211,822,000
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The appropriations in this section are subject to the following conditions and limitations:

(1) The transportation improvement board shall present to the legislative transportation committee by December 15, 1993, proposed legislation and an action plan to address the recommendations identified in the 1992 evaluation of the transportation improvement board by the subcommittee on transportation boards and commissions of the legislative transportation committee.

(2) The transportation improvement board shall on a quarterly basis present to the legislative transportation committee and the office of financial management an analysis of project cost changes as they apply to overall project costs, for projects funded from the transportation improvement account and the urban arterial trust account. The initial report, due October 31, 1993, shall compare cost estimates at the time of project approval to present estimate or final cost for all urban arterial trust account projects selected from 1989 forward and for all transportation improvement account projects. The board shall provide an update to the report each quarter thereafter citing the amount and reason for additional changes in actual or estimated costs for any project.

(3) \$50,000,000 of the transportation improvement account—state appropriation in this section is conditioned on the enactment of Senate Bill No. 5969, authorizing bond sales for projects funded from the transportation improvement account.

NEW SECTION. Sec. 6. FOR THE STATE PATROL—FIELD OPERATIONS BUREAU

Motor Vehicle Fund—State Patrol Highway Account—		
State Appropriation	\$	143,616,000
Motor Vehicle Fund—State Patrol Highway Account—		
Federal Appropriation	\$	3,218,000
Motor Vehicle Fund—State Appropriation	\$	788,000
TOTAL APPROPRIATION	\$	147,622,000

The appropriations in this section are subject to the following conditions and limitations: Any user of Washington state patrol aircraft shall reimburse the Washington state patrol for its pro rata share of all operating and maintenance costs including capitalization.

NEW SECTION. Sec. 7. FOR THE STATE PATROL—INVESTIGATIVE SERVICES BUREAU

Transportation Fund—State Appropriation	\$	1,371,000
Motor Vehicle Fund—State Appropriation	\$	4,444,000
TOTAL APPROPRIATION	\$	5,815,000

NEW SECTION. Sec. 8. FOR THE STATE PATROL—SUPPORT SERVICES BUREAU

Motor Vehicle Fund—State Patrol Highway Account—		
State Appropriation	\$	57,474,000
Transportation Fund—State Appropriation	\$	3,391,000
Motor Vehicle Fund—State Appropriation	\$	1,099,000
TOTAL APPROPRIATION	\$	61,964,000

NEW SECTION. Sec. 9. FOR THE DEPARTMENT OF LICENSING—MANAGEMENT OPERATIONS

General Fund—Wildlife Account—State Appropriation	\$	46,000
Transportation Fund—State Appropriation	\$	414,000
Highway Safety Fund—State Appropriation	\$	5,523,000
Highway Safety Fund—Motorcycle Safety Education		
Account—State Appropriation	\$	96,000
Motor Vehicle Fund—State Appropriation	\$	4,379,000
TOTAL APPROPRIATION	\$	10,458,000

NEW SECTION. Sec. 10. FOR THE DEPARTMENT OF LICENSING—INFORMATION SYSTEMS

General Fund—Wildlife Account—State Appropriation	\$	221,000
Transportation Fund—State Appropriation	\$	247,000
Highway Safety Fund—State Appropriation	\$	5,131,000

Highway Safety Fund—Motorcycle Safety Education

Account—State Appropriation	\$	50,000
Motor Vehicle Fund—State Appropriation	\$	9,869,000
TOTAL APPROPRIATION	\$	15,518,000

Contained in this appropriation is \$10,000,000 for the licensing application migration project (LAMP), of which \$6,000,000 is motor vehicle fund—state and \$4,000,000 highway safety fund—state. Of the \$10,000,000 appropriation \$500,000 is provided solely as a contingency amount. The appropriation for LAMP is conditioned upon compliance with section 49 of this act. If section 49 of this act is not enacted during the 1993 legislative session, then the \$10,000,000 appropriation for the licensing application migration project (LAMP) shall lapse.

NEW SECTION. Sec. 11. FOR THE DEPARTMENT OF LICENSING—VEHICLE SERVICES

Motor Vehicle Fund—State Appropriation	\$	49,076,000
General Fund—Marine Fuel Tax Refund Account—		
State Appropriation	\$	26,000
General Fund—Wildlife Account—State Appropriation	\$	520,000
Department of Licensing Services Account—		
State Appropriation	\$	676,000
TOTAL APPROPRIATION	\$	50,298,000

NEW SECTION. Sec. 12. FOR THE DEPARTMENT OF LICENSING—DRIVER SERVICES

Transportation Fund—State Appropriation	\$	4,396,000
Highway Safety Fund—State Appropriation	\$	51,929,000
Highway Safety Fund—Motorcycle Safety Education		
Account—State Appropriation	\$	1,300,000
TOTAL APPROPRIATION	\$	57,625,000

\$400,000 of the highway safety fund - motorcycle safety education account appropriation in this section is provided solely to enhance the motorcycle testing program. If Senate Bill No. 5101 is not enacted during the 1993 legislative session, the \$400,000 appropriation is null and void.

NEW SECTION. Sec. 13. FOR THE LEGISLATIVE TRANSPORTATION COMMITTEE

Motor Vehicle Fund—State Appropriation	\$	2,644,000
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NEW SECTION. Sec. 14. FOR THE LEGISLATIVE EVALUATION AND ACCOUNTABILITY COMMITTEE

Motor Vehicle Fund—State Appropriation	\$	410,000
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NEW SECTION. Sec. 15. FOR THE MARINE EMPLOYEES COMMISSION

Motor Vehicle Fund—Puget Sound Ferry Operations		
Account—State Appropriation	\$	373,000

NEW SECTION. Sec. 16. FOR THE TRANSPORTATION COMMISSION

Transportation Fund—State Appropriation \$ 1,637,000

The Washington state transportation commission shall make recommendations on the facility, operations, and funding components of implementing passenger-only service from Seattle/Vashon/Southworth and Seattle/Kingston. Such recommendations shall be submitted to the governor and the legislative transportation committee on or before September 30, 1993.

NEW SECTION. Sec. 17. FOR THE AIR TRANSPORTATION COMMISSION

Transportation Fund—State Appropriation \$ 534,000

The appropriation in this section assumes that as of January 1, 1994, commission staff shall be reduced from four full-time equivalent to two full-time equivalent and that the appropriation shall expire on April 1, 1994.

Sec. 18. RCW 47.86.030 and 1992 c 190 s 3 are each amended to read as follows:

The commission shall conduct studies to determine Washington’s long-range air transportation policy, including an assessment of intermodal needs, and to assess the impacts of increasing air traffic upon surrounding communities, including an evaluation of noise mitigation and surface transportation impacts at existing facilities, and the potential impact at new or expanded facilities.

The studies shall include, but are not limited to the following:

(1) The feasibility of acquiring the Stampede Pass rail line for use as a utility corridor, intermodal high speed transportation corridor or other transportation uses. The study shall include an examination of the ownership of the Stampede Pass rail line right of way and evaluate the advantages and disadvantages of preserving the Stampede Pass rail line corridor. It shall include interested public and private agencies when conducting the study. The commission shall encourage local communities and the private sector to financially participate in the study. The commission shall make a presentation of the feasibility findings to the legislative transportation committee on or before December 1, 1990.

(2) Recommendations to the legislature on future Washington state air transportation policy, including the expansion of existing and potential air carrier and reliever facilities and the siting of such new facilities, specifically taking into consideration intermodal needs. The commission shall consider the development of wayports in eastern Washington, taking into account similar developments in Japan and Germany, in order to reduce congestion resulting from rapid growth in the Puget Sound region. The commission shall coordinate its study of airport siting policy issues with the efforts of the high-speed ground transportation steering committee.

The commission shall submit findings and recommendations to the legislative transportation committee by December 1, ((1994)) 1993, with

completed reports to be presented to the legislative transportation committee on the dates as provided in subsection (3) of this section.

(3) A report on the following work program projects by December 1, 1992:

(a) Evaluation of the importance of air transportation in the economic and social vitality of the state including costs and effects of delay of air capacity expansion;

(b) Air transportation demand, aviation industry trends, and air capacity in Washington through 2020;

(c) A review of the final draft of the Puget Sound air transportation committee's flight plan assessments of air capacity and demand.

(4) A transportation systems planning evaluation of air transportation planning options in Washington by July 1, 1993.

(5) The work program project reports as provided in subsection (3) of this section and the policy recommendations of the commission shall be transmitted to regional transportation planning organizations created pursuant to chapter 47.80 RCW. Each regional transportation planning organization shall consider the commission's project reports and policy recommendations when adopting its regional transportation plan and in its review of local comprehensive plans for consistency with the regional transportation plans.

(6) A review of the environmental, social, and economic costs associated with Washington state's air transportation system. The commission shall review and comment upon the effectiveness and reasonableness of current or planned practices to mitigate the adverse environmental effects of operating, developing, or expanding the state's air transportation system.

NEW SECTION. Sec. 19. Effective April 1, 1994, the following acts or parts of acts are each repealed:

(1) RCW 47.86.010 and 1990 c 298 s 39;

(2) RCW 47.86.020 and 1990 c 298 s 40;

(3) RCW 47.86.030 and 1993 c . . . s 18 (section 18 of this act), 1992 c 190 s 3, 1991 c 231 s 7, & 1990 c 298 s 41;

(4) RCW 47.86.035 and 1992 c 190 s 1;

(5) RCW 47.86.040 and 1990 c 298 s 42;

(6) RCW 47.86.050 and 1990 c 298 s 43;

(7) RCW 47.86.060 and 1990 c 298 s 44;

(8) RCW 47.86.900 and 1990 c 298 s 45; and

(9) RCW 47.86.901 and 1990 c 298 s 47.

NEW SECTION. Sec. 20. **FOR THE DEPARTMENT OF AGRICULTURE**

Motor Vehicle Fund—State Appropriation \$ 418,000

The motor vehicle fund—state appropriation is provided solely for the motor fuel quality testing program. Annual reports shall be submitted to the legislative transportation committee on December 15th of each year.

NEW SECTION. Sec. 21. FOR THE DEPARTMENT OF TRANSPORTATION—STATE HIGHWAY RESURFACING, RESTORATION, REHABILITATION, AND SAFETY—PROGRAM A

Motor Vehicle Fund—State Appropriation	\$	174,337,000
Motor Vehicle Fund—Federal Appropriation	\$	98,040,000
Motor Vehicle Fund—Local Appropriation	\$	3,460,000
TOTAL APPROPRIATION	\$	275,837,000

The appropriations in this section are provided for the location, design, right of way, and construction of state highway projects designated as category "A" under RCW 47.05.030. The appropriations in this section are subject to the following conditions and limitations:

(1) Up to \$650,000 of the motor vehicle fund—state appropriation is provided solely for an inventory of drainage facilities; analysis of water sources entering the Washington department of transportation facilities; testing for contaminants; analyzing the flow of discharged stormwater; and developing a prioritization system that will enable the department to evaluate proposed construction projects with regard to their effects on sensitive water bodies.

(2) Up to \$1,326,000 of the motor vehicle fund—state appropriation is provided for fish passage barrier removal. The department of transportation shall cooperate with the department of fisheries to continue retrofit work now in progress, finalize the inventory, and begin additional projects as funds allow.

(3) Up to \$1,200,000 of the motor vehicle fund—state appropriation is provided for the state match for the scenic highways program. In the event the full state match is not required, the remainder shall revert to the motor vehicle fund for future appropriation.

(4) Up to \$33,400,000 of the motor vehicle fund—state appropriation is provided for a one-time expenditure for additional category A projects. It is the intent that the appropriations in this section do not commit the governor or the legislature to the transportation commission's proposed category A program update.

NEW SECTION. Sec. 22. FOR THE DEPARTMENT OF TRANSPORTATION—INTERSTATE HIGHWAY CONSTRUCTION—PROGRAM B

Motor Vehicle Fund—State Appropriation	\$	85,245,000
Motor Vehicle Fund—Federal Appropriation	\$	446,000,000
Motor Vehicle Fund—Local Appropriation	\$	4,000,000
TOTAL APPROPRIATION	\$	535,245,000

The appropriations in this section are provided for the location, design, right of way, and construction of state highway projects on the interstate system designated as category "B" under RCW 47.05.030. The appropriations in this section are subject to the following conditions and limitations:

(1) The motor vehicle fund—state appropriation includes a maximum of \$50,800,000 in proceeds from the sale of bonds authorized by RCW 47.10.790

and 47.10.801. However, the transportation commission may authorize the use of current revenues available to the department of transportation in lieu of bond proceeds for any part of the state appropriation.

(2) Should cash flow demands exceed the motor vehicle fund—federal appropriation, the motor vehicle fund—state appropriation is increased proportionally to provide matching state funds from the sale of bonds authorized by RCW 47.10.801 and 47.10.790 not to exceed \$10,000,000 and it is understood that the department shall seek authority to expend unanticipated receipts for the federal portion.

(3) It is further recognized that the department may make use of federal cash flow obligations on interstate construction contracts in order to complete the interstate highway system as expeditiously as possible.

(4) Up to \$7,185,000 of the appropriation in this section is provided for construction of demonstration projects specified in the federal intermodal surface transportation efficiency act (P.L. 101-240; 105 Stat. 1914). State funds needed for the federal match requirements shall be from the bonds sales proceeds not to exceed \$1,437,000 as authorized by Senate Bill No. 5371. However, the transportation commission may authorize the use of current revenues available to the department of transportation in lieu of bond proceeds for any part of the state appropriation.

(5) Up to \$30,000,000 of the motor vehicle fund—state appropriation in this section is provided to expedite high occupancy vehicle lane construction on the interstate system.

(6) Pending the receipt of federal funds appropriated in this section, up to \$120,000,000 of bonds authorized by chapter 6, Laws of 1993, may be sold to fund interstate construction project expenditures in advance of the receipt of federal funds. However, the transportation commission may authorize the use of current revenues available to the department of transportation in lieu of bond proceeds.

NEW SECTION. Sec. 23. FOR THE DEPARTMENT OF TRANSPORTATION—MAJOR NONINTERSTATE HIGHWAY CONSTRUCTION—PROGRAM C

Motor Vehicle Fund—State Appropriation	\$	77,540,000
Motor Vehicle Fund—Federal Appropriation	\$	66,948,000
Motor Vehicle Fund—Local Appropriation	\$	5,000,000
Transportation Fund—State Appropriation	\$	54,724,000
Special Category C—State Appropriation	\$	166,833,000
Puyallup Tribal Settlement Account—		
State Appropriation	\$	44,024,000
Puyallup Tribal Settlement Account—		
Private Local Appropriation	\$	6,000,000
TOTAL APPROPRIATION	\$	431,069,000

The appropriations in this section are provided for the location, design, right of way acquisition, and construction of state highway projects designated as category "C" under RCW 47.05.030. The appropriations in this section are subject to the following conditions and limitations:

(1) The motor vehicle fund—state appropriation includes \$32,800,000 in proceeds from the sale of bonds authorized by RCW 47.10.790 and 47.10.801. However, the transportation commission may authorize the use of current revenues available to the department of transportation in lieu of bond proceeds for any part of the state appropriation.

(2) Up to \$44,000,000 of the motor vehicle fund—federal appropriation in this section is provided for construction of demonstration projects specified in the federal intermodal surface transportation efficiency act (P.L. 101-240; 105 Stat. 1914). The motor vehicle fund—state appropriation includes \$11,000,000 for the federal match requirements, which shall be from the bond sales proceeds as authorized by Senate Bill No. 5371. However, the transportation commission may authorize the use of current revenues available to the department of transportation in lieu of bond proceeds for any part of the state appropriation. No bond proceeds shall be used to pay for a federal demonstration study project.

(3) The special category C fund—state appropriation of \$166,833,000 includes \$108,000,000 in proceeds from the sale of bonds authorized by Senate Bill No. 5343 for the 1st Avenue South Bridge in Seattle, North-South Corridor/ Division Street improvements in Spokane, and selected sections of State Route 18. However, the transportation commission may authorize the use of current revenues available to the department of transportation in lieu of bond proceeds for any part of the state appropriation.

(4) Up to \$45,760,000 of the motor vehicle fund—state appropriation, \$64,724,000 of the transportation fund—state appropriation, and \$14,948,000 of the motor vehicle fund—federal appropriation provided for in this section are for regular category C projects. Of the appropriations specified in this subsection, up to ten percent may be expended for preliminary engineering and right of way. The remainder shall be expended for construction contracts, including \$10,295,000 for HOV lane projects on noninterstate state highways. Quarterly, beginning July 1, 1993, the department shall provide to the legislative transportation committee a list of the construction contracts awarded under this subsection and the amount of each contract award.

(5) \$21,000,000 of the motor vehicle fund—state appropriation is provided solely for additional HOV lane projects on noninterstate state highways. Quarterly, beginning July 1, 1993, the department shall provide to the legislative transportation committee a list of the construction contracts awarded under this subsection and the amount of each contract award.

(6) Up to \$2,000,000 of the motor vehicle fund—state appropriation and \$1,000,000 of the motor vehicle fund—local appropriation contained in this section is provided solely for the construction of rest areas provided local and/or private contributions of at least forty percent of total project costs are made.

General Fund—Aeronautics Account—Federal	
Appropriation	\$ 652,000
General Fund—Search and Rescue Account—State	
Appropriation	\$ 130,000
TOTAL APPROPRIATION	\$ 3,888,000

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

(1) The aeronautics account appropriations in this section are provided for management and support of the aeronautics division, state fund grants to local airports, development and maintenance of a state-wide airport system plan, maintenance of state-owned emergency airports, and federal inspections.

(2) The search and rescue account—state appropriation in this section is provided for directing and conducting searches for missing, downed, overdue, or presumed downed general aviation aircraft; for safety and education activities necessary to insure safety of persons operating or using aircraft; and for the Washington wing civil air patrol in accordance with RCW 47.68.370.

NEW SECTION. Sec. 27. FOR THE DEPARTMENT OF TRANSPORTATION—COMMUNITY ECONOMIC REVITALIZATION—PROGRAM G

Motor Vehicle Fund—Economic Development Account—	
State Appropriation	\$ 5,020,000

The appropriation in this section is funded with the proceeds from the sale of bonds authorized by RCW 47.10.801 and is provided for improvements to the state highway system necessitated by planned economic development.

NEW SECTION. Sec. 28. FOR THE DEPARTMENT OF TRANSPORTATION—NONINTERSTATE BRIDGES—PROGRAM H

Motor Vehicle Fund—State Appropriation	\$ 45,027,000
Motor Vehicle Fund—Federal Appropriation	\$ 71,000,000
Motor Vehicle Fund—Local Appropriation	\$ 1,000,000
TOTAL APPROPRIATION	\$ 117,027,000

(1) The appropriations in this section are provided to preserve the structural and operating integrity of existing bridges. It is the intent that this appropriation does not commit the governor nor the legislature to the transportation commission's proposed twenty-year bridge program.

(2) Up to \$5,000,000 of the motor vehicle fund—state appropriation is provided solely for rehabilitation of state-owned moveable bridges.

NEW SECTION. Sec. 29. FOR THE DEPARTMENT OF TRANSPORTATION—HIGHWAY MAINTENANCE AND OPERATIONS—PROGRAM M

Motor Vehicle Fund—State Appropriation	\$ 238,692,000
Motor Vehicle Fund—Local Appropriation	\$ 4,690,000
TOTAL APPROPRIATION	\$ 243,382,000

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

(1) Up to \$300,000 of the motor vehicle fund—state appropriation is provided to develop and implement a roadside vegetation management plan to comply with the Puget Sound water quality authority management plan. Emphasis shall be placed on nonchemical vegetation control.

(2) Up to \$910,000 of the motor vehicle fund—state appropriation is provided for additional maintenance to prevent mechanical and electrical problems on floating bridges, maintenance on the Lacey V. Murrow floating bridge, and compliance with department of labor and industries maintenance regulations.

(3) Up to \$600,000 of the motor vehicle fund—state appropriation is provided for testing and disposal of hazardous materials and for interjurisdictional and/or interagency development of eight treatment facilities.

(4) Up to \$2,411,000 of the motor vehicle fund—state appropriation is provided to expedite and enhance traffic signal improvements.

(5) It is the intent of the legislature that the legislative transportation committee study the impact upon the department of transportation of the utilities accommodation policy, requiring the removal of power poles, guy lines, and junction boxes adjacent to state highways. The committee shall report its findings to the legislature no later than November 15, 1995. No additional moneys are appropriated in this section for the purpose of doing additional utility clear zone work.

NEW SECTION. Sec. 30. FOR THE DEPARTMENT OF TRANSPORTATION—SALES AND SERVICES TO OTHERS—PROGRAM R

Motor Vehicle Fund—State Appropriation	\$	2,894,000
Motor Vehicle Fund—Federal Appropriation	\$	33,400,000
Motor Vehicle Fund—Local Appropriation	\$	28,892,000
TOTAL APPROPRIATION	\$	65,186,000

NEW SECTION. Sec. 31. FOR THE DEPARTMENT OF TRANSPORTATION—TRANSPORTATION MANAGEMENT AND SUPPORT—PROGRAM S

Motor Vehicle Fund—Puget Sound Capital Construction		
Account—State Appropriation	\$	1,109,000
Motor Vehicle Fund—State Appropriation	\$	51,475,000
Motor Vehicle Fund—Puget Sound Ferry Operations		
Account—State Appropriation	\$	1,105,000
Transportation Fund—State Appropriation	\$	897,000
TOTAL APPROPRIATION	\$	54,586,000

Up to \$526,000 of the transportation fund—state appropriation is provided for the implementation of Substitute House Bill No. 1006.

NEW SECTION. Sec. 32. FOR THE DEPARTMENT OF TRANSPORTATION—TRANSIT RESEARCH AND INTERMODAL PLANNING—PROGRAM T

Motor Vehicle Fund—State Appropriation	\$	16,376,000
Motor Vehicle Fund—Federal Appropriation	\$	16,314,000
High Capacity Transportation Account—		
State Appropriation	\$	17,500,000
Transportation Fund—State Appropriation	\$	44,088,000
Transportation Fund—Federal Appropriation	\$	5,852,000
Transportation Fund—Local Appropriation	\$	100,000
Central Puget Sound Public Transportation Account—		
State Appropriation	\$	21,100,000
Public Transportation Systems Account—State		
Appropriation	\$	5,500,000
TOTAL APPROPRIATION	\$	126,830,000

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

(1) Up to \$31,000,000 of the transportation fund—state appropriation is provided for administrative costs, operating subsidies for contracted AMTRAK 403(b) service, and for capital projects to improve train speeds and service.

(2) Up to \$9,200,000 of the transportation fund—state appropriation is provided for state participation in the planning and construction of passenger rail depots and other passenger intermodal facilities.

(3) The central Puget Sound public transportation account—state appropriation and the public transportation systems account—state appropriation shall be distributed to local transit agencies based on the allocation process defined in Substitute House Bill No. 2036. These appropriations are null and void if Substitute House Bill No. 2036 is not enacted by the legislature.

(4) Of the \$3,400,000 motor vehicle fund—state appropriation provided for regional transportation planning organizations, funds not allocated to such organizations may be used for a discretionary grant program for special regional planning projects, to be administered by the department of transportation.

(5) Up to \$250,000 of the motor vehicle fund—state appropriation contained in this section is provided solely for the Puget Sound transportation investment program. The program shall pay special attention to the Edmonds/Kingston run and development of an intermodal terminal at Point Edwards. Work on the program shall be completed and reported to the legislative transportation committee no later than December 15, 1993.

(6) Up to \$1,500,000 of the transportation fund—state appropriation contained in this section is provided solely for the rural mobility program.

NEW SECTION. Sec. 33. FOR THE DEPARTMENT OF TRANSPORTATION—TRANSIT RESEARCH AND INTERMODAL PLANNING—PROGRAM T—CAPITAL

Essential Rail Assistance Account—State	
Appropriation	\$ 1,000,000
Essential Rail Banking Account—State	
Appropriation	\$ 1,100,000
TOTAL APPROPRIATION	
	\$ 2,100,000

The appropriations in this section are provided for the purposes authorized in chapter 47.76 RCW.

***NEW SECTION. Sec. 34. FOR THE DEPARTMENT OF TRANSPORTATION—CHARGES FROM OTHER AGENCIES—PROGRAM U**

Motor Vehicle Fund—State Appropriation	\$ 30,124,000
Motor Vehicle Fund—Puget Sound Ferry Operations	
Account—State Appropriation	\$ 2,000,000
TOTAL APPROPRIATION	
	\$ 32,124,000

The appropriations in this section are to provide for costs billed to the department for the services or other state agencies as follows:

- (1) Archives and records management, \$258,000 motor vehicle fund—state appropriation;*
- (2) Attorney general tort claims support, \$4,692,000 motor vehicle fund—state appropriation;*
- (3) Office of the state auditor, \$793,000 motor vehicle fund—state appropriation;*
- (4) Department of general administration facility and services, \$3,406,000 motor vehicle fund—state appropriation;*
- (5) Department of personnel, \$3,088,000 motor vehicle fund—state appropriation;*
- (6) Self-insurance liability premiums and administration, \$15,824,000 motor vehicle fund—state appropriation;*
- (7) Department of general administration for capital projects on the transportation Olympia headquarters building and for maintenance work on the department of transportation/plaza parking garage, \$1,704,000 motor vehicle fund—state appropriation;*
- (8) Office of minority and women’s business enterprises, \$359,000 motor vehicle fund—state appropriation;*
- (9) Marine division self-insurance liability premiums and administration \$2,000,000 motor vehicle fund—Puget Sound ferry operations account—state appropriation.*

*Sec. 34 was partially vetoed, see message at end of chapter.

NEW SECTION. Sec. 35. FOR THE DEPARTMENT OF TRANSPORTATION—MARINE CONSTRUCTION—PROGRAM W

Motor Vehicle Fund—Puget Sound Capital Construction	
Account—State Appropriation	\$ 235,746,000

Motor Vehicle Fund—Puget Sound Capital Construction	
Account—Federal Appropriation	\$ 32,237,000
Motor Vehicle Fund—Puget Sound Capital Construction	
Account—Private/Local Appropriation	\$ 900,000
TOTAL APPROPRIATION	\$ 268,883,000

The appropriations in this section are provided for improving the Washington state ferry system, including, but not limited to, vessel acquisition, vessel construction, major and minor vessel improvements, and terminal construction and improvements. The appropriations in this section are subject to the following conditions and limitations:

(1) The appropriations in this section are provided to carry out only the projects presented to the legislature (version 4) for the 1993-95 budget. The department shall reconcile the 1991-93 capital expenditures within ninety days of the end of the biennium and submit a final report to the legislative transportation committee and office of financial management.

(2) The Puget Sound capital construction account—state appropriation includes \$15,000,000 in proceeds from the sale of bonds authorized by RCW 47.60.560 and \$116,126,000 in proceeds from the sale of bonds authorized by RCW 47.60.800. However, the department of transportation may use current revenues available to the Puget Sound capital construction account in lieu of bond proceeds for any part of the state appropriation.

(3) The appropriation in this section provides for the construction, in the state of Washington, of new jumbo ferry vessels in accordance with the requirements of Substitute House Bill No. 1635. The transportation commission shall provide progress reports to the legislative transportation committee and the governor regarding the implementation of Substitute House Bill No. 1635.

(4) The department of transportation shall provide to the legislative transportation committee and office of financial management a quarterly financial report concerning the status of the capital program authorized in this section.

NEW SECTION. Sec. 36. FOR THE DEPARTMENT OF TRANSPORTATION—MARINE—PROGRAM X

Marine Operating Fund—State Appropriation	\$ 237,559,000
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The appropriation in this section is subject to the following conditions and limitations:

(1) The appropriation is based on the budgeted expenditure of \$27,123,000 for vessel operating fuel in the 1993-95 biennium. If the actual cost of fuel is less than this budgeted amount, the excess amount may not be expended. If the actual cost exceeds this amount, the department shall request a supplemental appropriation.

(2) The appropriation contained in this section provides for the compensation of ferry employees. The expenditures for compensation paid to ferry employees during the 1993-95 biennium may not exceed \$159,183,000 plus a dollar amount, as prescribed by the office of financial management, that is equal to any

insurance benefit increase granted general government employees in excess of \$324.20 a month annualized per eligible marine employee multiplied by the number of eligible marine employees for the respective fiscal year, and a dollar amount as prescribed by the office of financial management for costs associated with pension amortization charges. For the purposes of this section, the expenditures for compensation paid to ferry employees shall be limited to salaries and wages and employee benefits as defined in the office of financial management's policies, regulations, and procedures named under objects of expenditure "A" and "B" (7.2.6.2).

The prescribed insurance benefit increase dollar amount that shall be allocated from the governor's compensation insurance benefits appropriation is in addition to the appropriation contained in this section and may be used to increase compensation costs, effective July 1, 1993, and July 1, 1994.

(3) The appropriation in this section includes \$500,000 to (a) ensure the marine division of the department of transportation's compliance with RCW 88.46.060 through a contractual agreement between Washington state ferries and the Washington state maritime commission and (b) assist Washington state ferries in oil spill prevention, planning, and education in accordance with chapter 43.211 RCW.

(4) The appropriation in this section includes \$154,000 for support of Clinton terminal agent expenses, but shall be expended only upon the construction of a new Clinton terminal.

(5) The appropriation in this section includes \$359,000 to provide, during the summer, eight hours of Issaquah vessel class service on the Edmonds/Kingston route. This amount shall be expended only if the super class vessel refurbishment program impacts super class vessel service on this route.

(6) The appropriation in this section includes \$185,000 to assess the ability of enhancing vessel maintenance for those routes that require extensive service schedules throughout the year by placing additional oiler staff hours on two routes during the 1993-94 fiscal year. The results of this maintenance approach shall be reported to the legislative transportation committee and the office of financial management by December 1, 1993.

(7) The department of transportation shall provide to the legislative transportation committee and office of financial management a quarterly financial report concerning the status of the operating program authorized in this section.

NEW SECTION. Sec. 37. FOR THE DEPARTMENT OF TRANSPORTATION—LOCAL PROGRAMS—PROGRAM Z

Motor Vehicle Fund—State Appropriation	\$	7,594,000
Motor Vehicle Fund—Federal Appropriation	\$	161,033,000
Motor Vehicle Fund—Local Appropriation	\$	5,086,000
Transfer Relief Account—State Appropriation	\$	3,920,000
TOTAL APPROPRIATION	\$	177,633,000

The appropriations in this section are subject to the following conditions and limitations: Up to \$6,774,000 of the motor vehicle fund—federal appropriation in this section is provided for construction of demonstration projects specified in the federal intermodal surface transportation efficiency act (P.L. 101-240; 105 Stat. 1914). The motor vehicle fund—state appropriation includes \$570,000 for the federal match requirements, which shall be from the bond sales proceeds as authorized by Senate Bill No. 5371. However, the transportation commission may authorize the use of current revenues available to the department of transportation in lieu of bond proceeds for any part of the state appropriation.

NEW SECTION. Sec. 38. FOR THE DEPARTMENT OF TRANSPORTATION—TRANSFER

Motor Vehicle Fund—RV Account—State Appropriation
For transfer to the Motor Vehicle Fund \$ 427,000

The appropriation transfer in this section is provided for the construction and maintenance of recreation vehicle sanitary disposal systems at rest areas on the state highway system.

NEW SECTION. Sec. 39. FOR THE DEPARTMENT OF TRANSPORTATION—TRANSFER

Motor Vehicle Fund—State Appropriation
For transfer to the Transportation Capital Facilities
Account—State Appropriation \$ 40,480,000

NEW SECTION. Sec. 40. FOR THE DEPARTMENT OF TRANSPORTATION EMERGENCY PROJECTS—PROGRAM A

Motor Vehicle Fund—State Appropriation \$ 25,000,000

The appropriation in this section shall be funded from the sale of bonds authorized in Senate Bill No. 5370.

NEW SECTION. Sec. 41. FOR THE DEPARTMENT OF TRANSPORTATION FEDERAL MATCH PROJECTS—PROGRAM Z

Motor Vehicle Fund—State Appropriation \$ 25,000,000

The appropriation in this section shall be funded from the sale of bonds authorized in Senate Bill No. 5371. The state finance committee shall administer the repayment of loans authorized in Senate Bill No. 5371.

NEW SECTION. Sec. 42. The department of transportation is authorized to transfer any balances available in the highway construction stabilization account to the motor vehicle fund to fund the appropriations contained in this act.

NEW SECTION. Sec. 43. The motor vehicle fund revenues are received at a relatively even flow throughout the year. Expenditures exceed the revenue during the accelerated summer and fall highway construction season, creating a negative cash balance during the heavy construction season. Negative cash balances also may result from the use of state funds to finance federal advance construction projects prior to conversion to federal funding. The governor and

the legislature recognize that the department of transportation may require interfund loans or other short-term financing to meet temporary seasonal cash requirements and additional cash requirements to fund federal advance construction projects.

NEW SECTION. Sec. 44. In addition to such other appropriations as are made by this act, there is appropriated to the department of transportation from legally available bond proceeds in the respective construction or building accounts such amounts as are necessary to pay the expenses incurred by the state finance committee in the issuance and sale of the subject bonds.

NEW SECTION. Sec. 45. The department of transportation is authorized to undertake federal advance construction projects under the provisions of 23 U.S.C. Sec. 115 in order to maintain progress in meeting approved highway construction and preservation objectives. The legislature recognizes that the use of state funds may be required to temporarily fund expenditures of the federal appropriations for the highway construction and preservation programs for federal advance construction projects prior to conversion to federal funding.

NEW SECTION. Sec. 46. A new section is added to chapter 46.01 RCW to read as follows:

The state patrol and the department of licensing shall coordinate their activities when siting facilities. This coordination shall result in the collocation of driver and vehicle licensing and vehicle inspection service facilities whenever possible.

The department and state patrol shall explore alternative state services, such as vehicle emission testing, that would be feasible to collocate in these joint facilities. The department and state patrol shall reach agreement with the department of transportation for the purposes of offering department of transportation permits at these one-stop transportation centers. All services provided at these transportation service facilities shall be provided at cost to the participating agencies.

In those instances where the community need or the agencies' needs do not warrant collocation this section shall not apply.

NEW SECTION. Sec. 47. FOR THE WASHINGTON STATE PATROL—CAPITAL

Motor Vehicle Fund—State Patrol Highway

Account—State Appropriation	\$	10,485,000
Motor Vehicle Fund—State Appropriation	\$	765,000
Highway Safety Fund—State Appropriation	\$	765,000
TOTAL APPROPRIATION	\$	12,015,000

The appropriations in this section are provided for the following projects:
WSP/DOL Dist Office—Tacoma
Everett Dist Hdqtrs Building
Minor Works Preservation

- Shelton Trng Acad Restroom Repair
- Replace Underground Storage Tanks
- Replace Rattlesnake Ridge Communication Site
- Shelton Academy Property Acquisition
- Vancouver Cve Inspection Station
- Mt. Vernon Comm Site Construction
- Spokane Cve Inspection Station
- Replace Scale Mechanism SeaTac South
- Yakima District Hdqtrs Predesign
- I-90 Port of Entry Weigh Station
- Smokey Point Weigh Station Design
- Morton Detachment Property Acquisition
- Longview Vin Lane Construction Property Acquisition

NEW SECTION. Sec. 48. FOR THE DEPARTMENT OF LICENSING—CAPITAL

Highway Safety Fund—State Appropriation	\$	61,000
Motor Vehicle Fund—State Appropriation	\$	20,000
TOTAL APPROPRIATION	\$	81,000

The appropriations in this section are provided for the following projects:
Longview Customer Service Center
North Spokane Customer Service Center
Vancouver Customer Service Center

NEW SECTION. Sec. 49. In addition to compliance with the requirements of RCW 43.105.190, titled "Major information technology projects standards and policies," agencies shall comply with the following requirements: For projects funded through the transportation budget, the agency and the department of information services shall provide the office of financial management, the legislative transportation committee, and the information services board with a written bi-monthly project oversight and risk assessment report for designated projects. The report shall include, but not be limited to, the following: Project name, agency undertaking the project, a description of the project, key project activities or accomplishments during the next sixty to ninety days, baseline cost data, costs to date, baseline schedule, schedule to date, risk assessments, risk management, any deviations from the project feasibility study, and recommendations.

NEW SECTION. Sec. 50. The legislature supports the proposed reduction by the governor of state agency, middle management level employees and recognizes that such reduction is essential to achieve more efficient and effective delivery of state services. Further, the legislature finds that employee reductions in agencies providing state transportation programs and services are necessary to the extent such reductions do not jeopardize transportation program and service delivery.

NEW SECTION. Sec. 51. To maximize the use of transportation revenues, it is the intent of the legislature to encourage sharing of technology, information, and systems where appropriate between transportation agencies.

To facilitate this exchange, the Washington state department of transportation assistant secretary for finance and budget management; Washington state department of transportation chief for management information systems; the Washington state patrol deputy chief, chief of staff; Washington state patrol manager of the computer services division; the department of licensing deputy director and department of licensing assistant director for information systems will meet quarterly to share plans, discuss progress of key projects, and to coordinate activities for the common good. Minutes of these meetings will be distributed to the respective agency heads and the legislative transportation committee. Washington state department of transportation will provide staff support and meeting coordination.

NEW SECTION. Sec. 52. The appropriations of moneys and the designation of funds and accounts by this and other acts of the 1993 legislature shall be construed in a manner consistent with legislation enacted by the 1985, 1987, 1989, and 1991 legislatures to conform state funds and accounts with generally accepted accounting principles. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

****NEW SECTION. Sec. 53. The commission for efficiency and accountability in Washington state government shall conduct a study, in conjunction with the department of transportation, the department of licensing, and the Washington state patrol, of the methods used by the revolving fund agencies to determine the cost allocation for actual services provided to the transportation agencies. The study shall determine whether or not allocation methodologies used to assign these costs to transportation agencies are consistent with accepted accounting principles and represent a pro rata share in relation to all other agencies.***

*Sec. 53 was vetoed, see message at end of chapter.

NEW SECTION. Sec. 54. Beginning July 1, 1993, and until June 30, 1995, no state agency may provide the following to employees whose monthly salary on or after July 1, 1993, exceeds \$3,750:

(1) Scheduled increment increases to any employee classified under chapter 41.06 RCW;

(2) Salary increases to any employee who is exempt from chapter 41.06 RCW, except exempt employees whose salaries are determined by an elected state official or the judicial branch;

(3) Salary increases to the agency officials listed in RCW 43.03.028 and 47.01.041.

The office of financial management shall reduce allotments to all transportation agencies to reflect the elimination of these salary increases.

NEW SECTION. Sec. 55. The department of licensing shall review the pricing of fees related to the licensing and operation of motor vehicles to determine whether any such fees should be eliminated to reduce costs, whether the pricing of any fees should be adjusted to cover costs of administration or to be more equitable, and whether any other related modifications may be justified, and make recommendations to the governor and the legislative transportation committee by October 15, 1993, as to any price-setting policies or guidelines, pricing changes, or other statutory modifications pertaining to such fees.

Sec. 56. 1991 sp.s. c 15 s 4 (uncodified) is amended to read as follows:
FOR THE BOARD OF PILOTAGE COMMISSIONERS

General Fund—Pilotage Account—State

Appropriation	\$	((185,000))
		<u>202,000</u>

~~((No more than \$80,000 may be expended for attorney general fees.))~~

Sec. 57. 1992 c 166 s 8 (uncodified) is amended to read as follows:
FOR THE DEPARTMENT OF LICENSING—VEHICLE SERVICES

Motor Vehicle Fund—State Appropriation	\$	((45,695,000))
		<u>46,089,500</u>

General Fund—Marine Fuel Tax Refund Account—

State Appropriation	\$	25,000
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General Fund—Wildlife Account—State

Appropriation	\$	504,000
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TOTAL APPROPRIATION	\$	((46,224,000))
		<u>46,618,500</u>

Sec. 58. 1992 c 166 s 9 (uncodified) is amended to read as follows:
FOR THE DEPARTMENT OF LICENSING—DRIVER SERVICES

General Fund—Public Safety and Education Account—

State Appropriation	\$	4,394,000
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Highway Safety Fund—State Appropriation	\$	((48,256,000))
		<u>48,405,078</u>

Highway Safety Fund—Motorcycle Safety Education

Account—State Appropriation	\$	884,000
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TOTAL APPROPRIATION	\$	((53,534,000))
		<u>53,683,078</u>

Sec. 59. 1992 c 166 s 20 (uncodified) is amended to read as follows:
FOR THE DEPARTMENT OF TRANSPORTATION—HIGHWAY MAINTENANCE AND OPERATIONS—PROGRAM M

Motor Vehicle Fund—State Appropriation	\$	((217,750,000))
		<u>221,550,000</u>

Motor Vehicle Fund—Local Appropriation	\$	750,000
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TOTAL APPROPRIATION \$ ~~((218,500,000))~~
222,300,000

The department may, as part of its regular maintenance program, begin correcting existing fish passage barriers.

Up to \$742,000 is provided for the incident response program. This program may not be used to compete with private industry in removing or relocating vehicles, but shall be for the purpose of assisting in coordinating the response of both public and private efforts to clear obstructions in an efficient manner.

Sec. 60. RCW 46.16.070 and 1993 c 123 s 5 and 1993 c 102 s 1 are each reenacted and amended to read as follows:

(1) In lieu of all other vehicle licensing fees, unless specifically exempt, and in addition to the excise tax prescribed in chapter 82.44 RCW and the mileage fees prescribed for buses and stages in RCW 46.16.125, there shall be paid and collected annually for each motor truck, truck tractor, road tractor, tractor, bus, auto stage, or for hire vehicle with seating capacity of more than six, based upon the declared combined gross weight or declared gross weight thereof pursuant to the provisions of chapter 46.44 RCW, the following licensing fees by such gross weight:

4,000 lbs.	\$ 37.00
6,000 lbs.	\$ 44.00
8,000 lbs.	\$ 55.00
10,000 lbs.	\$ 62.00
12,000 lbs.	\$ 72.00
14,000 lbs.	\$ 82.00
16,000 lbs.	\$ 92.00
18,000 lbs.	\$ 137.00
20,000 lbs.	\$ 152.00
22,000 lbs.	\$ 164.00
24,000 lbs.	\$ 177.00
26,000 lbs.	\$ 187.00
28,000 lbs.	\$ 220.00
30,000 lbs.	\$ 253.00
32,000 lbs.	\$ 304.00
34,000 lbs.	\$ 323.00
36,000 lbs.	\$ 350.00
38,000 lbs.	\$ 384.00
40,000 lbs.	\$ 439.00
42,000 lbs.	\$ 546.00
44,000 lbs.	\$ 556.00
46,000 lbs.	\$ 591.00
48,000 lbs.	\$ 612.00
50,000 lbs.	\$ 656.00

52,000 lbs.	.....	\$ 685.00
54,000 lbs.	.....	\$ 732.00
56,000 lbs.	.....	\$ 767.00
58,000 lbs.	.....	\$ 794.00
60,000 lbs.	.....	\$ 840.00
62,000 lbs.	.....	\$ 894.00
64,000 lbs.	.....	\$ 912.00
66,000 lbs.	.....	\$ 1,005.00
68,000 lbs.	.....	\$ 1,044.00
70,000 lbs.	.....	\$ 1,117.00
72,000 lbs.	.....	\$ 1,188.00
74,000 lbs.	.....	\$ 1,283.00
76,000 lbs.	.....	\$ 1,379.00
78,000 lbs.	.....	\$ 1,497.00
80,000 lbs.	.....	\$ 1,608.00
82,000 lbs.	.....	\$ ((1,623.00)) <u>1,713.00</u>
84,000 lbs.	.....	\$ ((1,728.00)) <u>1,818.00</u>
86,000 lbs.	.....	\$ ((1,833.00)) <u>1,923.00</u>
88,000 lbs.	.....	\$ ((1,938.00)) <u>2,028.00</u>
90,000 lbs.	.....	\$ ((2,043.00)) <u>2,133.00</u>
92,000 lbs.	.....	\$ ((2,148.00)) <u>2,238.00</u>
94,000 lbs.	.....	\$ ((2,253.00)) <u>2,343.00</u>
96,000 lbs.	.....	\$ ((2,358.00)) <u>2,448.00</u>
98,000 lbs.	.....	\$ ((2,463.00)) <u>2,553.00</u>
100,000 lbs.	.....	\$ ((2,568.00)) <u>2,658.00</u>
102,000 lbs.	.....	\$ ((2,673.00)) <u>2,763.00</u>
104,000 lbs.	.....	\$ ((2,778.00)) <u>2,868.00</u>
105,500 lbs.	.....	\$ ((2,883.00)) <u>2,973.00</u>

Every motor truck, truck tractor, and tractor exceeding 6,000 pounds empty scale weight registered under chapter 46.16, 46.87, or 46.88 RCW shall be licensed for not less than one hundred fifty percent of its empty weight unless the amount would be in excess of the legal limits prescribed for such a vehicle in RCW 46.44.041 or 46.44.042, in which event the vehicle shall be licensed for the maximum weight authorized for such a vehicle.

The following provisions apply when increasing gross or combined gross weight for a vehicle licensed under this section:

(a) The new license fee will be one-twelfth of the fee listed above for the new gross weight, multiplied by the number of months remaining in the period for which licensing fees have been paid, including the month in which the new gross weight is effective.

(b) Upon surrender of the current certificate of registration or cab card, the new licensing fees due shall be reduced by the amount of the licensing fees previously paid for the same period for which new fees are being charged.

(2) The proceeds from the fees collected under subsection (1) of this section shall be distributed in accordance with RCW 46.68.035.

Sec. 61. RCW 82.44.020 and 1993 c 123 s 2 are each amended to read as follows:

(1) An excise tax is imposed for the privilege of using in the state any motor vehicle, except those operated under reciprocal agreements, the provisions of RCW 46.16.160 as now or hereafter amended, or dealer's licenses. The annual amount of such excise tax shall be two percent of the value of such vehicle.

(2) An additional excise tax is imposed, in addition to any other tax imposed by this section, for the privilege of using in the state any such motor vehicle, and the annual amount of such additional excise shall be two-tenths of one percent of the value of such vehicle.

(3) Effective with October 1992 motor vehicle registration expirations, a clean air excise tax is imposed in addition to any other tax imposed by this section for the privilege of using in the state any motor vehicle as defined in RCW 82.44.010, except that farm vehicles as defined in RCW 46.04.181 shall not be subject to the tax imposed by this subsection. The annual amount of the additional excise tax shall be two dollars and twenty-five cents. Effective with July 1994 motor vehicle registration expirations, the annual amount of additional excise tax shall be two dollars.

(4) An additional excise tax is imposed on truck-type power units that are used in combination with a trailer to transport loads in excess of forty thousand pounds combined gross weight. The ~~(rate)~~ annual amount of such additional excise tax shall be fifty-eight one-hundredths of one percent of the value of the vehicle.

The department shall distribute the additional tax collected under this subsection as follows:

(a) For each trailing unit subject to subsection (5) of this section, an amount equal to the clean air excise tax prescribed in subsection (3) of this section shall be distributed in the manner prescribed in RCW 82.44.110(3);

(b) Of the remainder of the additional excise tax collected under this subsection, ten percent ~~((of the additional tax collected under this subsection))~~ shall be distributed in the manner prescribed in RCW 82.44.110(2)~~((The remainder of the excise tax collected under this subsection))~~ and ninety percent shall be distributed in the manner prescribed in RCW 82.44.110(1). This tax shall not apply to power units used exclusively for hauling logs.

(5) The excise taxes imposed by subsections (1) through (3) of this section shall not apply to trailing units which are used in combination with a power unit subject to the additional excise tax imposed by subsection (4) of this section. This subsection shall not apply to trailing units used for hauling logs. ~~((The department of licensing is authorized to adopt rules to implement subsection (4) of this section and this subsection to assure that total motor vehicle excise tax revenue is not affected.))~~

(6) In no case shall the total tax be less than two dollars except for proportionally registered vehicles.

(7) Washington residents, as defined in RCW 46.16.028, who license motor vehicles in another state or foreign country and avoid Washington motor vehicle excise taxes are liable for such unpaid excise taxes. The department of revenue may assess and collect the unpaid excise taxes under chapter 82.32 RCW, including the penalties and interest provided therein.

Sec. 62. RCW 81.112.030 and 1992 c 101 s 3 are each amended to read as follows:

Two or more contiguous counties each having a population of four hundred thousand persons or more may establish a regional transit authority to develop and operate a high capacity transportation system as defined in chapter 81.104 RCW.

The authority shall be formed in the following manner:

(1) The joint regional policy committee created pursuant to RCW 81.104.040 shall adopt a system and financing plan, including the definition of the service area. This action shall be completed by September 1, 1992, contingent upon satisfactory completion of the planning process defined in RCW 81.104.100. The final system plan shall be adopted no later than June 30, 1993. In addition to the requirements of RCW 81.104.100, the plan for the proposed system shall provide explicitly for a minimum portion of new tax revenues to be allocated to local transit agencies for interim express services. Upon adoption the joint regional policy committee shall immediately transmit the plan to the county legislative authorities within the adopted service area.

(2) The legislative authorities of the counties within the service area shall decide by resolution whether to participate in the authority. This action shall be completed within forty-five days following receipt of the adopted plan or by August 13, 1993, whichever comes first.

~~(3) ((If any of the counties does not opt to participate in the authority, the joint regional policy committee shall, within forty-five days, redefine the system and financing plan and resubmit the adopted redefined plan to the remaining county legislative authorities for their decision as to whether to participate. This action shall be completed within forty-five days following receipt of the redefined plan.~~

(4)) Each county that chooses to participate in the authority shall appoint its board members as set forth in RCW 81.112.040 and shall submit its list of members to the secretary of the Washington state department of transportation. These actions must be completed within thirty days following each county's decision to participate in the authority.

~~((5))~~ (4) The secretary shall call the first meeting of the authority, to be held within thirty days following receipt of the appointments. At its first meeting, the authority shall elect officers and provide for the adoption of rules and other operating procedures.

~~((6))~~ (5) The authority is formally constituted at its first meeting and the board shall begin taking steps toward implementation of the system and financing plan adopted by the joint regional policy committee. If the joint regional policy committee fails to adopt a plan by June 30, 1993, the authority shall proceed to do so based on the work completed by that date by the joint regional policy committee. Upon formation of the authority, the joint regional policy committee shall cease to exist. The authority may make minor modifications to the plan as deemed necessary and shall at a minimum review local transit agencies' plans to ensure feeder service/high capacity transit service integration, ensure fare integration, and ensure avoidance of parallel competitive services. The authority shall also conduct a minimum thirty-day public comment period.

~~((7))~~ (6) If the authority determines that major modifications to the plan are necessary before being submitted to the voters, the authority may make those modifications with a favorable vote of two-thirds of the entire membership. Any such modification shall be subject to the review process set forth in RCW 81.104.110. The modified plan shall be transmitted to the legislative authorities of the participating counties. The legislative authorities shall have forty-five days following receipt to confirm or rescind their continued participation in the authority.

(7) If any county opts to not participate in the authority, but two or more contiguous counties do choose to continue to participate, the authority's board shall be revised accordingly. The authority shall, within forty-five days, redefine the system and financing plan to reflect elimination of one or more counties, and submit the redefined plan to the legislative authorities of the remaining counties for their decision as to whether to continue to participate. This action shall be completed within forty-five days following receipt of the redefined plan.

(8) The authority shall place on the ballot within two years of the authority's formation, a single ballot proposition to ~~((ratify formation of the authority,))~~ approve the system and finance plan~~((s))~~ and authorize the imposition of the taxes to support the plan within its service area. In addition to the system plan requirements contained in RCW 81.104.100(2)(d), the system plan submitted to voters shall contain an equity element which:

(a) Identifies revenues anticipated to be generated by corridor and by county within the authority's boundaries;

(b) Identifies the phasing of construction and operation of high capacity system facilities, services, and benefits in each corridor. Phasing decisions should give priority to jurisdictions which have adopted transit-supportive land use plans; and

(c) Identifies the degree to which revenues generated within each county will benefit the residents of that county, and identifies when such benefits will accrue.

A simple majority of those voting within the boundaries of the authority is required for approval. If the vote is affirmative, the authority shall begin implementation of the plan. However, the authority may not submit any authorizing proposition for voter-approved taxes prior to July 1, 1993; nor may

the authority issue bonds or form any local improvement district prior to July 1, 1993.

((8)) (9) If the vote fails, the board may redefine the system and financing plan, make changes to the authority boundaries, and make corresponding changes to the composition of the board. If the composition of the board is changed, the participating counties shall revise the membership of the board accordingly. The board may then submit the revised plan to voters. No single system and financing plan may be submitted to the voters more than twice.

If the authority is unable to achieve a positive vote within two years from the date of the first election on a system plan, the board may, by resolution, reconstitute the authority as a single-county body. With a two-thirds vote of the entire membership of the voting members, the board may also dissolve the authority.

Sec. 63. RCW 43.89.010 and 1965 ex.s. c 60 s 2 are each amended to read as follows:

The chief of the Washington state patrol is hereby authorized to establish a teletypewriter communications network which will inter-connect the law enforcement agencies of the state and its political subdivisions into a unified written communications system. The chief of the Washington state patrol is authorized to lease or purchase such facilities and equipment as may be necessary to establish and maintain such teletypewriter communications network.

(1) The communications network shall be used exclusively for the official business of the state, and the official business of any city, county, city and county, or other public agency.

(2) This section does not prohibit the occasional use of the state's communications network by any other state or public agency thereof when the messages transmitted relate to the enforcement of the criminal laws of the state.

(3) The chief of the Washington state patrol shall fix the monthly operational charge to be paid by any department or agency of state government, or any city, county, city and county, or other public agency participating in the communications network: **PROVIDED**, That in computing charges to be made against a city, county, or city and county the state shall bear at least fifty percent of the costs of such service as its share in providing a modern unified communications network to the law enforcement agencies of the state. Of the fees collected pursuant to this section, one-half shall be deposited in the motor vehicle fund and one-half shall be deposited in the transportation fund.

(4) The chief of the Washington state patrol is authorized to arrange for the connection of the communications network with the law enforcement communications system of any adjacent state, or the Province of British Columbia, Canada.

Sec. 64. RCW 82.44.180 and 1991 c 199 s 224 are each amended to read as follows:

(1) The transportation fund is created in the state treasury. Revenues under RCW 82.44.020 (1) and (2), 82.44.110, 82.44.150, and the surcharge under RCW 82.50.510 shall be deposited into the fund as provided in those sections.

Moneys in the fund may be spent only after appropriation. Expenditures from the fund may be used only for transportation purposes and activities and operations of the Washington state patrol not directly related to the policing of public highways and that are not authorized under Article II, section 40 of the state Constitution.

(2) There is hereby created the central Puget Sound public transportation account within the transportation fund. Moneys deposited into the account under RCW 82.44.150(2)(b) shall be expended within the three county region from which the funds are derived, solely for:

(a) Development of high capacity transportation systems as defined in RCW ~~((81.104.010))~~ 81.104.015;

(b) Development of high occupancy vehicle lanes and related facilities as defined in RCW 81.100.020; and

(c) Public transportation system contributions required to fund projects approved by the transportation improvement board.

(3) There is hereby created the public transportation systems account within the transportation fund. Moneys deposited into the account under RCW 82.44.150(2)(c) shall be available to the public transportation system from which the funds are derived, solely for:

(a) Development of high capacity transportation systems as defined in RCW ~~((81.104.010))~~ 81.104.015;

(b) Development of high occupancy vehicle lanes and related facilities as defined in RCW 81.100.020;

(c) Other public transportation system-related roadway projects on state highways, county roads, or city streets; and

(d) Public transportation system contributions required to fund projects approved by the transportation improvement board.

NEW SECTION. Sec. 65. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect immediately except for sections 60 and 61, which shall take effect January 1, 1994.

NEW SECTION. Sec. 66. Chapter 102, Laws of 1993 and chapter 123, Laws of 1993 each take effect January 1, 1994.

Passed the Senate May 5, 1993.

Passed the House May 5, 1993.

Approved by the Governor May 28, 1993, with the exception of certain items which were vetoed.

Filed in Office of Secretary of State May 28, 1993.

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

"I am returning herewith, without my approval as to sections 1, page 2, lines 1 through 4; 2(2); 2(3); 25(2), page 13, lines 24 through 27; 34, page 17, line 35 through page 18, line 21; and 53, page 25 and 26 of Second Engrossed Substitute Senate Bill No. 5972 entitled:

"AN ACT Relating to transportation appropriations;"

My reasons for vetoing these sections are as follows:

Section 1, page 2 lines 1 through 4, Expenditure Prohibition

This provision prohibits funds appropriated in the transportation budget from being used for legislation that was not heard by either of the transportation committees. I am concerned that this administrative restriction creates a bad precedent, and that several essential bills would meet this criteria. For example, because Substitute Senate Bill No. 5968, the omnibus budget bill, and Engrossed Substitute Senate Bill No. 5888, the retirement system bill, were not heard before either of the transportation committees, it is possible that none of the funding provided in the transportation budget bill could be used for State Patrol retirement and other transportation agency health benefits. This would cause an unacceptable disruption in retirement and health system funding for transportation agencies.

In addition, this language would keep the Department of Licensing from implementing the provisions of Substitute House Bill No. 1741, which toughen the penalties against people who ignore traffic tickets. This veto will permit the Department of Licensing to operate the program with existing funds until a supplemental can be considered next session.

Section 2(2), Abolishment of the Traffic Safety Commission

Section 2(2) would abolish the Traffic Safety Commission as of July 1, 1994 and place the Commission's responsibilities into an existing transportation agency. The Traffic Safety Commission provides a valuable multidisciplinary approach to addressing the state's traffic safety issues. Placing the agency into an existing transportation agency would risk losing the independence and broad vision that make the Commission an effective force in reducing traffic fatalities and injuries. Traffic safety is a multidimensional problem, and the current structure of the Commission helps bring together the Department of Transportation's engineering knowledge, the State Patrol's enforcement experience, the Department of Licensing's testing and record keeping activities, the Superintendent of Public Instruction's curriculum guidance, and the Department of Health's data on injuries and fatalities. Having an independent commission unencumbered by a single agency perspective contributes to the effectiveness of the Commission's activities.

Section 2(3), Proviso for \$175,000 Highway Safety Fund-Federal To Be Spent For The Law and Justice Program And Move The Activity From The Department of Licensing To The Traffic Safety Commission.

Section 2(3) moves the Department of Licensing's law and justice program to the Traffic Safety Commission which, in turn, would be slated for elimination under the transportation budget. The program coordinates driver information, such as DWI suspensions and changes in traffic laws, between law enforcement agencies and the courts.

I am vetoing Section 2(3) for several reasons. First, the program belongs in the Department of Licensing and not in the Traffic Safety Commission or, if not for the veto of Section 2(2), within yet another transportation agency in the second half of the 1993-95 Biennium. Second, the amount of funds provided is a full biennial amount, yet the

bill calls for its expenditure in one year. This would be a waste of money that could otherwise be used to address critical traffic safety needs of the state. Third, because the activity began as a federally funded pilot project, the proviso is a clear supplantation of federal funds. Finally, the directive is counter to the federally prescribed priority-setting process for the identification of traffic safety problems.

Section 25(2), page 13 beginning on line 24 through line 27, WSDOT - Highway Management and Facilities

This subsection calls for Legislative Transportation Committee approval of a study on the current environmental efforts used at the Department of Transportation and implementation of the study recommendations, including any suggested organizational changes, to maximize the effectiveness of the agency's environmental activities. I support the study, but implementation of the study recommendations is the responsibility of the Transportation Commission and the Secretary of Transportation. Giving administrative responsibility to the Legislative Transportation Committee to control implementation of the study findings would blur the lines of executive responsibility and legislative oversight. This veto maintains the study but gives the implementation authority back to the Department. I recommend that the Transportation Commission present the final report and implementation recommendations for review to the Office of Financial Management and to the Legislative Transportation Committee no later than December 15, 1993.

Section 34, page 17 starting on line 35 through line 21 on page 18, Charges From Other Agencies

Section 34 includes an overall appropriation for revolving fund changes and nine provisos that specify line item appropriations for the individual revolving fund charges to the Department of Transportation. The total appropriation amount is sufficient to meet all the estimated obligations; however, the line items provide too much money for some revolving fund agencies and too little for others. The individual line item provisos are overly cumbersome and limit the Department of Transportation's flexibility to meet all anticipated obligations in 1993-95 Biennium.

Section 53, page 25 and 26, Efficiency Commission Study of Revolving Fund Charges

This section calls for a Washington State Efficiency and Accountability in Government Commission study of revolving fund charges to transportation agencies. No funding has been provided in either the transportation or the operating budgets. I am committed to an overall statewide understanding of the revolving fund services and billing procedures. A study of revolving fund services and billing methodology to only transportation agencies is too limiting. To the extent possible within existing resources, I will direct the Office of Financial Management to review the operation of revolving funds across state government.

With the exceptions of sections 1, page 2, lines 1 through 4; 2(2); 2(3); 25(2), page 13, lines 24 through 27; 34, page 17, line 35 through page 18, line 21; and 53, page 25 and 26, Second Engrossed Substitute Senate Bill No. 5972 is approved."

CHAPTER 24

[Substitute Senate Bill 5968]

OPERATING BUDGET, 1993-1995

Effective Date: 7/1/93 - Except Section 308(5) which takes effect on 5/28/93

AN ACT Relating to fiscal matters; making appropriations and authorizing expenditures for the operations of state agencies for the fiscal biennium beginning July 1, 1993, and ending June 30, 1995; amending RCW 28A.165.070, 28A.310.020, 7.68.070, 41.06.150, 43.03.040, 41.50.255, 43.08.250, 43.70.110, 43.88.535, 43.101.200, 43.155.050, 43.210.110, 70.146.020, 70.146.080, 70.170.080, 74.20A.030, 79.24.580, 86.26.007, and 20.01.130; creating new sections; providing effective dates; and declaring an emergency.

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

NEW SECTION. Sec. 1. (1) A budget is hereby adopted and, subject to the provisions set forth in the following sections, the several amounts specified in the following sections, or so much thereof as shall be sufficient to accomplish the purposes designated, are hereby appropriated and authorized to be incurred for salaries, wages, and other expenses of the agencies and offices of the state and for other specified purposes for the fiscal biennium beginning July 1, 1993, and ending June 30, 1995, except as otherwise provided, out of the several funds of the state hereinafter named.

(2) Unless the context clearly requires otherwise, the definitions in this section apply throughout this act.

(a) "Fiscal year 1994" or "FY 1994" means the fiscal year ending June 30, 1994.

(b) "Fiscal year 1995" or "FY 1995" means the fiscal year ending June 30, 1995.

(c) "FTE" means full time equivalent.

(d) "Lapse" or "revert" means the amount shall return to an unappropriated status.

(e) "Provided solely" means the specified amount may be spent only for the specified purpose. Unless otherwise specifically authorized in this act, any portion of an amount provided solely for a specified purpose which is unnecessary to fulfill the specified purpose shall lapse.

PART I

GENERAL GOVERNMENT

NEW SECTION. Sec. 101. FOR THE HOUSE OF REPRESENTATIVES

General Fund Appropriation \$ 46,189,000

NEW SECTION. Sec. 102. FOR THE SENATE

General Fund Appropriation \$ 35,457,000

NEW SECTION. Sec. 103. FOR THE LEGISLATIVE BUDGET COMMITTEE

General Fund Appropriation \$ 2,067,000

Health Services Account Appropriation \$ 565,000

TOTAL APPROPRIATION \$ 2,632,000

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

(1) \$565,000 of the health services account—state appropriation is provided solely for studies required by Engrossed Second Substitute Senate Bill No. 5304. If that bill is not enacted by June 30, 1993, the health services account appropriation shall lapse.

(2) \$18,800 is provided for the legislative budget committee to review the department of veterans affairs, the Washington soldiers' home, and the Washington veterans' home to implement Engrossed House Bill No. 1437 to the extent permitted by the amount provided.

NEW SECTION. Sec. 104. FOR THE LEGISLATIVE EVALUATION AND ACCOUNTABILITY PROGRAM COMMITTEE

General Fund Appropriation \$ 2,400,000

NEW SECTION. Sec. 105. FOR THE OFFICE OF THE STATE ACTUARY

Department of Retirement Systems Expense
Fund Appropriation \$ 1,649,000

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

(1) The office shall provide all necessary services for the department of retirement systems within the funds appropriated in this section.

(2) \$150,000 is provided solely for an actuarial study of local government liabilities for law enforcement officers' and fire fighters' retirement system medical benefits.

NEW SECTION. Sec. 106. FOR THE JOINT LEGISLATIVE SYSTEMS COMMITTEE

General Fund Appropriation \$ 9,480,000

The appropriation in this section is subject to the following conditions and limitations: The appropriation shall be transferred to the legislative systems revolving fund.

NEW SECTION. Sec. 107. FOR THE STATUTE LAW COMMITTEE

General Fund Appropriation \$ 5,952,000

The appropriation in this section is subject to the following conditions and limitations: \$10,000 is provided for the expenses of the law revision commission under chapter 1.30 RCW.

NEW SECTION. Sec. 108. LEGISLATIVE AGENCIES. In order to implement cost reduction measures required by this act and to achieve operating efficiencies within the financial resources available to the legislative branch, the executive rules committee of the house of representatives and the facilities and operations committee of the senate by joint action may transfer funds among the house of representatives, senate, legislative budget committee, legislative

evaluation and accountability program committee, legislative transportation committee, office of the state actuary, joint legislative systems committee, and statute law committee.

NEW SECTION. Sec. 109. FOR THE SUPREME COURT

General Fund Appropriation \$ 9,769,000

NEW SECTION. Sec. 110. FOR THE LAW LIBRARY

General Fund Appropriation \$ 3,193,000

NEW SECTION. Sec. 111. FOR THE COURT OF APPEALS

General Fund Appropriation \$ 17,117,000

NEW SECTION. Sec. 112. FOR THE COMMISSION ON JUDICIAL CONDUCT

General Fund Appropriation \$ 1,013,000

NEW SECTION. Sec. 113. FOR THE ADMINISTRATOR FOR THE COURTS

General Fund Appropriation \$ 24,418,000

Public Safety and Education Account Appropriation \$ 36,102,000

Judicial Information System Account Appropriation \$ 655,000

Health Services Account Appropriation \$ 117,000

Drug Enforcement and Education Account Appropriation . . . \$ 6,510,000

TOTAL APPROPRIATION \$ 67,802,000

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

(1) \$24,107,000 of the general fund appropriation is provided solely for the superior court judges program. Of this amount, a maximum of \$20,000 may be used to reimburse county superior courts for superior court judges temporarily assigned to other counties that are experiencing large and sudden surges in criminal filings. Reimbursement shall be limited to per diem and travel expenses of assigned judges.

(2) \$110,000 of the general fund—state appropriation is provided solely to implement Substitute Senate Bill No. 5753 (judgeship for Cowlitz county). If the bill is not enacted by June 30, 1993, the amount provided in this subsection shall lapse.

(3) \$6,510,000 of the drug enforcement and education account appropriation is provided solely for the continuation of treatment-alternatives-to-street-crimes (TASC) programs in Pierce, Snohomish, Clark, King, Spokane, and Yakima counties.

(4) The administrator for the courts shall provide data processing support to the department of social and health services' division of juvenile rehabilitation in the allocation of grant moneys to local governments.

(5) \$9,820,000 of the public safety and education account is provided solely for the indigent appeals program.

(6) \$50,000 of the general fund appropriation is provided solely to implement the racial disproportionality study recommendations in Engrossed Substitute House Bill No. 1966.

(7) \$170,000 of the general fund appropriation is provided solely to implement sections 3 and 11 of Engrossed Substitute House Bill No. 1084 (jury source list). The office of the administrator for the courts shall allocate funds to the counties and the department of information services for the purposes of implementing these sections.

(8) \$117,000 of the health services account appropriation is provided solely for the implementation of section 418 of Engrossed Second Substitute Senate Bill No. 5304 (medical malpractice review). If section 418 of the bill is not enacted by June 30, 1993, the health services account appropriation shall lapse.

NEW SECTION. Sec. 114. FOR THE OFFICE OF THE GOVERNOR
General Fund—State Appropriation \$ 6,138,000

The appropriation in this section is subject to the following conditions and limitations: \$186,000 is provided solely for mansion maintenance.

NEW SECTION. Sec. 115. FOR THE LIEUTENANT GOVERNOR
General Fund Appropriation \$ 484,000

NEW SECTION. Sec. 116. FOR THE PUBLIC DISCLOSURE COMMISSION
General Fund Appropriation \$ 1,989,000

NEW SECTION. Sec. 117. FOR THE SECRETARY OF STATE
General Fund Appropriation \$ 8,049,000
Archives and Records Management Account

Appropriation	\$	3,160,000
Personnel Service Account Appropriation	\$	612,000
TOTAL APPROPRIATION	\$	11,821,000

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

(1) \$703,532 of the general fund appropriation is provided solely to reimburse counties for the state’s share of primary and general election costs and the costs of conducting mandatory recounts on state measures.

(2) \$2,095,465 of the general fund appropriation is provided solely for the verification of initiative and referendum petitions, maintenance of related voter registration records, legal advertising of state measures, and the publication and distribution of the voters and candidates pamphlet.

(3) The appropriation from the archives and records management account assumes that at least \$250,000 will be received from local governments during the second year of the biennium to cover the costs to the state archives program of locally generated archival materials.

(4) The productivity board shall not approve any payment to, or agreement with, state employees under the teamwork incentive program under chapter 41.60

RCW unless the board determines that all expenditures savings or revenue increases recognized under the teamwork incentive program award are attributable exclusively to participating employees. Awards under the teamwork incentive program shall not exceed two thousand five hundred dollars per participating employee.

NEW SECTION. Sec. 118. FOR THE GOVERNOR'S OFFICE OF INDIAN AFFAIRS

General Fund Appropriation \$ 297,000

NEW SECTION. Sec. 119. FOR THE COMMISSION ON ASIAN-AMERICAN AFFAIRS

General Fund Appropriation \$ 336,000

NEW SECTION. Sec. 120. FOR THE STATE TREASURER

Motor Vehicle Account Appropriation \$ 44,000

State Treasurer's Service Fund Appropriation \$ 9,976,000

TOTAL APPROPRIATION \$ 10,020,000

The appropriations in this section are subject to the following conditions and limitations: \$284,000 of the state treasurer's service account appropriation is provided solely for the information systems project known as "upgrade mainframe." Authority to expend this amount is conditioned on compliance with section 902 of this act.

***NEW SECTION. Sec. 121. FOR THE STATE AUDITOR**

General Fund—State Appropriation \$ 20,000

General Fund—Federal Appropriation \$ 158,000

Motor Vehicle Fund Appropriation \$ 334,000

Municipal Revolving Fund Appropriation \$ 24,454,000

Auditing Services Revolving Fund Appropriation \$ 12,018,000

TOTAL APPROPRIATION \$ 36,984,000

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

(1) Audits of school districts by the division of municipal corporations shall include a finding regarding the accuracy of student enrollment data and the experience and education of the district's certificated instructional staff reported to the superintendent of public instruction for the purposes of allocation of state funding.

(2) *\$200,000 of the auditing services revolving fund appropriation is provided solely for the conduct of performance audits as directed in this act.*

*Sec. 121 was partially vetoed, see message at end of chapter.

NEW SECTION. Sec. 122. FOR THE CITIZENS' COMMISSION ON SALARIES FOR ELECTED OFFICIALS

General Fund Appropriation \$ 66,000

NEW SECTION. Sec. 123. FOR THE ATTORNEY GENERAL

General Fund—State Appropriation \$ 5,918,000

General Fund—Federal Appropriation	\$	1,632,000
Health Services Account Appropriation	\$	175,000
Public Safety and Education Account Appropriation	\$	1,249,000
Legal Services Revolving Fund Appropriation	\$	96,950,000
Motor Vehicle Fund Appropriation	\$	748,000
New Motor Vehicle Arbitration Account Appropriation	\$	1,784,000
TOTAL APPROPRIATION	\$	108,456,000

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

(1) The attorney general shall report each fiscal year on actual legal services expenditures and actual attorney and support staffing levels for each agency receiving legal services. The report shall be submitted to the office of financial management and the fiscal committees of the senate and house of representatives no later than ninety days after the end of each fiscal year.

(2) The attorney general shall include, at a minimum, the following information with each bill sent to agencies receiving legal services: (a) The number of hours and cost of attorney services provided during the billing period; (b) the number of hours and cost of support staff services provided during the billing period; (c) attorney general overhead and central support costs charged to the agency for the billing period; (d) direct legal costs, such as filing and docket fees, charged to the agency for the billing period; and (e) other costs charged to the agency for the billing period. If requested by an agency receiving legal services, the attorney general shall provide the information required in this subsection by program.

(3) \$1,249,000 of the public safety and education account appropriation and \$406,000 of the general fund—state appropriation are provided solely for the attorney general's criminal litigation unit.

(4) The attorney general shall, in conjunction with the various state hearings boards, develop recommendations for more cost-efficient processing of administrative appeals and report such recommendations to appropriate committees of the legislature by November 15, 1993.

(5) The attorney general shall, in conjunction with state agencies, examine the efficiencies of consolidating support services within the office of the attorney general and report recommendations for consolidation to the office of financial management by April 1, 1994.

(6) \$175,000 of the health services account appropriation and \$350,000 of the legal services revolving fund appropriation are provided solely for anti-trust activities required by Engrossed Second Substitute Senate Bill No. 5304 (health care reform). If the bill is not enacted by June 30, 1993, the amounts provided in this subsection shall lapse.

NEW SECTION. Sec. 124. FOR THE ECONOMIC AND REVENUE FORECAST COUNCIL

General Fund Appropriation	\$	815,000
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***NEW SECTION. Sec. 125. FOR THE OFFICE OF FINANCIAL MANAGEMENT**

General Fund—State Appropriation	\$	19,575,000
General Fund—Federal Appropriation	\$	918,000
Motor Vehicle Fund Appropriation	\$	109,000
Health Services Account Appropriation	\$	250,000
TOTAL APPROPRIATION	\$	20,852,000

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

(1) *All agencies that receive appropriations in this act shall report to the office of financial management by November 15, 1993, on the agency's implementation of funding adjustments made in this act to reflect administrative reductions or other efficiencies, as identified in the legislative budget notes. The office of financial management shall compile the reports and transmit them to the legislative fiscal committees by December 1, 1993. Institutions of higher education shall make this report pursuant to section 601 of this act.*

(2) *To facilitate the performance audit of state-wide administrative costs pursuant to section 904 of this act, the office of financial management shall develop and implement a state-wide reporting system to ensure uniform and consistent reporting of administrative costs and staffing levels by state agencies.*

(3) The office of financial management shall evaluate the extent to which state employees could receive more efficient and less expensive service, as well as increased flexibility and return on their investments, from a deferred compensation program contracted with a private organization, and shall report its findings and recommendations to appropriate committees of the legislature by December 1, 1993.

(4) The efficiency commission shall undertake studies to determine the most effective means of delivering services currently provided by the state printer and the department of general administration's central stores.

(5) \$50,000 of the general fund—state appropriation is provided solely to implement Engrossed Substitute House Bill No. 1372 (state program evaluations). If the bill is not enacted by June 30, 1993, the amount provided in this subsection shall lapse.

(6) \$100,000 of the general fund—state appropriation is provided solely for an interim task force as provided for by Engrossed Substitute House Bill No. 2054 (civil service reform).

*Sec. 125 was partially vetoed, see message at end of chapter.

NEW SECTION. Sec. 126. FOR THE OFFICE OF ADMINISTRATIVE HEARINGS

Administrative Hearings Revolving Fund		
Appropriation	\$	12,535,000

The appropriation in this section is subject to the following conditions and limitations: \$655,000 of the appropriation is provided to address increased

workload, but may be expended only if the office works in conjunction with the attorney general and other involved agencies to improve the efficiency and cost-effectiveness of administrative appeals processing by such measures as using teleconferencing and, where parties are represented by counsel, having counsel prepare findings of fact and conclusions of law.

NEW SECTION. Sec. 127. FOR THE DEPARTMENT OF PERSONNEL

Department of Personnel Service Fund Appropriation \$ 17,162,000

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

(1) The department shall reduce its charge for personnel services to the lowest rate possible.

(2) \$600,000 of the appropriation is provided solely for extended insurance benefits for permanent state employees separated through reduction-in-force. An eligible employee may receive a state subsidy of \$100 per month toward his or her insurance benefits purchased under the federal consolidated omnibus budget reconciliation act (COBRA) for a period not to exceed six months from the date of separation. The state health care authority shall administer the insurance benefits and the department shall pay the subsidy through interagency reimbursement, subject to the level of appropriation.

(3) \$500,000 of the appropriation is provided solely for a career and employment transition program to assist permanent state employees who are separated due to reduction-in-force, including employee retraining, career counseling, and job placement services.

(4) \$32,000 is provided solely for creation, printing, and distribution of the personal benefits statement for state employees.

(5) From the department's nonappropriated data processing account, the department shall prepare a feasibility study for the design and implementation of a new human resource information system. Authority to expend funds for the feasibility study is conditioned on compliance with section 902 of this act.

NEW SECTION. Sec. 128. FOR THE COMMITTEE FOR DEFERRED COMPENSATION

Dependent Care Administrative Account Appropriation \$ 382,000

NEW SECTION. Sec. 129. FOR THE WASHINGTON STATE LOTTERY

Lottery Administrative Account Appropriation \$ 19,745,000

NEW SECTION. Sec. 130. FOR THE COMMISSION ON HISPANIC AFFAIRS

General Fund Appropriation \$ 375,000

NEW SECTION. Sec. 131. FOR THE COMMISSION ON AFRICAN-AMERICAN AFFAIRS

General Fund Appropriation \$ 271,000

NEW SECTION. Sec. 132. FOR THE PERSONNEL APPEALS BOARD

Department of Personnel Service Fund Appropriation \$ 1,268,000

NEW SECTION. Sec. 133. FOR THE DEPARTMENT OF RETIREMENT SYSTEMS—OPERATIONS

Department of Retirement Systems Expense Fund

Appropriation \$ 31,988,000

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

(1) \$3,530,000 is provided solely for information systems projects known by the following names or successor names: Support of member database, support of audit, and audit of member files. Authority to expend this amount is conditioned on compliance with section 902 of this act. The department shall report to the fiscal committees of the senate and house of representatives on the status of the member database project including an assessment of the savings the department is likely to achieve as a result of this project by January 15, 1994.

(2) \$1,136,000 is provided solely for the in-house design, development, and implementation of the information systems project known as the disbursement system. Authority to expend this amount is conditioned on compliance with section 902 of this act. The department shall report to the office of financial management on the status of this project by January 15, 1995.

(3) \$404,000 is provided solely for the increased workload resulting from the Bowles decision.

(4) \$382,000 is provided solely for the temporary increased workload resulting from 1993 legislation providing for early retirement. If a bill providing for early retirement is not passed by June 30, 1993, this amount shall lapse.

(5) The appropriation contains sufficient funds to implement House Bill No. 2028 (restoration notification).

(6) The department shall adjust the retirement systems administrative rate during the 1993-95 biennium as necessary to provide for law enforcement officers' and fire fighters' retirement system employer funding of a study of LEOFF Plan I medical liabilities by the office of the state actuary.

(7) The department shall reduce its administrative charge rate from .22 percent to .17 percent for the 1993-95 biennium.

NEW SECTION. Sec. 134. FOR THE STATE INVESTMENT BOARD
State Investment Board Expense Account

Appropriation \$ 6,939,000

NEW SECTION. Sec. 135. FOR THE DEPARTMENT OF REVENUE

General Fund Appropriation \$ 123,401,000
Timber Tax Distribution Account Appropriation \$ 4,358,000
State Toxics Control Account Appropriation \$ 76,000
Solid Waste Management Account Appropriation \$ 90,000

Pollution Liability Reinsurance Trust Account

Appropriation	\$	236,000
Vehicle Tire Recycling Account Appropriation	\$	128,000
Air Operating Permit Account Appropriation	\$	36,000
State Oil Spill Administration Account Appropriation	\$	20,000
Litter Control Account Appropriation	\$	96,000
TOTAL APPROPRIATION	\$	128,441,000

The appropriations in this section are subject to the following conditions and limitations: \$760,000 of the general fund appropriation is provided solely for the information systems project known as "revenue account management." Authority to expend this amount is conditioned on compliance with section 902 of this act.

NEW SECTION. Sec. 136. FOR THE BOARD OF TAX APPEALS

General Fund Appropriation	\$	1,340,000
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NEW SECTION. Sec. 137. FOR THE MUNICIPAL RESEARCH COUNCIL

General Fund Appropriation	\$	2,944,000
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NEW SECTION. Sec. 138. FOR THE UNIFORM LEGISLATION COMMISSION

General Fund Appropriation	\$	47,000
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NEW SECTION. Sec. 139. FOR THE OFFICE OF MINORITY AND WOMEN'S BUSINESS ENTERPRISES

Minority and Women's Business Revolving Fund Account

Appropriation	\$	2,103,000
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NEW SECTION. Sec. 140. FOR THE DEPARTMENT OF GENERAL ADMINISTRATION

General Fund—State Appropriation	\$	393,000
General Fund—Federal Appropriation	\$	1,306,000
General Fund—Private/Local Appropriation	\$	392,000
Risk Management Account Appropriation	\$	2,246,000
State Capitol Vehicle Parking Account Appropriation	\$	740,000
Motor Transport Account Appropriation	\$	11,024,000
Air Pollution Control Account Appropriation	\$	149,000
General Administration Facilities and Services		
Revolving Fund Appropriation	\$	21,356,000
Central Stores Revolving Account	\$	4,285,000
TOTAL APPROPRIATION	\$	41,891,000

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

(1) The department shall develop a consolidated travel contract with a single best bidder state-wide or best bidders within regions to allow agencies to participate in a rebate on processing and handling costs of booking travel, lodging, and rental vehicle services.

(2) \$870,000 of the motor transport account appropriation is provided solely for replacement of motor vehicles through the state treasurer's financing contract program under chapter 39.94 RCW. The department may acquire new motor vehicles only to replace and not to increase the number of motor vehicles within the department's fleet.

(3) \$154,000 of the risk management account appropriation is provided solely for the acquisition of a commercial software package to identify and analyze risk exposure and to administer the tort claims revolving fund and the self insurance liability fund.

(4) \$200,000 of the general administration facilities and services revolving fund appropriation is provided solely for security for the capitol's west campus area.

(5) \$252,000 of the general administration facilities and services revolving fund appropriation is provided solely for administration and provision of the volunteer capitol campus tours program.

(6) \$35,000 of the air pollution control account appropriation is provided solely for the purpose of hiring one full-time equivalent employee to develop procurement specifications consistent with the requirements of RCW 43.19.570, the national energy policy act of 1992 and, to the extent possible, with the procurement specifications of other states. If matching funds are not provided by the alternative fuels industry by July 1, 1993, the amount provided in this subsection shall lapse.

NEW SECTION. Sec. 141. FOR THE DEPARTMENT OF INFORMATION SERVICES

Data Processing Revolving Fund Appropriation \$ 3,510,000

The appropriation in this section is subject to the following conditions and limitations: \$400,000 of the nonappropriated data processing revolving fund shall be provided for development and operation of a video telecommunications center. The center shall be financially self-supporting and shall not receive any support from any state sources other than dedicated service fees specifically related to the use of the center.

NEW SECTION. Sec. 142. FOR THE INSURANCE COMMISSIONER Insurance Commissioner's Regulatory Account

Appropriation	\$	18,206,000
General Fund—Federal Appropriation	\$	104,000
TOTAL APPROPRIATION	\$	18,310,000

The appropriations in this section are subject to the following conditions and limitations: \$890,000 of the insurance commissioner's regulatory account appropriation is provided solely to implement health care reform. If Engrossed Second Substitute Senate Bill No. 5304 (health care reform) is not enacted by June 30, 1993, the amount provided in this subsection shall lapse.

NEW SECTION. Sec. 143. FOR THE BOARD OF ACCOUNTANCY

Certified Public Accountants' Account Appropriation . . \$ 1,202,000

NEW SECTION. Sec. 144. FOR THE DEATH INVESTIGATION COUNCIL

Death Investigations Account Appropriation \$ 14,000

NEW SECTION. Sec. 145. FOR THE HORSE RACING COMMISSION

Horse Racing Commission Fund Appropriation \$ 4,876,000

The appropriation in this section is subject to the following conditions and limitations: None of this appropriation may be used for the purpose of certifying Washington-bred horses under RCW 67.16.075.

NEW SECTION. Sec. 146. FOR THE LIQUOR CONTROL BOARD
Liquor Revolving Fund Appropriation \$ 111,231,000

The appropriation in this section is subject to the following conditions and limitations: The liquor control board shall conduct a study that identifies possible savings in contracting outbound freight with a single or small number of carriers. The board shall report to the director of financial management and the fiscal committees of the legislature by September 1, 1994, on the findings of the study, including documentation of cost savings.

NEW SECTION. Sec. 147. FOR THE UTILITIES AND TRANSPORTATION COMMISSION

Public Service Revolving Fund Appropriation \$ 29,239,000
Grade Crossing Protective Fund Appropriation \$ 320,000
TOTAL APPROPRIATION \$ 29,559,000

The appropriations in this section are subject to the following conditions and limitations: Subject to commission approval, no more than \$250,000 of the public service revolving fund appropriation may be spent to assist the legislature in studying the current statutes and administrative procedures for the optimum future capability for voice, video, and information services in Washington state.

NEW SECTION. Sec. 148. FOR THE BOARD FOR VOLUNTEER FIRE FIGHTERS

Volunteer Fire Fighters' Relief and Pension
Administrative Fund Appropriation \$ 398,000

NEW SECTION. Sec. 149. FOR THE MILITARY DEPARTMENT

General Fund—State Appropriation \$ 8,365,000
General Fund—Federal Appropriation \$ 8,850,000
General Fund—Private/Local Appropriation \$ 186,000
TOTAL APPROPRIATION \$ 17,401,000

NEW SECTION. Sec. 150. FOR THE PUBLIC EMPLOYMENT RELATIONS COMMISSION

General Fund Appropriation \$ 1,771,000
Employment Relations Account Appropriation \$ 2,637,000

TOTAL APPROPRIATION \$ 4,408,000

NEW SECTION. Sec. 151. DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT. On July 1, 1994, all appropriations and all conditions and limitations contained in sections 217 and 308 of this act shall be provided for the department of community, trade, and economic development. If Engrossed Substitute Senate Bill No. 5868 or substantially similar legislation creating a department of community, trade, and economic development is not enacted by July 1, 1994, this section shall have no effect.

NEW SECTION. Sec. 152. FOR THE DEPARTMENT OF FINANCIAL INSTITUTIONS
Securities Regulation Fund Appropriation \$ 3,031,000

The appropriation in this section is subject to the following conditions and limitations: If Substitute Senate Bill No. 5270, or substantially similar legislation, creating a department of financial institutions is not enacted by July 1, 1993, the securities regulation fund appropriation shall be null and void and the department of licensing general fund—state appropriation shall be increased by \$3,031,000.

**PART II
HUMAN SERVICES**

NEW SECTION. Sec. 201. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES. (1) Appropriations made in this act to the department of social and health services shall initially be allotted as required by this act. Subsequent allotment modifications shall not include transfers of moneys between sections of this act except as expressly provided in this act, nor shall allotment modifications permit moneys that are provided solely for a specified purpose to be used for other than that purpose.

(2) The department of social and health services shall not initiate any services that will require expenditure of state general fund moneys unless expressly authorized in this act or other law, or unless the services were provided on March 1, 1993. The department may seek, receive, and spend, under RCW 43.79.260 through 43.79.282, federal moneys not anticipated in this act as long as the federal funding does not require expenditure of state moneys for the program in excess of amounts anticipated in this act. If the department receives unanticipated unrestricted federal moneys, those moneys shall be spent for services authorized in this act or in any other legislation providing appropriation authority, and an equal amount of appropriated state general fund moneys shall lapse. Upon the lapsing of any moneys under this subsection, the office of financial management shall notify the legislative fiscal committees. As used in this subsection, "unrestricted federal moneys" includes block grants and other funds that federal law does not require to be spent on specifically defined projects or matched on a formula basis by state funds.

(3) The department shall identify social service programs administered by the department to be eliminated in fiscal year 1995. The funding for the identified programs will be used to establish a state social services block grant through which funds will be distributed state-wide on a formula basis to local consortiums, which may include public and private entities. By January 1, 1994, the department shall recommend the following to the appropriate legislative committees: (a) The list of identified programs; (b) a grant proposal process; (c) a method of distribution for the block grant funds including an allocation formula; and (d) a percentage of the block grant to be used for local administration. In developing the recommendations, the department shall consult with representatives of local governments and social service providers. The department's general fund—state appropriation has been reduced by \$1,000,000 to reflect savings which will result in fiscal year 1995 from the elimination of state administration of the identified programs. The department may transfer funds to the division of children and family services from other divisions to the extent that savings are realized in other divisions as a result of these reductions.

***NEW SECTION. Sec. 202. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—CHILDREN AND FAMILY SERVICES PROGRAM**

General Fund—State Appropriation	\$ 292,004,000
General Fund—Federal Appropriation	\$ 193,407,000
Drug Enforcement and Education Account Appropriation . . .	\$ 3,722,000
TOTAL APPROPRIATION	\$ 489,133,000

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

(1) \$854,000 of the drug enforcement and education account appropriation and \$300,000 of the general fund—state appropriation are provided solely to contract for the operation of one pediatric interim care facility. The facility shall provide residential care for up to twelve children through two years of age. Seventy-five percent of the children served by the facility must be in need of special care as a result of substance abuse by their mothers. The facility also shall provide on-site training to biological, adoptive, or foster parents. The facility shall provide at least three months of consultation and support to parents accepting placement of children from the facility. The facility may recruit new and current foster and adoptive parents for infants served by the facility. The department shall not require case management as a condition of the contract.

(2) \$700,000 of the general fund—state appropriation and \$262,000 of the drug enforcement and education account appropriation are provided solely for up to three nonfacility based programs for the training, consultation, support, and recruitment of biological, foster, and adoptive parents of children through age three in need of special care as a result of substance abuse by their mothers, except that each program may serve up to three medically fragile nonsubstance-abuse-affected children. In selecting nonfacility based programs, preference shall

be given to programs whose federal or private funding sources have expired or have successfully performed under the existing pediatric interim care program.

(3) In the event that the department consolidates children's services offices, the department shall ensure that services continue to be accessible to isolated communities.

(4) \$14,984,000 of the general fund—state appropriation and \$14,632,000 of the general fund—federal appropriation are provided to establish a state child care block grant by July 1, 1994. The department shall develop a plan for administering the block grant which shall include: (a) A state-wide distribution formula; (b) a block grant application process that encourages the cooperative efforts of local governments, resource and referral agencies, and other not-for-profit organizations involved with child care; (c) recommendations about cost-effective ways to administer child care subsidies in rural areas of the state; and (d) recommendations for the percentage of the grant to be used for local administration. The plan shall be presented to the appropriate legislative committees by January 1, 1994.

(5) The department shall coordinate funding totaling \$400,000 from all available sources to initiate a residential teen welfare protection program in an urban county with a population over 550,000. The program shall be designed to improve employment and parenting skills of teenage mothers to reduce long-term welfare dependence. The department shall select a provider with experience in providing residential services to adolescent mothers and their infants.

(6) The family policy council under chapter 70.190 RCW shall establish procedures for locating appropriate counseling staff of participating agencies in public schools.

(7) The department shall reimburse child care providers at the 75th percentile of the 1992 market rate based on the market survey conducted by the department. The revised rate schedule shall be phased-in beginning on December 1, 1993, and shall be fully implemented by May 31, 1994.

(8) \$8,792,000 of the general fund—state appropriation is provided solely to implement the following programs: \$385,000 of this amount is provided for the medical training project on the evaluation and care of child sexual abuse, \$4,784,000 of this amount is provided for contracts for domestic violence shelters and comprehensive domestic violence service planning, \$2,841,000 of this amount is provided for early identification and treatment of child sexual abuse, and \$782,000 of this amount is provided for sexual assault centers.

*Sec. 202 was partially vetoed, see message at end of chapter.

NEW SECTION. Sec. 203. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—JUVENILE REHABILITATION PROGRAM

(1) COMMUNITY SERVICES

General Fund—State Appropriation	\$ 60,629,000
General Fund—Federal Appropriation	\$ 6,639,000
Drug Enforcement and Education Account Appropriation . . .	\$ 1,552,000
TOTAL APPROPRIATION	\$ 68,820,000

(2) INSTITUTIONAL SERVICES

General Fund—State Appropriation	\$ 56,655,000
Drug Enforcement and Education Account Appropriation . . .	\$ 940,000
TOTAL APPROPRIATION	\$ 57,595,000

The appropriations in this subsection are subject to the following conditions and limitations:

(a) The division of juvenile rehabilitation shall submit a report to the appropriate policy and fiscal committees of the legislature by December 1, 1993, on proposals to implement early release and structured transition services for juvenile offenders.

(b) The department of general administration, in conjunction with the division of juvenile rehabilitation and other state agencies, shall evaluate and make recommendations on the future use of the Green Hill school and/or property as a state facility. The recommendations shall be submitted to the appropriate policy and fiscal committees of the legislature by December 1, 1993.

(3) PROGRAM SUPPORT

General Fund—State Appropriation	\$ 2,926,000
General Fund—Federal Appropriation	\$ 156,000
Drug Enforcement and Education Account Appropriation . . .	\$ 342,000
TOTAL APPROPRIATION	\$ 3,424,000

The appropriations in this subsection are subject to the following conditions and limitations: \$100,000 of the general fund—state appropriation is provided solely to implement Substitute House Bill No. 1966 (racial disproportionality study recommendations).

(4) SPECIAL PROJECTS

General Fund—Federal Appropriation	\$ 1,296,000
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***NEW SECTION. Sec. 204. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—MENTAL HEALTH PROGRAM**

(1) COMMUNITY SERVICES/REGIONAL SUPPORT NETWORKS

General Fund—State Appropriation	\$ 239,529,000
General Fund—Federal Appropriation	\$ 168,680,000
General Fund—Local Appropriation	\$ 9,000,000
TOTAL APPROPRIATION	\$ 417,209,000

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

(a) \$4,618,000 of the general fund—state appropriation and \$5,409,000 of the general fund—federal appropriation are provided solely for additional children’s mental health services required in accordance with the medicaid early and periodic screening, diagnosis, and treatment program. By January 1, 1994, the secretary of social and health services shall issue practice guidelines to assist mental health regional support networks and providers determine the scope and duration of mental health services typically required by specific conditions for which mental health intervention is medically necessary.

(b) \$2,000,000 of the general fund—state appropriation, of which \$500,000 shall be from the 1993-95 current level allocation for regional support networks, and \$1,080,000 of the general fund—federal appropriation are provided solely for a risk pool fund to support a collaborative effort between the eastern Washington regional support networks and eastern state hospital. Moneys from this fund shall be expended as payments to regional support networks for reductions in usage of bed days at eastern state hospital, or, to the extent such reductions are not made, to cover resulting budget deficits at the hospital. The intended reductions in hospital bed days, the expected reductions in costs in the state hospitals, and the amount and timing of payments shall be specified in contracts negotiated between the department and the eastern Washington regional support networks. Money from this fund shall not be used to meet any operating deficits at eastern state hospital resulting from causes unrelated to a failure of the regional support networks to reduce bed day usage as specified in contracts.

(c) The secretary of social and health services shall allot to the mental health division funds appropriated to the division of medical assistance for voluntary community psychiatric hospitalizations. The amount transferred shall be the total projected expenditures for voluntary psychiatric hospitalizations in the 1993-95 biennium. The mental health division shall work with mental health regional support networks to design and implement improved prevention, crisis intervention, diversion, and other strategies for reducing avoidable psychiatric hospitalizations. Regional support networks that succeed in reducing voluntary and involuntary hospitalization costs below the baseline level forecast for their region shall receive bonus payments for their performance. The mental health division shall seek approval from the federal government to include federal matching funds in the bonus payments under medicaid waivers.

(d) Regional support networks shall use portions of the general fund—state appropriation for implementation of working agreements with the vocational rehabilitation program which will maximize the use of federal funding for vocational programs.

(2) INSTITUTIONAL SERVICES

General Fund—State Appropriation	\$ 146,577,000
General Fund—Federal Appropriation	\$ 87,011,000
General Fund—Local Appropriation	\$ 42,498,000
Charitable, Educational, Penal and	
Reform Institutions Account Appropriation	\$ 3,000,000
Industrial Insurance Premium Refund Account	
Appropriation	\$ 507,000
TOTAL APPROPRIATION	\$ 279,593,000

The appropriations in this subsection are subject to the following conditions and limitations:

(a) The mental health program at western state hospital shall continue to utilize labor provided by the Tacoma pre-release program of the department of corrections.

(b) From appropriations provided in this section and in section 208 of this act, the secretary of social and health services shall establish a consolidated, privately-operated program specializing in the involuntary treatment of chemically dependent clients, and the voluntary treatment of mentally ill chemical abusers, on the grounds of the northern state multi-service center. In establishing this consolidated program with discrete treatment components, the secretary shall involve mental health and chemical dependency treatment providers, advocacy groups, and local system administrators in designing the program, developing its admission and discharge procedures, and selecting and monitoring the contractor.

(c) The secretary of social and health services shall phase out operation of the PORTAL program at the northern state multi-service center. In accomplishing this phase down, the secretary shall:

(i) Work with regional support networks, families and advocacy groups, and other community service providers to assure that appropriate community services are in place for people transitioning out of the PORTAL program; and

(ii) Develop and implement a transition plan for state employees dislocated by the phase down of the PORTAL program. The plan shall be tailored to the situations of individual workers and shall include strategies such as individual employment counseling through the departments of personnel and employment security, retraining and placement into other state jobs, placement of state employees with private contractors, and small business assistance.

(d) The secretary of social and health services shall establish in contracts with the regional support networks a stop-loss arrangement to safeguard the regional support networks against increased admissions to the state psychiatric hospitals of persons who are eligible for services from the division of developmental disabilities or from the aging and adult services administration. Under this stop-loss arrangement, the cost of any state hospital usage by those populations in excess of 10 percent of the 1991-93 average level shall be charged to the funds appropriated to the division of developmental disabilities and the aging and adult services administration, rather than to the regional support networks.

(e) \$560,000 of the general fund—state appropriation is provided solely to assist western Washington regional support networks in reducing the average daily population of western state hospital.

(3) CIVIL COMMITMENT

General Fund Appropriation \$ 5,718,000

(4) SPECIAL PROJECTS

General Fund—State Appropriation \$ 1,899,000

General Fund—Federal Appropriation \$ 2,946,000

TOTAL APPROPRIATION \$ 4,845,000

(5) PROGRAM SUPPORT

General Fund—State Appropriation \$ 4,882,000

General Fund—Federal Appropriation \$ 1,826,000

TOTAL APPROPRIATION \$ 6,708,000

*Sec. 204 was partially vetoed, see message at end of chapter.

***NEW SECTION. Sec. 205. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—DEVELOPMENTAL DISABILITIES PROGRAM**

(1) COMMUNITY SERVICES

General Fund—State Appropriation \$ 204,081,000
 General Fund—Federal Appropriation \$ 131,660,000
 TOTAL APPROPRIATION \$ 335,741,000

(2) INSTITUTIONAL SERVICES

General Fund—State Appropriation \$ 121,133,000
 General Fund—Federal Appropriation \$ 165,704,000
 General Fund—Local Appropriation \$ 9,143,000
 TOTAL APPROPRIATION \$ 295,980,000

(3) PROGRAM SUPPORT

General Fund—State Appropriation \$ 5,665,000
 General Fund—Federal Appropriation \$ 971,000
 TOTAL APPROPRIATION \$ 6,636,000

(4) The appropriations in this section are subject to the following conditions and limitations:

(a) The population of the state residential habilitation centers shall be reduced by at least 123 persons by January 1995. This shall be accomplished by providing appropriate community services for those residents who are most ready to move, and by closing the building and administration at Interlake School. In implementing this redeployment of resources, the secretary of social and health services shall assure that:

(i) No individual shall be moved from an institutional to a community setting until sufficient services and support arrangements are in place to assure the individual's health, safety, personal well-being, and continued growth and development on an ongoing basis;

(ii) The savings to general fund—state expenditures from the residential habilitation center consolidations shall exceed the additional costs of new community services for persons moving from the residential habilitation centers by at least \$1,200,000;

(iii) The needs of each institutional resident are assessed to identify the level of support needed to maintain the person in the most normal and least restrictive setting consistent with the person's needs. The secretary shall prioritize placement for those individuals whose needs can be addressed most cost-effectively in community-based settings;

(iv) A transition plan is developed and implemented for state employees dislocated by the redeployment. The plan shall be tailored to the situations of individual workers and shall include strategies such as individual employment counseling through the departments of personnel and employment security;

retraining and placement into other state jobs; placement of state employees with private contractors; and assistance establishing private community service programs; and

(v) A report is submitted to appropriate committees of the legislature by October 1, 1993, and at the beginning of each biennial quarter thereafter, on specific plans for accomplishing the goals of this subsection (4)(a), and their outcomes.

(b) During the last eighteen months of the 1993-95 fiscal biennium, the per capita cost of community residential services shall be reduced by at least 6.7 percent below the amount expended during the last quarter of the 1991-93 biennium. In accomplishing this reconfiguration of community residential services and costs, the governor shall assure that:

(i) The number of persons receiving community residential services shall not be reduced below the end of fiscal year 1993 level, and shall be increased by the number of persons moving from residential habilitation centers;

(ii) The benchmark wage and benefits rate for contracted community residential providers shall not be reduced below the January 1993 level;

(iii) Reconfigurations are planned locally, with maximum flexibility to tailor residential support arrangements to fit local resources and opportunities and the needs of individual residents and families;

(iv) A working group representing all interested parties is convened to plan and oversee the reconfigurations. The working group shall additionally prepare recommendations for the governor and the legislature on organization of the developmental disabilities system.

(c) In addition to slots needed to accommodate persons moving from ICF/MR and nursing facilities, the secretary shall seek federal approval to expand by at least 500 the number of persons receiving services under federal medicaid home- and community-based services waivers. If the waiver request is not approved by the federal health care financing administration, the secretary is authorized to use up to \$15,000,000 of the general fund—state appropriation to develop intermediate care facilities for the mentally retarded, personal care, rehabilitative, and other services reimbursable under medicaid without a waiver of federal rules. The secretary shall report to the ways and means committee of the senate and the appropriations committee of the house of representatives by February 1, 1994, on the outcome of these efforts.

(d) The secretary shall report to appropriate committees of the legislature by January 1, 1994, on efforts to obtain federal approval to include living units at Fircrest school as group homes under medicaid home- and community-based services waivers.

(e) In developing employment support plans for individuals with developmental disabilities, counties shall utilize, for those who are programmatically eligible, social security work incentive programs such as plans for achieving self support (PASS) and impairment-related work expense (IRWE).

(f) Counties shall use a portion of the general fund—state appropriation for the implementation of working agreements with the vocational rehabilitation program to maximize the use of federal funding for vocational programs.

(g) \$2,210,000 of the general fund—state appropriation is provided solely for employment programs, or community access programs to the extent that the programs will lead to employment, for those persons who complete a high school curriculum during the 1993-95 biennium. Portions of this amount may be used for employment programs developed through the vocational rehabilitation program. Federal appropriations for this purpose are provided in the appropriations for the vocational rehabilitation program.

*Sec. 205 was partially vetoed, see message at end of chapter.

NEW SECTION. Sec. 206. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—AGING AND ADULT SERVICES PROGRAM

General Fund—State Appropriation	\$	618,987,000
General Fund—Federal Appropriation	\$	738,027,000
General Fund—Private/Local Appropriation	\$	2,004,000
TOTAL APPROPRIATION	\$	1,359,018,000

The appropriations in this section are subject to the following conditions and limitations: During the first quarter of the fiscal biennium, the department shall transfer recipients of the chore services program who require assistance with household tasks only to the volunteer chore services program. At least \$2,277,000 of the general fund—state appropriation shall be used solely for the volunteer chore services program.

***NEW SECTION. Sec. 207. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—INCOME ASSISTANCE PROGRAM**

General Fund—State Appropriation	\$	653,252,000
General Fund—Federal Appropriation	\$	599,986,000
TOTAL APPROPRIATION	\$	1,253,238,000

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

(1) Payment levels in the programs for aid to families with dependent children, general assistance, and refugee assistance shall contain an energy allowance to offset the costs of energy. The allowance shall be excluded from consideration as income for the purpose of determining eligibility and benefit levels of the food stamp program to the maximum extent such exclusion is authorized under federal law and RCW 74.08.046. To this end, up to \$300,000,000 of the income assistance payments is so designated for exemptions of the following amounts:

Family size:	1	2	3	4	5	6	7	8 or more
Exemption:	\$55	71	86	102	117	133	154	170

(2) *Of the general fund—state appropriation, no more shall be expended for the state supplementary payment for supplemental security income (SSI)*

payments than is required to comply with 20 C.F.R. ch. III, s 416.2096(c)(1). The department shall adjust the state supplementary payment in order to comply with this subsection.

(3) \$600,000 of the general fund—state appropriation is provided solely to implement section 3 of Engrossed Substitute House Bill No. 1197 (public assistance).

*Sec. 207 was partially vetoed, see message at end of chapter.

NEW SECTION. Sec. 208. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—ALCOHOL AND SUBSTANCE ABUSE PROGRAM

General Fund—State Appropriation	\$	15,355,000
General Fund—Federal Appropriation	\$	65,475,000
Drug Enforcement and Education Account		
Appropriation	\$	68,572,000
TOTAL APPROPRIATION	\$	149,402,000

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

(1) Up to \$304,000 of the general fund—federal appropriation is provided to enact sections 3, 4, and 5 of Engrossed Substitute House Bill No. 2026 (high risk pregnancies). These funds will be used to implement three pilot projects involving pretreatment drug and alcohol services for women of child-bearing age.

(2) From appropriations provided in this section and in section 204 of this act, the secretary of social and health services shall establish a consolidated, privately-operated program specializing in the involuntary treatment of chemically dependent clients, and the voluntary treatment of mentally ill chemical abusers, on the grounds of the northern state multi-service center. In establishing this consolidated program with discrete treatment components, the secretary shall involve mental health and chemical dependency treatment providers, advocacy groups, and local system administrators in designing the program, developing its admission and discharge procedures, and selecting and monitoring the contractor.

(3) \$9,544,000 of the total appropriation is provided solely for the grant programs for school districts and educational service districts set forth in RCW 28A.170.080 through 28A.170.100, including state support activities, as administered through the office of the superintendent of public instruction.

***NEW SECTION. Sec. 209. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—MEDICAL ASSISTANCE PROGRAM**

General Fund—State Appropriation	\$	1,167,705,000
General Fund—Federal Appropriation	\$	1,804,308,000
General Fund—Local Appropriation	\$	361,996,000
Health Services Account Appropriation	\$	54,777,000
TOTAL APPROPRIATION	\$	3,388,786,000

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

(1) Funding is provided in this section for the adult dental program for Title XIX categorically eligible and medically needy persons and to provide foot care services by podiatric physicians and surgeons.

(2) \$160,000 of the general fund—state appropriation and \$160,000 of the general fund—federal appropriation are provided solely for the prenatal triage clearinghouse to provide access and outreach to reduce infant mortality.

(3) The department shall contract for the services of private debt collection agencies to maximize financial recoveries from third parties where it is not cost-effective for the state to seek the recovery directly.

(4) \$3,128,000 of the general fund—state appropriation is provided solely for treatment of low-income kidney dialysis patients.

(5) \$148,000 of the general fund—state appropriation is provided solely to continue the DECODE program.

(6) It is the intent of the legislature that Harborview medical center continue to be an economically viable component of the health care system and that the state's financial interest in Harborview medical center be recognized.

(7) \$50,240,000 of the health services account—state appropriation and \$61,404,000 of the general fund—federal appropriation are provided solely to expand medicaid eligibility to 200 percent of poverty for children through age 18, effective July 1, 1994. The appropriation in this subsection includes \$662,000 from the health services account—state and \$808,000 from general fund—federal to accelerate the implementation of managed care in the medicaid program. It also includes funds to administer the expanded caseload and to coordinate with the basic health plan. This subsection includes funds for full coverage of children enrolled in the basic health plan and eligible for medicaid under eligibility standards in place July 1, 1993. It is the intent of the legislature that children covered through this expanded coverage shall be enrolled in managed care plans to the maximum extent possible. The department shall seek to expand its managed care waivers to require children funded through this subsection to enroll in the basic health plan or other managed care systems. The department shall create a special eligibility category for children covered by this eligibility expansion, so that expenditures, unit costs and individuals served may be reported consistently over time. The department shall also provide for consistent reporting on other medicaid children served through the basic health plan.

(8) \$644,000 of the health services account appropriation is provided solely for costs associated with the waiver application required by health care reform.

(9) \$1,693,000 of the health services account appropriation is provided solely to expand maternity care services previously supported through the department of health.

(10) \$3,372,000 of the general fund—state appropriation and \$3,586,000 of the general fund—federal appropriation are provided for chiropractic services.

*Sec. 209 was partially vetoed, see message at end of chapter.

NEW SECTION. Sec. 210. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—VOCATIONAL REHABILITATION PROGRAM

General Fund—State Appropriation	\$ 15,406,000
General Fund—Federal Appropriation	\$ 68,237,000
TOTAL APPROPRIATION	\$ 83,643,000

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

(1) The division of vocational rehabilitation shall negotiate cooperative interagency agreements with mental health regional support networks and with community developmental disabilities programs to improve and expand employment opportunities for people with severe disabilities served by those local agencies. Of the funds appropriated in this section, \$7,859,000 of the general fund—federal appropriation is provided solely as match for state appropriations included in other sections of this act to implement these cooperative agreements.

(2) The division of vocational rehabilitation shall assure that individuals affected by reductions in the job support services (extended sheltered employment) program have access to services under the regular state and federal vocational rehabilitation program that will enable them to obtain and maintain ongoing competitive or supported employment.

(3) \$1,015,000 of the general fund—federal appropriation is provided solely for vocational rehabilitation services for individuals with severe disabilities who complete a high school curriculum during the 1993-95 biennium.

NEW SECTION. Sec. 211. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—ADMINISTRATION AND SUPPORTING SERVICES PROGRAM

General Fund—State Appropriation	\$ 46,547,000
General Fund—Federal Appropriation	\$ 37,420,000
TOTAL APPROPRIATION	\$ 83,967,000

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

(1) The secretary of social and health services and the director of labor and industries shall report to the legislature by December 1, 1993, on strategies for reducing workers compensation costs in developmental disabilities, juvenile rehabilitation, and mental health facilities operated by the department of social and health services.

(2) The report shall identify the specific 1994-97 costs and savings associated with at least the following strategies for reducing workers compensa-

tion claims and costs: (a) Injury prevention strategies; (b) improved return to work efforts; (c) more effective claims management through designation of a specific claims unit in the department of labor and industries; and (d) more effective claims management through delegation of claims management responsibility to the department of social and health services.

(3) The report shall also address the projected costs and benefits of at least the following strategies for financing injury and claims reduction efforts: (a) Upfront loss control credits; (b) post-biennial charges for actual costs rather than the current three-year actuarially adjusted method; (c) revised case reserve policies; and (d) reducing the number of state employee risk classifications.

(4) The report shall be submitted to the committees on ways and means and labor and commerce of the senate, and to the committees on appropriations and commerce and labor of the house of representatives.

(5) The department shall enter an interagency agreement transferring \$100,000 to the human rights commission by August 1, 1993, to offset the cost of investigating claims filed with the commission by department employees and clients.

NEW SECTION. Sec. 212. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—COMMUNITY SERVICES ADMINISTRATION PROGRAM

General Fund—State Appropriation	\$	219,837,000
General Fund—Federal Appropriation	\$	257,237,000
Health Services Account Appropriation	\$	793,000
TOTAL APPROPRIATION	\$	477,867,000

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

(1) \$8,953,000 of the general fund—state appropriation and \$21,683,000 of the general fund—federal appropriation are provided solely for the development of the automated client eligibility system. Authority to expend these funds is conditioned on compliance with section 902 of this act.

(2) The department shall distribute additional staff positions to community service offices to address increased workloads. In distributing the positions, the department shall ensure that additional staff are provided to the community service offices with the greatest workload in relation to current staff resources.

(3) \$793,000 of the health services account—state and \$969,000 of the general fund—federal appropriation are provided solely for the costs associated with expanding medicaid eligibility to 200 percent of poverty level for children through age 18, effective July 1, 1994.

NEW SECTION. Sec. 213. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—REVENUE COLLECTIONS PROGRAM

General Fund—State Appropriation	\$	35,763,000
General Fund—Federal Appropriation	\$	178,043,000
General Fund—Local Appropriation	\$	280,000

TOTAL APPROPRIATION \$ 214,086,000

The appropriations in this section are subject to the following conditions and limitations: \$415,000 of the general fund—state appropriation and \$139,000 of the general fund—federal appropriation are provided solely to implement Senate Bill No. 5723 (increased recovery from social service clients). If the bill is not enacted by June 30, 1993, the amounts provided in this subsection shall lapse.

NEW SECTION. Sec. 214. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES—PAYMENTS TO OTHER AGENCIES PROGRAM

General Fund—State Appropriation \$ 30,935,000
General Fund—Federal Appropriation \$ 11,724,000
TOTAL APPROPRIATION \$ 42,659,000

The appropriations in this section are subject to the following conditions and limitations: The department may transfer up to \$1,810,000 of the general fund—state appropriation and \$416,000 of the general fund—federal appropriation from its various programs to implement reductions related to the consolidated mail service.

NEW SECTION. Sec. 215. FOR THE HEALTH CARE COMMISSION
Health Services Account—State Appropriation \$ 4,004,000

NEW SECTION. Sec. 216. FOR THE WASHINGTON STATE HEALTH CARE AUTHORITY

General Fund Appropriation \$ 6,810,000
Health Services Account Appropriation \$ 139,368,000
State Health Care Authority Administrative Account
Appropriation \$ 10,045,000
TOTAL APPROPRIATION \$ 156,223,000

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

- (1) From the nonappropriated retired school employees insurance account, the health care authority shall reimburse the department of retirement systems through interagency agreements for enrolling K-12 retirees in a state-administered health benefits plan.
- (2) \$1,205,000 of the health services account appropriation is provided solely for health care reform planning. If Engrossed Substitute Senate Bill No. 5304 (health care reform) is not enacted by June 30, 1993, the amount provided in this subsection shall lapse.
- (3) \$6,810,000 of the general fund appropriation and \$5,000,000 of the health services account appropriation are provided solely to implement the transfer of the community health clinics funding from the department of health provided in Engrossed Substitute Senate Bill No. 5304 (health care reform).
- (4) \$222,000 of the health services account appropriation is provided solely to work with school districts in preparation of providing school employees state-

administered health care plans, in accordance with Engrossed Substitute Senate Bill No. 5304 (health care reform).

(5) The health care authority shall not initiate any services that will require expenditure of state general fund moneys unless expressly authorized in this act or other law, or unless the services were provided on March 1, 1993. The department may seek, receive, and spend, under RCW 43.79.260 through 43.79.282, federal moneys not anticipated in this act as long as the federal funding does not require expenditure of state moneys for the program in excess of amounts anticipated in this act. If the department receives unanticipated unrestricted federal moneys, those moneys shall be spent for services authorized in this act or in any other legislation that provides appropriation authority, and an equal amount of appropriated state moneys shall lapse. As used in this subsection, "unrestricted federal moneys" includes block grants and other funds that federal law does not require to be spent on specifically defined projects or matched on a formula basis by state funds.

(6) \$132,941,000 of the health services account appropriation is provided solely for health coverage through the subsidized portion of the basic health plan and program administration. Beginning July 1, 1993, the administrator shall coordinate coverage with the medical assistance division of the department of social and health services to earn federal matching funds and to provide full medical assistance services for eligible children.

***NEW SECTION. Sec. 217. FOR THE DEPARTMENT OF COMMUNITY DEVELOPMENT**

General Fund—State Appropriation	\$ 86,244,000
General Fund—Federal Appropriation	\$ 185,242,000
General Fund—Private/Local Appropriation	\$ 624,000
Public Safety and Education Account Appropriation	\$ 8,402,000
Building Code Council Account Appropriation	\$ 1,068,000
Public Works Assistance Account Appropriation	\$ 1,192,000
Drug Enforcement and Education Account Appropriation	\$ 3,908,000
Low Income Weatherization Account Appropriation	\$ 6,582,000
Washington Housing Trust Fund Appropriation	\$ 4,643,000
Enhanced 911 Account Appropriation	\$ 20,042,000
Administrative Contingency Fund Appropriation	\$ 1,476,000
TOTAL APPROPRIATION	\$ 319,423,000

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

(1) \$4,707,832 of the general fund—state appropriation is provided for emergency food assistance. Of this amount, \$300,000 shall be allocated to food banks in targeted areas as determined by the timber and targeted areas policy office and \$225,000 shall be allocated for food stamp outreach.

(2) \$8,208,000 of the general fund—federal appropriation is provided solely for the drug control and system improvement formula grant program, to be distributed in fiscal year 1994 as follows:

(a) \$3,630,255 to local units of government to continue existing local drug task forces;

(b) \$1,086,240 to the Washington state patrol for coordination, training, and task force expansion to unserved areas of the state;

(c) \$697,128 to the department of community development to continue the state-wide drug prosecution assistance program;

(d) \$93,000 to the department of community development to establish a substance-abuse treatment in jails program, to test the effect of treatment on future criminal behavior;

(e) \$279,000 to local units of government for urban projects. The distribution shall be made through a competitive grant process administered by the department;

(f) \$174,840 to the department of community development to establish the youth violence prevention and intervention project;

(g) \$214,830 to the department of community development for the state-wide drug offense indigent defense program;

(h) \$782,734 to the department of corrections for the expansion of correctional industries programs. It is the intent of the legislature that this program receive an equal amount of funding from the fiscal year 1995 drug control and system improvement formula grant program appropriation;

(i) \$479,000 to the department of community development for grant administration and program evaluation, monitoring, and reporting, pursuant to federal requirements;

(j) \$46,000 to the Washington state patrol for data collection; and

(k) \$410,400 to the office of financial management for the criminal history records improvement program.

(l) \$128,573 for continuation of the high impact offender prosecution project; and

(m) \$186,000 to the department of community development for allocation to public or private nonprofit groups or organizations with experience and expertise in the field of domestic violence, for the purpose of continuing existing domestic violence advocacy programs, providing legal and other assistance to victims and witnesses in court proceedings, and establishing new domestic violence advocacy programs.

(3) \$20,000 of the general fund—state appropriation is provided for the Seattle children's museum.

(4) \$70,000 of the general fund—state appropriation is provided for emergency medical services support to the Mt. St. Helens national volcanic monument area.

(5) In order to offset reductions in federal community services block grant funding for community action agencies, the department shall set aside \$2,400,000

of federal community development block grant funds for distribution to local governments for distribution to community action agencies state-wide.

(6) \$350,000 of the general fund—state appropriation is provided for financial assistance to local governments and nonprofit organizations to assist military dependent communities including, but not limited to Kitsap county, in diversifying their economies. In providing assistance, first priority shall be given to defense diversification and conversion projects which leverage additional federal funds.

(7) Within the funds appropriated in this section the department shall use existing staff resources to research the availability of and apply for economic development grants from federal and private sources and to assist state and local organizations in doing the same.

(8) \$5,118,000 of the general fund—state appropriation is provided for emergency shelter assistance.

(9) \$12,328,000 of the general fund—state appropriation is provided for grants to local governments for comprehensive planning activities pursuant to the growth management act.

(10) \$4,800,000 of the public safety and education account appropriation is provided solely for civil representation of indigent people.

(11) \$3,600,000 of the public safety and education account appropriation is provided solely for the office of crime victim's advocacy and for sexual assault treatment services.

(12) \$8,268,000 of the general fund—state appropriation and \$41,610,000 of the general fund—federal appropriation are provided for grant administration and grant assistance as authorized by the president under the federal disaster assistance program. It is the intent of the legislature that the disaster assistance unit continue to be funded as disasters occur not on a permanent basis, and that staffing for the unit be kept to only the minimum number of positions necessary to administer the grants and meet other federal and state requirements.

*Sec. 217 was partially vetoed, see message at end of chapter.

NEW SECTION. Sec. 218. FOR THE DEPARTMENT OF COMMUNITY DEVELOPMENT—FIRE PROTECTION POLICY BOARD.

\$4,865,000 is appropriated to the department of community development for the purposes of the fire protection policy board. Of this amount, \$2,213,000 is from the general fund—state appropriation, \$1,750,000 is from the fire service training account appropriation, \$466,000 is from the state toxics control account appropriation, \$346,000 is from the oil spill administration account appropriation, and \$90,000 is from the fire service trust account appropriation. All expenditures from these funds are subject to the approval of the fire protection policy board. In the event of an across-the-board reduction in general fund allotments under RCW 43.88.110, the percentage reduction in the general—state allotments to the fire protection policy board shall not exceed the percentage reduction to the department's other general fund—state allotments.

NEW SECTION. Sec. 219. FOR THE HUMAN RIGHTS COMMISSION

General Fund—State Appropriation	\$	3,919,000
General Fund—Federal Appropriation	\$	1,009,000
General Fund—Private/Local Appropriation	\$	402,000
TOTAL APPROPRIATION	\$	5,330,000

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

- (1) \$197,964 of the general fund—private/local appropriation is provided solely for the provision of technical assistance services by the commission.
- (2) \$102,000 of the general fund—state appropriation is provided solely to implement Substitute House Bill No. 1443 (jurisdiction of the human rights commission). If the bill is not enacted by June 30, 1994, the amount provided in this subsection shall lapse.
- (3) \$50,000 of the general fund—state appropriation is provided to implement Substitute House Bill No. 1966 (racial disproportionality study recommendations).

NEW SECTION. Sec. 220. FOR THE BOARD OF INDUSTRIAL INSURANCE APPEALS

General Fund Appropriation	\$	110,000
Worker and Community Right-to-Know Account Appropriation	\$	20,000
Accident Fund Appropriation	\$	10,194,000
Medical Aid Fund Appropriation	\$	10,194,000
TOTAL APPROPRIATION	\$	20,518,000

NEW SECTION. Sec. 221. FOR THE CRIMINAL JUSTICE TRAINING COMMISSION

Death Investigations Account Appropriation	\$	38,000
Public Safety and Education Account Appropriation	\$	10,818,000
Drug Enforcement and Education Account Appropriation . . .	\$	344,000
TOTAL APPROPRIATION	\$	11,200,000

The appropriations in this section are subject to the following conditions and limitations: The public safety and education account appropriation provides sufficient money to implement section 5 of Engrossed Substitute House Bill No. 1569 (malicious harassment).

NEW SECTION. Sec. 222. FOR THE DEPARTMENT OF LABOR AND INDUSTRIES

General Fund—State Appropriation	\$	9,241,000
Public Works Administration—State Appropriation	\$	1,175,000
Public Safety and Education Account State Appropriation	\$	20,513,000

Public Safety and Education Account Federal	
Appropriation	\$ 4,783,000
Public Safety and Education Account Private/Local	
Appropriation	\$ 100,000
Accident Fund—State Appropriation	\$ 144,374,000
Accident Fund—Federal Appropriation	\$ 7,832,000
Electrical License Fund Appropriation	\$ 18,219,000
Farm Labor Revolving Account Appropriation	\$ 28,000
Medical Aid Fund—State Appropriation	\$ 166,439,000
Medical Aid Fund—Federal Appropriation	\$ 1,592,000
Plumbing Certificate Fund Appropriation	\$ 227,000
Pressure Systems Safety Fund Appropriation	\$ 1,981,000
Worker and Community Right-to-Know Fund	
Appropriation	\$ 2,170,000
TOTAL APPROPRIATION	\$ 378,674,000

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

(1) The secretary of social and health services and the director of labor and industries shall report to the legislature by January 1, 1994, on strategies for reducing workers compensation costs in developmental disabilities, juvenile rehabilitation, and mental health facilities operated by the department of social and health services.

(2) The report shall identify the specific 1994-97 costs and savings associated with at least the following strategies for reducing workers compensation claims and costs: (a) Injury prevention strategies; (b) improved returned to work efforts; (c) more effective claims management through designation of a specific claims unit in the department of labor and industries; and (d) more effective claims management through delegation of claims management responsibility to the department of social and health services.

(3) The report shall also address the projected costs and benefits of at least the following strategies for financing injury and claims reduction efforts: (a) Upfront loss control credits; (b) post-biennial charges for actual costs rather than the current three-year actuarially adjusted method; (c) revised case reserve policies; and (d) reducing the number of state employee risk classifications.

(4) The report shall be submitted to the committees on ways and means and labor and commerce of the senate, and to the committees on appropriations and commerce and labor of the house of representatives.

(5) Expenditure of funds appropriated in this section for the information systems projects identified in agency budget requests as "prime migration," "state fund information system," and "safety and health information management system" is conditioned upon compliance with section 902 of this act.

(6) Pursuant to RCW 7.68.015, the department shall operate the crime victims compensation program within the public safety and education act funds appropriated in this section. In the event that cost containment measures are

necessary, the department may (a) institute copayments for services; (b) develop preferred provider and managed care contracts; (c) place benefit maximums on treatment; (d) coordinate with the department of social and health services to use public safety and education account funds as the match for federal Title XIX reimbursement, to the extent this maximizes total funds available for services to crime victims; and (e) establish priorities for the provision of services to eligible claimants as follows:

- (i) Emergency medical services (inclusive of sexual assault examinations and emergency transportation);
 - (ii) Nonemergency medical and outpatient mental health services;
 - (iii) Family member mental health services;
 - (iv) Direct compensation (wage loss and disability) benefits on future claims;
- and
- (v) Substance abuse and inpatient mental health services.

(7) \$470,000 of the medical aid fund—state appropriation is provided solely for activities required by Engrossed Second Substitute Senate Bill No. 5304 (health care reform). If the bill is not enacted by July 1, 1993, the amount provided in this subsection shall lapse.

NEW SECTION. Sec. 223. FOR THE INDETERMINATE SENTENCE REVIEW BOARD

General Fund Appropriation	\$ 2,643,000
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NEW SECTION. Sec. 224. FOR THE DEPARTMENT OF VETERANS AFFAIRS

General Fund—State Appropriation	\$ 20,701,000
General Fund—Federal Appropriation	\$ 16,099,000
General Fund—Private/Local Appropriation	\$ 10,088,000
Industrial Insurance Premium Refund Account	
Appropriation	\$ 50,000
Charitable, Educational, Penal, and Reformatory	
Institutions Account Appropriation	\$ 4,000
TOTAL APPROPRIATION	\$ 46,942,000

NEW SECTION. Sec. 225. FOR THE DEPARTMENT OF HEALTH

General Fund—State Appropriation	\$ 92,520,000
General Fund—Federal Appropriation	\$ 160,977,000
General Fund—Local Appropriation	\$ 22,357,000
Hospital Commission Account Appropriation	\$ 3,028,000
Medical Disciplinary Account Appropriation	\$ 1,806,000
Health Professions Account Appropriation	\$ 27,931,000
State Toxics Control Account Appropriation	\$ 3,091,000
Drug Enforcement and Education Account Appropriation . . .	\$ 467,000
Medical Test Site Licensure Account Appropriation	\$ 2,584,000
Safe Drinking Water Account Appropriation	\$ 1,850,000
Public Health Services Account Appropriation	\$ 20,000,000

Youth Tobacco Prevention Account Appropriation	\$ 1,830,000
Water Quality Account Appropriation	\$ 2,997,000
Health Services Account Appropriation	\$ 11,171,000
TOTAL APPROPRIATION	\$ 352,609,000

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

(1) \$2,465,000 of the general fund—state appropriation is provided for the implementation of the Puget Sound water quality management plan.

(2) \$3,900,000 of the public health services account appropriation is provided solely to implement Second Substitute Senate Bill No. 5239 (centralizing poison information services). If the bill is not enacted by June 30, 1993, the amount provided in this subsection shall lapse.

(3) \$2,750,000 of the public health services account appropriation is provided solely for teen pregnancy prevention activities as provided in Engrossed Substitute House Bill No. 1408 (teen pregnancy prevention). The media campaign portion of the program shall be provided through a nonprofit corporation.

(4) \$1,000,000 of the public health services account appropriation is provided solely for a counter message advertising campaign aimed at reducing high risk teen behaviors, reducing tobacco and substance abuse, and encouraging sexual abstinence. The media campaign shall be provided through a nonprofit corporation.

(5) \$100,000 of the public health services account appropriation is provided solely for the community-based multicultural assistance program.

(6) \$1,000,000 of the public health services account appropriation is provided solely for immunization programs to include: \$200,000 for provider and public education, \$200,000 for demonstration projects in low-income or economically distressed areas, and \$600,000 for competitive challenge grants to be matched on a one-to-one basis by applicant communities.

(7) \$1,000,000 of the public health services account appropriation is provided solely for enhanced family planning services.

(8) \$250,000 of the public health services account appropriation is provided solely for development of the public health services improvement plan.

(9) \$10,000,000 of the public health services account appropriation is provided solely for distribution to local health departments for distribution on a per capita basis. Prior to distributing these funds, the department shall adopt rules and procedures to ensure that these funds are not used to replace current local support for public health programs.

(10) \$1,507,000 of the health services account appropriation is provided solely for improving recruitment and retention of primary care providers in rural and underserved areas.

(11) \$1,948,000 of the health services account appropriation is provided solely for training emergency medical service personnel.

(12) \$280,000 of the health services account appropriation is provided solely for malpractice insurance for volunteer primary care providers.

(13) \$613,000 of the health services account appropriation is provided solely for development of the health personnel improvement plan.

(14) \$1,918,000 of the health services account appropriation is provided solely for special services for children from throughout the state through Children's hospital.

(15) \$3,530,000 of the health services account appropriation is provided solely for data activities associated with health care reform.

(16) \$1,375,000 of the health services account appropriation is provided solely for the state board of health and health policy activities of the department of health.

(17) The department of health shall not initiate any services that will require expenditure of state general fund moneys unless expressly authorized in this act or other law, or unless the services were provided on March 1, 1993. The department may seek, receive, and spend, under RCW 43.79.260 through 43.79.282, federal moneys not anticipated in this act as long as the federal funding does not require expenditure of state moneys for the program in excess of amounts anticipated in this act. If the department receives unanticipated unrestricted federal moneys, those moneys shall be spent for services authorized in this act or in any other legislation that provides appropriation authority, and an equal amount of appropriated state moneys shall lapse. Upon the lapsing of any moneys under this subsection, the office of financial management shall notify the legislative fiscal committees. As used in this subsection, "unrestricted federal moneys" includes block grants and other funds that federal law does not require to be spent on specifically defined projects or matched on a formula basis by state funds.

(18) The department shall assess fees for certification and licensure of emergency medical service programs. Certification and licensure costs for volunteer personnel shall be paid from local government revenues under RCW 84.52.069.

***NEW SECTION. Sec. 226. FOR THE DEPARTMENT OF CORRECTIONS**

(1) COMMUNITY CORRECTIONS

General Fund—State Appropriation	\$ 144,578,000
Drug Enforcement and Education Account Appropriation . . .	\$ 114,000
TOTAL APPROPRIATION	\$ 144,692,000

(2) INSTITUTIONAL SERVICES

General Fund—State Appropriation	\$ 516,108,000
Drug Enforcement and Education Account Appropriation . . .	\$ 1,836,000
Transportation Account Appropriation	\$ 1,075,000
TOTAL APPROPRIATION	\$ 519,019,000

(3) ADMINISTRATION AND PROGRAM SUPPORT	
General Fund—State Appropriation	\$ 25,754,000
Industrial Insurance Premium Refund Account Appropriation	\$ 147,000
TOTAL APPROPRIATION	\$ 25,901,000
(4) CORRECTIONAL INDUSTRIES	
General Fund—State Appropriation	\$ 3,795,000
(5) REVOLVING FUNDS	
General Fund—State Appropriation	\$ 10,404,000

The appropriations in this section are subject to the following conditions and limitations: Within the appropriations, the department shall address the mental health needs of inmates.

*Sec. 226 was partially vetoed, see message at end of chapter.

NEW SECTION. Sec. 227. FOR THE DEPARTMENT OF SERVICES FOR THE BLIND

General Fund—State Appropriation	\$ 2,601,000
General Fund—Federal Appropriation	\$ 8,552,000
General Fund—Private/Local Appropriation	\$ 80,000
TOTAL APPROPRIATION	\$ 11,233,000

NEW SECTION. Sec. 228. FOR THE SENTENCING GUIDELINES COMMISSION

General Fund—State Appropriation	\$ 662,000
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***NEW SECTION. Sec. 229. FOR THE EMPLOYMENT SECURITY DEPARTMENT**

General Fund—State Appropriation	\$ 1,397,000
General Fund—Federal Appropriation	\$ 144,834,000
General Fund—Local Appropriation	\$ 19,982,000
Administrative Contingency Fund—Federal Appropriation	\$ 7,528,000
Unemployment Compensation Administration Fund—Federal Appropriation	\$ 152,409,000
Employment Service Administration Account Federal Appropriation	\$ 11,272,000
Employment Training Trust Fund Appropriation	\$ 7,804,000
TOTAL APPROPRIATION	\$ 345,226,000

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

(1) \$63,000 of the administrative contingency fund—federal appropriation is provided solely to implement section 30 of chapter 315, Laws of 1991, (Engrossed Substitute Senate Bill No. 5555, timber areas assistance) for the department to contract with the department of community development for support of existing employment centers in timber-dependent communities.

(2) \$215,000 of the administrative contingency fund—federal appropriation is provided solely for the department to contract with the department of community development for support of existing reemployment support centers.

(3) \$643,000 of the administrative contingency fund—federal appropriation is provided solely for programs authorized in sections 5 through 9 of chapter 315, Laws of 1991 (Engrossed Substitute Senate Bill No. 5555, countercyclical program for timber-impacted areas).

(4) \$304,000 of the administrative contingency fund—federal appropriation is provided solely for programs authorized in section 3 of chapter 315, Laws of 1991 (Engrossed Substitute Senate Bill No. 5555, self-employment enterprise development program for timber areas).

(5) \$289,000 of the administrative contingency fund—federal appropriation is provided solely for programs authorized in sections 3, 4, 5, and 9 of chapter 315, Law of 1991 (Engrossed Substitute Senate Bill No. 5555, timber areas assistance) for administration of extended unemployment benefits (timber AB screening - UI benefits extensions).

(6) \$671,000 of the administrative contingency fund—federal appropriation is provided solely for the corrections clearinghouse coordinator.

(7) \$778,000 of the administrative contingency fund—federal appropriation is provided solely for the corrections clearinghouse ex-offender program.

(8) \$313,000 of the administrative contingency fund—federal appropriation is provided solely for the corrections clearinghouse career awareness program.

(9) \$1,790,471 of the administrative contingency fund—federal appropriation is provided solely for the Washington service corps program.

(10) \$270,000 of the unemployment compensation account—federal appropriation is provided solely for the resource center for the handicapped.

(11) The employment security department shall spend no more than \$13,778,541 of general fund—federal appropriation for the general unemployment insurance development effort (GUIDE) project.

(12) \$300,000 of the general fund—state appropriation is provided solely to implement Engrossed Substitute House Bill No. 1529 (timber programs reauthorization). If Engrossed Substitute House Bill No. 1529 is not enacted by June 30, 1993, the amount provided in this subsection shall lapse.

(13) \$275,000 of the general fund—state appropriation is provided solely to implement a youth gang prevention program. If Engrossed Substitute House Bill No. 1333 is not enacted by June 30, 1993, the amount provided in this subsection shall lapse.

(14) \$400,000 of the general fund—state appropriation is provided solely for transfer to the department of social and health services division of vocational rehabilitation solely to contract with the Washington initiative for supported employment for the purpose of continuing the promotion of supported employment services for persons with significant disabilities.

(15) \$400,000 of the general fund—state appropriation is provided solely to implement the Washington serves program. If Substitute House Bill No. 1969

is not enacted by June 30, 1993, the amount provided in this subsection shall lapse.

(16) \$2,000,000 of the employment and training trust fund appropriation is provided solely for the operation of thirteen job service centers located on community and technical college campuses.

*Sec. 229 was partially vetoed, see message at end of chapter.

**PART III
NATURAL RESOURCES**

NEW SECTION. Sec. 301. FOR THE STATE ENERGY OFFICE

General Fund—State Appropriation	\$ 1,518,000
General Fund—Federal Appropriation	\$ 23,675,000
General Fund—Private/Local Appropriation	\$ 6,769,000
Geothermal Account—Federal Appropriation	\$ 41,000
Building Code Council Account Appropriation	\$ 92,000
Air Pollution Control Account Appropriation	\$ 6,007,000
Industrial Insurance Premium Refund Account Appropriation	\$ 4,000
Energy Efficiency Services Account Appropriation	\$ 1,056,000
TOTAL APPROPRIATION	\$ 39,162,000

NEW SECTION. Sec. 302. FOR THE COLUMBIA RIVER GORGE COMMISSION

General Fund—State Appropriation	\$ 574,000
General Fund—Private/Local Appropriation	\$ 542,000
TOTAL APPROPRIATION	\$ 1,116,000

NEW SECTION. Sec. 303. FOR THE DEPARTMENT OF ECOLOGY

General Fund—State Appropriation	\$ 55,625,000
General Fund—Federal Appropriation	\$ 45,061,000
General Fund—Private/Local Appropriation	\$ 1,103,000
Special Grass Seed Burning Research Account Appropriation	\$ 132,000
Reclamation Revolving Account Appropriation	\$ 1,696,000
Emergency Water Project Revolving Account Appropriation: Appropriation pursuant to chapter 1, Laws of 1977 ex.s.	\$ 312,000
Litter Control Account Appropriation	\$ 6,388,000
State and Local Improvements Revolving Account— Waste Disposal Facilities: Appropriation pursuant to chapter 127, Laws of 1972 ex.s. (Referendum 26)	\$ 2,680,000
Industrial Insurance Premium Refund Account Appropriation	\$ 42,000
State and Local Improvements Revolving Account— Water Supply Facilities: Appropriation pursuant	

to chapter 234, Laws of 1979 ex.s.	
(Referendum 38)	\$ 1,349,000
Stream Gaging Basic Data Fund Appropriation	\$ 303,000
Vehicle Tire Recycling Account Appropriation	\$ 7,832,000
Water Quality Account Appropriation	\$ 2,700,000
Wood Stove Education Account Appropriation	\$ 1,382,000
Worker and Community Right-to-Know Fund	
Appropriation	\$ 410,000
State Toxics Control Account—State Appropriation	\$ 55,242,000
Local Toxics Control Account Appropriation	\$ 3,314,000
Water Quality Permit Account Appropriation	\$ 20,714,000
Solid Waste Management Account Appropriation	\$ 11,463,000
Underground Storage Tank Account Appropriation	\$ 2,970,000
Hazardous Waste Assistance Account Appropriation	\$ 4,112,000
Air Pollution Control Account Appropriation	\$ 14,217,000
Oil Spill Response Account Appropriation	\$ 7,256,000
Oil Spill Administration Account Appropriation	\$ 3,738,000
Fresh Water Aquatic Weed Control Account	
Appropriation	\$ 1,686,000
Air Operating Permit Account Appropriation	\$ 4,566,000
Water Pollution Control Revolving Account—State	
Appropriation	\$ 196,000
Water Pollution Control Revolving Account—Federal	
Appropriation	\$ 1,034,000
Public Works Assistance Account Appropriation	\$ 4,000,000
TOTAL APPROPRIATION	\$ 261,523,000

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

(1) \$6,222,000 of the general fund—state appropriation and \$1,071,000 of the general fund—federal appropriation are provided for the implementation of the Puget Sound water quality management plan.

(2) \$7,800,000 of the general fund—state appropriation is provided solely for the auto emissions inspection and maintenance program. Expenditure of the amount provided in this subsection is contingent upon a like amount being deposited in the general fund from auto emission inspection fees in accordance with RCW 70.120.170(4).

(3) \$400,000 of the general fund—state appropriation is provided solely for water resource management activities associated with the continued implementation of the regional pilot projects started in the 1991-93 biennium.

(4) \$3,100,000 of the state toxics control account appropriation is provided solely for the following purposes:

(a) To conduct remedial actions for sites for which there are no potentially liable persons or for which potentially liable persons cannot be found;

(b) To provide funding to assist potentially liable persons under RCW 70.105D.070(2)(d)(xi) to pay for the cost of the remedial actions; and

(c) To conduct remedial actions for sites for which potentially liable persons have refused to comply with the orders issued by the department under RCW 70.105D.030 requiring the persons to provide the remedial action.

(5) \$4,566,000 of the air operating permit fee account appropriation and \$642,000 of the air pollution control account appropriation are provided solely to implement Engrossed Substitute House Bill No. 1089, reauthorizing air operating permits. If Engrossed Substitute House Bill No. 1089 is not enacted by June 30, 1993, \$4,566,000 of the air operating permit fee account appropriation and \$642,000 of the air pollution control account appropriation shall lapse.

(6) Of the solid waste management account appropriation, \$6,100,000 is provided solely for grants to local governments to implement waste reduction and recycling programs, \$75,000 is provided solely for grants to local governments for costs related to contaminated oil collected from publicly used oil collection facilities, and \$40,000 is provided solely for school recycling awards. If Second Substitute Senate Bill No. 5288 is not enacted by June 30, 1993, \$10,200,000 of the solid waste management account appropriation and the amounts provided in this subsection shall lapse.

(7) \$2,000,000 of the general fund—state appropriation is provided solely for the continued implementation of the water resources data management system.

(8) For fiscal year 1994, \$3,750,000 of the general fund—state appropriation is provided to administer the water rights permit program. For fiscal year 1995, not more than \$1,375,000 of the general fund—state appropriation may be expended for the program unless legislation to increase fees to fund fifty percent of the full cost of the water rights permit program, including data management, is enacted by June 30, 1994.

(9) \$1,175,000 of the reclamation revolving account appropriation is provided solely for the administration of the well drilling program. If House Bill No. 1806 is not enacted by June 30, 1993, the amount provided in this subsection shall lapse.

(10) The department of ecology shall cooperate with the department of community development and shall carry out its responsibility under the federally required April 20, 1992, flood hazard reduction mitigation plan. Specifically, the department shall implement the duties outlined in the flood reduction matrix dated December 18, 1992, or as amended by federal requirements, in consultation with the office of financial management.

(11) \$3,250,000 of the general fund—state appropriation is provided for funding labor-intensive environmental restoration projects, including projects using the Washington conservation corps. In awarding grant contracts, the department shall give priority to projects which implement watershed action plans. If the governor convenes an environmental restoration task force, then

projects funded from the amount provided in this subsection shall be subject to review by the task force.

(12) \$256,000 of the general fund—state appropriation is provided to identify and designate regional water resource planning areas in the central Puget Sound region and to prepare one or more comprehensive water resource plans for the designated area or areas. To assist in preparing the report, the department shall assemble representatives from state agencies, local governments and tribal governments. The report shall identify suggested boundaries, water resource issues relevant to each planning area, and public and private groups having specific interests in the region’s water resource issues. The report shall be provided to the governor and the appropriate committees of the legislature by March 15, 1994. Within 90 days thereafter, the governor shall direct the development of a comprehensive water resources plan or plans required by RCW 90.54.040(1). Any amount of this appropriation in excess of \$156,000 shall not be expended unless matched by an equal amount from utilities and local governments.

(13) \$238,000 of the water quality permit account appropriation is provided solely for implementation of Substitute House Bill No. 1169 (marine finfish). If Substitute House Bill No. 1169 is not enacted by June 30, 1993, the amount provided in this subsection shall lapse.

(14) Within the appropriations provided in this section, sufficient funds are provided to implement sections 8 through 15 of Second Engrossed Substitute House Bill No. 1309 (wild salmonids).

NEW SECTION. Sec. 304. FOR THE WASHINGTON POLLUTION LIABILITY REINSURANCE PROGRAM

Pollution Liability Insurance Trust Program \$ 906,000

***NEW SECTION. Sec. 305. FOR THE STATE PARKS AND RECREATION COMMISSION**

General Fund—State Appropriation	\$ 54,130,000
General Fund—Federal Appropriation	\$ 1,948,000
General Fund—Private/Local Appropriation	\$ 1,280,000
Winter Recreation Program Account Appropriation	\$ 879,000
ORV (Off-Road Vehicle) Account Appropriation	\$ 242,000
Snowmobile Account Appropriation	\$ 1,636,000
Public Safety and Education Account Appropriation	\$ 48,000
Litter Control Account Appropriation	\$ 34,000
Motor Vehicle Fund Appropriation	\$ 1,174,000
Oil Spill Administration Account Appropriation	\$ 64,000
Aquatic Lands Enhancement Account Appropriation	\$ 316,000
TOTAL APPROPRIATION	\$ 61,751,000

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

(1) \$189,000 of the general fund—state appropriation is provided to implement the Puget Sound water quality management plan.

(2) \$7,700,000 of the general fund—state appropriation is provided contingent upon the adoption and implementation of a fee schedule by the state parks and recreation commission that provides a like amount of revenue above the 1993-95 forecast for fees authorized under RCW 43.51.060(6) for fees in place as of January 1, 1993. Fees shall be based on the extent to which a facility is developed and maintained for year-round use. Maximum boat launch fees shall be assessed only at water access facilities where bathrooms, parking areas, and docking facilities are provided and maintained on a regular basis. Reduced fees may be assessed at water access facilities that are unimproved. Seasonal day area parking fees shall not be assessed. This subsection shall not preclude the assessment of a flat annual fee for use of all water access facilities and other state park facilities throughout the state.

(3) \$2,824,000 of the general fund—state appropriation is provided solely to address stewardship needs for state parks. Of this amount, \$1,800,000 is provided solely for the Washington conservation corps program established under chapter 43.220 RCW.

*Sec. 305 was partially vetoed, see message at end of chapter.

NEW SECTION. Sec. 306. FOR THE INTERAGENCY COMMITTEE FOR OUTDOOR RECREATION

Outdoor Recreation Account—State Appropriation	\$	2,541,000
Outdoor Recreation Account—Federal Appropriation	\$	34,000
Firearms Range Account Appropriation	\$	25,000
TOTAL APPROPRIATION	\$	2,600,000

NEW SECTION. Sec. 307. FOR THE ENVIRONMENTAL HEARINGS OFFICE

General Fund Appropriation	\$	1,205,000
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The appropriation in this section is subject to the following conditions and limitations: \$30,000 is provided solely for the increased costs associated with a half-time administrative law judge.

***NEW SECTION. Sec. 308. FOR THE DEPARTMENT OF TRADE AND ECONOMIC DEVELOPMENT**

General Fund—State Appropriation	\$	25,026,000
General Fund—Federal Appropriation	\$	458,000
General Fund—Local Appropriation	\$	40,000
Marketplace Account Appropriation	\$	150,000
Motor Vehicle Fund Appropriation	\$	582,000
Public Facilities Construction Loan Revolving Account Appropriation	\$	238,000

Litter Control Account Appropriation	\$	3,310,000
State Convention/Trade Center Account Appropriation	\$	3,975,000
Solid Waste Management Account Appropriation	\$	701,000
TOTAL APPROPRIATION	\$	34,480,000

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

(1) \$400,000 of the general fund—state appropriation is provided for operation of a European trade office. The amount provided in this subsection is contingent on receipt of at least \$160,000 from port associations for the operation of the office. The appropriation is further contingent upon an additional expenditure of \$15,000 by port associations for promotional activities in direct support of the office.

(2) The entire litter control account appropriation and the entire solid waste management account appropriation are provided for operating the clean Washington center created in chapter 319, Laws of 1991.

(3) The department shall evaluate the progress of the forest products industry's transition into value-added manufacturing and report its findings to the appropriate legislative fiscal and policy committees by September 30, 1994. The report shall recommend strategies for sustaining the effort to increase value-added manufacturing in Washington while decreasing the reliance on state funding.

(4) \$6,065,000 of the general fund—state appropriation is provided for the Washington technology center.

(5) The marketplace account is created in the state treasury to collect fees and expend funds necessary to implement RCW 43.31.524. Fees and other revenue collected by the marketplace program shall be placed in the marketplace account and may be expended only after appropriation by the legislature. The entire marketplace account appropriation is provided to support the department's marketplace program.

(6) The entire amount from the state convention and trade center account appropriation is provided solely for the Seattle/King county visitor and convention bureau for marketing and promoting the facilities and services of the convention center and the locale as a convention and visitor destination, and related activities. The department shall not expend more than is received from revenue generated by the special excise tax deposited in the state convention and trade center operations account under RCW 67.40.090(3), less any amount specifically provided to the state convention and trade center under section 316 of this act. Projections and actual collections of such revenue shall be determined and updated by the department of revenue. The funds provided in this section are subject to enactment of a marketing agreement to be approved and administered by the state convention and trade center.

(7) \$1,000,000 of the general fund—state appropriation is provided to enhance the off-season tourism program.

(8) \$292,000 of the general fund—state appropriation and \$208,000 of the general fund—federal appropriation are provided for the local economic development capacity building initiative.

(9) *\$250,000 of the general fund—state appropriation is provided for sections 5 and 6, and sections 16 through 27 of Engrossed Substitute House Bill No. 1493 (minority and women-owned businesses).*

(10) \$50,000 of the general fund—state appropriation is provided for the department to work with the Tacoma world trade center for the purpose of assisting small and medium-sized businesses with export opportunities.

(11) Not more than \$774,000 of the general fund—state appropriation may be expended for the operation of the Pacific Northwest export assistance project. The department shall develop and implement a plan for assessing fees for services provided by the project. The amount provided in this subsection is contingent on the receipt of revenues equal to at least twenty-five percent of the expenditures for fiscal year 1995. It is the intent of the legislature that the revenues raised to defray the expenditures of this program will be increased to fifty percent of the expenditures in fiscal year 1996, seventy-five percent of the expenditures in fiscal year 1997, and beginning in fiscal year 1998, the legislature intends that this program will be fully self-supporting.

(12) \$40,000 of the general fund—state appropriation is provided to establish an overseas trade office to be located in the Russian far east. An additional \$40,000 of the general fund—state appropriation shall be held in reserve and shall be released only upon receipt of at least \$40,000 from the ports association or other public entities for the operation of the office. The office is expressly prohibited from accepting any gifts, contributions, or donations of private funds or assistance. It is also the legislature’s intent that the trade office remain a publicly owned and operated office for the primary benefit of Russian and Washington state businesses.

(13) In implementing the appropriations set forth in this section, the department shall minimize disproportionate impacts on any programs.

*Sec. 308 was partially vetoed, see message at end of chapter.

NEW SECTION. Sec. 309. FOR THE CONSERVATION COMMISSION

General Fund Appropriation	\$	1,670,000
Water Quality Account Appropriation	\$	202,000
TOTAL APPROPRIATION	\$	1,872,000

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

(1) Not more than eight percent of the water quality account moneys administered by the commission may be used by the commission for administration and program activities related to the grant and loan program.

(2) \$371,800 of the general fund appropriation is provided solely to implement the Puget Sound water quality management plan.

(3) \$750,000 of the general fund appropriation is provided solely for basic operation grants to conservation districts.

(4) \$158,000 of the general fund appropriation is provided solely for implementing Engrossed Substitute House Bill No. 1309 (wild salmonid protection).

NEW SECTION. Sec. 310. FOR THE PUGET SOUND WATER QUALITY AUTHORITY

General Fund—State Appropriation	\$	3,059,000
General Fund—Federal Appropriation	\$	202,000
Water Quality Account Appropriation	\$	946,000
TOTAL APPROPRIATION	\$	4,207,000

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

(1) \$320,000 of the general fund—state appropriation is provided solely for an interagency agreement with Washington State University cooperative extension service for field agents to provide technical assistance in implementing the Puget Sound water quality management plan.

(2) \$232,000 of the general fund—state appropriation is provided solely for an interagency agreement with the University of Washington sea grant program for field agents to provide technical assistance in implementing the Puget Sound water quality management plan.

(3) In addition to the amounts provided in subsections (1) and (2) of this section, \$681,000 of the general fund—state appropriation is provided solely to implement additional provisions of the Puget Sound water quality management plan.

NEW SECTION. Sec. 311. FOR THE DEPARTMENT OF FISHERIES

General Fund—State Appropriation	\$	55,740,000
General Fund—Federal Appropriation	\$	25,048,000
General Fund—Private/Local Appropriation	\$	9,609,000
Aquatic Lands Enhancement Account Appropriation	\$	4,092,000
Oil Spill Administration Account Appropriation	\$	388,000
Recreational Fish Enhancement—State Appropriation	\$	4,049,000
TOTAL APPROPRIATION	\$	98,926,000

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

(1) \$1,136,418 of the general fund—state appropriation is provided to implement the Puget Sound water quality management plan.

(2) \$1,441,000 of the aquatic lands enhancement account appropriation is provided solely for wildstock restoration programs for salmon species outside of the Columbia river basin. Work will include the development, implementation and evaluation of specific stock restoration plans. The department of fisheries

shall provide a progress report to the governor and appropriate legislative committees by September 6, 1994.

(3) \$546,000 of the aquatic lands enhancement account appropriation is provided solely for shellfish management and enforcement.

(4) \$200,000 of the general fund—state appropriation is provided solely for attorney general costs on behalf of the department of fisheries in defending the state and public interest in tribal halibut litigation (*United States v. Washington* subproceeding 91-1 and *Makah v. Mosbacher*). The attorney general costs shall be paid as an interagency reimbursement.

(5) \$450,000 of the general fund—state appropriation is provided solely for attorney general costs on behalf of the department of fisheries, department of natural resources, department of health, and the state parks and recreation commission in defending the state and public interest in tribal shellfish litigation (*United States v. Washington*, subproceeding 89-3). The attorney general costs shall be paid as an interagency reimbursement.

(6) The department of fisheries shall cooperate with the department of community development and shall carry out its responsibilities under the federally required April 20, 1992, flood hazard reduction mitigation plan. Specifically, the department shall implement the duties outlined in the flood reduction matrix dated December 18, 1992, or as amended by federal requirement, in consultation with the office of financial management.

(7) Within the appropriations provided in this section, sufficient funds are provided to implement sections 1 through 6 of Second Engrossed Substitute House Bill No. 1309 (wild salmonids).

(8) \$3,200,000 of the general fund—state appropriation is contingent upon the enactment of Substitute Senate Bill No. 5980 (fishing licenses). If Substitute Senate Bill 5980 is not enacted by June 30, 1993, \$3,200,000 of the general fund—state appropriation shall lapse.

NEW SECTION. Sec. 312. FOR THE DEPARTMENT OF WILDLIFE

General Fund Appropriation	\$ 10,226,000
ORV (Off-Road Vehicle) Account Appropriation	\$ 480,000
Aquatic Lands Enhancement Account Appropriation	\$ 1,112,000
Public Safety and Education Account Appropriation	\$ 590,000
Wildlife Fund—State Appropriation	\$ 50,723,000
Wildlife Fund—Federal Appropriation	\$ 32,101,000
Wildlife Fund—Private/Local Appropriation	\$ 12,402,000
Game Special Wildlife Account Appropriation	\$ 1,012,000
Oil Spill Administration Account Appropriation	\$ 548,000
TOTAL APPROPRIATION	\$ 109,194,000

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

(1) \$482,145 of the general fund appropriation is provided to implement the Puget Sound water quality management plan.

(2) The department of wildlife shall cooperate with the department of community development and shall carry out its responsibilities under the federally required April 20, 1992, flood hazard reduction mitigation plan. Specifically, the department shall implement the duties outlined in the flood reduction matrix dated December 18, 1992, or as amended by federal requirement, in consultation with the office of financial management.

(3) \$1,000,000 of the general fund appropriation is provided solely to address stewardship needs on state lands. Of this amount, \$900,000 is provided for the Washington conservation corps program established under chapter 43.220 RCW.

(4) \$140,000 of the general fund appropriation is provided for a cooperative effort with the department of agriculture for research and eradication of purple loosestrife on state lands.

NEW SECTION. Sec. 313. DEPARTMENT OF FISH AND WILDLIFE. On July 1, 1994, all appropriations and all conditions and limitations in this act for the department of fisheries and the department of wildlife shall be provided for the department of fish and wildlife. If Substitute House Bill No. 2055 or substantially similar legislation creating a department of fish and wildlife is not enacted by July 1, 1994, this section shall have no effect.

NEW SECTION. Sec. 314. FOR THE DEPARTMENT OF NATURAL RESOURCES

General Fund—State Appropriation	\$ 49,394,000
General Fund—Federal Appropriation	\$ 906,000
General Fund—Private/Local Appropriation	\$ 264,000
ORV (Off-Road Vehicle) Account Appropriation	\$ 3,092,000
Forest Development Account Appropriation	\$ 37,652,000
Survey and Maps Account Appropriation	\$ 1,519,000
Aquatic Lands Enhancement Account Appropriation	\$ 2,524,000
Surface Mining Reclamation Account Appropriation	\$ 1,271,000
Resource Management Cost Account Appropriation	\$ 82,107,000
Aquatic Land Dredged Material Disposal Site	
Account Appropriation	\$ 830,000
Air Pollution Control Account Appropriation	\$ 1,252,000
Natural Resources Conservation Areas Stewardship	
Account Appropriation	\$ 1,119,000
Oil Spill Administration Account Appropriation	\$ 130,000
Litter Control Account Appropriation	\$ 506,000
Industrial Insurance Premium Refund Account	
Appropriation	\$ 98,000
TOTAL APPROPRIATION	\$ 182,664,000

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

(1) \$8,072,000 of the general fund—state appropriation is provided solely for the emergency fire suppression subprogram.

(2) \$993,000 of the appropriations in this section are provided to implement the Puget Sound water quality management plan.

(3) \$500,000 of the general fund—state appropriation and \$1,000,000 of the resource management cost account appropriation are provided solely for the displaced forest-products worker program under chapter 50.70 RCW.

(4) \$1,500,000 of the general fund—state appropriation is provided solely to address stewardship needs on state lands. Of this amount, \$1,350,000 shall be expended for the Washington conservation corps program established under chapter 43.220 RCW.

(5) \$1,271,000 of the surface mining reclamation account is provided solely for surface mining regulation activities.

(6) \$1,200,000 of the general fund—state appropriation is provided solely for cooperative monitoring, evaluation, and research projects related to implementation of the timber-fish-wildlife agreement.

(7) \$3,250,000 of the general fund—state appropriation is provided solely to fund labor-intensive natural resource and forest restoration projects. In providing forest related employment opportunities, the department shall give first priority to hiring workers unemployed as a result of reduced timber supply. If the governor convenes an environmental restoration task force, then projects funded from the amount provided in this subsection shall be subject to review by the task force.

(8) The department of natural resources shall cooperate with the department of community development and shall carry out its responsibilities under the federally required April 20, 1992, flood hazard reduction mitigation plan. Specifically, the department shall implement the duties outlined in the flood reduction matrix dated December 18, 1992, or as amended by federal requirement, in consultation with the office of financial management.

(9) \$60,000 of the general fund—state appropriation is provided solely for the department to contract for increased development of the Mount Tahoma cross-country ski trails system.

(10) \$450,000, of which \$225,000 is from the resource management cost account appropriation and \$225,000 is from the aquatic lands enhancement account appropriation, is provided solely for the control and eradication of Spartina.

(11) \$1,555,000 of the general fund—state appropriation is provided solely for increased workload associated with forest practice compliance and watershed management.

NEW SECTION. Sec. 315. FOR THE DEPARTMENT OF AGRICULTURE

General Fund—State Appropriation	\$	13,462,000
General Fund—Federal Appropriation	\$	4,320,000

State Toxics Control Account Appropriation	\$	1,103,000
Weights and Measures Account Appropriation	\$	864,000
TOTAL APPROPRIATION	\$	19,749,000

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

(1) \$71,000 of the general fund—state appropriation is provided solely to implement the Puget Sound water quality management plan element NP-6. The department shall provide technical assistance to local governments in the process of developing watershed management plans.

(2) \$300,000 of the general fund—state appropriation and the entire weights and measures account appropriation are provided solely for the department’s weights and measures program.

NEW SECTION. Sec. 316. FOR THE STATE CONVENTION AND TRADE CENTER

State Convention/Trade Center Account Appropriation	\$	19,471,000
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The appropriation in this section is subject to the following conditions and limitations: \$810,000 of the revenue generated by the special excise tax deposited in the state convention and trade center operations account under RCW 67.40.090(3) is provided solely for marketing the facilities and services of the convention center and for promoting the locale as a convention and visitor destination, and for related activities.

NEW SECTION. Sec. 317. FOR THE OFFICE OF MARINE SAFETY

Oil Spill Administration Account Appropriation	\$	4,198,000
State Toxics Control Account Appropriation	\$	298,000
TOTAL APPROPRIATION	\$	4,496,000

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

(1) \$963,000 of the oil spill administration account appropriation is provided solely for the implementation of a field operations program in accordance with Substitute House Bill No. 1144. The marine oversight board shall provide an assessment of the work plan to implement the office of marine safety’s field operations program. A report containing the marine oversight board’s assessment of the field operations program, including recommendations for the allocation of resources, shall be submitted to the office of financial management, the office of marine safety, and appropriate committees of the legislature by August 1, 1993.

(2) The marine oversight board shall prepare a report that prioritizes state agencies’ spill prevention and response activities on the marine waters of the state. The report shall be submitted to the office of financial management and the appropriate committees of the legislature by October 1, 1994.

NEW SECTION. Sec. 318. FOR THE GROWTH PLANNING HEARINGS BOARD

General Fund Appropriation \$ 3,028,000

**PART IV
TRANSPORTATION**

NEW SECTION. Sec. 401. FOR THE DEPARTMENT OF LICENSING

General Fund Appropriation	\$	6,536,000
Architects' License Account Appropriation	\$	1,040,000
Cemetery Account Appropriation	\$	216,000
Health Professions Account Appropriation	\$	521,000
Funeral Directors and Embalmers Account Appropriation	\$	521,000
Mortgage Broker Licensing Account Appropriation	\$	187,000
Professional Engineers' Account Appropriation	\$	2,509,000
Real Estate Commission Account Appropriation	\$	7,155,000
Uniform Commercial Code Account Appropriation	\$	5,246,000
Real Estate Education Account Appropriation	\$	618,000
Master Licensing Account Appropriation	\$	6,747,000
TOTAL APPROPRIATION	\$	30,755,000

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

(1) If House Bill No. 2119 (professional athletic commission) is not enacted by June 30, 1993, the general fund appropriation shall be reduced by \$54,000.

(2) \$33,000 of the uniform commercial code account appropriation is provided solely to implement revisions to the uniform commercial code article governing bulk sales. If Substitute House Bill No. 1013 is not enacted by June 30, 1993, \$33,000 of the uniform commercial code account appropriation shall lapse.

(3) \$9,000 of the general fund appropriation is provided solely to implement registration of employment listing agencies. If Engrossed Substitute House Bill No. 1496 is not enacted by June 30, 1993, \$9,000 of the general fund appropriation shall lapse.

(4) \$87,000 of the general fund appropriation is provided solely to implement bail bond agent licensing. If Substitute House Bill No. 1870 is not enacted by June 30, 1993, \$87,000 of the general fund appropriation shall lapse.

(5) If Substitute Senate Bill No. 5026 is not enacted by June 30, 1993, the entire funeral directors and embalmers account appropriation is null and void. If Substitute Senate Bill No. 5026 is enacted by June 30, 1993, the entire health professions account appropriation is null and void.

(6) \$47,000 of the architects' license account appropriation is provided solely for implementing revised architect experience requirements. If Engrossed Senate Bill No. 5545 is not enacted by June 30, 1993, \$47,000 of the architects' license account appropriation shall lapse.

(7) \$187,000 of the mortgage broker licensing account appropriation is provided solely to implement a temporary licensing program for mortgage brokers. If Substitute Senate Bill No. 5829 is not enacted by June 30, 1993, \$187,000 of the mortgage broker licensing account appropriation shall lapse.

NEW SECTION. Sec. 402. FOR THE STATE PATROL

General Fund—State Appropriation	\$ 14,223,000
General Fund—Federal Appropriation	\$ 1,037,000
General Fund—Private/Local Appropriation	\$ 184,000
Death Investigations Account Appropriation	\$ 24,000
Public Safety and Education Account Appropriation	\$ 1,000,000
TOTAL APPROPRIATION	\$ 16,468,000

The appropriations in this section are subject to the following conditions and limitations: \$802,000 of the general fund—state appropriation is provided solely for the lease purchased upgrade and capacity increase of the Automated Fingerprint Identification System subject to office of financial management approval of a completed feasibility study. The feasibility study will include: The steps and costs required to achieve interoperability with local government fingerprint systems, compliance with the proposed federal bureau of investigation fingerprint standards, a discussion of the issues and costs associated with the potential adoption of "live scan" technology as they relate to the proposed upgrade, the interruption of service that may occur during conversion to the proposed new system, and the long term stability of maintenance contract charges.

**PART V
EDUCATION**

***NEW SECTION. Sec. 501. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR STATE ADMINISTRATION**

General Fund—State Appropriation	\$ 34,414,000
General Fund—Federal Appropriation	\$ 33,106,000
Public Safety and Education Account Appropriation	\$ 338,000
Drug Enforcement and Education Account Appropriation . . .	\$ 3,197,000
TOTAL APPROPRIATION	\$ 71,055,000

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

(1) AGENCY OPERATIONS

(a) \$304,000 of the general fund—state appropriation is provided solely to upgrade the student data collection capability of the superintendent of public instruction.

(b) \$423,000 of the general fund—state appropriation is provided solely for certification investigation activities of the office of professional practices.

(c) \$770,000 of the general fund—state appropriation is provided solely for the operation and expenses of the state board of education, including basic education assistance activities.

(d) \$70,000 of the general fund—federal appropriation is provided solely for special services demonstration projects and shall be expended in conformance with chapter II of the elementary and secondary school improvement amendments (P.L. 100-297).

(e) The entire public safety and education account appropriation is provided solely for administration of the traffic safety education program, including in-service training related to instruction in the risks of driving while under the influence of alcohol and other drugs.

(f) \$10,000 of the general fund—state appropriation is provided solely for a contract through the Washington State Institute for Public Policy at The Evergreen State College for a bilingual education conference to disseminate information on best practices in bilingual instruction, including model programs from other states, and to develop strategies for incorporating the most effective instructional methods into the state's bilingual curriculum.

(2) STATE-WIDE PROGRAMS

(a) \$100,000 of the general fund—state appropriation is provided for state-wide curriculum development.

(b) \$62,000 of the general fund—state appropriation is provided for operation of a K-2 education program at Pt. Roberts by the Blaine school district.

(c) \$2,415,000 of the general fund—state appropriation is provided for in-service training and educational programs conducted by the Pacific science center.

(d) \$70,000 of the general fund—state appropriation is provided for operation of the Cispus environmental learning center.

(e) \$2,949,000 of the general fund—state appropriation is provided for educational clinics, including state support activities.

(f) \$3,437,000 of the general fund—state appropriation is provided for grants for magnet schools to be distributed as recommended by the superintendent of public instruction pursuant to chapter 232, section 516(13), Laws of 1992.

(g) \$4,855,000 of the general fund—state appropriation is provided for complex need grants. Grants shall be provided according to funding ratios established in LEAP Document 30B as developed on May 4, 1993, at 11:00 a.m.

(h) \$3,050,000 of the drug enforcement and education account appropriation is provided solely for matching grants to enhance security in secondary schools. Not more than seventy-five percent of a district's total expenditures for school security in any school year may be paid from a grant under this subsection. The grants shall be expended solely for the costs of employing or contracting for building security monitors in secondary schools during school hours and school events. Of the amount provided in this subsection, at least \$2,850,000 shall be spent for grants to districts that, during the 1988-89 school year, employed or contracted for security monitors in schools during school hours. However, these

grants may be used only for increases in school district expenditures for school security over expenditure levels for the 1988-89 school year.

(i) Districts receiving allocations from subsection (2) (f) and (g) of this section shall submit an annual report to the superintendent of public instruction on the use of all district resources to address the educational needs of at-risk students in each school building.

*Sec. 501 was partially vetoed, see message at end of chapter.

NEW SECTION. Sec. 502. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR GENERAL APPORTIONMENT (BASIC EDUCATION)

General Fund Appropriation \$ 6,019,646,000

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

(1) The general fund appropriation includes such funds as are necessary for the remaining months of the 1992-93 school year.

(2) Allocations for certificated staff salaries for the 1993-94 and 1994-95 school years shall be determined using formula-generated staff units calculated pursuant to this subsection. Staff allocations for small school enrollments in grades K-6 shall be the greater of that generated under (a) of this subsection, or under (d) and (e) of this subsection. Certificated staffing allocations shall be as follows:

(a) On the basis of each 1,000 average annual full time equivalent enrollments, excluding full time equivalent enrollment otherwise recognized for certificated staff unit allocations under (c) through (f) of this subsection:

(i) Four certificated administrative staff units for grades K-12, excluding full time equivalent handicapped enrollment recognized for funding purposes under section 507 of this act;

(ii) 49 certificated instructional staff units, as required in RCW 28A.150.260(2)(b), for grades K-3, excluding full time equivalent handicapped students ages six through eight;

(iii) An additional 5.3 certificated instructional staff units for grades K-3;

(A) Funds provided under this subsection (2)(a)(iii) in excess of the amount required to maintain the statutory minimum ratio established under RCW 28A.150.260(2)(b) shall be allocated only if the district documents an actual ratio equal to or greater than 54.3 certificated instructional staff per thousand full time equivalent students in grades K-3. For any school district documenting a lower certificated instructional staff ratio, the allocation shall be based on the district's actual grades K-3 certificated instructional staff ratio achieved in that school year, or the statutory minimum ratio established under RCW 28A.150.260(2)(b), if greater.

(B) Districts at or above 51.0 certificated instructional staff per one thousand full time equivalent students in grades K-3 may dedicate up to 1.3 of the 54.3 funding ratio to employ additional classified instructional assistants assigned to

basic education classrooms in grades K-3. For purposes of documenting a district's staff ratio under this section, funds used by the district to employ additional classified instructional assistants shall be converted to a certificated staff equivalent and added to the district's actual certificated instructional staff ratio. Additional classified instructional assistants, for the purposes of this subsection, shall be determined using the 1989-90 school year as the base year.

(C) Any district maintaining a ratio equal to or greater than 54.3 certificated instructional staff per thousand full time equivalent students in grades K-3 may use allocations generated under this subsection (2)(a)(iii) in excess of that required to maintain the minimum ratio established under RCW 28A.150.260(2)(b) to employ additional basic education certificated instructional staff or classified instructional assistants in grades 4-6. Funds allocated under this subsection (2)(a)(iii) shall only be expended to reduce class size in grades K-6. No more than 1.3 of the certificated instructional funding ratio amount may be expended for provision of classified instructional assistants; and

(iv) Forty-six certificated instructional staff units for grades 4-12, excluding full time equivalent handicapped students ages nine and above; and

(b) For school districts with a minimum enrollment of 250 full time equivalent students whose full time equivalent student enrollment count in a given month exceeds the first of the month full time equivalent enrollment count by 5 percent, an additional state allocation of 110 percent of the share that such increased enrollment would have generated had such additional full time equivalent students been included in the normal enrollment count for that particular month;

(c) On the basis of full time equivalent enrollment in vocational education programs and skill center programs approved by the superintendent of public instruction, 0.92 certificated instructional staff units and 0.08 certificated administrative staff units for each 16.67 full time equivalent vocational students;

(d) For districts enrolling not more than twenty-five average annual full time equivalent students in grades K-8, and for small school plants within any school district which have been judged to be remote and necessary by the state board of education and enroll not more than twenty-five average annual full time equivalent students in grades K-8:

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

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

(e) For specified enrollments in districts enrolling more than twenty-five but not more than one hundred average annual full time equivalent students in grades K-8, and for small school plants within any school district which enroll

more than twenty-five average annual full time equivalent students in grades K-8 and have been judged to be remote and necessary by the state board of education:

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

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

(f) For districts operating no more than two high schools with enrollments of less than three hundred average annual full time equivalent students, for enrollment in grades 9-12 in each such school, other than alternative schools:

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

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

Units calculated under (f)(ii) of this subsection shall be reduced by certificated staff units at the rate of forty-six certificated instructional staff units and four certificated administrative staff units per thousand vocational and handicapped full time equivalent students.

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

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

(3) Allocations for classified salaries for the 1993-94 and 1994-95 school years shall be calculated using formula-generated classified staff units determined as follows:

(a) For enrollments generating certificated staff unit allocations under subsection (2) (d) through (h) of this section, one classified staff unit for each three certificated staff units allocated under such subsections.

(b) For all other enrollment in grades K-12, including vocational but excluding handicapped full time equivalent enrollments, one classified staff unit for each sixty average annual full time equivalent students.

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

(4) Fringe benefit allocations shall be calculated at a rate of 21.29 percent in the 1993-94 school year and 21.29 percent in the 1994-95 school year of certificated salary allocations provided under subsection (2) of this section, and a rate of 18.73 percent in the 1993-94 school year and 18.73 percent in the 1994-95 school year of classified salary allocations provided under subsection (3) of this section.

(5) Insurance benefit allocations shall be calculated at the rates specified in section 504 of this act, based on:

(a) The number of certificated staff units determined in subsection (2) of this section; and

(b) The number of classified staff units determined in subsection (3) of this section multiplied by 1.152. This factor is intended to adjust allocations so that, for the purposes of distributing insurance benefits, full time equivalent classified employees may be calculated on the basis of 1440 hours of work per year, with no individual employee counted as more than one full time equivalent.

(6)(a) For nonemployee-related costs associated with each certificated staff unit allocated under subsection (2) (a), (b), and (d) through (h) of this section, there shall be provided a maximum of \$7,251 per certificated staff unit in the 1993-94 school year and a maximum of \$7,468 per certificated staff unit in the 1994-95 school year.

(b) For nonemployee-related costs associated with each certificated staff unit allocated under subsection (2)(c) of this section, there shall be provided a maximum of \$13,817 per certificated staff unit in the 1993-94 school year and a maximum of \$14,231 per certificated staff unit in the 1994-95 school year.

(7) Allocations for substitute costs for classroom teachers shall be distributed at a maximum rate of \$341 for the 1993-94 school year and \$341 per year for the 1994-95 school year for allocated classroom teachers. Solely for the purposes of this subsection, allocated classroom teachers shall be equal to the number of certificated instructional staff units allocated under subsection (2) of this section, multiplied by the ratio between the number of actual basic education certificated teachers and the number of actual basic education certificated instructional staff reported state-wide for the 1992-93 school year.

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

(9) The superintendent may distribute a maximum of \$4,945,000 outside the basic education formula during fiscal years 1994 and 1995 as follows:

(a) For fire protection for school districts located in a fire protection district as now or hereafter established pursuant to chapter 52.04 RCW, a maximum of \$409,000 may be expended in fiscal year 1994 and a maximum of \$410,000 may be expended in fiscal year 1995.

(b) For summer vocational programs at skills centers, a maximum of \$1,905,000 may be expended in fiscal year 1994 and a maximum of \$1,924,000 may be expended in fiscal year 1995.

(c) A maximum of \$297,000 may be expended for school district emergencies.

(10) For the purposes of RCW 84.52.0531, the increase per full time equivalent student in state basic education appropriations provided under this act, including appropriations for salary and benefits increases, is 1.0 percent from the 1992-93 school year to the 1993-94 school year, and 1.0 percent from the 1993-94 school year to the 1994-95 school year.

(11) If two or more school districts consolidate and each district was receiving additional basic education formula staff units pursuant to subsection (2) (b) through (h) of this section, the following shall apply:

(a) For three school years following consolidation, the number of basic education formula staff units shall not be less than the number of basic education formula staff units received by the districts in the school year prior to the consolidation; and

(b) For the fourth through eighth school years following consolidation, the difference between the basic education formula staff units received by the districts for the school year prior to consolidation and the basic education formula staff units after consolidation pursuant to subsection (2) (a) through (h) of this section shall be reduced in increments of twenty percent per year.

NEW SECTION. Sec. 503. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—BASIC EDUCATION EMPLOYEE COMPENSATION. (1) The following calculations determine the salaries used in the general fund allocations for certificated instructional, certificated administrative, and classified staff units under section 502 of this act:

(a) Salary allocations for certificated instructional staff units shall be determined for each district by multiplying the district's certificated instructional derived base salary shown on LEAP Document 12B, by the district's average staff mix factor for basic education certificated instructional staff in that school year, computed using LEAP Document 1A.

(b) Salary allocations for certificated administrative staff units and classified staff units for each district shall be based on the district's certificated administrative and classified salary allocation amounts shown on LEAP Document 12B.

(2) For the purposes of this section:

(a) "Basic education certificated instructional staff" is defined as provided in RCW 28A.150.100.

(b) "LEAP Document 1A" means the computerized tabulation establishing staff mix factors for basic education certificated instructional staff according to education and years of experience, as developed by the legislative evaluation and accountability program committee on April 8, 1991, at 13:35 hours.

(c) "LEAP Document 12B" means the computerized tabulation of 1992-93, 1993-94, and 1994-95 school year salary allocations for basic education certificated administrative staff and basic education classified staff and derived base salaries for basic education certificated instructional staff as developed by the legislative evaluation and accountability program committee on April 5, 1993, at 04:19 hours.

(3)(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 for the 1993-94 and 1994-95 school years:

1993-94 AND 1994-95 STATE-WIDE SALARY
ALLOCATION SCHEDULE FOR INSTRUCTIONAL STAFF

Years of Service	BA	BA+15	BA+30	BA+45	BA+90
0	21,425	22,003	22,603	23,203	25,131
1	22,127	22,724	23,344	23,983	25,968
2	22,843	23,459	24,096	24,798	26,816
3	23,595	24,230	24,886	25,626	27,680
4	24,361	25,036	25,710	26,490	28,597
5	25,162	25,854	26,548	27,386	29,528
6	25,997	26,687	27,418	28,317	30,491
7	26,845	27,552	28,302	29,259	31,486
8	27,706	28,452	29,219	30,255	32,513
9		29,384	30,188	31,262	33,572
10			31,170	32,320	34,662
11				33,410	35,803
12				34,465	36,973
13					38,173
14					39,379
15 or more					40,403

Years of Service	BA+135	MA	MA+45	MA+90 or PHD
0	26,374	25,687	27,616	28,858
1	27,227	26,467	28,452	29,711
2	28,113	27,282	29,300	30,597
3	29,034	28,110	30,164	31,518
4	29,988	28,974	31,081	32,472
5	30,975	29,870	32,012	33,459
6	31,974	30,801	32,975	34,458
7	33,026	31,743	33,970	35,510
8	34,109	32,739	34,997	36,593
9	35,223	33,745	36,057	37,707
10	36,367	34,804	37,146	38,851
11	37,542	35,894	38,287	40,026
12	38,766	37,027	39,458	41,250
13	40,019	38,198	40,657	42,503
14	41,319	39,405	41,942	43,803
15 or more	42,394	40,429	43,032	44,942

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

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

(i) Credits earned since receiving the masters degree; and

(ii) Any credits in excess of forty-five credits that were earned after the baccalaureate degree but before the masters degree.

(4) For the purposes of this section:

(a) "BA" means a baccalaureate degree.

(b) "MA" means a masters degree.

(c) "PHD" means a doctorate degree.

(d) "Years of service" shall be calculated under the same rules used by the superintendent of public instruction for salary allocations in the 1992-93 school year.

(e) "Credits" means college quarter hour credits and equivalent in-service credits computed in accordance with RCW 28A.415.020 or as hereafter amended.

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

(a) The employee has a masters degree; or

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

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

(7) It is the intent of the legislature to freeze salaries for all employees above a certain salary level during the 1993-95 biennium. In order to maintain equity and fairness across all employee groups, the legislature encourages school districts and educational service districts not to grant salary increases to administrative employees who earn more than \$45,000 a year.

NEW SECTION. Sec. 504. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR SCHOOL EMPLOYEE INSURANCE BENEFIT ADJUSTMENTS

General Fund Appropriation \$ 22,570,000

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

(1) Allocations for insurance benefits from general fund appropriations provided under section 502 of this act shall be calculated at a rate of \$317.79 per month for each certificated staff unit, and for each classified staff unit adjusted pursuant to section 502(5)(b) of this act.

(2) The appropriation in this section is provided solely to increase insurance benefit allocations for state-funded certificated and classified staff for the 1994-95 school year, effective October 1, 1994, to a rate of \$350.25 as distributed pursuant to this section. The rates specified in this section are subject to revision each year by the legislature.

(a) Effective October 1, 1994, for the 1994-95 school year, an increase of \$32.46 in insurance benefit allocations per month is provided for state-funded staff units in the following programs: General apportionment under section 502(5) of this act; handicapped program under section 507 of this act; educational service districts under section 509 of this act; and institutional education under section 512 of this act.

(b) The increases in insurance benefit allocations for the following categorical programs shall be calculated by increasing the annual state funding rates by the amounts specified in this subsection. Effective October 1, 1994, the maximum rate adjustments provided on an annual basis under this section for the 1994-95 school year are:

(i) For pupil transportation, an increase of \$.30 per weighted pupil-mile for the 1994-95 school year;

(ii) For learning assistance, an increase of \$8.11 per pupil for the 1994-95 school year;

(iii) For education of highly capable students, an increase of \$2.06 per pupil for the 1994-95 school year;

(iv) For transitional bilingual education, an increase of \$5.25 per pupil for the 1994-95 school year.

NEW SECTION. Sec. 505. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR PUPIL TRANSPORTATION

General Fund Appropriation \$ 351,143,000

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

(1) The appropriation includes such funds as are necessary for the remaining months of the 1992-93 school year.

(2) A maximum of \$795,000 may be expended for regional transportation coordinators. However, to the extent practicable, the superintendent of public instruction shall consolidate the functions of the regional transportation coordinators and regional traffic safety education coordinators in order to increase efficiency in the delivery of services state-wide.

(3) For eligible school districts, the small-fleet maintenance factor shall be funded at a rate of \$1.74 in the 1993-94 school year and \$1.80 in the 1994-95 school year per weighted pupil-mile.

(4) \$180,000 is provided solely for the transportation of students enrolled in "choice" programs. Transportation shall be limited to low-income students who are transferring to "choice" programs solely for educational reasons. The superintendent shall provide a report to the appropriate policy and fiscal committees of the legislature concerning the use of these moneys by November 1, 1993.

(5) The superintendent of public instruction shall evaluate current and alternative methods of purchasing school buses and propose the most efficient and effective method for purchasing school buses. The superintendent shall submit a report to the house appropriations committee and the senate ways and means committee by December 15, 1993. Any future proposals for purchasing school buses for schools in the state of Washington shall incorporate the most cost effective method found as a result of this evaluation.

NEW SECTION. Sec. 506. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR SCHOOL FOOD SERVICE PROGRAMS

General Fund—State Appropriation \$ 6,000,000

General Fund—Federal Appropriation \$ 183,616,000

TOTAL APPROPRIATION \$ 189,616,000

NEW SECTION. Sec. 507. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR HANDICAPPED EDUCATION PROGRAMS

General Fund—State Appropriation \$ 867,311,000

General Fund—Federal Appropriation \$ 98,684,000

TOTAL APPROPRIATION \$ 965,995,000

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

(1) The general fund—state appropriation includes such funds as are necessary for the remaining months of the 1992-93 school year.

(2) The superintendent of public instruction shall distribute state funds for the 1993-94 and 1994-95 school years in accordance with districts' handicapped enrollments and the allocation model established in LEAP Document 13 as developed on March 22, 1993, at 13:13 hours, and in accordance with Substitute Senate Bill No. 5727 (Title XIX funding), if enacted.

(3) A maximum of \$678,000 may be expended from the general fund—state appropriation to fund 5.43 full time equivalent teachers and 2.1 full time equivalent aides at Children's orthopedic hospital and medical center. This amount is in lieu of money provided through the home and hospital allocation and the handicapped program.

(4) \$1,000,000 of the general fund--federal appropriation is provided solely for projects to provide handicapped students with appropriate job and independent living skills, including work experience where possible, to facilitate their successful transition out of the public school system. The funds provided by this subsection shall be from federal discretionary grants.

(5) The superintendent of public instruction shall distribute salary and fringe benefit allocations for state supported staff units in the handicapped education program in the same manner as is provided for basic education program staff.

NEW SECTION. Sec. 508. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR TRAFFIC SAFETY EDUCATION PROGRAMS

Public Safety and Education Account

Appropriation \$ 16,979,000

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

(1) The appropriation includes such funds as are necessary for the remaining months of the 1992-93 school year.

(2) Not more than \$507,000 may be expended for regional traffic safety education coordinators. To the extent practicable, the superintendent of public instruction shall consolidate the functions of the regional transportation coordinators and regional traffic safety education coordinators in order to increase efficiency in the delivery of services state-wide.

(3) A maximum of \$137.16 per student completing the program may be expended in the 1993-94 and 1994-95 school years.

(4) An additional \$66.81 may be expended to provide tuition assistance for students from low-income families who complete the program in the 1993-94 and 1994-95 school years.

NEW SECTION. Sec. 509. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR EDUCATIONAL SERVICE DISTRICTS

General Fund Appropriation \$ 9,891,000

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

(1) The educational service districts shall continue to furnish financial services required by the superintendent of public instruction and RCW 28A.310.190 (3) and (4).

(2) \$250,000 of the general fund appropriation is provided solely for student teaching centers as provided in RCW 28A.415.100.

(3) \$400,000 of the general fund appropriation is provided solely to implement Substitute Senate Bill No. 5889 (collaborative development school projects). If the bill is not enacted by June 30, 1993, the amount provided in this subsection shall lapse.

(4) \$400,000 in savings is assumed from implementation of the efficiency and boundary study as provided in section 521 of this act and RCW 28A.500.010.

NEW SECTION. Sec. 510. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR LOCAL EFFORT ASSISTANCE

General Fund Appropriation \$ 149,596,000

The appropriation in this section is provided for state matching funds pursuant to House Bill No. 2066 and in allocating this appropriation, the superintendent shall prorate these funds as required. However, in the 1993-95 biennium, each district shall receive at least 96.5 percent of the amount the district received in the 1991-93 biennium unless the district's eligibility for 1993-95 local effort assistance allocations under the current law (prior to the enactment of House Bill No. 2066) would be less than the district's 1991-93 allocations.

NEW SECTION. Sec. 511. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR THE ENUMERATED PURPOSES

General Fund—Federal Appropriation \$ 197,950,000
(1) Education Consolidation and Improvement Act \$ 197,580,000
(2) Education of Indian Children \$ 370,000

NEW SECTION. Sec. 512. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR INSTITUTIONAL EDUCATION PROGRAMS

General Fund—State Appropriation \$ 22,869,000
General Fund—Federal Appropriation \$ 8,548,000
TOTAL APPROPRIATION \$ 31,417,000

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

(1) The general fund—state appropriation includes such funds as are necessary for the remaining months of the 1992-93 school year.

(2) State funding provided under this section is based on salaries and other expenditures for a 220-day school year. The superintendent of public instruction shall monitor school district expenditure plans for institutional education programs to ensure that districts plan for a full-time summer program.

(3) Average staffing ratios for each category of institution shall not exceed the rates specified in the legislative budget notes.

NEW SECTION. Sec. 513. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR PROGRAMS FOR HIGHLY CAPABLE STUDENTS

General Fund Appropriation \$ 8,983,000

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

(1) The appropriation includes such funds as are necessary for the remaining months of the 1992-93 school year.

(2) Allocations for school district programs for highly capable students shall be distributed for up to one and one-half percent of each district's full time equivalent basic education act enrollment.

(3) \$435,000 of the appropriation is for the Centrum program at Fort Worden state park.

NEW SECTION. Sec. 514. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR ENCUMBRANCES OF FEDERAL GRANTS

General Fund—Federal Appropriation \$ 51,216,000

NEW SECTION. Sec. 515. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR TRANSITIONAL BILINGUAL PROGRAMS

General Fund Appropriation \$ 46,940,000

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

(1) The appropriation provides such funds as are necessary for the remaining months of the 1992-93 school year.

(2) The superintendent shall distribute a maximum of \$628.90 per eligible bilingual student in the 1993-94 and the 1994-95 school years.

NEW SECTION. Sec. 516. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—FOR THE LEARNING ASSISTANCE PROGRAM

General Fund Appropriation \$ 108,456,000

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

(1) The appropriation provides such funds as are necessary for the remaining months of the 1992-93 school year.

(2) For making the calculation of the percentage of students scoring in the lowest quartile as compared with national norms, beginning with the 1991-92 school year, the superintendent shall multiply each school district's 4th and 8th grade test results by 0.86.

(3) Funding for school district learning assistance programs serving kindergarten through grade nine shall be distributed during the 1993-94 and 1994-95 school years at a maximum rate of \$470 per student eligible for learning assistance programs.

(4) The superintendent of public instruction shall develop a new allocation formula as required under section 520 of this act.

NEW SECTION. Sec. 517. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—LOCAL ENHANCEMENT FUNDS

General Fund Appropriation \$ 47,832,000

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

(1) The appropriation provides such funds as are necessary for the remaining months of the 1992-93 school year.

(2) School districts receiving moneys pursuant to this section shall expend such moneys to meet educational needs as identified by the school district. Program enhancements funded pursuant to this section do not fall within the definition of basic education for purposes of Article IX of the state Constitution and the state's funding duty thereunder, nor shall such funding constitute levy reduction funds for purposes of RCW 84.52.0531.

(3) Allocations to school districts shall be calculated on the basis of full time enrollment at an annual rate of up to \$26.30 per student. For school districts enrolling not more than one hundred average annual full time equivalent students, and for small school plants within any school district designated as remote and necessary schools, the allocations shall be as follows:

(a) Enrollment of not more than 60 average annual full time equivalent students in grades kindergarten through six shall generate funding based on sixty full time equivalent students;

(b) Enrollment of not more than 20 average annual full time equivalent students in grades seven and eight shall generate funding based on twenty full time equivalent students; and

(c) Enrollment of not more than 60 average annual full time equivalent students in grades nine through twelve shall generate funding based on sixty full time equivalent students.

(4) Receipt by a school district of one-fourth of the district's allocation of funds under this section for the 1994-95 school year, as determined by the superintendent of public instruction, shall be conditioned on a finding by the superintendent that the district is enrolled as a medicaid service provider and is actively pursuing federal matching funds for medical services provided through special education programs, pursuant to Substitute Senate Bill No. 5727 (Title XIX funding). If Substitute Senate Bill No. 5727 is not enacted by June 30, 1993, the limitations imposed by this subsection shall not take effect.

NEW SECTION. Sec. 518. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION—EDUCATIONAL REFORM PROGRAMS

General Fund Appropriation \$ 57,990,000

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

(1) \$23,000,000 is provided solely for resources and planning time for the 1994-95 school year for certificated staff to implement education reform under the requirements of Engrossed Substitute House Bill No. 1209 (education reform).

(2) \$2,190,000 is provided solely for paraprofessional training for classified staff. Resources and planning time for classified staff will be provided through the paraprofessional training program funded in this act.

(3) \$3,900,000 is provided solely for the twenty-first century pilot programs for the remaining months of the 1992-93 school year and for the 1993-94 school year.

(4) \$3,317,000 is provided solely for the operation of the commission on student learning under Engrossed Substitute House Bill No. 1209 (education reform). The commission on student learning shall report on a regular basis regarding proposed activities and expenditures of the commission.

(5) \$1,683,000 is provided solely for development of assessments as required in Engrossed Substitute House Bill No. 1209 (education reform).

(6) \$1,800,000 is provided for school-to-work transition projects in the common schools, including state support activities, under Engrossed Substitute House Bill No. 1209 (education reform) and Engrossed Substitute House Bill No. 1820 (school-to-work transition).

(7) \$3,300,000 is provided for mentor teacher assistance, including state support activities, under Engrossed Substitute House Bill No. 1209 (education reform). Of this amount, \$400,000 is provided to establish one to three pilot projects pairing full-time mentor teachers with experienced teachers who are having difficulties and full-time mentor teachers with beginning teachers, as authorized under section 402 of Engrossed Substitute House Bill No. 1209.

(8) \$900,000 is provided for superintendent and principal internships, including state support activities, under Engrossed Substitute House Bill No. 1209 (education reform).

(9) \$4,500,000 is provided for improvement of technology infrastructure and educational technology support centers, including state support activities, under Engrossed Substitute House Bill No. 1209 (education reform).

(10) \$8,000,000 is provided for grants to school districts to provide a continuum of care for children and families to help children become ready to learn. Grant proposals from school districts shall contain local plans designed collaboratively with community service providers. If a continuum of care program exists in the area in which the school district is located, the local plan shall provide for coordination with existing programs to the greatest extent possible. Grant funds shall be allocated pursuant to part IX of Engrossed Substitute House Bill No. 1209 (education reform).

(11) \$5,000,000 is provided solely for the meals for kids program under Substitute Senate Bill No. 5971 (school meals) and shall be distributed as follows:

(a) \$442,000 is provided solely for start-up grants for schools not eligible for federal start-up grants and for summer food service programs.

(b) \$4,558,000 is provided solely to increase the state subsidy for free and reduced-price breakfasts.

(12) \$400,000 is provided for technical assistance related to education reform through the office of the superintendent of public instruction as specified in section 501 of Engrossed Substitute House Bill No. 1209.

NEW SECTION. Sec. 519. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION. The appropriations in sections 502, 505, 507, 509, 512, 513, 515, and 516 of this act include amounts sufficient for state retirement system contributions by school districts and educational service districts to implement Engrossed Substitute Senate Bill No. 5888 (pension improvements).

Sec. 520. RCW 28A.165.070 and 1990 c 33 s 150 are each amended to read as follows:

Each school district which has established an approved program shall be eligible, as determined by the superintendent of public instruction, for state funds made available for the purposes of such programs.

(1) For the 1993-94 and 1994-95 school years, the superintendent of public instruction shall distribute funds appropriated for the learning assistance program in accordance with the biennial appropriations act.

(2) For the 1995-96 school year and thereafter and unless modified under subsection (4) of this section, the superintendent of public instruction shall make use of data derived from the basic skills tests in determining the amount of funds for which a district may be eligible. Funds shall be distributed according to the district's total full-time equivalent enrollment in kindergarten through grade nine and the percentage of the district's students taking the basic skills tests who scored in the lowest quartile as compared with national norms. In making this calculation, the superintendent of public instruction may use an average over the immediately preceding five or fewer years of the district's percentage scoring in the lowest quartile. The superintendent of public instruction shall also deduct the number of students at these age levels who are identified as specific learning disabled and are generating state funds for special education programs conducted pursuant to RCW 28A.155.010 through 28A.155.100, in distributing state funds for learning assistance.

(3) The distribution formula in this section is for allocation purposes only.

(4) The superintendent of public instruction shall recommend to the legislature a new allocation formula for use in the 1995-97 fiscal biennium that uses additional elements consistent with performance-based education and the new assessment system developed by the commission on student learning. The superintendent may request a delay in development of the new allocation formula

if the commission's assessment system is not available for use in the 1995-97 biennium.

NEW SECTION. Sec. 521. EDUCATIONAL SERVICE DISTRICTS.

It is the intent of the legislature that the superintendent of public instruction in conjunction with the state board of education conduct a study of educational service district boundaries. The purpose of the study shall be to develop a more cost effective and efficient service delivery system for educational service district programs. As soon as practicable, the superintendent of public instruction shall develop and submit a reorganization proposal to the state board of education for implementation by July 1, 1994.

Sec. 522. RCW 28A.310.020 and 1990 c 33 s 270 are each amended to read as follows:

The state board of education upon its own initiative, or upon petition of any educational service district board, or upon petition of at least half of the district superintendents within an educational service district, or upon request of the superintendent of public instruction, may make changes in the number and boundaries of the educational service districts, including an equitable adjustment and transfer of any and all property, assets, and liabilities among the educational service districts whose boundaries and duties and responsibilities are increased and/or decreased by such changes, consistent with the purposes of RCW 28A.310.010(~~(: PROVIDED, That no reduction in the number of educational service districts will take effect without a majority approval vote by the affected school directors voting in such election by mail ballot)~~). Prior to making any such changes, the state board shall hold at least one public hearing on such proposed action and shall consider any recommendations on such proposed action.

The state board in making any change in boundaries shall give consideration to, but not be limited by, the following factors: (1) Size, population, topography, and climate of the proposed district; and (2) costs associated with the governance, administration, and operation of the educational service district system in whole or part.

The superintendent of public instruction shall furnish personnel, material, supplies, and information necessary to enable educational service district boards and superintendents to consider the proposed changes.

**PART VI
HIGHER EDUCATION**

NEW SECTION. Sec. 601. HIGHER EDUCATION. The appropriations in sections 602 through 610 of this act are subject to the following conditions and limitations:

(1) "Institutions of higher education" means the institutions receiving appropriations under sections 602 through 608 of this act.

(2) The general fund—state appropriations in sections 602 through 608 of this act represent significant reductions in current funding levels. In order to provide each institution of higher education with the capability of effectively managing within their unique requirements, some flexibility in implementing these reductions is permitted. This will assure the continuation of the highest quality higher education system possible within available resources. In establishing spending plans for the next biennium, each institution shall address the needs of its students in keeping with the following directives: (a) Establishing reductions of a permanent nature by avoiding short term solutions; (b) not reducing enrollments below budgeted levels; (c) maintaining the current resident to nonresident student proportions; (d) protecting undergraduate programs and support services; (e) protecting assessment activities; (f) protecting minority recruitment and retention efforts; (g) protecting the state’s investment in facilities; (h) using institutional strategic plans as a guide for reshaping institutional expenditures; and (i) increasing efficiencies through administrative reductions, program consolidation, the elimination of duplication, the use of other resources, and productivity improvements. Each institution of higher education and the state board for community and technical colleges shall submit a report to the legislative fiscal committees by July 1, 1993, on their spending plans for the 1993-95 biennium. The report should address the approach taken with respect to each of the directives in this subsection. A second report responding to the same directives shall be submitted by November 1, 1993, which describes the implementation of the spending plan and its effects.

(3) The appropriations in sections 602 through 608 of this act provide state general fund support for student full time equivalent enrollments at each institution of higher education. The state general fund budget is further premised on a level of specific student tuition revenue collected into and expended from the institutions of higher education—general local accounts. Listed below are the annual full time equivalent student enrollments by institution assumed in this act.

	1993-94	1994-95
	Annual	Annual
	Average	Average
	FTE	FTE
University of Washington		
Main campus	29,762	29,826
Evening Degree Program	465	525
Tacoma branch	450	490
Bothell branch	427	449
Washington State University		
Main campus	15,965	15,991
Spokane branch	248	258
Tri-Cities branch	519	541
Vancouver branch	511	595

Central Washington University	6,666	6,810
Eastern Washington University	7,429	7,573
The Evergreen State College	3,226	3,258
Western Washington University	9,216	9,360
State Board for Community and Technical Colleges	107,670	110,386
Higher Education Coordinating Board	50	50

NEW SECTION. Sec. 602. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

General Fund—State Appropriation	\$ 676,763,000
General Fund—Federal Appropriation	\$ 11,403,000
Industrial Insurance Premium Refund Account Appropriation	\$ 12,000
Employment and Training Trust Fund Appropriation	\$ 35,120,000
TOTAL APPROPRIATION	\$ 723,298,000

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

(1) \$2,883,000 of the general fund—state appropriation is provided solely for 500 supplemental FTE enrollment slots to implement section 17, chapter 315, Laws of 1991 (timber-dependent communities).

(2) \$35,120,000 of the employment and training trust fund appropriation is provided solely for training and related support services specified in Engrossed Substitute House Bill No. 1988 (employment and training). Of this amount:

(a) \$27,630,000 shall provide enrollment opportunity for 3,500 full time equivalent students in fiscal year 1994 and 5,000 full time equivalent students in fiscal year 1995. The state board for community and technical colleges shall allocate the enrollments, with a minimum of 225 each year to Grays Harbor College;

(b) \$3,245,000 shall provide child care for the children of the student enrollments funded in (a) of this subsection;

(c) \$500,000 shall provide transportation funding for the student enrollments funded in (a) of this subsection;

(d) \$3,745,000 shall provide financial aid for the student enrollments funded in (a) of this subsection.

If Engrossed Substitute House Bill No. 1988 is not enacted by June 30, 1993, this appropriation shall lapse.

(3) \$3,425,000 of the general fund—state appropriation is provided solely for assessment of student outcomes.

(4) \$1,412,000 of the general fund—state appropriation is provided solely to recruit and retain minorities.

(5) For purposes of RCW 28B.15.515(2), there is no upper enrollment variance limit and college districts may enroll students above the general fund—state level.

(6) The appropriations in this section shall not be used for salary increases including increments, but may be used for increments required to be paid under chapter 41.06 RCW except as restricted under section 913 of this act.

(7) \$150,000 of the general fund—state appropriation is provided solely for the two-plus-two program at Olympic College.

(8) \$3,364,000 of the general fund—state appropriation is provided solely for instructional equipment for technical colleges.

NEW SECTION. Sec. 603. FOR THE UNIVERSITY OF WASHINGTON

General Fund Appropriation	\$ 507,618,000
Medical Aid Fund Appropriation	\$ 3,756,000
Accident Fund Appropriation	\$ 3,762,000
Death Investigations Account Appropriation	\$ 1,282,000
Oil Spill Administration Account Appropriation	\$ 236,000
Health Services Account Appropriation	\$ 5,800,000
TOTAL APPROPRIATION	\$ 522,454,000

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

(1) \$10,004,000 of the general fund appropriation is provided solely to operate upper-division and graduate level courses offered at the Tacoma branch campus.

(2) \$10,499,000 of the general fund appropriation is provided solely to operate upper-division and graduate level courses offered at the Bothell branch campus.

(3) The University of Washington shall prepare a plan to remedy the cause of disparate market gaps in compensation for professional/exempt employees and librarians. The plan shall be presented to the legislative fiscal and policy committees by January 1, 1994.

(4) \$2,300,000 of the health services account appropriation is provided solely for the implementation of Engrossed Second Substitute Senate Bill No. 5304 (health care reform) to increase the supply of primary health care providers. If Engrossed Second Substitute Senate Bill No. 5304 is not enacted by June 30, 1993, this appropriation shall lapse.

(5) \$300,000 of the health services account appropriation is provided solely to expand community-based training for physician assistants. If Engrossed Second Substitute Senate Bill No. 5304 is not enacted by June 30, 1993, this appropriation shall lapse.

(6) \$300,000 of the health services account appropriation is provided solely for the advanced registered nurse program. If Engrossed Second Substitute

Senate Bill No. 5304 is not enacted by June 30, 1993, this appropriation shall lapse.

(7) \$2,900,000 of the health services account appropriation is provided solely for health benefits for teaching and research assistants pursuant to Engrossed House Bill No. 2123.

(8) \$372,000 of the general fund appropriation is provided solely for assessment of student outcomes.

(9) \$648,000 of the general fund appropriation is provided solely to recruit and retain minorities.

(10) The University of Washington shall maintain essential requirements level funding for the family practice residency network within the school of medicine.

NEW SECTION. Sec. 604. FOR WASHINGTON STATE UNIVERSITY

General Fund Appropriation	\$	292,460,000
Health Services Account Appropriation	\$	1,400,000
TOTAL APPROPRIATION	\$	293,860,000

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

(1) \$8,338,000 of the general fund appropriation is provided solely to operate upper-division and graduate level courses and other educational services offered at the Vancouver branch campus.

(2) \$6,420,000 of the general fund appropriation is provided solely to operate upper-division and graduate level courses and other educational services offered at the Tri-Cities branch campus.

(3) \$7,062,000 of the general fund appropriation is provided solely to operate graduate and professional level courses and other educational services offered at the Spokane branch campus.

(4) \$372,000 of the general fund appropriation is provided solely for assessment of student outcomes.

(5) \$280,000 of the general fund appropriation is provided solely to recruit and retain minorities.

(6) \$85,000 of the general fund appropriation is provided solely for the implementation of section 7 of Second Engrossed Substitute House Bill No. 1309 or substantially similar legislation.

(7) \$1,400,000 of the health services account appropriation is provided solely for health benefits for teaching and research assistants pursuant to Engrossed House Bill No. 2123.

(8) \$262,000 of the general fund appropriation is provided solely for the poultry diagnostic lab.

(9) \$120,000 of the general fund appropriation is provided solely for the aquaculture certification center.

NEW SECTION. Sec. 605. FOR EASTERN WASHINGTON UNIVERSITY

General Fund Appropriation	\$	72,813,000
Health Services Account Appropriation	\$	200,000
TOTAL APPROPRIATION	\$	73,013,000

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

(1) \$372,000 of the general fund appropriation is provided solely for assessment of student outcomes.

(2) \$186,000 of the general fund appropriation is provided solely to recruit and retain minorities.

(3) \$200,000 of the health services account appropriation is provided solely for health benefits for teaching and research assistants pursuant to Engrossed House Bill No. 2123.

NEW SECTION. Sec. 606. FOR CENTRAL WASHINGTON UNIVERSITY

General Fund Appropriation	\$	66,482,000
Health Services Account Appropriation	\$	140,000
TOTAL APPROPRIATION	\$	66,622,000

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

(1) \$372,000 of the general fund appropriation is provided solely for assessment of student outcomes.

(2) \$140,000 of the general fund appropriation is provided solely to recruit and retain minorities.

(3) \$140,000 of the health services account appropriation is provided solely for health for benefits teaching and research assistants pursuant to Engrossed House Bill No. 2123.

NEW SECTION. Sec. 607. FOR THE EVERGREEN STATE COLLEGE

General Fund Appropriation	\$	37,207,000
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The appropriation in this section is subject to the following conditions and limitations:

(1) \$372,000 of the general fund appropriation is provided solely for assessment of student outcomes.

(2) \$94,000 of the general fund appropriation is provided solely to recruit and retain minorities.

(3) \$410,000 of the general fund—state appropriation is provided solely for the public schools partnership program.

NEW SECTION. Sec. 608. FOR WESTERN WASHINGTON UNIVERSITY

General Fund Appropriation	\$	81,618,000
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Health Services Account Appropriation	\$	200,000
TOTAL APPROPRIATION	\$	81,818,000

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

(1) \$372,000 of the general fund appropriation is provided solely for assessment of student outcomes.

(2) \$186,000 of the general fund appropriation is provide solely to recruit and retain minorities.

(3) \$200,000 of the health services account appropriation is provided solely for health benefits for teaching and research assistants pursuant to Engrossed House Bill No. 2123.

NEW SECTION. Sec. 609. FOR THE HIGHER EDUCATION COORDINATING BOARD—POLICY COORDINATION AND ADMINISTRATION

General Fund—State Appropriation	\$	4,018,000
General Fund—Federal Appropriation	\$	265,000
TOTAL APPROPRIATION	\$	4,283,000

The appropriations in this section are provided to carry out the policy coordination, planning, studies, and administrative functions of the board and are subject to the following conditions and limitations: \$717,000 of the general fund—state appropriation is provided solely for enrollment to implement sections 18 through 21, chapter 315, Laws of 1991 (timber dependent communities). The number of students served shall be 50 full time equivalent students per fiscal year.

NEW SECTION. Sec. 610. FOR THE HIGHER EDUCATION COORDINATING BOARD—FINANCIAL AID AND GRANT PROGRAMS

General Fund—State Appropriation	\$	126,315,000
General Fund—Federal Appropriation	\$	6,381,000
Health Services Account Appropriation	\$	2,230,000
State Education Grant Account Appropriation	\$	40,000
TOTAL APPROPRIATION	\$	134,966,000

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

(1) \$1,044,000 of the general fund—state appropriation is provided solely for the displaced homemakers program.

(2) \$2,000,000 of the health services account appropriation is provided solely for scholarships and loans under chapter 28B.115 RCW, health professional conditional scholarship program. If Engrossed Second Substitute Senate Bill No. 5304 (health care reform) is not enacted by June 30, 1993, this appropriation shall lapse.

(3) \$230,000 of the health services account appropriation is provided solely for the health personnel resources plan. If Engrossed Second Substitute Senate Bill No. 5304 is not enacted by June 30, 1993, this appropriation shall lapse.

(4) \$124,840,000 of the general fund—state appropriation is provided solely for student financial aid, including all administrative costs. Of this amount:

(a) \$95,039,000 is provided solely for the state need grant program. The board shall, to the best of its ability, rank and serve students eligible for the state need grant in order from the lowest family income to the highest family income. Any state need grant moneys not awarded by April 1st of each year may be transferred to the state work study program.

(b) \$24,200,000 is provided solely for the state work study program.

(c) \$1,000,000 is provided solely for educational opportunity grants.

(d) A maximum of \$2,698,000 may be expended for financial aid administration.

(5) \$2,800,000 of the general fund—federal appropriation is provided solely for state need grants for students participating in the federal job opportunities and basic skills program (JOBS).

(6) \$50,000 of the general fund—state appropriation is provided solely for a demonstration project that matches money raised for scholarships by new local chapters of the Citizen’s Scholarship Foundation of America. To be eligible to receive a state matching grant, the new chapter must be created after June 30, 1993. Each chapter is limited to one matching grant and must raise at least \$2,000 before receiving matching funds.

(7) \$288,000 of the general fund—state appropriation is provided solely for the educator’s excellence awards, which includes \$53,000 transferred from the office of the superintendent of public instruction.

NEW SECTION. Sec. 611. FOR THE JOINT CENTER FOR HIGHER EDUCATION

General Fund Appropriation \$ 711,000

NEW SECTION. Sec. 612. FOR THE WORK FORCE TRAINING AND EDUCATION COORDINATING BOARD

General Fund—State Appropriation \$ 3,517,000
General Fund—Federal Appropriation \$ 34,651,000
TOTAL APPROPRIATION \$ 38,168,000

The appropriations in this section are subject to the following conditions and limitations: In order for the agency to accomplish both its federally assigned and state responsibilities under chapter 28C.18 RCW, it may, with the concurrence of the office of financial management, exercise discretion in restructuring its general fund—state and general fund—federal resources within allowed FTE staff totals.

NEW SECTION. Sec. 613. FOR THE HIGHER EDUCATION PERSONNEL BOARD

Higher Education Personnel Board Service Fund

Appropriation \$ 1,898,000

The appropriation in this section is subject to the following conditions and limitations: On July 1, 1993, the appropriation contained in this section shall be provided to the department of personnel, and shall be used solely to provide personnel services to institutions of higher education and related boards. If Engrossed Substitute House Bill No. 2054 (civil service reform) is not enacted by June 30, 1993, this limitation shall have no effect.

NEW SECTION. Sec. 614. FOR WASHINGTON STATE LIBRARY

General Fund—State Appropriation \$ 14,062,000
 General Fund—Federal Appropriation \$ 4,796,000
 General Fund—Private/Local Appropriation \$ 46,000
TOTAL APPROPRIATION \$ 18,904,000

The appropriations in this section are subject to the following conditions and limitations: \$2,385,516 of the general fund—state appropriation and \$54,000 from federal funds are provided solely for a contract with the Seattle public library for library services for the blind and physically handicapped.

NEW SECTION. Sec. 615. FOR THE WASHINGTON STATE ARTS COMMISSION

General Fund—State Appropriation \$ 4,274,000
 General Fund—Federal Appropriation \$ 934,000
TOTAL APPROPRIATION \$ 5,208,000

The appropriations in this section are subject to the following conditions and limitations: The portion of the general fund appropriation provided for the institutional and organizational support programs shall be awarded to applicants that have not added to any accumulated deficit in the most recently completed fiscal year. Applicants that provide artistic services to communities that are otherwise artistically underserved, are integral to the arts community in which they are based, or that have budgets of less than \$250,000 shall be exempt from this requirement.

NEW SECTION. Sec. 616. FOR THE WASHINGTON STATE HISTORICAL SOCIETY

General Fund Appropriation \$ 2,321,000

NEW SECTION. Sec. 617. FOR THE EASTERN WASHINGTON STATE HISTORICAL SOCIETY

General Fund Appropriation \$ 873,000

NEW SECTION. Sec. 618. FOR THE STATE SCHOOL FOR THE DEAF

General Fund—State Appropriation \$ 12,566,000
 General Fund—Private/Local Appropriation \$ 40,000
TOTAL APPROPRIATION \$ 12,606,000

NEW SECTION. Sec. 619. FOR THE STATE SCHOOL FOR THE BLIND

General Fund—State Appropriation	\$	6,862,000
General Fund—Private/Local Appropriation	\$	26,000
TOTAL APPROPRIATION	\$	6,888,000

**PART VII
SPECIAL APPROPRIATIONS****NEW SECTION. Sec. 701. FOR THE STATE TREASURER—BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR GENERAL FUND BOND DEBT**

General Fund Appropriation	\$	736,118,685
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This appropriation is for deposit into the accounts listed in section 801 of this act.

NEW SECTION. Sec. 702. FOR THE STATE TREASURER—BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR GENERAL OBLIGATION DEBT TO BE REIMBURSED BY ENTERPRISE ACTIVITIES

State Convention and Trade Center Appropriation	\$	24,071,715
Accident Account Appropriation	\$	5,340,254
Medical Aid Account Appropriation	\$	5,340,254
TOTAL APPROPRIATION	\$	34,752,223

NEW SECTION. Sec. 703. FOR THE STATE TREASURER—BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR GENERAL OBLIGATION DEBT TO BE REIMBURSED AS PRESCRIBED BY STATUTE

General Fund Appropriation	\$	28,156,178
Community College Refunding Bond Retirement Fund 1974 Appropriation	\$	9,856,110
Community College Capital Construction Bond Retirement Fund 1975, 1976, 1977 Appropriation	\$	10,304,798
Higher Education Bond Retirement Fund 1979 Appropriation	\$	6,354,922
Washington State University Bond Redemption Fund 1977 Appropriation	\$	516,452
Higher Education Refunding Bond Redemption Fund 1977 Appropriation	\$	6,245,701
State General Obligation Bond Retirement 1979 Appropriation	\$	65,033,822
TOTAL APPROPRIATION	\$	126,467,983

NEW SECTION. Sec. 704. FOR THE STATE TREASURER—BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRA-

TION AND TRANSFER CHARGES: FOR DEBT TO BE PAID BY MOTOR VEHICLE FUND REVENUE

Transportation Capital Facilities Account	
Appropriation	\$ 536,264
Highway Bond Retirement Fund Appropriation	\$ 191,018,885
Ferry Bond Retirement 1977 Appropriation	\$ 35,180,173
TOTAL APPROPRIATION	\$ 226,735,322

NEW SECTION. Sec. 705. FOR THE STATE TREASURER—BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR DEBT TO BE PAID BY STATUTORILY PRESCRIBED REVENUE

Common School Building Bond Redemption Fund	
1967 Appropriation	\$ 6,923,625
State Building Bond Redemption Fund 1967	
Appropriation	\$ 654,200
State Building and Parking Bond Redemption Fund 1969	
Appropriation	\$ 2,456,980
TOTAL APPROPRIATION	\$ 10,034,805

NEW SECTION. Sec. 706. FOR THE STATE TREASURER—BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR BOND SALE EXPENSES

General Fund Appropriation	\$ 1,258,314
Higher Education Construction Account	
Appropriation	\$ 185,130
State Convention and Trade Center Appropriation	\$ 88,050
Excess Earnings Account Appropriation	\$ 1,195,400
State Building Construction Account Appropriation	\$ 35,298,012
Economic Development Account Appropriation	\$ 162,000
Puget Sound Capital Construction Account	
Appropriation	\$ 2,716,792
Motor Vehicle Fund Appropriation	\$ 2,849,751
Special Category C Account Appropriation	\$ 974,359
Energy Efficiency Construction Account	
Appropriation	\$ 515,362
Common School Reimbursable Construction Account	
Appropriation	\$ 5,666,853
Higher Education Reimbursable Construction Account	
Appropriation	\$ 4,312,476
Energy Efficiency Services Account Appropriation	\$ 51,282
TOTAL APPROPRIATION	\$ 55,273,781

Total Bond Retirement and Interest	
Appropriations contained in sections 701 through 706 of this act	\$1,181,971,582

***NEW SECTION. Sec. 707. FOR THE GOVERNOR—FOR TRANSFER TO THE TORT CLAIMS REVOLVING FUND**

General Fund Appropriation	\$	5,141,000
Motor Vehicle Fund Appropriation	\$	6,234,000
Wildlife Fund Appropriation	\$	148,000
Marine Operating Account Appropriation	\$	2,206,000
Liquor Revolving Fund Appropriation	\$	114,000
<i>Basic Data Account Appropriation</i>	<i>\$</i>	<i>16,000</i>
Resource Management Cost Account Appropriation . . .	\$	132,000
Public Service Revolving Account Appropriation	\$	18,000
Accident Account Appropriation	\$	110,000
TOTAL APPROPRIATION	\$	14,119,000

The appropriations in this section are subject to the following conditions and limitations: The amount of the transfer for the motor vehicle fund and the marine operating account is to be actuarially based and transferred proportionately into the tort claims revolving fund quarterly or as necessary to meet cash flow needs.

*Sec. 707 was partially vetoed, see message at end of chapter.

NEW SECTION. Sec. 708. FOR THE GOVERNOR—AMERICANS WITH DISABILITIES ACT

General Fund—State Appropriation	\$	500,000
Americans with Disabilities Special Revolving Fund Appropriation	\$	425,000
TOTAL APPROPRIATION	\$	925,000

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

(1) The appropriations shall be used solely to fund requests from state agencies complying with the program requirements of the federal americans with disabilities act. This appropriation will be administered by the office of financial management and will be apportioned to agencies meeting distribution criteria.

(2) To facilitate payment from special funds dedicated to agency programs receiving allocations under this section, the state treasurer is directed to transfer sufficient moneys from the special funds to the americans with disabilities special revolving fund, hereby created in the state treasury, in accordance with schedules provided by the office of financial management.

NEW SECTION. Sec. 709. FOR THE OFFICE OF FINANCIAL MANAGEMENT—AGENCY COMMUTE TRIP REDUCTION

State Capital Vehicle Parking Account Appropriation	\$	1,000,000
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The appropriation in this section is subject to the following conditions and limitations: The appropriation is provided solely to assist state agencies in implementing commute trip reduction programs as required by RCW 70.94.521 through 70.94.551. Allocation of this appropriation will be made by the office

of financial management after considering recommendations from the interagency task force for commute trip reduction.

NEW SECTION. Sec. 710. FOR THE GOVERNOR—EMERGENCY TRAVEL FUND

General Fund—State Appropriation \$ 3,553,000

The appropriation in this section is subject to the following conditions and limitations: The appropriation shall be used solely for providing for the cost of travel, lodgings, and related expenses for agencies that demonstrate a critical agency-related need as a result of the reductions in travel funding made by this act. Allocations from this appropriation shall be reported quarterly to the legislative fiscal committees.

NEW SECTION. Sec. 711. FOR THE GOVERNOR—TORT DEFENSE SERVICES

General Fund Appropriation \$ 2,500,000
Special Fund Agency Tort Defense Services
Revolving Fund Appropriation \$ 1,000,000
TOTAL APPROPRIATION \$ 3,500,000

The appropriations in this section are subject to the following conditions and limitations: To facilitate payment of tort defense services from special funds, the state treasurer is directed to transfer sufficient moneys from each special fund to the special fund tort defense services revolving fund, in accordance with schedules provided by the office of financial management. The governor shall distribute the moneys appropriated in this section to agencies to pay for tort defense services.

NEW SECTION. Sec. 712. FOR THE OFFICE OF FINANCIAL MANAGEMENT—EMERGENCY FUND

General Fund Appropriation \$ 1,500,000

The appropriation in this section is for the governor’s emergency fund for the critically necessary work of any agency.

NEW SECTION. Sec. 713. BELATED CLAIMS. The agencies and institutions of the state may expend moneys appropriated in this act, upon approval of the office of financial management, for the payment of supplies and services furnished to the agency or institution in prior fiscal biennia.

NEW SECTION. Sec. 714. FOR SUNDRY CLAIMS. The following sums, or so much thereof as may be necessary, are appropriated from the general fund, unless otherwise indicated, for relief of various individuals, firms, and corporations for sundry claims. These appropriations are to be disbursed on vouchers approved by the director of general administration, except as otherwise provided, as follows: King county, in settlement of a claim under RCW 43.135.060, Claim No. SCO-89-12 \$ 1,950,000

NEW SECTION. Sec. 715. FOR SUNDRY CLAIMS—DEPARTMENT OF LABOR AND INDUSTRIES. The department of labor and industries is directed to pay, as a legislative relief claim under chapter 4.92 RCW, to Mrs. Esther A. Levang an industrial insurance death benefit, from the effective date of this act, under RCW 51.32.050 for the death of her husband following an industrial chemical exposure (L & I Claim No. F282511).

NEW SECTION. Sec. 716. FOR THE GOVERNOR—COMPENSATION—INSURANCE BENEFITS

General Fund—State Appropriation	\$	8,960,000
General Fund—Federal Appropriation	\$	3,216,000
Special Fund Salary and Insurance Contribution		
Increase Revolving Fund Appropriation	\$	6,871,000
TOTAL APPROPRIATION	\$	19,047,000

The appropriations in this section, or so much thereof as may be necessary, shall be expended solely for the purposes designated in this section and are subject to the conditions and limitations specified in this section.

(1) The appropriations in this section shall be distributed by the office of financial management to state agencies to fund the 1993-95 increased costs of health care benefits, administration, and margin in the self-insured medical and dental plans.

(2)(a) The monthly contributions for insurance benefit premiums shall not exceed \$317.79 per eligible employee for fiscal year 1994, and \$350.25 for fiscal year 1995.

(b) The monthly contributions for the margin in the self-insured medical and dental plans and for the operating costs of the health care authority shall not exceed \$5.91 per eligible employee for fiscal year 1994, and \$6.21 for fiscal year 1995.

(c) Any returns of funds to the health care authority resulting from favorable claims experienced during the 1993-95 biennium shall be held in reserve within the state employees insurance account until appropriated by the legislature.

(d) Funds provided under this section, including funds resulting from dividends or refunds, shall not be used to increase employee insurance benefits over the level of services provided on the effective date of this act. Contributions by any county, municipal, or other political subdivision to which coverage is extended after the effective date of this act shall not receive the benefit of any surplus funds attributable to premiums paid prior to the date on which coverage is extended.

(3) To facilitate the transfer of moneys from dedicated funds and accounts, the state treasurer is directed to transfer sufficient moneys from each dedicated fund or account to the special fund salary and insurance contribution increase revolving fund in accordance with schedules provided by the office of financial management.

(4) A maximum of \$587,000 of the special fund salary and insurance contribution increase revolving fund appropriation in this section may be expended for benefit increases for ferry workers consistent with the 1993-95 transportation appropriations act.

NEW SECTION. Sec. 717. FOR THE DEPARTMENT OF RETIREMENT SYSTEMS—CONTRIBUTIONS TO RETIREMENT SYSTEMS

The appropriations in this section are subject to the following conditions and limitations: The appropriations shall be made on a quarterly basis.

(1) There is appropriated for state contributions to the law enforcement officers' and fire fighters' retirement system:

	FY 1994	FY 1995
General Fund Appropriation	\$ 76,794,000	82,985,000
TOTAL APPROPRIATION	\$ 159,779,000	

The appropriations in this subsection are subject to the following conditions and limitations:

(a) \$4,766,000 is provided solely to pay the increased retirement contributions resulting from Substitute House Bill No. 1294 (LEOFF II age reduction). If Substitute House Bill No. 1294 is not enacted by June 30, 1993, the amount provided in this subsection shall lapse.

(b) The appropriations in this subsection reflect the retirement contribution rate reduction for the law enforcement officers' and fire fighters' retirement system contained in Engrossed Substitute Senate Bill No. 5888 (pension improvements).

(2) There is appropriated for contributions to the judicial retirement system:

	FY 1994	FY 1995
General Fund Appropriation	\$ 4,450,000	4,450,000
TOTAL APPROPRIATION	\$ 8,900,000	

(3) There is appropriated for contributions to the judges retirement system:

	FY 1994	FY 1995
General Fund Appropriation	\$ 650,000	650,000
TOTAL APPROPRIATION	\$ 1,300,000	

NEW SECTION. Sec. 718. FOR THE OFFICE OF FINANCIAL MANAGEMENT—CONTRIBUTIONS TO RETIREMENT SYSTEMS

	FY 1994	FY 1995
General Fund—State Appropriation . .	\$ 1,800,000	2,187,000
General Fund--Federal Appropriation .	\$ 455,000	557,000
Special Retirement Contribution Increase		
Revolving Fund Appropriation . .	\$ 1,279,000	1,400,000
TOTAL APPROPRIATION	\$ 7,678,000	

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

(1) \$1,735,000 of the general fund—state appropriation, \$454,000 of the general fund—federal appropriation, and \$970,000 of the special retirement contribution increase revolving fund appropriation are provided solely to pay the increased retirement contributions resulting from sections 2 and 3 of Engrossed Substitute Senate Bill No. 5888 (ad hoc COLA). If sections 2 and 3 of Engrossed Substitute Senate Bill No. 5888 are not enacted by June 30, 1993, the amounts provided in this subsection shall lapse.

(2) \$1,508,000 of the general fund—state appropriation, \$360,000 of the general fund—federal appropriation, and \$758,000 of the special retirement contribution increase revolving fund appropriation are provided solely to pay the increased retirement contributions resulting from section 1 of Engrossed Substitute Senate Bill No. 5888 (February COLA). If section 1 of Engrossed Substitute Senate Bill No. 5888 is not enacted by June 30, 1993, the amounts provided in this subsection shall lapse.

(3) \$201,000 of the general fund—state appropriation, \$49,000 of the general fund—federal appropriation, and \$109,000 of the special retirement contribution increase revolving fund appropriation are provided solely to pay the increased retirement contributions resulting from sections 4 and 6 of Engrossed Substitute Senate Bill No. 5888 (early retirement). If sections 4 and 6 of Engrossed Substitute Senate Bill No. 5888 are not enacted by June 30, 1993, the amounts provided in this subsection shall lapse.

(4) \$519,000 of the special retirement contribution increase revolving fund appropriation is provided solely to pay the increased retirement contributions for the Washington state patrol retirement system resulting from sections 17 through 21 of Engrossed Substitute Senate Bill No. 5888 (pension contribution rates). If sections 17 through 21 of Engrossed Substitute Senate Bill No. 5888 are not enacted by June 30, 1993, the amount provided in this subsection shall lapse.

(5) \$543,000 of the general fund—state appropriation, \$149,000 of the general fund—federal appropriation, and \$323,000 of the special retirement contribution increase revolving fund appropriation are provided solely to pay the increased retirement contributions resulting from sections 15 and 16 of Engrossed Substitute Senate Bill No. 5888 (city portability). If sections 15 and 16 of Engrossed Substitute Senate Bill No. 5888 are not enacted by June 30, 1993, the amount provided in this subsection shall lapse.

NEW SECTION. Sec. 719. FOR THE OFFICE OF FINANCIAL MANAGEMENT—CONTRIBUTIONS TO RETIREMENT SYSTEMS. (1) The office of financial management shall reduce the appropriations to the agencies and institutions of the state by \$5,539,000 from the general fund—state appropriations, \$1,494,000 from the general fund—federal appropriations, and \$3,211,000 from appropriations from other funds, to reflect savings realized by the reduction in retirement contribution rates required for the teachers' and public employees' retirement systems pursuant to sections 17 through 21 of Engrossed Substitute Senate Bill No. 5888 (pension contribution rates).

(2) The office of financial management shall reduce the appropriations to the agencies and institutions of the state by \$945,000 from the general fund—state appropriations, \$251,000 from the general fund—federal appropriations, and \$539,000 from appropriations from other funds, to reflect savings realized by the administrative rate reduction contained in section 133 of this act.

(3) The office of financial management shall reduce the appropriations to the agencies and institutions of the state by \$1,056,000 from the general fund—state appropriations, \$275,000 from the general fund—federal appropriations, and \$588,000 from appropriations from other funds, to correct erroneous retirement contribution rates required for the teachers' and public employees' retirement systems that were assumed in each agency's 1993-95 budget request.

NEW SECTION. Sec. 720. SALARY INCREMENT INCREASES. (1) The office of financial management shall reduce the appropriations for the agencies of the state by \$1,040,000 from the general fund—state appropriations and \$1,128,000 from appropriations from other funds to reflect the freeze on increment increases that would have been provided to classified state employees whose monthly salary is greater than \$3,750, as provided in section 913 of this act.

(2) The office of financial management shall reduce the appropriations for the institutions of higher education of the state by \$274,000 from the general fund—state appropriations to reflect the freeze on increment increases that would have been provided to classified employees of higher education institutions whose monthly salary is greater than \$3,750, as provided in section 913 of this act.

NEW SECTION. Sec. 721. FOR THE STATE TREASURER—LOANS

General Fund Appropriation—For transfer to the		
Convention and Trade Center Operating Account	\$	2,830,000
General Fund Appropriation—For transfer to the		
Community College Capital Projects Account	\$	4,550,000
TOTAL APPROPRIATION	\$	7,380,000

**PART VIII
OTHER TRANSFERS AND APPROPRIATIONS**

NEW SECTION. Sec. 801. FOR THE STATE TREASURER—BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR GENERAL OBLIGATION DEBT SUBJECT TO THE STATUTORY DEBT LIMIT

Fisheries Bond Redemption Fund 1977 Appropriation	\$	1,369,050
Water Pollution Control Facilities Bond Redemption		
Fund 1967 Appropriation	\$	640,313
State Building (Expo 74) Bond Redemption Fund 1973A		
Appropriation	\$	374,968

State Building Bond Redemption Fund 1973	
Appropriation	\$ 3,815,320
State Higher Education Bond Redemption Fund 1973	
Appropriation	\$ 4,395,023
State Building Authority Bond Redemption Fund	
Appropriation	\$ 9,397,425
Community College Capital Improvement Bond	
Redemption Fund 1972 Appropriation	\$ 7,528,400
State Higher Education Bond Redemption Fund 1974	
Appropriation	\$ 1,187,200
Waste Disposal Facilities Bond Redemption Fund	
Appropriation	\$ 50,473,075
Water Supply Facilities Bond Redemption Fund	
Appropriation	\$ 11,109,893
Recreation Improvements Bond Redemption Fund	
Appropriation	\$ 6,033,190
Social and Health Services Facilities 1972 Bond	
Redemption Fund Appropriation	\$ 3,713,865
Outdoor Recreation Bond Redemption Fund 1967	
Appropriation	\$ 1,593,098
Indian Cultural Center Construction Bond	
Redemption Fund 1976 Appropriation	\$ 127,231
Fisheries Bond Redemption Fund 1976 Appropriation	\$ 760,015
Higher Education Bond Redemption Fund 1975	
Appropriation	\$ 2,168,025
State Building Bond Retirement Fund 1975	
Appropriation	\$ 422,360
Social and Health Services Bond Redemption Fund	
1976 Appropriation	\$ 9,464,773
Emergency Water Projects Bond Retirement Fund 1977	
Appropriation	\$ 2,639,480
Higher Education Bond Redemption Fund 1977	
Appropriation	\$ 13,296,100
Salmon Enhancement Bond Redemption Fund 1977	
Appropriation	\$ 3,706,950
Fire Service Training Center Bond Retirement Fund	
1977 Appropriation	\$ 745,706
State General Obligation Bond Retirement Bond 1979	
Appropriation	\$ 601,579,585
TOTAL APPROPRIATION	\$ 736,118,685

The total expenditures from the state treasury under the appropriations in this section and in section 701 of this act shall not exceed the total appropriation in this section.

NEW SECTION. Sec. 802. FOR THE STATE TREASURER—BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR GENERAL OBLIGATION DEBT TO BE REIMBURSED AS PRESCRIBED BY STATUTE

State General Obligation Bond Retirement

1979 Appropriation \$ 28,156,178

The total expenditures from the state treasury under the appropriation in this section and the general fund appropriation in section 703 of this act shall not exceed the total appropriation in this section.

NEW SECTION. Sec. 803. FOR THE STATE TREASURER—STATE REVENUES FOR DISTRIBUTION

General Fund Appropriation for fire insurance premiums tax distribution	\$	4,382,550
General Fund Appropriation for public utility district excise tax distribution	\$	29,254,986
General Fund Appropriation for prosecuting attorneys' salaries	\$	3,300,000
General Fund Appropriation for motor vehicle excise tax distribution	\$	96,445,099
General Fund Appropriation for local mass transit assistance	\$	294,186,744
General Fund Appropriation for camper and travel trailer excise tax distribution	\$	3,112,351
General Fund Appropriation for boating safety/education and law enforcement distribution	\$	789,528
Aquatic Lands Enhancement Account Appropriation for harbor improvement revenue distribution	\$	154,000
Liquor Excise Tax Fund Appropriation for liquor excise tax distribution	\$	24,307,934
Motor Vehicle Fund Appropriation for motor vehicle fuel tax and overload penalties distribution	\$	552,082,000
Liquor Revolving Fund Appropriation for liquor profits distribution	\$	53,570,000
Timber Tax Distribution Account Appropriation for distribution to "Timber" counties	\$	121,724,800
Municipal Sales and Use Tax Equalization Account Appropriation	\$	51,882,670
County Sales and Use Tax Equalization Account Appropriation	\$	17,476,268
Death Investigations Account Appropriation for distribution to counties for publicly		

funded autopsies	\$	1,400,000
County Criminal Justice Account Appropriation	\$	16,145,834
Municipal Criminal Justice Account Appropriation	\$	6,458,226
TOTAL APPROPRIATION	\$	1,276,672,990

The total expenditures from the state treasury under the appropriations in this section shall not exceed the funds available under statutory distributions for the stated purposes.

**NEW SECTION. Sec. 804. FOR THE STATE TREASURER—
FEDERAL REVENUES FOR DISTRIBUTION**

Forest Reserve Fund Appropriation for federal forest reserve fund distribution	\$	56,516,000
General Fund Appropriation for federal flood control funds distribution	\$	46,000
General Fund Appropriation for federal grazing fees distribution	\$	52,000
General Fund Appropriation for distribution of federal funds to counties in conformance with Public Law 97-99	\$	400,000
TOTAL APPROPRIATION	\$	57,014,000

The total expenditures from the state treasury under the appropriations in this section shall not exceed the funds available under statutory distributions for the stated purposes.

**NEW SECTION. Sec. 805. FOR THE STATE TREASURER—
TRANSFERS**

Flood Control Assistance Account: For transfer to the General Fund—State	\$	300,000
State Convention and Trade Center Account: For transfer to the State Convention and Trade Center Operations Account	\$	5,699,000
Water Quality Account: For transfer to the water pollution revolving fund. Transfers shall be made at intervals coinciding with deposits of federal capitalization grant money into the revolving fund. The amounts transferred shall not exceed the match required for each federal deposit	\$	21,500,000
Trust Land Purchase Account: For transfer to the General Fund	\$	24,000,000
General Government Special Revenue Fund—State Treasurer’s Service Account: For transfer to the General Fund on or before July 20, 1995, an amount up to \$7,400,000 in excess of the cash requirements of the state treasurer’s service account	\$	7,400,000

Public Works Assistance Account:		
For transfer to the General Fund	\$	35,000,000
Health Services Account:		
For transfer to the Public Health Services		
account	\$	20,000,000
TOTAL APPROPRIATION	\$	113,899,000

NEW SECTION. Sec. 806. FOR THE DEPARTMENT OF RETIREMENT SYSTEMS—TRANSFERS

General Fund Appropriation: For transfer to the department of retirement systems expense fund	\$	18,000
Motor Vehicle Fund—State Patrol Highway Account: For transfer to the department of retirement systems expense fund	\$	135,000

**PART IX
MISCELLANEOUS**

NEW SECTION. Sec. 901. EXPENDITURE AUTHORIZATIONS. The appropriations contained in this act are maximum expenditure authorizations. Pursuant to RCW 43.88.037, moneys disbursed from the treasury on the basis of a formal loan agreement shall be recorded as loans receivable and not as expenditures for accounting purposes. To the extent that moneys are disbursed on a loan basis, the corresponding appropriation shall be reduced by the amount of loan moneys disbursed from the treasury during the 1993-95 biennium.

NEW SECTION. Sec. 902. INFORMATION SYSTEMS PROJECTS. Agencies shall comply with the following requirements regarding information systems projects when specifically directed to do so by this act.

(1) The agency shall produce a feasibility study for each information systems projects in accordance with published department of information services instructions. In addition to department of information services requirements, the study shall examine and evaluate the costs and benefits of maintaining the status quo and the costs and benefits of the proposed project. The study shall identify when and in what amount any fiscal savings will accrue, and what programs or fund sources will be affected.

(2) The agency shall produce a project management plan for each project. The plan or plans shall address all factors critical to successful completion of each project. The plan shall include, but is not limited to, the following elements: A description of the problem or opportunity that the information systems project is intended to address; a statement of project objectives and assumptions; definition of phases, tasks, and activities to be accomplished and the estimated cost of each phase; a description of how the agency will facilitate responsibilities of oversight agencies; a description of key decision points in the project life cycle; a description of variance control measures; a definitive

schedule that shows the elapsed time estimated to complete the project and when each task is to be started and completed; and a description of resource requirements to accomplish the activities within specified time, cost, and functionality constraints.

(3) A copy of each feasibility study and project management plan shall be provided to the department of information services, the office of financial management, and legislative fiscal committees. Authority to expend any funds for individual information systems projects is conditioned on approval of the relevant feasibility study and project management plan by the department of information services and the office of financial management.

(4) A project status report shall be submitted to the department of information services, the office of financial management, and legislative fiscal committees for each project prior to reaching key decision points identified in the project management plan. Project status reports shall examine and evaluate project management, accomplishments, budget, action to address variances, risk management, cost and benefits analysis, and other aspects critical to completion of a project.

Work shall not commence on any task in a subsequent phase of a project until the status report for the preceding key decision point has been approved by the department of information services and the office of financial management.

(5) If a project review is requested in accordance with department of information services policies, the reviews shall examine and evaluate: System requirements specifications; scope; system architecture; change controls; documentation; user involvement; training; availability and capability of resources; programming languages and techniques; system inputs and outputs; plans for testing, conversion, implementation, and post-implementation; and other aspect critical to successful construction, integration, and implementation of automated systems. Copies of project review written reports shall be forwarded to the office of financial management and appropriate legislative committees by the agency.

(6) A written post-implementation review report shall be prepared by the agency for each information systems project in accordance with published department of information services instructions. In addition to the information requested pursuant to the department of information services instructions, the post-implementation report shall evaluate the degree to which a project accomplished its major objectives including, but not limited to, a comparison of original cost and benefit estimates to actual costs and benefits achieved. Copies of the post-implementation review report shall be provided to the department of information services, the office of financial management, and appropriate legislative committee.

NEW SECTION. Sec. 903. VIDEO TELECOMMUNICATIONS. (1) The department of information services shall act as lead agency in coordinating video telecommunications services for state agencies. As lead agency, the department shall develop standards and common specifications for leased and

purchased telecommunications equipment and assist state agencies in developing a video telecommunications expenditure plan. No agency may spend any portion of any appropriation in this act for new video telecommunication equipment, new video telecommunication transmission, or new video telecommunication programming, or for expanding current video telecommunication systems without first complying with chapter 43.105 RCW, including but not limited to RCW 43.105.041(2), and without first submitting a video telecommunications expenditure plan, in accordance with the policies of the department of information services, for review and assessment by the department of information services under RCW 43.105.052. Prior to any such expenditure by a public school, a video telecommunications expenditure plan shall be approved by the superintendent of public instruction. The office of the superintendent of public instruction shall submit the plans to the department of information services in a form prescribed by the department. The office of the superintendent of public instruction shall coordinate the use of video telecommunications in public schools by providing educational information to local school districts and shall assist local school districts and educational service districts in telecommunications planning and curriculum development. Prior to any such expenditure by a public institution of postsecondary education, a telecommunications expenditure plan shall be approved by the higher education coordinating board. The higher education coordinating board shall coordinate the use of video telecommunications for instruction and instructional support in postsecondary education, including the review and approval of instructional telecommunications course offerings.

(2) The office of financial management shall encourage and maximize opportunities for state agencies to use the services of the department of information services video conference centers to reduce travel-related expenditures. The office of financial management, in conjunction with the department of information services, shall report to the legislative fiscal committees by November 30, 1994, on the monthly usage volume and the respective costs and benefits of the video conference centers. The office of financial management shall document any savings, project potential savings by each agency, and incorporate the savings in development of the 1995-97 biennial budget.

****NEW SECTION. Sec. 904. PERFORMANCE AUDITS. (1) Pursuant to Engrossed Substitute House Bill No. 1372, performance audits shall be conducted during the 1993-95 biennium on the following elements of state government:***

- (a) The department of ecology;*
- (b) State-funded public health programs; and*
- (c) State-wide administrative staffing levels and costs.*

(2) The performance audits shall be directed by a steering committee consisting of the majority and minority leaders of the senate and house of representatives. For each performance audit conducted under this section, the steering committee shall determine the nature and scope of the audit and may

assign staff responsibilities to the staff of the legislative policy and fiscal committees, the legislative budget committee, the legislative evaluation and accountability program committee, the state auditor's office, and the office of financial management.

(3) The performance audit of state-wide administrative staffing levels and costs shall result in a report to the legislature that provides, at a minimum, the following information or recommendations:

(a) The number of supervisors, managers, and exempt positions, as defined by the department of personnel, for each agency of state government;

(b) The number of clerical and support staff, for each state agency, that serve the supervisors, managers, and exempt positions identified in (a) of this subsection;

(c) The amount of total compensation, including wages and benefits, for each state agency, attributable to the personnel identified in (a) and (b) of this subsection;

(d) For each state agency the total amount of all other overhead costs attributable to the personnel identified in (a) and (b) of this subsection, including the cost of office space, equipment, utilities, travel, per diem, etc.;

(e) Each agency's compensation and overhead costs under (c) and (d) of this subsection, expressed as a percentage of the agency's total compensation and overhead costs;

(f) A recommendation, expressed as a percentage of an agency's total compensation and overhead costs, that represents the maximum amount of administrative compensation and overhead costs that would be incurred by an efficiently operated agency. This recommendation may distinguish types or categories of state agencies, including such categories as regulatory agencies, agencies providing direct services, and administrative agencies;

(g) The savings, both to the general fund and to other funds, that could be realized in each agency and functional area of state government if the recommended level of maximum costs under (f) of this subsection was implemented; and

(h) A plan to implement the identified reductions in administrative costs, including the effect the plan may have on employee attrition and civil service reversion rates.

*Sec. 904 was vetoed, see message at end of chapter.

***NEW SECTION. Sec. 905. EXPENDITURES UNDER LEASE/ PURCHASE FINANCING AGREEMENTS.** *(1) No moneys appropriated in this act may be expended by any agency for the acquisition of equipment or other personal property under financing contracts pursuant to chapter 39.94 RCW or under other installment purchase agreements unless the office of financial management has determined, for each purchase, that:*

(a) The method of acquisition offers a significant financial advantage to the state; and

(b) The term of the installment contract does not exceed the useful life of the item being purchased.

(2) The total principal value of new equipment purchased by the state, as defined in RCW 39.94.020(4), during the 1993-95 biennium and financed pursuant to chapter 39.94 RCW through payments from the general fund shall not exceed thirty-five million dollars. For purposes of this section, equipment financed with payments from sources additional to the general fund shall be valued in proportion to the ratio of general fund payments to the total payments.

(3) This section does not apply to contracts entered into prior to July 1, 1993, or to the refinancing of property purchased prior to July 1, 1993.

*Sec. 905 was partially vetoed, see message at end of chapter.

NEW SECTION. Sec. 906. EMERGENCY FUND ALLOCATIONS.

Whenever allocations are made from the governor's emergency fund appropriation to an agency that is financed in whole or in part by other than general fund moneys, the director of financial management may direct the repayment of such allocated amount to the general fund from any balance in the fund or funds which finance the agency. No appropriation shall be necessary to effect such repayment.

NEW SECTION. Sec. 907. STATUTORY APPROPRIATIONS. In addition to the amounts appropriated in this act for revenue for distribution, state contributions to the law enforcement officers' and fire fighters' retirement system, and bond retirement and interest including ongoing bond registration and transfer charges, transfers, interest on registered warrants, and certificates of indebtedness, there is also appropriated such further amounts as may be required or available for these purposes under any statutory formula or under any proper bond covenant made under law.

NEW SECTION. Sec. 908. BOND EXPENSES. In addition to such other appropriations as are made by this act, there is hereby appropriated to the state finance committee from legally available bond proceeds in the applicable construction or building funds and accounts such amounts as are necessary to pay the expenses incurred in the issuance and sale of the subject bonds.

NEW SECTION. Sec. 909. LEGISLATIVE FACILITIES. Notwithstanding RCW 43.01.090 the house of representatives, the senate, and the permanent statutory committees shall pay expenses quarterly to the department of general administration facilities and services revolving fund for services rendered by the department for operations, maintenance, and supplies relating to buildings, structures, and facilities used by the legislature for the biennium beginning July 1, 1993.

NEW SECTION. Sec. 910. AGENCY RECOVERIES. Except as otherwise provided by law, recoveries of amounts expended pursuant to an appropriation, including but not limited to payments for material supplied or services rendered under chapter 39.34 RCW, may be expended as part of the original appropriation of the fund to which such recoveries belong, without

further or additional appropriation. Such expenditures shall be subject to conditions and procedures prescribed by the director of financial management. The director may authorize expenditure with respect to recoveries accrued but not received, in accordance with generally accepted accounting principles, except that such recoveries shall not be included in revenues or expended against an appropriation for a subsequent fiscal period. This section does not apply to the repayment of loans, except for loans between state agencies.

NEW SECTION. Sec. 911. GENERALLY ACCEPTED ACCOUNTING PRINCIPLES. The appropriations of moneys and the designation of funds and accounts by this and other acts of the 1993 legislature shall be construed in a manner consistent with legislation enacted by the 1985, 1987, 1989, and 1991 legislatures to conform state funds and accounts with generally accepted accounting principles.

Sec. 912. RCW 7.68.070 and 1992 c 203 s 1 are each amended to read as follows:

The right to benefits under this chapter and the amount thereof will be governed insofar as is applicable by the provisions contained in chapter 51.32 RCW as now or hereafter amended except as provided in this section:

(1) The provisions contained in RCW 51.32.015, 51.32.030, 51.32.072, 51.32.073, 51.32.180, 51.32.190, and 51.32.200 as now or hereafter amended are not applicable to this chapter.

(2) Each victim injured as a result of a criminal act, including criminal acts committed between July 1, 1981, and January 1, 1983, or the victim's family or dependents in case of death of the victim, are entitled to benefits in accordance with this chapter, subject to the limitations under RCW 7.68.015. The rights, duties, responsibilities, limitations, and procedures applicable to a worker as contained in RCW 51.32.010 as now or hereafter amended are applicable to this chapter.

(3) The limitations contained in RCW 51.32.020 as now or hereafter amended are applicable to claims under this chapter. In addition thereto, no person or spouse, child, or dependent of such person is entitled to benefits under this chapter when the injury for which benefits are sought, was:

(a) The result of consent, provocation, or incitement by the victim;

(b) Sustained while the crime victim was engaged in the attempt to commit, or the commission of, a felony; or

(c) Sustained while the victim was confined in any county or city jail, federal jail or prison or in any other federal institution, or any state correctional institution maintained and operated by the department of social and health services or the department of corrections, prior to release from lawful custody; or confined or living in any other institution maintained and operated by the department of social and health services or the department of corrections.

(4) The benefits established upon the death of a worker and contained in RCW 51.32.050 as now or hereafter amended shall be the benefits obtainable

under this chapter and provisions relating to payment contained in that section shall equally apply under this chapter: PROVIDED, That benefits for burial expenses shall not exceed the maximum cost used by the department of social and health services for the funeral and burial of a deceased indigent person under chapter 74.08 RCW in any claim: PROVIDED FURTHER, That if the criminal act results in the death of a victim who was not gainfully employed at the time of the criminal act, and who was not so employed for at least three consecutive months of the twelve months immediately preceding the criminal act;

(a) Benefits payable to an eligible surviving spouse, where there are no children of the victim at the time of the criminal act who have survived the victim or where such spouse has legal custody of all of his or her children, shall be limited to burial expenses and a lump sum payment of seven thousand five hundred dollars without reference to number of children, if any;

(b) Where any such spouse has legal custody of one or more but not all of such children, then such burial expenses shall be paid, and such spouse shall receive a lump sum payment of three thousand seven hundred fifty dollars and any such child or children not in the legal custody of such spouse shall receive a lump sum of three thousand seven hundred fifty dollars to be divided equally among such child or children;

(c) If any such spouse does not have legal custody of any of the children, the burial expenses shall be paid and the spouse shall receive a lump sum payment of up to three thousand seven hundred fifty dollars and any such child or children not in the legal custody of the spouse shall receive a lump sum payment of up to three thousand seven hundred fifty dollars to be divided equally among the child or children;

(d) If no such spouse survives, then such burial expenses shall be paid, and each surviving child of the victim at the time of the criminal act shall receive a lump sum payment of three thousand seven hundred fifty dollars up to a total of two such children and where there are more than two such children the sum of seven thousand five hundred dollars shall be divided equally among such children.

No other benefits may be paid or payable under these circumstances.

(5) The benefits established in RCW 51.32.060 as now or hereafter amended for permanent total disability proximately caused by the criminal act shall be the benefits obtainable under this chapter, and provisions relating to payment contained in that section apply under this chapter: PROVIDED, That if a victim becomes permanently and totally disabled as a proximate result of the criminal act and was not gainfully employed at the time of the criminal act, the victim shall receive monthly during the period of the disability the following percentages, where applicable, of the average monthly wage determined as of the date of the criminal act pursuant to RCW 51.08.018 as now or hereafter amended:

(a) If married at the time of the criminal act, twenty-nine percent of the average monthly wage.

(b) If married with one child at the time of the criminal act, thirty-four percent of the average monthly wage.

(c) If married with two children at the time of the criminal act, thirty-eight percent of the average monthly wage.

(d) If married with three children at the time of the criminal act, forty-one percent of the average monthly wage.

(e) If married with four children at the time of the criminal act, forty-four percent of the average monthly wage.

(f) If married with five or more children at the time of the criminal act, forty-seven percent of the average monthly wage.

(g) If unmarried at the time of the criminal act, twenty-five percent of the average monthly wage.

(h) If unmarried with one child at the time of the criminal act, thirty percent of the average monthly wage.

(i) If unmarried with two children at the time of the criminal act, thirty-four percent of the average monthly wage.

(j) If unmarried with three children at the time of the criminal act, thirty-seven percent of the average monthly wage.

(k) If unmarried with four children at the time of the criminal act, forty percent of the average monthly wage.

(l) If unmarried with five or more children at the time of the criminal act, forty-three percent of the average monthly wage.

(6) The benefits established in RCW 51.32.080 as now or hereafter amended for permanent partial disability shall be the benefits obtainable under this chapter, and provisions relating to payment contained in that section equally apply under this chapter.

(7) The benefits established in RCW 51.32.090 as now or hereafter amended for temporary total disability shall be the benefits obtainable under this chapter, and provisions relating to payment contained in that section apply under this chapter: PROVIDED, That no person is eligible for temporary total disability benefits under this chapter if such person was not gainfully employed at the time of the criminal act, and was not so employed for at least three consecutive months of the twelve months immediately preceding the criminal act.

(8) The benefits established in RCW 51.32.095 as now or hereafter amended for continuation of benefits during vocational rehabilitation shall be benefits obtainable under this chapter, and provisions relating to payment contained in that section apply under this chapter: PROVIDED, That benefits shall not exceed five thousand dollars for any single injury.

(9) The provisions for lump sum payment of benefits upon death or permanent total disability as contained in RCW 51.32.130 as now or hereafter amended apply under this chapter.

(10) The provisions relating to payment of benefits to, for or on behalf of workers contained in RCW 51.32.040, 51.32.055, 51.32.100, 51.32.110, 51.32.120, 51.32.135, 51.32.140, 51.32.150, 51.32.160, and 51.32.210 as now or

hereafter amended are applicable to payment of benefits to, for or on behalf of victims under this chapter.

(11) No person or spouse, child, or dependent of such person is entitled to benefits under this chapter where the person making a claim for such benefits has refused to give reasonable cooperation to state or local law enforcement agencies in their efforts to apprehend and convict the perpetrator(s) of the criminal act which gave rise to the claim.

(12) In addition to other benefits provided under this chapter, victims of sexual assault are entitled to receive appropriate counseling. Fees for such counseling shall be determined by the department in accordance with RCW 51.04.030, subject to the limitations of RCW 7.68.080. Counseling services may include, if determined appropriate by the department, counseling of members of the victim's immediate family, other than the perpetrator of the assault.

(13) Except for medical benefits authorized under RCW 7.68.080, no more than thirty thousand dollars shall be granted as a result of a single injury or death, except that benefits granted as the result of total permanent disability or death shall not exceed forty thousand dollars.

(14) Notwithstanding other provisions of this chapter and Title 51 RCW, benefits payable for total temporary disability under subsection (7) of this section, shall be limited to fifteen thousand dollars.

(15) Any person who is responsible for the victim's injuries, or who would otherwise be unjustly enriched as a result of the victim's injuries, shall not be a beneficiary under this chapter.

(16) Crime victims' compensation is not available to pay for services covered under chapter 74.09 RCW or Title XIX of the federal social security act, except to the extent that the costs for such services exceed service limits established by the department of social and health services or, during the 1993-95 fiscal biennium, to the extent necessary to provide matching funds for federal medicaid reimbursement.

(17) In addition to other benefits provided under this chapter, immediate family members of a homicide victim may receive appropriate counseling to assist in dealing with the immediate, near-term consequences of the related effects of the homicide. Fees for counseling shall be determined by the department in accordance with RCW 51.04.030, subject to the limitations of RCW 7.68.080. Payment of counseling benefits under this section may not be provided to the perpetrator of the homicide. The benefits under this subsection may be provided only with respect to homicides committed on or after July 1, 1992.

Sec. 913. RCW 41.06.150 and 1990 c 60 s 103 are each amended to read as follows:

The board shall adopt rules, consistent with the purposes and provisions of this chapter, as now or hereafter amended, and with the best standards of personnel administration, regarding the basis and procedures to be followed for:

(1) The reduction, dismissal, suspension, or demotion of an employee;

(2) Certification of names for vacancies, including departmental promotions, with the number of names equal to four more names than there are vacancies to be filled, such names representing applicants rated highest on eligibility lists: PROVIDED, That when other applicants have scores equal to the lowest score among the names certified, their names shall also be certified;

(3) Examinations for all positions in the competitive and noncompetitive service;

(4) Appointments;

(5) Training and career development;

(6) Probationary periods of six to twelve months and rejections therein, depending on the job requirements of the class, except that entry level state park rangers shall serve a probationary period of twelve months;

(7) Transfers;

(8) Sick leaves and vacations;

(9) Hours of work;

(10) Layoffs when necessary and subsequent reemployment, both according to seniority;

(11) Determination of appropriate bargaining units within any agency: PROVIDED, That in making such determination the board shall consider the duties, skills, and working conditions of the employees, the history of collective bargaining by the employees and their bargaining representatives, the extent of organization among the employees, and the desires of the employees;

(12) Certification and decertification of exclusive bargaining representatives: PROVIDED, That after certification of an exclusive bargaining representative and upon the representative's request, the director shall hold an election among employees in a bargaining unit to determine by a majority whether to require as a condition of employment membership in the certified exclusive bargaining representative on or after the thirtieth day following the beginning of employment or the date of such election, whichever is the later, and the failure of an employee to comply with such a condition of employment constitutes cause for dismissal: PROVIDED FURTHER, That no more often than once in each twelve-month period after expiration of twelve months following the date of the original election in a bargaining unit and upon petition of thirty percent of the members of a bargaining unit the director shall hold an election to determine whether a majority wish to rescind such condition of employment: PROVIDED FURTHER, That for purposes of this clause, membership in the certified exclusive bargaining representative is satisfied by the payment of monthly or other periodic dues and does not require payment of initiation, reinstatement, or any other fees or fines and includes full and complete membership rights: AND PROVIDED FURTHER, That in order to safeguard the right of nonassociation of public employees, based on bona fide religious tenets or teachings of a church or religious body of which such public employee is a member, such public employee shall pay to the union, for purposes within the program of the union as designated by such employee that would be in harmony with his or her

individual conscience, an amount of money equivalent to regular union dues minus any included monthly premiums for union-sponsored insurance programs, and such employee shall not be a member of the union but is entitled to all the representation rights of a union member;

(13) Agreements between agencies and certified exclusive bargaining representatives providing for grievance procedures and collective negotiations on all personnel matters over which the appointing authority of the appropriate bargaining unit of such agency may lawfully exercise discretion;

(14) Written agreements may contain provisions for payroll deductions of employee organization dues upon authorization by the employee member and for the cancellation of such payroll deduction by the filing of a proper prior notice by the employee with the appointing authority and the employee organization: PROVIDED, That nothing contained herein permits or grants to any employee the right to strike or refuse to perform his or her official duties;

(15) Adoption and revision of a comprehensive classification plan for all positions in the classified service, based on investigation and analysis of the duties and responsibilities of each such position. However, beginning July 1, 1993, through June 30, 1995, the board shall not adopt job classification revisions or class studies unless implementation of the proposed revision or study will result in net cost savings, increased efficiencies, or improved management of personnel or services, and the proposed revision or study has been approved by the director of financial management in accordance with chapter 43.88 RCW;

(16) Allocation and reallocation of positions within the classification plan;

(17) Adoption and revision of a state salary schedule to reflect the prevailing rates in Washington state private industries and other governmental units but the rates in the salary schedules or plans shall be increased if necessary to attain comparable worth under an implementation plan under RCW 41.06.155, such adoption and revision subject to approval by the director of financial management in accordance with the provisions of chapter 43.88 RCW;

(18) Increment increases within the series of steps for each pay grade based on length of service for all employees whose standards of performance are such as to permit them to retain job status in the classified service. However, beginning July 1, 1993, through June 30, 1995, increment increases shall not be provided to any classified or exempt employees under the jurisdiction of the board whose monthly salary on or after July 1, 1993, exceeds \$3,750;

(19) Providing for veteran's preference as required by existing statutes, with recognition of preference in regard to layoffs and subsequent reemployment for veterans and their widows by giving such eligible veterans and their widows additional credit in computing their seniority by adding to their unbroken state service, as defined by the board, the veteran's service in the military not to exceed five years. For the purposes of this section, "veteran" means any person who has one or more years of active military service in any branch of the armed forces of the United States or who has less than one year's service and is discharged with a disability incurred in the line of duty or is discharged at the

convenience of the government and who, upon termination of such service has received an honorable discharge, a discharge for physical reasons with an honorable record, or a release from active military service with evidence of service other than that for which an undesirable, bad conduct, or dishonorable discharge shall be given: PROVIDED, HOWEVER, That the widow of a veteran is entitled to the benefits of this section regardless of the veteran's length of active military service: PROVIDED FURTHER, That for the purposes of this section "veteran" does not include any person who has voluntarily retired with twenty or more years of active military service and whose military retirement pay is in excess of five hundred dollars per month;

(20) Permitting agency heads to delegate the authority to appoint, reduce, dismiss, suspend, or demote employees within their agencies if such agency heads do not have specific statutory authority to so delegate: PROVIDED, That the board may not authorize such delegation to any position lower than the head of a major subdivision of the agency;

(21) Assuring persons who are or have been employed in classified positions under chapter 28B.16 RCW will be eligible for employment, reemployment, transfer, and promotion in respect to classified positions covered by this chapter;

(22) Affirmative action in appointment, promotion, transfer, recruitment, training, and career development; development and implementation of affirmative action goals and timetables; and monitoring of progress against those goals and timetables.

The board shall consult with the human rights commission in the development of rules pertaining to affirmative action. The department of personnel shall transmit a report annually to the human rights commission which states the progress each state agency has made in meeting affirmative action goals and timetables.

Sec. 914. RCW 43.03.040 and 1986 c 155 s 12 are each amended to read as follows:

The directors of the several departments and members of the several boards and commissions, whose salaries are fixed by the governor and the chief executive officers of the agencies named in RCW 43.03.028(2) as now or hereafter amended shall each severally receive such salaries, payable in monthly installments, as shall be fixed by the governor or the appropriate salary fixing authority, in an amount not to exceed the recommendations of the committee on agency officials' salaries. Beginning July 1, 1993, through June 30, 1995, the salary paid to such directors and members of boards and commissions shall not exceed the amount paid as of April 1, 1993.

NEW SECTION. **Sec. 915. SALARY FREEZE.** (1) Beginning July 1, 1993, and until June 30, 1995, no state agency may grant a salary increase to any employee who is exempt from chapter 41.06 RCW and whose monthly salary on or after July 1, 1993, exceeds \$3,750, except exempt employees whose salaries are determined by an elected state official or the judicial branch.

(2) Beginning July 1, 1993, and until June 30, 1995, no institution of higher education may provide, from appropriations in this act, a salary increase to any employee who is exempt from chapter 41.06 RCW and whose monthly salary on or after July 1, 1993, exceeds \$3,750.

(3) It is the intent of the legislature to freeze salaries for all employees whose annual salary is greater than \$45,000. In order to maintain equity and fairness across all employee groups, the legislature encourages state-wide elected officials and the judicial branch not to grant salary increases to employees who earn more than \$45,000 a year.

Sec. 916. RCW 41.50.255 and 1991 c 35 s 73 are each amended to read as follows:

The director is authorized to pay from the interest earnings of the trust funds of the public employees' retirement system, the teachers' retirement system, the Washington state patrol retirement system, the Washington judicial retirement system, the judges' retirement system, or the law enforcement officers' and fire fighters' retirement system lawful obligations of the appropriate system for legal expenses and medical expenses which expenses are primarily incurred for the purpose of protecting the appropriate trust fund or are incurred in compliance with statutes governing such funds.

The term "legal expense" includes, but is not limited to, legal services provided through the legal services revolving fund, fees for expert witnesses, travel expenses, fees for court reporters, cost of transcript preparation, and reproduction of documents.

The term "medical costs" includes, but is not limited to, expenses for the medical examination or reexamination of members or retirees, the costs of preparation of medical reports, and fees charged by medical professionals for attendance at discovery proceedings or hearings.

During the period from July 1, 1993, until June 30, 1995, the director may pay from the interest earnings of the trust funds specified in this section costs incurred in investigating fraud and collecting overpayments, including expenses incurred to review and investigate cases of possible fraud against the trust funds and collection agency fees and other costs incurred in recovering overpayments.

Sec. 917. RCW 43.08.250 and 1992 c 54 s 3 are each amended to read as follows:

The money received by the state treasurer from fees, fines, forfeitures, penalties, reimbursements or assessments by any court organized under Title 3 or 35 RCW, or chapter 2.08 RCW, shall be deposited in the public safety and education account which is hereby created in the state treasury. The legislature shall appropriate the funds in the account to promote traffic safety education, highway safety, criminal justice training, crime victims' compensation, judicial education, the judicial information system, civil representation of indigent persons, winter recreation parking, and state game programs. ~~((During the fiscal biennium ending June 30, 1993, the legislature may appropriate moneys from~~

~~the public safety and education account for the purposes of local jail population data collection under RCW 10.98.130, the department of corrections' county partnership program under RCW 72.09.300, the treatment alternatives to street crimes program, the criminal litigation unit of the attorney general's office, and contracts with county officials to provide support enforcement services))~~ During the fiscal biennium ending June 30, 1995, the legislature may appropriate moneys from the public safety and education account for purposes of appellate indigent defense, the criminal litigation unit of the attorney general's office, sexual assault treatment, operations of the office of administrator for the courts, and Washington state patrol criminal justice activities.

Sec. 918. RCW 43.70.110 and 1989 1st ex.s. c 9 s 263 are each amended to read as follows:

(1) The secretary shall charge fees to the licensee for obtaining a license. After June 30, 1995, municipal corporations providing emergency medical care and transportation services pursuant to chapter 18.73 RCW shall be exempt from such fees, provided that such other emergency services shall only be charged for their pro rata share of the cost of licensure and inspection, if appropriate. The secretary may waive the fees when, in the discretion of the secretary, the fees would not be in the best interest of public health and safety, or when the fees would be to the financial disadvantage of the state.

(2) Fees charged shall be based on, but shall not exceed, the cost to the department for the licensure of the activity or class of activities and may include costs of necessary inspection.

(3) Department of health advisory committees may review fees established by the secretary for licenses and comment upon the appropriateness of the level of such fees.

Sec. 919. RCW 43.88.535 and 1982 1st ex.s. c 36 s 3 are each amended to read as follows:

(1) Money in the budget stabilization account may be appropriated by a favorable vote of sixty percent of the members elected to each house of the legislature for the following purposes:

(a) To provide for the continuation of agency programs at or near levels of existing appropriations when state revenues decline below projections;

(b) To provide the governor with reserve expenditure authority for the purpose specified in subsection (1)(a) of this section;

(c) For labor force training; and

(d) For any other purpose which the legislature finds would reduce unemployment caused by the state's economic cycle.

(2) By January 1, 1994, the state treasurer shall transfer twenty-five million dollars from the state general fund to the budget stabilization account. In addition to the purposes specified in subsection (1) of this section, the moneys deposited in the budget stabilization account under this subsection may be

appropriated for the continuing costs of any state retirement system benefits in effect on July 1, 1993.

(3) The legislature by appropriation may provide for, or the governor may authorize, the waiver of deposits in any fiscal quarter to the stabilization account in the event of an expenditure from the account during such quarter.

Sec. 920. RCW 43.101.200 and 1989 c 299 s 2 are each amended to read as follows:

(1) All law enforcement personnel, except volunteers, and reserve officers whether paid or unpaid, initially employed on or after January 1, 1978, shall engage in basic law enforcement training which complies with standards adopted by the commission pursuant to RCW 43.101.080 (~~and 43.101.160~~). For personnel initially employed before January 1, 1990, such training shall be successfully completed during the first fifteen months of employment of such personnel unless otherwise extended or waived by the commission and shall be requisite to the continuation of such employment. Personnel initially employed on or after January 1, 1990, shall commence basic training during the first six months of employment unless the basic training requirement is otherwise waived or extended by the commission. Successful completion of basic training is requisite to the continuation of employment of such personnel initially employed on or after January 1, 1990.

(2) The commission shall provide the aforementioned training together with necessary facilities, supplies, materials, and the board and room of noncommuting attendees for seven days per week. Additionally, to the extent funds are provided for this purpose, the commission shall reimburse to participating law enforcement agencies with ten or less full-time commissioned patrol officers the cost of temporary replacement of each officer who is enrolled in basic law enforcement training: PROVIDED, That such reimbursement shall include only the actual cost of temporary replacement not to exceed the total amount of salary and benefits received by the replaced officer during his or her training period.

Sec. 921. RCW 43.155.050 and 1985 c 471 s 8 are each amended to read as follows:

The public works assistance account is hereby established in the state treasury. Money may be placed in the public works assistance account from the proceeds of bonds when authorized by the legislature or from any other lawful source. Money in the public works assistance account shall be used to make loans and to give financial guarantees to local governments for public works projects. During the 1993-95 fiscal biennium, moneys in the public works assistance account may be appropriated for flood control assistance including grants under chapter 86.26 RCW. To the extent that moneys in the public works assistance account are not appropriated during the 1993-95 fiscal biennium for public works or flood control assistance, the legislature may direct their transfer to the state general fund. In awarding grants under chapter 86.26 RCW,

the department of ecology shall give strong preference to local governments that have: (1) Implemented, or are in the process of implementing, an ordinance that establishes a flood plain policy that is substantially more stringent than minimum federal requirements; (2) completed a comprehensive flood control plan meeting the requirements of RCW 86.12.200; or (3) constructed, or are in the process of constructing, a system of overtopping dikes or levees that allow public access.

Sec. 922. RCW 43.210.110 and 1991 c 314 s 12 are each amended to read as follows:

(1) The small business export finance assistance center has the following powers and duties when exercising its authority under RCW 43.210.100(3):

(a) Solicit and accept grants, contributions, and any other financial assistance from the federal government, federal agencies, and any other public or private sources to carry out its purposes;

(b) Offer comprehensive export assistance and counseling to manufacturers relatively new to exporting with gross annual revenues less than twenty-five million dollars. As close to ninety percent as possible of each year's new cadre of clients must have gross annual revenues of less than five million dollars at the time of their initial contract. At least fifty percent of each year's new cadre of clients shall be from timber impact areas as defined in RCW 43.31.601. Counseling may include, but not be limited to, helping clients obtain debt or equity financing, in constructing competent proposals, and assessing federal guarantee and/or insurance programs that underwrite exporting risk; assisting clients in evaluating their international marketplace by developing marketing materials, assessing and selecting targeted markets; assisting firms in finding foreign customers by conducting foreign market research, evaluating distribution systems, selecting and assisting in identification of and/or negotiations with foreign agents, distributors, retailers, and by promoting products through attending trade shows abroad; advising companies on their products, guarantees, and after sales service requirements necessary to compete effectively in a foreign market; designing a competitive strategy for a firm's products in targeted markets and methods of minimizing their commercial and political risks; securing for clients specific assistance as needed, outside the center's field of expertise, by referrals to other public or private organizations. The Pacific Northwest export assistance project shall focus its efforts on facilitating export transactions for its clients, and in doing so, provide such technical services as are appropriate to accomplish its mission either with staff or outside consultants;

(c) Sign three-year counseling agreements with its clients that provide for termination if adequate funding for the Pacific Northwest export assistance project is not provided in future appropriations. Counseling agreements shall not be renewed unless there are compelling reasons to do so, and under no circumstances shall they be renewed for more than two additional years. A counseling agreement may not be renewed more than once. The counseling agreements shall have mutual performance clauses, that if not met, will be grounds for releasing each party, without penalty, from the provisions of the

agreement. Clients shall be immediately released from a counseling agreement with the Pacific Northwest export assistance project, without penalty, if a client wishes to switch to a private export management service and produces a valid contract signed with a private export management service, or if the president of the small business export finance assistance center determines there are compelling reasons to release a client from the provisions of the counseling agreement;

(d) May contract with private or public international trade education services to provide Pacific Northwest export assistance project clients with training in international business. The president and board of directors shall decide the amount of funding allocated for educational services based on the availability of resources in the operating budget of the Pacific Northwest export assistance project;

(e) May contract with the Washington state international trade fair to provide services for Pacific Northwest export assistance project clients to participate in one trade show annually. The president and board of directors shall decide the amount of funding allocated for trade fair assistance based on the availability of resources in the operating budget of the Pacific Northwest export assistance project;

(f) Provide biennial assessments of its performance. Project personnel shall work with the department of revenue and employment security department to confidentially track the performance of the project's clients in increasing tax revenues to the state, increasing gross sales revenues and volume of products destined to foreign clients, and in creating new jobs for Washington citizens. A biennial report shall be prepared for the governor and legislature to assess the costs and benefits to the state from creating the project. The president of the small business export finance assistance center shall design an appropriate methodology for biennial assessments in consultation with the director of the department of trade and economic development and the director of the Washington state department of agriculture. The department of revenue and the employment security department shall provide data necessary to complete this biennial evaluation, if the data being requested is available from existing data bases. Client-specific information generated from the files of the department of revenue and the employment security department for the purposes of this evaluation shall be kept strictly confidential by each department and the small business export finance assistance center;

(g) Take whatever action may be necessary to accomplish the purposes set forth in RCW 43.210.070 and 43.210.100 through 43.210.120; and

(h) Limit its assistance to promoting the exportation of value-added manufactured goods. The project shall not provide counseling or assistance, under any circumstances, for the importation of foreign made goods into the United States.

(2) The Pacific Northwest export assistance project shall not, under any circumstances, assume ownership or take title to the goods of its clients.

(3) The Pacific Northwest export assistance project may not use any Washington state funds which come from the public treasury of the state of Washington to make loans or to make any payment under a loan guarantee agreement. Under no circumstances may the center use any funds received under RCW 43.210.050 to make or assist in making any loan or to pay or assist in paying any amount under a loan guarantee agreement. Debts of the center shall be center debts only and may be satisfied only from the resources of the center. The state of Washington shall not in any way be liable for such debts.

(4) The Pacific Northwest export assistance project shall make every effort to seek nonstate funds to supplement its operations.

(5) The Pacific Northwest export assistance project shall take whatever steps are necessary to provide its services, if requested, to the states of Oregon, Idaho, Montana, Alaska, and the Canadian provinces of British Columbia and Alberta. Interstate services shall not be provided by the Pacific Northwest export assistance project during its first biennium of operation. The provision of services may be temporary and subject to the payment of fees, or each state may request permanent services contingent upon a level of permanent funding adequate for services provided. Temporary services and fees may be negotiated by the small business export finance assistance center's president subject to approval of the board of directors. The president of the small business export finance assistance center may enter into negotiations with neighboring states to contract for delivery of the project's services. Final contracts for providing the project's counseling and services outside of the state of Washington on a permanent basis shall be subject to approval of the governor, appropriate legislative oversight committees, and the small business export finance assistance center's board of directors.

(6) The small business export finance assistance center may receive such gifts, grants, and endowments from public or private sources as may be made from time to time, in trust or otherwise, for the use and benefit of the purposes of the Pacific Northwest export assistance project and expend the same or any income therefrom according to the terms of the gifts, grants, or endowments.

(7) The president of the small business export finance assistance center, in consultation with the board of directors, may use the following formula in determining the number of clients that can be reasonably served by the Pacific Northwest export assistance project relative to its appropriation. Divide the amount appropriated for administration of the Pacific Northwest export assistance project by the marginal cost of adding each additional Pacific Northwest export assistance project client. For the purposes of this calculation, and only for the first biennium of operation, the biennial marginal cost of adding each additional Pacific Northwest export assistance project client shall be fifty-seven thousand ninety-five dollars. The biennial marginal cost of adding each additional client after the first biennium of operation shall be established from the actual operating experience of the Pacific Northwest export assistance project.

(8) All receipts from the Pacific Northwest export assistance project shall be deposited into the general fund. However, during the 1993-95 fiscal biennium, the receipts of the project shall be deposited into the small business export finance assistance center fund under RCW 43.210.070.

Sec. 923. RCW 70.146.020 and 1987 c 436 s 5 are each amended to read as follows:

Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Account" means the water quality account in the state treasury.

(2) "Department" means the department of ecology.

(3) "Eligible cost" means the cost of that portion of a water pollution control facility that can be financed under this chapter excluding any portion of a facility's cost attributable to capacity that is in excess of that reasonably required to address one hundred ten percent of the applicant's needs for water pollution control existing at the time application is submitted for assistance under this chapter.

(4) "Water pollution control facility" or "facilities" means any facilities or systems for the control, collection, storage, treatment, disposal, or recycling of wastewater, including but not limited to sanitary sewage, storm water, residential, commercial, industrial, and agricultural wastes, which are causing water quality degradation due to concentrations of conventional, nonconventional, or toxic pollutants. Water pollution control facilities include all equipment, utilities, structures, real property, and interests in and improvements on real property necessary for or incidental to such purpose. Water pollution control facilities also include such facilities, equipment, and collection systems as are necessary to protect federally designated sole source aquifers.

(5) "Water pollution control activities" means actions taken by a public body for the following purposes: (a) To prevent or mitigate pollution of underground water; (b) to control nonpoint sources of water pollution; (c) to restore the water quality of fresh water lakes; and (d) to maintain or improve water quality through the use of water pollution control facilities or other means. During the 1993-1995 fiscal biennium, "water pollution control activities" includes activities by state agencies to protect public drinking water supplies and sources.

(6) "Public body" means the state of Washington or any agency, county, city or town, conservation district, other political subdivision, municipal corporation, quasi-municipal corporation, and those Indian tribes now or hereafter recognized as such by the federal government.

(7) "Water pollution" means such contamination, or other alteration of the physical, chemical, or biological properties of any waters of the state, including change in temperature, taste, color, turbidity, or odor of the waters, or such discharge of any liquid, gaseous, solid, radioactive, or other substance into any waters of the state as will or is likely to create a nuisance or render such waters harmful, detrimental, or injurious to the public health, safety, or welfare, or to

domestic, commercial, industrial, agricultural, recreational, or other legitimate beneficial uses, or to livestock, wild animals, birds, fish, or other aquatic life.

(8) "Nonpoint source water pollution" means pollution that enters any waters of the state from any dispersed water-based or land-use activities, including, but not limited to, atmospheric deposition, surface water runoff from agricultural lands, urban areas, and forest lands, subsurface or underground sources, and discharges from boats or other marine vessels.

(9) "Sole source aquifer" means the sole or principal source of public drinking water for an area designated by the administrator of the environmental protection agency pursuant to Public Law 93-523, Sec. 1424(b).

Sec. 924. RCW 70.146.080 and 1991 sp.s. c 16 s 923 are each amended to read as follows:

Within thirty days after June 30, 1987, and within thirty days after each succeeding fiscal year thereafter, the state treasurer shall determine the tax receipts deposited into the water quality account for the preceding fiscal year. If the tax receipts deposited into the account in each of the fiscal years 1988 and 1989 are less than forty million dollars, the state treasurer shall transfer sufficient moneys from general state revenues into the water quality account to bring the total receipts in each fiscal year up to forty million dollars.

For the biennium ending June 30, 1991, if the tax receipts deposited into the water quality account and the earnings on investment of balances credited to the account are less than ninety million dollars, the treasurer shall transfer sufficient moneys from general state revenues into the water quality account to bring the total revenue up to ninety million dollars. The determination and transfer shall be made by July 31, 1991.

For fiscal (~~year 1992~~) years 1992 and 1993 and for fiscal year 1996 and thereafter, if the tax receipts deposited into the water quality account for each fiscal year are less than forty-five million dollars, the treasurer shall transfer sufficient moneys from general state revenues into the water quality account to bring the total revenue up to forty-five million dollars. Determinations and transfers shall be made by July 31 for the preceding fiscal year.

Sec. 925. RCW 70.170.080 and 1991 sp.s. c 13 s 71 are each amended to read as follows:

The basic expenses for the hospital data collection and reporting activities of this chapter shall be financed by an assessment against hospitals of no more than four one-hundredths of one percent of each hospital's gross operating costs, to be levied and collected from and after that date, upon which the similar assessment levied under chapter 70.39 RCW is terminated, for the provision of hospital services for its last fiscal year ending on or before June 30th of the preceding calendar year. Budgetary requirements in excess of that limit must be financed by a general fund appropriation by the legislature. All moneys collected under this section shall be deposited by the state treasurer in the hospital data collection account which is hereby created in the state treasury. The department

may also charge, receive, and dispense funds or authorize any contractor or outside sponsor to charge for and reimburse the costs associated with special studies as specified in RCW 70.170.050.

During the 1993-1995 fiscal biennium, moneys in the hospital data collection account may be expended, pursuant to appropriation, for hospital data analysis and the administration of the health information program.

Any amounts raised by the collection of assessments from hospitals provided for in this section which are not required to meet appropriations in the budget act for the current fiscal year shall be available to the department in succeeding years.

Sec. 926. RCW 74.20A.030 and 1989 c 360 s 14 are each amended to read as follows:

(1) The department shall be subrogated to the right of any dependent child or children or person having the care, custody, and control of said child or children, if public assistance money is paid to or for the benefit of the child, to prosecute or maintain any support action or execute any administrative remedy existing under the laws of the state of Washington to obtain reimbursement of moneys expended, based on the support obligation of the responsible parent established by a superior court order or RCW 74.20A.055. Distribution of any support moneys shall be made in accordance with 42 U.S.C. Sec. 657.

(2) The department may initiate, continue, maintain, or execute an action to establish, enforce, and collect a support obligation, including establishing paternity and performing related services, under this chapter and chapter 74.20 RCW, or through the attorney general or prosecuting attorney under chapter 26.09, 26.18, 26.20, 26.21, 26.23, or 26.26 RCW or other appropriate statutes or the common law of this state, for so long as and under such conditions as the department may establish by regulation.

(3) Public assistance moneys shall be exempt from collection action under this chapter except as provided in RCW 74.20A.270.

(4) No collection action shall be taken against parents of children eligible for admission to, or children who have been discharged from a residential habilitation center as defined by RCW 71A.10.020(7). For the period July 1, 1993, through June 30, 1995, a collection action may be taken against parents of children with developmental disabilities who are placed in community-based residential care. The amount of support the department may collect from the parents shall not exceed one-half of the parents' support obligation accrued while the child was in community-based residential care. The child support obligation shall be calculated pursuant to chapter 26.19 RCW.

Sec. 927. RCW 79.24.580 and 1987 c 350 s 1 are each amended to read as follows:

After deduction for management costs as provided in RCW 79.64.040 and payments to towns under RCW 79.92.110(2), all moneys received by the state from the sale or lease of state-owned aquatic lands and from the sale of valuable

material from state-owned aquatic lands shall be distributed as follows: (1) To the state building bond redemption fund such amounts necessary to retire bonds issued pursuant to RCW 79.24.630 through 79.24.647 prior to January 1, 1987, and for which tide and harbor area revenues have been pledged, and (2) all moneys not deposited for the purposes of subsection (1) of this section shall be deposited in the aquatic lands enhancement account which is hereby created in the state treasury. After appropriation, these funds shall be used solely for aquatic lands enhancement projects; for the purchase, improvement, or protection of aquatic lands for public purposes; for providing and improving access to such lands; and for volunteer cooperative fish and game projects. During the fiscal biennium ending June 30, 1995, the funds may be appropriated for shellfish management, enforcement, and enhancement and for developing and implementing plans for population monitoring and restoration of native wild salmon stock.

Sec. 928. RCW 86.26.007 and 1991 sp.s. c 13 s 24 are each amended to read as follows:

The flood control assistance account is hereby established in the state treasury. At the beginning of the 1995-97 fiscal biennium and each biennium thereafter the state treasurer shall transfer from the general fund to the flood control assistance account an amount of money which, when combined with money remaining in the account from the previous biennium, will equal four million dollars. Moneys in the flood control assistance account may be spent only after appropriation for purposes specified under this chapter. To the extent that moneys in the flood control assistance account are not appropriated during the 1993-95 fiscal biennium for flood control assistance, the legislature may direct their transfer to the state general fund.

Sec. 929. RCW 20.01.130 and 1986 c 178 s 8 are each amended to read as follows:

All fees and other moneys received by the department under the provisions of this chapter shall be paid to the director and shall be used solely for the purpose of carrying out the provisions of this chapter and rules adopted hereunder or for departmental administrative expenses during the 1993-95 biennium. All civil fines received by the courts as the result of notices of infractions issued by the director shall be paid to the director, less any mandatory court costs and assessments.

NEW SECTION. Sec. 930. MINORITY AND WOMEN'S BUSINESS ENTERPRISES. Chapter . . . (House Bill No. 1800), Laws of 1993 is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect July 1, 1993.

NEW SECTION. Sec. 931. LICENSING OF FUNERAL DIRECTORS AND EMBALMERS. Chapter 43 (Substitute Senate Bill No. 5026), Laws of 1993 is necessary for the immediate preservation of the public peace, health, or

safety, or support of the state government and its existing public institutions, and shall take effect July 1, 1993.

NEW SECTION. Sec. 932. SEVERABILITY. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 933. EMERGENCY CLAUSE. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect July 1, 1993, except for section 308(5) of this act which shall take effect immediately.

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UNIFORM LEGISLATION COMMISSION 2908

UNIVERSITY OF WASHINGTON 2968

UTILITIES AND TRANSPORTATION COMMISSION 2910

VIDEO TELECOMMUNICATIONS 2986

VOLUNTEER FIRE FIGHTERS 2910

WASHINGTON STATE ARTS COMMISSION 2973

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WESTERN WASHINGTON UNIVERSITY 2970

WORK FORCE TRAINING AND EDUCATION COORDINATING
 BOARD 2972

Passed the Senate May 6, 1993.

Passed the House May 5, 1993.

Approved by the Governor May 28, 1993, with the exception of certain items which were vetoed.

Filed in Office of Secretary of State May 28, 1993.

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

"I am returning herewith, without my approval as to sections 121(2); 125(1), (2); 202(7); 204(2)(d); 205(4)(a)(iii), (4)(b)(lines 12-17), (4)(b)(iii), (4)(b)(iv); 207(2), (3); 209(10); 217(1), (3), (4), (7), (8), (9); 226 lines 22-24; 229(16); 305(1); 308(1), (2), (4), (9); 501(1)(d); 707 line 14; 904; and 905(1) of Substitute Senate Bill No. 5968, entitled:

"AN ACT Relating to fiscal matters;"

My reasons for vetoing these sections are as follows:

Section 121(2), page 7, Performance Audits, (State Auditor)

Section 121(2) provides \$200,000 in appropriation authority from the Audit Services Revolving Account for the State Auditor to cover the costs of that agency's involvement in the three performance audits required in Section 904. Since I am also vetoing Section 904, I will ask the State Auditor to place these funds in reserve in recognition of this veto.

Section 125(1), page 9, Report on Implementation of Reductions (Office of Financial Management)

This subsection requires the Office of Financial Management to compile agency reports relating to implementation of budget reductions and efficiencies, and to submit those reports to the Legislature by December 1, 1993. Although I understand the Legislature's interest in these issues, the proviso as written is vague as to the intent and content of these reports. The existing allotment process represents the agencies' spending plan under the new budget and will be available long before the December deadline. I am willing to work with the Legislature to see that their interest for budget implementation formation is met, but I'm reluctant to impose a significant workload on agencies without more specific objectives.

Section 125(2), page 9, Administrative Cost Reporting System (Office of Financial Management)

Subsection 125(2) requires OFM to develop and implement a state-wide reporting system in support of the administrative detail required in section 904 (Performance Audits). Since I am vetoing section 904, the specific reason for this reporting system requirement in OFM is eliminated.

I do, however, share the Legislature's interest in uniform accounting practices and a more consistent approach to the reporting of administrative costs. I will instruct the Office of Financial Management to review our existing reporting structure and to work with legislative staff on possible improvements.

Section 202(7), page 19, Child Care Rates (Children and Family Services, Department of Social and Health Services)

This subsection requires the Department of Social and Health Services to reimburse child care providers at the 75th percentile of the 1992 market rate on a phased-in basis beginning on December 1, 1993. I am vetoing this subsection because there is a technical error in the proviso language. It should read "at the 75th percentile or the provider's usual rate, whichever is lower...." I am directing the Department of Social and Health Services to comply with the intent of the proviso to implement changes in child care rates beginning December 1, 1993.

Section 204(2)(d), page 23, Stop-Loss Arrangement (Mental Health, Department of Social and Health Services)

This subsection directs the Department of Social and Health Services to establish contractual relationships with the Regional Support Networks that protect against increased admissions to state hospitals of clients who are eligible for services from other programs in the agency. If the client population exceeds 110 percent of the 1991-93 average level, these other programs must bear the cost of care. I recognize the issue of dually diagnosed clients is troublesome and must be addressed; however, these programs have not been funded at levels sufficient to meet the stop-loss requirement without reducing services to current clients. I am vetoing this subsection, but I am directing DSHS to strengthen the existing collaborative agreements with the Regional Support Networks to ensure the client census is maintained at less than 110 percent of the average utilization during Fiscal Year 1993.

Section 205(4)(a)(ii) page 24, Client Assessments (Developmental Disabilities, Department of Social and Health Services)

This subsection requires the Department of Social and Health Services to assess each Residential Habilitation Center client to determine the level of support necessary to meet the client's needs. There are insufficient time and resources to complete this requirement, and it is unnecessarily duplicative of existing assessment tools. I am vetoing this subsection, but I am directing the Department to complete an independent assessment for each individual who is being moved into the community.

Section 205(4)(b)(lines 12-17), (4)(b)(iii), and (4)(b)(iv), page 25, Community Residential Services Reconfiguration (Division of Developmental Disabilities, Department of Social and Health Services)

This subsection requires the Department of Social and Health Services to reduce the per capita costs of community residential services programs by 6.7 percent during the last 18 months of the 1993-95 Biennium below the amount expended during the last quarter of the current biennium. While I acknowledge these savings must be achieved, subsection (b) and sub-subsections (b)(iii) and (b)(iv) are overly cumbersome, limit the Department's flexibility to manage its resources, and do not provide sufficient time to accomplish their purpose. I am vetoing lines 12 through 17 and 25 through 32, but in order to ensure these savings are maintained consistent with legislative intent, I am directing the Department to explore other means to achieve this reduction, such as implementing the reduction on an earlier date.

Section 207(2), page 27, State Supplementary Income Payments (Income Assistance, Department of Social and Health Services)

This subsection would reduce state supplementary payments to 80,000 blind, disabled, and elderly Washington residents. The current fiscal situation has forced us to make very difficult choices, many of which directly affect people who rely on state services. Nonetheless, I cannot in good conscience approve a measure to reduce state support for these individuals, who are truly our most vulnerable residents. Furthermore, it would be extremely difficult to administer these payments in such a way as to maintain the current spending level while the caseload increases without jeopardizing all federal Title XIX funds. I have therefore directed the Department of Social and Health Services to allocate these funds in accordance with current policy.

Section 207(3), page 27, Public Assistance (Income Assistance, Department of Social and Health Services)

This section would require that the Department of Social and Health Services eliminate the "100-hour rule" for two-parent families receiving aid to families with dependent children. Since this rule acts as a disincentive for families to work, I fully

support the intent of this subsection. However, funds for the implementation of this rule change are not included in the budget. Therefore, I am vetoing this subsection and directing the Department to pursue a federal waiver of this rule. I intend to recommend funding in the 1994 legislative session to eliminate the "100-hour rule."

Section 209(10), page 30, Chiropractic Services (Medical Assistance, Department of Social and Health Services)

This proviso earmarks \$3,372,000 General Fund-State to provide chiropractic services for Medical Assistance clients. I am vetoing this subsection because no additional funding has been provided for these services. The Department of Social and Health Services cannot reinstate these services within appropriated funding.

Section 217(1), (3), (4), (8), and (9), page 34-36, General-Fund State Appropriations (Department of Community Development)

Subsections 1, 3, 4, 8, and 9 restrict use of 38 percent of the Department's General Fund-state budget. The language for each of these subsections was intended to allow the Department flexibility to manage the nonspecific General Fund-State budget reductions. However, conflicting legal interpretations of the language make a veto necessary to ensure the needed flexibility. I am directing the Department to honor the purpose of the proviso language for each subsection by allocating the nonspecific reductions as uniformly as possible. Therefore, I am directing the Department to provide substantially similar funding levels for emergency food assistance, food stamp outreach, the Seattle Children's Museum, emergency medical support for Mt. St. Helens' National Monument, emergency shelter assistance, and growth management grants.

Section 217(7), page 36, Federal and Private Grant Assistance (Department of Community Development)

Subsection 7 requires the Department to use existing staff resources to research the availability of economic development grants. In addition the Department is required to assist state and local organizations to research the availability of these grants. The economic development budget at the Department has been reduced by 20 percent. At the same time, the expectation is for the economic development program to provide essentially the current service level to federal timber dependent communities, to implement the requirements of House Bill 1493 pertaining to women and minority owned businesses, and to maintain a statewide program. Although the Community Finance staff attempt to maximize the use of all resources for economic development, the proviso places an undue burden on the existing resources and sets up expectations that will be difficult to meet. Although I am vetoing this proviso, the Department is directed, within available resources, to provide assistance as required by this proviso.

Section 226, lines 22-24, page 43, (Department of Corrections)

This proviso requires the Department to address the mental health needs of inmates within existing resources. I believe this is an unrealistic expectation. My budget recommendation would have provided \$2,900,000 to begin the expansion of mental health services for offenders. There are an estimated 1,100 mentally ill offenders in Washington's prison system. These offenders generally receive longer sentences, serve more of their total sentence, receive more infractions, and are housed under a higher security level than the rest of the inmate population and are therefore much more expensive to house. If we wish to slow the growth in our prison costs, we must invest the required funding for this program. In vetoing this proviso I am urging the Legislature to recognize these needs with actual funding in future sessions.

Section 229(16), page 45, (Employment Security Department)

This proviso earmarks \$2,000,000 (Employment and Training Trust Fund) for operation of 13 job service centers located in community and technical college campuses. I am vetoing this subsection to maximize the Employment Security Department's flexibility to use its resources to provide a broad range of services across the state and meet the legislative intent contained in Engrossed Substitute House Bill 1988. I will ask that seven co-located Job Service Centers be established in the 1993-95 Biennium.

Section 305(1), page 50, Puget Sound Water Quality Management Plan (State Parks and Recreation Commission)

A technical error was made in the proviso language in this section. The Legislature has provided funding to the State Parks and Recreation Commission for its Plan-related activities out of the Aquatic Lands Enhancement Account (ALEA). This section incorrectly provisos General Fund-State moneys for this purpose. Although I am vetoing this proviso, the \$189,000 in ALEA funds must be spent for Plan activities.

Section 308(1), (2), and (4), page 52, European Trade Office, Washington Technology Center, and the Clean Washington Center (Department of Trade and Economic Development)

I strongly believe that these programs are valuable, productive elements of the state's economic development program. However, the budget for the Department passed by the Legislature will force a reevaluation of all economic development programs and a reprioritization of currently available funding. The programs specified in this section represent approximately one-third of the Department's total budget. I have vetoed these sections not because I believe the programs specified herein should necessarily suffer further budget reductions, but because I believe that they should not be protected or excluded from the comprehensive program and budget evaluation which the Department must conduct. I am directing the Department to honor the purpose of the proviso language for the European Trade Office, the Clean Washington Center, and the Washington Technology Center within this context.

Section 308(9), page 53, Engrossed Substitute House Bill 1493 — Minority and Women-Owned Businesses (Department of Trade and Economic Development)

The Legislature intended to fund the programs established in Engrossed Substitute House Bill 1493 using federal dollars transferred from the Washington Economic Development Finance Authority (WEDFA) account. The transfer from WEDFA to the General Fund-Federal account was not included in the appropriation bill and the proviso language in this section incorrectly specifies General Fund-State to implement ESHB 1493. I will seek a supplemental budget change to correct this error and make the federal funds available for these programs.

Section 501(1)(d), page 63, Demonstration Project (Superintendent of Public Instruction)

I am vetoing this proviso because it would require the Superintendent of Public Instruction to spend federal Chapter 2 funds in a manner inconsistent with federal government rules and statutes by supplanting state funds that previously funded special education demonstration projects. The Superintendent of Public Instruction has indicated that other available funds have been identified to meet the needs of the special services demonstration projects this proviso was intended to satisfy.

Section 707, page 97, line 14, Basic Data Account Transfer to the Tort Claims Revolving Fund

A transfer of \$16,000 is made from the Basic Data Account into the Tort Claims Revolving Fund. The inclusion of the Basic Data Account in the funds that will be

transferred into the Tort Claims Revolving Fund was an error. The transfer should have been from the Lottery Administration Account. Transfer from the correct fund will need to be made in the 1994 supplemental budget.

Section 904, page 113, Performance Audits.

On May 15, 1993, I signed into law the Accountability in Government Act of 1993 (Engrossed Substitute House Bill 1372). That new law starts Washington down the road toward performance-based government. It requires agencies to identify measurable, outcome-based objectives for each major program. It also directs the Office of Financial Management to prepare a plan for determining how well agencies are meeting those objectives. I strongly support performance-based government; my office worked directly with the Legislature in the development of this legislation. OFM will involve the Legislature and executive agencies in implementing ESHB 1372.

Section 904 is directly tied to ESHB 1372. But the work required by the bill must be completed before the three audits mandated by Section 904 can be carried out. OFM and state agencies need time to develop reliable program objectives and the plan to apply those objectives to tangible products, like performance audits, as envisioned in ESHB 1372. The audit requirements of Section 904 are, therefore, premature. For this reason, I have vetoed Section 904.

Section 905(1), page 114, Lease/Purchase Financing Agreements

Section 905(1) would require that the Office of Financial Management review all agency requests for the acquisition of equipment by lease/purchase financing agreements to ensure that 1) the method of acquisition offers a significant financial advantage to the state, and 2) the term of the installment contract does not exceed the useful life of the item being purchased. I am vetoing this subsection because under current procedures, the Office of State Treasurer (OST) reviews all agency requests for lease/purchase to ensure that the purchases meet these criteria. I will direct OFM to work with the OST and to manage the allocation of the \$35 million limit on lease/purchases from the General Fund, as was done during the 1991-93 Biennium.

Although this concludes my list of vetoes, I want to register concerns with two sections that I have signed with reservation:

Section 715 directs payment of an industrial insurance death benefit. While I am in sympathy with the facts of this particular case, I am strongly opposed to using the relief process as a way to pay denied industrial insurance claims. I hope that in the future the legislature will not use the sundry claims process to reserve final decisions of this type, but rather will address the underlying question of whether changes in industrial insurance laws and appeals procedures are needed.

Section 924 eliminates the General Fund-State transfer to the Water Quality Account for the 1993-95 Biennium. I believe clean water is vitally important. I also believe it is important to have a stable level of state funding that will enable local governments to dedicate sizable portions of their own resources to clean water efforts and to achieve mandated state and federal water quality requirements. I have signed this section because of the impact that vetoing it would have on the fund balance for the state General Fund and because removal of the General Fund transfer is for the 1993-95 Biennium only.

With the exceptions of sections 121(2); 125(1), (2); 202(7); 204(2)(d); 205(4)(a)(iii), (4)(b)(lines 12-17), (4)(b)(iii), (4)(b)(iv); 207(2), (3); 209(10); 217(1), (3), (4), (7), (8), (9), 226 lines 22-24; 229(16); 305(1), 308(1), (2), (4), (9), 501(1)(d); 707 line 14; 904; and 905(1), Substitute Senate Bill No. 5968 is approved."

CHAPTER 25

[Second Engrossed Substitute Senate Bill 5967]

STATE REVENUE ENHANCEMENT MEASURES

Effective Date: 7/1/93 - Except Sections 901 & 902 which take effect on 5/28/93; & Sections 601 through 603 which take effect on 1/1/94

AN ACT Relating to taxation; amending RCW 82.04.230, 82.04.240, 82.04.250, 82.04.260, 82.04.270, 82.04.280, 82.02.030, 82.04.255, 82.04.290, 82.04.300, 82.04.050, 82.04.280, 82.04.330, 82.08.0273, 82.08.0281, 82.12.0275, 82.60.020, 82.60.050, 82.61.010, 82.61.020, 82.61.030, 82.61.040, 82.61.070, 82.62.010, 82.62.040, 82.45.010, 82.45.030, 82.45.032, 82.45.090, 82.45.100, 82.45.150, 82.45.180, 43.84.092, 48.14.—, 48.14.080, 82.04.470, 82.08.050, 48.32.145, and 48.32A.090; amending 1993 c . . . (Engrossed Second Substitute Senate Bill No. 5304) s 495 (uncodified); adding new sections to chapter 82.04 RCW; adding new sections to chapter 43.63A RCW; adding a new section to chapter 82.45 RCW; adding a new section to chapter 82.08 RCW; adding a new section to chapter 82.32 RCW; creating new sections; repealing RCW 82.04.2901, 82.04.2904, 82.45A.010, 82.45A.020, 82.45A.030, 82.45.120, and 82.04.417; repealing 1991 sp.s. c 22 s 1 (uncodified); prescribing penalties; providing effective dates; and declaring an emergency.

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

PART I

**CURRENT BUSINESS AND
OCCUPATION SURTAXES INCORPORATED INTO BASE**

Sec. 101. RCW 82.04.230 and 1971 ex.s. c 281 s 2 are each amended to read as follows:

EXTRACTORS. Upon every person engaging within this state in business as an extractor; as to such persons the amount of the tax with respect to such business shall be equal to the value of the products, including byproducts, extracted for sale or for commercial or industrial use, multiplied by the rate of ~~((forty four one hundredths of one))~~ 0.484 percent(~~(±)~~).

The measure of the tax is the value of the products, including byproducts, so extracted, regardless of the place of sale or the fact that deliveries may be made to points outside the state.

Sec. 102. RCW 82.04.240 and 1981 c 172 s 1 are each amended to read as follows:

MANUFACTURERS. Upon every person except persons taxable under ~~((subsections))~~ RCW 82.04.260 (2), (3), (4), (5), (7), (8), or (9) ~~((of RCW 82.04.260))~~ engaging within this state in business as a manufacturer; as to such persons the amount of the tax with respect to such business shall be equal to the value of the products, including byproducts, manufactured, multiplied by the rate of ~~((forty four one hundredths of one))~~ 0.484 percent.

The measure of the tax is the value of the products, including byproducts, so manufactured regardless of the place of sale or the fact that deliveries may be made to points outside the state.

Sec. 103. RCW 82.04.250 and 1981 c 172 s 2 are each amended to read as follows:

RETAILERS. (1) Upon every person except persons taxable under RCW 82.04.260(8) or subsection (2) of this section engaging within this state in the business of making sales at retail, as to such persons, the amount of tax with

respect to such business shall be equal to the gross proceeds of sales of the business, multiplied by the rate of (~~forty-four one hundredths of one~~) 0.471 percent.

(2) Upon every person engaging within this state in the business of making sales at retail that are exempt from the tax imposed under chapter 82.08 RCW by reason of RCW 82.08.0261, 82.08.0262, or 82.08.0263, as to such persons, the amount of tax with respect to such business shall be equal to the gross proceeds of sales of the business, multiplied by the rate of 0.484 percent.

Sec. 104. RCW 82.04.260 and 1993 c . . . (Engrossed Second Substitute Senate Bill No. 5304) s 304 are each amended to read as follows:

MISCELLANEOUS BUSINESSES. (1) Upon every person engaging within this state in the business of buying wheat, oats, dry peas, dry beans, lentils, triticale, corn, rye and barley, but not including any manufactured or processed products thereof, and selling the same at wholesale; the tax imposed shall be equal to the gross proceeds derived from such sales multiplied by the rate of (~~one one hundredth of one~~) 0.011 percent.

(2) Upon every person engaging within this state in the business of manufacturing wheat into flour, barley into pearl barley, soybeans into soybean oil, or sunflower seeds into sunflower oil; as to such persons the amount of tax with respect to such business shall be equal to the value of the flour, pearl barley, or oil manufactured, multiplied by the rate of (~~one eighth of one~~) 0.138 percent.

(3) Upon every person engaging within this state in the business of splitting or processing dried peas; as to such persons the amount of tax with respect to such business shall be equal to the value of the peas split or processed, multiplied by the rate of (~~one quarter of one~~) 0.275 percent.

(4) Upon every person engaging within this state in the business of manufacturing seafood products which remain in a raw, raw frozen, or raw salted state at the completion of the manufacturing by that person; as to such persons the amount of tax with respect to such business shall be equal to the value of the products manufactured, multiplied by the rate of (~~one eighth of one~~) 0.138 percent.

(5) Upon every person engaging within this state in the business of manufacturing by canning, preserving, freezing or dehydrating fresh fruits and vegetables; as to such persons the amount of tax with respect to such business shall be equal to the value of the products canned, preserved, frozen or dehydrated multiplied by the rate of (~~three tenths of one~~) 0.33 percent.

(6) Upon every nonprofit corporation and nonprofit association engaging within this state in research and development, as to such corporations and associations, the amount of tax with respect to such activities shall be equal to the gross income derived from such activities multiplied by the rate of (~~forty-four one hundredths of one~~) 0.484 percent.

(7) Upon every person engaging within this state in the business of slaughtering, breaking and/or processing perishable meat products and/or selling

the same at wholesale only and not at retail; as to such persons the tax imposed shall be equal to the gross proceeds derived from such sales multiplied by the rate of (~~((twenty-five one hundredths of one percent through June 30, 1986, and one-eighth of one))~~) 0.138 percent (~~((thereafter))~~).

(8) Upon every person engaging within this state in the business of making sales, at retail or wholesale, of nuclear fuel assemblies manufactured by that person, as to such persons the amount of tax with respect to such business shall be equal to the gross proceeds of sales of the assemblies multiplied by the rate of (~~((twenty-five one hundredths of one))~~) 0.275 percent.

(9) Upon every person engaging within this state in the business of manufacturing nuclear fuel assemblies, as to such persons the amount of tax with respect to such business shall be equal to the value of the products manufactured multiplied by the rate of (~~((twenty-five one hundredths of one))~~) 0.275 percent.

(10) Upon every person engaging within this state in the business of acting as a travel agent; as to such persons the amount of the tax with respect to such activities shall be equal to the gross income derived from such activities multiplied by the rate of (~~((twenty-five one hundredths of one))~~) 0.275 percent.

(11) Upon every person engaging within this state in business as an international steamship agent, international customs house broker, international freight forwarder, vessel and/or cargo charter broker in foreign commerce, and/or international air cargo agent; as to such persons the amount of the tax with respect to only international activities shall be equal to the gross income derived from such activities multiplied by the rate of (~~((thirty-three one hundredths of one))~~) 0.363 percent.

(12) Upon every person engaging within this state in the business of stevedoring and associated activities pertinent to the movement of goods and commodities in waterborne interstate or foreign commerce; as to such persons the amount of tax with respect to such business shall be equal to the gross proceeds derived from such activities multiplied by the rate of (~~((thirty-three one hundredths of one))~~) 0.363 percent. Persons subject to taxation under this subsection shall be exempt from payment of taxes imposed by chapter 82.16 RCW for that portion of their business subject to taxation under this subsection. Stevedoring and associated activities pertinent to the conduct of goods and commodities in waterborne interstate or foreign commerce are defined as all activities of a labor, service or transportation nature whereby cargo may be loaded or unloaded to or from vessels or barges, passing over, onto or under a wharf, pier, or similar structure; cargo may be moved to a warehouse or similar holding or storage yard or area to await further movement in import or export or may move to a consolidation freight station and be stuffed, unstuffed, containerized, separated or otherwise segregated or aggregated for delivery or loaded on any mode of transportation for delivery to its consignee. Specific activities included in this definition are: Wharfage, handling, loading, unloading, moving of cargo to a convenient place of delivery to the consignee or a convenient place for further movement to export mode; documentation services

in connection with the receipt, delivery, checking, care, custody and control of cargo required in the transfer of cargo; imported automobile handling prior to delivery to consignee; terminal stevedoring and incidental vessel services, including but not limited to plugging and unplugging refrigerator service to containers, trailers, and other refrigerated cargo receptacles, and securing ship hatch covers.

(13) Upon every person engaging within this state in the business of disposing of low-level waste, as defined in RCW 43.145.010; as to such persons the amount of the tax with respect to such business shall be equal to the gross income of the business, excluding any fees imposed under chapter 43.200 RCW, multiplied by the rate of ~~((fifteen percent.~~

~~(a) The rate specified in this subsection shall be reduced to ten percent on May 20, 1991.~~

~~(b) The rate specified in this subsection shall be further reduced to five percent on January 1, 1992.~~

~~(c) The rate specified in this subsection shall be further reduced to three percent on July 1, 1993)) 3.3 percent.~~

If the gross income of the taxpayer is attributable to activities both within and without this state, the gross income attributable to this state shall be determined in accordance with the methods of apportionment required under RCW 82.04.460.

(14) Upon every person engaging within this state as an insurance agent, insurance broker, or insurance solicitor licensed under chapter 48.17 RCW; as to such persons, the amount of the tax with respect to such licensed activities shall be equal to the gross income of such business multiplied by the rate of ~~((one))~~ 1.1 percent.

(15) Upon every person engaging within this state in business as a hospital, as defined in chapter 70.41 RCW, that is operated as a nonprofit corporation or by the state or any of its political subdivisions, as to such persons, the amount of tax with respect to such activities shall be equal to the gross income of the business multiplied by the rate of ~~((seventy-five one hundredths of one))~~ 0.75 percent through June 30, 1995, and ~~((one and five tenths))~~ 1.5 percent thereafter. The moneys collected under this subsection shall be deposited in the health services account created under RCW 43.— (section 469, chapter . . . (Engrossed Second Substitute Senate Bill No. 5304), Laws of 1993).

Sec. 105. RCW 82.04.270 and 1981 c 172 s 4 are each amended to read as follows:

WHOLESALEERS, DISTRIBUTORS. (1) Upon every person except persons taxable under subsections (1) or (8) of RCW 82.04.260 engaging within this state in the business of making sales at wholesale; as to such persons the amount of tax with respect to such business shall be equal to the gross proceeds of sales of such business multiplied by the rate of ~~((forty-four one hundredths of one))~~ 0.484 percent.

(2) The tax imposed by this section is levied and shall be collected from every person engaged in the business of distributing in this state articles of tangible personal property, owned by them from their own warehouse or other central location in this state to two or more of their own retail stores or outlets, where no change of title or ownership occurs, the intent hereof being to impose a tax equal to the wholesaler's tax upon persons performing functions essentially comparable to those of a wholesaler, but not actually making sales: PROVIDED, That the tax designated in this section may not be assessed twice to the same person for the same article. The amount of the tax as to such persons shall be computed by multiplying (~~forty-four one-hundredths of one~~) 0.484 percent of the value of the article so distributed as of the time of such distribution: PROVIDED, That persons engaged in the activities described in this subsection shall not be liable for the tax imposed if by proper invoice it can be shown that they have purchased such property from a wholesaler who has paid a business and occupation tax to the state upon the same articles. This proviso shall not apply to purchases from manufacturers as defined in RCW 82.04.110. The department of revenue shall prescribe uniform and equitable rules for the purpose of ascertaining such value, which value shall correspond as nearly as possible to the gross proceeds from sales at wholesale in this state of similar articles of like quality and character, and in similar quantities by other taxpayers: PROVIDED FURTHER, That delivery trucks or vans will not under the purposes of this section be considered to be retail stores or outlets.

Sec. 106. RCW 82.04.280 and 1986 c 226 s 2 are each amended to read as follows:

PRINTING AND PUBLISHING. Upon every person engaging within this state in the business of: (1) Printing, and of publishing newspapers, periodicals or magazines; (2) building, repairing or improving any street, place, road, highway, easement, right of way, mass public transportation terminal or parking facility, bridge, tunnel, or trestle which is owned by a municipal corporation or political subdivision of the state or by the United States and which is used or to be used, primarily for foot or vehicular traffic including mass transportation vehicles of any kind and including any readjustment, reconstruction or relocation of the facilities of any public, private or cooperatively owned utility or railroad in the course of such building, repairing or improving, the cost of which readjustment, reconstruction, or relocation, is the responsibility of the public authority whose street, place, road, highway, easement, right of way, mass public transportation terminal or parking facility, bridge, tunnel, or trestle is being built, repaired or improved; (3) extracting for hire or processing for hire; (4) operating a cold storage warehouse or storage warehouse, but not including the rental of cold storage lockers; (5) representing and performing services for fire or casualty insurance companies as an independent resident managing general agent licensed under the provisions of RCW 48.05.310; (6) radio and television broadcasting, excluding network, national and regional advertising computed as a standard deduction based on the national average thereof as annually reported by the

Federal Communications Commission, or in lieu thereof by itemization by the individual broadcasting station, and excluding that portion of revenue represented by the out-of-state audience computed as a ratio to the station's total audience as measured by the 100 micro-volt signal strength and delivery by wire, if any; (7) engaging in activities which bring a person within the definition of consumer contained in RCW 82.04.190(6)((~~as now or hereafter amended~~)); as to such persons, the amount of tax on such business shall be equal to the gross income of the business multiplied by the rate of ((~~forty-four one hundredths of one~~)) 0.484 percent.

As used in this section, "cold storage warehouse" means a storage warehouse used to store fresh and/or frozen perishable fruits or vegetables, meat, seafood, dairy products, or fowl, or any combination thereof, at a desired temperature to maintain the quality of the product for orderly marketing.

As used in this section, "storage warehouse" means a building or structure, or any part thereof, in which goods, wares, or merchandise are received for storage for compensation, except field warehouses, fruit warehouses, fruit packing plants, warehouses licensed under chapter 22.09 RCW, public garages storing automobiles, railroad freight sheds, docks and wharves, and "self-storage" or "mini storage" facilities whereby customers have direct access to individual storage areas by separate entrance.

Sec. 107. RCW 82.02.030 and 1993 c . . . (Engrossed Second Substitute Senate Bill No. 5304) s 312 are each amended to read as follows:

ADDITIONAL TAX RATES. The rate of the additional taxes under RCW 54.28.020(2), 54.28.025(2), 66.24.210(2), ((~~82.04.290(1)~~)) 82.16.020(2), 82.27.020(5), and 82.29A.030(2) shall be seven percent.

NEW SECTION. **Sec. 108.** The following acts or parts of acts are each repealed:

REPEALS—ADDITIONAL TAXES. (1) RCW 82.04.2901 and 1985 c 32 s 4; and

(2) RCW 82.04.2904 and 1985 c 32 s 5, 1983 2nd ex.s. c 3 s 3, & 1983 c 9 s 3.

PART II ADDITIONAL EXCISE TAXES

NEW SECTION. **Sec. 201.** A new section is added to chapter 82.04 RCW to read as follows:

SELECTED BUSINESS SERVICES DEFINED. (1) "Selected business services" means:

(a) Stenographic, secretarial, and clerical services.

(b) Computer services, including but not limited to computer programming, custom software modification, custom software installation, custom software maintenance, custom software repair, training in the use of custom software, computer systems design, and custom software update services.

(c) Data processing services, including but not limited to word processing, data entry, data retrieval, data search, information compilation, payroll processing, business accounts processing, data production, and other computerized data and information storage or manipulation. Data processing services also includes the use of a computer or computer time for data processing whether the processing is performed by the provider of the computer or by the purchaser or other beneficiary of the service.

(d) Information services, including but not limited to electronic data retrieval or research that entails furnishing financial or legal information, data or research, general or specialized news, or current information unless such news or current information is furnished to a newspaper publisher or to a radio or television station licensed by the federal communications commission.

(e) Legal, arbitration, and mediation services, including but not limited to paralegal services, legal research services, and court reporting services.

(f) Accounting, auditing, actuarial, bookkeeping, tax preparation, and similar services.

(g) Design services whether or not performed by persons licensed or certified, including but not limited to the following:

(i) Engineering services, including civil, electrical, mechanical, petroleum, marine, nuclear, and design engineering, machine designing, machine tool designing, and sewage disposal system designing;

(ii) Architectural services, including but not limited to: Structural or landscape design or architecture, interior design, building design, building program management, and space planning.

(h) Business consulting services. Business consulting services are those primarily providing operating counsel, advice, or assistance to the management or owner of any business, private, nonprofit, or public organization, including but not limited to those in the following areas: Administrative management consulting, general management consulting, human resource consulting or training, management engineering consulting, management information systems consulting, manufacturing management consulting, marketing consulting, operations research consulting, personnel management consulting, physical distribution consulting, site location consulting, economic consulting, motel, hotel, and resort consulting, restaurant consulting, government affairs consulting, and lobbying.

(i) Business management services, including but not limited to administrative management, business management, and office management, but not including property management or property leasing, motel, hotel, and resort management, or automobile parking management.

(j) Protective services, including but not limited to detective agency services and private investigating services, armored car services, guard or protective services, lie detection or polygraph services, and security system, burglar, or fire alarm monitoring and maintenance services.

(k) Public relations or advertising services, including but not limited to layout, art direction, graphic design, copy writing, mechanical preparation, opinion research, marketing research, marketing, or production supervision, but excluding services provided as part of broadcast or print advertising.

(l) Aerial and land surveying, geological consulting, and real estate appraising.

(2) Subsection (1) of this section notwithstanding, the term "selected business services" does not include:

(a) The provision of either permanent or temporary employees.

(b) Services provided by a public benefit nonprofit organization, as defined in RCW 82.04.366, to the state of Washington, its political subdivisions, municipal corporations, or quasi-municipal corporations.

(c) Services related to the identification, investigation, or cleanup arising out of the release or threatened release of hazardous substances when the services are remedial or response actions performed under federal or state law, or when the services are performed to determine if a release of hazardous substances has occurred or is likely to occur.

(d) Services provided to or performed for, on behalf of, or for the benefit of a collective investment fund such as: (i) A mutual fund or other regulated investment company as defined in section 851(a) of the Internal Revenue Code of 1986, as amended; (ii) an "investment company" as that term is used in section 3(a) of the Investment Company Act of 1940 as well as an entity that would be an investment company under section 3(a) of the Investment Company Act of 1940 except for the section 3(c)(1) or (11) exemptions, or except that it is a foreign investment company organized under laws of a foreign country; (iii) an "employee benefit plan," which includes any plan, trust, commingled employee benefit trusts, or custodial arrangement that is subject to the Employee Retirement Income Security Act of 1974, as amended, 29 U.S.C. Sec. 1001 et seq., or that is described in sections 125, 401, 403, 408, 457, and 501(c)(9) and (17) through (23) of the Internal Revenue Code of 1986, as amended, or similar plan maintained by state or local governments, or plans, trusts, or custodial arrangements established to self-insure benefits required by federal, state, or local law; (iv) a fund maintained by a tax exempt organization as defined in section 501(c)(3) or 509(a) of the Internal Revenue Code of 1986, as amended, for operating, quasi-endowment, or endowment purposes; or (v) funds that are established for the benefit of such tax exempt organization such as charitable remainder trusts, charitable lead trusts, charitable annuity trusts, or other similar trusts.

(e) Research or experimental services eligible for expense treatment under section 174 of the Internal Revenue Code of 1986, as amended.

(f) Financial services provided by a financial institution. The term "financial institution" means a corporation, partnership, or other business organization chartered under Title 30, 31, 32, or 33 RCW, or under the National Bank Act, as amended, the Homeowners Loan Act, as amended, or the Federal Credit

Union Act, as amended, or a holding company of any such business organization that is subject to the Bank Holding Company Act, as amended, or the Homeowners Loan Act, as amended, or a subsidiary or affiliate wholly owned or controlled by one or more financial institutions, as well as a lender approved by the United States secretary of housing and urban development for participation in any mortgage insurance program under the National Housing Act, as amended. The term "financial services" means those activities authorized by the laws cited in this subsection (2)(f) and includes services such as mortgage servicing, contract collection servicing, finance leasing, and services provided in a fiduciary capacity to a trust or estate.

Sec. 202. RCW 82.04.255 and 1985 c 32 s 2 are each amended to read as follows:

TAX ON REAL ESTATE BROKERS. Upon every person engaging within the state as a real estate broker; as to such persons, the amount of the tax with respect to such business shall be equal to the gross income of the business, multiplied by the rate of (~~(1.50)~~) 2.0 percent.

The measure of the tax on real estate commissions earned by the real estate broker shall be the gross commission earned by the particular real estate brokerage office including that portion of the commission paid to salesmen or associate brokers in the same office on a particular transaction: PROVIDED, HOWEVER, That where a real estate commission is divided between an originating brokerage office and a cooperating brokerage office on a particular transaction, each brokerage office shall pay the tax only upon their respective shares of said commission: AND PROVIDED FURTHER, That where the brokerage office has paid the tax as provided herein, salesmen or associate brokers within the same brokerage office shall not be required to pay a similar tax upon the same transaction.

Sec. 203. RCW 82.04.290 and 1985 c 32 s 3 are each amended to read as follows:

TAX ON SELECTED BUSINESS, FINANCIAL, AND OTHER BUSINESSES OR SERVICES—NEW RATE. (1) Upon every person engaging within this state in the business of providing selected business services other than or in addition to those enumerated in RCW 82.04.250 or 82.04.270; as to such persons the amount of tax on account of such activities shall be equal to the gross income of the business multiplied by the rate of 2.5 percent.

(2) Upon every person engaging within this state in banking, loan, security, investment management, investment advisory, or other financial businesses; as to such persons, the amount of the tax with respect to such business shall be equal to the gross income of the business, multiplied by the rate of 1.70 percent.

(3) Upon every person engaging within this state in any business activity other than or in addition to those enumerated in RCW 82.04.230, 82.04.240, 82.04.250, 82.04.255, 82.04.260, 82.04.270, and 82.04.280, and subsections (1) and (2) of this section; as to such persons the amount of tax on account of such

activities shall be equal to the gross income of the business multiplied by the rate of ~~((+50))~~ 2.0 percent. This section includes, among others, and without limiting the scope hereof (whether or not title to materials used in the performance of such business passes to another by accession, confusion or other than by outright sale), persons engaged in the business of rendering any type of service which does not constitute a "sale at retail" or a "sale at wholesale." The value of advertising, demonstration, and promotional supplies and materials furnished to an agent by his principal or supplier to be used for informational, educational and promotional purposes shall not be considered a part of the agent's remuneration or commission and shall not be subject to taxation under this section.

NEW SECTION. **Sec. 204.** A new section is added to chapter 82.04 RCW to read as follows:

TEMPORARY BUSINESS AND OCCUPATION SURTAXES. There is levied and shall be collected for the period July 1, 1993, through June 30, 1997, from every person for the act or privilege of engaging in business activities, as a part of the tax imposed under RCW 82.04.220 through 82.04.280 and 82.04.290(3), except RCW 82.04.250(1) and 82.04.260(15), an additional tax equal to 6.5 percent multiplied by the tax payable under those sections.

To facilitate collection of these additional taxes, the department of revenue is authorized to adjust the basic rates of persons to which this section applies in such manner as to reflect the amount to the nearest one-thousandth of one percent of the additional tax hereby imposed, adjusting ten-thousandths equal to or greater than five ten-thousandths to the greater thousandth.

Sec. 205. RCW 82.04.300 and 1992 c 206 s 7 are each amended to read as follows:

BUSINESS AND OCCUPATION TAX THRESHOLD. This chapter shall apply to any person engaging in any business activity taxable under RCW 82.04.230, 82.04.240, 82.04.250, 82.04.255, 82.04.260, 82.04.270, 82.04.280, and 82.04.290 other than those whose value of products, gross proceeds of sales, or gross income of the business is less than one thousand dollars per month: **PROVIDED**, That where one person engages in more than one business activity and the combined measures of the tax applicable to such businesses equal or exceed one thousand dollars per month, no exemption or deduction from the amount of tax is allowed by this section.

Any person claiming exemption under the provisions of this section may be required, according to rules adopted by the department, to file returns even though no tax may be due. The department of revenue may allow exemptions, by general rule or regulation, in those instances in which quarterly, semiannual, or annual returns are permitted. Exemptions for such periods shall be equivalent in amount to the total of exemptions for each month of a reporting period.

PART III
RETAIL SALES AND USE TAXES

Sec. 301. RCW 82.04.050 and 1988 c 253 s 1 are each amended to read as follows:

SALE AT RETAIL—SERVICES—DEFINED. (1) "Sale at retail" or "retail sale" means every sale of tangible personal property (including articles produced, fabricated, or imprinted) to all persons irrespective of the nature of their business and including, among others, without limiting the scope hereof, persons who install, repair, clean, alter, improve, construct, or decorate real or personal property of or for consumers other than a sale to a person who presents a resale certificate under RCW 82.04.470 and who:

(a) Purchases for the purpose of resale as tangible personal property in the regular course of business without intervening use by such person((?)); or

(b) Installs, repairs, cleans, alters, imprints, improves, constructs, or decorates real or personal property of or for consumers, if such tangible personal property becomes an ingredient or component of such real or personal property without intervening use by such person((?)); or

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

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

(e) Purchases for the purpose of providing the property to consumers as part of competitive telephone service, as defined in RCW 82.04.065. The term shall include every sale of tangible personal property which is used or consumed or to be used or consumed in the performance of any activity classified as a "sale at retail" or "retail sale" even though such property is resold or utilized as provided in (a), (b), (c), (d), or (e) ((above)) of this subsection following such use. The term also means every sale of tangible personal property to persons engaged in any business which is taxable under RCW 82.04.280((?subsections)) (2) and (7) and RCW 82.04.290.

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

(a) The installing, repairing, cleaning, altering, imprinting, or improving of tangible personal property of or for consumers, including charges made for the mere use of facilities in respect thereto, but ~~((excluding charges made for the use of coin operated laundry facilities when such facilities are situated in an apartment house, hotel, motel, rooming house, trailer camp or tourist camp for~~

~~the exclusive use of the tenants thereof, and also~~) excluding sales of laundry service to members by nonprofit associations composed exclusively of nonprofit hospitals, and excluding services rendered in respect to live animals, birds and insects;

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

(c) The charge for labor and services rendered in respect to constructing, repairing, or improving any structure upon, above, or under any real property owned by an owner who conveys the property by title, possession, or any other means to the person performing such construction, repair, or improvement for the purpose of performing such construction, repair, or improvement and the property is then reconveyed by title, possession, or any other means to the original owner;

(d) The sale of or charge made for labor and services rendered in respect to the cleaning, fumigating, razing or moving of existing buildings or structures, but shall not include the charge made for janitorial services; and for purposes of this section the term "janitorial services" shall mean those cleaning and caretaking services ordinarily performed by commercial janitor service businesses including, but not limited to, wall and window washing, floor cleaning and waxing, and the cleaning in place of rugs, drapes and upholstery. The term "janitorial services" does not include painting, papering, repairing, furnace or septic tank cleaning, snow removal or sandblasting;

(e) The sale of or charge made for labor and services rendered in respect to automobile towing and similar automotive transportation services, but not in respect to those required to report and pay taxes under chapter 82.16 RCW;

(f) The sale of and charge made for the furnishing of lodging and all other services by a hotel, rooming house, tourist court, motel, trailer camp, and the granting of any similar license to use real property, as distinguished from the renting or leasing of real property, and it shall be presumed that the occupancy of real property for a continuous period of one month or more constitutes a rental or lease of real property and not a mere license to use or enjoy the same;

(g) The sale of or charge made for tangible personal property, labor and services to persons taxable under (a), (b), (c), (d), (e), and (f) ~~((above))~~ of this subsection when such sales or charges are for property, labor and services which are used or consumed in whole or in part by such persons in the performance of any activity defined as a "sale at retail" or "retail sale" even though such property, labor and services may be resold after such use or consumption. Nothing contained in this ~~((paragraph))~~ subsection shall be construed to modify ~~((the first paragraph))~~ subsection (1) of this section and nothing contained in

~~((the first paragraph))~~ subsection (1) of this section shall be construed to modify this ~~((paragraph))~~ subsection.

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

(a) Amusement and recreation ~~((businesses))~~ services including but not limited to golf, pool, billiards, skating, bowling, ski lifts and tows, and others;

(b) Abstract, title insurance, and escrow ~~((businesses))~~ services;

(c) Credit bureau ~~((businesses))~~ services;

(d) Automobile parking and storage garage ~~((businesses))~~ services;

(e) Landscape maintenance and horticultural services but excluding horticultural services provided to farmers;

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

(g) Guided tours and guided charters; and

(h) The following personal services: Physical fitness services, tanning salon services, tattoo parlor services, massage services, steam bath services, turkish bath services, escort services, and dating services.

(4) The term shall also include the renting or leasing of tangible personal property to consumers and the rental of equipment with an operator.

(5) The term shall also include the providing of telephone service, as defined in RCW 82.04.065, to consumers.

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

(7) The term shall also not include sales of feed, seed, seedlings, fertilizer, agents for enhanced pollination including insects such as bees, and spray materials to persons who participate in the federal conservation reserve program or its successor administered by the United States department of agriculture, or to ~~((persons))~~ farmers for the purpose of producing for sale any agricultural product ~~((whatsoever, including plantation Christmas trees and milk, eggs, wool, fur, meat, honey, or other substances obtained from animals, birds, or insects but only when such production and subsequent sale are exempt from tax under RCW 82.04.330))~~, nor shall it include sales of chemical sprays or washes to persons for the purpose of post-harvest treatment of fruit for the prevention of scald, fungus, mold, or decay.

~~((7))~~ (8) The term shall not include the sale of or charge made for labor and services rendered in respect to the constructing, repairing, decorating, or improving of new or existing buildings or other structures under, upon, or above

real property of or for the United States, any instrumentality thereof, or a county or city housing authority created pursuant to chapter 35.82 RCW, including the installing, or attaching of any article of tangible personal property therein or thereto, whether or not such personal property becomes a part of the realty by virtue of installation. Nor shall the term include the sale of services or charges made for the clearing of land and the moving of earth of or for the United States, any instrumentality thereof, or a county or city housing authority.

NEW SECTION. Sec. 302. A new section is added to chapter 82.04 RCW to read as follows:

AGRICULTURAL PRODUCT—FARMER—DEFINED. (1) "Agricultural product" means any product of plant cultivation or animal husbandry including, but not limited to: A product of horticulture, grain cultivation, vermiculture, viticulture, or aquaculture as defined in RCW 15.85.020; plantation Christmas trees; turf; or any animal including but not limited to an animal that is a private sector cultured aquatic product as defined in RCW 15.85.020, or a bird, or insect, or the substances obtained from such an animal. "Agricultural product" does not include animals intended to be pets.

(2) "Farmer" means any person engaged in the business of growing or producing, upon the person's own lands or upon the lands in which the person has a present right of possession, any agricultural product whatsoever for sale. "Farmer" does not include a person using such products as ingredients in a manufacturing process, or a person growing or producing such products for the person's own consumption. "Farmer" does not include a person selling any animal or substance obtained therefrom in connection with the person's business of operating a stockyard or a slaughter or packing house. "Farmer" does not include any person in respect to the business of taking, cultivating, or raising timber.

Sec. 303. RCW 82.04.280 and 1993 c . . . s 106 (section 106 of this act) are each amended to read as follows:

PRINTING AND PUBLISHING. Upon every person engaging within this state in the business of: (1) Printing, and of publishing newspapers(~~(-periodicals or magazines)~~); (2) building, repairing or improving any street, place, road, highway, easement, right of way, mass public transportation terminal or parking facility, bridge, tunnel, or trestle which is owned by a municipal corporation or political subdivision of the state or by the United States and which is used or to be used, primarily for foot or vehicular traffic including mass transportation vehicles of any kind and including any readjustment, reconstruction or relocation of the facilities of any public, private or cooperatively owned utility or railroad in the course of such building, repairing or improving, the cost of which readjustment, reconstruction, or relocation, is the responsibility of the public authority whose street, place, road, highway, easement, right of way, mass public transportation terminal or parking facility, bridge, tunnel, or trestle is being built, repaired or improved; (3) extracting for hire or processing for hire; (4) operating

a cold storage warehouse or storage warehouse, but not including the rental of cold storage lockers; (5) representing and performing services for fire or casualty insurance companies as an independent resident managing general agent licensed under the provisions of RCW 48.05.310; (6) radio and television broadcasting, excluding network, national and regional advertising computed as a standard deduction based on the national average thereof as annually reported by the Federal Communications Commission, or in lieu thereof by itemization by the individual broadcasting station, and excluding that portion of revenue represented by the out-of-state audience computed as a ratio to the station's total audience as measured by the 100 micro-volt signal strength and delivery by wire, if any; (7) engaging in activities which bring a person within the definition of consumer contained in RCW 82.04.190(6); as to such persons, the amount of tax on such business shall be equal to the gross income of the business multiplied by the rate of 0.484 percent.

As used in this section, "cold storage warehouse" means a storage warehouse used to store fresh and/or frozen perishable fruits or vegetables, meat, seafood, dairy products, or fowl, or any combination thereof, at a desired temperature to maintain the quality of the product for orderly marketing.

As used in this section, "storage warehouse" means a building or structure, or any part thereof, in which goods, wares, or merchandise are received for storage for compensation, except field warehouses, fruit warehouses, fruit packing plants, warehouses licensed under chapter 22.09 RCW, public garages storing automobiles, railroad freight sheds, docks and wharves, and "self-storage" or "mini storage" facilities whereby customers have direct access to individual storage areas by separate entrance.

NEW SECTION. **Sec. 304.** A new section is added to chapter 82.04 RCW to read as follows:

NEWSPAPER DEFINED. "Newspaper" means a publication issued regularly at stated intervals at least once a week and printed on newsprint in tabloid or broadsheet format folded loosely together without stapling, glue, or any other binding of any kind.

Sec. 305. RCW 82.04.330 and 1988 c 253 s 2 are each amended to read as follows:

AGRICULTURAL EXEMPTIONS. This chapter shall not apply to any ~~((person in respect to the business of growing or producing for sale upon the person's own lands or upon land in which the person has a present right of possession, any agricultural or horticultural produce or crop, or of raising upon the person's own lands or upon land in which the person has a present right of possession, any plantation Christmas tree or any animal, bird, fish, or insect, or the milk, eggs, wool, fur, meat, honey, or other substance obtained therefrom, or in respect to the sale of such products))~~ farmer that sells any agricultural product at wholesale ((by such grower, producer, or raiser thereof)). This exemption shall not apply to any person selling such products at retail ~~((or using such~~

~~products as ingredients in a manufacturing process; nor to the sale of any animal or substance obtained therefrom by a person in connection with the person's business of operating a stockyard or a slaughter or packing house; nor to any person in respect to the business of taking, cultivating, or raising timber; nor to any association of persons whatever, whether mutual, cooperative or otherwise, engaging in any business activity with respect to which tax liability is imposed under the provisions of this chapter. As used in this section, "fish" means fish which are cultivated or raised entirely within confined rearing areas on the person's own land or on land in which the person has a present right of possession)).~~

This chapter shall also not apply to any persons who participate in the federal conservation reserve program or its successor administered by the United States department of agriculture with respect to land enrolled in that program.

**Sec. 306. RCW 82.08.0273 and 1988 c 96 s 1 are each amended to read as follows:*

SALES TO NONRESIDENTS OF TANGIBLE PERSONAL PROPERTY FOR USE OUTSIDE OF STATE—EXEMPTION LIMITED. (1) *The tax levied by RCW 82.08.020 shall not apply to sales to nonresidents of this state of tangible personal property for use outside this state when the purchaser (a) is a bona fide resident of a state or possession or Province of Canada other than the state of Washington and such state, possession, or Province of Canada is contiguous to the state of Washington and does not impose a retail sales tax or use tax of three percent or more or, if imposing such a tax, permits Washington residents exemption from otherwise taxable sales by reason of their residence, and (b) agrees, when requested, to grant the department of revenue access to such records and other forms of verification at his or her place of residence to assure that such purchases are not first used substantially in the state of Washington.*

(2)(a) Any person claiming exemption from retail sales tax under the provisions of this section must display proof of his or her current nonresident status as herein provided.

(b) Acceptable proof of a nonresident person's status shall include two pieces of identification: (i) A valid driver's license from the jurisdiction in which the out-of-state residency is claimed or a valid identification card which has a photograph of the holder and is issued by the out-of-state jurisdiction and (ii) a credit card, checks, or other reliable identification. Identification under (i) of this subsection (2)(b) must show the holder's residential address and have as one of its legal purposes the establishment of residency in that out-of-state jurisdiction.

(3) Nothing in this section requires the vendor to make tax exempt retail sales to nonresidents. A vendor may choose to make sales to nonresidents, collect the sales tax, and remit the amount of sales tax collected to the state as otherwise provided by law. If the vendor chooses to make a sale to a nonresident without collecting the sales tax, the vendor shall, in good faith,

examine the proof of nonresidence, determine whether the proof is acceptable under subsection (2)(b) of this section, and maintain records for each nontaxable sale which shall show the type of proof accepted, including any identification numbers where appropriate, and the expiration date, if any.

(4)(a) Any person making fraudulent statements, which includes the offer of fraudulent identification or fraudulently procured identification to a vendor, in order to purchase goods without paying retail sales tax shall be guilty of perjury. Any person making tax exempt purchases under this section by displaying proof of identification not his or her own, or counterfeit identification, with intent to violate the provisions of this section, shall be guilty of a misdemeanor and, in addition, shall be liable for the tax and subject to a penalty equal to the greater of one hundred dollars or the tax due on such purchases.

(b) Any vendor who makes sales without collecting the tax to a person who does not hold valid identification establishing out-of-state residency, and any vendor who fails to maintain records of sales to nonresidents as provided in this section, shall be personally liable for the amount of tax due. Any vendor who makes sales without collecting the retail sales tax under this section and who has actual knowledge that the purchaser's proof of identification establishing out-of-state residency is fraudulent shall be guilty of a misdemeanor and, in addition, shall be liable for the tax and subject to a penalty equal to the greater of one thousand dollars or the tax due on such sales. In addition, both the purchaser and the vendor shall be liable for any penalties and interest assessable under chapter 82.32 RCW.

*Sec. 306 was vetoed, see message at end of chapter.

NEW SECTION. Sec. 307. FINDING—PRESCRIPTION DRUGS. The legislature finds that prevention is a significant element in the reduction of health care costs. The legislature further finds that taxing some physician prescriptions and not others is unfair to patients. It is, therefore, the intent of the legislature to remove the taxes from prescriptions issued for family planning purposes.

Sec. 308. RCW 82.08.0281 and 1980 c 37 s 46 are each amended to read as follows:

RETAIL SALES TAX EXEMPTION—PRESCRIPTION DRUGS. The tax levied by RCW 82.08.020 shall not apply to sales of prescription drugs, including sales to the state or a political subdivision or municipal corporation thereof of drugs to be dispensed to patients by prescription without charge. The term "prescription drugs" shall include any medicine, drug, prescription lens, or other substance other than food for use in the diagnosis, cure, mitigation, treatment, or prevention of disease or other ailment in humans (~~ordered by~~), or for use for family planning purposes, including the prevention of conception, supplied:

(1) By a family planning clinic that is under contract with the department of health to provide family planning services; or

(2) Under the written prescription to a pharmacist by a practitioner authorized by law of this state or laws of another jurisdiction to issue prescriptions~~((7))~~; or

~~((2))~~ (3) Upon an oral prescription of such practitioner which is reduced promptly to writing and filed by a duly licensed pharmacist~~((7))~~; or

~~((3))~~ (4) By refilling any such written or oral prescription if such refilling is authorized by the prescriber either in the original prescription or by oral order which is reduced promptly to writing and filed by the pharmacist~~((7))~~; or

~~((4))~~ (5) By physicians or optometrists by way of written directions and specifications for the preparation, grinding, and fabrication of lenses intended to aid or correct visual defects or anomalies of humans.

Sec. 309. RCW 82.12.0275 and 1980 c 37 s 73 are each amended to read as follows:

USE TAX EXEMPTION—PRESCRIPTION DRUGS. The provisions of this chapter shall not apply in respect to the use of prescription drugs, including the use by the state or a political subdivision or municipal corporation thereof of drugs to be dispensed to patients by prescription without charge. The term "prescription drugs" shall include any medicine, drug, prescription lens, or other substance other than food for use in the diagnosis, cure, mitigation, treatment, or prevention of disease or other ailment in humans ~~((ordered by))~~, or for use for family planning purposes, including the prevention of conception, supplied:

(1) By a family planning clinic that is under contract with the department of health to provide family planning services; or

(2) Under the written prescription to a pharmacist by a practitioner authorized by law of this state or laws of another jurisdiction to issue prescriptions~~((7))~~; or

~~((2))~~ (3) Upon an oral prescription of such practitioner which is reduced promptly to writing and filed by a duly licensed pharmacist~~((7))~~; or

~~((3))~~ (4) By refilling any such written or oral prescription if such refilling is authorized by the prescriber either in the original prescription or by oral order which is reduced promptly to writing and filed by the pharmacist~~((7))~~; or

~~((4))~~ (5) By physicians or optometrists by way of written directions and specifications for the preparation, grinding, and fabrication of lenses intended to aid or correct visual defects or anomalies of humans.

PART IV

SALES TAX DEFERRAL PROGRAMS

NEW SECTION. **Sec. 401.** A new section is added to chapter 43.63A RCW to read as follows:

NEIGHBORHOOD REINVESTMENT AREA—APPLICATION. (1) The department, in cooperation with the department of revenue, the employment security department, and the office of financial management, shall approve applications submitted by local governments for designation as a neighborhood reinvestment area under this section. The application shall be in the form and

manner and contain such information as the department may prescribe, provided that the application for designation shall:

(a) Contain information sufficient for the director to determine if the criteria established in section 402 of this act have been met.

(b) Be submitted on behalf of the local government by its chief elected official, or, if none, by the governing body of the local government.

(c) Contain a five-year neighborhood reinvestment plan that describes the proposed designated neighborhood reinvestment area's community development needs and present a strategy for meeting those needs. The plan shall address the following categories: Housing needs; public infrastructure needs, such as transportation, water, sanitation, energy, and drainage/flood control; other public facilities needs, such as neighborhood facilities or facilities for provision of health, education, recreation, public safety, or other services; community economic development needs, such as commercial/industrial revitalization, job creation and retention considering the unemployment and underemployment of area residents, accessibility to financial resources by area residents and businesses, investment within the area, or other related components of community economic development; and social service needs.

The local government is required to provide a description of its strategy for meeting the needs identified in this subsection (1)(c). As part of the strategy, the local government is required to identify the needs for which specific plans are currently in place and the source of funds expected to be used. For the balance of the area's needs, the local government must identify the source of funds expected to become available during the next two-year period and actions the local government will take to acquire those funds.

(d) Certify that neighborhood residents were given the opportunity to participate in the development of the five-year neighborhood reinvestment strategy required under (c) of this subsection.

(2) No local government shall submit more than two neighborhoods to the department for possible designation as a designated neighborhood reinvestment area under this section.

(3)(a) Within ninety days after January 1, 1994, the director may designate up to six designated neighborhood reinvestment areas from among the applications eligible for designation as a designated neighborhood reinvestment area under this section. The director shall make determinations of designated neighborhood reinvestment areas on the basis of the following factors:

(i) The strength and quality of the local government commitments to meet the needs identified in the five-year neighborhood reinvestment plan required under this section.

(ii) The level of private commitments by private entities of additional resources and contribution to the designated neighborhood reinvestment area.

(iii) The potential for reinvestment in the area as a result of designation as a designated neighborhood reinvestment area.

(iv) Other factors the director of the department of community development deems necessary.

(b) The determination of the director as to the areas designated as neighborhood reinvestment areas shall be final.

NEW SECTION. Sec. 402. A new section is added to chapter 43.63A RCW to read as follows:

NEIGHBORHOOD REINVESTMENT AREA—REQUIREMENTS. (1) The director may not designate an area as a designated neighborhood reinvestment area unless that area meets the following requirements:

(a) The area must be designated by the legislative authority of the local government as an area to receive federal, state, and local assistance designed to increase economic, physical, or social activity in the area;

(b) The area must have at least fifty-one percent of the households in the area with incomes at or below eighty percent of the county's median income, adjusted for household size;

(c) The average unemployment rate for the area, for the most recent twelve-month period for which data is available must be at least one hundred twenty percent of the average unemployment rate of the county; and

(d) A five-year neighborhood reinvestment plan for the area that meets the requirements of section 401(1)(c) of this act and as further defined by the director must be adopted.

(2) The director may establish, by rule, such other requirements as the director may reasonably determine necessary and appropriate to assure that the purposes of this section are satisfied.

(3) In determining if an area meets the requirements of this section, the director may consider data provided by the United States bureau of the census from the most recent census or any other reliable data that the director determines to be acceptable for the purposes for which the data is used.

Sec. 403. RCW 82.60.020 and 1988 c 42 s 16 are each amended to read as follows:

DEFINITIONS. Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Applicant" means a person applying for a tax deferral under this chapter.

(2) "Department" means the department of revenue.

(3) "Eligible area" means: (a) A county in which the average level of unemployment for the three years before the year in which an application is filed under this chapter exceeds the average state unemployment for those years by twenty percent; ~~((b))~~ (b) a metropolitan statistical area, as defined by the office of federal statistical policy and standards, United States department of commerce, in which the average level of unemployment for the calendar year immediately preceding the year in which an application is filed under this chapter exceeds the average state unemployment for such calendar year by twenty percent~~((c))~~

~~Applications under this subsection (3)(b) shall be filed by April 30, 1989); or~~
(c) a designated neighborhood reinvestment area approved under section 401 of this act.

(4)(a) "Eligible investment project" means that portion of an investment project which:

(i) Is directly utilized to create at least one new full-time qualified employment position for each three hundred thousand dollars of investment on which a deferral is requested; and

(ii) Either initiates a new operation, or expands or diversifies a current operation by expanding or renovating an existing building with costs in excess of twenty-five percent of the true and fair value of the plant complex prior to improvement; or

(iii) Acquires machinery and equipment to be used for either manufacturing or research and development if the machinery and equipment is housed in a new leased structure(~~(= PROVIDED, That)~~). The lessor/owner of the structure is not eligible for a deferral unless the underlying ownership of the buildings, machinery, and equipment vests exclusively in the same person.

(b) "Eligible investment project" does not include any portion of an investment project undertaken by a light and power business as defined in RCW 82.16.010(5) or investment projects which have already received deferrals under this chapter.

(5) "Investment project" means an investment in qualified buildings and qualified machinery and equipment, including labor and services rendered in the planning, installation, and construction of the project.

(6) "Manufacturing" means all activities of a commercial or industrial nature wherein labor or skill is applied, by hand or machinery, to materials so that as a result thereof a new, different, or useful substance or article of tangible personal property is produced for sale or commercial or industrial use and shall include the production or fabrication of specially made or custom made articles. "Manufacturing" also includes computer programming, the production of computer software, and other computer-related services, and the activities performed by research and development laboratories and commercial testing laboratories.

(7) "Person" has the meaning given in RCW 82.04.030.

(8) "Qualified buildings" means new structures used for manufacturing and research and development activities, including plant offices and warehouses or other facilities for the storage of raw material or finished goods if such facilities are an essential or an integral part of a factory, mill, plant, or laboratory used for manufacturing or research and development. If a building is used partly for manufacturing or research and development and partly for other purposes, the applicable tax deferral shall be determined by apportionment of the costs of construction under rules adopted by the department.

(9) "Qualified employment position" means a permanent full-time employee employed in the eligible investment project during the entire tax year.

(10) "Qualified machinery and equipment" means all new industrial and research fixtures, equipment, and support facilities that are an integral and necessary part of a manufacturing or research and development operation. "Qualified machinery and equipment" includes: Computers; software; data processing equipment; laboratory equipment; manufacturing components such as belts, pulleys, shafts, and moving parts; molds, tools, and dies; operating structures; and all equipment used to control or operate the machinery.

(11) "Recipient" means a person receiving a tax deferral under this chapter.

(12) "Research and development" means the development, refinement, testing, marketing, and commercialization of a product, service, or process before commercial sales have begun. As used in this subsection, "commercial sales" excludes sales of prototypes or sales for market testing if the total gross receipts from such sales of the product, service, or process do not exceed one million dollars.

Sec. 404. RCW 82.60.050 and 1988 c 41 s 5 are each amended to read as follows:

EXPIRATION—TAX DEFERRAL CERTIFICATE. RCW 82.60.030 and 82.60.040 shall expire July 1, (~~(1994)~~) 1998.

**Sec. 405. RCW 82.61.010 and 1988 c 41 s 1 are each amended to read as follows:*

DEFINITIONS—THRESHOLD DATE MODIFIED—ELIGIBLE PROJECTS MODIFIED. *Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.*

(1) "Applicant" means a person applying for a tax deferral under this chapter.

(2) "Person" has the meaning given in RCW 82.04.030.

(3) "Department" means the department of revenue.

(4) "Eligible investment project" means:

(a) Construction of new buildings and the acquisition of new related machinery and equipment when the buildings, machinery, and equipment are to be used for either manufacturing or research and development activities, which construction is commenced prior to December 31, (~~(1994)~~) 1998; or

(b) Acquisition prior to December 31, (~~(1994)~~) 1998, of new machinery and equipment to be used for either manufacturing or research and development if the machinery and equipment is housed in a new leased structure(~~(+ PROVIDED, That)~~). The lessor/owner of the structure is not eligible for a deferral unless the underlying ownership of the buildings, machinery, and equipment vests exclusively in the same person; or

(c) Acquisition of all new or used machinery, equipment, or other personal property for use in the production or casting of aluminum at an aluminum smelter or at facilities related to an aluminum smelter, if the plant was in operation prior to 1975 and has ceased operations or is in imminent danger of ceasing operations for economic reasons, as determined by the department, and

if the person applying for a deferral (i) has consulted with any collective bargaining unit that represented employees of the plant pursuant to a collective bargaining agreement that was in effect either immediately prior to the time the plant ceased operations or during the period when the plant was in imminent danger of ceasing operations, on the proposed operation of the plant and on the terms and conditions of employment for wage and salaried employees and (ii) has obtained a written concurrence from the bargaining unit on the decision to apply for a deferral under this chapter; or

(d) Modernization projects involving construction, acquisition, or upgrading of equipment or machinery, including services and labor, which are commenced after May 19, 1987, and are intended to increase the operating efficiency of existing plants which are either aluminum smelters or aluminum rolling mills or of facilities related to such plants, if the plant was in operation prior to 1975, and if the person applying for a deferral (i) has consulted with any collective bargaining unit that represents employees of the plant on the proposed operation of the plant and the terms and conditions of employment for wage and salaried employees and (ii) has obtained a written concurrence from the bargaining unit on the decision to apply for a deferral under this chapter; or

(e) Acquisition of all new or used machinery, equipment, or other personal property for use in the production of pulp and paper-related products if the plant was in operation prior to 1960 and is located in a county with a population between forty thousand and seventy thousand as last determined by the office of financial management; or

(f) Modernization projects involving construction, acquisition, or upgrading of equipment or machinery, including services and labor, that are commenced after the effective date of this section and are intended to increase the operating efficiency of existing pulp and paper mills or facilities, if the plant was in operation prior to 1960 and is located in a county with a population between forty thousand and seventy thousand as last determined by the office of financial management.

(5) "Manufacturing" means all activities of a commercial or industrial nature wherein labor or skill is applied, by hand or machinery, to materials so that as a result thereof a new, different, or useful substance or article of tangible personal property is produced for sale or commercial or industrial use and includes the production or fabrication of specially made or custom-made articles.

(6) "Research and development" means the development, refinement, testing, marketing, and commercialization of a product, service, or process before commercial sales have begun.

(7) "Buildings" means only those new structures used for either manufacturing or research and development activities, including plant offices and warehouses or other facilities for the storage of raw materials or finished goods if such facilities are an essential or an integral part of a factory, mill,

plant, or laboratory used for manufacturing or research and development purposes. If a building is used partly for manufacturing or research and development and partly for other purposes, the applicable tax deferral shall be determined by apportionment of the costs of construction under rules adopted by the department.

(8) "Machinery and equipment" means all industrial and research fixtures, equipment, and support facilities that are an integral and necessary part of a manufacturing or research and development operation. "Qualified machinery and equipment" includes computers; software; data processing equipment; laboratory equipment; manufacturing components such as belts, pulleys, shafts, and moving parts; molds, tools, and dies; operating structures; and all equipment used to control or operate the machinery. For purposes of this chapter, new machinery and equipment means either new to the taxing jurisdiction of the state or new to the certificate holder. Used machinery and equipment may be treated as new equipment and machinery if the certificate holder either brings the machinery and equipment into Washington or makes a retail purchase of the machinery and equipment in Washington or elsewhere.

(9) "Qualified employment position" means a permanent full-time employee employed in the eligible investment project during the entire tax year.

(10) "Recipient" means a person receiving a tax deferral under this chapter.

(11) "Certificate holder" means an applicant to whom a tax deferral certificate has been issued.

(12) "Operationally complete" means constructed or improved to the point of being functionally useable for the intended purpose.

(13) "Initiation of construction" means that date upon which on-site construction commences.

**Sec. 405 was vetoed, see message at end of chapter.*

**Sec. 406. RCW 82.61.020 and 1987 c 497 s 2 are each amended to read as follows:*

APPLICATION PROCESS. Application for deferral of taxes under this chapter shall be made before initiation of the construction of the investment project or acquisition of equipment or machinery or plant. Application for deferral of taxes for modernization projects as defined in RCW 82.61.010(4)(d) and (f) shall be made during the calendar year in which construction begins or acquisition of equipment or machinery occurs. The application shall be made to the department in a form and manner prescribed by the department. The application shall contain information regarding the location of the investment project, estimated or actual costs, time schedules for completion and operation, and other information required by the department. The department shall rule on the application within sixty days. A certificate holder shall initiate construction of the investment project within one hundred eighty days

of receiving approval from the department and issuance of the tax deferral certificate.

*Sec. 406 was vetoed, see message at end of chapter.

**Sec. 407. RCW 82.61.030 and 1987 c 497 s 3 are each amended to read as follows:*

TAX DEFERRAL ELIGIBILITY. *Except for eligible projects within the definitions in RCW 82.61.010(4) (c) (~~(e)-(d)~~) through (f), a tax deferral certificate shall only be issued to persons who, on June 14, 1985, are not engaged in manufacturing or research and development activities within this state. For purposes of this section, a person shall not be considered to be engaged in manufacturing or research and development activities where the only activities performed by such person in this state are sales, installation, repair, or promotional activities in respect to products manufactured outside this state. Any person who has succeeded by merger, consolidation, incorporation or any other form or change of identity to the business of a person engaged in manufacturing or research and development activities in this state on June 14, 1985, and any person who is a subsidiary of a person engaged in manufacturing or research and development activities in this state on June 14, 1985, shall also be ineligible to receive a tax deferral certificate.*

*Sec. 407 was vetoed, see message at end of chapter.

Sec. 408. RCW 82.61.040 and 1988 c 41 s 2 are each amended to read as follows:

EXPIRATION—TAX DEFERRAL ELIGIBILITY. RCW 82.61.020 and 82.61.030 shall expire July 1, (~~(1994)~~) 1998.

Sec. 409. RCW 82.61.070 and 1988 c 41 s 3 are each amended to read as follows:

REPORTS. The department and the department of trade and economic development shall jointly report to the legislature about the effects of this chapter on new manufacturing and research and development activities in this state. The report shall contain information concerning the number of deferral certificates granted, the amount of sales tax deferred, the number of jobs created and other information useful in measuring such effects. Reports shall be submitted by January 1, 1986, and by January 1 of each year through (~~(1995)~~) 1999.

Sec. 410. RCW 82.62.010 and 1988 c 42 s 17 are each amended to read as follows:

DEFINITIONS. Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Applicant" means a person applying for a tax credit under this chapter.

(2) "Department" means the department of revenue.

(3) "Eligible area" means: (a) A county in which the average level of unemployment for the three years before the year in which an application is filed under this chapter exceeds the average state unemployment for those years by twenty percent; (~~(e)~~) (b) a metropolitan statistical area, as defined by the office

of federal statistical policy and standards, United States department of commerce, in which the average level of unemployment for the calendar year immediately preceding the year in which an application is filed under this chapter exceeds the average state unemployment for such calendar year by twenty percent (~~(- Applications under this subsection (3)(b) shall be filed by April 30, 1989)~~); (c) a designated neighborhood reinvestment area approved under section 401 of this act; or (d) subcounty areas in those counties that are not covered under (a) of this subsection that are timber impact areas as defined in RCW 43.31.601.

(4)(a) "Eligible business project" means manufacturing or research and development activities which are conducted by an applicant in an eligible area at a specific facility (~~(- PROVIDED, That)~~), provided the applicant's average full-time qualified employment positions at the specific facility will be at least fifteen percent greater in the year for which the credit is being sought than the applicant's average full-time qualified employment positions at the same facility in the immediately preceding year.

(b) "Eligible business project" does not include any portion of a business project undertaken by a light and power business as defined in RCW 82.16.010(5) or that portion of a business project creating qualified full-time employment positions outside an eligible area or those recipients of a sales tax deferral under chapter 82.61 RCW.

(5) "Manufacturing" means all activities of a commercial or industrial nature wherein labor or skill is applied, by hand or machinery, to materials so that as a result thereof a new, different, or useful substance or article of tangible personal property is produced for sale or commercial or industrial use and shall include the production or fabrication of specially made or custom made articles. "Manufacturing" also includes computer programming, the production of computer software, and other computer-related services, and the activities performed by research and development laboratories and commercial testing laboratories.

(6) "Person" has the meaning given in RCW 82.04.030.

(7) "Qualified employment position" means a permanent full-time employee employed in the eligible business project during the entire tax year.

(8) "Tax year" means the calendar year in which taxes are due.

(9) "Recipient" means a person receiving tax credits under this chapter.

(10) "Research and development" means the development, refinement, testing, marketing, and commercialization of a product, service, or process before commercial sales have begun. As used in this subsection, "commercial sales" excludes sales of prototypes or sales for market testing if the total gross receipts from such sales of the product, service, or process do not exceed one million dollars.

Sec. 411. RCW 82.62.040 and 1988 c 41 s 4 are each amended to read as follows:

EXPIRATION—APPLICATIONS AND ELIGIBILITY. RCW 82.62.020 (~~(and 82.62.030)~~) shall expire July 1, (~~(1994)~~) 1998.

**PART V
REAL ESTATE EXCISE TAX**

NEW SECTION. Sec. 501. FINDINGS—INTENT. (1) The legislature finds that transfers of ownership of entities may be essentially equivalent to the sale of real property held by the entity. The legislature further finds that all transfers of possession or use of real property should be subject to the same excise tax burdens.

(2) The legislature intends to apply the real estate excise tax of chapter 82.45 RCW to transfers of entity ownership when the transfer of entity ownership is comparable to the sale of real property. The legislature intends to equate the excise tax burdens on all sales of real property and transfers of entity ownership essentially equivalent to a sale of real property under chapter 82.45 RCW.

Sec. 502. RCW 82.45.010 and 1981 c 93 s 1 are each amended to read as follows:

SALE—DEFINED. (1) As used in this chapter, the term "sale" shall have its ordinary meaning and shall include any conveyance, grant, assignment, quitclaim, or transfer of the ownership of or title to real property, including standing timber, or any estate or interest therein for a valuable consideration, and any contract for such conveyance, grant, assignment, quitclaim, or transfer, and any lease with an option to purchase real property, including standing timber, or any estate or interest therein or other contract under which possession of the property is given to the purchaser, or any other person (~~by his~~) at the purchaser's direction, ((which)) and title to the property is retained by the vendor as security for the payment of the purchase price. The term also includes the grant, assignment, quitclaim, sale, or transfer of improvements constructed upon leased land.

(2) The term "sale" also includes the transfer or acquisition within any twelve-month period of a controlling interest in any entity with an interest in real property located in this state for a valuable consideration. For purposes of this subsection, all acquisitions of persons acting in concert shall be aggregated for purposes of determining whether a transfer or acquisition of a controlling interest has taken place. The department of revenue shall adopt standards by rule to determine when persons are acting in concert. In adopting a rule for this purpose, the department shall consider the following:

(a) Persons shall be treated as acting in concert when they have a relationship with each other such that one person influences or controls the actions of another through common ownership; and

(b) When persons are not commonly owned or controlled, they shall be treated as acting in concert only when the unity with which the purchasers have negotiated and will consummate the transfer of ownership interests supports a finding that they are acting as a single entity. If the acquisitions are completely

independent, with each purchaser buying without regard to the identity of the other purchasers, then the acquisitions shall be considered separate acquisitions.

(3) The term "sale" shall not include:

(a) A transfer by gift, devise, or inheritance((?)).

(b) A transfer of any leasehold interest other than of the type mentioned above((?)).

(c) A cancellation or forfeiture of a vendee's interest in a contract for the sale of real property, whether or not such contract contains a forfeiture clause, or deed in lieu of foreclosure of a mortgage (~~or the assumption by a grantee of the balance owing on an obligation which is secured by a mortgage or deed in lieu of forfeiture of the vendee's interest in a contract of sale where no consideration passes otherwise or~~).

(d) The partition of property by tenants in common by agreement or as the result of a court decree(~~, any transfer, conveyance, or~~).

(e) The assignment of property or interest in property from one spouse to the other in accordance with the terms of a decree of divorce or in fulfillment of a property settlement agreement (~~(incident thereto)~~).

(f) The assignment or other transfer of a vendor's interest in a contract for the sale of real property, even though accompanied by a conveyance of the vendor's interest in the real property involved((?)).

(g) Transfers by appropriation or decree in condemnation proceedings brought by the United States, the state or any political subdivision thereof, or a municipal corporation((?)).

(h) A mortgage or other transfer of an interest in real property merely to secure a debt, or the assignment thereof((?)).

(i) Any transfer or conveyance made pursuant to a deed of trust or an order of sale by the court in any mortgage, deed of trust, or lien foreclosure proceeding or upon execution of a judgment, or deed in lieu of foreclosure to satisfy a mortgage((?) or deed of trust.

(j) A conveyance to the federal housing administration or veterans administration by an authorized mortgagee made pursuant to a contract of insurance or guaranty with the federal housing administration or veterans administration(~~(, nor)~~).

(k) A transfer in compliance with the terms of any lease or contract upon which the tax as imposed by this chapter has been paid or where the lease or contract was entered into prior to the date this tax was first imposed(~~(, nor)~~).

(l) The sale of any grave or lot in an established cemetery(~~(, nor)~~).

(m) A sale by (~~or to~~) the United States, this state or any political subdivision thereof, or a municipal corporation of this state.

~~(The term sale shall further not include)~~ (n) A transfer of real property, however effected, if it consists of a mere change in identity or form of ownership of an entity where there is no change in the beneficial ownership. These include transfers to a corporation or partnership which is wholly owned by the transferor and/or the transferor's spouse or children: PROVIDED, That if thereafter such

transferee corporation or partnership voluntarily transfers such real property, or such transferor, spouse, or children voluntarily transfer stock in the transferee corporation or interest in the transferee partnership capital, as the case may be, to other than (1) the transferor and/or the transferor's spouse or children, (2) a trust having the transferor and/or the transferor's spouse or children as the only beneficiaries at the time of the transfer to the trust, or (3) a corporation or partnership wholly owned by the original transferor and/or the transferor's spouse or children, within ~~((five))~~ three years of the original transfer to which this exemption applies, and the tax on the subsequent transfer has not been paid within sixty days of becoming due, excise taxes shall become due and payable on the original transfer as otherwise provided by law.

(o) A transfer that for federal income tax purposes does not involve the recognition of gain or loss for entity formation, liquidation or dissolution, and reorganization, including but not limited to nonrecognition of gain or loss because of application of section 332, 337, 351, 368(a)(1), 721, or 731 of the Internal Revenue Code of 1986, as amended.

Sec. 503. RCW 82.45.030 and 1969 ex.s. c 223 s 28A.45.030 are each amended to read as follows:

SELLING PRICE—DEFINED. (1) As used in this chapter, the term "selling price" means the ~~((consideration, including))~~ true and fair value of the property conveyed. If property has been conveyed in an arm's length transaction between unrelated persons for a valuable consideration, a rebuttable presumption exists that the selling price is equal to the total consideration paid or contracted to be paid to the transferor, or to another for the transferor's benefit.

(2) If the sale is a transfer of a controlling interest in an entity with an interest in real property located in this state, the selling price shall be the true and fair value of the real property owned by the entity and located in this state. If the true and fair value of the real property located in this state cannot reasonably be determined, the selling price shall be determined according to subsection (4) of this section.

(3) As used in this section, "total consideration paid or contracted to be paid" includes money or anything of value, paid or delivered or contracted to be paid or delivered in return for the ~~((transfer of the real property or estate or interest in real property))~~ sale, and shall include the amount of any lien, mortgage, contract indebtedness, or other incumbrance, either given to secure the purchase price, or any part thereof, or remaining unpaid on such property at the time of sale.

~~((The term))~~ Total consideration shall not include the amount of any outstanding lien or incumbrance in favor of the United States, the state, or a municipal corporation for ~~((the))~~ taxes, special benefits, or improvements.

(4) If the total consideration for the sale cannot be ascertained or the true and fair value of the property to be valued at the time of the sale cannot reasonably be determined, the market value assessment for the property

maintained on the county property tax rolls at the time of the sale shall be used as the selling price.

Sec. 504. RCW 82.45.032 and 1986 c 211 s 1 are each amended to read as follows:

REAL ESTATE—REAL PROPERTY—DEFINED. Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Real estate" or "real property" means ~~((real property but includes))~~ any interest, estate, or beneficial interest in land or anything affixed to land, including the ownership interest or beneficial interest in any entity which itself owns land or anything affixed to land. The term includes used mobile homes ~~((and))~~, used floating homes, and improvements constructed upon leased land.

(2) "Used mobile home" means a mobile home which has been previously sold at retail and has been subjected to tax under chapter 82.08 RCW, or which has been previously used and has been subjected to tax under chapter 82.12 RCW, and which has substantially lost its identity as a mobile unit at the time of sale by virtue of its being fixed in location upon land owned or leased by the owner of the mobile home and placed on a foundation (posts or blocks) with fixed pipe connections with sewer, water, and other utilities.

(3) "Mobile home" means a mobile home as defined by RCW 46.04.302, as now or hereafter amended.

(4) "Used floating home" means a floating home in respect to which tax has been paid under chapter 82.08 or 82.12 RCW.

(5) "Floating home" means a building on a float used in whole or in part for human habitation as a single-family dwelling, which is not designed for self propulsion by mechanical means or for propulsion by means of wind, and which is on the property tax rolls of the county in which it is located.

NEW SECTION. **Sec. 505.** A new section is added to chapter 82.45 RCW to read as follows:

CONTROLLING INTEREST—DEFINED. As used in this chapter, the term "controlling interest" has the following meaning:

(1) In the case of a corporation, either fifty percent or more of the total combined voting power of all classes of stock of the corporation entitled to vote, or fifty percent of the capital, profits, or beneficial interest in the voting stock of the corporation; and

(2) In the case of a partnership, association, trust, or other entity, fifty percent or more of the capital, profits, or beneficial interest in such partnership, association, trust, or other entity.

Sec. 506. RCW 82.45.090 and 1991 c 327 s 6 are each amended to read as follows:

SALE OF BENEFICIAL INTEREST IN REAL PROPERTY—NO RECORDED INSTRUMENT. (1) Except for a sale of a beneficial interest in real property where no instrument evidencing the sale is recorded in the official

real property records of the county in which the property is located, the tax imposed by this chapter shall be paid to and collected by the treasurer of the county within which is located the real property which was sold(~~(-said)~~). In collecting the tax the treasurer (~~(acting)~~) shall act as agent for the state. The county treasurer shall cause a stamp evidencing satisfaction of the lien to be affixed to the instrument of sale or conveyance prior to its recording or to the real estate excise tax affidavit in the case of used mobile home sales and used floating home sales. A receipt issued by the county treasurer for the payment of the tax imposed under this chapter shall be evidence of the satisfaction of the lien imposed hereunder and may be recorded in the manner prescribed for recording satisfactions of mortgages. No instrument of sale or conveyance evidencing a sale subject to the tax shall be accepted by the county auditor for filing or recording until the tax shall have been paid and the stamp affixed thereto; in case the tax is not due on the transfer, the instrument shall not be so accepted until suitable notation of such fact has been made on the instrument by the treasurer.

(2) For a sale of a beneficial interest in real property where a tax is due under this chapter and where no instrument is recorded in the official real property records of the county in which the property is located, the sale shall be reported to the department of revenue within five days from the date of the sale on such returns or forms and according to such procedures as the department may prescribe. Such forms or returns shall be signed by both the transferor and the transferee and shall be accompanied by payment of the tax due. Any person who intentionally makes a false statement on any return or form required to be filed with the department under this chapter shall be guilty of perjury.

Sec. 507. RCW 82.45.100 and 1988 c 286 s 5 are each amended to read as follows:

LIABILITY FOR TAX NOT RECEIVED—EXCEPTIONS. (1) The tax imposed under this chapter is due and payable immediately at the time of sale, and if not paid within thirty days thereafter shall bear interest at the rate of one percent per month from the time of sale until the date of payment.

(2) In addition to the interest described in subsection (1) of this section, if the payment of any tax is not received by the county treasurer or the department of revenue, as the case may be, within thirty days of the date due, there shall be assessed a penalty of five percent of the amount of the tax; if the tax is not received within sixty days of the date due, there shall be assessed a total penalty of ten percent of the amount of the tax; and if the tax is not received within ninety days of the date due, there shall be assessed a total penalty of twenty percent of the amount of the tax. The payment of the penalty described in this subsection shall be collectible from the seller only, and RCW 82.45.070 does not apply to the penalties described in this subsection.

(3) If the tax imposed under this chapter is not received by the due date, the transferee shall be personally liable for the tax, along with any interest as provided in subsection (1) of this section, unless:

(a) An instrument evidencing the sale is recorded in the official real property records of the county in which the property conveyed is located; or

(b) Either the transferor or transferee notifies the department of revenue in writing of the occurrence of the sale within thirty days following the date of the sale.

(4) If upon examination of any affidavits or from other information obtained by the department or its agents it appears that all or a portion of the tax is unpaid, the department shall assess against the taxpayer the additional amount found to be due plus interest and penalties as provided in subsections (1) and (2) of this section. If the department finds that all or any part of the deficiency resulted from an intent to evade the tax payable under this chapter, an additional penalty of fifty percent of the additional tax found to be due shall be added.

~~((4))~~ (5) No assessment or refund may be made by the department more than four years after the date of sale except upon a showing of:

(a) Fraud or ((øf)) misrepresentation of a material fact by the taxpayer ((øf));

(b) A failure by the taxpayer to record documentation of a sale or otherwise report the sale to the county treasurer; or

(c) A failure of the transferor or transferee to report the sale under RCW 82.45.090(2).

~~((5))~~ (6) Penalties collected pursuant to subsection (2) of this section shall be deposited in the housing trust fund as described in chapter 43.185 RCW.

NEW SECTION. Sec. 508. TAX IMPOSED BY ORDINANCE—APPLICATION. Any ordinance imposing a tax under chapter 82.46 RCW which is in effect on the effective date of this section shall apply to all sales taxable under chapter 82.45 RCW on the effective date of this section at the rate specified in the ordinance, until such time as the ordinance is otherwise amended or repealed.

Sec. 509. RCW 82.45.150 and 1981 c 167 s 1 are each amended to read as follows:

TAX AFFIDAVIT—FORM. All of chapter 82.32 RCW, except RCW 82.32.030, 82.32.040, 82.32.050, 82.32.140, and 82.32.270 and except for the penalties and the limitations thereon imposed by RCW 82.32.090, applies to the tax imposed by this chapter, in addition to any other provisions of law for the payment and enforcement of the tax imposed by this chapter. The department of revenue shall by rule provide for the effective administration of this chapter. The rules shall ~~((also include a manual which defines transactions which are taxable under))~~ prescribe and furnish a real estate excise tax affidavit form verified by both the seller and the buyer, or agents of each, to be used by each county, or the department, as the case may be, in the collection of the tax imposed by this chapter. The department of revenue shall annually conduct audits of transactions and affidavits filed under this chapter.

Sec. 510. RCW 82.45.180 and 1991 c 245 s 15 are each amended to read as follows:

DISTRIBUTION. (1) For taxes collected by the county under this chapter, the county treasurer shall collect a two-dollar fee on all transactions required by this chapter where the transaction does not require the payment of tax. The county treasurer shall place one percent of the proceeds of the tax imposed by this chapter and the treasurer's fee in the county current expense fund to defray costs of collection and shall pay over to the state treasurer and account to the department of revenue for the remainder of the proceeds at the same time the county treasurer remits funds to the state under RCW 84.56.280. ((The proceeds of the tax on any sale occurring prior to September 1, 1981, when the proceeds have not been certified by an educational service district superintendent for school districts prior to September 1, 1981, shall be included in the amount remitted to the state treasurer.)) The state treasurer shall deposit the proceeds in the general fund for the support of the common schools.

(2) For taxes collected by the department of revenue under this chapter, the department shall remit the tax to the state treasurer who shall deposit the proceeds of any state tax in the general fund for the support of the common schools. The state treasurer shall deposit the proceeds of any local taxes imposed under chapter 82.46 RCW in the local real estate excise tax account hereby created in the state treasury. Moneys in the local real estate excise tax account may be spent only for distribution to counties, cities, and towns imposing a tax under chapter 82.46 RCW. Except as provided in RCW 43.08.190, all earnings of investments of balances in the local real estate excise tax account shall be credited to the local real estate excise tax account and distributed to the counties, cities, and towns monthly. Monthly the state treasurer shall make distribution from the local real estate excise tax account to the counties, cities, and towns the amount of tax collected on behalf of each taxing authority. The state treasurer shall make the distribution under this subsection without appropriation.

Sec. 511. RCW 43.84.092 and 1993 c 4 s 9 are each amended to read as follows:

INTEREST ON LOCAL REAL ESTATE EXCISE TAX ACCOUNT. (1) All earnings of investments of surplus balances in the state treasury shall be deposited to the treasury income account, which account is hereby established in the state treasury.

(2) Monthly, the state treasurer shall distribute the earnings credited to the treasury income account. The state treasurer shall credit the general fund with all the earnings credited to the treasury income account except:

(a) The following accounts and funds shall receive their proportionate share of earnings based upon each account's and fund's average daily balance for the period: The capitol building construction account, the Cedar River channel construction and operation account, the Central Washington University capital projects account, the charitable, educational, penal and reformatory institutions account, the common school construction fund, the county criminal justice assistance account, the county sales and use tax equalization account, the data

processing building construction account, the deferred compensation administrative account, the deferred compensation principal account, the department of retirement systems expense account, the Eastern Washington University capital projects account, the federal forest revolving account, the industrial insurance premium refund account, the judges' retirement account, the judicial retirement administrative account, the judicial retirement principal account, the local leasehold excise tax account, the local real estate excise tax account, the local sales and use tax account, the medical aid account, the municipal criminal justice assistance account, the municipal sales and use tax equalization account, the natural resources deposit account, the perpetual surveillance and maintenance account, the public employees' retirement system plan I account, the public employees' retirement system plan II account, the Puyallup tribal settlement account, the resource management cost account, the site closure account, the special wildlife account, the state employees' insurance account, the state employees' insurance reserve account, the state investment board expense account, the state investment board commingled trust fund accounts, the supplemental pension account, the teachers' retirement system plan I account, the teachers' retirement system plan II account, the University of Washington bond retirement fund, the University of Washington building account, the volunteer fire fighters' relief and pension principal account, the volunteer fire fighters' relief and pension administrative account, the Washington judicial retirement system account, the Washington law enforcement officers' and fire fighters' system plan I retirement account, the Washington law enforcement officers' and fire fighters' system plan II retirement account, the Washington state patrol retirement account, the Washington State University building account, the Washington State University bond retirement fund, and the Western Washington University capital projects account. Earnings derived from investing balances of the agricultural permanent fund, the normal school permanent fund, the permanent common school fund, the scientific permanent fund, and the state university permanent fund shall be allocated to their respective beneficiary accounts. All earnings to be distributed under this subsection (2)(a) shall first be reduced by the allocation to the state treasurer's service fund pursuant to RCW 43.08.190.

(b) The following accounts and funds shall receive eighty percent of their proportionate share of earnings based upon each account's or fund's average daily balance for the period: The central Puget Sound public transportation account, the city hardship assistance account, the county arterial preservation account, the economic development account, the essential rail assistance account, the essential rail banking account, the ferry bond retirement fund, the grade crossing protective fund, the high capacity transportation account, the highway bond retirement fund, the highway construction stabilization account, the highway safety account, the marine operating fund, the motor vehicle fund, the motorcycle safety education account, the pilotage account, the public transportation systems account, the Puget Sound capital construction account, the Puget

Sound ferry operations account, the recreational vehicle account, the rural arterial trust account, the special category C account, the state patrol highway account, the transfer relief account, the transportation capital facilities account, the transportation equipment fund, the transportation fund, the transportation improvement account, and the urban arterial trust account.

(3) In conformance with Article II, section 37 of the state Constitution, no treasury accounts or funds shall be allocated earnings without the specific affirmative directive of this section.

NEW SECTION. **Sec. 512.** REPORTING, APPLICATION, COLLECTION, AFFIDAVIT STANDARDS—OWNERSHIP TRANSFER OF A CORPORATION—REPEALED. The following acts or parts of acts are each repealed:

- (1) 1991 sp.s. c 22 s 1 (uncodified);
- (2) RCW 82.45A.010 and 1991 sp.s. c 22 s 2;
- (3) RCW 82.45A.020 and 1991 sp.s. c 22 s 3;
- (4) RCW 82.45A.030 and 1991 sp.s. c 22 s 4; and
- (5) RCW 82.45.120 and 1981 c 167 s 5, 1980 c 134 s 1, & 1969 ex.s. c 223 s 28A.45.120.

NEW SECTION. **Sec. 513.** REPEALS—NO EFFECT ON EXISTING RIGHT, LIABILITY, OBLIGATION. The repeals in section 512 of this act shall not be construed as affecting any existing right acquired or liability or obligation incurred under the sections repealed or under any rule or order adopted under those sections, nor as affecting any proceeding instituted under those sections.

PART VI INSURANCE PREMIUMS AND PREPAYMENTS TAXES

Sec. 601. RCW 48.14.— and 1993 c . . . (Engrossed Second Substitute Senate Bill No. 5304) s 301 are each amended to read as follows:

TAX ON PREMIUMS AND PREPAYMENTS. (1) As used in this section, "taxpayer" means a health maintenance organization, as defined in RCW 48.46.020, a health care service contractor, as defined in RCW 48.44.010, or a certified health plan certified under RCW 48.— (section 434, chapter . . . (Engrossed Second Substitute Senate Bill No. 5304), Laws of 1993).

(2) Each taxpayer shall pay a tax on or before the first day of March of each year to the state treasurer through the insurance commissioner's office. The tax shall be equal to the total amount of all premiums and prepayments for health care services received by the taxpayer during the preceding calendar year multiplied by the rate of two percent.

(3) Taxpayers shall prepay their tax obligations under this section. The minimum amount of the prepayments shall be percentages of the taxpayer's tax obligation for the preceding calendar year recomputed using the rate in effect for the current year. For the prepayment of taxes due during the first calendar year, the minimum amount of the prepayments shall be percentages of the taxpayer's

tax obligation that would have been due had the tax been in effect during the previous calendar year. The tax prepayments shall be paid to the state treasurer through the commissioner's office by the due dates and in the following amounts:

- (a) On or before June 15, forty-five percent;
- (b) On or before September 15, twenty-five percent;
- (c) On or before December 15, twenty-five percent.

(4) For good cause demonstrated in writing, the commissioner may approve an amount smaller than the preceding calendar year's tax obligation as recomputed for calculating the health maintenance organization's, health care service contractor's, or certified health plan's prepayment obligations for the current tax year.

(5) Moneys collected under this section shall be deposited in the general fund through March 31, 1996, and in the health services account under RCW 43.— (section 469, chapter . . . (Engrossed Second Substitute Senate Bill No. 5304), Laws of 1993) after March 31, 1996.

(6) The taxes imposed in this section do not apply to:

(a) Amounts received by any taxpayer from the United States or any instrumentality thereof as prepayments for health care services provided under Title XVIII (medicare) of the federal social security act. This exemption shall expire July 1, 1997.

(b) Amounts received by any health care service contractor, as defined in RCW 48.44.010, as prepayments for health care services included within the definition of practice of dentistry under RCW 18.32.020. This exemption does not apply to amounts received under a certified health plan certified under RCW 48.— (section 434, chapter . . . (Engrossed Second Substitute Senate Bill No. 5304), Laws of 1993).

Sec. 602. RCW 48.14.080 and 1993 c . . . (Engrossed Second Substitute Senate Bill No. 5304) s 302 are each amended to read as follows:

PREMIUM TAX IN LIEU OF OTHER FORMS. As to insurers, other than title insurers and taxpayers under section 601 of this act, the taxes imposed by this title shall be in lieu of all other taxes, except taxes on real and tangible personal property, excise taxes on the sale, purchase or use of such property, and the tax imposed in RCW 82.04.260(15).

Sec. 603. 1993 c . . . (Engrossed Second Substitute Senate Bill No. 5304) s 495 (uncodified) is amended to read as follows:

EFFECTIVE DATE OF PREPAYMENTS TAX IN ENGROSSED SECOND SUBSTITUTE SENATE BILL NO. 5304. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect July 1, 1993, except for:

(1) Sections 234 through 257 of this act, which shall take effect July 1, 1995; and

(2) Sections 301 through 303 of this act, which shall take effect January 1, ~~((1996))~~ 1994.

PART VII RESALE CERTIFICATE ABUSE CURTAILED

Sec. 701. RCW 82.04.470 and 1983 2nd ex.s. c 3 s 29 are each amended to read as follows:

RESALE CERTIFICATES. (1) Unless a seller has taken from the ~~((purchaser))~~ buyer a resale certificate ~~((signed by, and bearing the name and address and registration number of the purchaser to the effect that the property or service was purchased for resale, or unless the nature of the transaction is clearly shown as a sale at wholesale by the books and records of the taxpayer in such other manner as the department of revenue shall by regulation provide)),~~ the burden of proving that a sale of tangible personal property, or of ~~((telephone))~~ services ~~((as defined in RCW 82.04.065)),~~ was not a sale at retail shall be upon the person who made it.

(2) If a seller does not receive a resale certificate at the time of the sale, have a resale certificate on file at the time of the sale, or obtain a resale certificate from the buyer within a reasonable time after the sale, the seller shall remain liable for the tax as provided in RCW 82.08.050, unless the seller can demonstrate facts and circumstances according to rules adopted by the department of revenue that show the sale was properly made without payment of sales tax.

(3) Resale certificates shall be valid for a period of four years from the date the certificate is provided to the seller.

(4) The department may provide by rule for suggested forms for resale certificates or equivalent documents containing the information that will be accepted as resale certificates. The department shall provide by rule the categories of items or services that must be specified on resale certificates and the business classifications that may use a blanket resale certificate.

(5) As used in this section, "resale certificate" means documentation provided by a buyer to a seller stating that the purchase is for resale in the regular course of business, or that the buyer is exempt from retail sales tax, and containing the following information:

- (a) The name and address of the buyer;
- (b) The uniform business identifier or revenue registration number of the buyer, if the buyer is required to registered;
- (c) The type of business engaged in;
- (d) The categories of items or services to be purchased for resale or that are exempt, unless the buyer is in a business classification that may present a blanket resale certificate as provided by the department by rule;
- (e) The date on which the certificate was provided;

(f) A statement that the items or services purchased either: (i) Are purchased for resale in the regular course of business; or (ii) are exempt from tax pursuant to statute;

(g) A statement that the buyer acknowledges that the buyer is solely responsible for purchasing within the categories specified on the certificate and that misuse of the resale or exemption privilege claimed on the certificate subjects the buyer to a penalty of fifty percent of the tax due, in addition to the tax, interest, and any other penalties imposed by law;

(h) The name of the individual authorized to sign the certificate, printed in a legible fashion;

(i) The signature of the authorized individual; and

(j) The name of the seller.

NEW SECTION. Sec. 702. A new section is added to chapter 82.08 RCW to read as follows:

RESALE CERTIFICATE—PURCHASE AND RESALE. If a buyer normally is engaged in both consuming and reselling certain types of articles of tangible personal property and is not able to determine at the time of purchase whether the particular property acquired will be consumed or resold, the buyer may use a resale certificate for the entire purchase if the buyer principally resells the articles according to the general nature of the buyer's business. The buyer shall account for the value of any articles purchased with a resale certificate that are used by the buyer and remit the sales tax on the articles to the department.

A buyer who pays a tax on all purchases and subsequently resells an article at retail, without intervening use by the buyer, shall collect the tax from the purchaser as otherwise provided by law and is entitled to a deduction on the buyer's tax return equal to the cost to the buyer of the property resold upon which retail sales tax has been paid. The deduction is allowed only if the taxpayer keeps and preserves records that show the names of the persons from whom the articles were purchased, the date of the purchase, the type of articles, the amount of the purchase, and the tax that was paid. The department shall provide by rule for the refund or credit of retail sales tax paid by a buyer for purchases that are later sold at wholesale without intervening use by the buyer.

NEW SECTION. Sec. 703. A new section is added to chapter 82.32 RCW to read as follows:

PENALTY. Any person who uses a resale certificate to purchase items or services without payment of sales tax and who is not entitled to use the certificate for the purchase shall be assessed a penalty of fifty percent of the tax due, in addition to all other taxes, penalties, and interest due, on the improperly purchased item or service. The department may waive the penalty imposed under this section if it finds that the use of the certificate was due to circumstances beyond the taxpayer's control or if the certificate was properly used for purchases for dual purposes. The department shall define by rule what circumstances are considered to be beyond the taxpayer's control.

Sec. 704. RCW 82.08.050 and 1992 c 206 s 2 are each amended to read as follows:

SELLER TO COLLECT TAX. The tax hereby imposed shall be paid by the buyer to the seller, and each seller shall collect from the buyer the full amount of the tax payable in respect to each taxable sale in accordance with the schedule of collections adopted by the department pursuant to the provisions of RCW 82.08.060. The tax required by this chapter, to be collected by the seller, shall be deemed to be held in trust by the seller until paid to the department, and any seller who appropriates or converts the tax collected to his or her own use or to any use other than the payment of the tax to the extent that the money required to be collected is not available for payment on the due date as prescribed in this chapter shall be guilty of a gross misdemeanor.

In case any seller fails to collect the tax herein imposed or having collected the tax, fails to pay it to the department in the manner prescribed by this chapter, whether such failure is the result of his or her own acts or the result of acts or conditions beyond his or her control, he or she shall, nevertheless, be personally liable to the state for the amount of the tax, unless the seller has taken from the buyer in good faith a properly executed resale certificate under RCW 82.04.470.

The amount of tax, until paid by the buyer to the seller or to the department, shall constitute a debt from the buyer to the seller and any seller who fails or refuses to collect the tax as required with intent to violate the provisions of this chapter or to gain some advantage or benefit, either direct or indirect, and any buyer who refuses to pay any tax due under this chapter shall be guilty of a misdemeanor. The tax required by this chapter to be collected by the seller shall be stated separately from the selling price in any sales invoice or other instrument of sale. On all retail sales through vending machines, the tax need not be stated separately from the selling price or collected separately from the buyer. For purposes of determining the tax due from the buyer to the seller and from the seller to the department it shall be conclusively presumed that the selling price quoted in any price list, sales document, contract or other agreement between the parties does not include the tax imposed by this chapter, but if the seller advertises the price as including the tax or that the seller is paying the tax, the advertised price shall not be considered the selling price.

Where a buyer has failed to pay to the seller the tax imposed by this chapter and the seller has not paid the amount of the tax to the department, the department may, in its discretion, proceed directly against the buyer for collection of the tax, in which case a penalty of ten percent may be added to the amount of the tax for failure of the buyer to pay the same to the seller, regardless of when the tax may be collected by the department; and all of the provisions of chapter 82.32 RCW, including those relative to interest and penalties, shall apply in addition; and, for the sole purpose of applying the various provisions of chapter 82.32 RCW, the twenty-fifth day of the month following the tax period in which the purchase was made shall be considered as the due date of the tax.

PART VIII**BUSINESS & OCCUPATION AND PUBLIC UTILITY TAX
DEDUCTIONS FOR CAPITAL CONTRIBUTIONS REPEALED**

NEW SECTION. Sec. 801. EXEMPTION OF AMOUNTS PAID TO POLITICAL SUBDIVISIONS FOR CAPITAL FACILITIES. RCW 82.04.417 and 1969 ex.s. c 156 s 1 are each repealed.

PART IX**REPEAL OF INSURANCE PREMIUMS TAX CREDIT FOR
PAYMENTS TO GUARANTY ASSOCIATIONS**

Sec. 901. RCW 48.32.145 and 1977 ex.s. c 183 s 1 are each amended to read as follows:

CREDIT AGAINST PREMIUM TAX. Every member insurer (~~which during any calendar year~~) that prior to April 1, 1993, shall have paid one or more assessments levied pursuant to RCW 48.32.060(1)(c) (~~as now or hereafter amended~~) shall be entitled to take, as a credit against any premium tax falling due under RCW 48.14.020, one-fifth of the aggregate amount of such aggregate assessments during such calendar year for each of the five consecutive calendar years beginning with the calendar year following the calendar year in which such assessments are paid(~~— PROVIDED, That~~). Whenever an assessment or uncredited portion ((thereof)) of an assessment is or becomes less than one thousand dollars, the entire amount may be credited against the premium tax at the next time the premium tax is paid.

This section shall expire January 1, 1999.

Sec. 902. RCW 48.32A.090 and 1990 c 51 s 6 are each amended to read as follows:

CERTIFICATES OF CONTRIBUTION. (1) The association shall issue to each insurer paying an assessment under this chapter certificates of contribution, in appropriate form and terms as prescribed or approved by the commissioner, for the amounts so paid into the respective funds. All outstanding certificates against a particular fund shall be of equal dignity and priority without reference to amounts or dates of issue.

(2) An outstanding certificate of contribution issued prior to April 1, 1993, shall be shown by the insurer in its financial statements as an admitted asset for such amount and period of time as the commissioner may approve(~~— PROVIDED, That~~). Unless a longer period has been allowed by the commissioner the insurer shall in any event at its option have the right to so show a certificate of contribution as an admitted asset at percentages of original face amount for calendar years as follows:

- 100% for the calendar year of issuance;
- 80% for the first calendar year after the year of issuance;
- 60% for the second calendar year after the year of issuance;
- 40% for the third calendar year after the year of issuance;

20% for the fourth calendar year after the year of issuance; and
0% for the fifth and subsequent calendar years after the year of issuance.

Notwithstanding the foregoing, if the value of a certificate of contribution is or becomes less than one thousand dollars, the entire amount may be written off by the insurer in that year.

(3) The insurer shall offset the amount written off by it in a calendar year under subsection (2) of this section against its premium tax liability to this state accrued with respect to business transacted in such year.

(4) Any sums recovered by the association representing sums which have theretofore been written off by contributing insurers and offset against premium taxes as provided in subsection (3) of this section, shall be paid by the association to the commissioner and (~~by him~~) then deposited with the state treasurer for credit to the general fund of the state of Washington.

(5) No distribution to stockholders, if any, of a liquidating insurer shall be made unless and until the total amount of assessments levied by the association with respect to such insurer have been fully recovered by the association.

PART X MISCELLANEOUS

***NEW SECTION. Sec. 1001. TRANSFER TO BUDGET STABILIZATION ACCOUNT.** *If the revenues generated under this act during the biennium exceed the amounts projected to be generated, the department of revenue shall certify the excess to the state treasurer as soon as the excess is known and the state treasurer shall transfer an amount equal to the excess from the general fund to the budget stabilization account.*

*Sec. 1001 was vetoed, see message at end of chapter.

NEW SECTION. Sec. 1002. SEVERABILITY. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 1003. EFFECTIVE DATES. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect July 1, 1993, except:

- (1) Sections 901 and 902 of this act take effect immediately.
- (2) Sections 601 through 603 of this act take effect January 1, 1994.

NEW SECTION. Sec. 1004. PART HEADINGS AND CAPTIONS. Part headings and captions as used in this act constitute no part of the law.

Passed the Senate May 6, 1993.

Passed the House May 6, 1993.

Approved by the Governor May 28, 1993, with the exception of certain items which were vetoed.

Filed in Office of Secretary of State May 28, 1993.

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

"I am returning herewith, without my approval as to sections 306, 405, 406, 407, and 1001, Second Engrossed Substitute Senate Bill No. 5967 entitled:

"AN ACT Relating to taxation;"

Section 306 amends current law which provides a sales tax exemption for property purchased for use outside this state by nonresidents of Washington who live in a state or Canadian province with a sales tax rate of less than three percent by adding the requirement that the beneficiary state be "contiguous to the state of Washington." This would effectively limit the exemption to only Oregon residents.

This amendment presents a constitutional problem, since there does not appear to be a rational basis for distinguishing between residents of noncontiguous states and residents of contiguous states. If a successful class action lawsuit was brought on behalf of all affected parties, the state's costs for administering any payout to members of the class could be substantial.

While I agree that amending current law is necessary, I have vetoed this section because I am concerned with the possible unconstitutionality of this amendment and the consequences of potential lawsuits. Therefore, I will ask the Department of Revenue to develop legislation which addresses the proponents concerns and avoids the constitutional problems for consideration during the 1994 Legislative Session.

Sections 405, 406, and 407 extend the sales and use tax deferral program of chapter 82.61 RCW to include any pulp and paper products plant in operation prior to 1960 and located in a county with a population between 40,000 and 70,000. It was the intent of the sales tax deferral program to encourage new business locations in the state, not to provide a tax break for existing businesses. These sections were not intended to benefit the pulp and paper products industry generally; rather, these criteria were very carefully drawn in order to limit availability of the deferral program to a single taxpayer.

However, the impact could be significantly greater because several taxpayers potentially qualify for the program. Counties that are eligible based on the population range of 40,000 to 70,000 are Chelan, Clallam, Grant, Grays Harbor, Island, Lewis, and Walla Walla. At least four pulp and paper products companies located in these counties where in operation prior to 1960. In addition, there are 21 other pulp and paper products companies that were established prior to 1960, but which are headquartered in non-eligible counties. If any of these 21 other companies also have a plant in an eligible county, they could potentially qualify.

For these reasons, I have vetoed section 405, 406, and 407.

Section 1001 requires the Department of Revenue to determine the amount of revenue generated in excess of projections during the biennium as a result of this act. The State Treasurer would transfer the excess revenue from the general fund to the budget stabilization account. If actual revenue collections exceed the forecast, the Legislature can always choose to make transfers to the budget stabilization account. Therefore, it is not clear why this section is needed.

In addition, this section would require costly and burdensome accounting procedures for the Department of Revenue and would require the department to make unreasonable, and in some cases impossible requests for information from taxpayers. The Department of Revenue already has the capability to measure these and other revenues by other means which are less costly to administer and do not place unreasonable burdens on taxpayers.

For these reasons, I have vetoed section 1001. However, in line with the intent of this section, I am directing the Department of Revenue to report quarterly how well estimates for all of these revenue sources are tracking.

With the exception of sections 306, 405, 406, 407, and 1001, Second Engrossed Substitute Senate Bill No. 5967 is approved."

CHAPTER 26

[Filed by Washington Citizens' Commission on Salaries for Elected Officials]

STATE ELECTED OFFICIALS—SALARIES

Effective Date: 9/1/93

AN ACT Relating to salaries of elected officials; and amending RCW 43.03.011, 43.03.012, and 43.03.013.

Be it enacted by the Washington Citizens' Commission on Salaries for Elected Officials:

Sec. 1. RCW 43.03.011 and 1991 sp.s. c 1 s 1 are each amended to read as follows:

Pursuant to Article XXVIII, section 1 of the state Constitution and RCW 43.03.010 and 43.03.310, the annual salaries of the state elected officials of the executive branch shall be as follows:

(1) ~~(Effective September 3, 1990:~~

(a) Governor	\$ 99,600
(b) Lieutenant governor	\$ 52,600
(c) Secretary of state	\$ 54,200
(d) Treasurer	\$ 67,000
(e) Auditor	\$ 69,100
(f) Attorney general	\$ 78,000
(g) Superintendent of public instruction	\$ 71,900
(h) Commissioner of public lands	\$ 71,900
(i) Insurance commissioner	\$ 65,800

(2) ~~Effective September 3, 1991:~~

(a) Governor	\$ 112,000
(b) Lieutenant governor	\$ 58,600
(c) Secretary of state	\$ 60,100
(d) Treasurer	\$ 74,400
(e) Auditor	\$ 77,800
(f) Attorney general	\$ 86,400
(g) Superintendent of public instruction	\$ 80,500
(h) Commissioner of public lands	\$ 80,500
(i) Insurance commissioner	\$ 72,700

(3) ~~Effective September 3, 1992:~~

(a) Governor	\$ 121,000
(b) Lieutenant governor	\$ 62,700

(c) Secretary of state	\$ 64,300
(d) Treasurer	\$ 79,500
(e) Auditor	\$ 84,100
(f) Attorney general	\$ 92,000
(g) Superintendent of public instruction	\$ 86,600
(h) Commissioner of public lands	\$ 86,600
(i) Insurance commissioner	\$ 77,200

~~((4))~~ (2) Effective September 1, 1993:

<u>(a) Governor</u>	<u>\$ 121,000</u>
<u>(b) Lieutenant governor</u>	<u>\$ 62,700</u>
<u>(c) Secretary of state</u>	<u>\$ 64,300</u>
<u>(d) Treasurer</u>	<u>\$ 79,500</u>
<u>(e) Auditor</u>	<u>\$ 84,100</u>
<u>(f) Attorney general</u>	<u>\$ 92,000</u>
<u>(g) Superintendent of public instruction</u>	<u>\$ 86,600</u>
<u>(h) Commissioner of public lands</u>	<u>\$ 86,600</u>
<u>(i) Insurance commissioner</u>	<u>\$ 77,200</u>

(3) The lieutenant governor shall receive the fixed amount of his salary plus 1/260th of the difference between his salary and that of the governor for each day that the lieutenant governor is called upon to perform the duties of the governor by reason of the absence from the state, removal, resignation, death, or disability of the governor.

Sec. 2. RCW 43.03.012 and 1991 sp.s. c 1 s 2 are each amended to read as follows:

Pursuant to Article XXVIII, section 1 of the state Constitution and RCW 2.04.092, 2.06.062, 2.08.092, 3.58.010, and 43.03.310, the annual salaries of the judges of the state shall be as follows:

~~(1) ((Effective September 3, 1990:~~

(a) Justices of the supreme court	\$ 89,300
(b) Judges of the court of appeals	\$ 84,900
(c) Judges of the superior court	\$ 80,500
(d) Full-time judges of the district court	\$ 76,600

~~(2) Effective September 3, 1991:~~

(a) Justices of the supreme court	\$ 99,900
(b) Judges of the court of appeals	\$ 95,000
(c) Judges of the superior court	\$ 90,100
(d) Full-time judges of the district court	\$ 85,700

~~(3))~~ Effective September 3, 1992:

(a) Justices of the supreme court	\$ 107,200
(b) Judges of the court of appeals	\$ 101,900
(c) Judges of the superior court	\$ 96,600
(d) Full-time judges of the district court	\$ 91,900

~~((4))~~ (2) Effective September 1, 1993:

<u>(a) Justices of the supreme court</u>	<u>\$ 107,200</u>
--	-------------------

<u>(b) Judges of the court of appeals</u>	<u>\$ 101,900</u>
<u>(c) Judges of the superior court</u>	<u>\$ 96,600</u>
<u>(d) Full-time judges of the district court</u>	<u>\$ 91,900</u>

(3) The salary for a part-time district court judge shall be the proportion of full-time work for which the position is authorized, multiplied by the salary for a full-time district court judge.

Sec. 3. RCW 43.03.013 and 1991 sp.s. c 1 s 3 are each amended to read as follows:

Pursuant to Article XXVIII, section 1 of the state Constitution and RCW 43.03.010 and 43.03.310, the annual salary of members of the legislature shall be:

(1) ((Effective September 3, 1990:	
(a) Legislator	\$ 19,900
(b) Speaker of the house	\$ 21,900
(c) Senate majority leader	\$ 20,900
(d) Senate minority leader	\$ 20,900
(e) House minority leader	\$ 20,900
(2) Effective September 3, 1991:	
(a) Legislator	\$ 23,200
(b) Speaker of the house	\$ 29,000
(c) Senate majority leader	\$ 25,100
(d) Senate minority leader	\$ 25,100
(e) House minority leader	\$ 25,100
(3)) Effective September 3, 1992:	
(a) Legislator	\$ 25,900
(b) Speaker of the house	\$ 33,900
(c) Senate majority leader	\$ 29,900
(d) Senate minority leader	\$ 29,900
(e) House minority leader	\$ 29,900
<u>(2) Effective September 1, 1993:</u>	
<u>(a) Legislator</u>	<u>\$ 25,900</u>
<u>(b) Speaker of the house</u>	<u>\$ 33,900</u>
<u>(c) Senate majority leader</u>	<u>\$ 29,900</u>
<u>(d) Senate minority leader</u>	<u>\$ 29,900</u>
<u>(e) House minority leader</u>	<u>\$ 29,900</u>

Leonard Nord, Chairman
 Washington Citizens' Commission on
 Salaries for Elected Officials

Filed in Office of Secretary of State June 2, 1993

PROPOSED CONSTITUTIONAL AMENDMENTS, 1993 HJR 4200

**PROPOSED CONSTITUTIONAL AMENDMENT
ADOPTED AT THE 1993 REGULAR SESSION
FOR SUBMISSION TO THE VOTERS
AT THE STATE GENERAL ELECTION, NOVEMBER 1993**

HOUSE JOINT RESOLUTION 4200

BE IT RESOLVED, BY THE SENATE AND HOUSE OF REPRESENTATIVES OF THE STATE OF WASHINGTON, IN LEGISLATIVE SESSION ASSEMBLED:

THAT, At the next general election to be held in this state there shall be submitted to the qualified voters of the state for their approval and ratification, or rejection, an amendment to Article I, section 11 of the Constitution of the state of Washington to read as follows:

Article I, section 11. Absolute freedom of conscience in all matters of religious sentiment, belief and worship, shall be guaranteed to every individual, and no one shall be molested or disturbed in person or property on account of religion; but the liberty of conscience hereby secured shall not be so construed as to excuse acts of licentiousness or justify practices inconsistent with the peace and safety of the state. No public money or property shall be appropriated for or applied to any religious worship, exercise or instruction, or the support of any religious establishment: PROVIDED, HOWEVER, That this article shall not be so construed as to forbid the employment by the state of a chaplain for such of the state custodial, correctional, and mental institutions, or by a county's or public hospital district's hospital, health care facility, or hospice, as in the discretion of the legislature may seem justified. No religious qualification shall be required for any public office or employment, nor shall any person be incompetent as a witness or juror, in consequence of his opinion on matters of religion, nor be questioned in any court of justice touching his religious belief to affect the weight of his testimony.

BE IT FURTHER RESOLVED, That the secretary of state shall cause notice of the foregoing constitutional amendment to be published at least four times during the four weeks next preceding the election in every legal newspaper in the state.

Passed the House February 10, 1993.

Passed the Senate April 24, 1993.

Filed in Office of Secretary of State April 27, 1993.

HJR 4201 PROPOSED CONSTITUTIONAL AMENDMENTS, 1993

**PROPOSED CONSTITUTIONAL AMENDMENT
ADOPTED AT THE 1993 REGULAR SESSION
FOR SUBMISSION TO THE VOTERS
AT THE STATE GENERAL ELECTION, NOVEMBER 1993**

HOUSE JOINT RESOLUTION 4201

BE IT RESOLVED, BY THE SENATE AND HOUSE OF REPRESENTATIVES OF THE STATE OF WASHINGTON, IN LEGISLATIVE SESSION ASSEMBLED:

THAT, At the next general election to be held in this state there shall be submitted to the qualified voters of the state for their approval and ratification, or rejection, an amendment to Article IV, section 6 of the Constitution of the state of Washington to read as follows:

Article IV, section 6. Superior courts and district courts have concurrent jurisdiction in cases in equity. The superior court shall have original jurisdiction ~~((in all cases in equity and))~~ in all cases at law which involve the title or possession of real property, or the legality of any tax, impost, assessment, toll, or municipal fine, and in all other cases in which the demand or the value of the property in controversy amounts to three thousand dollars or as otherwise determined by law, or a lesser sum in excess of the jurisdiction granted to justices of the peace and other inferior courts, and in all criminal cases amounting to felony, and in all cases of misdemeanor not otherwise provided for by law; of actions of forcible entry and detainer; of proceedings in insolvency; of actions to prevent or abate a nuisance; of all matters of probate, of divorce, and for annulment of marriage; and for such special cases and proceedings as are not otherwise provided for. The superior court shall also have original jurisdiction in all cases and of all proceedings in which jurisdiction shall not have been by law vested exclusively in some other court; and said court shall have the power of naturalization and to issue papers therefor. They shall have such appellate jurisdiction in cases arising in justices' and other inferior courts in their respective counties as may be prescribed by law. They shall always be open, except on nonjudicial days, and their process shall extend to all parts of the state. Said courts and their judges shall have power to issue writs of mandamus, quo warranto, review, certiorari, prohibition, and writs of habeas corpus, on petition by or on behalf of any person in actual custody in their respective counties. Injunctions and writs of prohibition and of habeas corpus may be issued and served on legal holidays and nonjudicial days.

BE IT FURTHER RESOLVED, That the secretary of state shall cause notice of the foregoing constitutional amendment to be published at least four times during the four weeks next preceding the election in every legal newspaper in the state.

PROPOSED CONSTITUTIONAL AMENDMENTS, 1993 HJR 4201

Passed the House March 8, 1993.

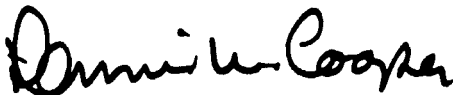
Passed the Senate April 15, 1993.

Filed in Office of Secretary of State April 21, 1993.

AUTHENTICATION

I, Dennis W. Cooper, Code Reviser of the State of Washington, certify that, with the exception of such corrections as I have made in accordance with the powers vested in me by RCW 44.20.060, the laws published in this volume are a true and correct reproduction of the copies of the enrolled laws of the 1993 regular and first special sessions (53rd Legislature), chapters 460 through 521, and 1 through 26, respectively, as certified and transmitted to the Statute Law Committee by the Secretary of State under RCW 44.20.020.

IN TESTIMONY WHEREOF, I have hereunto set my hand at Olympia, Washington, this 25th day of June, 1993.



DENNIS W. COOPER
Code Reviser

INDEX AND TABLES

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BILL NO. TO CHAPTER NO. OF 1993 STATUTES

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Init	134	2	2SSB	5239	343
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		26 E1	SB	5245	328
			SB	5251	444
			SSB	5255	49
			ESB	5260	282
			SSB	5261	210
			SSB	5262	40
			SSB	5263	345
			SB	5265	22
			SSB	5270	472
			SB	5275	67
			ESB	5280	346
			2SSB	5288	130
			SB	5290	205
			SB	5302	117
			E2SSB	5304	492 PV
			ESSB	5307	347 PV
			SB	5309	265
			SSB	5310	266
			SSB	5313	37
			SSB	5316	474
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			SSB	5332	267
			SSB	5337	208 PV
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			SB	5343	431
			SB	5349	211
			ESB	5351	16
			SB	5352	270
			SSB	5357	349
			SB	5358	50
			SSB	5360	350
			ESB	5362	17 PV
			SSB	5368	119
			SB	5370	11 E1
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			SSB	5380	351
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"E1" Denotes 1993 1st special sess.

[3065] "PV" Denotes partial veto by Governor

BILL NO. TO CHAPTER NO. OF 1993 STATUTES

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SSB	5402	352	SSB	5612	172
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ESB	5423	55	SB	5635	360
SB	5426	102	SB	5638	436
ESB	5427	103	SB	5649	480
SSB	5432	56	SB	5660	113
SB	5441	213	SB	5675	361
ESB	5442	121	SSB	5678	104
SSB	5443	354	SSB	5686	481
SB	5444	57	SSB	5688	482
ESSB	5452	355	SB	5689	511
SB	5455	131	SB	5693	60
SSB	5471	356 PV	ESB	5694	148
SB	5474	510 PV	SB	5695	218
SSB	5479	129	SB	5696	61
ESSB	5482	66	SSB	5699	108
SSB	5483	473	ESSB	5702	483
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SSB	5528	435	SSB	5751	284
ESB	5534	359	SSB	5753	14 E1
SSB	5535	123	SB	5759	362
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SB	5572	59	SSB	5802	23
ESSB	5574	476	ESSB	5815	487
SB	5577	477	SSB	5821	39
SB	5578	215	SB	5828	445
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"E1" Denotes 1993 1st special sess.

"PV" Denotes partial veto by Governor [3066]

BILL NO. TO CHAPTER NO. OF 1993 STATUTES

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SB	5851	332	SHB	1014	229
SB	5856	438	HB	1015	230
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SSB	5876	488	HB	1025	232
SSB	5878	188	SHB	1026	233
ESB	5879	274	SHB	1028	152
SB	5883	222	EHB	1033	285
ESSB	5888	519 PV	HB	1035	12
SSB	5889	109	HB	1036	7
SSB	5896	46	HB	1037	8
SB	5903	223	HB	1038	13
SB	5905	65	HB	1041	132
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ESSB	5911	366	SHB	1051	251
SSB	5913	489	SHB	1057	154
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SSB	5922	225	ESHB	1059	396
ESB	5925	16 E1 PV	SHB	1061	235
SSB	5937	52	HB	1062	72
ESSB	5948	367	SHB	1063	160
SB	5956	5	SHB	1064	68
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SSB	5963	490	HB	1068	287
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ESSB	5981	443	ESHB	1085	447
2ESSB	5982	18 E1	ESHB	1086	292
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HOUSE

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SHB	1128	239	HB	1292	167
SHB	1129	403	ESHB	1294	517
HB	1130	24	EHB	1303	6
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HB	1150	165	SHB	1318	244
EHB	1152	76	ESHB	1320	36
SHB	1156	189	HB	1324	79
ESHB	1157	294	SHB	1325	304
HB	1165	241	ESHB	1326	245
HB	1168	295	HB	1328	191
SHB	1169	296	ESHB	1333	497 PV
HB	1174	77	ESHB	1338	128
EHB	1175	371	SHB	1343	144
SHB	1183	513	HB	1344	246
HB	1184	70	HB	1346	450
SHB	1195	297	HB	1347	80
ESHB	1197	312 PV	SHB	1350	376 PV
ESHB	1198	373	HB	1351	158
ESHB	1209	336	SHB	1352	159
SHB	1211	298	EHB	1353	168
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SHB	1214	448	SHB	1356	305
HB	1216	25	SHB	1357	306
HB	1217	26	SHB	1367	377
HB	1218	449	SHB	1370	378
SHB	1219	404	ESHB	1372	406
HB	1225	190	HB	1379	307
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ESHB	1233	242	HB	1395	451
ESHB	1236	495	HB	1400	30
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HB	1244	375	HB	1407	157
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"E1" Denotes 1993 1st special sess.

"PV" Denotes partial veto by Governor [3068]

BILL NO. TO CHAPTER NO. OF 1993 STATUTES

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ESHB	1458	5	EI	SIIB	1612	88	
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SHB	1469	409		HB	1618	142	
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HB	1521	315		HB	1713	384	
ESHB	1524	1	EI	SHB	1721	458	
SHB	1527	34		SHB	1727	419	
SHB	1528	500	PV	SHB	1733	467	
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HB	1559	255		ESHB	1761	6	EI
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ESHB	1562	337		SHB	1766	424	
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SHB	1587	173		ESHB	1785	516	PV

"EI" Denotes 1993 1st special sess.

[3069] "PV" Denotes partial veto by Governor

BILL NO. TO CHAPTER NO. OF 1993 STATUTES

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SHB	1802	259	SHB	2023	430
ESHB	1806	387	ESHB	2026	422
SHB	1808	503 PV	HB	2028	506 PV
HB	1809	460	HB	2032	15
HB	1815	184	SHB	2036	393
SHB	1817	504 PV	HB	2048	372
ESHB	1818	421	ESHB	2054	281
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HB	1884	390 PV			
SHB	1886	391			
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SHB	1910	325			
HB	1911	262			
SHB	1912	463			
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ESHB	1922	338 PV			
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ESHB	1988	226			
HB	1991	179			

"E1" Denotes 1993 1st special sess.

"PV" Denotes partial veto by Governor [3070]

RCW SECTIONS AFFECTED BY 1993 STATUTES

<u>RCW</u>	<u>CH.</u>	<u>SEC.</u>	<u>RCW</u>	<u>CH.</u>	<u>SEC.</u>		
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2.06.020	AMD	420	1	9.94A	ADD	144	5
2.08.064	AMD	14 EI	1	9.94A	ADD	338	4
2.36	ADD	408	1,2	9.94A	ADD	419	1
			3,9	9.94A.030	REMD	164	1
2.36.010	AMD	408	4	9.94A.030	REMD	251	4
2.36.055	AMD	408	5	9.94A.030	REMD	338	2
2.36.063	AMD	408	6	9.94A.060	AMD	11	1
2.36.065	AMD	408	7	9.94A.120	REMD	31	3
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2.56	ADD	415	5	9.95	ADD	144	1,2
2.56.030	AMD	415	3	9.95.011	AMD	144	3
3.34.130	AMD	330	1	9.95.040	AMD	140	1
3.46	ADD	317	1,3,5	9.95.040	AMD	144	4
3.50	ADD	317	2,4,6	9.95.125	AMD	140	2
3.62	ADD	317	7	9.95.130	AMD	140	3
3.62.070	AMD	317	8	9.95.210	AMD	251	3
4.16	ADD	17	5	9.96.050	AMD	140	4
4.16.190	AMD	232	1	9.96A.020	AMD	71	1
4.20.046	AMD	44	1	9A	ADD	128	2-4
4.22.070	AMD	496	1				6-9,11
4.24	ADD	17	1-3	9A.04.080	AMD	214	1
4.24.410	AMD	180	1	9A.36	ADD	127	1,3
4.84.010	AMD	48	1	9A.36.080	AMD	127	2
4.96	ADD	449	5,14	9A.40	ADD	509	1
4.96.010	AMD	449	2	9A.44.010	AMD	477	1
4.96.020	AMD	449	3	9A.44.050	AMD	477	2
5.60.070	AMD	492	422	9A.44.100	AMD	477	3
6.13.010	AMD	200	1	9A.56	ADD	484	1,2
6.13.030	AMD	200	2	9A.60.040	AMD	457	1
6.13.040	AMD	200	3	9A.76.200	AMD	180	2
6.13.080	REMD	200	4	10	ADD	288	1,2
6.15.060	AMD	200	5	10.31.100	AMD	128	5
6.17.080	AMD	449	6	10.31.100	AMD	209	1
7.16	ADD	1	9	10.34.030	AMD	442	1
7.68	ADD	288	3-7	10.64	ADD	355	1
7.68.070	AMD	24 EI	912	10.77.010	AMD	31	4
7.69.020	AMD	350	5	10.77.020	AMD	31	5
7.69.030	AMD	350	6	10.77.150	AMD	31	6
7.69A.020	AMD	350	7	10.77.160	AMD	31	7
7.69A.030	AMD	350	8	10.77.165	AMD	31	8
7.70	ADD	492	419-	10.77.180	AMD	31	9
			421	10.77.190	AMD	31	10
			423	10.77.200	AMD	31	11
7.84.010	AMD	244	2	10.77.210	AMD	31	12
7.84.020	AMD	244	3	10.95	ADD	463	2
8.12.200	AMD	14	1	10.95.030	AMD	479	1
9.41.098	AMD	243	1	10.95.070	AMD	479	2
9.41.280	AMD	347	1	10.95.130	AMD	479	3

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RCW	CH.	SEC.	RCW	CH.	SEC.		
10.95.140	AMD	479	4	13.34.190	AMD	412	3
10.97.070	AMD	128	10	13.34.232	AMD	412	4
10.98.110	AMD	31	1	13.40	ADD	171	1
10.99.030	AMD	350	3	13.40	ADD	373	2
11	ADD	236	1	13.40.020	AMD	373	1
11.02	ADD	291	2,3	13.40.027	AMD	415	9
11.02.005	AMD	73	1	13.40.215	AMD	27	1
11.02.090	REP	291	4	13.40.220	AMD	466	1
11.08.250	AMD	49	2	13.50.010	AMD	374	1
11.08.260	AMD	49	3	13.70.005	REMD	505	1
11.62.010	REMD	291	1	13.70.100	AMD	505	2
11.95	ADD	339	7-12	13.70.140	AMD	505	4
11.97.010	AMD	339	1	14.20.010	AMD	208	1
11.98	ADD	339	2-6	14.20.020	AMD	208	2
11.104.050	AMD	161	1	15.13	ADD	120	7,13
11.108.010	AMD	73	2				16
11.108.020	AMD	73	3	15.13.250	AMD	120	1
11.108.025	AMD	73	4	15.13.260	AMD	120	2
11.108.050	AMD	73	5	15.13.270	AMD	120	3
11.110.010	AMD	471	25	15.13.280	AMD	120	4
11.110.040	AMD	471	26	15.13.310	AMD	120	5
11.110.050	AMD	471	27	15.13.320	AMD	120	6
11.110.060	AMD	471	28	15.13.370	AMD	120	8
11.110.070	AMD	471	29	15.13.390	AMD	120	9
11.110.075	AMD	471	30	15.13.400	AMD	120	10
11.110.080	AMD	471	31	15.13.410	AMD	120	11
11.110.125	AMD	471	32	15.13.420	AMD	120	12
11.110.130	AMD	471	33	15.13.430	AMD	120	14
11.110.200	AMD	73	6	15.13.440	AMD	120	15
11.110.210	AMD	73	7	15.13.470	AMD	120	17
11.110.220	AMD	73	8	15.13.480	AMD	120	18
11.110.240	REP	73	12	15.35.010	AMD	345	1
12.20.060	AMD	341	1	15.35.030	AMD	345	2
13	ADD	294	1-8	15.35.060	AMD	345	3
13.04	ADD	415	6	15.35.070	AMD	345	5
13.06.050	AMD	415	7	15.35.080	AMD	345	4
13.34	ADD	241	3	15.35.100	AMD	345	6
13.34	ADD	412	5,6	15.35.105	AMD	345	7
13.34.030	AMD	241	1	15.35.110	AMD	345	8
13.34.070	AMD	358	1	15.35.115	AMD	345	9
13.34.100	AMD	241	2	15.35.150	AMD	345	10
13.34.110	AMD	412	7	15.35.250	AMD	345	11
13.34.120	AMD	412	8	15.36.105	AMD	19 E1	1
13.34.145	AMD	412	1	15.36.115	REMD	212	1
13.34.150	AMD	412	9	15.36.580	REP	212	4
13.34.160	AMD	358	2	15.36.595	AMD	212	3
13.34.162	AMD	412	10	15.53.9014	AMD	19 E1	2
13.34.162	REP	358	6	15.54	ADD	183	2,3
13.34.180	AMD	358	3	15.54.270	AMD	183	1
13.34.180	AMD	412	2	15.54.272	REP	183	15

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<u>RCW</u>	<u>CH.</u>	<u>SEC.</u>	<u>RCW</u>	<u>CH.</u>	<u>SEC.</u>
15.54.274	REP	183	15	15.60.170	AMD 89 17
15.54.276	REP	183	15	15.60.180	AMD 89 18
15.54.278	REP	183	15	15.60.200	REP 89 21
15.54.280	REP	183	15	15.65.020	AMD 80 2
15.54.281	REP	183	15	15.66.010	AMD 80 3
15.54.282	REP	183	15	15.76.120	AMD 163 1
15.54.284	REP	183	15	16.36	ADD 80 1
15.54.286	REP	183	15	16.36	ADD 105 4
15.54.288	REP	183	15	16.49A.600	AMD 166 1
15.54.290	REP	183	15	16.57	ADD 105 3
15.54.292	REP	183	15	16.57	ADD 354 10
15.54.294	REP	183	15	16.57.010	AMD 105 2
15.54.296	REP	183	15	16.57.080	AMD 354 5
15.54.297	REP	183	15	16.57.090	AMD 354 6
15.54.298	REP	183	15	16.57.140	AMD 354 7
15.54.300	REP	183	15	16.57.220	AMD 354 8
15.54.302	REP	183	15	16.57.390	REP 354 12
15.54.304	REP	183	15	16.57.400	AMD 354 9
15.54.306	REP	183	15	16.57.410	AMD 354 11
15.54.307	REP	183	15	16.58.050	AMD 354 3
15.54.320	REP	183	15	16.58.130	AMD 354 4
15.54.330	AMD	183	4	16.65.030	AMD 354 1
15.54.340	AMD	183	5	16.65.090	AMD 354 2
15.54.350	AMD	183	6	16.67	ADD 40 3
15.54.362	AMD	183	7	16.67.040	AMD 40 1
15.54.370	AMD	183	8	16.67.050	AMD 40 2
15.54.380	AMD	183	9	16.67.060	AMD 40 4
15.54.414	AMD	183	10	16.74.570	AMD 166 2
15.54.420	AMD	183	11	17.21.070	AMD 19 E1 4
15.54.436	AMD	183	12	17.21.110	AMD 19 E1 5
15.54.470	AMD	183	13	17.21.122	AMD 19 E1 6
15.54.800	AMD	183	14	17.21.126	AMD 19 E1 7
15.58.415	AMD	19 E1	3	17.21.129	AMD 19 E1 8
15.60	ADD	89	19,20	17.21.220	AMD 19 E1 9
15.60.005	AMD	89	1	17.21.360	AMD 19 E1 10
15.60.007	AMD	89	2	18	ADD 260 1-23
15.60.010	AMD	89	3	18.08.350	AMD 475 1
15.60.015	AMD	89	4	18.08.350	AMD 475 2
15.60.020	AMD	89	5	18.11	ADD 348 1
15.60.025	AMD	89	6	18.19.130	AMD 259 1
15.60.030	AMD	89	7	18.19.910	REP 165 1
15.60.040	AMD	89	8	18.19.911	REP 165 1
15.60.042	AMD	89	9	18.22	ADD 29 1
15.60.043	AMD	89	10	18.22.040	AMD 29 2
15.60.050	AMD	89	11	18.27.010	AMD 454 2
15.60.100	AMD	89	12	18.27.020	AMD 454 6
15.60.110	AMD	89	13	18.27.100	AMD 454 3
15.60.120	AMD	89	14	18.27.102	AMD 454 4
15.60.140	AMD	89	15	18.27.110	AMD 454 5
15.60.150	AMD	89	16	18.27.200	AMD 454 7

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<u>RCW</u>	<u>CH.</u>	<u>SEC.</u>	<u>RCW</u>	<u>CH.</u>	<u>SEC.</u>
18.27.210	AMD	454	8	18.85.310	AMD 50 2
18.27.230	AMD	454	9	18.85.315	AMD 50 3
18.27.310	AMD	454	10	18.88.280	AMD 225 1
18.27.320	AMD	454	11	18.92	ADD 78 2
18.29	ADD	323	2-4	18.92.015	AMD 78 1
18.35	ADD	313	12	18.92.030	AMD 78 3
18.35.010	AMD	313	1	18.92.060	AMD 78 4
18.35.050	AMD	313	2	18.92.125	AMD 78 5
18.35.060	AMD	313	3	18.92.140	AMD 78 6
18.35.110	AMD	313	4	18.92.145	AMD 78 7
18.35.140	AMD	313	5	18.96.040	AMD 35 1
18.35.150	AMD	313	6	18.96.080	AMD 35 2
18.35.161	AMD	313	7	18.96.090	AMD 35 3
18.35.170	AMD	313	8	18.96.100	AMD 35 4
18.35.185	AMD	313	9	18.96.110	REMD 35 5
18.35.220	AMD	313	10	18.96.150	AMD 35 6
18.35.240	AMD	313	11	18.100.120	AMD 290 1
18.36A.910	REP	90	1	18.104	ADD 387 7,9,11
18.36A.911	REP	90	1		
18.39	ADD	43	2		
18.39.290	AMD	43	1	18.104.010	AMD 387 1
18.51	ADD	492	268	18.104.020	AMD 387 2
18.57A.020	AMD	28	1	18.104.030	AMD 387 3
18.57A.030	AMD	28	2	18.104.040	AMD 387 4
18.57A.040	AMD	28	3	18.104.043	AMD 387 5
18.57A.050	AMD	28	4	18.104.048	AMD 387 6
18.64	ADD	367	14	18.104.050	AMD 387 8
18.64.160	AMD	367	13	18.104.060	AMD 387 10
18.64.260	REP	367	23	18.104.070	AMD 387 12
18.64A	ADD	367	16	18.104.080	AMD 387 16
18.64A.050	AMD	367	15	18.104.100	AMD 387 17
18.68	ADD	492	266	18.104.110	AMD 387 18
			267	18.104.120	AMD 387 19
18.71A.020	AMD	28	5	18.104.150	AMD 387 20
18.71A.030	AMD	28	6	18.104.155	AMD 387 21
18.71A.040	AMD	28	7	18.104.180	AMD 387 24
18.71A.050	AMD	28	8	18.104.900	AMD 387 26
18.71A.070	REP	367	23	18.130	ADD 360 1
18.72.340	AMD	367	17	18.130	ADD 367 2,7
18.72.380	AMD	367	18	18.130	ADD 492 408
18.73.081	AMD	254	1		
18.74	ADD	133	1	18.130.040	AMD 367 4
18.74.029	AMD	133	2	18.130.050	AMD 367 5
18.76	ADD	343	3,5	18.130.050	AMD 367 21
18.76.010	AMD	343	1	18.130.090	AMD 367 1
18.76.030	AMD	343	2	18.130.160	AMD 367 6
18.76.040	REP	343	6	18.130.165	AMD 367 20
18.76.060	AMD	343	4	18.130.175	AMD 367 3
18.85	ADD	50	4	18.130.180	REMD 367 22
18.85.220	AMD	50	1	18.130.185	AMD 367 8

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<u>RCW</u>	<u>CH.</u>	<u>SEC.</u>	<u>RCW</u>	<u>CH.</u>	<u>SEC.</u>
18.130.186	AMD	367	9	19.09.240	AMD 471 14
18.130.190	AMD	367	19	19.09.271	AMD 471 8
18.130.300	AMD	367	10	19.09.275	AMD 471 15
18.135	ADD	367	12	19.09.305	AMD 471 16
18.135.060	REMD	13	1	19.09.315	AMD 471 17
18.135.070	AMD	367	11	19.27A.035	AMD 64 2
18.135.080	REP	367	23	19.28.005	AMD 275 1
18.140	ADD	30	16,19	19.28.010	AMD 275 2
18.140.005	AMD	30	1	19.28.060	AMD 275 3
18.140.010	AMD	30	2	19.28.550	AMD 192 1
18.140.020	AMD	30	3	19.31.020	AMD 499 1
18.140.030	AMD	30	4	19.31.030	AMD 499 2
18.140.040	AMD	30	5	19.31.040	AMD 499 3
18.140.060	AMD	30	6	19.31.100	AMD 499 4
18.140.070	AMD	30	7	19.31.150	AMD 499 5
18.140.080	AMD	30	8	19.31.170	AMD 499 6
18.140.090	AMD	30	9	19.31.190	AMD 499 7
18.140.100	AMD	30	10	19.31.245	AMD 499 8
18.140.110	AMD	30	11	19.68.010	AMD 492 233
18.140.120	AMD	30	12	19.85.020	AMD 280 34
18.140.130	AMD	30	13	19.86	ADD 125 2
18.140.140	AMD	30	14	19.86.110	AMD 125 1
18.140.150	AMD	30	15	19.146	ADD 468 4-11
18.140.160	AMD	30	17		14-19
18.140.170	AMD	30	18		21
18.140.180	AMD	30	20	19.146.005	AMD 468 1
18.140.190	AMD	30	21	19.146.010	AMD 468 2
18.140.900	AMD	30	22	19.146.020	AMD 468 3
18.140.911	REP	30	24	19.146.030	AMD 468 12
19	ADD	324	1-9	19.146.070	AMD 468 13
19	ADD	456	1-16	19.146.110	AMD 468 20
19	ADD	476	1-18	19.150.060	AMD 498 5
19.02.020	AMD	142	3	19.150.080	AMD 498 6
19.02.030	AMD	142	4	20.01.030	REMD 104 1
19.02.038	REP	142	1	20.01.130	AMD 24 E1 929
19.02.040	REP	142	1	21	ADD 287 1-12
19.09	ADD	471	18-23	21.20	ADD 470 1,2
19.09.020	AMD	471	1	21.20.005	AMD 470 4
19.09.065	AMD	471	2	21.20.005	AMD 472 14
19.09.075	AMD	471	3	21.20.030	AMD 114 1
19.09.076	AMD	471	4	21.20.110	AMD 470 3
19.09.078	REP	471	40	21.20.450	AMD 472 15
19.09.079	AMD	471	5	21.20.720	AMD 472 16
19.09.085	AMD	471	6	23.86.070	AMD 269 1
19.09.097	AMD	471	7	23B.01.220	AMD 269 2
19.09.100	AMD	471	9	23B.01.530	AMD 269 3
19.09.190	AMD	471	10	23B.01.560	AMD 269 4
19.09.200	AMD	471	11	23B.07	ADD 290 4
19.09.210	AMD	471	12	23B.14.300	AMD 290 3
19.09.230	AMD	471	13	23B.15	ADD 181 5

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RCW	CH.	SEC.	RCW	CH.	SEC.	
23B.15.010	AMD	181	11	26.18.140	AMD 426	11
23B.16.220	AMD	290	5	26.18.150	AMD 426	12
24.03	ADD	181	6	26.18.160	AMD 426	13
24.03.046	AMD	356	1	26.18.170	AMD 426	14
24.03.047	AMD	356	2	26.19.071	AMD 358	4
24.03.055	AMD	356	3	26.19.075	AMD 358	5
24.03.240	AMD	356	4	26.21	ADD 318	101-903
24.03.302	AMD	356	5	26.21.010	REP 318	904
24.03.305	AMD	181	12	26.21.020	REP 318	904
24.03.345	AMD	356	6	26.21.030	REP 318	904
24.03.370	AMD	356	7	26.21.040	REP 318	904
24.03.386	AMD	356	8	26.21.050	REP 318	904
24.03.388	AMD	356	9	26.21.060	REP 318	904
24.03.395	AMD	356	10	26.21.070	REP 318	904
24.03.400	AMD	356	11	26.21.080	REP 318	904
24.03.405	AMD	269	5	26.21.090	REP 318	904
24.03.410	AMD	269	6	26.21.092	REP 318	904
24.06	ADD	356	21	26.21.094	REP 318	904
24.06.046	AMD	356	13	26.21.100	REP 318	904
24.06.047	AMD	356	14	26.21.102	REP 318	904
24.06.050	AMD	356	15	26.21.104	REP 318	904
24.06.055	AMD	356	16	26.21.106	REP 318	904
24.06.275	AMD	356	17	26.21.110	REP 318	904
24.06.290	AMD	356	18	26.21.112	REP 318	904
24.06.380	AMD	356	19	26.21.114	REP 318	904
24.06.415	AMD	356	20	26.21.116	REP 318	904
24.06.440	AMD	356	22	26.21.120	REP 318	904
24.06.445	AMD	356	23	26.21.130	REP 318	904
24.06.450	AMD	269	7	26.21.140	REP 318	904
24.06.455	AMD	269	8	26.21.150	REP 318	904
24.06.520	AMD	269	9	26.21.160	REP 318	904
24.20.020	AMD	269	10	26.21.170	REP 318	904
24.24.100	AMD	269	11	26.21.180	REP 318	904
26.04.160	AMD	451	1	26.21.190	REP 318	904
26.09.220	AMD	289	1	26.21.200	REP 318	904
26.10.130	AMD	289	2	26.21.210	REP 318	904
26.12	ADD	435	2	26.21.220	REP 318	904
26.12.050	AMD	15	1	26.21.230	REP 318	904
26.12.060	AMD	289	3	26.21.240	REP 318	904
26.12.175	AMD	289	4	26.21.250	REP 318	904
26.18.010	AMD	426	1	26.21.260	REP 318	904
26.18.020	AMD	426	2	26.21.270	REP 318	904
26.18.030	AMD	426	3	26.21.900	REP 318	904
26.18.040	AMD	426	4	26.23.040	AMD 480	1
26.18.050	AMD	426	5	26.23.050	AMD 207	1
26.18.070	AMD	426	6	26.23.110	REMD 12	1
26.18.090	AMD	426	7	26.33.020	AMD 81	1
26.18.100	AMD	426	8	26.33.340	AMD 81	2
26.18.110	AMD	426	9	26.33.345	AMD 81	3
26.18.120	AMD	426	10	26.33.380	AMD 81	4

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<u>RCW</u>	<u>CH.</u>	<u>SEC.</u>	<u>RCW</u>	<u>CH.</u>	<u>SEC.</u>
26.44	ADD	402	2	28A.235.100	AMD 333 5
26.44	ADD	412	11,18	28A.235.140	AMD 333 1
26.44.020	AMD	402	1	28A.300	ADD 336 301
26.44.020	AMD	412	12		407
26.44.030	AMD	237	1		408
26.44.030	AMD	412	13		502
26.44.040	AMD	412	14	28A.300.130	AMD 336 501
26.44.053	REMD	241	4	28A.300.260	AMD 217 1
26.44.063	AMD	412	15	28A.300.260	RECD 217 2
26.44.067	AMD	412	16	28A.305	ADD 336 302
26.44.100	AMD	412	17	28A.305.190	AMD 218 1
26.50.035	AMD	350	2	28A.310	ADD 336 705
27.12	ADD	284	1	28A.310.020	AMD 24 EI 522
27.12.010	AMD	284	2	28A.310.200	REMD 298 1
27.12.070	AMD	284	3	28A.315.030	AMD 416 1
27.34	ADD	325	3,4	28A.315.060	AMD 416 2
27.34.010	AMD	101	9	28A.315.080	AMD 416 3
27.34.020	AMD	101	10	28A.320	ADD 336 1006
27.34.040	AMD	101	11	28A.320	ADD 347 2
27.34.090	REP	101	15	28A.335	ADD 461 3
27.34.250	AMD	101	12	28A.400	ADD 386 13
27.34.250	AMD	185	1	28A.400	ADD 519 11
27.34.900	AMD	101	13	28A.400.200	REMD 492 225
28A	ADD	4 EI	15	28A.400.212	AMD 86 8
28A	ADD	336	701-704 706-709	28A.400.212	AMD 519 14
				28A.400.350	REMD 492 226
28A	ADD	349	1	28A.400.391	AMD 386 2
28A.150	ADD	68	1	28A.405	ADD 336 404
28A.150	ADD	223	1		405
28A.150.210	AMD	336	101	28A.405.140	AMD 336 403
28A.150.220	AMD	371	1	28A.410.030	AMD 336 801
28A.150.220	AMD	371	2	28A.415	ADD 217 2
28A.150.280	REEN	111	1	28A.415	ADD 336 402
28A.150.390	AMD	149	9	28A.415.250	AMD 336 401
28A.155	ADD	149	8	28A.500.010	AMD 410 1
28A.165.070	AMD	24 EI	520	28A.500.010	AMD 465 2
28A.195.010	AMD	336	1101	28A.600.060	AMD 371 4
28A.200.010	AMD	336	1103	28A.600.310	AMD 222 1
28A.205.010	AMD	211	1	28A.630	ADD 335 11
28A.205.020	AMD	211	2	28A.630	ADD 336 201
28A.205.030	AMD	211	3		602
28A.205.030	AMD	218	2		1001-1005
28A.205.050	AMD	211	4	28A.630.860	REP 335 12
28A.205.060	AMD	211	5	28A.630.862	AMD 335 2
28A.205.070	AMD	211	6	28A.630.864	AMD 335 3
28A.205.080	AMD	211	7	28A.630.866	AMD 335 4
28A.205.090	AMD	211	8	28A.630.868	AMD 335 5
28A.225.220	AMD	336	1008	28A.630.870	AMD 335 6
28A.230.090	REMD	371	3	28A.630.874	AMD 335 7
28A.235	ADD	333	2-4	28A.630.876	AMD 335 8

RCW SECTIONS AFFECTED BY 1993 STATUTES

<u>RCW</u>	<u>CH.</u>	<u>SEC.</u>	<u>RCW</u>	<u>CH.</u>	<u>SEC.</u>		
28A.630.878	AMD	335	9	28B.15.628	AMD	18 E1	25
28A.630.878	AMD	336	603	28B.15.725	AMD	18 E1	26
28A.630.880	AMD	335	10	28B.15.730	AMD	18 E1	27
28A.630.884	REP	336	1201	28B.15.740	AMD	18 E1	28
28A.630.885	AMD	334	1	28B.15.750	AMD	18 E1	29
28A.630.885	AMD	336	202	28B.15.756	AMD	18 E1	30
28A.635.060	AMD	347	3	28B.15.820	AMD	173	1
28B	ADD	181	1-4	28B.15.820	AMD	385	1
28B	ADD	447	1-5	28B.15.824	REP	18 E1	14
28B.10	ADD	15 E1	2-7	28B.15.824	REP	379	206
28B.10	ADD	145	1	28B.15.910	AMD	18 E1	31
28B.10	ADD	250	1	28B.16	ADD	379	310
28B.10	ADD	379	101	28B.16.010	REP	281	68
28B.10	ADD	414	1-4	28B.16.020	REP	281	68
28B.10	ADD	514	1-4	28B.16.030	REP	281	68
28B.10.265	AMD	18 E1	1	28B.16.040	AMD	379	305
28B.10.290	REP	500	11	28B.16.040	REP	281	68
28B.10.350	AMD	379	109	28B.16.041	REP	281	68
28B.10.355	AMD	379	110	28B.16.042	REP	281	68
28B.10.660	AMD	9 E1	1	28B.16.043	REP	281	68
28B.10.710	AMD	77	1	28B.16.060	REP	281	68
28B.10.800	AMD	18 E1	2	28B.16.070	REP	281	68
28B.12.040	AMD	385	3	28B.16.080	REP	281	68
28B.12.060	AMD	18 E1	3	28B.16.090	REP	281	68
28B.12.060	AMD	281	14	28B.16.100	REP	281	68
28B.15	ADD	379	205	28B.16.101	REP	281	68
28B.15.012	REMD	18 E1	4	28B.16.105	REP	281	68
28B.15.014	AMD	18 E1	5	28B.16.110	REP	281	68
28B.15.031	AMD	18 E1	6	28B.16.112	REP	281	68
28B.15.031	AMD	379	201	28B.16.113	REP	281	68
28B.15.100	AMD	18 E1	7	28B.16.116	REP	281	68
28B.15.202	AMD	18 E1	8	28B.16.120	REP	281	68
28B.15.202	AMD	379	202	28B.16.130	REP	281	68
28B.15.225	AMD	18 E1	9	28B.16.140	REP	281	68
28B.15.380	AMD	18 E1	10	28B.16.150	REP	281	68
28B.15.402	AMD	18 E1	11	28B.16.160	REP	281	68
28B.15.402	AMD	379	203	28B.16.170	REP	281	68
28B.15.502	AMD	18 E1	12	28B.16.180	REP	281	68
28B.15.502	AMD	379	204	28B.16.190	REP	281	68
28B.15.515	AMD	15 E1	8	28B.16.200	AMD	379	307
28B.15.515	AMD	18 E1	13	28B.16.200	REP	281	68
28B.15.520	AMD	18 E1	16	28B.16.210	REP	281	68
28B.15.522	AMD	18 E1	17	28B.16.220	REP	281	68
28B.15.527	AMD	18 E1	18	28B.16.230	REP	281	68
28B.15.543	AMD	18 E1	19	28B.16.240	RECD	281	70
28B.15.545	AMD	18 E1	20	28B.16.255	REP	281	68
28B.15.556	AMD	18 E1	21	28B.16.265	REP	281	68
28B.15.600	AMD	18 E1	22	28B.16.275	REP	281	68
28B.15.615	AMD	18 E1	23	28B.16.300	REP	281	68
28B.15.620	AMD	18 E1	24	28B.16.900	REP	281	69

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RCW	CH.	SEC.	RCW	CH.	SEC.		
28B.16.910	REP	281	69	29.15.025	AMD	317	10
28B.16.920	REP	281	69	29.27.060	AMD	256	8
28B.16.930	REP	281	69	29.27.065	AMD	256	11
28B.35.361	REP	18 E1	14	29.27.067	AMD	256	12
28B.35.751	AMD	411	2	29.36	ADD	417	2
28B.40.361	REP	18 E1	14	29.36.013	AMD	418	1
28B.50	ADD	87	3,4	29.36.016	REP	418	2
28B.50	ADD	94	2,3	29.36.120	AMD	417	1
28B.50	ADD	188	3	29.36.122	AMD	417	3
28B.50	ADD	218	3	29.36.126	AMD	417	4
28B.50.259	AMD	18 E1	32	29.36.130	AMD	417	5
28B.50.330	AMD	379	108	29.36.139	AMD	417	6
28B.50.837	AMD	87	1	29.36.150	AMD	417	7
28B.50.839	AMD	87	2	29.51	ADD	1	6
28B.50.851	REMD	188	1	29.64.015	AMD	377	1
28B.50.858	REP	188	4	29.68	ADD	1	4,5,8
28B.50.869	AMD	188	2	29.79	ADD	256	1,5,7
28B.70.050	AMD	18 E1	33	29.79.040	AMD	256	9
28B.80	ADD	363	2-5	29.79.110	AMD	256	10
28B.80.330	AMD	363	6	29.79.200	AMD	368	1
28B.80.350	AMD	77	2	29.79.440	AMD	256	2
28B.80.580	AMD	18 E1	34	29.79.480	AMD	256	3
28B.85	ADD	181	7	29.79.490	AMD	256	4
28B.101.040	AMD	18 E1	35	30.04	ADD	324	10
28B.101.040	AMD	385	2	30.22	ADD	229	118
28B.102.020	AMD	18 E1	36	31.04.105	AMD	190	1
28B.102.060	AMD	423	1	31.04.115	AMD	405	1
28B.108.060	AMD	372	1	31.12	ADD	324	11
28B.108.070	AMD	372	2	31.12.085	AMD	269	12
28B.115.080	AMD	492	271	31.45.010	AMD	143	1
28B.115.120	AMD	423	2	31.45.030	AMD	176	1
28B.125	ADD	323	5	32.04	ADD	324	12
28B.125.010	AMD	492	270	33.04	ADD	324	13
28C	ADD	380	1-3	33.28.010	AMD	269	13
28C.10.020	AMD	445	1	34.05	ADD	202	3,4
28C.10.084	AMD	445	2	34.05.030	AMD	281	15
28C.10.120	AMD	445	3	34.05.310	AMD	202	2
28C.10.910	REP	445	5	34.05.630	AMD	277	1
28C.18.060	AMD	280	17	34.05.640	AMD	277	2
29	ADD	434	1-9	34.12.020	AMD	281	16
29.04.150	AMD	441	1	35.02.190	AMD	262	3
29.04.160	AMD	408	10	35.02.205	AMD	262	4
29.04.160	AMD	441	2	35.10	ADD	75	2
29.07	ADD	383	1	35.13	ADD	189	2-6
29.07.040	REP	434	12	35.14.010	AMD	75	1
29.07.160	AMD	383	2	35.17.320	REP	256	14
29.07.220	AMD	408	11	35.20.030	AMD	83	3
29.10.180	AMD	417	8	35.21	ADD	83	1
29.10.180	AMD	434	10	35.21	ADD	439	1
29.15	ADD	1	7	35.21	ADD	461	4

RCW SECTIONS AFFECTED BY 1993 STATUTES

RCW	CH.	SEC.	RCW	CH.	SEC.	
35.21.755	AMD	220	35.87A.170	AMD	429	10
35.21.770	AMD	303	35.92	ADD	204	2
35.22.280	AMD	83	35.92.355	AMD	204	5
35.22.620	AMD	198	35A.11.020	AMD	83	8
35.23.352	AMD	198	35A.11.110	AMD	303	2
35.23.440	AMD	83	35A.12.110	AMD	199	3
35.24.020	AMD	47	35A.14	ADD	75	3
35.24.180	AMD	199	35A.21	ADD	439	2
35.24.230	REP	83	35A.29.120	AMD	256	13
35.24.290	AMD	83	35A.31.030	AMD	449	9
35.27.070	AMD	47	35A.57.010	REP	240	19
35.27.130	AMD	47	35A.63	ADD	478	9,21
35.27.270	AMD	199	35A.80	ADD	204	3
35.27.320	REP	83	36	ADD	285	1-15
35.27.370	AMD	83	36.01	ADD	83	2
35.31.010	REP	449	36.16.134	AMD	449	4
35.31.020	AMD	449	36.16.134	RECD	449	14
35.31.030	REP	449	36.18.020	AMD	435	1
35.31.040	AMD	449	36.22.170	AMD	37	1
35.58.030	AMD	240	36.28A	ADD	127	4
35.58.040	AMD	240	36.32	ADD	439	3
35.58.090	AMD	240	36.32.120	AMD	83	9
35.58.118	REP	240	36.32.240	AMD	198	5
35.58.120	AMD	240	36.32.245	AMD	198	7
35.58.230	AMD	240	36.32.245	AMD	233	1
35.58.270	AMD	240	36.32.250	AMD	198	8
35.58.300	AMD	240	36.32.253	AMD	198	6
35.58.320	AMD	240	36.34	ADD	461	5
35.58.340	AMD	240	36.34.080	REMD	8	1
35.58.350	AMD	240	36.34.135	AMD	461	6
35.58.410	AMD	240	36.45.010	AMD	449	10
35.58.440	REP	240	36.45.020	REP	449	13
35.58.450	AMD	240	36.45.030	REP	449	13
35.58.460	AMD	240	36.68	ADD	84	1
35.58.490	AMD	240	36.70	ADD	478	10,22
35.58.500	AMD	240	36.70A	ADD	6 E1	5
35.58.520	AMD	240	36.70A	ADD	478	11,23
35.58.530	AMD	240	36.70A.040	AMD	6 E1	1
35.61.100	AMD	247	36.70A.110	AMD	6 E1	2
35.63	ADD	478	36.70A.120	AMD	6 E1	3
35.82.070	AMD	478	36.70A.210	AMD	6 E1	4
35.87A.010	AMD	429	36.78.020	AMD	65	1
35.87A.020	AMD	429	36.78.050	AMD	65	2
35.87A.030	AMD	429	36.78.070	AMD	65	3
35.87A.050	AMD	429	36.89	ADD	361	1
35.87A.060	AMD	429	36.93	ADD	235	10
35.87A.080	AMD	429	36.94	ADD	361	2
35.87A.090	AMD	429	38.08	ADD	263	2
35.87A.100	AMD	429	38.08.040	AMD	263	1
35.87A.140	AMD	429	38.52	ADD	206	2

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RCW	CH.	SEC.	RCW	CH.	SEC.
38.52	ADD	251			468
38.52.010	AMD	206	41.05.011	AMD	386
38.52.010	AMD	251	41.05.011	AMD	492
39	ADD	273	41.05.021	AMD	386
39	ADD	378	41.05.021	AMD	492
39.04	ADD	110	41.05.050	AMD	386
39.04.010	AMD	174	41.05.050	AMD	492
39.04.020	AMD	379	41.05.055	AMD	386
39.04.150	AMD	379	41.05.055	AMD	492
39.04.155	AMD	198	41.05.065	AMD	386
39.04.190	AMD	198	41.05.065	AMD	492
39.04.200	AMD	198	41.05.075	AMD	386
39.12	ADD	404	41.05.080	AMD	386
39.12.042	AMD	404	41.05.120	AMD	492
39.12.070	AMD	404	41.05.140	AMD	386
39.19	ADD	195	41.05.140	AMD	492
39.19	ADD	512	41.06	ADD	281
39.19.060	AMD	512			8-13
39.29	ADD	433			70
			41.06	ADD	379
			41.06.020	REMD	281
39.29	ADD	519	41.06.030	AMD	281
39.29.003	AMD	433	41.06.070	AMD	2
39.29.006	AMD	433	41.06.070	AMD	E1
39.29.018	AMD	433	41.06.070	AMD	281
39.30.045	AMD	198	41.06.070	AMD	379
39.36.020	AMD	240	41.06.076	AMD	281
39.42.060	REMD	52	41.06.079	AMD	281
39.80	ADD	433	41.06.093	AMD	281
39.84.130	AMD	139	41.06.110	AMD	281
40.04.090	AMD	169	41.06.130	AMD	281
40.07	ADD	74	41.06.150	AMD	24
41.04	ADD	194	41.06.150	AMD	E1
41.04.205	AMD	386	41.06.155	AMD	281
41.04.230	AMD	2	41.06.160	AMD	281
41.04.235	AMD	386	41.06.163	AMD	281
41.04.260	AMD	34	41.06.170	AMD	281
41.04.340	AMD	281	41.06.186	AMD	281
41.04.370	AMD	194	41.06.196	AMD	281
41.04.375	AMD	194	41.06.230	DECD	281
41.04.380	AMD	194	41.06.240	DECD	281
41.04.385	AMD	194	41.06.280	AMD	281
41.04.615	AMD	34	41.06.280	AMD	379
41.04.670	AMD	281	41.06.310	DECD	281
41.05	ADD	386	41.06.340	AMD	281
41.05	ADD	492	41.06.350	AMD	281
			41.06.430	REP	281
			41.06.450	AMD	281
			41.06.475	AMD	281
			41.08.040	AMD	47
			41.12.040	AMD	47
			41.12.050	AMD	189
					1

RCW SECTIONS AFFECTED BY 1993 STATUTES

<u>RCW</u>	<u>CH.</u>	<u>SEC.</u>	<u>RCW</u>	<u>CH.</u>	<u>SEC.</u>
41.24	ADD	331	2-4	41.56.030	REMD 379 302
41.24.010	AMD	331	1	41.56.030	REMD 397 1
41.26	ADD	95	3	41.56.030	REMD 398 1
41.26	ADD	517	1	41.56.123	AMD 398 4
41.26.030	AMD	322	1	41.56.460	AMD 397 2
41.26.030	AMD	502	1	41.56.460	AMD 398 2
41.26.420	AMD	517	2	41.56.460	AMD 502 5
41.26.430	AMD	517	3	41.56.460	AMD 517 10
41.26.450	AMD	502	2	41.56.460	REP 398 5
41.26.470	AMD	517	4	41.56.475	AMD 351 1
41.26.510	AMD	236	3	41.56.495	REP 398 6
41.26.520	AMD	95	4	41.58.020	AMD 379 303
41.26.530	AMD	517	5	41.60.010	AMD 467 1
41.26.540	AMD	517	6	41.60.015	AMD 467 2
41.26.550	AMD	517	7	41.60.020	AMD 467 3
41.32	ADD	95	5	41.60.100	AMD 467 4
41.32	ADD	519	2,6	41.60.110	AMD 467 5
41.32.010	REMD	95	7	41.60.120	AMD 467 6
41.32.034	REP	95	10	41.60.160	AMD 467 7
41.32.355	REP	95	10	41.64.090	AMD 281 41
41.32.520	AMD	16	1	41.64.900	DECD 281 71
41.32.805	AMD	236	4	42.12.010	AMD 317 9
41.32.810	AMD	95	6	42.16.010	AMD 281 42
41.40	ADD	95	1	42.17	ADD 2 1-19
41.40	ADD	502	3		
41.40	ADD	506	2		23-25
41.40	ADD	519	3		29,30
41.40.010	REMD	95	8	42.17.090	AMD 256 6
41.40.023	REMD	319	1	42.17.095	AMD 2 20
41.40.700	AMD	236	5	42.17.125	AMD 2 21
41.40.710	AMD	95	2	42.17.180	AMD 2 27
41.45.030	AMD	519	17	42.17.240	AMD 2 31
41.45.040	AMD	519	18	42.17.2401	AMD 2 E1 18
41.45.060	AMD	519	19	42.17.2401	AMD 281 43
41.45.0601	AMD	519	20	42.17.2401	AMD 492 488
41.48.140	AMD	281	39	42.17.243	REP 2 35
41.50	ADD	270	1-3	42.17.310	REMD 280 35
41.50	ADD	519	21	42.17.310	REMD 320 9
41.50.050	AMD	61	1	42.17.310	REMD 360 2
41.50.255	AMD	24 E1	916	42.17.319	AMD 280 36
41.50.804	AMD	281	40	42.17.390	AMD 2 28
41.54.010	AMD	517	8	42.17.510	AMD 2 22
41.54.040	AMD	517	9	42.23.030	AMD 308 1
41.54.040	AMD	519	16	43	ADD 2 E1 1-6
41.54.061	AMD	519	15	43	ADD 12 E1 1-8
41.56	ADD	379	301	43	ADD 280 1-7
			304		9-16
41.56	ADD	398	3		79,83
41.56	ADD	473	1	43	ADD 472 1-13
41.56.020	AMD	76	2		27

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RCW	CH.	SEC.	RCW	CH.	SEC.	
43	ADD	478	43.19	ADD	204	9
			43.19	ADD	219	2,3
43	ADD	492	43.19	ADD	461	7
		401-407	43.19.010	AMD	472	19
		409	43.19.020	AMD	472	20
		425	43.19.020	RECD	472	30
		427-430	43.19.030	AMD	472	21
		447-466	43.19.030	RECD	472	30
43	ADD	497	43.19.040	REP	472	28
43	ADD	512	43.19.050	AMD	472	22
		1,2	43.19.050	RECD	472	30
		16-27	43.19.080	AMD	472	23
43	ADD	516	43.19.080	RECD	472	30
		1-5	43.19.090	AMD	472	24
		8-11	43.19.090	RECD	472	30
43.01	ADD	1	43.19.095	AMD	472	25
43.01	ADD	394	43.19.095	RECD	472	30
43.01.170	AMD	86	43.19.100	REP	472	28
43.01.170	AMD	281	43.19.110	REP	472	28
43.01.170	AMD	519	43.19.112	AMD	472	26
43.03.011	AMD	26 E1	43.19.112	RECD	472	30
43.03.012	AMD	26 E1	43.19.190	AMD	10 E1	2
43.03.013	AMD	26 E1	43.19.190	AMD	379	102
43.03.028	AMD	101	43.19.1905	AMD	10 E1	3
43.03.028	AMD	281	43.19.1906	AMD	379	103
43.03.040	AMD	24 E1	43.19.534	AMD	20 E1	1
43.03.130	AMD	93	43.19.668	AMD	204	6
43.03.305	AMD	281	43.20	ADD	4 E1	10
43.06	ADD	421	43.20.030	AMD	492	255
43.06.010	AMD	142	43.20.050	AMD	492	489
43.06.410	AMD	281	43.20.230	AMD	4 E1	9
43.06.425	AMD	281	43.20A	ADD	96	2-7
43.06.430	AMD	281	43.20A	ADD	461	8
43.07	ADD	113	43.20A.710	AMD	210	1
43.07	ADD	269	43.20A.725	AMD	425	1
43.07	ADD	471	43.20A.750	AMD	280	38
43.07.120	AMD	269	43.20B	ADD	272	1
43.08	ADD	500	43.20B.140	AMD	272	2
43.08.061	AMD	38	43.21B.110	REMD	387	22
43.08.085	REP	500	43.21B.300	AMD	387	23
43.08.250	AMD	24 E1	43.21C	ADD	23	1
43.09	ADD	216	43.21F.047	REP	142	1
43.09.230	AMD	18	43.30	ADD	461	9
43.09.270	AMD	315	43.31	ADD	512	6,7
43.17	ADD	279	43.31.005	REP	280	82
43.17.010	AMD	2 E1	43.31.015	REP	280	82
43.17.010	AMD	280	43.31.025	REP	280	82
43.17.010	AMD	472	43.31.035	REP	280	82
43.17.020	AMD	2 E1	43.31.045	REP	280	82
43.17.020	AMD	280	43.31.055	AMD	512	4
43.17.020	AMD	472				
43.17.065	AMD	280				

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<u>RCW</u>	<u>CH.</u>	<u>SEC.</u>	<u>RCW</u>	<u>CH.</u>	<u>SEC.</u>
43.31.055	REP	280	82	43.43	ADD 438 1
43.31.057	AMD	280	39	43.43.330	AMD 155 1
43.31.065	REP	280	82	43.43.745	AMD 24 1
43.31.075	REP	280	82	43.43.832	AMD 281 51
43.31.085	AMD	280	40	43.51	ADD 182 1-9
43.31.085	AMD	512	3	43.51	ADD 267 1-5
43.31.091	AMD	280	80	43.51.060	AMD 156 1
43.31.092	AMD	280	81	43.51.955	AMD 2 E1 19
43.31.095	REP	280	82	43.57.010	REP 142 1
43.31.097	REP	280	82	43.57.020	REP 142 1
43.31.105	REP	280	82	43.57.030	REP 142 1
43.31.115	REP	280	82	43.60A.906	AMD 281 52
43.31.130	REP	280	82	43.63A	ADD 25 E1 401
43.31.135	REP	280	82		402
43.31.205	AMD	280	41	43.63A	ADD 124 1-6
43.31.373	REP	280	82	43.63A	ADD 478 7,13
43.31.375	REP	280	82		14,18
43.31.377	REP	280	82		19
43.31.379	REP	280	82	43.63A	ADD 512 31
43.31.381	REP	280	82	43.63A.020	REP 280 82
43.31.383	REP	280	82	43.63A.030	REP 280 82
43.31.387	REP	280	82	43.63A.040	REP 280 82
43.31.409	AMD	280	42	43.63A.050	REP 280 82
43.31.411	AMD	280	43	43.63A.060	REP 280 82
43.31.422	AMD	280	44	43.63A.065	REP 280 82
43.31.430	REP	280	82	43.63A.066	AMD 280 58
43.31.432	REP	280	82	43.63A.075	AMD 280 59
43.31.434	REP	280	82	43.63A.078	REP 280 82
43.31.436	REP	280	82	43.63A.095	REP 280 82
43.31.438	REP	280	82	43.63A.100	REP 280 82
43.31.440	REP	280	82	43.63A.115	AMD 280 60
43.31.442	REP	280	82	43.63A.130	REP 280 82
43.31.504	AMD	280	45	43.63A.140	REP 280 82
43.31.522	AMD	280	46	43.63A.155	AMD 280 61
43.31.524	AMD	280	47	43.63A.210	REP 280 82
43.31.526	AMD	280	48	43.63A.220	AMD 280 62
43.31.611	AMD	316	1	43.63A.230	AMD 280 63
43.31.621	AMD	280	49	43.63A.245	AMD 280 64
43.31.621	AMD	316	2	43.63A.247	AMD 280 65
43.31.631	AMD	316	3	43.63A.260	AMD 280 66
43.31.641	AMD	280	50	43.63A.275	AMD 280 67
43.31.651	AMD	280	51	43.63A.300	AMD 280 68
43.31.790	REP	280	82	43.63A.320	AMD 280 69
43.31.800	AMD	280	52	43.63A.330	AMD 280 70
43.31.830	AMD	280	53	43.63A.340	AMD 280 71
43.31.840	AMD	280	54	43.63A.400	AMD 280 72
43.33A.100	AMD	281	50	43.63A.410	AMD 280 73
43.41	ADD	500	2	43.63A.440	AMD 280 74
43.41.040	AMD	500	4	43.63A.450	AMD 280 75
43.41.140	AMD	394	3	43.63A.460	AMD 280 76

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43.63A.510	AMD	461	2	43.115.050	REP 261	7
43.63A.560	REP	280	82	43.121	ADD 107	2
43.63A.600	AMD	280	77	43.131	ADD 226	18,19
43.70	ADD	179	2	43.131	ADD 512	35,36
43.70	ADD	492	410	43.131	ADD 516	13,14
			417	43.131.090	AMD 281	54
			467	43.131.115	REP 142	1
43.70.110	AMD	24 E1	918	43.131.118	REP 142	1
43.70.320	AMD	492	411	43.131.120	REP 142	1
43.70.460	AMD	492	276	43.131.329	REP 72	1
43.70.470	AMD	492	277	43.131.330	REP 72	1
43.78	ADD	379	105	43.131.341	AMD 261	5
43.78.030	AMD	379	104	43.131.342	AMD 261	6
43.78.100	AMD	379	106	43.131.355	REP 3	1
43.78.110	AMD	379	107	43.131.356	REP 3	1
43.79.150	AMD	411	3	43.131.375	REP 2 E1	80
43.79A.040	AMD	8 E1	2	43.131.376	REP 2 E1	80
43.79A.040	AMD	500	5	43.136.060	REP 142	1
43.82	ADD	325	1	43.147	ADD 485	1-5
43.82.015	REP	110	3	43.147.010	AMD 108	1
43.84.092	AMD	4	9	43.150	ADD 365	1
43.84.092	AMD	8 E1	1	43.155.050	AMD 24 E1	921
43.84.092	AMD	25 E1	511	43.155.070	AMD 39	1
43.84.092	AMD	329	2	43.160.020	AMD 280	55
43.84.092	AMD	445	4	43.160.020	AMD 320	1
43.84.092	AMD	492	473	43.160.030	AMD 320	2
43.84.092	AMD	500	6	43.160.035	AMD 320	3
43.85.230	AMD	512	32	43.160.060	AMD 320	4
43.86A	ADD	512	30,34	43.160.076	AMD 320	5
43.86A.030	AMD	512	33	43.160.077	AMD 320	6
43.88.020	AMD	406	2	43.160.200	AMD 316	4
43.88.090	AMD	406	3	43.160.200	AMD 320	7
43.88.160	AMD	194	6	43.160.900	AMD 320	8
43.88.160	AMD	406	4	43.165.020	REP 280	82
43.88.160	AMD	500	7	43.165.030	REP 280	82
43.88.195	AMD	500	8	43.165.040	REP 280	82
43.88.310	AMD	157	1	43.165.050	REP 280	82
43.88.535	AMD	24 E1	919	43.165.060	REP 280	82
43.89.010	AMD	23 E1	63	43.165.070	REP 280	82
43.101	ADD	127	5	43.165.080	REP 280	82
43.101	ADD	415	4	43.165.090	REP 280	82
43.101.200	AMD	21 E1	5	43.165.100	REP 280	82
43.101.200	AMD	24 E1	920	43.165.900	REP 280	82
43.105	ADD	1 E1	903	43.165.901	REP 280	82
43.105.020	AMD	280	78	43.168	ADD 512	13
43.105.052	AMD	281	53	43.168.020	AMD 280	56
43.115	ADD	261	4	43.168.030	AMD 512	11
43.115.010	AMD	261	1	43.168.050	AMD 512	12
43.115.030	AMD	261	2	43.168.070	AMD 512	14
43.115.040	AMD	261	3	43.168.100	AMD 512	15

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RCW	CH.	SEC.	RCW	CH.	SEC.	
43.185.110	AMD	478	15	46.44.041	REMD 102	3
43.185A.020	AMD	478	16	46.44.041	REMD 246	1
43.210	ADD	512	5	46.44.042	AMD 103	1
43.210.110	AMD	24 E1	922	46.44.0941	AMD 102	4
43.210.110	AMD	280	57	46.44.095	AMD 102	5
43.210.110	AMD	366	1	46.44.096	AMD 102	6
43.220.900	REP	516	12	46.44.100	REP 403	5
43.240.911	AMD	142	2	46.44.105	AMD 403	4
44.04	ADD	1	3	46.44.160	REP 102	8
44.28	ADD	406	5	46.52.120	AMD 501	12
44.28.085	AMD	406	6	46.55	ADD 314	1
44.52	ADD	503	2	46.55.085	AMD 121	1
44.68.020	AMD	332	1	46.55.115	AMD 121	2
46.01	ADD	23 E1	46	46.55.120	AMD 121	3
46.04.302	REEN	154	1	46.61	ADD 401	1
46.08.172	REMD	394	4	46.61	ADD 487	2,3
46.10.170	AMD	54	7	46.61.055	AMD 153	2
46.12	ADD	487	4,5	46.61.060	AMD 153	3
46.12.050	AMD	307	1	46.61.235	AMD 153	1
46.12.120	RECD	307	18	46.61.502	AMD 328	1
46.12.140	RECD	307	18	46.61.504	AMD 328	2
46.12.270	AMD	487	6	46.61.515	AMD 239	1
46.12.290	REMD	154	2	46.61.515	AMD 501	7
46.16	ADD	123	4	46.61.687	AMD 274	1
46.16.010	AMD	238	1	46.63.020	AMD 501	8
46.16.023	AMD	488	5	46.63.060	AMD 501	9
46.16.070	AMD	102	1	46.63.070	AMD 501	10
46.16.070	AMD	123	5	46.63.110	AMD 501	11
46.16.070	REMD	23 E1	60	46.64.020	REP 501	13
46.16.160	AMD	102	2	46.64.027	REP 501	13
46.16.381	AMD	106	1	46.64.040	AMD 269	16
46.20	ADD	408	12	46.68.010	AMD 307	2
46.20	ADD	452	1	46.68.035	AMD 102	7
46.20	ADD	501	1	46.70	ADD 175	4
46.20.025	AMD	148	1	46.70	ADD 307	18
46.20.031	AMD	501	2	46.70.011	REMD 175	1
46.20.113	AMD	228	18	46.70.021	AMD 307	4
46.20.116	AMD	452	2	46.70.023	AMD 307	5
46.20.117	AMD	452	3	46.70.041	AMD 175	2
46.20.207	AMD	501	3	46.70.041	AMD 307	6
46.20.291	AMD	501	4	46.70.051	AMD 307	7
46.20.311	AMD	501	5	46.70.083	AMD 307	8
46.20.342	AMD	501	6	46.70.140	AMD 307	9
46.20.505	AMD	115	1	46.70.150	REP 307	19
46.32	ADD	403	1	46.70.180	AMD 175	3
46.32.010	AMD	403	2	46.70.290	AMD 307	10
46.32.020	AMD	403	3	46.70.300	AMD 307	11
46.37.190	AMD	401	2	46.71	ADD 424	1-10
46.37.430	AMD	384	1	46.71.010	REP 424	16
46.44.030	AMD	301	1	46.71.020	REP 424	16

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<u>RCW</u>		<u>CH.</u>	<u>SEC.</u>	<u>RCW</u>		<u>CH.</u>	<u>SEC.</u>
46.71.030	REP	424	16	46.90.187	REP	400	6
46.71.040	REP	424	16	46.90.190	REP	400	6
46.71.043	REP	424	16	46.90.200	REP	400	6
46.71.047	REP	424	16	46.90.205	REP	400	6
46.71.050	REP	424	16	46.90.210	REP	400	6
46.71.060	AMD	424	11	46.90.215	REP	400	6
46.71.065	REP	424	16	46.90.220	REP	400	6
46.71.070	AMD	424	12	46.90.225	REP	400	6
46.71.090	AMD	424	13	46.90.230	REP	400	6
46.81A.020	AMD	115	2	46.90.235	REP	400	6
46.87	ADD	307	17	46.90.240	REP	400	6
46.87.020	AMD	307	12	46.90.245	REP	400	6
46.87.030	AMD	307	13	46.90.250	REP	400	6
46.87.070	REMD	123	1	46.90.255	REP	400	6
46.87.080	AMD	307	14	46.90.260	REP	400	6
46.87.160	REP	307	19	46.90.265	REP	400	6
46.87.310	AMD	307	15	46.90.270	REP	400	6
46.87.340	AMD	307	16	46.90.275	REP	400	6
46.90.005	AMD	400	1	46.90.300	REMD	400	3
46.90.010	AMD	400	2	46.90.300	REP	400	6
46.90.100	REP	400	6	46.90.335	REP	400	6
46.90.103	REP	121	5	46.90.340	REP	400	6
46.90.103	REP	400	6	46.90.345	REP	400	6
46.90.106	REP	400	6	46.90.375	REP	400	6
46.90.109	REP	400	6	46.90.400	REP	400	6
46.90.112	REP	400	6	46.90.403	REP	400	6
46.90.115	REP	400	6	46.90.406	AMD	400	4
46.90.118	REP	400	6	46.90.406	REP	400	6
46.90.121	REP	400	6	46.90.409	REP	400	6
46.90.124	REP	400	6	46.90.412	REP	400	6
46.90.127	REP	400	6	46.90.415	REP	400	6
46.90.130	REP	400	6	46.90.418	REP	400	6
46.90.133	REP	400	6	46.90.421	REP	400	6
46.90.136	REP	400	6	46.90.427	AMD	400	5
46.90.139	REP	400	6	46.90.427	REP	400	6
46.90.142	REP	400	6	46.90.430	REP	400	6
46.90.145	REP	400	6	46.90.433	REP	400	6
46.90.148	REP	400	6	46.90.436	REP	400	6
46.90.151	REP	400	6	46.90.439	REP	400	6
46.90.154	REP	400	6	46.90.442	REP	400	6
46.90.157	REP	400	6	46.90.445	REP	400	6
46.90.160	REP	400	6	46.90.448	REP	400	6
46.90.163	REP	400	6	46.90.451	REP	400	6
46.90.166	REP	400	6	46.90.454	REP	400	6
46.90.169	REP	400	6	46.90.457	REP	400	6
46.90.172	REP	400	6	46.90.460	REP	400	6
46.90.175	REP	400	6	46.90.463	REP	400	6
46.90.178	REP	400	6	46.90.466	REP	400	6
46.90.181	REP	400	6	46.90.469	REP	400	6
46.90.184	REP	400	6	46.90.472	REP	400	6

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RCW		CH.	SEC.	RCW		CH.	SEC.
46.90.475	REP	400	6	47.10	ADD	6	1-6
46.90.478	REP	400	6	47.10	ADD	431	1-6
46.90.481	REP	400	6	47.10	ADD	432	1-6
46.90.500	REP	400	6	47.10.761	AMD	11 E1	1
46.90.505	REP	400	6	47.10.762	AMD	11 E1	2
46.90.510	REP	400	6	47.12	ADD	461	10
46.90.515	REP	400	6	47.12.063	AMD	461	11
46.90.520	REP	400	6	47.17	ADD	430	3,4
46.90.525	REP	400	6	47.17.001	AMD	430	1
46.90.530	REP	400	6	47.17.305	AMD	430	2
46.90.535	REP	400	6	47.17.565	REP	430	6
46.90.540	REP	400	6	47.17.577	AMD	430	5
46.90.545	REP	400	6	47.24.020	AMD	126	1
46.90.550	REP	400	6	47.26	ADD	440	1-8
46.90.555	REP	400	6	47.26.121	REMD	172	1
46.90.560	REP	400	6	47.30	ADD	224	14
46.90.565	REP	400	6	47.38.010	AMD	116	1
46.90.600	REP	400	6	47.38.030	AMD	116	2
46.90.610	REP	400	6	47.39	ADD	430	9
46.90.620	REP	400	6	47.39.020	AMD	430	7
46.90.630	REP	400	6	47.42.020	AMD	430	10
46.90.640	REP	400	6	47.42.100	AMD	430	11
46.90.650	REP	400	6	47.42.140	AMD	430	12
46.90.660	REP	400	6	47.56	ADD	4	2-7
46.90.700	REP	400	6	47.60	ADD	493	1,2
46.90.705	REP	400	6				4-6
46.90.710	REP	400	6	47.60.120	AMD	427	1
46.90.720	REP	400	6	47.64.270	AMD	492	224
46.90.730	REP	400	6	47.68	ADD	208	3
46.90.740	REP	400	6	47.68	ADD	238	2
46.90.900	REP	400	6	47.68.020	AMD	208	4
46.90.910	REP	400	6	47.68.230	AMD	208	5
46.90.920	REP	400	6	47.68.240	AMD	238	3
46.90.930	REP	400	6	47.68.250	AMD	208	7
46.90.940	REP	400	6	47.76	ADD	224	15
46.90.950	REP	400	6	47.76.010	AMD	224	1
47	ADD	370	1-5	47.76.010	RECD	224	15
47	ADD	393	3-8	47.76.020	AMD	224	2
47	ADD	446	1-13	47.76.020	RECD	224	15
47.01	ADD	55	1	47.76.030	AMD	224	4
47.05	ADD	490	6	47.76.030	RECD	224	15
47.05.010	AMD	490	1	47.76.040	AMD	224	7
47.05.021	AMD	490	2	47.76.040	RECD	224	15
47.05.030	AMD	490	3	47.76.050	AMD	224	8
47.05.035	AMD	490	4	47.76.050	RECD	224	15
47.05.040	REP	490	7	47.76.060	AMD	224	9
47.05.051	AMD	490	5	47.76.060	RECD	224	15
47.05.055	REP	490	7	47.76.070	AMD	224	10
47.05.070	REP	490	7	47.76.070	RECD	224	15
47.05.085	REP	490	7	47.76.080	AMD	224	11

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RCW	CH.	SEC.	RCW	CH.	SEC.		
47.76.080	RECD	224	15	48.12.160	AMD	91	2
47.76.090	AMD	224	12	48.12.180	AMD	462	54
47.76.090	RECD	224	15	48.12.190	AMD	462	55
47.76.100	REP	224	16	48.12.200	AMD	462	56
47.76.110	RECD	224	15	48.13	ADD	92	5,6
47.76.120	RECD	224	15	48.13.030	AMD	92	1
47.76.130	AMD	224	3	48.13.050	AMD	92	2
47.76.130	RECD	224	15	48.13.060	AMD	92	3
47.76.140	AMD	224	5	48.13.120	AMD	92	7
47.76.140	RECD	224	15	48.13.270	AMD	92	4
47.76.150	REP	224	16	48.14	ADD	492	301
47.76.160	AMD	224	6	48.14.010	AMD	462	57
47.76.160	RECD	224	15	48.14.080	AMD	25 E1	602
47.76.170	AMD	224	13	48.14.080	AMD	492	302
47.76.170	RECD	224	15	48.17.270	AMD	455	1
47.76.190	RECD	224	15	48.18	ADD	492	281
47.86.010	REP	23 E1	19	48.18.2901	AMD	186	1
47.86.020	REP	23 E1	19	48.20	ADD	253	2
47.86.030	AMD	23 E1	18	48.20	ADD	492	283
47.86.030	REP	23 E1	19	48.21	ADD	253	3
47.86.035	REP	23 E1	19	48.21	ADD	272	3
47.86.040	REP	23 E1	19	48.21	ADD	492	284
47.86.050	REP	23 E1	19	48.21.200	REMD	492	282
47.86.060	REP	23 E1	19	48.22	ADD	242	1-5
47.86.900	REP	23 E1	19	48.22	ADD	492	413
47.86.901	REP	23 E1	19	48.22.070	AMD	177	1
48	ADD	112	1-10	48.22.072	AMD	177	2
48	ADD	462	1-42	48.24.030	AMD	132	1
			81	48.29	ADD	245	4
48	ADD	492	426	48.30.300	AMD	492	287
			431-	48.31	ADD	462	58-74
			446				77
			458-	48.31.030	AMD	462	75
			462	48.31.040	AMD	462	76
48.01	ADD	462	51	48.31.110	AMD	462	78
			104	48.31.110	RECD	462	81
48.01	ADD	492	294	48.31.120	RECD	462	81
48.03	ADD	462	44,48	48.31.130	RECD	462	81
			49	48.31.140	RECD	462	81
48.03.010	AMD	462	43	48.31.150	RECD	462	81
48.03.040	AMD	462	45	48.31.160	AMD	462	79
48.03.050	AMD	462	46	48.31.160	RECD	462	81
48.03.050	AMD	281	55	48.31.170	RECD	462	81
48.03.060	AMD	462	47	48.31.180	AMD	462	80
48.05	ADD	492	414	48.31.180	RECD	462	81
48.05.300	AMD	91	1	48.31.190	AMD	462	82
48.05.340	AMD	462	50	48.31.280	AMD	462	83
48.07.090	REP	462	105	48.31.300	AMD	462	84
48.08.030	AMD	462	52	48.31A.005	REP	462	105
48.11.140	AMD	462	53	48.31A.010	REP	462	105

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RCW	CH.	SEC.	RCW	CH.	SEC.		
48.31A.020	REP	462	105	48.92.140	AMD	462	103
48.31A.030	REP	462	105	49.12.121	AMD	294	9
48.31A.040	REP	462	105	49.30.030	REP	142	1
48.31A.050	REP	462	105	49.44.090	AMD	510	24
48.31A.055	REP	462	105	49.46.010	AMD	281	56
48.31A.060	REP	462	105	49.46.020	AMD	309	1
48.31A.070	REP	462	105	49.46.130	AMD	191	1
48.31A.080	REP	462	105	49.60	ADD	69	2,7
48.31A.090	REP	462	105				13
48.31A.100	REP	462	105	49.60.010	AMD	510	1
48.31A.110	REP	462	105	49.60.020	AMD	510	2
48.31A.120	REP	462	105	49.60.030	AMD	69	1
48.31A.130	REP	462	105	49.60.030	AMD	510	3
48.31A.900	REP	462	105	49.60.040	REMD	69	3
48.32.145	AMD	25 E1	901	49.60.040	REMD	510	4
48.32A.090	AMD	25 E1	902	49.60.120	AMD	69	4
48.44	ADD	253	4	49.60.120	AMD	510	6
48.44	ADD	272	4	49.60.130	AMD	510	7
48.44	ADD	492	285	49.60.174	AMD	510	8
			288	49.60.175	AMD	510	9
48.44.095	AMD	492	295	49.60.176	AMD	510	10
48.44.260	AMD	492	290	49.60.178	AMD	510	11
48.44.410	REP	492	293	49.60.180	AMD	510	12
48.46	ADD	253	5	49.60.190	AMD	510	13
48.46	ADD	272	5	49.60.200	AMD	510	14
48.46	ADD	492	286	49.60.205	AMD	510	15
			289	49.60.215	REMD	510	16
48.46.080	REMD	492	296	49.60.222	AMD	69	5
48.46.160	REP	492	292	49.60.222	AMD	510	17
48.46.380	AMD	492	291	49.60.223	AMD	69	6
48.46.905	REP	492	292	49.60.223	AMD	510	18
48.62	ADD	458	2	49.60.224	AMD	69	8
48.62.121	AMD	458	1	49.60.225	AMD	69	9
48.66.041	AMD	388	1	49.60.225	AMD	510	20
48.74	ADD	462	85,90	49.60.227	AMD	69	10
48.74.030	AMD	462	86	49.60.230	AMD	69	11
48.74.040	AMD	462	87	49.60.230	AMD	510	21
48.74.050	AMD	462	88	49.60.240	AMD	69	12
48.74.060	AMD	462	89	49.60.240	AMD	510	22
48.92	ADD	462	99	49.60.250	AMD	69	14
48.92.010	AMD	462	91	49.60.250	AMD	510	23
48.92.020	AMD	462	92	49.60.260	AMD	69	15
48.92.030	AMD	462	93	49.60.330	AMD	69	16
48.92.040	AMD	462	94	49.74.020	AMD	281	57
48.92.050	AMD	462	95	49.74.030	AMD	281	58
48.92.070	AMD	462	96	49.78.210	REP	450	1
48.92.080	AMD	462	97	50.04	ADD	167	1
48.92.090	AMD	462	98	50.04	ADD	181	8
48.92.100	AMD	462	100	50.04	ADD	483	1
48.92.120	AMD	462	101	50.04.165	AMD	58	1
48.92.130	AMD	462	102				

"E1" Denotes 1993 1st special sess.

RCW SECTIONS AFFECTED BY 1993 STATUTES

RCW	CH.	SEC.	RCW	CH.	SEC.		
50.04.165	AMD	290	2	51.12.102	AMD	168	1
50.04.323	AMD	483	2	51.14	ADD	122	2-4
50.06.010	AMD	483	3	51.14.150	AMD	158	1
50.06.020	AMD	483	4	51.24.060	AMD	496	2
50.06.030	AMD	483	5	51.32.050	AMD	521	1
50.12.260	REP	62	11	51.32.060	AMD	521	2
50.13.040	AMD	483	6	51.32.080	AMD	520	1
50.13.060	AMD	281	59	51.32.090	AMD	271	1
50.16	ADD	226	4,6	51.32.090	AMD	299	1
50.16.010	AMD	226	9	51.32.090	AMD	521	3
50.16.010	AMD	226	10	51.32.110	AMD	375	1
50.16.010	AMD	483	7	51.32.112	AMD	515	4
50.16.020	AMD	226	11	51.36.080	AMD	159	2
50.16.020	AMD	226	12	51.36.085	AMD	159	3
50.16.050	AMD	62	8	51.36.100	AMD	515	5
50.20	ADD	483	11,14	51.36.110	AMD	515	6
50.20.050	AMD	483	8	51.52.130	AMD	122	1
50.20.060	AMD	483	9	52.04	ADD	262	1
50.20.080	AMD	483	10	52.08.025	AMD	262	2
50.20.098	AMD	58	2	52.14.110	AMD	198	11
50.20.120	AMD	483	12	52.14.120	AMD	198	12
50.20.190	AMD	483	13	52.16.061	AMD	231	1
50.22.010	AMD	483	15	53.04.023	AMD	70	1
50.22.020	AMD	58	3	53.08.120	AMD	198	13
50.22.020	AMD	483	16	53.34.210	REP	449	13
50.22.030	AMD	483	17	53.54.030	AMD	150	1
50.22.050	AMD	483	18	54.04.070	AMD	198	14
50.22.090	AMD	316	10	54.04.082	AMD	198	15
50.24	ADD	226	3	54.16.110	AMD	449	11
50.24.014	AMD	483	20	56	ADD	45	1-3
50.29	ADD	226	15	56.08.070	AMD	45	4
50.29.020	AMD	483	19	56.08.070	AMD	198	16
50.29.025	AMD	226	13	56.08.080	AMD	198	17
50.29.025	AMD	226	14	56.08.090	AMD	198	18
50.29.025	AMD	483	21	57	ADD	45	5-7
50.38	ADD	62	2,4-7	57.08.015	AMD	198	19
50.38.010	AMD	62	1	57.08.016	AMD	198	20
50.38.030	AMD	62	3	57.08.050	AMD	45	8
50.65	ADD	7 E1	1-13	57.08.050	AMD	198	21
50.65	ADD	302	4,5	58.17.280	AMD	486	1
			10	59	ADD	66	1-8
50.65.030	AMD	302	1	59.20	ADD	66	18
50.65.040	AMD	302	2	59.20	ADD	152	1
50.65.060	AMD	302	3	59.20.030	AMD	66	15
50.65.080	AMD	302	6	59.20.070	AMD	66	16
50.65.900	REP	302	7	59.20.073	AMD	66	17
51.04.030	AMD	159	1	59.20.080	AMD	66	19
51.04.030	AMD	515	1	59.20.130	AMD	66	20
51.08.013	AMD	138	1	59.22	ADD	66	10-14
51.12	ADD	181	9	59.22.020	AMD	66	9

RCW SECTIONS AFFECTED BY 1993 STATUTES

<u>RCW</u>	<u>CH.</u>	<u>SEC.</u>	<u>RCW</u>	<u>CH.</u>	<u>SEC.</u>		
60.04	ADD	357	1	62A.3-303	AMD	229	31
60.56	ADD	53	1,4,5	62A.3-304	AMD	229	32
60.56.010	AMD	53	2	62A.3-305	AMD	229	33
60.56.015	AMD	53	3	62A.3-306	AMD	229	34
60.56.035	AMD	53	6	62A.3-307	AMD	229	35
60.56.050	AMD	53	7	62A.3-401	AMD	229	41
62A	ADD	229	36-40	62A.3-402	AMD	229	42
			60,86	62A.3-403	AMD	229	43
			87,102	62A.3-404	AMD	229	44
			103	62A.3-405	AMD	229	45
62A	ADD	230	2A-101-	62A.3-406	AMD	229	46
			2A-532	62A.3-407	AMD	229	47
62A.1-105	AMD	230	2A-601	62A.3-408	AMD	229	48
62A.1-105	AMD	395	6-102	62A.3-409	AMD	229	49
62A.1-201	AMD	229	1	62A.3-410	AMD	229	50
62A.1-201	AMD	230	2A-602	62A.3-411	AMD	229	51
62A.1-207	AMD	229	2	62A.3-412	AMD	229	52
62A.2-403	AMD	395	6-103	62A.3-413	AMD	229	53
62A.3-101	AMD	229	3	62A.3-414	AMD	229	54
62A.3-102	AMD	229	4	62A.3-415	AMD	229	55
62A.3-103	AMD	229	5	62A.3-416	AMD	229	56
62A.3-104	AMD	229	6	62A.3-417	AMD	229	57
62A.3-105	AMD	229	7	62A.3-418	AMD	229	58
62A.3-106	AMD	229	8	62A.3-419	AMD	229	59
62A.3-107	AMD	229	9	62A.3-501	AMD	229	61
62A.3-108	AMD	229	10	62A.3-502	AMD	229	62
62A.3-109	AMD	229	11	62A.3-503	AMD	229	63
62A.3-110	AMD	229	12	62A.3-504	AMD	229	64
62A.3-111	AMD	229	13	62A.3-505	AMD	229	65
62A.3-112	AMD	229	14	62A.3-506	REP	229	76
62A.3-113	AMD	229	15	62A.3-507	REP	229	76
62A.3-114	AMD	229	16	62A.3-508	REP	229	76
62A.3-115	AMD	229	17	62A.3-509	REP	229	76
62A.3-116	AMD	229	18	62A.3-510	REP	229	76
62A.3-117	AMD	229	19	62A.3-511	REP	229	76
62A.3-118	AMD	229	20	62A.3-512	AMD	229	66
62A.3-119	AMD	229	21	62A.3-515	AMD	229	67
62A.3-120	REP	229	76	62A.3-520	AMD	229	68
62A.3-121	REP	229	76	62A.3-522	AMD	229	69
62A.3-122	REP	229	76	62A.3-525	AMD	229	70
62A.3-201	AMD	229	22	62A.3-601	AMD	229	71
62A.3-202	AMD	229	23	62A.3-602	AMD	229	72
62A.3-203	AMD	229	24	62A.3-603	AMD	229	73
62A.3-204	AMD	229	25	62A.3-604	AMD	229	74
62A.3-205	AMD	229	26	62A.3-605	AMD	229	75
62A.3-206	AMD	229	27	62A.3-606	REP	229	76
62A.3-207	AMD	229	28	62A.3-701	REP	229	76
62A.3-208	REP	229	76	62A.3-801	REP	229	76
62A.3-301	AMD	229	29	62A.3-802	REP	229	76
62A.3-302	AMD	229	30	62A.3-803	REP	229	76

RCW SECTIONS AFFECTED BY 1993 STATUTES

RCW	CH.	SEC.	RCW	CH.	SEC.		
62A.3-804	REP	229	76	62A.9-113	AMD	230	2A-603
62A.3-805	REP	229	76	62A.9-409	AMD	51	1
62A.4-101	AMD	229	77	63.14	ADD	5 E1	2,3
62A.4-102	AMD	229	78	63.14.010	AMD	5 E1	1
62A.4-103	AMD	229	79	63.14.090	AMD	481	1
62A.4-104	AMD	229	80	63.29.130	AMD	498	2
62A.4-105	AMD	229	81	63.29.165	AMD	498	4
62A.4-106	AMD	229	82	63.29.170	AMD	498	7
62A.4-107	AMD	229	83	63.29.180	AMD	498	9
62A.4-108	AMD	229	84	63.29.190	AMD	498	8
62A.4-109	AMD	229	85	63.29.220	AMD	498	10
62A.4-201	AMD	229	88	64.04	ADD	245	3
62A.4-202	AMD	229	89	64.28.010	AMD	19	1
62A.4-203	AMD	229	90	64.28.040	AMD	19	2
62A.4-204	AMD	229	91	64.34.010	AMD	429	12
62A.4-205	AMD	229	92	64.34.304	AMD	429	11
62A.4-206	AMD	229	93	66.08	ADD	26	3
62A.4-207	AMD	229	94	66.08	ADD	422	2
62A.4-208	AMD	229	95	66.08.050	AMD	25	1
62A.4-209	AMD	229	96	66.12.180	AMD	160	1
62A.4-210	AMD	229	97	66.24	ADD	511	1
62A.4-211	AMD	229	98	66.24.210	AMD	160	2
62A.4-212	AMD	229	99	66.24.290	AMD	492	311
62A.4-213	AMD	229	100	66.24.360	AMD	21	1
62A.4-214	AMD	229	101	66.28.200	AMD	21	2
62A.4-301	AMD	229	104	66.28.220	AMD	21	3
62A.4-302	AMD	229	105	66.32.040	AMD	26	1
62A.4-303	AMD	229	106	66.32.090	AMD	26	2
62A.4-401	AMD	229	107	66.44.270	AMD	513	1
62A.4-402	AMD	229	108	67.08	ADD	278	11
62A.4-403	AMD	229	109	67.08.001	REP	278	26
62A.4-405	AMD	229	110	67.08.002	AMD	278	8
62A.4-406	AMD	229	111	67.08.003	REP	278	26
62A.4-407	AMD	229	112	67.08.005	REP	278	26
62A.4-501	AMD	229	113	67.08.007	AMD	278	9
62A.4-502	AMD	229	114	67.08.009	REP	278	26
62A.4-503	AMD	229	115	67.08.010	AMD	278	10
62A.4-504	AMD	229	116	67.08.015	AMD	278	12
62A.6-101	REP	395	6-101	67.08.030	AMD	278	13
62A.6-102	REP	395	6-101	67.08.040	AMD	278	14
62A.6-103	REP	395	6-101	67.08.050	AMD	278	15
62A.6-104	REP	395	6-101	67.08.055	AMD	278	16
62A.6-105	REP	395	6-101	67.08.060	AMD	278	17
62A.6-106	REP	395	6-101	67.08.080	AMD	278	18
62A.6-107	REP	395	6-101	67.08.090	AMD	278	19
62A.6-108	REP	395	6-101	67.08.100	AMD	278	20
62A.6-109	REP	395	6-101	67.08.110	AMD	278	21
62A.6-110	REP	395	6-101	67.08.120	AMD	278	22
62A.6-111	REP	395	6-101	67.08.130	AMD	278	23
62A.9-111	REP	395	6-101	67.08.140	AMD	278	24

RCW SECTIONS AFFECTED BY 1993 STATUTES

<u>RCW</u>	<u>CH.</u>	<u>SEC.</u>	<u>RCW</u>	<u>CH.</u>	<u>SEC.</u>
67.08.170	AMD	278	25	69.50.211	AMD 187 11
67.16.105	AMD	170	2	69.50.212	AMD 187 12
67.28	ADD	16 E1	1	69.50.213	AMD 187 13
67.28	ADD	389	1	69.50.301	AMD 187 15
67.28.200	AMD	389	2	69.50.302	AMD 187 16
67.28.210	AMD	46	1	69.50.303	AMD 187 17
67.28.210	AMD	197	1	69.50.304	AMD 187 18
67.28.240	AMD	16 E1	3	69.50.308	AMD 187 19
67.32.110	AMD	258	1	69.50.403	AMD 187 21
67.40.020	AMD	500	9	69.50.505	AMD 487 1
67.40.045	AMD	12 E1	9	69.60.030	AMD 135 1
67.42	ADD	203	6	69.60.070	AMD 135 2
67.42.010	AMD	203	2	69.60.090	AMD 135 3
67.42.020	AMD	203	3	70	ADD 118 1-5
67.42.040	AMD	203	4	70	ADD 407 1-7
67.42.060	AMD	203	5	70	ADD 422 4,5
68.05.100	AMD	43	3	70	ADD 507 2-14
68.05.205	AMD	43	4	70.02.010	AMD 448 1
68.50	ADD	228	1-16	70.02.020	AMD 448 2
68.50.106	AMD	228	19	70.02.030	AMD 448 3
68.50.160	AMD	297	1	70.02.050	AMD 448 4
68.50.180	AMD	43	5	70.02.080	AMD 448 5
68.50.280	REP	228	21	70.05	ADD 492 237
68.50.340	REP	228	21		256
68.50.350	REP	228	21	70.05.005	REP 492 257
68.50.360	REP	228	21	70.05.010	AMD 492 234
68.50.370	REP	228	21	70.05.020	REP 492 257
68.50.380	REP	228	21	70.05.030	AMD 492 235
68.50.390	REP	228	21	70.05.040	AMD 492 236
68.50.400	REP	228	21	70.05.050	AMD 492 238
68.50.410	REP	228	21	70.05.070	AMD 492 239
68.50.420	REP	228	21	70.05.080	AMD 492 240
68.50.500	AMD	228	20	70.05.120	AMD 492 241
68.60.030	AMD	67	1	70.05.130	AMD 492 242
69.04	ADD	282	2-5	70.05.132	REP 492 257
69.07.040	AMD	19 E1	11	70.05.145	REP 492 257
69.07.040	AMD	212	2	70.05.150	AMD 492 243
69.25.250	AMD	19 E1	12	70.05.170	AMD 41 1
69.50	ADD	187	14,20 22	70.08.010	AMD 492 244
				70.08.010	RECD 492 256
69.50.101	REMD	187	1	70.12.005	REP 492 257
69.50.201	AMD	187	2	70.12.030	AMD 492 245
69.50.203	AMD	187	3	70.12.050	AMD 492 246
69.50.204	AMD	187	4	70.24.300	AMD 281 60
69.50.205	AMD	187	5	70.24.440	AMD 264 1
69.50.206	AMD	187	6	70.24.440	RECD 264 2
69.50.207	AMD	187	7	70.38.111	AMD 508 5
69.50.208	AMD	187	8	70.38.115	REMD 508 6
69.50.209	AMD	187	9	70.41	ADD 492 265
69.50.210	AMD	187	10	70.41.200	AMD 492 415

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RCW	CH.	SEC.	RCW	CH.	SEC.		
70.41.230	AMD	492	416	70.96A	ADD	137	1
70.44	ADD	234	1	70.96A.140	AMD	362	1
70.44.140	AMD	198	22	70.105D	ADD	326	1
70.44.200	AMD	489	1	70.118	ADD	321	3
70.46.020	AMD	492	247	70.118.020	AMD	321	2
70.46.030	REP	492	257	70.119	ADD	306	4
70.46.040	REP	492	257	70.119.100	AMD	306	1
70.46.050	REP	492	257	70.119.120	AMD	306	2
70.46.060	AMD	492	248	70.119.150	AMD	306	3
70.46.080	AMD	492	249	70.119A	ADD	305	4
70.46.085	AMD	492	250	70.119A.030	AMD	305	1
70.46.090	AMD	492	251	70.119A.040	AMD	305	2
70.46.120	AMD	492	252	70.119A.050	AMD	305	3
70.47	ADD	492	201	70.124.060	AMD	510	25
70.47	ADD	494	6	70.127	ADD	42	7,11
70.47.010	AMD	492	208	70.127.010	AMD	42	1
70.47.020	AMD	492	209	70.127.040	AMD	42	2
70.47.030	AMD	492	210	70.127.050	AMD	42	3
70.47.040	AMD	492	211	70.127.080	AMD	42	4
70.47.060	AMD	492	212	70.127.090	AMD	42	5
70.47.080	AMD	492	213	70.127.100	AMD	42	6
70.48.130	AMD	409	1	70.127.120	AMD	42	8
70.74	ADD	293	4,8,9	70.127.130	AMD	42	9
70.74.010	AMD	293	1	70.127.160	REP	42	12
70.74.022	AMD	293	2	70.127.250	AMD	42	10
70.74.160	AMD	293	3	70.127.900	REP	42	12
70.74.191	AMD	293	5	70.127.901	REP	42	12
70.74.270	AMD	293	6	70.146.020	AMD	24 E1	923
70.74.295	AMD	293	7	70.146.080	AMD	24 E1	924
70.79.070	AMD	193	1	70.170	ADD	492	261-
70.79.240	AMD	391	1				263
70.79.250	AMD	391	2	70.170.080	AMD	24 E1	925
70.87.120	AMD	281	61	70.170.100	AMD	492	259
70.93	ADD	399	1	70.170.110	AMD	492	260
70.93.060	AMD	292	1	70.185	ADD	492	274
70.93.070	AMD	292	2				275
70.94	ADD	252	6-8	70.185.030	AMD	492	273
70.94.015	AMD	252	1	70.190	ADD	336	901
70.94.030	AMD	252	2	71.05	ADD	448	8
70.94.151	AMD	252	3	71.05.135	AMD	15	2
70.94.152	AMD	252	4	71.05.390	AMD	448	6
70.94.161	AMD	252	5	71.05.400	AMD	448	7
70.94.650	AMD	353	1	72.01.210	AMD	281	62
70.94.654	AMD	353	2	72.02	ADD	144	6
70.95	ADD	286	1,2	72.02.045	AMD	281	63
70.95	ADD	300	3	72.09	ADD	20 E1	2
70.95.240	AMD	292	3	72.09	ADD	338	1,3
70.95.800	AMD	130	2				5,6
70.96.150	RECD	131	1	72.09	ADD	461	12
70.96A	ADD	131	1	72.09.070	AMD	20 E1	3

RCW SECTIONS AFFECTED BY 1993 STATUTES

RCW	CH.	SEC.	RCW	CH.	SEC.		
72.09.080	AMD	20 E1	4	74.13.090	AMD	194	7
72.09.102	REP	20 E1	8	74.13.0903	AMD	453	2
72.09.110	AMD	20 E1	5	74.14A	ADD	505	5
72.09.220	AMD	281	64	74.14A	ADD	508	7
72.09.300	AMD	21 E1	8	74.18.230	AMD	369	1
72.19.050	AMD	281	65	74.20A.030	AMD	24 E1	926
72.36	ADD	3 E1	2,3 9,10	74.25.020	AMD	312	7
72.36.020	AMD	3 E1	4	74.29.005	AMD	213	1
72.36.030	AMD	3 E1	5	74.29.010	AMD	213	2
72.36.035	AMD	3 E1	6	74.29.020	AMD	213	3
72.36.080	REP	3 E1	11	74.29.025	REP	213	5
72.36.120	AMD	3 E1	7	74.29.037	AMD	213	6
72.36.130	REP	3 E1	11	74.29.080	AMD	213	4
72.40.022	AMD	147	1	74.29.100	REP	213	5
72.40.024	AMD	147	2	74.29.105	REP	213	5
72.40.040	AMD	147	3	74.29.110	REP	213	5
72.40.080	AMD	147	4	74.42.010	AMD	508	4
72.40.090	AMD	147	5	74.46	ADD	13 E1	15
72.40.110	AMD	147	6	74.46.020	AMD	13 E1	1
72.41.020	AMD	147	7	74.46.180	REMD	13 E1	2
72.41.070	AMD	147	8	74.46.230	AMD	13 E1	3
72.41.080	REP	147	11	74.46.260	REP	13 E1	19
72.42.020	AMD	147	9	74.46.280	AMD	13 E1	4
72.42.070	AMD	147	10	74.46.380	AMD	13 E1	5
72.42.080	REP	147	11	74.46.410	AMD	13 E1	6
72.60.190	REP	20 E1	8	74.46.420	AMD	13 E1	7
74	ADD	10	1-3	74.46.430	AMD	13 E1	8
74	ADD	312	2-4 8,12	74.46.450	AMD	13 E1	9
74	ADD	508	1-3 11,12	74.46.460	AMD	13 E1	10
74.04	ADD	312	11	74.46.470	AMD	13 E1	11
74.04.005	REMD	312	5	74.46.481	AMD	13 E1	12
74.04.660	AMD	63	1	74.46.490	AMD	13 E1	13
74.08.125	AMD	22	1	74.46.495	REP	13 E1	19
74.09	ADD	149	2-7	74.46.500	AMD	13 E1	14
74.09	ADD	264	2	74.46.510	AMD	13 E1	16
74.09.055	AMD	492	231	74.46.530	AMD	13 E1	17
74.09.120	AMD	3 E1	8	75	ADD	2 E1	83-95 97,98
74.09.150	AMD	281	66	75.08	ADD	2 E1	99
74.09.520	AMD	57	1	75.08.011	REMD	2 E1	20
74.09.520	AMD	149	10	75.08.011	REMD	340	47
74.09.524	REP	149	11	75.08.014	AMD	2 E1	21
74.09.700	REMD	57	2	75.08.035	AMD	2 E1	22
74.09.790	AMD	407	9	75.08.055	AMD	2 E1	23
74.09.800	AMD	407	10	75.08.080	AMD	117	1
74.12	ADD	312	10	75.08.230	AMD	340	48
74.13.075	AMD	146	1	75.08.400	AMD	2 E1	24
74.13.075	AMD	402	3	75.10	ADD	82	6
				75.10.010	AMD	2 E1	25
				75.10.010	AMD	283	7

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75.10.200	AMD	2 E1	26	75.28.030	AMD 340	5
75.12	ADD	340	49,54	75.28.035	AMD 17 E1	13
75.12.040	AMD	2 E1	27	75.28.035	REP 340	56
75.12.210	AMD	20	2	75.28.040	AMD 340	6
75.20.005	AMD	2 E1	28	75.28.060	REP 340	56
75.20.050	AMD	2 E1	29	75.28.065	REP 17 E1	31
75.20.100	AMD	2 E1	30	75.28.070	AMD 340	52
75.20.1001	AMD	2 E1	31	75.28.070	RECD 340	54
75.20.103	AMD	2 E1	32	75.28.095	REMD 17 E1	14
75.20.104	AMD	2 E1	33			41
75.20.1041	AMD	2 E1	34	75.28.095	REMD 340	21
75.20.106	AMD	2 E1	35	75.28.110	AMD 17 E1	15
75.20.110	AMD	2 E1	36	75.28.110	AMD 17 E1	35
75.20.130	AMD	2 E1	37	75.28.110	AMD 340	12
75.20.300	AMD	2 E1	38	75.28.113	AMD 17 E1	16
75.20.310	AMD	2 E1	39	75.28.113	AMD 17 E1	36
75.24.065	AMD	2 E1	40	75.28.113	AMD 340	13
75.24.100	AMD	340	51	75.28.116	AMD 17 E1	17
75.25	ADD	17 E1	2,3	75.28.116	AMD 17 E1	37
75.25.005	AMD	2 E1	41	75.28.116	AMD 340	14
75.25.005	AMD	17 E1	4	75.28.120	AMD 17 E1	18
75.25.015	REP	17 E1	31	75.28.120	AMD 17 E1	38
75.25.040	REP	17 E1	31	75.28.120	AMD 340	15
75.25.080	AMD	2 E1	42	75.28.125	AMD 17 E1	19
75.25.080	AMD	17 E1	5	75.28.125	AMD 17 E1	39
75.25.080	AMD	201	1	75.28.125	AMD 340	16
75.25.090	AMD	215	1	75.28.125	AMD 376	3
75.25.090	REP	17 E1	31	75.28.130	AMD 17 E1	20
75.25.100	REP	17 E1	31	75.28.130	AMD 17 E1	40
75.25.110	AMD	17 E1	6	75.28.130	AMD 340	17
75.25.120	AMD	17 E1	7	75.28.134	AMD 17 E1	21
75.25.126	REP	17 E1	31	75.28.134	AMD 340	50
75.25.140	AMD	17 E1	8	75.28.134	RECD 340	54
75.25.150	AMD	17 E1	9	75.28.140	AMD 17 E1	22
75.25.170	AMD	2 E1	43	75.28.140	REP 340	56
75.25.180	AMD	2 E1	44	75.28.235	AMD 340	36
75.25.180	AMD	17 E1	10	75.28.235	RECD 340	54
75.28	ADD	4 E1	4	75.28.245	AMD 340	37
75.28	ADD	17 E1	34	75.28.245	RECD 340	54
			42	75.28.255	AMD 17 E1	23
			45	75.28.255	REP 340	56
75.28	ADD	340	7-11	75.28.280	AMD 17 E1	24
			18,23	75.28.280	AMD 340	19
			25,54	75.28.287	AMD 340	24
75.28.010	AMD	340	2	75.28.287	RECD 340	54
75.28.012	AMD	20	3	75.28.290	AMD 17 E1	25
75.28.012	REP	340	56	75.28.290	AMD 340	20
75.28.014	AMD	340	3	75.28.300	AMD 17 E1	26
75.28.020	AMD	340	4	75.28.300	AMD 17 E1	43
75.28.030	AMD	17 E1	44	75.28.340	AMD 17 E1	27

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75.28.340	AMD	17 E1	46	76.09	ADD 443 5
75.28.690	AMD	17 E1	28	76.09.010	AMD 443 1
75.28.690	AMD	340	22	76.09.030	AMD 257 1
75.28.710	AMD	17 E1	29	76.09.040	AMD 443 2
75.28.710	AMD	340	26	76.09.050	AMD 443 3
75.30	ADD	340	45,46	76.09.060	AMD 443 4
			54	76.09.140	AMD 482 1
75.30	ADD	376	10	76.09.170	AMD 482 2
75.30.050	AMD	340	27	76.12.160	AMD 204 7
75.30.050	AMD	376	9	76.15	ADD 204 10,11
75.30.065	AMD	340	28	77	ADD 82 1-3
75.30.070	AMD	340	29	77.04.020	AMD 2 E1 59
75.30.090	AMD	340	30	77.04.030	AMD 2 E1 60
75.30.100	AMD	340	31	77.04.040	AMD 2 E1 61
75.30.120	AMD	100	1	77.04.055	AMD 2 E1 62
75.30.120	AMD	340	32	77.04.060	REMD 2 E1 63
75.30.125	AMD	340	33	77.04.080	AMD 2 E1 64
75.30.130	AMD	340	34	77.04.100	AMD 2 E1 65
75.30.140	AMD	340	35	77.08.010	AMD 2 E1 66
75.30.150	DECD	340	55	77.12	ADD 2 E1 78
75.30.160	AMD	17 E1	30	77.12	ADD 4 E1 6
75.30.160	AMD	340	38	77.12	ADD 80 4
75.30.170	AMD	340	39	77.12.055	AMD 2 E1 67
75.30.180	AMD	340	40	77.12.103	AMD 2 E1 68
75.30.210	AMD	340	41	77.12.440	AMD 2 E1 69
75.30.220	AMD	340	42	77.12.710	AMD 2 E1 70
75.30.240	AMD	340	43	77.12.730	AMD 2 E1 71
75.30.250	AMD	340	44	77.12.750	AMD 2 E1 72
75.50	ADD	88	2,3	77.16.060	AMD 2 E1 73
75.50.010	AMD	2 E1	45	77.16.135	AMD 2 E1 74
75.50.070	AMD	2 E1	46	77.16.170	AMD 2 E1 75
75.50.080	AMD	2 E1	47	77.18.010	AMD 2 E1 76
75.50.100	AMD	17 E1	11	77.21	ADD 82 5
75.50.100	AMD	340	53	77.32.155	AMD 85 1
75.50.130	AMD	2 E1	48	77.32.380	AMD 2 E1 77
75.52.010	AMD	2 E1	49	78.44	ADD 518 4,5
75.52.020	AMD	2 E1	50		
75.52.035	AMD	2 E1	51		10-15
75.52.100	AMD	2 E1	52		18
75.52.110	AMD	2 E1	53		20-33
75.52.160	AMD	2 E1	54	78.44.010	AMD 518 37,38
75.58.010	AMD	2 E1	55	78.44.020	AMD 518 2
75.58.020	AMD	2 E1	56	78.44.030	REP 518 3
75.58.030	AMD	2 E1	57	78.44.035	REP 518 39
75.58.040	AMD	2 E1	58	78.44.040	AMD 518 39
76.04	ADD	196	1	78.44.040	AMD 518 6
76.04.015	AMD	196	3	78.44.050	AMD 518 7
76.04.495	AMD	196	2	78.44.060	AMD 518 8
76.04.610	AMD	36	1	78.44.070	AMD 518 9
76.04.630	AMD	36	2	78.44.080	REP 518 39
				78.44.090	REP 518 39

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78.44.110	REP	518	39	82.02.030	AMD 25 E1 107
78.44.120	REP	518	39	82.02.030	AMD 492 312
78.44.130	REP	518	39	82.02.050	AMD 6 E1 6
78.44.140	REP	518	39	82.04	ADD 25 E1 201
78.44.150	AMD	518	34		204
78.44.150	RECD	518	40		302
78.44.160	REP	518	39		304
78.44.170	AMD	518	35	82.04	ADD 181 10
78.44.170	RECD	518	40	82.04	ADD 390 1
78.44.175	RECD	518	40	82.04	ADD 492 303
78.44.180	REP	518	39	82.04.050	AMD 25 E1 301
78.44.910	AMD	518	36	82.04.170	AMD 18 E1 37
78.44.910	RECD	518	40	82.04.170	AMD 181 13
79.01	ADD	4 E1	5	82.04.230	AMD 25 E1 101
79.01	ADD	283	2-6	82.04.240	AMD 25 E1 102
79.01.612	AMD	49	1	82.04.250	AMD 25 E1 103
79.01.760	AMD	266	1	82.04.255	AMD 25 E1 202
79.24.580	AMD	24 E1	927	82.04.260	AMD 25 E1 104
79.64.020	AMD	460	1	82.04.260	AMD 492 304
79.64.030	AMD	460	2	82.04.270	AMD 25 E1 105
79.66.090	AMD	265	1	82.04.280	AMD 25 E1 106
79.96.010	AMD	295	1	82.04.280	AMD 25 E1 303
79.96.050	AMD	295	2	82.04.290	AMD 25 E1 203
80.04.130	AMD	311	1	82.04.2901	REP 25 E1 108
80.28	ADD	204	4	82.04.2904	REP 25 E1 108
80.28	ADD	245	2	82.04.300	AMD 25 E1 205
80.28.024	AMD	204	8	82.04.330	AMD 25 E1 305
80.36	ADD	249	1	82.04.417	REP 25 E1 801
80.36.450	AMD	249	2	82.04.4288	REP 492 306
81.04.010	AMD	427	9	82.04.4289	AMD 492 305
81.04.130	AMD	300	1	82.04.470	AMD 25 E1 701
81.24.030	AMD	427	10	82.08	ADD 25 E1 702
81.28.050	AMD	300	2	82.08	ADD 119 1
81.80	ADD	97	1,3,6	82.08	ADD 205 1
81.80	ADD	359	1	82.08.0273	AMD 444 1
81.80	ADD	392	1	82.08.0281	AMD 25 E1 308
81.80.040	AMD	121	4	82.08.0287	AMD 488 2
81.80.090	AMD	97	5	82.08.050	AMD 25 E1 704
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81.80.300	REP	97	7	82.12	ADD 205 2
81.80.318	AMD	97	2	82.12.0275	AMD 25 E1 309
81.80.320	REP	97	7	82.12.0282	AMD 488 4
81.84	ADD	427	4,7,8	82.14	ADD 21 E1 4
81.84.010	AMD	427	2	82.14.310	AMD 21 E1 1
81.84.020	AMD	427	3	82.14.320	AMD 21 E1 2
81.84.030	AMD	427	5	82.14.330	AMD 21 E1 3
81.84.050	AMD	427	6	82.14.340	REMD 21 E1 6
81.104.030	AMD	428	1	82.18.100	AMD 130 1
81.104.090	AMD	393	2	82.24.020	AMD 492 307
81.104.120	AMD	428	2		

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82.24.530	AMD	507	15	82.62.040	AMD 25 E1 411	
82.24.550	AMD	507	17	82.65A.030	AMD 276 1	
82.24.560	AMD	507	18	82.80.020	AMD 60 1	
82.26.020	AMD	492	309	83.100.020	AMD 73 9	
82.27.020	AMD	17 E1	12	83.100.160	AMD 413 1	
82.32	ADD	25 E1	703	83.110.010	AMD 73 10	
82.36	ADD	268	2	83.110.050	AMD 73 11	
82.36.010	AMD	54	1	84.34.210	AMD 248 1	
82.36.030	AMD	54	2	84.34.220	AMD 248 2	
82.36.110	AMD	54	3	84.36	ADD 79 1	
82.36.225	REP	268	1	84.36.030	AMD 327 2	
82.36.230	AMD	54	4	84.36.037	AMD 327 1	
82.36.280	AMD	141	1	84.36.041	AMD 151 1	
82.37.020	AMD	54	5	84.36.381	AMD 178 1	
82.38.080	AMD	141	2	84.36.800	AMD 79 2	
82.38.090	AMD	54	6	84.36.805	REMD 79 3	
82.44.015	AMD	488	3	84.36.810	AMD 79 4	
82.44.020	AMD	23 E1	61	84.40.030	AMD 436 1	
82.44.020	AMD	123	2	84.40.065	AMD 33 2	
82.44.110	AMD	21 E1	7	84.40.150	AMD 33 3	
82.44.110	AMD	491	1	84.40.190	AMD 33 4	
82.44.110	AMD	492	253	84.40.200	AMD 33 5	
82.44.120	AMD	307	3	84.44.050	AMD 123 3	
82.44.150	REMD	491	2	84.52	ADD 337 2	
82.44.155	AMD	492	254	84.52.010	AMD 337 4	
82.44.180	AMD	23 E1	64	84.52.043	AMD 337 3	
82.44.180	AMD	393	1	84.52.052	AMD 284 4	
82.45	ADD	25 E1	505	84.52.0531	AMD 465 1	
82.45.010	AMD	25 E1	502	84.52.069	AMD 337 5	
82.45.030	AMD	25 E1	503	84.56	ADD 33 6	
82.45.032	AMD	25 E1	504	84.64.270	AMD 310 1	
82.45.090	AMD	25 E1	506	84.64.320	AMD 310 2	
82.45.100	AMD	25 E1	507	85.07.080	REP 7 1	
82.45.120	REP	25 E1	512	85.07.080	REP 464 5	
82.45.150	AMD	25 E1	509	85.22.010	AMD 464 1	
82.45.180	AMD	25 E1	510	85.38	ADD 464 2,4	
82.45A.010	REP	25 E1	512	85.38.140	AMD 464 3	
82.45A.020	REP	25 E1	512	86.26.007	AMD 24 E1 928	
82.45A.030	REP	25 E1	512	87.03	ADD 235 2-7	
82.48.020	AMD	238	5	87.03.440	AMD 449 12	
82.49.010	AMD	238	6	87.03.530	AMD 235 1	
82.49.060	AMD	33	1	87.04	ADD 235 9	
82.49.070	REP	244	41	88	ADD 474 1,2	
82.50.400	AMD	238	7	88.02	ADD 244 40	
82.50.530	AMD	32	1	88.02.050	AMD 244 38	
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82.60.050	AMD	25 E1	404	88.02.118	AMD 238 4	
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		27,39	88.12.340	REP	244 44
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88.12.010	AMD	244 5	88.12.380	RECD	244 45
88.12.010	RECD	244 45	88.12.390	AMD	244 32
88.12.020	AMD	244 7	88.12.390	RECD	244 45
88.12.020	RECD	244 45	88.12.400	AMD	244 33
88.12.030	REP	244 44	88.12.400	RECD	244 45
88.12.040	REP	244 44	88.12.410	AMD	244 34
88.12.050	AMD	244 14	88.12.410	RECD	244 45
88.12.050	RECD	244 45	88.12.420	AMD	244 35
88.12.080	AMD	244 15	88.12.420	RECD	244 45
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88.12.100	RECD	244 45	88.12.440	RECD	244 45
88.12.100	REMD	244 8	88.12.450	AMD	244 37
88.12.110	RECD	244 45	88.12.450	RECD	244 45
88.12.120	RECD	244 45	88.12.460	RECD	244 45
88.12.130	AMD	244 18	88.12.470	RECD	244 45
88.12.130	RECD	244 45	88.12.480	REP	244 44
88.12.140	RECD	244 45	88.16.210	RECD	184 1
88.12.150	RECD	244 45	88.16.220	RECD	184 1
88.12.160	AMD	244 19	88.16.230	RECD	184 1
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88.12.170	AMD	244 20	88.46	ADD	162 1
88.12.170	RECD	244 45	88.46.927	AMD	281 67
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88.12.210	AMD	244 24	90.42.010	AMD	4 E1 14
88.12.210	RECD	244 45	90.42.010	AMD	98 1
88.12.220	AMD	244 25	90.42.030	AMD	98 2
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88.12.240	REP	244 44	90.44	ADD	99 1
88.12.250	AMD	244 28	90.48	ADD	296 1
88.12.260	AMD	244 29	90.50A.020	AMD	329 1
88.12.270	REP	244 44	90.54	ADD	4 E1 11
88.12.280	AMD	244 30	90.56	ADD	184 1
88.12.280	RECD	244 45	90.56.510	AMD	162 2
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88.12.290	RECD	244 45			
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352	10	REP	437	1

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16		ADD	1	105
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16		ADD	1	902
16	126	AMD	1	106
16	201	AMD	1	201
16	221	AMD	1	217
16	225	AMD	1	219
16	716	REP	1	705
16	317	AMD	1	308
16	802	AMD	1	802
22	1	REP	25	512

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141	509	AMD	336	1202
209	6	AMD	177	3
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234	6	AMD	86	5
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232	520	AMD	1	515
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232	706	AMD	1	701
232	707	AMD	1	703
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232	705	REP	1	705
232	712	REP	1	705
232	802	AMD	1	801
238	1	AMD	1	601
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HISTORY OF STATE MEASURES FILED WITH THE SECRETARY OF STATE

INITIATIVES TO THE PEOPLE

- INITIATIVE MEASURE No. 1 (**State-wide Prohibition**)—Filed January 2, 1914. Refiled as Initiative Measure No. 3.
- INITIATIVE MEASURE No. 2 (**Eight Hour Law**)—Filed January 3, 1914. Refiled as Initiative Measure No. 5.
- *INITIATIVE MEASURE No. 3 (**State-Wide Prohibition**)—Filed January 8, 1914. Submitted to the voters at the state general election held on November 3, 1914. Measure approved into law by the following vote: **For**—189,840 **Against**—171,208. Act is now identified as Chapter 2, Laws of 1915.
- INITIATIVE MEASURE No. 4 (**Drugless Healers**)—Filed January 13, 1914. No petition filed.
- INITIATIVE MEASURE No. 5 (**Eight Hour Law**)—Filed January 15, 1914. No petition filed. See Initiative Measure No. 13, covering same subject.
- INITIATIVE MEASURE No. 6 (**Blue Sky Law**)—Filed January 30, 1914. Submitted to voters at the state general election held on November 3, 1914. Failed to pass by the following vote: **For**—142,017 **Against**—147,298.
- INITIATIVE MEASURE No. 7 (**Abolishing Bureau of Inspection**)—Filed January 30, 1914. Submitted to the voters at the state general election held on November 3, 1914. Failed to pass by the following vote: **For**—117,882 **Against**—167,080.
- *INITIATIVE MEASURE No. 8 (**Abolishing Employment Offices**)—Filed January 30, 1914. Submitted to the voters at the state general election held on November 3, 1914. Measure approved into law by the following vote: **For**—162,054 **Against**—144,544. Act is now identified as Chapter 1, Laws of 1915.
- INITIATIVE MEASURE No. 9 (**First Aid to Injured**)—Filed January 29, 1914. Submitted to the voters at the state general election held on November 3, 1914. Failed to pass by the following vote: **For**—143,738 **Against**—154,166.
- INITIATIVE MEASURE No. 10 (**Convict Labor Road Measure**)—Filed January 29, 1914. Submitted to the voters at the state general election held on November 3, 1914. Failed to pass by the following vote: **For**—111,805 **Against**—183,726.
- INITIATIVE MEASURE No. 11 (**Fish Code**)—Filed January 29, 1914. Petition failed. Not enough valid signatures obtained to place the measure on the November 3, 1914 state general election ballot.
- INITIATIVE MEASURE No. 12 (**Abolishing Tax Commissson**)—Filed January 29, 1914. Petition failed. Not enough valid signatures obtained to place the measure on the November 3, 1914 state general election ballot.
- INITIATIVE MEASURE No. 13 (**Eight Hour Law**)—Filed February 10, 1914. Submitted to the voters at the state general election held on November 3, 1914. Failed to pass by the following vote: **For**—118,881 **Against**—212,935.
- INITIATIVE MEASURE No. 14 (**Legislative Reapportionment**)—Filed May 13, 1914. No petition filed.

INITIATIVES TO THE PEOPLE

- INITIATIVE MEASURE No. 15 (**Fundamental Reform Act**)—Filed May 15, 1914. No petition filed.
- INITIATIVE MEASURE No. 16 (**Legislative Reapportionment**)—Filed May 20, 1914. No petition filed.
- INITIATIVE MEASURE No. 17 (**State Road Measure**)—Filed June 13, 1914. No petition filed.
- INITIATIVE MEASURE No. 18 (**Brewers' Hotel Bill**)—Filed December 14, 1914. The 1915 Legislature failed to take action, and as provided by the state constitution the measure then was submitted to the voters for final decision at the November 7, 1916 state general election. Measure was defeated by the following vote: **For—48,354 Against—263,390.**
- (This initiative was erroneously numbered since it was actually an initiative to the Legislature. Now renumbered as Initiative to the Legislature No. 1A.)
- INITIATIVE MEASURE No. 19 (**Nonpartisan Election and Presidential Primary**)—Filed February 11, 1916. No petition filed.
- INITIATIVE MEASURE No. 20 (**First Aid**)—Filed February 11, 1916. No petition filed.
- INITIATIVE MEASURE No. 21 (**Home Rule**)—Filed February 11, 1916. No petition filed.
- INITIATIVE MEASURE No. 22 (**Fisheries Code**)—Filed February 11, 1916. No petition filed.
- INITIATIVE MEASURE No. 23 (**Politicians' Code**)—Filed March 29, 1916. No petition filed.
- INITIATIVE MEASURE No. 24 (**Brewers' Bill**)—Filed April 20, 1916. Submitted to the voters at the state general election held on November 7, 1916. Failed to pass by the following vote: **For—98,843 Against—245,399.**
- INITIATIVE MEASURE No. 25 (**Repealing State-Wide Prohibition**)—Filed May 11, 1916. No petition filed.
- INITIATIVE MEASURE No. 26 (**Making the State a Prohibition District**)—Filed October 13, 1916. No petition filed.
- INITIATIVE MEASURE No. 27 (**Repealing Chapter 57, Laws of 1915, Relating to Regulation of Common Carriers**)—Filed October 13, 1916. No petition filed.
- INITIATIVE MEASURE No. 28 (**Nonpartisan Elections**)—Filed October 26, 1916. No petition filed.
- INITIATIVE MEASURE No. 29 (**Capitol Removal Bill**)—Filed November 27, 1916. No petition filed.
- INITIATIVE MEASURE No. 30 (**Eight Hour Law**)—Filed January 9, 1918. No petition filed.
- INITIATIVE MEASURE No. 31 (**Municipal Marketing Measure**)—Filed February 5, 1918. No petition filed.
- INITIATIVE MEASURE No. 32 (**Picketing Measure**)—Filed February 5, 1918. No petition filed.
- INITIATIVE MEASURE No. 33 (**Nonpartisan Elections and Presidential Primary**)—Filed February 5, 1918. No petition filed.
- INITIATIVE MEASURE No. 34 (**Relating to Salmon Fishing**)—Filed February 8, 1918. No petition filed.
- INITIATIVE MEASURE No. 35 (**Repealing Chapter 174, Laws of 1919, Relating to Prevention of Criminal Syndicalism**)—Filed October 7, 1920. Insufficient number of signatures on petition; failed.
- INITIATIVE MEASURE No. 36 (**Municipal Marketing Measure**)—Filed November 16, 1920. No petition filed.

INITIATIVES TO THE PEOPLE

- INITIATIVE MEASURE No. 37 (Relating to Ownership of Land by Aliens)—Filed November 19, 1920. No petition filed.
- INITIATIVE MEASURE No. 38 (Repealing Chapter 209, Laws of 1907, Relating to the Nomination of Candidates for Public Office)—Filed January 11, 1922. No petition filed.
- INITIATIVE MEASURE No. 39 (Repealing Chapter 138, Laws of 1913, Relating to the Initiative Procedure)—Filed January 11, 1922. No petition filed.
- *INITIATIVE MEASURE No. 40 (Repealing Chapter 174, Laws of 1921, Relating to the Poll Tax)—Filed January 18, 1922. Submitted to the voters at the state general election held on November 7, 1922. Measure approved into law by the following vote: For—193,356 Against—63,494. Act is now identified as Chapter 1, Laws of 1923.
- INITIATIVE MEASURE No. 41 (Nonpartisan Elections)—Filed January 18, 1922. No petition filed.
- INITIATIVE MEASURE No. 42 (Workmen's Compensation Measure)—Filed January 24, 1922. Same as Initiative Measure No. 47; no petition filed.
- INITIATIVE MEASURE No. 43 (Relating to Injunctions in Labor Disputes)—Filed January 24, 1922. No petition filed.
- INITIATIVE MEASURE No. 44 (Relating to Municipal Ownership)—Filed January 28, 1922. No petition filed.
- INITIATIVE MEASURE No. 45 (Legislative Reapportionment)—Filed February 14, 1922. No petition filed.
- INITIATIVE MEASURE No. 46 ("30-10" School Plan)—Filed February 21, 1922. Submitted to the voters at the state general election held on November 7, 1922. Failed to pass by the following vote: For—99,150 Against—150,114.
- INITIATIVE MEASURE No. 47 (Workmen's Compensation Measure)—Filed March 27, 1922. No petition filed.
- INITIATIVE MEASURE No. 48 (Compulsory School Attendance)—Filed January 7, 1924. No petition filed.
- INITIATIVE MEASURE No. 49 (Compulsory School Attendance)—Filed January 15, 1924. Submitted to the voters at the state general election held on November 4, 1924. Failed to pass by the following vote: For—158,922 Against—221,500.
- INITIATIVE MEASURE No. 50 (Limitation of Taxation)—Filed February 21, 1924. Submitted to the voters at the state general election held on November 4, 1924. Failed to pass by the following vote: For—128,677 Against—211,948.
- INITIATIVE MEASURE No. 51 (Pertaining to Salmon Fishing)—Filed April 2, 1924. No petition filed.
- INITIATIVE MEASURE No. 52 (Electric Power Measure)—Filed April 8, 1924. Submitted to the voters at the state general election held on November 4, 1924. Failed to pass by the following vote: For—139,492 Against—217,393.
- INITIATIVE MEASURE No. 53 (Relating to Sanfractile)—Filed February 4, 1926. No petition filed.
- INITIATIVE MEASURE No. 54 (State Commission to License and Regulate Horse-Racing, Pool-Selling, etc.—Parimutuel Measure)—Filed February 5, 1926. No petition filed.
- INITIATIVE MEASURE No. 55 (Prohibiting Use of Purse Selnes, Fish Traps, Fish Wheels, etc.)—Filed February 16, 1928. No petition filed.

INITIATIVES TO THE PEOPLE

- INITIATIVE MEASURE No. 56 (Redistricting State For Legislative Purposes)—Filed April 24, 1930. Refiled as Initiative Measure No. 57.
- *INITIATIVE MEASURE No. 57 (Redistricting State for Legislative Purposes)—Filed April 25, 1930. Submitted to the voters at the state general election held on November 4, 1930. Measure approved into law by the following vote: For—116,436 Against—115,641. Act is now identified as Chapter 2, Laws of 1931.
- *INITIATIVE MEASURE No. 58 (Permanent Registration)—Filed January 9, 1932. Submitted to the voters at the state general election held on November 8, 1932. Measure approved into law by the following vote: For—372,061 Against—75,381. Act is now identified as Chapter 1, Laws of 1933.
- INITIATIVE MEASURE No. 59 (Tax Free Homes)—Filed January 9, 1932. No petition filed.
- INITIATIVE MEASURE No. 60 (Licensing of Mercantile Establishments)—Filed January 9, 1932. No petition filed.
- *INITIATIVE MEASURE No. 61 (Relating to Intoxicating Liquors)—Filed January 9, 1932. Submitted to the voters at the state general election held on November 8, 1932. Measure approved into law by the following vote: For—341,450 Against—208,211. Act is now identified as Chapter 2, Laws of 1933.
- *INITIATIVE MEASURE No. 62 (Creating Department of Game)—Filed January 9, 1932. Submitted to the voters at the state general election held on November 8, 1932. Measure approved into law by the following vote: For—270,421 Against—231,863. Act is now identified as Chapter 3, Laws of 1933.
- INITIATIVE MEASURE No. 63 (Exemption of Homes from Taxation)—Filed January 9, 1932. No petition filed.
- *INITIATIVE MEASURE No. 64 (Limits Tax Levy on Real and Personal Property to 40 Mills)—Filed January 9, 1932. Submitted to the voters at the state general election held on November 8, 1932. Measure approved into law by the following vote: For—303,384 Against—190,619. Act is now identified as Chapter 4, Laws of 1933.
- INITIATIVE MEASURE No. 65 (Cascade Mountain Tunnel)—Filed February 19, 1932. No petition filed.
- INITIATIVE MEASURE No. 66 (Scientific Birth Control)—Filed February 26, 1932. No petition filed.
- INITIATIVE MEASURE No. 67 (Abolishes Excise Tax on Butter Substitutes)—Filed March 7, 1932. No petition filed.
- INITIATIVE MEASURE No. 68 (Unemployment Insurance)—Filed March 21, 1932. No petition filed.
- *INITIATIVE MEASURE No. 69 (Income Tax Measure)—Filed March 22, 1932. Submitted to the voters at the state general election held on November 8, 1932. Measure approved into law by the following vote: For—322,919 Against—136,983. Act is now identified as Chapter 5, Laws of 1933.
- INITIATIVE MEASURE No. 70 (Compulsory Military Training Prohibited)—Filed April 4, 1932. No petition filed.
- INITIATIVE MEASURE No. 71 (Liquor Control)—Filed January 8, 1934. No petition filed.
- INITIATIVE MEASURE No. 72 (Distribution of Highway Funds)—Filed January 8, 1934. No petition filed.
- INITIATIVE MEASURE No. 73 (Catching of Fish)—Filed January 8, 1934. No petition filed.

INITIATIVES TO THE PEOPLE

- INITIATIVE MEASURE No. 74 (Tax Free Homes)—Filed January 8, 1934. No petition filed.
- INITIATIVE MEASURE No. 75 (Unemployment Insurance)—Filed January 19, 1934. No petition filed.
- INITIATIVE MEASURE No. 76 (Tax Free Homes)—Filed January 22, 1934. No petition filed.
- *INITIATIVE MEASURE No. 77 (Fish Traps and Fishing Regulations)—Filed February 1, 1934. Submitted to the voters at the state general election held on November 6, 1934. Measure approved into law by the following vote: For—275,507 Against—153,811. Act is now identified as Chapter 1, Laws of 1935.
- INITIATIVE MEASURE No. 78 (Distribution of Highway Funds)—Filed February 9, 1934. No petition filed.
- INITIATIVE MEASURE No. 79 (Liquor Control)—Filed February 20, 1934. No petition filed.
- INITIATIVE MEASURE No. 80 (Liquor Control)—Filed February 24, 1934. No petition filed.
- INITIATIVE MEASURE No. 81 (Liquor Control)—Filed February 28, 1934. No petition filed.
- INITIATIVE MEASURE No. 82 (Fishing Regulations)—Filed March 10, 1934. No petition filed.
- INITIATIVE MEASURE No. 83 (State Sale of Gasoline)—Filed March 16, 1934. No petition filed.
- INITIATIVE MEASURE No. 84 (Blanket Primary)—Filed March 17, 1934. No petition filed.
- INITIATIVE MEASURE No. 85 (State Fire Insurance)—Filed March 17, 1934. No petition filed.
- INITIATIVE MEASURE No. 86 (State Fire Insurance)—Filed March 21, 1934. No petition filed.
- INITIATIVE MEASURE No. 87 (Workmen's Compensation)—Filed March 22, 1934. No petition filed.
- INITIATIVE MEASURE No. 88 (Liquor Control)—Filed March 24, 1934. No petition filed.
- INITIATIVE MEASURE No. 89 (One Man Grand Jury)—Filed March 30, 1934. No petition filed.
- INITIATIVE MEASURE No. 90 (Criminal Appeals)—Filed March 30, 1934. No petition filed.
- INITIATIVE MEASURE No. 91 (Regulating Motor Carriers)—Filed March 31, 1934. No petition filed.
- INITIATIVE MEASURE No. 92 (Regulating Motor Carriers)—Filed April 9, 1934. No petition filed.
- INITIATIVE MEASURE No. 93 (Distribution of Highway Funds)—Filed May 10, 1934. Insufficient number of signatures on petition; failed.
- *INITIATIVE MEASURE No. 94 (40-Mill Tax Limit)—Filed May 18, 1934. Submitted to the voters at the state general election held on November 6, 1934. Measure approved into law by the following vote: For—219,635 Against—192,168. Act is now identified as Chapter 2, Laws of 1935.
- INITIATIVE MEASURE No. 95 (Liquor Control)—Filed May 26, 1934. No petition filed.
- INITIATIVE MEASURE No. 96 (Repeal of Business Occupation Tax)—Filed June 4, 1934. No petition filed.
- INITIATIVE MEASURE No. 97 (Dog Racing)—Filed June 7, 1934. Insufficient number of signatures on petition; failed.
- INITIATIVE MEASURE No. 98 (Business and Occupation Tax)—Filed January 4, 1936. No petition filed.
- INITIATIVE MEASURE No. 99 (Distribution of Highway Funds)—Filed January 4, 1936. No petition filed.

INITIATIVES TO THE PEOPLE

- INITIATIVE MEASURE No. 100 (40-Mill Tax Limit)—Filed January 4, 1936. No petition filed.
- INITIATIVE MEASURE No. 101 (Civil Service)—Filed January 14, 1936. Submitted to the voters at the state general election held on November 3, 1936. Failed to pass by the following vote: For—208,904 Against—300,274.
- INITIATIVE MEASURE No. 102 (Creating "State Government Bank" Department)—Filed January 21, 1936. No petition filed.
- INITIATIVE MEASURE No. 103 (Old Age Pension)—Filed January 17, 1936. No petition filed.
- INITIATIVE MEASURE No. 104 (Tax on Gasoline)—Filed February 27, 1936. No petition filed.
- INITIATIVE MEASURE No. 105 (Relating to Gill Nets)—Filed March 3, 1936. No petition filed.
- INITIATIVE MEASURE No. 106 (Voter's Identification Certificate)—Filed March 3, 1936. No petition filed.
- INITIATIVE MEASURE No. 107 (Tax on Gasoline)—Filed March 7, 1936. No petition filed.
- INITIATIVE MEASURE No. 108 (40-Mill Tax Limit)—Filed March 12, 1936. No petition filed.
- INITIATIVE MEASURE No. 109 (Admission of Sick to Hospitals)—Filed March 14, 1936. No petition filed.
- INITIATIVE MEASURE No. 110 (Annuity for Crippled and Blind)—Filed March 27, 1936. No petition filed.
- INITIATIVE MEASURE No. 111 (Admission of Sick to Hospitals)—Filed April 8, 1936. No petition filed.
- INITIATIVE MEASURE No. 112 (Abolishing Compulsory Military Training)—Filed April 9, 1936. No petition filed.
- INITIATIVE MEASURE No. 113 (Tax on Gasoline)—Filed April 15, 1936. No petition filed.
- *INITIATIVE MEASURE No. 114 (40-Mill Tax Limit)—Filed April 21, 1936. Submitted to the voters at the state general election held on November 3, 1936. Measure approved into law by the following vote: For—417,641 Against—120,478. Act is now identified as Chapter I, Laws of 1937.
- INITIATIVE MEASURE No. 115 (Old Age Pension)—Filed April 21, 1936. Submitted to the voters at the state general election held on November 3, 1936. Failed to pass by the following vote: For—153,551 Against—354,162.
- INITIATIVE MEASURE No. 116 (Tax on Gasoline)—Filed April 24, 1936. No petition filed.
- INITIATIVE MEASURE No. 117 (Production for Use)—Filed May 1, 1936. No petition filed.
- INITIATIVE MEASURE No. 118 (Lien for Labor)—Filed May 5, 1936. No petition filed.
- INITIATIVE MEASURE No. 119 (Production for Use)—Filed May 9, 1936. Submitted to the voters at the state general election held on November 3, 1936. Failed to pass by the following vote: For—97,329 Against—370,140.
- INITIATIVE MEASURE No. 120 (Tax on Gasoline)—Filed May 11, 1936. No petition filed.
- INITIATIVE MEASURE No. 121 (Beer on Sunday)—Filed May 14, 1936. No petition filed.
- INITIATIVE MEASURE No. 122 (Pertaining to Bribery and Grafting)—Filed May 21, 1936. No petition filed.
- INITIATIVE MEASURE No. 123 (Business and Occupation Tax)—Filed January 27, 1938. No petition filed.
- INITIATIVE MEASURE No. 124 (Distribution of Highway Funds)—Filed February 9, 1938. No petition filed.

INITIATIVES TO THE PEOPLE

- INITIATIVE MEASURE No. 125 (Tax on Intoxicating Liquors)—Filed February 15, 1938. No petition filed.
- *INITIATIVE MEASURE No. 126 (Nonpartisan School Election)—Filed February 24, 1938. Submitted to the voters at the state general election held on November 8, 1938. Measure approved into law by the following vote: For—293,202 Against—153,142. Act is now identified as Chapter 1, Laws of 1939.
- INITIATIVE MEASURE No. 127 (Distribution of Highway Funds)—Filed March 14, 1938. No petition filed.
- INITIATIVE MEASURE No. 128 (Civil Service)—Filed March 14, 1938. No petition filed.
- *INITIATIVE MEASURE No. 129 (40-Mill Tax Limit)—Filed March 18, 1938. Submitted to the voters at the state general election held on November 8, 1938. Measure approved into law by the following vote: For—340,296 Against—149,534. Act is now identified as Chapter 2, Laws of 1939.
- INITIATIVE MEASURE No. 130 (Regulation of Labor Disputes)—Filed April 6, 1938. Submitted to the voters at the state general election held on November 8, 1938. Failed by the following vote: For—268,848 Against—295,431.
- INITIATIVE MEASURE No. 131 (Civil Service)—Filed April 7, 1938. No petition filed.
- INITIATIVE MEASURE No. 132 (Old Age Assistance)—Filed April 12, 1938. No petition filed.
- INITIATIVE MEASURE No. 133 (Relating to Licensing Gambling)—Filed April 15, 1938. No petition filed.
- INITIATIVE MEASURE No. 134 (Old Age Assistance)—Filed April 19, 1938. No petition filed.
- INITIATIVE MEASURE No. 135 (40-Mill Tax Limit)—Filed May 14, 1938. Insufficient number of signatures on petition; failed.
- INITIATIVE MEASURE No. 136 (Relating to Retail Beer and Wine Licenses)—Filed June 3, 1938. No petition filed.
- INITIATIVE MEASURE No. 137 (Relating to Gambling)—Filed June 9, 1938. No petition filed.
- INITIATIVE MEASURE No. 138 (Relating to Gambling)—Filed June 13, 1938. No petition filed.
- INITIATIVE MEASURE No. 139 (P. U. D. Bonds)—Filed January 5, 1940. Submitted to the voters at the state general election held on November 5, 1940. Failed by the following vote: For—253,318 Against—362,508.
- INITIATIVE MEASURE No. 140 (Liquor Control)—Filed January 9, 1940. No petition filed.
- *INITIATIVE MEASURE No. 141 (Old Age Pension)—Filed January 11, 1940. Submitted to the voters at the state general election held on November 5, 1940. Measure approved into law by the following vote: For—358,009 Against—258,819. Act is now identified as Chapter 1, Laws of 1941.
- INITIATIVE MEASURE No. 142 (Chain Store Tax)—Filed January 16, 1940. No petition filed.
- INITIATIVE MEASURE No. 143 (Relating to State Sale of Gas and Oil)—Filed February 2, 1940. No petition filed.
- INITIATIVE MEASURE No. 144 (Unicameral Legislature)—Filed February 23, 1940. Withdrawn. Refiled as Initiative Measure No. 147.
- INITIATIVE MEASURE No. 145 (Government Reorganization)—Filed March 18, 1940. No petition filed.
- INITIATIVE MEASURE No. 146 (Relating to Sabbath Breaking)—Filed March 22, 1940. No petition filed.

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- INITIATIVE MEASURE No. 147 (Unicameral Legislature)—Filed April 9, 1940. No petition filed.
- INITIATIVE MEASURE No. 148 (Liquor Control)—Filed May 18, 1940. No petition filed.
- INITIATIVE MEASURE No. 149 (Anti-Subversive Activities)—Filed May 23, 1940. No petition filed.
- INITIATIVE MEASURE No. 150 (Intoxicating Liquor Sold by the Drink)—Filed January 3, 1942. No petition filed.
- INITIATIVE MEASURE No. 151 (Old Age Assistance)—Filed January 3, 1942. Submitted to the voters at the state general election held on November 3, 1942. Failed to pass by the following vote: For—160,084 Against—225,027.
- INITIATIVE MEASURE No. 152 (Creating State Elective Offices of Director of Labor and Industries, Director of Social Security and Director of Agriculture)—Filed January 27, 1942. No petition filed.
- INITIATIVE MEASURE No. 153 (Reconstitution of Board of State Land Commissioners)—Filed February 24, 1942. No petition filed.
- INITIATIVE MEASURE No. 154 (After Discharge Benefits to Persons in the Armed Forces)—Filed April 28, 1942. No petition filed.
- INITIATIVE MEASURE No. 155 (Washington Employment Peace Act)—Filed January 10, 1944. No petition filed.
- INITIATIVE MEASURE No. 156 (Liberalization of Old Age Assistance Laws)—Filed February 19, 1944. Re filed as Initiative Measure No. 157.
- INITIATIVE MEASURE No. 157 (Liberalization of Old Age Assistance Laws)—Filed March 3, 1944. Submitted to the voters at the state general election November 7, 1944. Failed to pass by the following vote: For—240,565 Against—403,756.
- INITIATIVE MEASURE No. 158 (Liberalization of Old Age Assistance Laws by the Townsend Clubs of Washington)—Filed March 28, 1944. Submitted to the voters at the state general election November 7, 1944. Failed to pass by the following vote: For—184,405 Against—437,502.
- INITIATIVE MEASURE No. 159 (Increase of Injured Workmen's Compensation)—Filed January 5, 1946. Insufficient signatures presented July 10, 1946, and measure not certified to general election ballot.
- INITIATIVE MEASURE No. 160 (Increase of Injured Workmen's Compensation)—Filed January 5, 1946. No petition filed.
- INITIATIVE MEASURE No. 161 (Changing Form of General Election Ballot to Conform with Primary Election Ballot)—Filed January 5, 1946. No petition filed.
- INITIATIVE MEASURE No. 162 (Prohibiting the Governor from Employing Members of the Legislature During the Term for Which He Shall Have Been Elected)—Filed January 5, 1946. No petition filed.
- INITIATIVE MEASURE No. 163 (Prohibiting the Sale of Beer or Wine by any Person other than the State of Washington)—Filed January 9, 1946. Insufficient signatures presented July 6, 1946, and measure not certified to general election ballot.
- INITIATIVE MEASURE No. 164 (Prohibiting the Sale of Fortified Wines)—Filed February 25, 1946. No petition filed.

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- INITIATIVE MEASURE No. 165 (Providing for the Sale of Liquor by the Drink)—Filed March 1, 1946. Insufficient signatures presented July 8, 1946, and measure not certified to general election ballot.
- INITIATIVE MEASURE No. 166 (Relating to Public Utility Districts; requiring approval of voters as prerequisite to acquisition of any operating electrical utility properties, etc.)—Filed April 24, 1946. Signature petitions filed June 29, 1946, submitted to the voters at the state general election held on November 5, 1946. Failed by the following vote: For—220,239 Against—367,836.
- INITIATIVE MEASURE No. 167 (Providing Liquor by the Drink at Licensed Establishments)—Filed January 2, 1948. Insufficient valid signatures presented July 6, 1948, and measure not certified to state general election ballot.
- INITIATIVE MEASURE No. 168 (Providing Liquor by the Drink for Consumption on Premises Where Sold)—Filed January 2, 1948. No signature petitions presented for checking.
- *INITIATIVE MEASURE No. 169 (Providing Bonus to Veterans of World War II)—Filed January 2, 1948. Signature petitions filed July 9, 1948, and found sufficient. Submitted to the voters at the state general election held on November 2, 1948. Measure approved into law by the following vote: For—438,518 Against—337,410. However, State Supreme Court ruled measure unconstitutional February 4, 1949. As consequence similar measure passed into law by 1949 Legislature (Chapter 180, Laws of 1949).
- INITIATIVE MEASURE No. 170 (Relating to Liberalization of Social Security Laws)—Filed January 13, 1948. Because sponsor desired changes in text of proposed law, measure refiled as Initiative Measure No. 172.
- *INITIATIVE MEASURE No. 171 (Providing Liquor by the Drink with Certain Restrictions)—Filed January 19, 1948. Signature petitions filed July 7, 1948, and found sufficient. Submitted to the voters at the state general election held on November 2, 1948. Measure approved into law by the following vote: For—416,227 Against—373,418. Act is now identified as Chapter 5, Laws of 1949.
- *INITIATIVE MEASURE No. 172 (Relating to Liberalization of Social Security Laws)—Filed February 26, 1948. Signature petitions filed July 9, 1948, and found sufficient. Submitted to the voters at the state general election held on November 2, 1948. Measure approved into law by the following vote: For—420,751 Against—352,642. Act is now identified as Chapter 6, Laws of 1949.
- INITIATIVE MEASURE No. 173 (Providing for the Observance of Daylight Saving Time in the State of Washington)—Filed May 20, 1948. No signature petitions presented for checking.
- INITIATIVE MEASURE No. 174 (Making application to Congress to call a Convention for the sole purpose of proposing an amendment to the Constitution of the United States to expedite and insure participation of the United States in a world federal government)—Filed January 16, 1950. No signature petitions presented for checking.
- INITIATIVE MEASURE No. 175 (Establishing a Department of Youth Protection to operate the Washington State Training School and the State School for Girls under nonpartisan control)—Filed March 31, 1950. No signature petitions presented for canvassing. Essential provisions of this measure enacted by the 1951 Legislature (Chapter 234, Laws of 1951).
- INITIATIVE MEASURE No. 176 (Increasing to sixty-five dollars monthly the minimum grant for certain categories of public assistance, otherwise extending the social security program, and making an appropriation)—Filed April 20, 1950. Submitted to the voters at the state general election held on November 7, 1950. Failed to pass by the following vote: For—159,400 Against—534,689.

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INITIATIVE MEASURE No. 177—Filed May 1, 1950. Refiled May 5, 1950, as Initiative Measure No. 178.

*INITIATIVE MEASURE No. 178 (Modifying the Citizens' Security Act of 1948 (Initiative Measure No. 172) and transferring the public assistance medical program to the State Department of Health)—Filed May 5, 1950. Submitted to the voters at the state general election held on November 7, 1950. Measure approved into law by the following vote: For—394,261 Against—296,290. Act is now identified as Chapter 1, Laws of 1951.

INITIATIVE MEASURE No. 179 (Liberalizing unemployment compensation benefits and repealing that portion of the Unemployment Compensation Act providing for employer experience rating)—Filed May 5, 1950. No signature petitions presented for checking.

*INITIATIVE MEASURE No. 180 (Authorizing the Manufacture, Sale and Use of Colored Oleomargarine)—Filed February 4, 1952. Submitted to the voters at the state general election held on November 4, 1952. Measure approved into law by the following vote: For—836,580 Against—163,752. Act is now identified as Chapter 1, Laws of 1953.

*INITIATIVE MEASURE No. 181 (Prescribing the Observance of Standard Time)—Filed February 27, 1952. Submitted to the voters at the state general election held on November 4, 1952. Measure approved into law by the following vote: For—597,558 Against—397,928. Act is now identified as Chapter 2, Laws of 1953.

INITIATIVE MEASURE No. 182 (Repealing Sunday Blue Laws)—Filed March 24, 1952. No signature petitions presented for checking.

INITIATIVE MEASURE No. 183 (Petitioning Congress to declare a policy of the United States to live in peaceful coexistence with other nations and to call a conference of the heads of leading nations to negotiate a settlement of existing differences)—Filed March 26, 1952. No signature petitions presented for checking.

INITIATIVE MEASURE No. 184 (Liberalizing Old Age Pension Laws)—Filed April 3, 1952. Submitted to the voters at the state general election held on November 4, 1952. Failed by the following vote: For—265,193 Against—646,534.

INITIATIVE MEASURE No. 185 (Liberalizing Old Age Pension Laws)—Filed April 11, 1952. No signature petitions presented for checking.

INITIATIVE MEASURE No. 186 (Providing a Civil Service System for Employees of County Sheriffs)—Filed April 14, 1952. No signature petitions presented for checking.

INITIATIVE MEASURE No. 187 (Permitting a Modified Coloring of Oleomargarine)—Filed May 15, 1952. No signature petitions presented for checking.

INITIATIVE MEASURE No. 188 (Raising Standards for Chiropractic Examinations)—Filed January 4, 1954. Submitted to the voters at the state general election held on November 2, 1954. Failed by the following vote: For—320,179 Against—493,108.

INITIATIVE MEASURE No. 189 (Legislative Reapportionment)—Filed January 4, 1954. No signature petitions presented for checking.

INITIATIVE MEASURE No. 190 (Presidential Preference Primary)—Filed January 6, 1954. No signature petitions presented for checking.

INITIATIVE MEASURE No. 191 (Attorneys' Fees in Probate)—Filed January 21, 1954. No signature petitions presented for checking.

INITIATIVE MEASURE No. 192 (Regulation of Commercial Salmon Fishing)—Filed February 16, 1954. Submitted to the voters at the state general election held on November 2, 1954. Failed by the following vote: For—237,004 Against—555,151.

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- INITIATIVE MEASURE No. 193 (State-Wide Daylight Saving Time)—Filed February 23, 1954. Submitted to the voters at the state general election held on November 2, 1954. Failed by the following vote: For—370,005 Against—457,529.
- INITIATIVE MEASURE No. 194 (Restricting Television Alcoholic Beverage Advertising)—Filed March 26, 1954. Submitted to the voters at the state general election held on November 2, 1954. Failed by the following vote: For—207,746 Against—615,794.
- INITIATIVE MEASURE No. 195 (State Toll Commission)—Filed March 30, 1954. No signature petitions presented for checking.
- INITIATIVE MEASURE No. 196 (the Unemployment Compensation Act)—Filed April 23, 1954. No signature petitions presented for checking.
- INITIATIVE MEASURE No. 197 (Restricting Dams: Columbia River Tributaries)—Filed May 12, 1954. No signature petitions presented for checking.
- INITIATIVE MEASURE No. 198 (Affecting Employer-Employee Relations)—Filed January 19, 1956. Submitted to the voters at the state general election held on November 6, 1956. Failed to pass by the following vote: For—329,653 Against—704,903.
- *INITIATIVE MEASURE No. 199 (Legislative Reapportionment and Redistricting)—Filed February 16, 1956. Submitted to the voters at the November 6, 1956 state general election. Measure approved into law by the following vote: For—448,121 Against—406,287. However, 1957 Legislature extensively amended this act by passing Chapter 289, Laws of 1957 by two-thirds approval of both branches of the Legislature.
- INITIATIVE MEASURE No. 200 (Increasing Public Assistance Benefits)—Filed February 27, 1956. No signature petitions submitted for checking.
- INITIATIVE MEASURE No. 201 (Washington Fair Labor Standards Act)—Filed March 2, 1956. No signature petitions submitted for checking.
- INITIATIVE MEASURE No. 202 (Restricting Labor Agreements)—Filed January 6, 1958. Signature petitions filed July 3, 1958 and found sufficient. Submitted to voters at the state general election held on November 4, 1958. Failed by the following vote: For—339,742 Against—596,949.
- INITIATIVE MEASURE No. 203 (Wood Pulp Waste Tax)—Filed February 28, 1959. No signature petitions presented for checking.
- INITIATIVE MEASURE No. 204 (Civil Service for State Employees)—Filed January 8, 1960. No signature petitions presented for checking.
- INITIATIVE MEASURE No. 205 (Authorizing Tavern Spirituous Liquor Licenses)—Filed January 8, 1960. Signature petitions filed July 8, 1960 and found sufficient. Submitted to the voters at the November 8, 1960 state general election. Failed by the following vote: For—357,455 Against—799,643.
- INITIATIVE MEASURE No. 206 (Authorizing and Licensing "Dentistry")—Filed January 11, 1960. No signature petitions presented for checking.
- *INITIATIVE MEASURE No. 207 (Civil Service for State Employees)—Filed January 13, 1960. Signature petitions filed July 8, 1960 and found sufficient. Submitted to the voters at the November 8, 1960 state general election. Measure approved into law by the following vote: For—606,511 Against—471,730. Act is now identified as Chapter 1, Laws of 1961.
- *INITIATIVE MEASURE No. 208 (Authorizing Joint Tenancies in Property)—Filed January 13, 1960. Signature petitions filed July 8, 1960 and found sufficient. Submitted to the voters at the November 8, 1960 state general election. Measure approved into law by the following vote: For—647,529 Against—430,698. Act is now identified as Chapter 2, Laws of 1961.

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- INITIATIVE MEASURE No. 209 (Minimum Old Age Assistance Grants)—Filed February 8, 1960. No signature petitions presented for checking.
- *INITIATIVE MEASURE No. 210 (State-Wide Daylight Saving Time)—Filed April 15, 1960. Signature petitions filed July 8, 1960 and found sufficient. Submitted to the voters at the November 8, 1960 state general election. Measure approved into law by the following vote: For—596,135 Against—556,623. Act is now identified as Chapter 3, Laws of 1961.
- INITIATIVE MEASURE No. 211 (State Legislative Reapportionment and Redistricting)—Filed January 8, 1962 by the League of Women Voters of Washington. Signature petitions filed on June 29, 1962 and as of August 22, 1962 it was determined that the necessary number of valid signatures had been submitted to certify measure to the voters for decision at the 1962 state general election. Measure was rejected by the voters by the vote: For—396,419 Against—441,085.
- INITIATIVE MEASURE No. 212 (Repealing Certain 1961 Tax Laws)—Filed January 8, 1962 by the Citizens' Tax Revolt Group. Campaign for supporting signatures was not successful and, as a consequence, no signature petition sheets were filed for checking.
- INITIATIVE MEASURE No. 213 (Authorizing and Licensing "Dentistry")—Filed January 8, 1962 by the Washington Society of Denturists. Campaign for supporting signatures was not successful and, as a consequence, no signature petition sheets were filed for checking.
- INITIATIVE MEASURE No. 214 (Restricting the Legislature's Tax Power)—Filed February 19, 1962 by the Citizens' Tax Revolt Group. Campaign for supporting signatures was not successful and, as a consequence, no signature petition sheets were filed for checking.
- *INITIATIVE MEASURE No. 215 (Marine Recreation Land Act)—Filed January 3, 1964 by the Citizens for Outdoor Recreation—Marvin B. Durning, Chairman. Signature petitions filed July 3, 1964 and found sufficient. Submitted to the voters at the November 3, 1964 state general election. Measure approved into law by the following vote: For—665,737 Against—381,743. Act is now identified as Chapter 5, Laws of 1965.
- INITIATIVE MEASURE No. 216 (Repeal—County, Regional Planning Act)—Filed January 3, 1964 by the Committee for Private Property Rights—Joseph W. Shott, Chairman. No signature petitions presented for checking.
- INITIATIVE MEASURE No. 217 (Election of State Game Commissioners)—Filed January 8, 1964 by the Washington State Wild Life Council, Inc.—Theodore E. Lohman, Vice President. Refiled as Initiative Measure No. 221.
- INITIATIVE MEASURE No. 218 (Automotive Repair Regulatory Act)—Filed January 10, 1964 by the Car Owners Association of Washington—John S. Kelly, President. No signature petitions presented for checking.
- INITIATIVE MEASURE No. 219 (Repeal of Metro Enabling Act)—Filed January 20, 1964 by the Committee on Constitutional Rights of the State of Washington—Mrs. Ann Kathryn Jensen, Chairman. No signature petitions presented for checking.
- INITIATIVE MEASURE No. 220 (Repeal of Urban Renewal Law)—Filed January 20, 1964 by the Committee on Constitutional Rights of the State of Washington—Mrs. Ann Kathryn Jensen, Chairman. No signature petitions presented for checking.
- INITIATIVE MEASURE No. 221 (Election of State Game Commissioners)—Filed February 13, 1964 by the Washington State Wild Life Council, Inc.—Theodore E. Lohman, Vice President. No signature petitions presented for checking.
- INITIATIVE MEASURE No. 222 (Reallocation of Liquor Sales Revenue)—Filed February 20, 1964 by the More & Better Schools for Washington—Lloyd M. Brown, President. No signature petitions presented for checking.

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- INITIATIVE MEASURE No. 223 (**Extending Saturday Night Closing Hours**)—Filed February 26, 1964 by the Citizens Committee for Sensible Closing Hours—Chester W. Ramage, President. No signature petitions presented for checking.
- INITIATIVE MEASURE No. 224 (**Prohibiting City Street Parking Fees**)—Filed March 31, 1964 by the Committee to Ban Parking Meters in the State of Washington—Edward John Kiter, Chairman. No signature petitions presented for checking.
- INITIATIVE MEASURE No. 225 (**Repealing State Statutes Against Discrimination**)—Filed April 23, 1964 by the Committee for Preservation of Freedom of Choice—William P. Brophy, Chairman. No signature petitions presented for checking.
- INITIATIVE MEASURE No. 226 (**Cities Sharing Sales, Use Taxes**)—Filed January 10, 1966 by the Citizens' Committee for Community Betterment, Wayne C. Booth, Sr. of Seattle, Chairman. Signatures (180,896) filed July 8, 1966 and found sufficient. Measure submitted to the voters for decision at the November 8, 1966 state general election and rejected by the following vote: **For—403,700 Against—514,281.**
- INITIATIVE MEASURE No. 227 (**Buying Back Breakable Beverage Bottles**)—Filed January 10, 1966 by W. N. Dahmen on behalf of his son Randall Douglas Dahmen of Spokane. No signatures presented for checking.
- INITIATIVE MEASURE No. 228 (**Tax Exemption: Food and Medicine**)—Filed February 1, 1966 by Karl J. Beaty of Tacoma. No signatures presented for checking.
- *INITIATIVE MEASURE No. 229 (Repealing Sunday Activities Blue Law)**—Filed February 17, 1966 by Lemhard G. Howell, David Sternhoff and Mark Patterson. Signatures (187,463) filed July 6, 1966 and found sufficient. Measure submitted to the voters for decision at the November 8, 1966 state general election and approved into law by the following vote: **For—604,096 Against—333,972.** Act is now identified as Chapter 1, Laws of 1967.
- INITIATIVE MEASURE No. 230 (**Rendering Emergency Aid—Liability Limitation**)—Filed February 17, 1966 and cosponsored jointly by the Washington State Association of Fire Chiefs, Washington State Firemen's Association, and Washington Association of Sheriffs and Police Chiefs. No signatures presented for checking.
- INITIATIVE MEASURE No. 231 (**Repealing Freight Train Crew Law**)—Filed March 11, 1966 by the Committee for Transportation Economy—Fred H. Tolan, Chairman. Refiled as Initiative Measure No. 233.
- INITIATIVE MEASURE No. 232 (**Supreme Court Judges—Powers—Election**)—Filed March 14, 1966 by Walter H. Philipp of Seattle. No signatures presented for checking. Refiled as Initiative Measure No. 31 to the Legislature.
- *INITIATIVE MEASURE No. 233 (Repealing Freight Train Crew Law)**—Filed March 22, 1966 by same sponsors of Initiative Measure No. 231. The only change in text of Initiative Measure No. 233 was the deletion of one sentence of the preamble as contained in Section 1 of Initiative Measure No. 231. Thus, for all practical purposes, the two initiative measures cover the same legal ground. Signatures (166,866) filed July 6, 1966 and found to be sufficient. Measure submitted to the voters for decision at the November 8, 1966 state general election and approved into law by the following vote: **For—591,015 Against—339,978.** Act is now identified as Chapter 2, Laws of 1967.
- INITIATIVE MEASURE No. 234 (**Civil Service—Certain County Employees**)—Filed March 30, 1966 by the Committee to Improve County Government. The scope of this measure was limited to class AA and class A counties (King, Pierce and Spokane). In order to obtain additional support, a new proposal was drafted extending civil service to all counties and filed as Initiative Measure No. 237. For this reason, no attempt was made to obtain signatures for Initiative Measure No. 234.

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- INITIATIVE MEASURE No. 235 (**Repealing Certain Mental Health Laws**)—Filed April 1, 1966 by Mrs. Rose R. Garrett Nelson of Puyallup. No signatures presented for checking.
- INITIATIVE MEASURE No. 236 (**Regulating Highway—Railroad Crossings**)—Filed April 15, 1966 by the Committee for the Elimination of Public Grade Crossings—Arthur J. McGinn of Spokane, Chairman. No signatures presented for checking.
- INITIATIVE MEASURE No. 237 (**Civil Service for County Employees**)—Filed April 15, 1966 by the Committee to Improve County Government—Anne Shannon of Des Moines, Secretary. No signatures presented for checking.
- INITIATIVE MEASURE No. 238 (**Prohibiting Regulation of Land Use**)—Filed January 5, 1968 by the Committee for Private Property Rights—Joseph W. Shott of Olympia, Chairman. No signatures presented for checking.
- INITIATIVE MEASURE No. 239 (**Mandatory County Civil Service System**)—Filed January 10, 1968 by the Special Committee of the King County Employees Association—Walter P. Barclay of Seattle, Chairman. No signatures presented for checking.
- INITIATIVE MEASURE No. 240 (**Termination: Certain Land Use Regulations**)—Filed January 15, 1968 by Robert W. Sollars of Everett. No signatures presented for checking.
- INITIATIVE MEASURE No. 241 (**Calling 1970 State Constitutional Convention**)—Filed February 2, 1968 by the Committee to Call a Constitutional Convention—S. Lynn Sutcliffe of Seattle, Chairman. No signatures presented for checking.
- *INITIATIVE MEASURE No. 242 (**Drivers' Implied Consent—Intoxication Tests**)—Filed February 8, 1968 by the Washington State Medical Association—Dr. Charles P. Larson of Seattle, Vice-President. Signatures (123,589) filed July 3, 1968 and found sufficient. Measure submitted to the voters for decision at the November 5, 1968 state general election and approved into law by the following vote: **For—792,242 Against—394,644**. Act is now identified as Chapter 1, Laws of 1969.
- INITIATIVE MEASURE No. 243 (**Information for Life Insurance Purchasers**)—Filed February 19, 1968 by Theodore Radcliffe of Wenatchee. No signatures presented for checking.
- INITIATIVE MEASURE No. 244 (**State—County Tax Millage Shift**)—Filed February 23, 1969 by the Washington State Association of County Commissioners. No signatures presented for checking.
- *INITIATIVE MEASURE No. 245 (**Reducing Maximum Retail Service Charges**)—Filed April 4, 1968 by Joseph H. Davis, President, and Marvin L. Williams, Secretary-Treasurer of the Washington State Labor Council, AFL-CIO. Signatures (143,395) filed July 5, 1968 and found sufficient. Measure submitted to the voters for decision at the November 5, 1968 state general election and approved into law by the following vote: **For—642,902 Against—551,394**. Act is now identified as Chapter 2, Laws of 1969.
- INITIATIVE MEASURE No. 246—Filed January 6, 1970 by Donald N. McDonald. Immediately after filing, the sponsor decided to abandon the initiative measure. For this reason, Attorney General did not issue ballot title and no further action was taken. Refiled January 22, 1970 as Initiative Measure No. 248.
- INITIATIVE MEASURE No. 247 (**Increasing Maximum Retail Service Charges**)—Filed January 20, 1970 by the Washington Citizens for Competitive Credit—A. F. Carey of Seattle, Secretary-Treasurer. No signatures presented for checking.
- INITIATIVE MEASURE No. 248 (**Property Tax Millage Rate Reallocation**)—Filed January 22, 1970 by Donald N. McDonald of Bothell. No signatures presented for checking.
- INITIATIVE MEASURE No. 249—Filed February 11, 1970 by the Committee for Bingo for Washington—State Representative Mark Litchman, Jr. of Seattle, Chairman. NOTE:

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Attorney General refused to issue a ballot title for this measure because, in his opinion, the initiative procedure cannot be used to amend the state constitution. No further action was taken by the sponsor.

- INITIATIVE MEASURE No. 250 (**Certain Salary Increases—Voter Approval**)—Filed February 17, 1970 by the Committee for Voter Approved Salary Increases—Albert C. Navone of Seattle, Chairman. No signatures presented for checking.
- INITIATIVE MEASURE No. 251 (**State Taxation—To Regulate Imposition**)—Filed March 12, 1970 by Vick Gould of Tax Limit League, Bellevue. Signatures (135,668) filed July 3, 1970 and found sufficient. Measure submitted to the voters for decision at the November 3, 1970 state general election and rejected by the following vote: **For—504,779 Against—527,263.**
- INITIATIVE MEASURE No. 252 (**Property Taxation—Fixing Maximum Rate**)—Filed March 12, 1970 by Overtaxed, Inc.—Harley H. Hoppe, President. Due to technical reasons, the sponsor abandoned this measure and no further action was taken.
- INITIATIVE MEASURE No. 253 (**Open Land—Special Taxation Basis**)—Filed March 24, 1970 by the Island County Branch of American Taxpayers Association, Inc.—John Metcalf, Vice-chairman. No signatures presented for checking.
- INITIATIVE MEASURE No. 254 (**Certain Gambling Activities—Criminal Exemptions**)—Filed March 26, 1970 by the Washington State Federation of Fraternal, Patriotic, City and Country Clubs—M. R. Reynolds, President. No signatures presented for checking.
- INITIATIVE MEASURE No. 255—Filed April 20, 1970 by Robert H. Keller, Jr. of Bellingham. Re filed April 23, 1970 as Initiative Measure No. 256.
- INITIATIVE MEASURE No. 256 (**Prohibiting Certain Nonrefundable Beverage Receptacles**)—Filed April 23, 1970 by Robert H. Keller, Jr., of Bellingham. Signatures (188,102) filed July 1, 1970 and found sufficient. Measure submitted to the voters for decision at the November 3, 1970 state general election and rejected by the following vote: **For—511,248 Against—538,118.**
- INITIATIVE MEASURE No. 257 (**Licensing Dog Racing—Parimutuel Betting**)—Filed April 29, 1970 by Donald Nicholson of Kirkland. No signatures presented for checking.
- INITIATIVE MEASURE No. 258 (**Certain Cities—Greyhound Racing Franchises**)—Filed January 7, 1972 by Donald Nicholson of Kirkland. Signatures (151,856) filed July 7, 1972 and found sufficient. Measure submitted to the voters for decision at the November 7, 1972 state general election and rejected by the following vote: **For—526,371 Against—895,385.**
- INITIATIVE MEASURE No. 259 (**Providing for Presidential Preference Primary**)—Filed January 7, 1972 by Bellingham Junior Chamber of Commerce of Bellingham. No signatures presented for checking.
- INITIATIVE MEASURE No. 260 (**Regulating Horse and Dog Racing**)—Filed January 7, 1972 by Friends of Dog Racing (et al.) of Federal Way. No signatures presented for checking.
- INITIATIVE MEASURE No. 261 (**Liquor Sales by Licensed Retailers**)—Filed January 10, 1972 by Warren B. McPherson and Robert B. Gould of Seattle. Signatures (122,241) filed July 7, 1972 and found sufficient. Measure submitted to the voters for decision at the November 7, 1972 state general election and rejected by the following vote: **For—634,973 Against—779,568.**
- INITIATIVE MEASURE No. 262 (**Minimum Age—Alcoholic Beverage Purchases**)—Filed January 13, 1972 by David G. Huey of Sedro Woolley. No signatures presented for checking.
- INITIATIVE MEASURE No. 263 (**Tax Reform**)—Filed January 19, 1972 by Robert J. Corcoran of Puyallup. Re filed January 31, 1972 as Initiative Measure No. 267.

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- INITIATIVE MEASURE No. 264 (**Liberalizing State Regulation of Marijuana**)—Filed January 20, 1972 by Stephen Wilcox, Debbie Yarbrough, and Thomsen Abbott of Olympia. No signatures presented for checking.
- INITIATIVE MEASURE No. 265—Filed January 20, 1972 by Joe Davis of Seattle. Refiled January 25, 1972 as Initiative Measure No. 266 with new sponsor.
- INITIATIVE MEASURE No. 266 (**Changing Congressional and Legislative Districts**)—Filed January 25, 1972 by Vernon L. Martin of Olympia. No signatures presented for checking.
- INITIATIVE MEASURE No. 267 (**Repealing Most Property Tax Exemptions**)—Filed January 31, 1972 by Robert J. Corcoran of Puyallup. No signatures presented for checking.
- INITIATIVE MEASURE No. 268 (**Unicameral Legislature**)—Filed February 8, 1972 by Philip Tenney Rensvold of Olympia. (Attorney General refused to issue ballot title because of opinion that initiative procedure cannot be used to amend constitution.)
- INITIATIVE MEASURE No. 269 (**Examinations for Diplomas and Degrees**)—Filed February 9, 1972 by Eugene Lydic of Kelso. No signatures presented for checking.
- INITIATIVE MEASURE No. 270 (**Election Campaign Financial Reports**)—Filed February 10, 1972 by Robert Corcoran of Puyallup. No signatures presented for checking.
- INITIATIVE MEASURE No. 271 (**Income Tax and Revenue Distribution**)—Filed February 28, 1972 by Charles Clark Marshall of Seattle. No signatures presented for checking.
- INITIATIVE MEASURE No. 272 (**Recreational Personal Property—Taxation Removed**)—Filed March 1, 1972 by Gary K. Ballew of Vancouver. No signatures presented for checking.
- INITIATIVE MEASURE No. 273—Filed March 2, 1972 by Margaret C. Tunks of Seattle. Refiled March 13, 1972 as Initiative Measure No. 274 with new sponsor.
- INITIATIVE MEASURE No. 274 (**Reducing Motor Vehicle Fuel Tax**)—Filed March 13, 1972 by Jeffrey R. Perkins of Seattle. No signatures presented for checking.
- INITIATIVE MEASURE No. 275 (**Regulating Nonnative Wild Animal Sales**)—Filed March 23, 1972 by Harry and June Delaloye of Seattle. No signatures presented for checking.
- *INITIATIVE MEASURE No. 276 (**Disclosure—Campaign Finances—Lobbying—Records**)—Filed March 29, 1972 by Michael T. Hildt of Seattle. Signatures (162,710) were submitted and found sufficient. Submitted to the voters for decision at the November 7, 1972 state general election and approved by the following vote: **For—959,143 Against—372,693**. Act is now identified as Chapter 1, Laws of 1973.
- INITIATIVE MEASURE No. 277 (**Camping on Certain Ocean Beaches**)—Filed April 5, 1972 by Carl P. Hanun of Aberdeen. No signatures presented for checking.
- INITIATIVE MEASURE No. 278 (**Tax Revision—Income Tax—Schools**)—Filed April 14, 1972 by Senator Francis E. Holman, Senator Nat Washington, and Representative Charles Moon of Seattle. No signatures presented for checking.
- INITIATIVE MEASURE No. 279 (**State Funding of Public Schools**)—Filed May 19, 1972 by Alvin C. Leonard, Jr., of Bothell. No signatures presented for checking.
- INITIATIVE MEASURE No. 280 (**Limiting Special Legislative Sessions**)—Filed March 12, 1973 by Axel Julin, Chairman, Committee to Retain a Part Time Citizen Legislature. No signatures presented for checking.
- INITIATIVE MEASURE No. 281—Filed June 8, 1973 by Bruce Helm of Alderwood Manor. Refiled June 12, 1973 as Initiative Measure No. 282 with a new sponsor, Kenneth D. Hansen of Seattle.

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- *INITIATIVE MEASURE No. 282 (Shall state elected officials' salary increases be limited to 5.5% over 1965 levels, and judges' the same over 1972 levels?)—**Filed June 12, 1973 by Kenneth D. Hansen of Seattle. Signatures (699,098) were submitted and found sufficient. Measure submitted to the voters for decision at the November 6, 1973 state general election and was approved by the following vote: **For—798,338 Against—197,795.** Act is now identified as Chapter 149, Laws of 1974 Extraordinary Session.
- INITIATIVE MEASURE No. 283 (Shall it be unlawful, except in an emergency, to hitchhike, or to pick up a hitchhiker along a public highway?)—**Filed January 18, 1974 by Ms. Sallyann Devine of Seattle. No signatures presented for checking.
- INITIATIVE MEASURE No. 284 (Shall corporations pay a 12% excise tax measured by income so that special school levies may be reduced or eliminated?)—**Filed January 22, 1974 by Representative Charles Moon. No signatures presented for checking.
- INITIATIVE MEASURE No. 285 (Shall all privately or corporately owned land, including residential real estate, annually be taxed a minimum of \$2.50 per acre?)—**Filed January 24, 1974 by Donn C. Higley of Seattle. No signatures presented for checking.
- INITIATIVE MEASURE No. 286 (Shall the membership of the legislature be reduced from forty-nine senators and ninety-eight representatives to twenty-one senators and sixty-three representatives?)—**Filed January 30, 1974 by Harley H. Hoppe of Seattle. No signatures presented for checking.
- INITIATIVE MEASURE No. 287 (Shall salmon net fishing be prohibited in designated Puget Sound and adjacent waters unless permitted by a newly established commission?)—**Filed January 31, 1974 by Dr. Charles F. Raab of Port Angeles. No signatures presented for checking.
- INITIATIVE MEASURE No. 288 (Shall couples with children under 18 be ineligible for divorce and, upon separation, shall a commission oversee their children's rights?)—**Filed February 1, 1974 by Joseph Garske of Yakima. No signatures presented for checking.
- INITIATIVE MEASURE No. 289 (Shall additional gambling activities, including slot machines and card rooms, be legalized, local regulation prohibited, and the state gambling commission replaced?)—**Filed February 4, 1974 by Roy Needham of Yakima. No signatures presented for checking.
- INITIATIVE MEASURE No. 290 (Shall liquor prices be limited and revenue distribution formulas changed, a new seven-member liquor board created, and an administrator appointed?)—**Filed February 25, 1974 by Senator William S. "Bill" Day of Spokane. No signatures presented for checking.
- INITIATIVE MEASURE No. 291 (Shall parents and other persons be prohibited from inflicting or threatening bodily punishment upon children or mentally retarded persons?)—**Filed March 12, 1974 by Ms. Shirley Amiel of Bellevue. No signatures presented for checking.
- INITIATIVE MEASURE No. 292 (Shall criminal penalties for state traffic law violations and laws imposing state retail sales taxes and use taxes be repealed?)—**Filed March 18, 1974 by Jack Zektzer of Seattle. No signatures presented for checking.
- INITIATIVE MEASURE No. 293 (Shall present laws governing modification, renewal or nonrenewal of certificated school employees' contracts be repealed and merit salary systems adopted?)—**Filed March 18, 1974 by Senator Hubert F. Donohue of Dayton. No signatures presented for checking.
- INITIATIVE MEASURE No. 294 (Shall the legislature be reduced to 21 senators and 63 representatives elected from single-member districts established by this initiative?)—**

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- Filed March 26, 1974 by Elizabeth J. Bracelin and Robert L. Burnham, Cosponsors. No signatures presented for checking.
- INITIATIVE MEASURE No. 295 (Shall the retail sales tax be eliminated on sales of food, clothing, medicines and medical devices, and residential construction costs?)—Filed April 4, 1974 by Richard Dymont, Chairman, Libertarian Party of Washington. No signatures presented for checking.
- INITIATIVE MEASURE No. 296 (Shall the 1973 law substituting principles of comparative negligence for those of contributory negligence in civil damage actions be repealed?)—Filed April 9, 1974 by James M. Petra of Chehalis. No signatures presented for checking.
- INITIATIVE MEASURE No. 297 (Shall any gambling activities be legal when licensed by the state gambling commission and authorized by the municipality where conducted?)—Filed April 15, 1974 by Gary Bacon, Chairman, Committee for Local Option. No signatures presented for checking.
- INITIATIVE MEASURE No. 298 (Shall an initiative be adopted stating that no person shall serve for more than eight consecutive years in the legislature?)—Filed May 10, 1974 by Harry S. Foster of Edmonds. No signatures presented for checking.
- INITIATIVE MEASURE No. 299 (Shall the tax on retail sales of liquor (spirits) in the original package be reduced by two cents per ounce?)—Filed May 13, 1974 by Alfred J. Schweppe on behalf of the Citizens Committee for Lower Liquor Taxes. Signatures (134,695) filed July 5, 1974. Petition failed. Not enough valid signatures obtained to place the measure on the November 5, 1974 state general election ballot.
- INITIATIVE MEASURE No. 300 (Shall certain rights of parents regarding public school curricula and teaching materials be defined and some school district programs restricted?)—Filed May 13, 1974 by Ms. Sally F. Tinner of Steilacoom. No signatures presented for checking.
- INITIATIVE MEASURE No. 301 (Shall present laws governing modification, renewal or nonrenewal of certificated school employees' contracts be repealed?)—Filed January 16, 1975 by Ms. Dorothy Roberts of Bellevue. No signatures presented for checking.
- INITIATIVE MEASURE No. 302 (Shall the minimum age for the purchase or consumption of alcoholic beverages be lowered to 18 years?)—Filed January 28, 1975 by Ms. Diahn Schmidt of Olympia. No signatures presented for checking.
- INITIATIVE MEASURE No. 303 (Shall an initiative be adopted declaring persons having served in the Congress a total of twelve years ineligible for reelection?)—Filed January 29, 1975 by Gene Goosman, Sr. of Seattle. No signatures presented for checking.
- INITIATIVE MEASURE No. 304 (Shall a new commission appoint the director of fisheries and manage food fish and shellfish for commercial and recreational purposes?)—Filed February 3, 1975 by Dr. Charles F. Raab of Port Angeles. No signatures presented for checking.
- INITIATIVE MEASURE No. 305 (Shall the legal age for the use and consumption of alcoholic beverages be lowered to 19 years?)—Filed February 6, 1975 by Richard Spaulding and William G. Bowie, both of Cheney. No signatures presented for checking.
- INITIATIVE MEASURE No. 306 (Shall state appropriations be limited to 9% of state personal income and decreases in state support to municipalities be restricted?)—Filed February 13, 1975 by Kenneth D. Hansen of Seattle. No signatures presented for checking.
- INITIATIVE MEASURE No. 307 (Shall some common school curricula be specified, teaching methods limited and written parental consent to certain school activities be required?)—Filed March 7, 1975 by Paul O. Snyder of Tacoma. No signatures presented for checking.

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- INITIATIVE MEASURE No. 308 (Shall sales and business and occupation taxes be removed from certain transactions involving clothing, food, shelter, and health care products?)—Filed March 10, 1975 by Carl R. Nicolai of Seattle. No signatures presented for checking.
- INITIATIVE MEASURE No. 309 (Shall the Shoreline Management Act of 1971 and the subsequent amendments to that Act be repealed?)—Filed March 14, 1975 by James Mark Toevs of Chehalis. No signatures presented for checking.
- INITIATIVE MEASURE No. 310 (Shall the present forest practices act be repealed and be replaced with provisions relating solely to requirements for reforestation?)—Filed March 18, 1975 by Ms. Betty J. Wells of Camano Island. No signatures presented for checking.
- INITIATIVE MEASURE No. 311 (Shall the death penalty be mandatory in cases of first degree murder and the definitions of degrees of murder revised?)—Filed March 20, 1975 by Representative Earl F. Tilly. No signatures presented for checking.
- INITIATIVE MEASURE No. 312 (Shall an initiative be passed lowering certain real property taxes to 1960 levels, or, if greater, those at last transfer?)—Filed April 4, 1975 by Donald H. Sallee of Brinnon. No signatures presented for checking.
- INITIATIVE MEASURE No. 313 (Shall the names of signers of initiative and referendum petitions be confidential and the petitions destroyed after they are canvassed?)—Filed April 4, 1975 by Donald H. Sallee of Brinnon. No signatures presented for checking.
- INITIATIVE MEASURE No. 314 (Shall corporations pay a 12% excise tax measured by income so that special school levies may be reduced or eliminated?)—Filed April 16, 1975 by Representative Charles Moon of Snohomish. Signatures (136,077) submitted and found sufficient. Submitted to the voters for decision at the November 4, 1975 state general election and was rejected by the following vote: For—323,831 Against—652,178.
- INITIATIVE MEASURE No. 315 (Shall maximum income levels entitling elderly and disabled persons to certain property tax exemptions be raised to \$10,000.00?)—Filed April 18, 1975 by Representatives Eleanor A. Fortson and John M. Fischer. No signature petitions presented for checking.
- *INITIATIVE MEASURE No. 316 (Shall the death penalty be mandatory in the case of aggravated murder in the first degree?)—Filed May 26, 1975 by Representative Earl Tilly of Wenatchee. Signatures (134,290) submitted and found sufficient. Submitted to the voters for decision at the November 4, 1975 state general election and was approved by the following vote: For—662,535 Against—296,257. Act is now identified as Chapter 9, Laws of 1975-'76 2nd Extraordinary Session.
- INITIATIVE MEASURE No. 317 (Shall evidence of speeding violations obtained by radar, certain other electronic devices or unmarked police vehicles be inadmissible in court?)—Filed January 2, 1976 by David L. Bovy of Seattle. No signature petitions presented for checking.
- INITIATIVE MEASURE No. 318 (Shall all minimum age requirements of twenty-one years be reduced to eighteen?)—Filed January 6, 1976 by Martin Ringhofer of Seattle. No signature petitions presented for checking.
- INITIATIVE MEASURE No. 319 (Shall an initiative be adopted memorializing Congress to call a federal constitutional convention to limit taxation on income?)—Filed January 7, 1976 by Clarence P. Keating, Jr. of Seattle. No signature petitions presented for checking.
- INITIATIVE MEASURE No. 320 (Shall new or increased taxes be prohibited and regular property taxes retained in the districts where they are collected?)—Filed January 2, 1976 by Shirley Amiel of Seattle. No signature petitions presented for checking.

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- INITIATIVE MEASURE No. 321 (Shall municipalities be empowered to permit gambling within their boundaries, licensed by the state, with tax revenues allocated to schools?)—Filed January 13, 1976 by William O. Kumbera and the Committee for Tax Relief Through Local Option Gambling of Ocean Shores. Signatures (136,006) submitted and found insufficient to qualify measure to the state general election ballot.
- INITIATIVE MEASURE No. 322 (Shall fluoridation of public water supplies be made unlawful and violations subject to criminal penalties?)—Filed January 2, 1976 by Caroline A. Sudduth of Seattle. Signatures (135,441) submitted and found insufficient to qualify measure to the state general election ballot. Suit was filed with Thurston County Superior Court against the Secretary of State and on appeal to the Supreme Court, Initiative Measure No. 322 was placed on the general election ballot on October 13. It was rejected at the November 2, 1976 general election by the following vote: For—469,929 Against—870,631.
- INITIATIVE MEASURE No. 323 (Shall an initiative be adopted declaring that no person shall hold most state elective offices more than twelve consecutive years?)—Filed January 2, 1976 by Senator Peter von Reichbauer of Burton and Jack Metcalf of Langley. No signature petitions presenting for checking.
- INITIATIVE MEASURE No. 324 (Shall the Shoreline Management Act of 1971 and subsequent amendments to that act be repealed?)—Filed January 12, 1976 by Melvin G. Toyne of Mt. Vernon. No signature petitions presented for checking.
- INITIATIVE MEASURE No. 325 (Shall future nuclear power facilities which do not meet certain conditions and receive two-thirds approval by the legislature be prohibited?)—Filed February 3, 1976 by David C. H. Howard of Olympia. Signatures (approximately 165,000) submitted and found sufficient. Submitted to the voters at the November 2, 1976 general election and rejected by the following vote: For—482,953 Against—963,756.
- INITIATIVE MEASURE No. 326 (Shall grocery store sales of spirituous liquor be allowed, revenue distribution formulas changed, and the state liquor control board reconstituted?)—Filed March 17, 1976 by Ruth Berliner of Tacoma. Sponsorship of initiative withdrawn May 17, 1976.
- INITIATIVE MEASURE No. 327 (Shall commercial fishing and shellfishing be banned on Hood Canal until a sufficient supply is found to exist?)—Filed March 12, 1976 by J.L. Parsons of Union. Re filed as Initiative Measure No. 330.
- INITIATIVE MEASURE No. 328 (Relating to Term Limitation)—Filed March 16, 1976 by Patrick W. Biggs of Seattle for the Thomas Jefferson Society. Attorney General declined to prepare ballot title.
- INITIATIVE MEASURE No. 329 (Shall places where obscene films are publicly and regularly shown or obscene publications a principal stock in trade be prohibited?)—Filed March 26, 1976 by C.R. Lonergan, Jr. of Seattle. Signatures (120,621) submitted and found insufficient to qualify measure for state general election ballot.
- INITIATIVE MEASURE No. 330 (Shall the commercial taking of fish, crab and shrimp be banned on Hood Canal until a sufficient supply is available?)—Filed April 12, 1976 by J.L. Parsons of Union. Re filed as Initiative to the Legislature No. 52.
- INITIATIVE MEASURE No. 331 (Shall future school district special levies for operations be prohibited and previously approved operational levies for collection in 1977 be reduced?)—Filed March 27, 1976 by Jerold W. Thiedt of Monroe. No signature petitions presented for checking.
- INITIATIVE MEASURE No. 332 (Shall the state be removed from the liquor business in favor of large grocers and certain other private business enterprises?)—Filed April 19, 1976

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- by Robert B. Gould and Warren McPherson of Woodinville. No signature petitions presented for checking.
- INITIATIVE MEASURE No. 333 (Shall a single pension system, coordinated with social security, replace existing systems for most public employees hired after June 30, 1977?)—Filed April 19, 1976 by Senator August P. Mardesich of Everett. No signature petitions presented for checking.
- INITIATIVE MEASURE No. 334 (Shall the fluid ounce tax on spirituous liquor in the original package be lowered from four to two cents?)—Filed April 29, 1976 by Juanita K. Heaton of Seattle. No signature petitions presented for checking.
- *INITIATIVE MEASURE No. 335 (Shall places where obscene films are publicly and regularly shown or obscene publications a principal stock in trade be prohibited?)—Filed January 10, 1977 by C.R. Lonergan, Jr. of Seattle. Signatures (175,998) submitted and found sufficient. Submitted to the voters at the November 8, 1977 state general election and was approved by the following vote: For—522,921 Against—431,989. Act is now identified as Chapter 1, Laws of 1979.
- INITIATIVE MEASURE No. 336 (Shall every municipality be authorized to permit all forms of state licensed gambling with tax revenues allocated to schools?)—Filed January 11, 1977 by William O. Kumbera of The Committee for Tax Relief Through Local Option Gambling in Ocean Shores. No signature petitions presented for checking.
- INITIATIVE MEASURE No. 337 (Shall an initiative be adopted promoting the pursuit of peace through principals of mutual love and respect?)—Filed January 10, 1977 by Kevin McKeigue of Seattle. No signature petitions presented for checking.
- INITIATIVE MEASURE No. 338 (Shall driving motor vehicles up to 10 M.P.H. over the maximum speed limit be subject to fines not exceeding \$15.00?)—Filed January 10, 1977 by Timothy Ramey of Seattle. No signature petitions presented for checking.
- INITIATIVE MEASURE No. 339 (Shall the use of electronic voting devices and electronic vote tallying systems in any election in this state be prohibited?)—Filed January 24, 1977 by Clarence P. Keating, Jr. of Seattle. No signature petitions presented for checking.
- INITIATIVE MEASURE No. 340 (Shall a convention be called to propose a new state constitution for approval or rejection by the people in 1979?)—Filed January 20, 1977 by Tom A. Alberg, Citizens Coalition for a Constitutional Convention of Seattle. No signature petitions presented for checking.
- INITIATIVE MEASURE No. 341 (Shall minimum age requirements for various purposes other than drinking alcoholic beverages be reduced to eighteen years?)—Filed February 7, 1977 by Martin Ringhofer of Seattle. No signature petitions presented for checking.
- INITIATIVE MEASURE No. 342 (Shall an initiative be adopted urging all state legislatures to reject and rescind approval of the federal equal rights amendment?)—Filed February 15, 1977 by Mrs. J.L. Glesener of Kennewick. No signature petitions presented for checking.
- INITIATIVE MEASURE No. 343 (Shall state property taxes be eliminated, all other taxes limited, and state support levels for local government, including schools, mandated?)—Filed February 29, 1977 by Shirley Amiel, State Tax Freeze and School Funding Initiative Political Committee of Bellevue. No signature petitions presented for checking.
- INITIATIVE MEASURE No. 344 (Shall the laws of the state be rewritten by January 1, 1981, to eliminate, if possible, ambiguity, redundancy and complexity?)—Filed March 7, 1977 by Patrick M. Crawford of Tumwater. No signature petitions presented for checking.
- *INITIATIVE MEASURE No. 345 (Shall most food products be exempt from state and local retail sales and use taxes, effective July 1, 1978?)—Filed March 30, 1977 by J. Linsey

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- Hinand, Chairperson. Signatures (168,281) submitted and found sufficient. Submitted to the voters at the November 8, 1977 state general election and was approved by the following vote: **For—521,062 Against—443,840.** Act is now identified as Chapter 2, Laws of 1979.
- INITIATIVE MEASURE No. 346 (Shall the system of property assessment be repealed and a state assessor adopt a system of uniform state-wide property assessment?)—**Filed May 31, 1977 by Susan Sink of Seattle. No signature petitions presented for checking.
- INITIATIVE MEASURE No. 347 (Shall payment of legislator's per diem allowances be limited to 120 days in odd-numbered years and 60 days in even-numbered years?)—**Filed June 13, 1977 by Robert B. Overstreet of Everett. No signature petitions presented for checking.
- INITIATIVE MEASURE No. 348 (Shall the new variable motor vehicle fuel tax be repealed and the previous tax and distribution formula be reinstated?)—**Filed June 29, 1977 by Harley Hoppe of Mercer Island. Signatures (202,168) submitted and found sufficient. Submitted to the voters at the November 8, 1977 general election and after a mandatory recount was rejected by the following vote: **For—470,147 Against—471,031.**
- INITIATIVE MEASURE No. 349 (Shall minimum age requirements for various purposes other than for drinking alcoholic beverages be reduced to eighteen years?)—**Filed January 12, 1978 by Mr. Martin Ringhofer of Seattle. Sponsor failed to submit signatures for checking.
- *INITIATIVE MEASURE No. 350 (Shall public educational authorities be prohibited from, assigning students to other than the nearest or next-nearest school with limited exceptions?)—**Filed February 10, 1978 by Mr. Ben Caley of Seattle. Signatures (182,882) submitted and found sufficient. Submitted to the voters at the November 7, 1978 general election and was approved by the following vote: **For—585,903 Against—297,991.** Act is now identified as Chapter 4, Laws of 1979.
- INITIATIVE MEASURE No. 351 (Shall the age at which persons may purchase, consume or sell alcoholic beverages be lowered from 21 to 19 years?)—**Filed February 24, 1978 by Timothy J. Niggemeyer of Spokane. Sponsor failed to submit signatures for checking.
- INITIATIVE MEASURE No. 352 (Shall property owners not be liable for a trespasser's injury, unless the property owner intentionally and knowingly caused the injury?)—**Filed February 27, 1978 by Gayle Crawford of Olympia. Sponsor failed to submit signatures for checking.
- INITIATIVE MEASURE No. 353 (Shall all containers of alcoholic beverages clearly bear the warning "Contents may cause brain damage, communication breakdown and family degradation"?)—**Filed April 28, 1978 by June and Pam Riggs of Mountlake Terrace. Sponsors failed to submit signatures for checking.
- INITIATIVE MEASURE No. 354 (Shall the first \$10,000 value of a residence regularly occupied by its owner or tenant be exempt from property taxes?)—**Filed May 5, 1978 by Harley Hoppe of Mercer Island. Sponsor failed to submit signatures for checking.
- INITIATIVE MEASURE No. 355 (Refiled as Initiative Measure No. 356)**
- INITIATIVE MEASURE No. 356 (Shall gambling and lotteries be permitted, and time and food sale limitations removed from sales of liquor by the drink?)—**Filed May 23, 1978 by Mr. James Banker of Renton. Sponsor failed to submit signatures for checking.
- INITIATIVE MEASURE No. 357 (Shall the system of property assessment be repealed and a state assessor adopt a system of uniform state-wide property assessment?)—**Filed May 9, 1978 by Ms. Susan M. Sink of Seattle. Sponsor failed to submit signatures for checking.
- INITIATIVE MEASURE No. 358 (Shall assessed valuations of retired persons' residences remain unchanged and nonvoted school levies generally be limited to 6% annual increase?)—**

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- Filed May 31, 1978 by Harley H. Hoppe of Mercer Island. Sponsor failed to submit signatures for checking.
- INITIATIVE MEASURE No. 359 (Shall increases in state tax revenues and expenditures be limited to the estimated rate of growth of state personal income?)—Filed June 6, 1978 by Mr. Will Knedlik of Kirkland. Sponsor failed to submit signatures for checking.
- INITIATIVE MEASURE No. 360 (Shall an initiative be adopted limiting property taxes to 1% of value and requiring 2/3 legislative approval to change taxes?)—Filed June 8, 1978 by Messrs. J. Van Self and A. M. Lee Parker of Tacoma. Sponsors submitted signatures but they were insufficient to appear on the November ballot.
- INITIATIVE MEASURE No. 361 (Shall minimum age requirements for various purposes other than for drinking alcoholic beverages be reduced to eighteen years?)—Filed January 8, 1979 by Mr. Martin Ringhofer of Seattle. No signatures were presented for checking.
- INITIATIVE MEASURE No. 362 (Shall an initiative be adopted prohibiting the possession, construction, transportation or sale of nuclear weapons within the state of Washington?)—Filed January 19, 1979 by Mr. Randal South of Seattle. No signatures were presented for checking.
- INITIATIVE MEASURE No. 363 (Shall strikes by public school teachers and other certificated employees be prohibited and penalties imposed for participation in such strikes?)—Filed January 31, 1979 by Mr. Alan Gottlieb of Bellevue. No signatures were presented for checking.
- INITIATIVE MEASURE No. 364 (Shall persons with physical handicaps be allowed to serve in the state militia and state and local law enforcement units?)—Filed February 1, 1979 by Mr. Daniel M. Jones of Olympia. No signatures presented for checking.
- INITIATIVE MEASURE No. 365 (Shall liquor retailing become a private business and a new five-member Liquor Control Board be created?)—Filed February 22, 1979 by Mr. Dennis L. Weaver of Seattle. No signatures were presented for checking.
- INITIATIVE MEASURE No. 366 (Shall liquor retailing become a private business and any required food to liquor sales ratio in licensed restaurants be prohibited?)—Filed February 22, 1979 by Mr. Dennis L. Weaver of Seattle. No signatures were presented for checking.
- INITIATIVE MEASURE No. 367 (Shall nursing homes be required to pay employees wages and benefits equal to those paid hospital employees performing comparable work?)—Filed February 9, 1979 by Mr. John W. Hempelmann of Seattle. No signatures were presented for checking.
- INITIATIVE MEASURE No. 368 (Shall the state be absolutely prohibited from levying any property taxes and school districts be similarly restricted?)—Filed February 16, 1979 by Mr. John R. McBride of Spokane. No signatures were presented for checking.
- INITIATIVE MEASURE No. 369 (Shall the possession or sale of firearms be restricted, and mandatory sentences imposed for the commission of crimes involving firearms?)—Filed February 26, 1979 by Mr. Steven L. Kendall of Seattle. No signatures were presented for checking.
- INITIATIVE MEASURE No. 370 (Shall a presidential preference primary be held to determine the percentage of delegate positions allocated each major political party candidate?)—Filed March 30, 1979 by Mr. Edward H. Hilscher of Seattle. No signatures were presented for checking.
- INITIATIVE MEASURE No. 371 (Shall nuclear facilities be required to meet certain safety and liability standards and obtain state-wide voter approval prior to operation?)—Filed April 26, 1979 by Mr. William C. Montague of Seattle. No signatures were presented for checking.

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- INITIATIVE MEASURE No. 372 (**State Lottery**)—Filed January 4, 1980 by Mr. Lawrence C. Clever of Olympia. This measure was refiled as Initiative Measure No. 380.
- INITIATIVE MEASURE No. 373 (**Shall a Retiree's Residence be Taxed at its 1977 Value or, when Retirement Occurs after 1981, its Retirement Year Value?**)—Filed January 4, 1980 by Doyle R. Conner of Longview. No signatures presented for checking.
- INITIATIVE MEASURE No. 374 (**Shall Property Tax Increases be Limited to Two Percent Annually and Special Property Tax Exemptions Granted to Retired Persons?**)—Filed January 4, 1980 by Bill E. Hughes of Vancouver. No signatures presented for checking.
- INITIATIVE MEASURE No. 375 (**Shall There be Mandatory Minimum Sentences, Restricted Local Firearms Regulations, No Affirmative Action for Police and Firemen, and Additional Prisons?**)—Filed by Kent Pullen of Kent. No signatures presented for checking.
- INITIATIVE MEASURE No. 376 (**Shall Minimum Age Requirements for Various Legal Purposes, other than for Allowing Alcoholic Beverage consumption, be Reduced to Eighteen Years?**)—Filed January 16, 1980 by Martin Ringhofer of Seattle. No signature presented for checking.
- INITIATIVE MEASURE No. 377 (**Shall Liquor Retailing Become a Private Business and any Required Food to Liquor Sales Ratio in Licensed Restaurants be Prohibited?**)—Filed January 24, 1980. No signatures presented for checking. Sponsored by Walter M. Friel of Tacoma.
- INITIATIVE MEASURE No. 378 (**Shall the State be Absolutely Prohibited from Levying any Property Taxes and School Districts be Similarly Restricted with Limited Exceptions?**)—Filed by Art Lee of Bellingham. No signatures presented for checking.
- INITIATIVE MEASURE No. 379 (**Shall Binding Arbitration of Public School Collective Bargaining Disputes be Required, Strikes by Public School Employees Prohibited and Penalties Established?**)—Filed by Cathleen R. Pearsall of Tacoma. No signatures presented for checking. Filed on February 11, 1980.
- INITIATIVE MEASURE No. 380 (**Shall a State Lottery be Established and Operated by the Gambling Commission, with the Profits Deposited in the General Fund?**)—Filed February 11, 1980 by Lawrence C. Clever of Olympia. No signatures presented for checking.
- INITIATIVE MEASURE No. 381 (**Shall Snare and Leghold Traps be Prohibited after January 1, 1986, with Certain Exceptions Including Rodent Control and Public Health?**)—Filed January 31, 1980 by Curtiss J. Clumpner and Howard F. McGraw of Bellingham. The sponsors refiled the measure as No. 386.
- INITIATIVE MEASURE No. 382 (**Shall Joint Operating Agencies Obtain Voter Approval Prior to Issuing Bonds for the Construction or Acquisition of Significant Energy Facilities?**)—Filed February 15, 1980 by Tom Casey. Measure was later refiled as No. 385.
- *INITIATIVE MEASURE No. 383 (**Shall Washington Ban the Importation and Storage of Non-medical Radioactive Wastes Generated Outside Washington, Unless Otherwise Permitted by Interstate Compact?**)—Filed February 7, 1980 by Allan H. Jones of Seattle. Sponsor submitted 148,166 signatures and the measure was subsequently certified to the ballot. Submitted to the voters at the November 4, 1980 general election and was approved by the following vote: For—1,211,606 Against—393,415.
- INITIATIVE MEASURE No. 384 (**Shall Limitations on Property Taxes and Assessments be Imposed and Other Tax Increases Prohibited Except by a Two-thirds Legislative Vote?**)—Filed February 20, 1980 by Normal Hildebrand of Tacoma. No signatures presented for checking.

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- INITIATIVE MEASURE No. 385 (Shall Joint Operating Agencies Obtain Voter Approval Prior to Issuing Bonds for the Construction or Acquisition of Significant Energy Facilities?)—Filed March 3, 1980 by Tom Casey of Elma. No signatures presented for checking.
- INITIATIVE MEASURE No. 386 (Shall Snare and Leghold Traps be Prohibited after January 1, 1986, with Certain Exceptions, Including Rodent Control and Public Health?)—Filed March 3, 1980 by Curtiss Clumpner of Lynnwood. No signatures presented for checking.
- INITIATIVE MEASURE No. 387 (Shall Political Contributions and Campaign Practices be Limited, Conflicts of Interest Regulated, Disclosure Requirements Increased and Statutes in Conflict Repealed?)—Filed March 11, 1980 by Ann Quantock of Olympia. No signatures presented for checking.
- INITIATIVE MEASURE No. 388 (Shall Congress be Memorialized to Create a Space Shuttle/Energy Lottery to Increase Space Travel and Achieve Energy Independence?)—Filed March 11, 1980 by Jeff Vale of Des Moines. No signatures presented for checking.
- INITIATIVE MEASURE No. 389 (Shall it be Unlawful to Drive a Motor Vehicle Between the Hours of One and Two O'Clock on Sunday Afternoon?)—Filed March 12, 1980 by Keith G. Wesley of Seattle. No signatures presented for checking.
- INITIATIVE MEASURE No. 390 (Shall Private Retailers Replace State Liquor Stores with Sunday Package Sales Permitted, Tax Rates Revised and Certain Licensing Conditions Prohibited?)—Filed April 1, 1980 by John Franco of Seattle. No signatures presented for checking.
- INITIATIVE MEASURE No. 391 (Shall an Initiative be Adopted Providing that all Washington Land Shall be Taxed Exclusive of any Improvements on the Land?)—Filed April 11, 1980 by Jimmy D. Whittenburg of Olympia. No signatures presented for checking.
- INITIATIVE MEASURE No. 392 (Shall a retiree's residence be taxed at its 1977 value or, when retirement occurs after 1982, its retirement year value?)—Filed January 19, 1981 by Doyle R. Conner of Longview. No signatures presented for checking.
- INITIATIVE MEASURE No. 393 (Shall all timber sold by the state, or any political subdivision, be primarily processed within the state, and violations penalized?)—Filed January 5, 1981 by Brian Sirls of Tacoma. No signatures presented for checking.
- *INITIATIVE MEASURE No. 394 (Shall public agencies obtain voter approval prior to issuing bonds for the construction or acquisition of major public energy projects?)—Filed January 6, 1981 by Steve Zemke of Seattle. Sponsor submitted 185,984 signatures. The measure was subsequently certified to the ballot. Submitted to the voters at the November 3, 1981 general election and was approved by the following vote: For—532,178 Against—384,419
- INITIATIVE MEASURE No. 395 (Shall all property be taxable based on 1977 valuations; revaluations be prohibited; and excess school levies required two-thirds voter approval?)—Filed January 5, 1981 by Art Lee of Bellingham. No signatures were presented for checking.
- INITIATIVE MEASURE No. 396 (Shall voter approval be required to construct or finance public or private energy facilities costing more than one billion dollars?)—Filed January 19, 1981 by Gretchen J. Hendricks and Jim Lazar of Olympia. No signatures were presented for checking.
- INITIATIVE MEASURE No. 397 (Shall an Initiative be adopted requiring the legislature to petition Congress to call a constitutional convention to roll back gasoline prices?)—Filed January 19, 1981 by Robert G. Materson of Ellensburg. No signatures were presented for checking.

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- INITIATIVE MEASURE No. 398 (Inheritance and Gift Tax)—Filed by Dick Patten of Seattle. This measure was refiled as Initiative Measure No. 402.
- INITIATIVE MEASURE No. 399 (Shall inheritance and gift taxes be abolished, and state death taxes be restricted to the federal estate tax credit allowed?)—Filed February 19, 1981 by Dick Patten of Seattle. Sponsor refiled this initiative as Initiative Measure No. 402.
- INITIATIVE MEASURE No. 400 (Shall excise, inheritance, gift and property taxes be replaced by a transaction tax on receiving property, limited to one percent?)—Filed March 27, 1981 by Clarence P. Keating, Jr. of Seattle. No signatures were presented for checking.
- INITIATIVE MEASURE No. 401 (Shall contributions to legislative candidates be limited, publicly practices regulated, disclosure required, and civil enforcement and criminal penalties be imposed?)—Filed April 1, 1981 by Carol Jean Coe of Federal Way. The sponsor presented 141,282 signatures for checking. These signatures were found insufficient to qualify for the general election ballot.
- *INITIATIVE MEASURE No. 402 (Shall inheritance and gift taxes be abolished, and state death taxes be restricted to the federal estate tax credit allowed?)—Filed April 3, 1981 by Dick Patten of Seattle. The sponsor presented 161,449 signatures for checking. The measure was subsequently certified to the ballot. Submitted to the voters at the November 3, 1981 general election and was approved by the following vote: For—610,507 Against—297,445.
- INITIATIVE MEASURE No. 403 (Shall the legal possession of handguns or handgun ammunition be restricted, licensing requirements be broadened and criminal penalties be imposed?)—Filed March 16, 1981 by Steven L. Kendall of Seattle. No signatures were presented for checking.
- INITIATIVE MEASURE No. 404 (Shall an independent commission be responsible for both congressional and legislative redistricting every ten years according to certain prescribed standards?)—Filed April 30, 1981 by Jolene Unsoeld of Olympia. No signatures were presented for checking.
- INITIATIVE MEASURE No. 405 (Alcoholic beverages)—Filed April 23, 1981 by Robert J. Corcoran of Puyallup. This measure was refiled as Initiative Measure No. 406.
- INITIATIVE MEASURE No. 406 (Shall all liquor retailing become a private business subject to certain restrictions, and the tax on liquor sales be reduced?)—Filed May 15, 1981 by Robert J. Corcoran of Puyallup. No signatures were presented for checking.
- INITIATIVE MEASURE No. 407 (Shall the crime victims' compensation program be continued, funds appropriated, and programs established to provide information to victims and witnesses?)—Filed May 20, 1981 by Manuel E. Costa of Marysville. This measure was refiled as Initiative to the Legislature No. 75.
- INITIATIVE MEASURE No. 408 (Motor fuel taxes)—Filed May 20, 1981 by Harley H. Hoppe of Mercer Island. This measure was refiled as Initiative Measure No. 409.
- INITIATIVE MEASURE No. 409 (Shall the motor vehicle fuel and license tax laws be amended to restore prior tax rates and revise revenue distribution?)—Filed June 1, 1981 by Harley H. Hoppe of Mercer Island. No signatures were presented for checking.
- INITIATIVE MEASURE No. 410 (Shall all real and personal property be taxable on the basis of 1977 valuations and any revaluation thereafter be prohibited?)—Filed January 4, 1982 by Arthur E. Lee of Wenatchee. No signatures were presented for checking.
- INITIATIVE MEASURE No. 411 (Shall most maximum loan and retail sales interest rates be the higher of 12% or 1% over the discount rate?)—Filed January 4, 1982 by Marvin L. Williams and Lawrence G. Kenney of Seattle. No signatures were presented for checking.

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- INITIATIVE MEASURE No. 412 (Shall the maximum interest rate on retail sales be the higher of 12% or 1% over the federal discount rates?)—Filed January 4, 1982 by Marvin L. Williams and Lawrence G. Kenney of Seattle. The sponsors submitted 183,249 signatures for checking. The measure was subsequently certified to the ballot. Submitted to the voters at the November 2, 1982 general election and was rejected by the following vote: For—452,710 Against—880,135.
- INITIATIVE MEASURE No. 413 (Shall the present state owned and operated liquor distribution system be abolished and replaced with licensed privately owned liquor dealers?)—Filed January 6, 1982 by Robert J. Corcoran of Puyallup. This measure refiled as Initiative No. 434.
- INITIATIVE MEASURE No. 414 (Shall a system requiring a minimum five cent refund on sales of beer, malt and carbonated beverage containers be established?)—Filed January 7, 1982 by Robert C. Swanson (Citizens for a Cleaner Washington) of Seattle. The sponsors submitted 193,347 signatures for checking. The measure was subsequently certified to the ballot. It was submitted to the voters at the November 2, 1982 general election and was rejected by the following vote: For—400,156 Against—965,951.
- INITIATIVE MEASURE No. 415 (Shall a state board of dentistry be established to license and regulate the practice of dentistry independent of licensed dentists?)—Filed January 19, 1982 by Homer A. Moulthrop (Citizens of Washington for Independent Dentistry) of Seattle. No signatures were presented for checking.
- INITIATIVE MEASURE No. 416 (Shall voter approval be required to increase private utility rates by more than eight percent in any twelve-month period?)—Filed January 27, 1982 by Wilmot A. Hall, Jr. of Olympia. This measure refiled as Initiative No. 419.
- INITIATIVE MEASURE No. 417 (Shall the taxable value of principal residences of retirees over 60 be frozen at 75% of current assessed value?)—Filed January 27, 1982 by Ann Clifton of Olympia. No signatures were presented for checking.
- INITIATIVE MEASURE No. 418 (Shall the state's temporarily increased retail sales and use tax rate be reduced from 5.5% to 4.5%?)—Filed February 8, 1982 by Gregory R. McDonald of Redmond. No signatures were presented for checking.
- INITIATIVE MEASURE No. 419 (Shall voter approval be required to increase most utility rates by more than eight percent in any twelve-month period?)—Filed February 11, 1982 by Wilmot A. Hall of Olympia. No signatures were presented for checking.
- INITIATIVE MEASURE No. 420 (Shall all penalties, taxes and other limitations pertaining to the use, possession, cultivation, sale or transportation of marijuana be removed?)—Filed February 22, 1982 by Lawrence P. McMahon of Seattle. No signatures were presented for checking.
- INITIATIVE MEASURE No. 421 (Shall emission limitations for motor vehicles, air quality standards relating to such emissions, and vehicle emission inspection programs be abolished?)—Filed February 22, 1982 by Douglas L. Solbeck and Linda D. Solbeck of Lynnwood. No signatures were presented for checking.
- INITIATIVE MEASURE No. 422 (Shall a transaction tax on money and property transfers, not exceeding 1%, be substituted for excise, inheritance and property taxes?)—Filed February 10, 1982 by Clarence P. Keating, Jr. of Seattle. No signatures were presented for checking.
- INITIATIVE MEASURE No. 423 (Shall most sales or transfers of vehicles, aircraft and boats be taxed at current values, less trade-in, unless previously taxed?)—Filed February 25, 1982 by Stephen Michael and Earl N. Dunham of Longview. No signatures were presented for checking.

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INITIATIVE MEASURE No. 424 (Number assigned in error.)

INITIATIVE MEASURE No. 425 (Shall state marijuana criminal prohibitions, except sales for profit, be repealed but municipal prohibitions be permitted for those under eighteen?)—Filed March 12, 1982 by Lawrence P. McMahon of Seattle. No signatures were presented for checking.

INITIATIVE MEASURE No. 426 (Shall the value of trade-ins of like kind be subtracted from the tax base for state sales and use taxes?)—Filed March 12, 1982 by Stephen Michael and Earl N. Dunham of Longview. No signatures were presented for checking.

INITIATIVE MEASURE No. 427 (Shall the state Industrial Insurance Act be amended so as to eliminate the option for covered employers to self-insure?)—Filed March 4, 1982 by Jack C. Martin of Olympia. No signatures were presented for checking.

INITIATIVE MEASURE No. 428 (Shall per diem, travel expenses and moving allowances to public officers, employees, board members and elected officials be largely prohibited?)—Filed March 2, 1982 by V. R. Van Dyk of Seattle. No signatures were presented for checking.

INITIATIVE MEASURE No. 429 (Shall public officers' salaries be reduced to 1979 levels; benefits eliminated; and any further salary increases conditioned upon voter approval?)—Filed March 2, 1982 by V. R. Van Dyk of Seattle. No signatures were presented for checking.

INITIATIVE MEASURE No. 430 (Shall the possession, use, cultivation and transportation of marijuana by persons and older be legalized?)—Filed March 25, 1982 by Lawrence P. McMahon of Seattle. No signatures were presented for checking.

INITIATIVE MEASURE No. 431 (Shall laws concerning lobbying, political fund raising, and the use of such funds be amended, with fees and penalties imposed?)—Filed March 10, 1982 by V. R. Van Dyk of Seattle. No signatures were presented for checking.

INITIATIVE MEASURE No. 432 (Shall monthly grants of Aid to Families with Dependent Children be limited to \$300 or \$450, depending upon family size?)—Filed March 16, 1982 by Robert S. Havens and Jean M. Havens of Spokane. No signatures were presented for checking.

INITIATIVE MEASURE No. 433 (Shall able persons receiving aid to families with dependent children be required to a community work experience program?)—Filed March 19, 1982 by Robert S. Havens and Jean M. Havens of Spokane. No signatures were presented for checking.

INITIATIVE MEASURE No. 434 (Shall the state owned and operated liquor distribution system be abolished and replaced with licensed privately owned liquor dealers?)—Filed April 13, 1982 by Robert J. Corcoran of Puyallup. This initiative was withdrawn and later filed as Initiative to the Legislature No. 78.

INITIATIVE MEASURE No. 435 (Shall corporate franchise taxes, measured by net income, replace sales taxes on food and state corporate business and occupation taxes?)—Filed April 12, 1982 by Dr. James A. McDermott of Seattle. The sponsor submitted 250,285 signatures for checking. The measure was subsequently certified to the ballot. It was submitted to the voters at the November 2, 1982 general election and was rejected by the following vote: For—453,221 Against—889,091.

INITIATIVE MEASURE NO. 436 (Shall most food products be exempt from state and local retail sales and use taxes, effective December 2, 1982?)—Filed April 16, 1982 by Gregory McDonald of Redmond. No signatures were presented for checking.

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- INITIATIVE MEASURE NO. 437 (Shall the Food Tax Elimination Act of 1982, exempting most food products from retail sales and use taxation be enacted?)—Filed April 15, 1982 by Stephen Michael and Frank Brunner of Lacey. No signatures were presented for checking.
- INITIATIVE MEASURE NO. 438 (Shall tuition and fees be reduced, and the legislature set future increases based on a percentage of the educational costs?)—Filed April 16, 1982 by Dennis Eagle (People for Affordable College Tuition) of Bremerton. No signatures were presented for checking.
- INITIATIVE MEASURE NO. 439 (Shall county energy allocations in energy emergencies be in direct proportion to the percentage voting against Initiative 394 in 1981?)—Filed May 5, 1982 by Richard Hastings of Pasco. No signatures were presented for checking.
- INITIATIVE MEASURE NO. 440 (Shall sellers of home electronic equipment be licensed and commercial repairers of such equipment be required to meet competency standards?)—Filed April 20, 1982 by Carl E. McDonald of Sunnyside. No signatures were presented for checking.
- INITIATIVE MEASURE NO. 441 (Shall Initiative 394, requiring voter approval of bonds for major energy project construction or acquisition by public agencies, be repealed?)—Filed April 27, 1982 by David L. Moore of Richland. No signatures were presented for checking.
- INITIATIVE MEASURE NO. 442 (Shall the present gambling act be repealed, broader gambling activities authorized, taxes imposed, and certain revenues be dedicated to schools?)—Filed April 30, 1982 by Harry Rowe (Committee for Gambling Taxes for Schools) of Seattle. No signatures were presented for checking.
- INITIATIVE MEASURE NO. 443 (Shall the present gambling act be repealed, broader gambling activities authorized, taxes imposed, and certain revenues be dedicated to schools?)—Filed May 25, 1982 by Clifford A. Stone of Seattle. No signatures were presented for checking.
- INITIATIVE MEASURE NO. 444 (Shall a tax not to exceed 1% be imposed upon transfers of money or property and present taxes be repealed?)—Filed January 14, 1983 by Clarence P. Keating of Seattle. No signatures were presented for checking.
- INITIATIVE MEASURE NO. 445 (Shall eligibility for appointment to Game Commission be restricted; fees reduced; and processing of wildlife claims be eliminated?)—Filed January 14, 1983 by David Littlejohn of Olympia. No signatures were presented for checking.
- INITIATIVE MEASURE NO. 446 (Shall elections be held to approve or disapprove the performance of state agencies designated by petitions signed by 10,000 registered voters?)—Filed January 31, 1983 by James R. Collier of Silverdale. No signatures were presented for checking.
- INITIATIVE MEASURE NO. 447 (Shall the present Gambling Act be repealed; broader gambling activities authorized; taxes imposed; and certain revenues dedicated to schools?)—Filed February 14, 1983 by Audrey Stone of Seattle. No signatures were presented for checking.
- INITIATIVE MEASURE NO. 448 (Shall retail sales and use taxes be reduced, the watercraft use tax eliminated, and a penalty for tax nonpayment reduced?)—Filed February 25, 1983 by Kent Pullen of Kent. This measure refiled as Initiative Measure No. 452.
- INITIATIVE MEASURE NO. 449 (Elimination of WPPSS)—Filed March 1, 1983 by Theodore A. Mahr of Olympia. This measure refiled as Initiative Measure No. 451.
- INITIATIVE MEASURE NO. 450 (Attorney General declined to prepare a ballot title)—Filed March 4, 1983 by John A. Kilma of Mercer Island. This measure refiled as Initiative Measure No. 453.

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- INITIATIVE MEASURE NO. 451 (Shall laws relating to electrical joint operating agencies be repealed and existing agencies be directed to sell assets and terminate?)—Filed March 7, 1983 by Theodore Mahr of Olympia. No signatures were presented for checking.
- INITIATIVE MEASURE NO. 452 (Shall the state sales tax be reduced to 4.5% and business and occupation surtaxes and boat excise taxes be repealed?)—Filed March 11, 1983 by Kent Pullen of Kent. The sponsors submitted 146,689 signatures for checking. Verification was not complete at time of publication.
- INITIATIVE MEASURE NO. 453 (Shall the federal Internal Revenue Service's notices of the Privacy and Paper Work Reduction Acts be, by state law declarations, prohibited?)—Filed March 21, 1983 by John A. Kilma of Mercer Island. No signatures were presented for checking.
- INITIATIVE MEASURE NO. 454 (Shall abortions, unless necessary to preserve life, be ineligible for state medical aid to categorically needy persons under Title XIX?)—Filed March 28, 1983 by James L. King, Jr. of Tacoma. No signatures were presented for checking.
- INITIATIVE MEASURE NO. 455 (Shall the state be directed to go seek, to require payment in gold of state held securities having a gold clause?)—Filed January 9, 1984 by Robert Ellison of Seattle. This measure refiled as Initiative Measure No. 461.
- *INITIATIVE MEASURE NO. 456 (Shall Congress be petitioned to decriminalize steelhead, and state policies respecting Indian rights and management of natural resources be enacted?)—Filed January 13, 1984 by Ellis Lind of Redmond and S/SPAWN. Sponsor submitted 201,188 signatures. The measure was subsequently certified to the ballot. Submitted to the voters at the November 6, 1984 general election and was approved by the following vote: For—916,855 Against—807,825
- INITIATIVE MEASURE NO. 457 (Shall minimum age requirements by public and private entities be reduced to age 18 except those relating to drinking alcohol?)—Filed January 9, 1984 by Martin D. Ringhofer of Seattle. No signatures were presented for checking.
- INITIATIVE MEASURE NO. 458 (Shall watercraft be taxed on length rather than value and the funds be used for boating safety programs and facilities?)—Filed January 18, 1984 by Joseph L. Williams of Mercer Island. This measure refiled as Initiative Measure No. 459.
- INITIATIVE MEASURE NO. 459 (Shall watercraft be taxed on length rather than value and the funds be used for boating safety programs and facilities?)—Filed January 20, 1984 by Louise Miller of Woodinville. No signatures were presented for checking.
- INITIATIVE MEASURE NO. 460 (Shall an additional tax be imposed, on beer, liquor, and out-of-state wine, for crime victims, alcohol rehabilitation, enforcement, and education?)—Filed January 12, 1984 by E.C. Renas of Lynnwood. No signatures were presented for checking.
- INITIATIVE MEASURE NO. 461 (Shall the state seek to require corporations which issued securities having a gold clause to make payment in gold coin?)—Filed January 23, 1984 by Robert Ellison of Seattle. No signatures were presented for checking.
- INITIATIVE MEASURE NO. 462 (Shall Congress be memorialized to create a space shuttle/energy lottery to increase space travel and achieve energy independence?)—Filed January 13, 1984 by Jeff Vale of Seattle. No signatures were presented for checking.
- INITIATIVE MEASURE NO. 463 (Shall the legislature be directed to petition Congress to either propose a balanced budget constitutional amendment or call a convention?)—Filed January 24, 1984 by James R. Medley of Seattle. No signatures were presented for checking.
- *INITIATIVE MEASURE NO. 464 (Shall the value of trade-ins of like kind property be excluded from the selling price for the sales tax computation?)—Filed February 24, 1984

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by Eugene A. Prince of Thornton. Sponsor submitted 196,728 signatures. The measure was subsequently certified to the ballot. Submitted to the voters at the November 6, 1984 general election and was approved by the following vote: **For—1,175,781 Against—529,560**

INITIATIVE MEASURE NO. 465 (Shall state sales and business tax rates be reduced and limitations imposed on state general fund spending and tax increases?)—Filed February 16, 1984 by Kent Pullen of Kent. No signatures were presented for checking.

INITIATIVE MEASURE NO. 466 (Shall Nevada type gambling, regulated by the State Gambling Commission, be permitted if approved by voters in cities and counties?)—Filed February 10, 1984 by Fred M. Ladd of Ocean Shores. No signatures were presented for checking.

INITIATIVE MEASURE NO. 467 (Shall a tax not to exceed 1% be imposed upon transfers of money or property and present taxes be repealed?)—Filed February 14, 1984 by Clarence P. Keating, Jr. of Seattle. No signatures were presented for checking.

INITIATIVE MEASURE NO. 468 (Shall real property tax rates be generally limited to one percent of 1975 property tax values, subject to limited adjustments?)—Filed March 20, 1984 by Martin H. Ottesen of Tacoma. No signatures were presented for checking.

INITIATIVE MEASURE NO. 469 (Shall the State Gambling Commission be abolished and the net proceeds of some gambling activities be taxed 25% for schools?)—Filed March 15, 1984 by Michael J. Kinsley of Seattle. No signatures were presented for checking.

INITIATIVE MEASURE NO. 470 (Shall public funding of abortions be prohibited, and state funding required to prevent deaths of unborn children and pregnant women?)—Filed April 2, 1984 by Michael Undseth of Brier. This measure refiled as Initiative Measure No. 471.

INITIATIVE MEASURE NO. 471 (Shall public funding of abortions be prohibited except to prevent the death of the pregnant woman or her unborn child?)—Filed April 16, 1984 by Michael Undseth of Brier. Sponsor submitted 162,324 signatures. The measure was subsequently certified to the ballot. Submitted to the voters at the November 6, 1984 general election and was rejected by the following vote: **For—838,083 Against—949,921**

INITIATIVE MEASURE NO. 472 (Regarding federal initiative and referendum powers.)—Filed June 25, 1984 by Steven A. Panteli of Bellingham. Attorney General declined to write a ballot title because time limit expired.

INITIATIVE MEASURE NO. 473 (Shall a transaction tax, not to exceed 1%, on transfers of money or property replace present state and local taxes?)—Filed January 7, 1985 by Clarence P. Keating, Jr. of Seattle. No signatures were presented for checking.

INITIATIVE MEASURE NO. 474 (Shall property taxes be reduced by deleting taxes previously paid on property now exempt from the 106% tax levy calculation?)—Filed January 31, 1985 by Orville L. Barnes of Spokane. This measure refiled as Initiative Measure No. 477.

INITIATIVE MEASURE NO. 475 (Shall Congress be requested to call a constitutional convention solely to propose an amendment providing federal initiative and referendum powers?)—Filed January 23, 1985 by Steven A. Panteli of Bellingham. No signatures were presented for checking.

INITIATIVE MEASURE NO. 476 (Shall denturists be licensed by the state and permitted to supply dentures to people without written directives from a dentist?)—Filed February 25, 1985 by Eldo Al Hohman of Seattle. No signatures were presented for checking.

INITIATIVE MEASURE NO. 477 (Shall maximum permissible regular property tax levies be reduced by excluding inventory taxes, and voter-approved taxes from the 106% limitation?)—Filed March 14, 1985 by Orville L. Barnes of Spokane. No signatures were presented for checking.

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- INITIATIVE MEASURE NO. 478 (Shall a transaction tax, not to exceed 1%, on transfers of money or property replace present state and local taxes?)—Filed January 6, 1986 by Clarence P. Keating, Jr. of Seattle. Sponsor failed to submit signatures for checking.
- INITIATIVE MEASURE NO. 479 (Shall state and local governments be prohibited from funding abortion services unless they are necessary to preserve the woman's life?)—Filed January 6, 1986 by Michael Undseth of Lynwood. The sponsors submitted 172,858 signatures for checking and they were found insufficient to qualify the measure for the state general election ballot.
- INITIATIVE MEASURE NO. 480 (Regarding the publishing of names of victims of sexual attack.)—Filed January 6, 1986 by Philip A. Hamlin of Shelton. This measure refiled as Initiative Measure No. 481.
- INITIATIVE MEASURE NO. 481 (Shall news media identifying victims, witnesses, or those accused, of sex crimes be fined unless law enforcement has requested disclosure?)—Filed January 14, 1986 by Philip A. Hamlin of Shelton. Sponsor failed to submit signatures for checking.
- INITIATIVE MEASURE NO. 482 (Shall more out-of-state licensed motor vehicles be required to obtain Washington licenses and the penalties imposed for non-compliance be increased?)—Filed January 6, 1986 by M. Anders Tronsen of Duvall. Sponsor failed to submit signatures for checking.
- INITIATIVE MEASURE NO. 483 (Shall the 55 m.p.h. speed limit adopted for energy conservation be rescinded and higher speed limits be established as appropriate?)—Filed January 7, 1986 by DeAnn Pullar of Bellingham. Sponsor failed to submit signatures for checking.
- INITIATIVE MEASURE NO. 484 (Shall the state owned liquor stores be permanently closed and grocery stores and other outlets be licensed to sell liquor?)—Filed January 10, 1986 by Russell J. McCurdy of Seattle. This measure was refiled as Initiative Measure No. 487.
- INITIATIVE MEASURE NO. 485 (Shall the state be directed to submit a notice to Congress disapproving designation of a Washington nuclear waste repository site?)—Filed January 28, 1986 by Patricia Anne Herbert of Seattle. This measure was withdrawn by the sponsor.
- INITIATIVE MEASURE NO. 486 (Shall new taxes or increases in tax rates require a two-thirds vote by the governing body of the taxing authority?)—Filed January 29, 1986 by Don Jewett of Langley. Sponsor failed to submit signatures for checking.
- INITIATIVE MEASURE NO. 487 (Shall state liquor stores, and state wholesaling of liquor, be discontinued and qualified grocery stores be licensed to sell liquor?)—Filed February 2, 1986 by Russell J. McCurdy of Seattle. Sponsor failed to submit signatures for checking.
- INITIATIVE MEASURE NO. 488 (Shall the state ferry system be managed by three full-time commissioners who will set ferry fares, staffing levels, and wages?)—Filed February 3, 1986 by Winfred P. Williams of Bainbridge Island. Sponsor failed to submit signatures for checking.
- INITIATIVE MEASURE NO. 489 (Shall the legislature submit a constitutional amendment requiring voter approval of new taxes and full funding of state retirement systems?)—Filed February 11, 1986 by James L. King, Jr. of Tacoma. Sponsor failed to submit signatures for checking.
- INITIATIVE MEASURE NO. 490 (Shall knowingly employing, in certain jobs, persons having preferences for or orientation toward conduct defined as sexually deviant, be prohibited?)—Filed February 21, 1986 by Glen Dobbs, of Chehalis. Sponsor failed to submit signatures for checking.

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- INITIATIVE MEASURE NO. 491 (Shall the minimum disability retirement allowance for Washington Public Employees' Retirement System members be sufficient to pay for medical insurance?)—Filed February 14, 1986 by Winfred P. Williams of Bainbridge Island. Sponsor failed to submit signatures for checking.
- INITIATIVE MEASURE NO. 492 (Shall disability retirees under the Washington Public Employees' Retirement System be exempt from paying state recreational use and entry fees?)—Filed February 14, 1986 by Winfred P. Williams of Bainbridge Island. Sponsor failed to submit signatures for checking.
- INITIATIVE MEASURE NO. 493 (Shall the legislature be statutorily prohibited from increasing taxes or imposing new taxes unless approved by 60% of each house?)—Filed March 11, 1986 by G. Robert Williams of Longview. Sponsor failed to submit signatures for checking.
- INITIATIVE MEASURE NO. 494 (Shall state bonds be issued to raise funds for consumer grants to be deposited in banks for qualified registered voters?)—Filed March 24, 1986 by Steven A. Tracy of Longview. Sponsor failed to submit signatures for checking.
- INITIATIVE MEASURE NO. 495 (Shall hazardous waste laws be amended to broaden state cleanup enforcement authority, increase and impose fees and specify strict liability?)—Filed April 24, 1986 by Pam Crocker-Davis of Lacey. Sponsor failed to submit signatures for checking.
- INITIATIVE MEASURE NO. 496 (Shall certain excise taxes imposed in lieu of property taxes be limited to one percent of true and fair value?)—Filed on January 5, 1987 by Frank D. Parsons of Bellevue. Sponsor failed to submit signatures for checking.
- INITIATIVE MEASURE NO. 497 (Shall constitutional impact statements reflecting constitutional compliance or noncompliance be required to accompany all bills introduced in the state legislature?)—Filed on January 5, 1987 by John A. Klima of Issaquah. Sponsor failed to submit signatures for checking.
- INITIATIVE MEASURE NO. 498 (Shall approval by two-thirds of a governing body be required for new taxes, tax rate increases, or tax base enlargement?)—Filed on January 9, 1987 by D.E. Jewett of Langley. Sponsor failed to submit signatures for checking.
- INITIATIVE MEASURE NO. 499 (Shall maximum tax rates on real and personal property be reduced and a new maximum include voter approved tax levies?)—Filed on January 23, 1987 by Frank D. Parsons of Bellevue. Sponsor failed to submit signatures for checking.
- INITIATIVE MEASURE NO. 500 (Shall a transaction tax, not to exceed 1% on transfers of money or property replace present state and local taxes?)—Filed on January 20, 1987 by Clarence P. Keating, Jr. of Seattle. Sponsor failed to submit signatures for checking.
- INITIATIVE MEASURE NO. 501 (Shall the statutory maximum tax per gallon on motor vehicle fuels be reduced to a 15 cents per gallon maximum?)—Filed on January 28, 1987 by Cecil F. Herman of Olympia. Sponsored failed to submit signatures for checking.
- INITIATIVE MEASURE NO. 502 (Shall the state law which requires the driver and passengers of a motor vehicle to use safety belts be repealed?)—Filed on February 9, 1987 by Donald T. Adsitt of Kennewick. Sponsor failed to submit signatures for checking.
- INITIATIVE MEASURE NO. 503 (Shall motor vehicle owners and operators be required to maintain vehicle liability insurance and submit proof thereof to license vehicles?)—Filed on February 13, 1987 by William D. Smith of Cashmere. Sponsor failed to submit signatures for checking.
- INITIATIVE MEASURE NO. 504 (Shall individuals' net worth be taxed except for current bonded indebtedness be eliminated, and other taxes be reduced?)—Filed on March 17, 1987 by Meta Heller of Olympia. Sponsor failed to submit signatures for checking.

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- INITIATIVE MEASURE NO. 505 (Shall individuals' and trusts' net worth be taxed, not property except for current bonded indebtedness, and other taxes be reduced?)—Filed on March 27, 1987 by Meta Heller of Olympia. Sponsor failed to submit signatures for checking.
- INITIATIVE MEASURE NO. 506 (Shall the State conduct a March presidential preference primary for major political party candidates and certain election statutes be changed?)—Filed on May 12, 1987 by Eddie Rye, Jr. of Seattle. Sponsor failed to submit signatures for checking.
- INITIATIVE MEASURE NO. 507 (Shall motor vehicle liability insurance be required to drive in this state and proof of insurance submitted to license vehicles?)—Filed on January 12, 1988 by William D. Smith of Cashmere. Sponsor failed to submit signatures for checking.
- INITIATIVE MEASURE NO. 508 (Shall the maximum for property tax rates be reduced and a maximum established to include tax levies approved by voters?)—Filed on January 8, 1988 by Frank D. Parsons of Bellevue. Sponsor failed to submit signatures for checking.
- INITIATIVE MEASURE NO. 509 (Shall the first \$150,000 of each piece of property's assessed valuation be exempt from the payment of the property taxes?)—Filed on January 15, 1988 by Frank D. Parsons of Bellevue. Sponsor failed to submit signatures for checking.
- INITIATIVE MEASURE NO. 510 (Shall a two-thirds vote of approval be required to impose new taxes, increase tax rates, or enlarge the tax base?)—Filed on January 12, 1988 by D. E. Jewett of Langley. Sponsor failed to submit signatures for checking.
- INITIATIVE MEASURE NO. 511 (Shall the 106% levy limiting the amount taxing districts can levy as regular property taxes be reduced to 98%)—Filed on January 21, 1988 by Frank D. Parsons of Bellevue. Sponsor failed to submit signatures for checking.
- INITIATIVE MEASURE NO. 512 (Shall state and local tax rates, fees, fines and other charges be stabilized then reduced 2% annually for five years?)—Filed on January 11, 1988 by Judith Anderson of Brush Prairie. Sponsor failed to submit signatures for checking.
- INITIATIVE MEASURE NO. 513 Filed on January 19, 1988 by Michael P. Shanks of Seattle. Measure was refiled as Initiative No. 514.
- INITIATIVE MEASURE NO. 514 (Shall household and local commercial movers be exempted from rate and service area regulation by the Utilities and Transportation Commission?)—Filed on February 11, 1988 by Michael P. Shanks of Seattle. Sponsor failed to submit signatures for checking.
- INITIATIVE MEASURE NO. 515 (Shall the January state holiday which celebrates the birth of Martin Luther King, Jr. be officially designated "Civil Rights Day"?)—Filed on February 10, 1988 by Brian Burgett of Olympia. Sponsor failed to submit signatures for checking.
- INITIATIVE MEASURE NO. 516 (Shall a transaction tax, not to exceed 1%, on transfers of money or property replace present state and local taxes?)—Filed on March 4, 1988 by Clarence P. Keating of Seattle. Sponsor failed to submit signatures for checking.
- INITIATIVE MEASURE NO. 517 (Shall the state operate waste dumpsites and a Hanford facility, require separation of recyclable refuse, and regulate all garbage collectors?)—Filed on March 9, 1988 by Michael P. Shanks of Seattle. Sponsor failed to submit signatures for checking.
- *INITIATIVE MEASURE NO. 518 (Shall the state minimum wage increase from \$2.30 to \$3.85 (January 1, 1989) and then to \$4.25 (January 1, 1990) and include agricultural workers?)—Filed on March 21, 1988 by Jennifer Belcher of Olympia and Art Wang of Tacoma. The sponsors submitted 300,900 signatures for checking. The measure was subsequently certified to the ballot and was submitted to the voters at the November 8, 1988

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general election. It was approved by the following vote: **For—1,354,454; Against—414,926.**

INITIATIVE MEASURE NO. 519 (Shall continued frequent contacts with both parents be the most important factor considered by a court in determining child custody?)—Filed on March 3, 1988 by Dan D. Milne of Spokane. Sponsor failed to submit signatures for checking.

INITIATIVE MEASURE NO. 520 (Shall blood donors, in a voluntary noncompensatory blood donation program, have the right to designate the recipient of their blood?)—Filed on March 29, 1988 by Richard E. Woodrow of Lynnwood. Sponsor failed to submit signatures for checking.

INITIATIVE MEASURE NO. 521 (Shall active members of the Washington State Bar Association be ineligible to serve as a state legislative representative or senator?)—Filed on March 29, 1988 by Eugene Goosman of Seattle. Sponsor failed to submit signatures for checking.

INITIATIVE MEASURE NO. 522 Filed on March 24, 1988 by James K. Linderman of Yacolt. Measure was refiled as Initiative to the Legislature No. 101.

INITIATIVE MEASURE NO. 523 (Shall a two-thirds vote of approval be required to impose new taxes, increase tax rates, or enlarge the tax base?)—Filed on January 9, 1989 by D. E. Jewett of Langley. Sponsor failed to submit signatures for checking.

INITIATIVE MEASURE NO. 524 (Shall the state expand the definition of child pornography, restrict display of materials, and limit defenses to sexual exploitation charges?)—Filed on January 10, 1989 by Andrea K. Vangor of Kirkland. The sponsor submitted 163,670 signatures for checking and they were found insufficient to qualify the measure for the state general election ballot.

INITIATIVE MEASURE NO. 525 (Shall the first \$100,000 of the assessed value of each piece of property be exempt from payment of property taxes?)—Filed on January 9, 1989 by Frank D. Parsons of Bellevue. Sponsor failed to submit signatures for checking.

INITIATIVE MEASURE NO. 526 (Shall tax, fee and fine rates be reduced 2% annually for five years and new taxes require two-thirds voter approval?)—Filed on January 23, 1989 by Judith Anderson of Vancouver. Sponsor failed to submit signatures for checking.

INITIATIVE MEASURE NO. 527 (Shall a transaction tax, not exceeding 1% on the transfers of money or property, replace present state and local taxes?)—Filed on January 18, 1989 by Clarence P. Keating of Seattle. Sponsor failed to submit signatures for checking.

INITIATIVE MEASURE NO. 528 (Shall state laws relating to child custody be revised emphasizing frequent contact with each parent and each having equal custody?)—Filed on January 18, 1989 by Dan Milne of Spokane. Sponsor failed to submit signatures for checking.

INITIATIVE MEASURE NO. 529 (Shall blood donors, in a voluntary noncompensatory blood donation program, have the right to designate the recipient of their blood?)—Filed on February 16, 1989 by Richard E. Woodrow of Lynnwood. Sponsor failed to submit signatures for checking.

INITIATIVE MEASURE NO. 530 Filed on April 13, 1989 by Lyle Bates of Spanaway. Measure was refiled as Initiative to the People No. 531.

INITIATIVE MEASURE NO. 531 (Shall business donations for child services, benefiting those with income below 200% of federal poverty guidelines, receive state tax credits?)—Filed on April 26, 1989 by Lyle Bates of Spanaway. Sponsor failed to submit signatures for checking.

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- INITIATIVE MEASURE NO. 532 (Shall the 1989 Omnibus Alcohol and Controlled Substances Act be repealed, penalties revised for supplying minors, and some marihuana legalized?)—Filed on May 10, 1989 by Michael Shanks of Seattle. Sponsor failed to submit signatures for checking.
- INITIATIVE MEASURE NO. 533 (Shall child custody laws be revised and court custody orders normally direct equal continued and frequent contacts with each parent?)—Filed on January 8, 1990 by Bill Harrington of Edmonds. Sponsor failed to submit signatures for checking.
- INITIATIVE MEASURE NO. 534 (Shall the display and distribution to minors of sexually explicit materials and performances be further restricted, and criminal defenses limited?)—Filed on January 9, 1990 by Andrea K. Vangor of Kirkland. The sponsor submitted 180,373 signatures for checking and they were found insufficient to qualify the measure for the state general election ballot.
- INITIATIVE MEASURE NO. 535 (Shall property value for tax purposes be, the January 1, 1985 value or subsequent sale price, revised annually reflecting cost of living?)—Filed on January 9, 1990 by Marijcke V. Clapp of Seattle. Sponsor failed to submit signatures for checking.
- INITIATIVE MEASURE NO. 536 (Shall minimum sentences ranging from five to forty years be established for each of twenty-one crimes listed in this initiative?)—Filed on January 19, 1990 by Thomas R. Connon of Tacoma. Sponsor failed to submit signatures for checking.
- INITIATIVE MEASURE NO. 537 (Shall a transaction tax, not to exceed 1%, on transfers of money and property replace present state and local taxes?)—Filed on January 22, 1990 by Clarence P. Keating of Seattle. Sponsor failed to submit signatures for checking.
- INITIATIVE MEASURE NO. 538 (Shall political contributions be limited regarding amount, timing and residency of contributors, and elected officials restricted on mailings and honoraria?)—Filed on January 29, 1990 by Robert E. Adams of Bellevue. Sponsor failed to submit signatures for checking.
- INITIATIVE MEASURE NO. 539 (Shall a two-thirds vote of approval be required to impose new taxes, increase tax rates, or enlarge a tax base?)—Filed on January 26, 1990 by D. E. Jewett of Langley. Sponsor failed to submit signatures for checking.
- INITIATIVE MEASURE NO. 540 (Shall the state be required to include in the medicaid program coverage for chiropractic services?)—Filed on January 22, 1990 by Roxanne Dubarry of Everett. Sponsor failed to submit signatures for checking.
- INITIATIVE MEASURE NO. 541 (Shall the state and local tax levies on buildings be limited to a maximum of 50% of the current tax rate?)—Filed on February 5, 1990 by Charles Caussey of Spokane. Sponsor failed to submit signatures for checking.
- INITIATIVE MEASURE NO. 542 (Shall the reappraisal of real property for property tax purposes only occur when ownership changes or building construction is completed?)—Filed on February 23, 1990 by Gary C. Hoyt of Vashon Island. Sponsor failed to submit signatures for checking.
- INITIATIVE MEASURE NO. 543 (Relating to state fiscal matters.)—Filed on March 8, 1990 by Linda W. Matson of Olympia. The initiative was withdrawn by the sponsor.
- INITIATIVE MEASURE NO. 544 (Relating to state fiscal matters.)—Filed on March 8, 1990 by John H. Wright of Elma. The initiative was withdrawn by the sponsor.
- INITIATIVE MEASURE NO. 545 (Relating to comprehensive land use planning and economic development.)—Filed on March 15, 1990 by David A. Bricklin of Seattle. The initiative was withdrawn by the sponsor.

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- INITIATIVE MEASURE NO. 546 (Relating to fiscal matters.)—Filed on March 26, 1990 by Linda W. Matson of Olympia. The initiative was withdrawn by the sponsor.
- INITIATIVE MEASURE NO. 547 (Shall state growth and environmental protection goals be implemented by measures including local comprehensive land use planning and development fees?)—Filed on March 27, 1990 by Jeffrey D. Parsons of Seattle. 229,489 signatures were submitted and found sufficient. The measure was subsequently certified to the ballot and was submitted to the voters at the November 6, 1990 general election. It was defeated by the following vote: For—327,339; Against—986,505.
- INITIATIVE MEASURE NO. 548 (Shall some state revenues be placed in reserve and 60% legislative approval required for new or increased general revenue taxes?)—Filed on March 29, 1990 by Linda W. Matson of Olympia. Sponsor failed to submit signatures for checking.
- INITIATIVE MEASURE NO. 549 (Shall state growth and environmental protection goals be implemented by measures including local comprehensive land use planning and development fees?)—Filed on March 29, 1990 by Theodore A. Mahr of Olympia. Sponsor failed to submit signatures for checking.
- INITIATIVE MEASURE NO. 550 (Relating to managing growth and economic development.)—Filed on March 29, 1990 by Theodore A. Mahr of Olympia. The initiative was withdrawn by the sponsor.
- INITIATIVE MEASURE NO. 551 (Shall changes be made relating to real property taxes, including valuing property by its purchase price and costs of improvements?)—Filed on April 30, 1990 by Karl Thun of Graham. Sponsor failed to submit signatures for checking.
- INITIATIVE MEASURE NO. 552 (Shall limitations be placed on political campaign contributions and contributors, consecutive terms of office, publicly funded incumbent mailings, and honoraria?)—Filed on January 17, 1991 by Robert E. Adams of Bellevue. Sponsor failed to submit signatures for checking.
- INITIATIVE MEASURE NO. 553 (Shall there be limitations on terms of office for Governor, Lieutenant Governor, state legislators and Washington state members of Congress?)—Filed on January 9, 1991 by Gene J. Morain of Tacoma. 254,263 signatures were submitted and were found sufficient.
- INITIATIVE MEASURE NO. 554 (Shall the display and distribution to minors of sexually explicit materials and performances be further restricted, and criminal defenses limited?)—Filed on January 10, 1991 by Andrea K. Vangor of Kirkland. Sponsor failed to submit signatures for checking.
- INITIATIVE MEASURE NO. 555 (Shall limits be placed on campaign contributions and contributors, consecutive terms of office, publicly funded incumbent mailings, gifts, and honoraria?)—Filed on January 17, 1991 by Robert E. Adams of Bellevue. Sponsor failed to submit signatures for checking.
- INITIATIVE MEASURE NO. 556 (Shall the first \$1,000,000 of appraised value of residential property, and \$2,000,000 for farm residences, be exempt from property taxes?)—Filed on January 8, 1991 by David S. Henshaw of Belfair. Sponsor failed to submit signatures for checking.
- INITIATIVE MEASURE NO. 557 (Shall campaign expenditures be limited to 50% of the elected office term salary and violations result in forfeiture of office?)—Filed on January 22, 1991 by Douglas N. Maynard of Sedro Woolley. Sponsor failed to submit signatures for checking.
- INITIATIVE MEASURE NO. 558 (Shall a limit, three consecutive terms or twelve consecutive years, be set for elected national, state, county, and municipal officers?)—Filed on

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January 22, 1991 by Douglas N. Maynard of Sedro Woolley. Sponsor failed to submit signatures for checking.

INITIATIVE MEASURE NO. 559 (Shall property value for tax purposes be the January 1, 1985 value or subsequent sales price, adjusted for cost of living changes?)—Filed on January 23, 1991 by Marijcke Clapp of Seattle. 276,653 signatures were submitted and were found sufficient.

INITIATIVE MEASURE NO. 560 (Shall abortion laws be revised, restricting availability, requiring tests and reports, and prohibiting public funding unless necessary to save life?)—Filed on January 17, 1991 by Paul Keister of Pasco. Sponsor failed to submit signatures for checking.

INITIATIVE MEASURE NO. 561 (Shall a transaction tax, not exceeding 1% be levied on money and property transfers, and present state taxes be repealed?)—Filed on January 22, 1991 by Clarence P. Keating, Jr. of Seattle. Sponsor failed to submit signatures for checking.

INITIATIVE MEASURE NO. 562 (Shall a two-thirds vote of approval be required to impose new taxes, increase tax rates, or enlarge a tax base?)—Filed on January 29, 1991 by Don E. Jewett of Langley. Sponsor failed to submit signatures for checking.

INITIATIVE MEASURE NO. 563 (Shall elected and appointed state legislative and executive branch officials be limited to serving a cumulative maximum of twelve years?)—Filed on February 11, 1991 by Eric McAtee of Tacoma. Sponsor failed to submit signatures for checking.

INITIATIVE MEASURE NO. 564 (Shall Washington residents elected to Congress have a lifetime limit of not more than twelve years of elected congressional service?)—Filed on February 11, 1991 by Craig A. McMillan of Tacoma. Sponsor failed to submit signatures for checking.

INITIATIVE MEASURE NO. 565 (Shall the state be required to include chiropractic services in the medical service assistance program available under the medical program?)—Filed on January 17, 1991 by Roxanne Lea Dubarry of Everett. Sponsor failed to submit signatures for checking.

INITIATIVE MEASURE NO. 566 (Shall campaign spending, for offices subject to the state public disclosure act, be limited to the office term's total salary?)—Filed on February 8, 1991 by Edward M. Duke of Gig Harbor. Sponsor failed to submit signatures for checking.

INITIATIVE MEASURE NO. 567 (Shall it be unlawful after life is created by conception to intentionally hasten or cause death except for capital punishment?)—Filed on February 25, 1991 by Mary L. Jarrard of Everett. Sponsor failed to submit signatures for checking.

INITIATIVE MEASURE NO. 568 (Shall pit bull dog owners be required to register, confine, and insure the dogs and remove newborns from the state?)—Filed on February 25, 1991 by Laurence C. Mathews of Yakima. Sponsor failed to submit signatures for checking.

INITIATIVE MEASURE NO. 569 (Shall utilities and transportation regulate some medical service rates, some political contributions be prohibited, and motorcycle helmet requirements be changed?)—Filed on February 28, 1991 by Jack Zektzer of Seattle. Sponsor failed to submit signatures for checking.

INITIATIVE MEASURE NO. 570 (Shall the state dangerous dog act be amended to require hearings and restrict the regulatory authority of cities and counties?)—Filed on March 4, 1991 by Cherie R. Graves of Newport. Sponsor failed to submit signatures for checking.

INITIATIVE MEASURE NO. 571 (Shall contributions to state legislative and executive campaigns be limited; and may candidates agreeing to expenditure limitations receive

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matching funds?)—Filed on May 15, 1991 by Calvin B. Anderson of Seattle. Sponsor failed to submit signatures for checking.

INITIATIVE MEASURE NO. 572 (Shall cannabis (marijuana) be legalized for adults; amnesty provided for prior cannabis convictions, tax imposed, and provide liquor board regulation?)—Filed on May 15, 1991 by Kevin Clark Keyes of Bellingham. Sponsor failed to submit signatures for checking.

INITIATIVE MEASURE NO. 573 (Shall candidates for certain offices, who have already served for specified time periods in those offices, be denied ballot access?)—Filed on January 3, 1992 by Sherry Bockwinkel of Tacoma. 206,685 signatures were submitted and found sufficient. The measure was subsequently certified to the ballot and was submitted to the voters at the November 3, 1992 general election. It was approved by the following vote: For—1,119,985 Against—1,018,260.

INITIATIVE MEASURE NO. 574 (Shall a transaction tax, not exceeding 1%, be charged on property and money transfers; and state authorized taxes be repealed?)—Filed on January 3, 1992 by Clarence P. Keating of Seattle. The sponsor failed to submit signatures for checking.

INITIATIVE MEASURE NO. 575 (Shall sales and distribution of condoms be prohibited on public school property; and schools teach and encourage abstinence and monogamy?)—Filed on January 9, 1992 by J. M. O'Sullivan of Sultan. The sponsor failed to submit signatures for checking.

INITIATIVE MEASURE NO. 576 (Shall cannabis (marijuana) be taxed and legalized for adults; amnesty provided for prior cannabis convictions and cannabis testing be prohibited?)—Filed on January 13, 1992 by Kevin Clark Keyes of Bellingham. The sponsor failed to submit signatures for checking.

INITIATIVE MEASURE NO. 577 (Shall horse racing statutes be amended including polygraph tests for jockeys, owners, trainers, ticket sellers, and prohibiting some betting combinations?)—Filed on January 7, 1992 by Randy Baker of Tacoma. The sponsor failed to submit signatures for checking.

INITIATIVE MEASURE NO. 578 (Shall the death penalty and the requirement that all female felons be committed to the women's correctional institution be abolished?)—Filed on January 7, 1992 by Randy Baker of Tacoma. The sponsor failed to submit signatures for checking.

INITIATIVE MEASURE NO. 579 (Shall pit bull dog owners be required to register, confine, and insure those dogs and remove newborns from the state?)—Filed on January 21, 1992 by L. C. Mathews of Yakima. The sponsor failed to submit signatures for checking.

INITIATIVE MEASURE NO. 580 (Shall defendants in many court proceedings commenced by government have a right to jury trial with substantially expanded jury authority?)—Filed on January 21, 1992 by Kevin Clark Keyes of Bellingham. The sponsor failed to submit signatures for checking.

INITIATIVE MEASURE NO. 581 (Shall cannabis be available by prescriptions and the Agriculture director regulate hemp growers and distribution of industrial grade cannabis?)—Filed on January 22, 1992 by Bryan Estes of Bellingham. The sponsor failed to submit signatures for checking.

INITIATIVE MEASURE NO. 582 (Shall political campaign contributions be limited and state and legislative candidates agreeing to campaign spending limits be permitted larger contributions?)—Filed on January 23, 1992 by Margaret Colony of Bellevue. The sponsored submitted 151,601 signatures for checking and they were found insufficient to qualify the measure for the 1992 general election ballot.

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- INITIATIVE MEASURE NO. 583 (Shall the Legislature be directed to vote on whether Washington should request Congress to propose a balanced budget constitutional amendment?)—Filed on February 4, 1992 by Dianne E. Campbell of Woodinville. The sponsor failed to submit signatures for checking.
- INITIATIVE MEASURE NO. 584 (Shall the requirements to use motorcycle helmets and seatbelts be repealed and hunters not be required to wear orange clothing?)—Filed on February 27 by Patrick M. Crawford of Littlerock. The sponsor failed to submit signatures for checking.
- INITIATIVE MEASURE NO. 585 (Shall the 1990 and 1991 Growth Management Acts be repealed; and limits imposed on state and local government land controls?)—Filed on February 27, 1992 by Patrick M. Crawford of Littlerock. The sponsor failed to submit signatures for checking.
- INITIATIVE MEASURE NO. 586 (Shall persons charged with drug crimes have their property seized and receive 50 year sentences; and needle exchange programs prohibited?)—Filed on February 27, 1992 by Patrick M. Crawford of Littlerock. The sponsor failed to submit signatures for checking.
- INITIATIVE MEASURE NO. 587 (Relating to growth management.)—Filed on March 17, 1992 by J. M. O'Sullivan of Sultan. The initiative was withdrawn by the sponsor.
- INITIATIVE MEASURE NO. 588 (Shall the 1990 and 1991 State Growth Management Acts, which provide requirements for local comprehensive land use planning, be repealed?)—Filed on March 18, 1992 by J. M. O'Sullivan of Sultan. The sponsor failed to submit signatures for checking.
- INITIATIVE MEASURE NO. 589 (Shall spending limits, adjusted by inflation and population; revision of property values for tax purposes; and other changes be approved?)—Filed on March 9, 1992 by Barbara M. Lindsay of Redmond. The sponsor failed to submit signatures for checking.
- INITIATIVE MEASURE NO. 590 (Shall criminals who are convicted of "most serious offenses" on three occasions be sentenced to life in prison without parole?)—Filed on March 24, 1992 by John Carlson of Bellevue. The sponsor failed to submit signatures for checking.
- INITIATIVE MEASURE NO. 591 (Shall public officials and employees be civilly and criminally liable for loss of state trust land or trust asset values?)—Filed on May 15, 1992 by Patrick A. Parrish of Trout Lake. The sponsor failed to submit signatures for checking.
- INITIATIVE MEASURE NO. 592 (Shall the State Auditor be required to audit all state trust lands and assets to determine if losses have occurred?)—Filed on May 15, 1992 by Patrick A. Parrish of Trout Lake. The sponsor failed to submit signatures for checking.
- INITIATIVE MEASURE NO. 593 (Shall criminals who are convicted of "most serious offenses" on three occasions be sentenced to life in prison without parole?)—Filed on January 6, 1993 by Ida Ballasiotes of Mercer Island.
- INITIATIVE MEASURE NO. 594 (Shall all present state and local taxes be repealed, and replaced with a flat-rate tax system on transfers of property?)—Filed on January 6, 1993 by Clarence P. Keating of Seattle.
- INITIATIVE MEASURE NO. 595 (Shall the sale and use of cannabis (marijuana) be permitted and regulated in places where minors do not have access?)—Filed on January 5, 1993 by Wayne H. Nelson of Renton.
- INITIATIVE MEASURE NO. 596 (Shall State law be amended to permit persons to burn wood in homes at any time, regardless of air conditions?)—Filed on January 19, 1993 by Ralph E. Miller of Lynnwood.

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- INITIATIVE MEASURE NO. 597 (Shall a commission approved by the proponent be created to define goals and lawful conduct for elected and appointed officials?)—Filed on January 25, 1993 by Forrest E. Owens of Burley.
- INITIATIVE MEASURE NO. 598 (Shall alcohol sale be regulated to prohibit "happy hours" and limit the amount of alcohol served in any one drink?)—Filed on February 19, 1993 by Brian Venable of Tacoma.
- INITIATIVE MEASURE NO. 599 (Shall the state rate, review and compensate public and private education providers selected solely by the parents of school-age children?)—Filed on February 19, 1993 by Craig L. Williams of Richland.
- INITIATIVE MEASURE NO. 600 (Shall candidates for state and federal office be limited to two consecutive terms, unless they win more terms by write-in?)—Filed on February 19, 1993 by Craig L. Williams of Richland.
- INITIATIVE MEASURE NO. 601 (Shall state expenditures be limited by inflation rates and population growth, and taxes exceeding the limit be subject to referendum?)—Filed on March 5, 1993 by Gregory J. Seifert of Vancouver.
- INITIATIVE MEASURE NO. 602 (Shall state revenue collections and state expenditures be limited by a factor based on personal income, and certain revenue measures repealed?)—Filed on March 3, 1993 by Margaret Johnson of Olympia.
- INITIATIVE MEASURE NO. 603 (Shall persons under age 18 be required to maintain at least a 3.0 grade average to keep their driver's licenses?)—Filed on February 26, 1993 by John C. Hawthorne of Olympia.
- INITIATIVE MEASURE NO. 604 (Shall attorneys be required to submit fee disputes to citizen settlement, and be restrained from running for certain public offices?)—Filed on March 10, 1993 by Patrick M. Crawford of Olympia.

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***INITIATIVE TO THE LEGISLATURE NO. 1 (District Power Measure)**—Filed October 25, 1928. The 1929 Legislature failed to take action, and as provided by the state constitution the measure then was submitted to the voters for final decision at the November 4, 1930 state general election. Measure was approved into law by the following vote: **For—152,487 Against—130,901**. The act is now identified as Chapter 1, Laws of 1931.

INITIATIVE TO THE LEGISLATURE NO. 1A (Brewers' Hotel Bill)—Filed December 14, 1914. The 1915 Legislature failed to take action, and as provided by the state constitution the measure then was submitted to the voters for final decision at the November 7, 1916 state general election. Measure was defeated by the following vote: **For—48,354 Against—263,390**.

***INITIATIVE TO THE LEGISLATURE NO. 2 (Blanket Primary Ballot)**—Filed August 21, 1934. Passed by the Legislature February 21, 1935. Now identified as Chapter 26, Laws of 1935.

INITIATIVE TO THE LEGISLATURE NO. 3 (Tax Free Homes)—Filed August 25, 1934. No petition filed.

INITIATIVE TO THE LEGISLATURE NO. 4 (Unemployment Insurance)—Filed September 5, 1934. No petition filed.

INITIATIVE TO THE LEGISLATURE NO. 5 (Prohibiting Fishing with Purse Seines)—Filed November 20, 1934. Insufficient number of signatures on petition; failed.

INITIATIVE TO THE LEGISLATURE NO. 6 (Legal Holiday on Saturday)—Filed August 17, 1938. No petition filed.

INITIATIVE TO THE LEGISLATURE NO. 7 (Pension for Blind)—Filed October 7, 1938. Refiled as Initiative to the Legislature No. 8.

INITIATIVE TO THE LEGISLATURE NO. 8 (Pension for Blind)—Filed October 10, 1938. No petition filed.

INITIATIVE TO THE LEGISLATURE NO. 9 (Relating to Intoxicating Liquors)—Filed December 8, 1938. No petition filed.

INITIATIVE TO THE LEGISLATURE NO. 10 (Unicameral Legislature)—Filed May 23, 1940. No petition filed.

INITIATIVE TO THE LEGISLATURE NO. 11 (Reapportionment of State Legislative Districts)—Filed July 8, 1942. No petition filed.

***INITIATIVE TO THE LEGISLATURE NO. 12 (Public Power Resources)**—Filed August 29, 1942. Passed by the Legislature February 17, 1943. Now identified as Chapter 15, Laws of 1943. Act invalidated through Referendum Measure No. 25.

INITIATIVE TO THE LEGISLATURE NO. 13 (Restricting Sales of Beer and Wine to State Liquor Stores)—This measure is the same as Initiative Measure No. 163 and was filed August 23, 1946. Signature petitions filed January 3, 1947. The 1947 Legislature failed to take action as provided by the state constitution the measure then was submitted to the voters for final decision at the November 2, 1948 state general election. Measure was defeated by the following vote: **For—208,337 Against—602,141**.

INITIATIVE TO THE LEGISLATURE NO. 14 (Reapportionment of State Legislative Districts)—Filed September 19, 1946. No petition filed.

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INITIATIVE TO THE LEGISLATURE NO. 15 (Establishing a Civil Service System for the Employees of the State of Washington)—Filed October 16, 1946. No petition filed.

INITIATIVE TO THE LEGISLATURE NO. 16 (Providing for the Election of State Game Commissioners)—Filed September 8, 1948. No signature petitions presented.

INITIATIVE TO THE LEGISLATURE NO. 17 (Regulating Legislative Committee Hearings)—Filed October 16, 1948. No signature petitions filed.

INITIATIVE TO THE LEGISLATURE NO. 18 (Petitioning Congress to declare that it is the policy of the United States to live in peaceful coexistence with other nations, etc.)—This measure is the same as Initiative Measure No. 183 and was filed September 3, 1952. No signature petitions presented for checking.

INITIATIVE TO THE LEGISLATURE NO. 19 (Repealing the Subversive Activities Act)—Filed September 19, 1952. No signature petitions presented for checking.

INITIATIVE TO THE LEGISLATURE NO. 20 (Legislative and Congressional Districting)—Filed April 16, 1954. Sponsors dissatisfied with ballot title and, as a consequence, measure (with some minor changes, all occurring in section 5) was refiled as of May 17, 1954 and measure refiled as Initiative No. 22 to the Legislature.

INITIATIVE TO THE LEGISLATURE NO. 21 (Professional Practice Boards)—Filed April 20, 1954. No signature petitions presented for checking.

INITIATIVE TO THE LEGISLATURE NO. 22 (Legislative and Congressional Districting)—Filed May 17, 1954. No signature petitions presented for checking.

*INITIATIVE TO THE LEGISLATURE NO. 23 (Civil Service for Sheriff's Employees)—Measure filed August 7, 1956. Signature petitions filed December 5, 1956, and found sufficient. The 1957 Legislature failed to take action, and as provided by the state constitution the measure was then submitted to the voters for final decision at the November 4, 1958 state general election. Measure was approved by the following vote: For—539,640 Against—289,575. Act is now identified as Chapter 1, Laws of 1959.

INITIATIVE TO THE LEGISLATURE NO. 24 (Limiting Dams in Fish Sanctuaries)—Measure filed September 18, 1956. Signature petitions containing approximately 85,600 signatures filed January 3, 1957. However, attorney general ruled that provisions of the 30th amendment to the state constitution approved by the voters at the 1956 state general election applied at the time signatures were presented. This amendment provided that the number of signatures necessary to validate an initiative must be equal to at least 8% of the votes cast on the position of governor at the last preceding gubernatorial election. This computation set the necessary number as 90,319 valid signatures. Sponsors appealed to the State Supreme Court which held that the attorney general was correct. For this reason the Secretary of State did not check signature petitions and the initiative was not certified to the 1957 Legislature.

*INITIATIVE TO THE LEGISLATURE NO. 25 (Dam Construction and Water Diversion)—Measure filed April 3, 1958. Signature petitions filed January 2, 1959 and upon completion of canvass found sufficient. The 1959 Legislature failed to take final action and as provided by the state constitution the measure was submitted to the voters for final decision at the November 8, 1960 state general election. Measure was approved by the following vote: For—526,130 Against—483,449. Act is now identified as Chapter 4, Laws of 1961.

INITIATIVE TO THE LEGISLATURE NO. 26 (Abolishing Capital Punishment)—Measure filed March 10, 1960. No signature petitions presented for checking.

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- INITIATIVE TO THE LEGISLATURE NO. 27 (Restricting Federal Taxation and Activities)—Measure filed June 27, 1960. No signature petitions presented for checking.
- INITIATIVE TO THE LEGISLATURE NO. 28 (Civil Service for County Employees)—Measure filed July 1, 1960. No signature petitions presented for checking.
- INITIATIVE TO THE LEGISLATURE NO. 29 (Repealing Certain 1961 Tax Laws)—Filed March 27, 1962 by the Citizens' Tax Revolt Group. Campaign for supporting signatures was not successful and, as a consequence, no signature petition sheets were filed for checking.
- INITIATIVE TO THE LEGISLATURE NO. 30 (Reorganization of State Fisheries Department)—Filed May 28, 1962 by the Washington State Sportsmen's Council. Campaign for supporting signatures was not successful and, as a consequence, no signature petition sheets were filed for checking.
- INITIATIVE TO THE LEGISLATURE NO. 31 (Laws Regulating Courts—Judges—Attorneys)—Filed May 17, 1966 by Walter H. Philipp of Seattle. This was, in effect, a refile of Initiative Measure No. 232 and again no signatures were presented for checking.
- INITIATIVE TO THE LEGISLATURE NO. 32 (Local Processing of State Timber)—Filed May 31, 1966 by the Committee for Full Employment in Washington. Signatures (136,181) filed December 30, 1966 and found sufficient. The 1967 Legislature failed to take final action and, as provided by the state constitution, the measure was submitted to the voters for final decision at the November 5, 1968 state general election. Measure was rejected by the following vote: For—450,559 Against—716,291.
- INITIATIVE TO THE LEGISLATURE NO. 33 (No caption written)—Filed July 1, 1966 by George A. Guilmet of Edmonds. This was a proposed memorial to Congress concerning "the ending of the war now being waged by the United States Government and its armed forces in Vietnam and Southeast Asia." However, the office of the attorney general reversed its position in that a similar measure was filed in 1952 (Initiative to the Legislature No. 18) and declined to issue a ballot title on the grounds that the subject matter was not a proper subject to fall within the scope of the initiative procedure. As a consequence, the secretary of state returned the measure and filing fee to the sponsor.
- INITIATIVE TO THE LEGISLATURE NO. 34 ("Personal Effects" Tax Exemption)—Filed March 20, 1968 by the Committee Against Unfair Personal Property Tax. No signatures presented for checking.
- INITIATIVE TO THE LEGISLATURE NO. 35 (State Citizens—War and Taxes)—Filed April 28, 1970 by the Seattle Liberation Front—William Edward Kononen, Initiative Circulation Chairman. No signatures presented for checking.
- INITIATIVE TO THE LEGISLATURE NO. 36 (Licensing Dog Racing—Parimutuel Betting)—Filed July 3, 1970 by Donald Nicholson of Kirkland. Because of technical errors, measure was refiled August 18, 1970 as Initiative to the Legislature No. 39.
- INITIATIVE TO THE LEGISLATURE NO. 37. (Transportation Revenues—Use and Distribution)—Filed July 9, 1970 by William L. McCord and William L. Harrington, Co-sponsors. No signatures presented for checking.
- INITIATIVE TO THE LEGISLATURE NO. 38 (Certain Cities—Greyhound Racing Franchises)—Filed July 31, 1970 by Herbert B. Shannon of Medina. Signatures (121,077) filed December 31, 1970. Checking revealed insufficient valid signatures submitted and the initiative was not certified to the 1971 Legislature.

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INITIATIVE TO THE LEGISLATURE NO. 39 (Licensing Dog Racing—Parimutuel Betting)—
 Filed August 18, 1970 by Donald Nicholson and Dr. Lawrence Pirkle, Co-sponsors. Signatures (124,394) filed December 31, 1970. Checking revealed insufficient valid signatures submitted and the initiative was not certified to the 1971 Legislature.

INITIATIVE TO THE LEGISLATURE NO. 40 (Litter Control Act)—Filed August 20, 1970 by the Washington Committee to Stop Litter—Irving B. Stimpson, Secretary. Signatures (141,228) filed December 30, 1970 and found sufficient and the measure was certified to the Legislature as of January 29, 1971. The Legislature took no action insofar as Initiative Measure No. 40 but did pass an alternative measure No. 40B now identified as Chapter 307, Laws of 1971 1st Extraordinary Session, which contained an emergency clause and became effective law upon approval of the Governor on May 21, 1971. However, as required by the state constitution, both measures were submitted to the voters for final decision at the November 7, 1972 state general election. The votes cast on the original measure and the alternative proposal were as follows:

For Either	Against Both	Prefer No. 40	Prefer No. 40B
788,151	418,764	194,128	798,931

As a consequence, Alternative Measure No. 40B prevailed which sustained Chapter 307, Laws of 1971 1st Extraordinary Session, as law.

INITIATIVE TO THE LEGISLATURE NO. 41 (Public Schools—Certain Courses Curtalled)—
 Filed September 4, 1970 by the Schools Belong to You Committee of the State of Washington—Dale R. Dorman, Chairman. No signatures presented for checking.

INITIATIVE TO THE LEGISLATURE NO. 42—Filed September 21, 1970 by the Washington Environmental Council. Re filed September 25, 1970 as Initiative to the Legislature No. 43.

INITIATIVE TO THE LEGISLATURE NO. 43 (Regulating Shoreline Use and Development)—
 Filed September 25, 1970 by the Washington Environmental Council. Signatures (160,421) filed December 31, 1970 and found sufficient and the measure was certified to the Legislature as of January 29, 1971. The legislature took no action insofar as Initiative No. 43 but did pass an alternative measure No. 43B now identified as Chapter 286, Laws of 1971 1st Extraordinary Session, which became effective law as of June 1, 1971. However, as required by the state constitution both measures were submitted to the November 7, 1972 state general election. The votes cast on the original measure and the alternative proposal were as follows:

For Either	Against Both	Prefer No. 40	Prefer No. 40B
603,167	551,132	285,721	611,748

As a consequence, Alternative Measure No. 43B prevailed which sustained Chapter 286, Laws of 1971 1st Extraordinary Session, as law.

***INITIATIVE TO THE LEGISLATURE NO. 44 (Statutory Tax Limitation—20 Mills)—**Filed October 15, 1970 by the 40-Mill Tax Limit Committee—Lester P. Jenkins, Secretary. Signatures (229,785) filed December 30, 1970 and found sufficient and the measure was certified to the Legislature as of January 29, 1971. The Legislature took no action and, as provided by the state constitution, the initiative was submitted to the voters for final decision at the November 7, 1972 state general election and approved by the following vote: **For—**930,275 **Against—**301,238. Act is now identified as Chapter 2, Laws of 1973.

*Indicates measure became law.

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- INITIATIVE TO THE LEGISLATURE NO. 45 (Restoration of Law Prohibiting Hitchhiking)—Filed July 10, 1972 by Mildred C. Trantow, President, Washington State Chapter of Pro America. No signatures presented for checking.
- INITIATIVE TO THE LEGISLATURE NO. 46 (Restricting School District Excess Levies)—Filed July 25, 1972 by Representative Paul Barden and Representative Vaughn Hubbard, Co-sponsors. No signatures presented for checking.
- INITIATIVE TO THE LEGISLATURE NO. 47 (Shall public schools be prohibited from teaching either the theory of evolution or that of creation unless both are taught?)—Filed April 3, 1974 by Ward E. Ellsworth. No signatures presented for checking.
- INITIATIVE TO THE LEGISLATURE NO. 48 (Shall state financial support for public schools be greatly increased for 1975-77 and school district excess levies restricted after 1975?)—Filed April 9, 1974 by the Committee for State School Support. No signatures presented for checking.
- INITIATIVE TO THE LEGISLATURE NO. 49 (Shall an Initiative be adopted declaring persons ineligible for election to given state offices for more than 12 consecutive years?)—Filed July 5, 1974 by Senator Peter von Reichbauer. No signatures presented for checking.
- INITIATIVE TO THE LEGISLATURE NO. 50 (Shall greyhound dog racing, with parimutuel betting, be permitted when licensed by a state commission and subject to its control?)—Filed July 16, 1974 by Donald Nicholson. No signatures presented for checking.
- INITIATIVE TO THE LEGISLATURE NO. 51 (Constitutional Amendment—Qualifications of Legislators)—Filed March 11, 1976 by Harley H. Hoppe of Mercer Island. Attorney General declined to prepare ballot title.
- INITIATIVE TO THE LEGISLATURE NO. 52 (Shall commercial fishing for or taking of food fish, crab or shrimp in Hood Canal be prohibited?)—Filed April 15, 1976 by J.L. Parsons of Union, WA. No signatures presented for checking.
- INITIATIVE TO THE LEGISLATURE NO. 53 (Shall special levies be limited, and additional state support provided to most districts which approve such limited levies?)—Filed April 21, 1976 by Representative Phyllis K. Erickson of Tacoma. No signatures presented for checking.
- INITIATIVE TO THE LEGISLATURE NO. 54 (Shall an Initiative be adopted prohibiting holding most state offices longer than twelve years and judicial offices past age 70?)—Filed April 28, 1976 by Jack Metcalf of Langley, WA. No signatures presented for checking.
- INITIATIVE TO THE LEGISLATURE NO. 55 (Shall persons convicted of certain felonies be imprisoned for a mandatory period of years?)—Filed May 7, 1976 by Senator Kent Pullen of Kent, WA. Re-filed as Initiative to the Legislature No. 56.
- INITIATIVE TO THE LEGISLATURE NO. 56 (Shall persons convicted of most felonies be imprisoned for a mandatory period of years?)—Filed June 1, 1976 by Senator Kent Pullen of Kent, WA. No signatures presented for checking.
- INITIATIVE TO THE LEGISLATURE NO. 57 (Shall an Initiative be adopted providing that special legislative sessions, however convened, be limited to thirty days and specific subjects?)—Filed July 14, 1976 by Senator Harry Lewis of Olympia. No signatures presented for checking.

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INITIATIVE TO THE LEGISLATURE NO. 58 (Shall an initiative be adopted memorializing the legislature to impeach and remove King County Superior Court Judge Solle M. Ringold?)—Filed July 14, 1976 by Paul O. Snyder of Seattle. No petition submitted.

*INITIATIVE TO THE LEGISLATURE NO. 59 (Shall new appropriations of public water for nonpublic agricultural irrigation be limited to farms of 2,000 acres or less?)—Filed August 16, 1976 by Ray Hill of Seattle. Signatures (191,012) submitted and found sufficient and measure was certified to the legislature January 14, 1977. The legislature referred this measure to the 1977 state general election ballot. At the November 8, 1977 general election the measure was approved by the following vote: For—457,054 Against—437,682. Act is now identified as Chapter 3, Laws of 1979.

INITIATIVE TO THE LEGISLATURE NO. 60 (Shall an initiative be adopted authorizing a legislator to convene a grand jury to consider allegations of improper judicial conduct?)—Filed March 28, 1978 by Mr. Gerald P. Hanson of Maple Valley. No signatures were presented for checking.

INITIATIVE TO THE LEGISLATURE NO. 61 (Shall a system requiring a minimum five cent refund on sales of beer, malt and carbonated beverage containers be established?)—Filed May 1, 1978 by Mr. Steve Zemke of Seattle. Signatures (164,325) submitted and a random sample of 8,180 was taken and found sufficient and measure was certified to the Legislature on February 19, 1979. The legislature referred this measure to the 1979 state general election ballot. At the November 6, 1979 general election the measure was rejected. The preliminary figures for the vote are: For—333,062 Against—427,822.

*INITIATIVE TO THE LEGISLATURE NO. 62 (Shall state tax revenues be limited so that increases do not exceed the growth rate of total state personal income?)—Filed June 1, 1978 by Ron Dunlap and Ellen Craswell of the Washington Tax Limitation Committee. Signatures (169,456) submitted and found sufficient and measure was certified to the legislature on January 18, 1979. The legislature referred this measure to the 1979 state general election ballot. At the November 6, 1979 general election the measure was approved. The preliminary figures for the vote are: For—509,349 Against—235,431. Act is now identified as Chapter 1, Laws of 1980.

INITIATIVE TO THE LEGISLATURE NO. 63 (Shall participation in the state militia and law enforcement units not be denied to persons by reason of physical handicaps?)—Filed June 28, 1978 by Mr. Daniel M. Jones of Olympia. No signatures were presented for checking.

INITIATIVE TO THE LEGISLATURE NO. 64—Attorney General refused to write a ballot title.

INITIATIVE TO THE LEGISLATURE NO. 65 (Shall state school levies be subject to the same six percent annual increase limit as other regular property tax levies?)—Filed July 12, 1978 by Mr. Ron Dunlap and Mrs. Ellen Craswell. No signatures were presented for checking.

INITIATIVE TO THE LEGISLATURE NO. 66 (Shall the Consumer Protection Act be amended to provide trebled actual damages in private actions and define specific unlawful acts?)—Filed July 14, 1978 by Mr. Norman L. Bachert of Seattle. No signatures were brought in for checking.

INITIATIVE TO THE LEGISLATURE NO. 67 (Shall an initiative be adopted providing for the recall of United States senators and representatives during legislatively called special elections?)—Filed July 27, 1978 by Mr. Victor J. Bonagofski of Centralia. No signatures were presented for checking.

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- INITIATIVE TO THE LEGISLATURE NO. 68 (Shall property tax assessments be based on 1976 values, with certain exceptions and assessment increases limited to 2% per year?)—Filed July 21, 1978 by Mr. Bruce Gould of Vancouver. No signatures were presented for checking.
- INITIATIVE TO THE LEGISLATURE NO. 69 (Shall single family dwellings and farm buildings be tax exempt, and state and local taxing and borrowing powers be restricted?)—Filed July 26, 1978 by Mr. Gerald P. Hanson of Maple Valley. No signatures were presented for checking.
- INITIATIVE TO THE LEGISLATURE NO. 70 (Shall the rates of state sales and business taxes temporarily be reduced 22.2% and 25% respectively during the year 1980?)—Filed August 11, 1978 by Mr. Paul Sanders of Bellevue. No signatures were presented for checking.
- INITIATIVE TO THE LEGISLATURE NO. 71 (Shall property taxes be based on 1976 values limited to 2% annual increases, and other property tax changes be enacted?)—Filed August 16, 1978 by Mr. J. Van Self of Tacoma. No signatures were presented for checking.
- INITIATIVE TO THE LEGISLATURE NO. 72 (Shall state school levies be limited to 6% annual increases and disabled retirees or elderly property tax exemptions be increased?)—Filed November 20, 1978 by Mr. Claude Oliver of Kennewick. No signatures were presented for checking.
- INITIATIVE TO THE LEGISLATURE NO. 73 (Shall Government Agencies, Employees, and Private Individuals be Prohibited from Promoting Certain Sexual Practices, and the Age of Consent Raised?)—Filed May 13, 1980 by David Estes of Seattle. No signatures were presented for checking.
- INITIATIVE TO THE LEGISLATURE NO. 74 (Shall There be Mandatory Minimum Prison Sentences for Certain Felonies, Expanded Concealed Weapons' Permits and State Preemption of Firearms' Regulation?)—Filed July 31, 1980 by Kent Pullen of Kent, WA. No signatures presented for checking.
- INITIATIVE TO THE LEGISLATURE NO. 75 (Shall the Crime Victims Compensation Act be extended to crimes committed after July 1, 1981, and its coverage be broadened?)—Filed September 4, 1981 by Manuel E. Costa of Marysville. No signatures were presented for checking.
- INITIATIVE TO THE LEGISLATURE NO. 76 (Shall the legislature petition Congress to amend the Constitution, or call a constitutional convention, to require a balanced federal budget?)—Filed March 12, 1982 by Harry Erwin Truitt of Seattle. No signatures were presented for checking.
- INITIATIVE TO THE LEGISLATURE NO. 77 (Shall public employee compensation be reduced or frozen if state expenditures exceed revenues or new taxes are imposed or authorized?)—Filed March 22, 1982 by Glenn Blubaugh of Tacoma. No signatures were presented for checking.
- INITIATIVE TO THE LEGISLATURE NO. 78 (Shall the present state owned and operated liquor distribution system be abolished and replaced with licensed privately owned liquor dealers?)—Filed May 27, 1982 by Robert J. Corcoran of Puyallup. No signatures were presented for checking.
- INITIATIVE TO THE LEGISLATURE NO. 79 (Shall employers have the option, effective July 1, 1984, of securing private insurance to meet the state requirements for workmen's

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- compensation?)—Filed September 29, 1982 by Richard M. Farrow of Seattle. No signatures were presented for checking.
- INITIATIVE TO THE LEGISLATURE NO. 80 (Unemployment Insurance)—Filed September 29, 1982 by Richard C. King of Seattle. Initiative withdrawn by the sponsor.
- INITIATIVE TO THE LEGISLATURE NO. 81 (Political Contributions)—Filed September 29, 1982 by R. M. (Dick) Bond of Spokane. Initiative withdrawn by the sponsor.
- INITIATIVE TO THE LEGISLATURE NO. 82 (Public Purchasing)—Filed September 29, 1982 by Priscilla K. Stockner of Puyallup. Initiative withdrawn by the sponsor.
- INITIATIVE TO THE LEGISLATURE NO. 83 (Shall the 1983-85 state general operating budget be limited by statute to a maximum of 109% of the 1981-83 budget?)—Filed September 29, 1982 by Charles I. McClure of Tacoma. No signatures were presented for checking.
- INITIATIVE TO THE LEGISLATURE NO. 84 (Shall state policies regarding natural resource management, Indian rights, federal court decisions, and the expenditure of state funds be enacted?)—Filed May 13, 1983 by John B. Mitchum of Mt. Vernon. Sponsors have until December 31, 1983 to submit signatures.
- INITIATIVE TO THE LEGISLATURE NO. 85 (Shall the legislature be directed to petition Congress to call a convention to propose a balanced federal budget constitutional amendment?)—Filed June 7, 1983 by James R. Medley of Seattle. Sponsors have until December 31, 1983 to submit signatures.
- INITIATIVE TO THE LEGISLATURE NO. 86 (Shall the legislature submit a state constitutional amendment requiring taxes be approved by voters and full funding of retirement systems?)—Filed August 17, 1984 by James L. King, Jr. of Tacoma. No signatures were submitted for checking.
- INITIATIVE TO THE LEGISLATURE NO. 87 (Shall juvenile diversion agreements require home or nonsecurity residency or placement in secure facilities if a juvenile thereafter runs away?)—Filed October 19, 1984 by Theresa J. Green of Seattle. No signatures were submitted for checking.
- INITIATIVE TO THE LEGISLATURE NO. 88 (Shall candidates for legislative and state executive offices be prohibited from receiving more than specified maximum campaign contributions and loans?)—Filed March 25, 1985 by Roger J. Douglas of Olympia. No signatures were presented for checking.
- INITIATIVE TO THE LEGISLATURE NO. 89. (Shall the legislature submit a constitutional amendment requiring voter approval of new taxes and full funding of state retirement systems?)—Filed June 20, 1985 by James L. King, Jr. of Tacoma. No signatures were presented for checking.
- INITIATIVE TO THE LEGISLATURE NO. 90. (Shall sales and use taxes be increased, 1/8th of 1%, to fund comprehensive fish and wildlife conservation and recreation programs?)—Filed July 22, 1985 by John C. McGlenn of Seattle. 211,299 signatures were submitted and found sufficient and the measure was certified to the legislature on January 24, 1986. The legislature referred this measure to the 1986 general election ballot. At the November 4, 1986 general election the measure was defeated by the following vote: For—493,794. Against—784,382.
- INITIATIVE TO THE LEGISLATURE NO. 91. (Shall the state administered workers industrial insurance compensation system be modified and employers be granted the option of

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privately insuring?)—Filed August 9, 1985 by Donald D. Eldridge of Olympia. No signatures were presented for checking.

INITIATIVE TO THE LEGISLATURE NO. 92. (Shall it be a consumer protection violation for doctors treating Medicare eligible patients to charge more than Medicare's reasonable charges?)—Filed March 31, 1986 by Lars Hennem of Seattle. 219,716 signatures were submitted and were found sufficient and the measure was certified to the legislature on January 15, 1987.

INITIATIVE TO THE LEGISLATURE NO. 93 (Shall courts be authorized to require that convicted felons after release from prison be subject to restrictions and state supervision?)—Filed May 5, 1986 by Stuart A. Halsan of Centralia. No signatures were presented for checking.

INITIATIVE TO THE LEGISLATURE NO. 94 (Shall conviction for possessing more than five ounces of, or selling, "dangerous drugs" result in at least five years imprisonment?)—Filed August 22, 1986 by Clyde Ballard of East Wenatchee. No signatures were presented for checking.

INITIATIVE TO THE LEGISLATURE NO. 95 (Shall denturists be licensed, dental hygienists' activities be expanded, and both be permitted to function without supervision of a dentist?)—Filed on April 17, 1987 by Kenneth S. MacPherson of Redmond. No signatures were presented for checking.

INITIATIVE TO THE LEGISLATURE NO. 96 (Cleanup of Toxic Waste)—Filed on July 16, 1987 by David A. Bricklin of Seattle. Initiative refiled as Initiative 97.

*INITIATIVE TO THE LEGISLATURE NO. 97 (Shall a hazardous waste cleanup program, partially funded by a 7/10 of 1% tax on hazardous substances, be enacted?)—Filed on August 13, 1987 by Christine Platt of Olympia. 215,505 signatures were submitted and were found sufficient. The measure was certified to the legislature on February 8, 1988.

INITIATIVE TO THE LEGISLATURE NO. 98 (Shall conversations concerning controlled drugs be recordable with one party's consent and limited court use of unauthorized recordings be permitted?)—Filed on April 1, 1988 by Frank Kanekoa of Olympia. Sponsor failed to submit signatures for checking.

*INITIATIVE TO THE LEGISLATURE NO. 99 (Shall a state presidential preference primary election determine each presidential candidate's percentage of delegates to major party national conventions?)—Filed on April 24, 1988 by Ross E. Davis of Seattle and Joe E. Murphy of Seattle. 202,872 signatures were submitted and were found sufficient. The measure was certified to the legislature on February 6, 1989.

INITIATIVE TO THE LEGISLATURE NO. 100 (Shall private property rights be a compelling state interest restricting eminent domain, state agreements with governments, and some agency rules?)—Filed on April 11, 1988 by Neil Amondson of Centralia. Sponsor failed to submit signatures for checking.

INITIATIVE TO THE LEGISLATURE NO. 101 (Shall mandatory minimum jail sentences be required for some drug offenses including possessing materials or equipment to illegally manufacture drugs?)—Filed on May 5, 1988 by James K. Linderman of Yacolt. Sponsor failed to submit signatures for checking.

INITIATIVE TO THE LEGISLATURE NO. 102 (Shall the state support of children and family services, including some education programs, be increased by \$360,000,000 in new taxes?)—Filed on June 24, 1988 by Jon LeVeque of Seattle. 217,143 signatures were

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submitted and found sufficient. The measure was certified to the Legislature on January 20, 1989.

INITIATIVE TO THE LEGISLATURE NO. 103 (Shall rent increases in mobile home parks be prohibited until June 30, 1990 and thereafter increases would require a state board's approval?)—Filed on July 8, 1988 by Shirley J. Johnson of Everett. Sponsor failed to submit signatures for checking.

INITIATIVE TO THE LEGISLATURE NO. 104 (Shall proposed thermal power plants be required to demonstrate that their operation will not increase carbon dioxide in the atmosphere?)—Filed on August 22, 1988 by Allen W. Hayward of Olympia. Sponsor failed to submit signatures for checking.

INITIATIVE TO THE LEGISLATURE NO. 105 (Regarding attorneys as members of the Legislature)—Filed on July 20, 1988 by Eugene Goosman of Seattle. Attorney General refused to write ballot title on the grounds that the initiative proposed to amend the Constitution.

INITIATIVE TO THE LEGISLATURE NO. 106 (Shall the state issue tax obligation bonds and use the proceeds for consumer grants, state projects, reinvestment and bond expenses?)—Filed on August 23, 1988 by Steven A. Tracy of Longview. Sponsor failed to submit signatures for checking.

INITIATIVE TO THE LEGISLATURE NO. 107 (Shall new limitations be imposed upon the adoption of state and local rules and ordinances restricting property rights of landowners?)—Filed on September 12, 1988 by Ellen Pickell of Hoquiam and Neil Amondson of Centralia. Sponsors failed to submit signatures for checking.

INITIATIVE TO THE LEGISLATURE NO. 108 (Shall a toll bridge connecting Bainbridge Island to land east of Bremerton be financed by \$22,000,000 and general obligation bonds?)—Filed on September 29, 1988 by T. H. Tees of Bremerton. Sponsor failed to submit signatures for checking.

INITIATIVE TO THE LEGISLATURE NO. 109 (Shall women considering abortion be advised by the physician of their opportunity to receive certain information about abortion and alternatives?)—Filed on April 19, 1989 by Mike Padden of Spokane. 153,619 signatures were submitted and were found insufficient.

INITIATIVE TO THE LEGISLATURE NO. 110 (Regarding a mandatory sentence for the manufacture or sale of narcotics.)—Filed on April 3, 1989 by James Linderman, Sr. of Yacolt. Sponsor abandoned this initiative and refiled it as Initiative to the Legislature No. 111.

INITIATIVE TO THE LEGISLATURE NO. 111 (Shall mandatory minimum jail sentences and fines be required for certain drug offenses and other drug maximum sentences be increased?)—Filed on May 10, 1989 by James K. Linderman, Sr. of Yacolt. Sponsor failed to submit signatures for checking.

INITIATIVE TO THE LEGISLATURE NO. 112 (Shall the state regulate oil refiners' prices, rates, services and practices dealing with, or charged to, retail motor fuel outlets?)—Filed on May 25, 1989 by Timothy Hamilton of McCleary. Sponsor failed to submit signatures for checking.

INITIATIVE TO THE LEGISLATURE NO. 113 (Shall certain drug offenses have mandatory jail sentences, other drug sentences increased, and penalties paid to local jurisdiction drug

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- funds?)—Filed on June 23, 1989 by James K. Linderman, Sr. of Yacolt. Sponsor failed to submit signatures for checking.
- INITIATIVE TO THE LEGISLATURE NO. 114 (Regarding the burning or defacing of the American flag.)—Filed on June 30, 1989 by Carl R. Barbee of Seattle. The Attorney General declined to write a ballot title.
- INITIATIVE TO THE LEGISLATURE NO. 115 (Shall the state and local tax rates on commercial and residential buildings and new construction be reduced at least 50%?)—Filed on July 11, 1989 by Charles Caussey of Spokane. Sponsor failed to submit signatures for checking.
- INITIATIVE TO THE LEGISLATURE NO. 116 (Shall child support laws be revised, including a disregarding of parents' income in fixing a schedule for child support payments?)—Filed on August 21, 1989 by William Harrington of Lynnwood. Sponsor failed to submit signatures for checking.
- INITIATIVE TO THE LEGISLATURE NO. 117 (Shall political contributions be limited regarding amount, timing and residency of contributors, and elected officials restricted on mailings and honoraria?)—Filed on September 12, 1989 by Robert E. Adams of Bellevue. Sponsor failed to submit signatures for checking.
- INITIATIVE TO THE LEGISLATURE NO. 118 (Shall state and local tax rates, fees and charges be reduced to January 1, 1990 rates, and increases require 60% voter approval?)—Filed on March 14, 1990 by Judith Anderson of Bush Prairie. Sponsor failed to submit signatures for checking.
- INITIATIVE TO THE LEGISLATURE NO. 119 (Shall adult patients who are in a medically terminal condition be permitted to request and receive from a physician aid-in-dying?)—Filed on March 14, 1990 by Bradley K. Robinson of Seattle. 218,327 signatures were submitted and were found sufficient.
- INITIATIVE TO THE LEGISLATURE NO. 120 (Shall state abortion laws be revised, including declaring a woman's right to choose physician performed abortion prior to fetal viability?)—Filed on April 2, 1990 by Lee Minto of Seattle. 242,004 signatures were submitted and were found sufficient.
- INITIATIVE TO THE LEGISLATURE NO. 121 (Shall mandatory minimum jail sentences and fines be required for certain drug offenses and other drug maximum sentences be increased?)—Filed on April 17, 1990 by James K. Linderman of Yacolt. Sponsor failed to submit signatures for checking.
- INITIATIVE TO THE LEGISLATURE NO. 122 (Shall jurors be advised they could consider the merits of laws and the wisdom of applying laws to a defendant?)—Filed on April 19, 1990 by Richard Shepard of Tacoma. Sponsor failed to submit signatures for checking.
- INITIATIVE TO THE LEGISLATURE NO. 123 (Shall constitutional impact statements be required before adopting or implementing governmental policies which effect a taking or deprivation of property?)—Filed on May 11, 1990 by Merrill H. English of Dayton. Sponsor failed to submit signatures for checking.
- INITIATIVE TO THE LEGISLATURE NO. 124 (Shall changes be made relating to real property taxes, including valuing property as its purchase price and any improvement costs?)—Filed on May 30, 1990 by Karl Thun of Graham. Sponsor failed to submit signatures for checking.

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- INITIATIVE TO THE LEGISLATURE NO. 125 (Shall private vehicles be required to purchase automobile insurance from a newly created state administered program, and \$200,000,000 be appropriated?)—Filed on August 1, 1990 by Edward G. Patton of Yakima. Sponsor failed to submit signatures for checking.
- INITIATIVE TO THE LEGISLATURE NO. 126 (Shall political contributions be limited regarding amount, timing, and contributor's voting residence and elected officials mallings and honoraria be restricted?)—Filed on August 9, 1990 by Robert E. Adams of Bellevue. Sponsor failed to submit signatures for checking.
- INITIATIVE TO THE LEGISLATURE NO. 127 (Shall property value for tax purposes be, the January 1, 1985 value or subsequent sales price, with future cost of living adjustments?)—Filed on August 14, 1990 by Marijcke V. Clapp of Seattle. Sponsor failed to submit signatures for checking.
- INITIATIVE TO THE LEGISLATURE NO. 128 (Shall mandatory minimum jail sentences and fines be required for certain drug offenses and other drug maximum sentences be increased?)—Filed on August 21, 1990 by James K. Linderman of Yacolt. Sponsor failed to submit signatures for checking.
- INITIATIVE TO THE LEGISLATURE NO. 129 (Shall property value for tax purposes be the January 1, 1985 value or subsequent sales price, adjusted for cost of living changes?)—Filed on September 12, 1990 by Marijcke V. Clapp of Seattle. Sponsor failed to submit signatures for checking.
- INITIATIVE TO THE LEGISLATURE NO. 130 (Shall real property be assessed at 70% of true and fair value and increases in property tax rates be limited?)—Filed on August 29, 1990 by Pam Roach of Auburn. Sponsor failed to submit signatures for checking.
- INITIATIVE TO THE LEGISLATURE NO. 131 (Shall mandatory minimum prison sentences and fines be required for certain drug offenses and some maximum drug sentences be increased?)—Filed on March 18, 1991 by James K. Linderman, Sr. of Yacolt. Sponsor failed to submit signatures for checking.
- INITIATIVE TO THE LEGISLATURE NO. 132 (Shall no strike pledges be required in all teaching contracts at state-supported institutions of learning and violations cause employment terminations?)—Filed on April 16, 1991 by Glenn L. Blubaugh of Tacoma. Sponsor failed to submit signatures for checking.
- INITIATIVE TO THE LEGISLATURE NO. 133 (Shall there be restrictions on contributions to legislators, state officials, and candidates, and on other campaign related activities and financing?)—Filed on April 29, 1991 by Arthur Wuerth of Olympia. Sponsor failed to submit signatures for checking.
- INITIATIVE TO THE LEGISLATURE NO. 134 (Shall campaign contributions be limited; public funding of state and local campaigns be prohibited; and campaign related activities be restricted?)—Filed on June 7, 1991 by Carl R. Erickson of Olympia. The measure was certified to the Legislature on January 29, 1992. The Legislature referred the measure to the 1992 general election ballot.
- INITIATIVE TO THE LEGISLATURE NO. 135 (Shall a transaction tax, not exceeding 1%, levied on the transfers of money and property replace present state authorized taxes?)—Filed on June 24, 1991 by Clarence P. Keating of Seattle. Sponsor failed to submit signatures for checking.

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- INITIATIVE TO THE LEGISLATURE NO. 136 (Shall cannabis (marijuana) be legalized for adults and taxed; amnesty provided for prior cannabis convictions, and cannabis testing be prohibited?)—Filed on June 24, 1991 by Kevin Clark Keyes of Bellingham. The sponsor failed to submit signatures for checking.
- INITIATIVE TO THE LEGISLATURE NO. 137 (Shall inmates with indeterminate sentences change to determinative sentences, and sentences which are outside the standard sentencing range be reviewed?)—Filed on August 7, 1991 by Carrie D. Roth of Kent. This measure was refiled as Initiative to the Legislature No. 139.
- INITIATIVE TO THE LEGISLATURE NO. 138 (Shall private vehicles be required to have automobile insurance purchased from a new state administered program, and \$200,000,000 be appropriated?)—Filed on August 12, 1991 by Ed G. Patton of Yakima. The sponsor failed to submit signatures for checking.
- INITIATIVE TO THE LEGISLATURE NO. 139 (Shall the criminal sentences for offenses committed prior to July 1, 1984 be changed; and the Indeterminate Sentencing Review Board be abolished?)—Filed on October 29, 1991 by Carrie D. Roth of Kent. The sponsor failed to submit signatures for checking.
- INITIATIVE TO THE LEGISLATURE NO. 140 (Shall the Legislature be directed to vote on whether Washington should request Congress to propose a balanced budget constitutional amendment?)—Filed on April 29, 1992 by Dianne E. Campbell of Woodinville. The sponsor failed to submit signatures for checking.
- INITIATIVE TO THE LEGISLATURE NO. 141 (Shall a cost controlled health benefits system, publicly and privately financed, as designed by the Governor, cover all state residents?)—Filed on June 11, 1992 by Dennis Braddock of Bellingham. The sponsor submitted 159,308 signatures for checking and they were found insufficient to qualify the measure to be submitted to the 1993 legislature.
- INITIATIVE TO THE LEGISLATURE NO. 142 (Shall circumcision of a minor without the minor's consent be a crime and a civil action for damages be provided?)—Filed on June 17, 1992 by Theodore Pong of Kirkland. The sponsor failed to submit signatures for checking.
- INITIATIVE TO THE LEGISLATURE NO. 143 (Shall a transaction tax, not exceeding 1% be charged for receiving property or money, and state authorized taxes be repealed?)—Filed on June 23, 1992 by Clarence P. Keating of Seattle. The sponsor failed to submit signatures for checking.
- INITIATIVE TO THE LEGISLATURE NO. 144 (Shall state and local tax levy rates on commercial and residential buildings, including new construction, be reduced by 50 percent?)—Filed on July 20, 1992 by Charles Caussey of Seattle. The sponsor failed to submit signatures for checking.
- INITIATIVE TO THE LEGISLATURE NO. 145 (Shall the sale of cigarettes and other tobacco products be restricted to only state liquor stores and licensed tobacco shops?)—Filed on October 9, 1992 by Susan Lee Mercer of Bellevue. The sponsor failed to submit signatures for checking.
- INITIATIVE TO THE LEGISLATURE NO. 146 (Shall state law declare tobacco to be an addictive drug with adverse health consequences and should tobacco use be discouraged?)—Filed on October 9, 1992 by Susan Lee Mercer of Bellevue. The sponsor failed to submit signatures for checking.

INITIATIVES TO THE LEGISLATURE

INITIATIVE TO THE LEGISLATURE NO. 147 (Shall it be criminal to sell or supply cigarettes or tobacco to persons under 21, whose possession would be unlawful?)—Filed on October 9, 1992 by Susan Lee Mercer of Bellevue. The sponsor failed to submit signatures for checking.

INITIATIVE TO THE LEGISLATURE NO. 148 (Shall a 100% tax be imposed on the price of cigarettes and tobacco products for health care and tobacco education?)—Filed on October 9, 1992 by Susan Lee Mercer of Bellevue. The sponsor failed to submit signatures for checking.

INITIATIVE TO THE LEGISLATURE NO. 149 (Shall retail stores selling food, gasoline or medications be prohibited from selling cigarettes and tobacco products and penalties be provided?)—Filed on October 9, 1992 by Susan Lee Mercer of Bellevue. The sponsor failed to submit signatures for checking.

INITIATIVE TO THE LEGISLATURE NO. 150 (Shall cigarette and tobacco advertising be prohibited in or on any building or vehicle supported by state or local taxes?)—Filed on October 9, 1992 by Susan Lee Mercer of Bellevue. The sponsor failed to submit signatures for checking.

INITIATIVE TO THE LEGISLATURE NO. 151 (Shall cigarette wholesalers and retailers be prohibited from selling unpackaged cigarettes either singly or in groups of less than twenty?)—Filed on October 27, 1992 by Susan Lee Mercer of Bellevue. The sponsor failed to submit signatures for checking.

INITIATIVE TO THE LEGISLATURE NO. 152 (Shall retail sales of cigarettes and tobacco products be made only by state liquor stores and licensed specialty tobacco shops?)—Filed on October 29, 1992 by Susan Lee Mercer of Bellevue. The sponsor failed to submit signatures for checking.

INITIATIVE TO THE LEGISLATURE NO. 153 (Shall state agencies relating to natural resources and outdoor recreation be merged under the responsibility of the public lands commissioner?)—Filed on March 12, 1993 by John L. Frost of Tumwater.

REFERENDUM MEASURES

- REFERENDUM MEASURE NO. 1 (Chapter 48, Laws of 1913, Teachers' Retirement Fund)—Filed March 11, 1913. Submitted to the people at the state general election held on November 3, 1914. *Failed to pass by the following vote: For—59,051 Against—252,356. As a consequence, Chapter 48, Laws of 1913 did not become law.
- REFERENDUM MEASURE NO. 2 (Chapter 180, Laws of 1913, Quincy Valley Irrigation Measure)—Filed March 25, 1913. Submitted to the people at the state general election held on November 3, 1914. *Failed to pass by the following vote: For—102,315 Against—189,065. As a consequence, Chapter 180, Laws of 1913 did not become law.
- REFERENDUM MEASURE NO. 3 (Chapter 54, Laws of 1915, Relating to Initiative and Referendum)—Filed March 18, 1915. Submitted to the people at the state general election held on November 7, 1916. *Failed to pass by the following vote: For—62,117 Against—196,363. As a consequence, Chapter 54, Laws of 1915 did not become law.
- REFERENDUM MEASURE NO. 4 (Chapter 55, Laws of 1915, Recall of Elective Public Officers)—Filed March 18, 1915. Submitted to the people at the state general election held on November 7, 1916. *Failed to pass by the following vote: For—63,646 Against—193,686. As a consequence, Chapter 55, Laws of 1915 did not become law.
- REFERENDUM MEASURE NO. 5 (Chapter 52, Laws of 1915, Party Conventions Act)—Filed March 25, 1915. Submitted to the people at the state general election held on November 7, 1916. *Failed to pass by the following vote: For—49,370 Against—200,499. As a consequence, Chapter 52, Laws of 1915 did not become law.
- REFERENDUM MEASURE NO. 6 (Chapter 181, Laws of 1915, Anti-Picketing)—Filed March 25, 1915. Submitted to the people at the state general election held on November 7, 1916. *Failed to pass by the following vote: For—85,672 Against—183,042. As a consequence, Chapter 181, Laws of 1915 did not become law.
- REFERENDUM MEASURE NO. 7 (Chapter 178, Laws of 1915, Certificate of Necessity Act)—Filed March 25, 1915. Submitted to the people at the state general election held on November 7, 1916. *Failed to pass by the following vote: For—46,820 Against—201,742. As a consequence, Chapter 178, Laws of 1915 did not become law.
- REFERENDUM MEASURE NO. 8 (Chapter 46, Laws of 1915, Port Commission)—Filed March 25, 1915. Submitted to the people at the state general election held on November 7, 1916. *Failed to pass by the following vote: For—45,264 Against—195,253. As a consequence, Chapter 46, Laws of 1915 did not become law.
- REFERENDUM MEASURE NO. 9 (Chapter 49, Laws of 1915, Budget System)—Filed March 25, 1915. Submitted to the people at the state general election held on November 7, 1916. *Failed to pass by the following vote: For—67,205 Against—181,833. As a consequence, Chapter 49, Laws of 1915 did not become law.
- REFERENDUM MEASURE NO. 10 (Chapter 19, Laws of 1917, Bone Dry Law)—Filed February 20, 1917. Submitted to the people at the state general election held on November 5, 1918. Measure passed by the following vote: For—96,100 Against—54,322.
- REFERENDUM MEASURE NO. 11 (Chapter 167, Laws of 1917, Capitol Building Fund Bonds)—Filed April 23, 1917. No petition filed.

*Term "Failed to pass" indicates sponsor of Referendum was successful in attempt to prevent measure from becoming effective law.

REFERENDUM MEASURES

- REFERENDUM MEASURE NO. 12A (Chapter 77, Laws of 1919, Salary of Judges)—Filed April 14, 1919. No petition filed.
- REFERENDUM MEASURE NO. 12B (Chapter 59, Laws of 1921, Certificate of Necessity)—Filed March 26, 1921. Submitted to the people at the state general election held on November 7, 1922. *Failed to pass by the following vote: For—64,800 Against—154,905. As a consequence, Chapter 59, Laws of 1921 did not become law.
- REFERENDUM MEASURE NO. 13A (Chapter 112, Laws of 1919, Death Penalty)—Filed April 14, 1919. No petition filed.
- REFERENDUM MEASURE NO. 13B (Chapter 175, Laws of 1921, Physical Examination of School Children)—Filed April 4, 1921. Submitted to the people at the state general election held on November 7, 1922. *Failed to pass by the following vote: For—96,874 Against—156,113. As a consequence, Chapter 175, Laws of 1921 did not become law.
- REFERENDUM MEASURE NO. 14A (Senate Joint Resolution No. 1, Laws of 1919, Intoxicating Liquor)—Filed March 20, 1919. Insufficient number of signatures on petition.
- REFERENDUM MEASURE NO. 14B (Chapter 177, Laws of 1921, Primary Nominations and Registrations)—Filed April 9, 1921. Submitted to the people at the state general election held on November 7, 1922. *Failed to pass by the following vote: For—60,593 Against—164,004. As a consequence, Chapter 177, Laws of 1921 did not become law.
- REFERENDUM MEASURE NO. 15 (Chapter 176, Laws of 1921, Party Conventions)—Filed April 9, 1921. Submitted to the people at the state general election held on November 7, 1922. *Failed to pass by the following vote: For—57,324 Against—140,299. As a consequence, Chapter 176, Laws of 1921 did not become law.
- REFERENDUM MEASURE NO. 16 (Chapter 22, Laws of 1923, Butter Substitutes)—Filed March 22, 1923. Submitted to the people at the state general election held on November 4, 1924. *Failed to pass by the following vote: For—169,047 Against—203,016. As a consequence, Chapter 22, Laws of 1923 did not become law.
- REFERENDUM MEASURE NO. 17 (Chapter 115, Laws of 1929, Creating Department of Highways)—Filed April 27, 1929. No petition filed.
- REFERENDUM MEASURE NO. 18 (Chapter 51, Laws of 1933, Cities and Towns; Electric Energy)—Filed April 7, 1933. Submitted to the people at the state general election held on November 6, 1934. Measure passed by the following vote: For—221,590 Against—160,244.
- REFERENDUM MEASURE NO. 19 (Chapter 55, Laws of 1933, Horse Racing)—Filed April 3, 1933. No petition filed.
- REFERENDUM MEASURE NO. 20 (Chapter 118, Laws of 1935, Regulating Pilots)—Filed February 8, 1935. No petition filed.
- REFERENDUM MEASURE NO. 21 (Chapter 26, Laws of 1935, Blanket Primary Ballot)—Filed April 8, 1935. No petition filed.
- REFERENDUM MEASURE NO. 22 (Chapter 209, Laws of 1941, Industrial Insurance)—Filed April 3, 1941. Submitted to the people at the state general election held on November 3, 1942. Measure passed by the following vote: For—246,257 Against—108,845.

REFERENDUM MEASURES

- REFERENDUM MEASURE NO. 23 (Chapter 158, Laws of 1941, Providing for Legal Adviser for Grand Juries)—Filed April 16, 1941. Submitted to the people at the state general election held on November 3, 1942. *Failed to pass by the following vote: For—126,972 Against—148,266. As a consequence, Chapter 158, Laws of 1941 did not become law.
- REFERENDUM MEASURE NO. 24 (Chapter 191, Laws of 1941, Prosecuting Attorneys; Providing that they shall no longer give advice to Grand Juries)—Filed April 16, 1941. Submitted to the people at the state general election held on November 3, 1942. *Failed to pass by the following vote: For—114,603 Against—148,439. As a consequence, Chapter 191, Laws of 1941 did not become law.
- REFERENDUM MEASURE NO. 25 (Chapter 15, Laws of 1943, Relating to Public Utility Districts)—Filed March 18, 1943. Submitted to the people at the state general election held on November 7, 1944. *Failed to pass by the following: For—297,919 Against—373,051. As a consequence, Chapter 15, Laws of 1943 did not become law.
- REFERENDUM MEASURE NO. 26 (Chapter 37, Laws of 1945, Relating to appointment of State Game Commissioners by the Governor)—Filed April 3, 1945. Signature petitions filed June 6, 1945, and found sufficient. Submitted to the people at the state general election held on November 5, 1946. *Failed to pass by the following vote: For—69,490 Against—447,819. As a consequence, Chapter 37, Laws of 1945 did not become law.
- REFERENDUM MEASURE NO. 27 (Chapter 202, Laws of 1945, Relating to the creation of a State Timber Resources Board)—Filed April 3, 1945. Signature petitions filed June 6, 1945, and found sufficient. Submitted to the people at the state general election held on November 5, 1946. *Failed to pass by the following vote: For—107,731 Against—422,026. As a consequence, Chapter 202, Laws of 1945 did not become law.
- REFERENDUM MEASURE NO. 28 (Portion of Chapter 235, Laws of 1949, Relating to accident and health insurance covering employees eligible for unemployment compensation)—Filed March 30, 1949. Signature petitions filed June 8, 1949 and found sufficient. Submitted to the people at the state general election held on November 7, 1950. *Failed to pass by the following vote: For—163,923 Against—467,574. As a consequence, only sections 1 through 5, inclusive, became law.
- REFERENDUM MEASURE NO. 29 (Portion of Chapter 190, Laws of 1949, State Insurance Code)—Filed April 2, 1949. No signature petitions presented for canvassing.
- REFERENDUM MEASURE NO. 30 (Chapter 280, Laws of 1957, Inheritance Tax on Insurance Proceeds)—Filed April 12, 1957. Signature petitions filed June 17, 1957, and found sufficient. Measure submitted to the voters at the state general election held on November 4, 1958. *Failed to pass by the following vote: For—52,223 Against—811,539. As a consequence, Chapter 280, Laws of 1957 did not become law.
- REFERENDUM MEASURE NO. 31 (Portion of Chapter 297, Laws of 1959, Authorizing corporations and joint stock associations to practice engineering)—Filed March 31, 1959. Signature petition sheets presented for canvassing June 10, 1959. Results of canvassing revealed that sponsors missed obtaining necessary number of valid signatures by 1,124 signatures. As a result attempt to refer law to voters failed.
- REFERENDUM MEASURE NO. 32 (Chapter 298, Laws of 1961, Washington State Milk Marketing Act)—Filed March 22, 1961 by the Washington State Milk Consumers' League. Supporting signature petition sheets filed June 14, 1961, and as of July 26, 1961, it was

*Term "Failed to pass" indicates sponsor of Referendum was successful in attempt to prevent measure from becoming effective law.

REFERENDUM MEASURES

determined that the necessary number of valid signatures had been obtained to certify measure for final decision by the voters at the state general election held on November 6, 1962. *Failed to pass by the following vote: For—153,419 Against—677,530. As a consequence, Chapter 298, Laws of 1961 did not become law.

REFERENDUM MEASURE NO. 33 (Chapter 275, Laws of 1961, Private Auditors of Municipal Accounts)—Filed April 3, 1961 by Cliff Yelle, State Auditor. Supporting signature petition sheets filed June 6, 1961, and as of July 18, 1961, it was determined that the necessary number of valid signatures had been obtained to certify measure for final decision by the voters at the state general election held on November 6, 1962. *Failed to pass by the following vote: For—242,189 Against—563,475. As a consequence, Chapter 275, Laws of 1961 did not become law.

REFERENDUM MEASURE NO. 34 (Chapter 37, Laws of 1963, Mechanical Devices, Salesboards, Cardrooms, Bingo)—Filed April 11, 1963 by Dr. Homer W. Humiston of Tacoma, Washington. Since said act contained an emergency clause making the law effective upon the approval of the Governor it was necessary for Dr. Humiston to initiate court action to determine whether or not emergency clause was valid. As of April 11, 1963 the State Supreme Court setting en banc ruled that the emergency clause was not valid and directed the Secretary of State to accept and file papers relative to the referendum (Case No. 36998).

Dr. Humiston, as sponsor of Referendum Measure No. 34, filed signature petition sheets containing a total of 82,995 signatures supporting Referendum Measure No. 34, during the period June 3 through June 12, 1963.

As of June 24, 1963, it was discovered that all such signature petition sheets had been stolen. However, two days later (June 26, 1963), Secretary of State Victor A. Meyers certified Referendum Measure No. 34 to the respective county auditors with direction that said measure appear upon the November 3, 1964 state general election ballot in spite of the fact that the signatures had been stolen. Such action was justified upon the grounds that the sponsor of said referendum had filed 82,995 signatures when only 48,630 valid signatures were needed. On July 22, 1963 the Amusement Association of Washington brought court action against the Secretary of State challenging the certification of Referendum Measure No. 34.

On July 22, 1963, the Thurston County Superior Court ruled that the Secretary of State had acted properly under the circumstances. On March 26, 1964, the State Supreme Court sustained the Thurston County Superior Court by likewise ruling that the Secretary of State's certification was valid.

Measure then submitted to the voters at the state general election held on November 3, 1964. *Failed to pass by the following vote: For—505,633 Against—622,987. As a consequence, Chapter 37, Laws of 1963 did not become law.

REFERENDUM MEASURE NO. 35 (Portion of Chapter 22, Laws of 1967, Nondiscrimination by Realty Brokers, Salesmen)—Filed March 22, 1967 by the AD-HOC (Advisory Home Owners Committee). Signatures (81,146) filed June 6, 1967 and found sufficient. Measure submitted to the voters for decision at the November 5, 1968 state general election. Measure passed by the following vote: For—580,578 Against—276,161. Consequently, the attempt by the sponsors of this referendum to negate the open housing provision of Chapter 22, Laws of 1967 was unsuccessful.

REFERENDUM MEASURE NO. 36 (Chapter 100, Laws of 1973, Minimum Age—Alcoholic Beverage Control)—Filed April 4, 1973 by Lloyd C. Tremain, Chairman, Citizens United for Responsible Legislation. Signatures (79,389) filed June 7, 1973 and found sufficient.

REFERENDUM MEASURES

Measure submitted to the voters for decision at the November 6, 1973 state general election. *Failed to pass by the following vote: For—495,624 Against—510,491. As a consequence, Chapter 100, Laws of 1973 did not become law.

REFERENDUM MEASURE NO. 37 (Chapter 288, Laws of 1975 Extraordinary Session, Shall the present law governing professional negotiations for certificated educational employees be repealed, and a new law substituted therefore?)—Filed July 18, 1975 by Mrs. Alice K. Matz of Kent, Washington. No signatures presented for checking.

REFERENDUM MEASURE NO. 38 (Chapter 113, Laws of 1975-'76 2nd Extraordinary Session, Shall the salaries of state legislators be increased from \$3,800 to \$7,200 effective at the beginning of their next term?)—Filed April 6, 1976 by Mr. Paul E. Byrd of Tacoma. No signatures presented for checking.

REFERENDUM MEASURE NO. 39 (Chapter 361, Laws of 1977 Extraordinary Session, Shall certain changes be made in voter registration laws, including registration by mail and absentee voting on one day's registration?)—Filed June 22, 1977 by Kent Pullen. Signatures (74,000) filed September 20, 1977 and found sufficient. Measure submitted to the voters for decision at the November 8, 1977 state general election. *Failed to pass by the following vote: For—303,353 Against—632,131. As a consequence, Chapter 361, Laws of 1977 Ex. Sess. did not become law.

REFERENDUM MEASURE NO. 40 (Chapter 288, Laws of 1977 Extraordinary Session, Shall a state women's commission be established by statute?)—Filed July 29, 1977 by Susan Roylance, Representative of Women for Integrity in the Nation. Signatures (108,000) filed September 20, 1977 and found sufficient. Measure submitted to the voters for decision at the November 8, 1977 state general election. *Failed to pass by the following vote: For—259,761 Against—664,962. As a consequence, Chapter 288, Laws of 1977 Ex. Sess. did not become law.

REFERENDUM MEASURE NO. 41 (Chapter 204, Laws of 1984, Shall the timber harvest tax be continued at a 6.5% rate rather than gradually reduced over four years to 5%?)—Filed March 22, 1984 by Eleanor Fortson of Camano Island. The court ordered a writ of prohibition to prevent the referendum from appearing on the November, 1984 election ballot.

REFERENDUM MEASURE NO. 42 (Chapter 152, Laws of 1986, Shall seat belt use be mandatory for drivers and passengers of motor vehicles federally required to have installed seat belts?)—Filed April 7, 1986 by Mark Gabel of Parkland. No signatures presented for checking.

REFERENDUM MEASURE NO. 43 (Second Substitute House Bill No. 758)—Attorney General refused to write a ballot title because the Governor had not yet signed the bill. Filing of the referendum petition was premature.

REFERENDUM MEASURE NO. 44 (Chapter 506, Laws of 1987, Shall the director of the Department of Wildlife (formerly Game) be appointed by the Governor, not by the State Wildlife Commission?)—Filed May 20, 1987 by Ted Cowan of Issaquah. No signatures presented for checking.

REFERENDUM MEASURE NO. 45 (Chapter 1, Laws of 1987, First Extraordinary Session, Shall the salary increases, established by the constitutionally created Citizens' Commission, for state elected officials, legislators and judges be approved?)—Filed June 5, 1987 by Ed Phillips of Mossyrock. No signatures presented for checking.

*Term "Failed to pass" indicates sponsor of Referendum was successful in attempt to prevent measure from becoming effective law.

REFERENDUM MEASURES

REFERENDUM MEASURE NO. 46 (Chapter 1, Laws of 1991, First Extraordinary Session, Shall the salary increases, established by the constitutionally created Citizens Commission, for elected state officers, legislators, and judges be approved?)—Filed June 5, 1991 by Michael G. Cahill of Walla Walla. No signatures presented for checking.

REFERENDUM MEASURE NO. 47 (Referendum on Chapter 336, Laws of 1993)—Filed on May 13, 1993 by O. Jerome Brown of Rolling Bay.

REFERENDUM BILLS

(Measures passed by the Legislature and referred to the voters)

- REFERENDUM BILL NO. 1 (Chapter 99, Laws of 1919, State System Trunk Line Highways)—Filed March 13, 1919. Submitted to the people at the state general election held on November 2, 1920. Failed to pass by the following vote: For—117,425 Against—191,783.
- *REFERENDUM BILL NO. 2 (Chapter 1, Laws of 1920 Extraordinary Session, Soldiers' Equalized Compensation)—Filed March 25, 1920. Submitted to the people at the state general election held on November 2, 1922. Measure approved by the following vote: For—224,356 Against—88,128.
- REFERENDUM BILL NO. 3 (Chapter 87, Laws of 1923, Electric Power Bill)—Filed March 22, 1923. Submitted to the people at the state general election held on November 4, 1924. Failed to pass by the following vote: For—99,459 Against—208,809.
- REFERENDUM BILL NO. 4 (Chapter 164, Laws of 1935, Flood Control; Creating Sinking Fund)—Filed March 22, 1935. Submitted to the people at the state general election held on November 3, 1936. Failed to pass by the following vote: For—114,055 Against—334,035.
- *REFERENDUM BILL NO. 5 (Chapter 83, Laws of 1939, 40-Mill Tax Limit)—Filed March 10, 1939. Submitted to the people at the state general election held on November 5, 1940. Measure approved by the following vote: For—390,639 Against—149,843.
- *REFERENDUM BILL NO. 6 (Chapter 176, Laws of 1941, Taxation of Real and Personal Property)—Filed March 22, 1941. Submitted to the people at the state general election held on November 3, 1942. Measure approved by the following vote: For—252,431 Against—75,540.
- *REFERENDUM BILL NO. 7 (Chapter 229, Laws of 1949—\$40,000,000.00 Bond Issue to Give State Assistance in Construction of Public School Plant Facilities)—Filed March 22, 1949. Submitted to the people at the state general election held on November 7, 1950. Measure approved by the following vote: For—395,417 Against—248,200.
- *REFERENDUM BILL NO. 8 (Chapter 230, Laws of 1949—\$20,000,000.00 Bond Issue to Provide Funds for Buildings at State Operated Institutions)—Filed March 22, 1949. Submitted to the people at the state general election held on November 7, 1950. Measure approved by the following vote: For—377,941 Against—262,615.
- REFERENDUM BILL NO. 9 (Chapter 231, Laws of 1949—\$20,000,000.00 Bond Issue to Provide Funds for Buildings at State Institutions of Higher Learning)—Filed March 22, 1949. Submitted to the people at the state general election held on November 7, 1950. Failed to pass by the following vote: For—312,500 Against—314,840.
- *REFERENDUM BILL NO. 10 (Chapter 299, Laws of 1957—\$25,000,000.00 Bond Issue to Provide Funds for Buildings at State Operated Institutions and State Institutions of Higher Learning)—Filed March 26, 1957. Measure submitted to the voters at the state general election held on November 4, 1958. Measure approved by the following vote: For—402,937 Against—391,726.
- *REFERENDUM BILL NO. 11 (Chapter 12, Laws of 1963 Extraordinary Session—Outdoor Recreation Bond Issue)—Filed April 18, 1963. Submitted to the voters at the state general election held on November 3, 1964. Measure approved by the following vote: For—614,903 Against—434,978.

REFERENDUM BILLS

- *REFERENDUM BILL NO. 12 (Chapter 26, Laws of 1963 Extraordinary Session—Bonds For Public School Facilities)**—Filed April 18, 1963. Submitted to the voters at the state general election held on November 3, 1964. Measure approved by the following vote: **For—782,682 Against—300,674.**
- *REFERENDUM BILL NO. 13 (Chapter 27, Laws of 1963 Extraordinary Session—Bonds For Juvenile Correctional Institution)**—Filed April 18, 1963. Submitted to the voters at the state general election held on November 3, 1964. Measure approved by the following vote: **For—761,862 Against—299,783.**
- *REFERENDUM BILI. NO. 14 (Chapter 158, Laws of 1965 Extraordinary Session—Bonds for Public School Facilities)**—Filed May 12, 1965. Measure submitted to the voters for decision at the November 8, 1966 state general election and was approved by the following vote: **For—583,705 Against—288,357.**
- *REFERENDUM BILL NO. 15 (Chapter 172, Laws of 1965 Extraordinary Session—Bonds for Public Institutions)**—Filed May 15, 1965. Measure submitted to the voters for decision at the November 8, 1966 state general election and was approved by the following vote: **For—597,715 Against—263,902.**
- *REFERENDUM BILL NO. 16 (Chapter 152, Laws of 1965 Extraordinary Session—Congressional Reapportionment and Redistricting)**—Enrolled bill was received directly from the office of Chief Clerk, House of Representatives and filed May 7, 1965, thus bypassing the office of the Governor. Measure submitted to the voters for decision at the November 8, 1966 state general election and was approved by the following vote: **For—416,630 Against—384,466.**
- *REFERENDUM BILL NO. 17 (Chapter 106, Laws of 1967—Water Pollution Control Facilities Bonds)**—Filed March 21, 1967. Measure submitted to the voters for decision at the November 5, 1968 state general election and was approved by the following vote: **For—845,372 Against—276,161.**
- *REFERENDUM BILL NO. 18 (Chapter 126, Laws of 1967 Extraordinary Session—Bonds for Outdoor Recreation)**—Filed May 3, 1967. Measure submitted to the voters for decision at the November 5, 1968 state general election and was approved by the following vote: **For—763,806 Against—354,646.**
- *REFERENDUM BILL NO. 19 (Chapter 148, Laws of 1967 Extraordinary Session—State Building Projects: Bond Issue)**—Filed May 10, 1967. Measure submitted to the voters for decision at the November 5, 1968 state general election and was approved by the following vote: **For—606,236 Against—458,358.**
- *REFERENDUM BILL NO. 20 (Chapter 3, Laws of 1970 Extraordinary Session—Changes in Abortion Law)**—Filed February 9, 1970. Measure submitted to the voters for decision at the November 3, 1970 state general election and was approved by the following vote: **For—599,959 Against—462,174.**
- *REFERENDUM BILL NO. 21 (Chapter 40, Laws of 1970 Extraordinary Session—Outdoor Recreation Bonds—Sales; Interest)**—Filed February 24, 1970. Measure submitted to the voters for decision at the November 3, 1970 state general election and was approved by the following vote: **For—520,162 Against—474,548.**
- REFERENDUM BILL NO. 22 (Chapter 66, Laws of 1970 Extraordinary Session—State Building Bonds—Sales; Interest)**—Filed February 24, 1970. Measure submitted to the voters for decision at the November 3, 1970 state general election and failed to pass by the following vote: **For—399,608 Against—574,887.**

REFERENDUM BILLS

- *REFERENDUM BILL NO. 23 (Chapter 67, Laws of 1970 Extraordinary Session—Pollution Control Bonds—Sales; Interest)**—Filed February 24, 1970. Measure submitted to the voters for decision at the November 3, 1970 state general election and was approved by the following vote: **For—581,819 Against—414,976.**
- *REFERENDUM BILL NO. 24 (Chapter 82, Laws of 1972 Extraordinary Session—Lobbyists—Regulation, Registration and Reporting)**—Filed February 22, 1972. Measure submitted to the voters for decision at the November 7, 1972 state general election and was approved by the following vote: **For—696,455 Against—576,404.**
- *REFERENDUM BILL NO. 25 (Chapter 98, Laws of 1972 Extraordinary Session—Regulating Certain Electoral Campaign Financing)**—Filed February 24, 1972. Measure submitted to the voters for decision at the November 7, 1972 state general election and was approved by the following vote: **For—694,818 Against—574,856.**
- *REFERENDUM BILL NO. 26 (Chapter 127, Laws of 1972 Extraordinary Session—Bonds for Waste Disposal Facilities)**—Filed February 25, 1972. Measure submitted to the voters for decision at the November 7, 1972 state general election and was approved by the following vote: **For—827,077 Against—489,459.**
- *REFERENDUM BILL NO. 27 (Chapter 128, Laws of 1972 Extraordinary Session—Bonds for Water Supply Facilities)**—Filed February 28, 1972. Measure submitted to the voters for decision at the November 7, 1972 state general election and was approved by the following vote: **For—790,063 Against—544,176.**
- *REFERENDUM BILL NO. 28 (Chapter 129, Laws of 1972 Extraordinary Session—Bonds for Public Recreation Facilities)**—Filed February 28, 1972. Measure submitted to the voters for decision at the November 7, 1972 state general election and was approved by the following vote: **For—758,530 Against—579,975.**
- *REFERENDUM BILL NO. 29 (Chapter 130, Laws of 1972 Extraordinary Session—Health, Social Service Facility Bonds)**—Filed February 28, 1972. Measure submitted to the voters for decision at the November 7, 1972 state general election and was approved by the following vote: **For—734,712 Against—594,172.**
- REFERENDUM BILL NO. 30 (Chapter 132, Laws of 1972 Extraordinary Session—Bonds for Public Transportation Improvements)**—Filed February 28, 1972. Measure submitted to the voters for decision at the November 7, 1972 state general election and was rejected by the following vote: **Against—665,493 For—637,841.**
- *REFERENDUM BILL NO. 31 (Chapter 133, Laws of 1972 Extraordinary Session—Bonds for Community College Facilities)**—Filed February 28, 1972. Measure submitted to the voters for decision at the November 7, 1972 state general election and was approved by the following votes: **For—721,403 Against—594,963.**
- REFERENDUM BILL NO. 32 (Chapter 199, Laws of 1973 1st Extraordinary Session—Shall county auditors be required to appoint precinct committeemen of major political parties as deputy voting registrars upon their request?)**—Filed April 26, 1973. Measure submitted to the voters for decision at the November 6, 1973 state general election and was rejected by the following vote: **For—291,323 Against—609,306.**
- *REFERENDUM BILL NO. 33 (Chapter 200, Laws of 1973 1st Extraordinary Session—Shall personalized motor vehicle license plates be issued with resulting extra fees to be used exclusively for wildlife preservation?)**—Filed April 26, 1973. Measure submitted to the voters for decision at the November 6, 1973 state general election and was approved by the following vote: **For—613,921 Against—362,195.**

REFERENDUM BILLS

REFERENDUM BILL NO. 34 (Chapter 152, Laws of 1974 Extraordinary Session—Shall a state lottery be conducted under gambling commission regulations with prizes totaling not less than 45% of gross income?)—Filed April 26, 1974. Measure submitted to the voters for decision at the November 5, 1974 state general election, received the following vote: For—515,404 Against—425,903, and thus failed to be approved by a sixty percent majority of the voters voting on the measure, see state Constitution, Amendment 56 and AGLO 1974 No. 49.

REFERENDUM BILL NO. 35 (Chapter 89, Laws of 1975 1st Extraordinary Session—Shall the Governor, in filling U.S. Senate vacancies, be limited to the same political party as the former incumbent?)—Filed March 27, 1975. Measure submitted to the voters for decision at the November 4, 1975 state general election and was defeated by the following vote: For—430,642 Against—501,894.

*REFERENDUM BILL NO. 36 (Chapter 104, Laws of 1975-'76 2nd Extraordinary Session—Shall certain appointed state officers be required to file reports of their financial affairs with the public disclosure commission?)—Filed March 19, 1976. Measure submitted to the voters for decision at the November 2, 1976 state general election and was approved by the following vote: For—963,309 Against—419,693.

*REFERENDUM BILL NO. 37 (Chapter 221, Laws of 1979 Extraordinary Session, Shall \$25 Million in State General Obligation Bonds be Authorized for Facilities to Train, Rehabilitate and Care for Handicapped Persons?)—Filed June 11, 1979. Measure submitted to the voters for decision at the November 6, 1979 state general election and was approved by the following vote: For—576,882 Against—286,365.

*REFERENDUM BILL NO. 38 (Chapter 234, Laws of 1979 Extraordinary Session, Shall \$125 Million in State General Obligation Bonds be Authorized for Planning, Acquisition, Construction and Improvement of Water Supply Facilities?)—Passed November 4, 1980. Measure submitted to the voters for decision at the state general election and was approved by the following vote: For—1,008,646 Against—527,454.

*REFERENDUM BILL NO. 39 (Chapter 159, Laws of 1980, 46th Legislature, Shall \$450,000,000 in State General Obligation Bonds be Authorized for Planning, Designing, Acquiring, Constructing and Improving Public Waste Disposal Facilities?)—Passed November 4, 1980. Measure submitted to the voters for decision at the state general election and was approved by the following vote: For—964,450 Against—558,328.

*REFERENDUM BILL NO. 40 (Chapter 1, Laws of 1986, 1st extraordinary session, Shall state officials continue challenges to the federal selection process for high-level nuclear waste repositories and shall a means be provided for voter disapproval of any Washington site?)—Filed August 1, 1986. Measure submitted to the voters for decision at the state general election and was approved by the following vote: For—1,055,896 Against—222,141.

REFERENDUM BILL NO. 41 (Chapter 246, Laws of 1987, Regular Session, Shall the State challenge in the United States Supreme Court the constitutionality of authority delegated to the federal reserve system?)—Filed April 24, 1987. Measure submitted to the voters for decision at the state general election and was rejected by the following vote: For—282,613 Against—541,387.

REFERENDUM BILL NO. 42 (Chapter 54, Laws of 1991, Regular Session, Shall enhanced 911 emergency telephone dialing be provided throughout the state and be funded by a tax on telephone lines?)—Filed May 1, 1991. Measure submitted to the voters for decision at the state general election and was approved by the following vote: For—901,854 Against—573,251.

HISTORY OF CONSTITUTIONAL AMENDMENTS ADOPTED SINCE STATEHOOD

- No. 1. Section 5, Article XVI. Re: **Permanent School Fund.** Adopted November, 1894.
- No. 2. Section 1, Article VI. Re: **Qualification of Electors.** Adopted November, 1896.
- No. 3. Section 2, Article VII. Re: **Uniform Rates of Taxation.** Adopted November, 1900.
- No. 4. Section 11, Article I. Re: **Religious Freedom.** Adopted November, 1904.
- No. 5. Section 1, Article VI. Re: **Equal Suffrage.** Adopted November, 1910.
- No. 6. Section 10, Article III. Re: **Succession in Office of Governor.** Adopted November, 1910.
- No. 7. Section 1, Article II. Re: **Initiative and Referendum.** Adopted November, 1912.
- No. 8. Adding Sections 33 and 34, Article I. Re: **Recall.** Adopted November, 1912.
- No. 9. Section 16, Article I. Re: **Taking of Private Property.** Adopted November, 1922.
- No. 10. Section 22, Article I. Re: **Right of Appeal.** Adopted November, 1922.
- No. 11. Section 4, Article VIII. Re: **Appropriation.** Adopted November, 1922.
- No. 12. Section 5, Article XI. Re: **Consolidation of County Offices.** Adopted November, 1924.
- No. 13. Section 15, Article II. Re: **Vacancies in the Legislature.** Adopted November, 1930.
- No. 14. Article VII. Re: **Revenue and Taxation.** Adopted November, 1930.
- No. 15. Section 1, Article XV. Re: **Harbors and Harbor Areas.** Adopted November, 1932.
- No. 16. Section 11, Article XII. Re: **Double Liability of Stockholders.** Adopted November, 1940.
- No. 17. Section 2, Article VII. Re: **40-Mill Tax Limit.** Adopted November, 1944.
- No. 18. Adding Section 40, Article II. Re: **Restriction of motor vehicle license fees and excise taxes on motor fuels to highway purposes only.** Adopted November, 1944.
- No. 19. Adding Section 3, Article VII. Re: **State to tax the United States and its instrumentalities to the extent that the laws of the United States will allow.** Adopted November, 1946.
- No. 20. Adding Section 1, Article XXVIII. Re: **Legislature to fix the salaries of state elective officials.** Adopted November, 1948.
- No. 21. Section 4, Article XI. Re: **Permit counties to adopt "Home Rule" charters.** Adopted November, 1948.
- No. 22. Repealing Section 7 of Article XI. Re: **County elective officials.** (These officials can now hold same office more than two terms in succession.) Adopted November, 1948.
- No. 23. Adding Section 16, Article XI. Re: **Permitting the formation, under a charter, of combined city and county municipal corporations having a population of 300,000 or more.** Adopted November, 1948.

HISTORY OF ADOPTED CONSTITUTIONAL AMDTS.

- No. 24. Article II, Section 33. Re: **Permitting ownership of land by Canadians who are citizens of provinces wherein citizens of the State of Washington may own land.** (All provinces of Canada authorize such ownership.) Adopted November, 1950.
- No. 25. Adding Section 3(a), Article IV. Re: **Establishing Retirement Age for Judges of Supreme and Superior Courts.** Adopted November, 1952.
- No. 26. Adding Section 41, Article II. Re: **Permitting the Legislature to Amend Initiative Measures.** Adopted November, 1952.
- No. 27. Section 6, Article VIII. Re: **Extending Bonding Powers of School Districts.** Adopted November, 1952.
- No. 28. Sections 6 and 10, Article IV. Re: **Increasing Monetary Jurisdiction of Justice Courts.** Adopted November, 1952.
- No. 29. Article II, Section 33. Re: **Redefining "Alien," thereby permitting the Legislature to determine the policy of the state respecting the ownership of land by corporations having alien shareholders.** Adopted November, 1954.
- No. 30. Adding Section 1A, Article II. Re: **Increasing the number of signatures necessary to certify a state initiative or referendum measure.** Adopted November, 1956.
- No. 31. Section 25, Article III. Re: **Removing the restriction prohibiting the state treasurer from being elected for more than one successive term.** Adopted November, 1956.
- No. 32. Section 2, Article XV. Re: **Filling vacancies in the state legislature.** Adopted November, 1956.
- No. 33. Section 1, Article XXIV. Re: **Modification of state boundaries by compact.** Adopted November, 1958.
- No. 34. Section 11, Article I. Re: **Employment of chaplains at state institutions.** Adopted November, 1958.
- No. 35. Section 25, Article II. Re: **Pensions and Employees' Extra Compensation.** Adopted November, 1958.
- No. 36. Section 1, Article II by adding a new subsection (c). Re: **Publication and Distribution of Voters' Pamphlet.** Adopted November, 1962.
- No. 37. Section 1, Article XXIII. Re: **Publication of Proposed Constitutional Amendments.** Adopted November, 1962.
- No. 38. Adding Section 2(c), Article IV. Re: **Temporary Performance of Judicial Duties.** Adopted November, 1962.
- No. 39. Adding Section 42, Article II. Re: **Governmental Continuity During Emergency Periods.** Adopted November, 1962.
- No. 40. Section 10, Article XI. Re: **Lowering minimum population for first class cities from 20,000 to 10,000. Also changing newspaper publication requirements for proposed charters.** Adopted November, 1964.
- No. 41. Section 29, Article IV. Re: **Election of Superior Court Judges.** Adopted November, 1966.
- No. 42. Repealing Section 33, Article II and Amendments 24 and 29. Re: **Alien Ownership of Lands.** Adopted November, 1966.

HISTORY OF ADOPTED CONSTITUTIONAL AMDTS.

- No. 43. Section 3, Article IX. Re: **Funds for Support of the Common Schools.** Adopted November, 1966.
- No. 44. Section 5, Article XVI. Re: **Investment of Permanent Common School Fund.** Adopted November, 1966.
- No. 45. Adding Section 8, Article VIII. Re: **Port Expenditures—Industrial Development—Promotion.** Adopted November, 1966.
- No. 46. Adding Section 1A, Article VI. Re: **Voter Qualifications for Presidential Elections.** Adopted November, 1966.
- No. 47. Adding Section 10, Article VII. Re: **Retired Persons Property Tax Exemption.** Adopted November, 1966.
- No. 48. Section 3, Article VIII. Re: **Public Special Indebtedness, How Authorized.** Adopted November, 1966.
- No. 49. Adding Section 1, Article XXIX. Re: **Investments of Public Pension and Retirement Funds.** Adopted November, 1968.
- No. 50. Adding Section 30, Article IV. Re: **Court of Appeals.** Adopted November, 1968.
- No. 51. Adding Section 9, Article VIII. Re: **State Building Authority.** Adopted November, 1968.
- No. 52. Section 15, Article II. Re: **Vacancies in Legislature and in Partisan County Elective Office.** Also amending Section 6, Article XI. Re: **Vacancies in Township, Precinct or Road District Office.** Adopted November, 1968.
- No. 53. Adding Section 11, Article VII. Re: **Taxation Based on Actual Use.** Adopted November, 1968.
- No. 54. Adding Section 1, Article XXX. Re: **Authorizing Compensation Increase During Term.** Adopted November, 1968.
- No. 55. Section 2, Article VII. Re: **Limitation on Levies.** Adopted November, 1972.
- No. 56. Section 24, Article II. Re: **Lotteries and Divorce.** Adopted November, 1972.
- No. 57. Section 5, Article XI. Re: **County Government.** Adopted November, 1972.
- No. 58. Section 16, Article XI. Re: **Combined City-County.** Adopted November, 1972.
- No. 59. Section 2, Article VII. Re: **Limitation on Levies.** Adopted November, 1972.
- No. 60. Section 1, Article VIII. Re: **State Debt.** Also amending Section 3, Article VIII. Re: **Special Indebtedness, How Authorized.** Approved November, 1972.
- No. 61. Adding new Article XXXI. Re: **Sex Equality, Rights and Responsibilities.** Adopted November, 1972.
- No. 62. Section 12, Article III. Re: **Veto Power.** Adopted November, 1974.
- No. 63. Section 1, Article VI. Re: **Qualifications of Electors.** Adopted November, 1974.
- No. 64. Section 2, Article VII. Re: **Limitation on Levies.** Adopted November, 1976.
- No. 65. Section 6, Article IV. Re: **Jurisdiction of Superior Courts.** Also amending Section 10, Article IV. Re: **Justices of the Peace.** Adopted November, 1976.

HISTORY OF ADOPTED CONSTITUTIONAL AMDTS.

- No. 66. Section 18, Article XII. Re: **Rates for Transportation.** Adopted November, 1977.
- No. 67. Repealing Section 14, Article XII. Re: **Prohibition Against Combinations by Carriers.** Adopted November, 1977.
- No. 68. Section 12, Article II. Re: **Legislative Sessions, When—Duration.** Adopted November, 1979.
- No. 69. Section 13, Article II. Re: **Limitation on Members Holding Office in the State.** Adopted November, 1979.
- No. 70. Adding Section 10, Article VIII. Re: **Residential Energy Conservation.** Adopted November, 1979.
- No. 71. Adding Section 31, Article IV. Re: **Judicial Qualifications Commission—Removal, Censure, Suspension, or Retirement of Judges or Justices.** Adopted November, 1980.
- No. 72. Sections 1 and 1(a), Article II. Re: **Legislative Powers, Where Vested and Initiative and Referendum, Signatures Required.** Adopted November, 1981.
- No. 73. Adding Section 1, Article XXXII. Re: **Special Revenue Financing.** Adopted November, 1981.
- No. 74. Adding Section 43, Article II. Re: **Redistricting.** Adopted November, 1983.
- No. 75. Section 1, Article XXIX. Re: **May be Invested as Authorized by Law.** Adopted November, 1985.
- No. 76. Adding Section 11, Article VIII. Re: **Agricultural Commodity Assessments—Development, Promotion, and Hosting.** Adopted November, 1985.
- No. 77. Section 31, Article IV. Re: **Commission on Judicial Conduct—Removal, Censure, Suspension, or Retirement of Judges or Justices—Proceedings.** Adopted November, 1986.
- No. 78. Section 1, Article XXVIII. Re: **Salaries for Legislators, Elected State Officials, and Judges—Independent Commission—Referendum.** Adopted November, 1986.
- No. 79. Section 2, Article VII. Re: **Limitation on Levies.** Adopted November, 1986.
- No. 80. Section 7, Article IV. Re: **Exchange of Judges—Judge Pro Tempore.** Adopted November, 1987.
- No. 81. Section 1, Article VII. Re: **Taxation.** Adopted November, 1988.
- No. 82. Section 10, Article VIII. Re: **Residential Energy Conservation.** Adopted November, 1988.
- No. 83. Section 3, Article VI. Re: **Who disqualified.** Also amending Section 1, Article XIII. Re: **Educational, reformatory and penal institutions.** Adopted November, 1988.
- No. 84. Adding Section 35, Article I. Re: **Victims of Crimes—Rights.** Adopted November, 1989.
- No. 85. Section 31, Article IV. Re: **Commission on Judicial Conduct.** Adopted November, 1989.
- No. 86. Section 10, Article VIII. Re: **Energy and Water Conservation Assistance.** Adopted November, 1989.